



Marketing Plan for a snack company--QingjiangFish

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1 Summary

This report consists of three main parts: introduction, main finding and recommendation.

In introduction part, it is explained that what is going to do in this report. The main objective is that design a marketing mix based on the environment analysis. Besides, the situation of snack market and QingjiangFish company will be introduced.

In main finding part, the macro, micro and internal situation were analyzed and the SWOT of QingjiangFish were presented as:

- S-- High-quality raw material; Abundant cash flow and investment
- W-- Lack of brand awareness and impressive image
- O-- Strong support from the government; industrial standardization; Internet infrastructure upgrade; Disposable income and willingness to consume continue to increase; active and potential market
- T--intense competition; serious homogenization

Besides, the marketing mix was designed from seven aspects:

- Product-- issues of packing
- Price-- high-quality and medium-price pricing strategies.
- Place-- two channels as the main distribution channels
- Promotion-- penetration strategy
- People-- improve the knowledge of health.
- Process-- the service of online shopping
- Physical evidence-- the design of website and standees

In recommendation part, three suggestions are provided:

- Pay more attention to branding.
- Do not ignore the role of the Internet.

- Everyone is involved in marketing.

2 Introduction

2.1 Objectives

The goal of this report is to identify the problems the company is facing through an environmental analysis of QingjiangFish, and then design a marketing plan based on this result. include:

- (1) Analyze the macro and micro environment to find out the company's opportunities and challenges.
- (2) Analyze the internal environment to find out the company's strengths and weaknesses.
- (3) Determine the main direction of this marketing plan through SWOT analysis and STP analysis
- (4) Design Marketing Mix from seven aspects

2.2 Background

With the development of tourism, the snack food industry need to be continuously improved and innovated. The consumption of snacks is growing at a rapid rate, which is 20% higher than the growth rate of food consumption. Snacks have become one of the important parts of the food market in China. Snacks are a type of fast consuming goods that people eat at rest. With the improvement of living standards, snacks have become one of the most popular foods. Not only do children like snacks, adults also like it. The data shows that young women have become the mainstream consumers. In such a large market, some powerful companies and brands began to start their business. Some of them have formed competitive advantage.

In 2006, Tulaohan ecological agriculture company began to produce fish snacks. After a year of hard work, QingjiangFish leisure food was developed. The amount of fresh fish that used as raw material for the whole year reached more than 1,000 tons and produced four flavors for fish snacks. Their annual output value reaches more than 8 million yuan. With the development of technology, QingjiangFish has continued to innovate new tastes. Nowadays, there are more than 20 kinds of fish snacks and are popular to Sanxia. QingjiangFish was sold in Wal-Mart, Carrefour, Zhongbai market, Wushang market, China Merchants Group, China Resources Vanguard, Shanghai Brilliance and other supermarkets as well as Beijing, Shanghai, Guangzhou, Wuhan and other more than 20 large and medium-sized cities. (Hanway agriculture, 2018)

Despite the excellent sales of QingjiangFish, it is still under pressure from competitors. In the next stage, the problem they need to solve is how to gain a competitive advantage and how to become a market leader.

3 Finding

3.1 Macro environment analysis

3.1.1 Political

- Strong support for ecological agriculture from the government.

The issue of “agriculture, countryside and farmers” on the 17th CPC National Congress has become a top priority (National Congress, 2017). The government’s support for ecological agriculture has increased. Each year, the Ministry of Agriculture will give subsidies to various agricultural product manufacturers. When companies in this industry face cash flow problems or lack of funds, banks will also loosen the conditions for loans according to different circumstances. This will be a major turning point in the development

of ecological agriculture in China. At the same time, this is conducive to promoting the transformation and upgrading of enterprises.

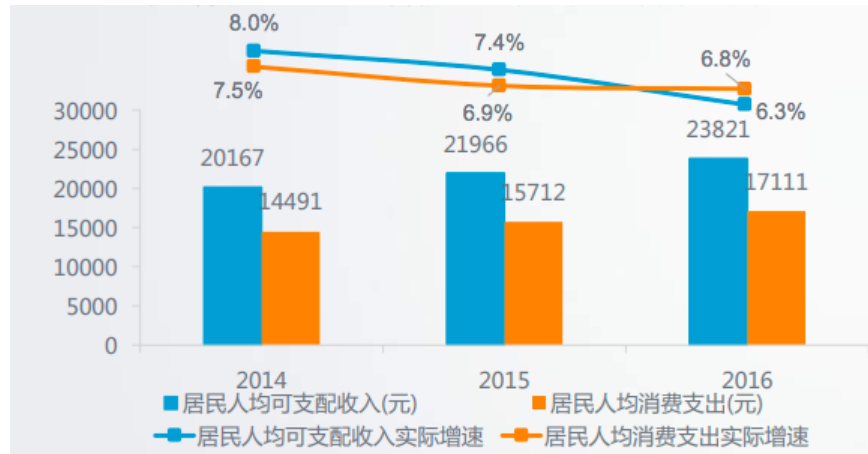
- Food safety regulations urge industrial standardization.

Food safety issues have always been the focus of policy reforms in the food industry. Quality standardization has become a basic requirement for the industry. Food quality standards are constantly improving, which means that companies must meet standards by optimizing production (Liu, 2016). On the one hand, promoting the standardization of food production can improve the environment of the entire food industry and reduce the vicious competition among enterprises. On the other hand, strict standards are also a challenge for companies. They need to apply more advanced technologies and systems to improve product quality, which means that it takes money and time.

3.1.2 Economics

- Disposable income and willingness to consume continue to increase.

In the context of the steady growth of the Chinese economy, there are two major changes that warrant attention. First, the growth of household consumption expenditure exceeds the growth of income, which means that consumer psychology has undergone a change and more people have begun to try to advance consumption and upgrade consumption (see figure below). Under this premise, people's consumption of food is not just a basic survival need. Instead, the mental satisfaction of food becomes more important. Second, the contribution of consumption to GDP has increased significantly since 2012 and has increasingly become a driving force for China's economic development. The increase in consumer contribution shows that consumption patterns of China and consumer behavior are changing.



translation: Per capita disposable income of residents, The growth rate of per capita disposable income of residents (Blue label)

Per capita consumption expenditure of residents, The growth rate of per capita consumption expenditure of resident (orange label)

(source: www.iyiou.com)

3.1.3 Social

- Increasing consumer trust, brand loyalty and health concepts.

On the social level, the consumer psychology has continued to change in recent years. In general, the consumer market has developed toward branding, health and quality. From 2012 to 2015, more consumers began to have a sense of brand loyalty (CampaignChina, 2015). The demand for retailing product without leading brand may become blue ocean markets. In addition, consumer's propensity to consume food has changed significantly. Their demand for unhealthy foods has sharply decreased. On the contrary, there may be a potential huge market for healthy foods.

3.1.4 Technology

- Internet infrastructure upgrade

The upgrading of Internet infrastructure is reflected in the increasing population of people accessing the Internet and the development of telecom infrastructure and information technology (CNNIC, 2018). As a result, there are more methods of acquiring and disseminating information in an efficient way. This allows companies to have more exposure to consumer and sales channels.

- Industrialization

Logistics, production technology and warehousing systems have been developed. This offers the possibility for companies to expand their business scope along the industrial chain and increase the production of more categories. New technologies make it possible to create new product in different physical forms. For food manufacturing, the creation of new textures and tastes may promote a completely different product. In addition, the upgrade of the warehousing system can help companies reduce distribution costs and being more efficient in distributing.

To sum up, the macro environment provides companies with many opportunities. Whether it is policy support or social value orientation, it will promote the development of health products and green products.

3.2 Micro environment analysis

3.2.1 Market analysis

Market definition: A demand for eating between meals	Customer characteristics: Young (under 40); Have a demand of releasing stress;
Market factors	Trends
Size	Large market volume
Growth	Rapidly growing

Variety	Small differentiation
Segmentation opportunity	Have an opportunity in healthy fish snack segment
Dealer concentration ratio	Low concentration

A leading brand of fish snacks has not existed in Hubei. With healthy snack food gradually attracting attention from consumers, more and more people began to be aware of the healthy issues of snacks.

First, the market of snacks is active and potential. In 2015, the per capita consumption of food and tobacco was 4,814 yuan with an increase of 16.7% over 2013. China National Business Research Institute pointed out that the scale of the retailing market for snack food industry is expected to reach 1.2984 billion yuan by 2020. Although the national Engel's coefficient continues to decline, the expenditure on food continues to increase. This shows that food market volume in China is large and the growth rate of it is high.



translation: scale of snack market (blue), growth rate (yellow)

(source: <http://www.chyxx.com/industry/201612/474537.html>)

Second, the differentiation of this market is small. The variety of snacks on the Chinese market is relatively single and the competition during the industry is fierce. This is mainly because the innovative awareness and innovative technology are relatively weak and lacking, which result in serious product homogenization. Moreover, snack producers

cannot accurately identify consumer preferences and fashion trends. That leads to unattractive product design and brand concept for young people.

Third, healthy fish snacks are a new market segment. Compared to other snacks, fish snacks have an attribute of health. Although there are many fish snack brands in Hubei, there has not been a leading company. One of the features of QingjiangFish is the availability of high-quality materials, which makes them capable of providing healthy and nutritious snack products (Hanway agriculture, 2018).

Finally, the snack food industry is less concentrated. There are many small manufacturers and snack brands, but economies of scale are not achieved. These brands and their products have no characteristics or connotations because they are plagiarizing each other (Southcn, 2015). Moreover, the mid-to-high end snack market has been monopolized by foreign capital and has an absolute advantage in the snack market.

3.2.2 Customer analysis

- Customer profiles

Elements	Situations
Gender	Female are more than male
Ages	Tend to be young people, like children, teenagers, youngsters
Consuming area	Aged below 16: accompanied by parents Aged between 16-40: online shopping Aged above 40: off-line shopping, like supermarket
Reasons to buy	Aged below 16: try new and fun snack foods, eating Aged between 16-40: spiritual enjoyment, supply energy
Price sensitivity	Aged below 16: high Aged between 16-40: low

	Aged above 40: low
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Snack food consumers are widely distributed. These consumption is not limited by region, age and education. The consumers of snack foods include young people and children, middle-aged people and elderly people. Youngsters, children, middle-aged and young women are the main group of them (Chyxx, 2017).

- Buyer needs

- (1) Mental demand

The unique taste, appearance and feeling have become the important factors in customers' choice of snack foods. The enjoyment of snacks can ease the pressure of life and work. As an unnecessary intake, its additional value may exceed core value.

- (2) Health and nutrition

The demand for healthy snacks has been increasing in adult population due to evolution of on-the-go lifestyle and availability of convenient snacking options (Grand view research, 2017). With the increasing awareness about healthy snacking habits, more and more customers will pay attention to the health and nutrition issues of snacks.

- Buying behavior

For children, they have more impulsive consuming behaviors. Because they are easily influenced by advertising. For young and middle-aged people, they are usually busy and do not have too much time to choose. Besides, they are not very sensitive to prices compared to children. So, they pay more attention to the brand, exquisite packaging and convenience of carrying.

3.2.3 Competitor analysis

In general, due to the intense competition, it is difficult for QingjiangFish to compete in the fish snack market. Jing, FishingCat and QingjiangFish own the majority of market share. The former two brands are widely recognized among consumers because of their advertisements, while QingjiangFish is not well known compared with them.

- Key competitor——Jing

Jing is affiliated to Huawei Food Co., Ltd in Hunan Province. They are currently the highest-selling brands of fish snacks. The company's brand philosophy is simple, free, and happy. Jing's strengths are promoting. In 2013, Jing invited the famous host Wang Han to become the brand spokesperson, which greatly improved the recognition of Jing. (Huawei Food, 2018)

- Key competitor——FishingCat

FishingCat is a part of Youdo Co., Ltd in Hubei. They are the major competitors of QingjiangFish in Hubei Province. The company is close to Han River so that they can obtain high quality fish as raw materials. This one is similar to QingjiangFish. In addition, their brand philosophy is healthy, which is very similar to that of QingjiangFish. Moreover, brand image building is their strength. The spokesperson for FishingCat is a cartoon cat with human personality, which makes a deep impression on consumers. (Doudo, 2018)

Overall, the market has great potential, but does not concentrated. Company need to become industry leaders as soon as possible in order to increase profits. The characteristics of consumers are obvious and they are mainly young women. Competitors have formed competitive advantage.

3.3 Internal analysis

5M's Model

Money	The total assets of QingjiangFish reached 1.2 billion yuan. In 2015, the company's annual sales reached 2.55 billion yuan. Profits and taxes totaled 117 million yuan.
Manpower	QingjiangFish has a group of capable employees. The company establishes a close cooperative relationship with the university and employs outstanding college students as reserve talents. They also hired

	well-known technical experts to carry out product research and development.
Minutes	Now, the company is building a new industrial park to prepare for the expansion of production. This is a good timing to consider new policies.
Materials	Hubei is a place where has many lakes, which makes it possible for QingjiangFish to obtain abundant fish resources. Compared with competitors in other similar products, it will have an advantage of cost leadership.
Machinery	The company currently has 58 R & D testing equipment of various types, the original value of these equipment is 5.6 million yuan.

3.4 SWOT analysis

Strengths	● High-quality fish resource as row material ● Abundant cash flow and investment
Weaknesses	● Lack of brand awareness and impressive image
Opportunities	● Strong support for ecological agriculture from the government ● Food safety regulations urge industrial standardization. ● Internet infrastructure upgrade ● Disposable income and willingness to consume continue to increase ● the market of snacks is active and potential
Threats	● intense competition ● serious homogenization

3.5 STP analysis

3.5.1 Segmentation

Demographic method—ages

We are going to segment the fish snack market by the ages of consumers. According to the customer analysis above, the majority of snack consumption was finished by the young group. In terms of customer need, young and middle-aged people have expectation about health on snacks food. Therefore, we can divide the market into these three parts:

children and teenagers	young and middle-aged people	elderly people
● These people are very young ● having no income or few incomes. ● Their expenditure on snack is little ● They are sensitive of price.	● They can be financially self-sustaining ● Having busy lifestyle and long-time working ● Need supplement between meals ● Pay attention to brand, health and quality	● Consuming traditional snacks ● Single taste ● Practicality-oriented ● Special nutritional needs

3.5.2 Targeting

we are going to concentrated in the young and middle-aged segment, providing one kind of product for it. Because this group of consumers has strong purchasing power, this means that the market is large. Second, they have a demand for healthy snacks, which is exactly the strength of QingjiangFish. Finally, concentrating limited resources in a niche market can increase efficiency and foster more loyal customers.

3.5.3 Positioning

Description of product that we decide to offer:

- Feature

Using fish from Qingjiang as raw material

Made with non-traditional processes, no frying process

Design different styles of packaging according to different tastes

- Attribute

Made by high-quality material

Low fat

Offer more choices of tastes

- Benefit

Rich in protein, providing nutrition for the body

Suitable for people who are in diet and those who care much about health

You can enjoy different tastes

3.5.4 competitive strategy

QingjiangFish plays a role as a challenger in the fish snack market. Its main goal is to defeat Jing and become the leader of this market segment. Therefore, we will use an aggressive attack strategy, frontal attack (Jaideep, 2018). we should attack the opponent's strengths rather than its weaknesses, which means branding and promotion issues are the main aspects. Because QingjiangFish has greater resources than Jing but lack of awareness.

3.6 Marketing Mix

3.6.1 Product

Although QingjiangFish offers consumers different tastes, it lacks consideration in the design of packaging, which is the reason of low brand awareness and unattractive. Most customers don't have the time or energy to weigh the advantages and disadvantages of the products in their shopping carts, so they use a shortcut to make their decision. That shortcut is the product's packaging (Conran, 2014). Therefore, we must take the update of packaging as the main task during this time.

- Improve packaging strategy

For the improvement of packaging, it can better cater to the needs of consumers and gain more consumers. Packaging should match consumers in the concept of consumption. This helps to establish an image of health for the company.

- Focus on packaging capacity

According to the different needs of consumers, the packaging capacity should meet the diverse needs of different customers. We can design small, medium and large capacity. The small capacity is 100g to meet the unique needs of consumers. The packaging in the 150g, to meet the needs of couples. The large package is 300g to meet the needs of many consumers.

- Focus on packaging style

Determine the style of the product packaging based on the attributes of the product. We must design fashionable packaging to attract consumers and reflect the style of the QingjiangFish brand.

3.6.2 Price

QingjiangFish's pricing is higher than that of competitors because of their high quality raw materials. Although this price is reasonable, it may not be attractive and motivating for new consumers. Therefore, we will apply high-quality and medium-price pricing strategies.

Adapting pricing policies to the channels. We will adopt different pricing policies online and offline. Because the online and offline customer groups are different. Young people consume snacks mainly through online shopping. Therefore, the online pricing strategy is discounts and promotions. Use different discount methods, such as Buy One Get One Free, to motivate consumers to buy. The main purpose of this policy is to attract new young customers and increase brand awareness.

3.6.3 Place

QingjiangFish mainly adopts the method of selling in stores. There are two channels to choose from. The first kind of channel is that QingjiangFish chooses a few middlemen to sell its own products. QingjiangFish selects its own middlemen in the shops around the university city. Because of the nice geographical location, it is located in the university town. The flow of students is relatively large, and there are many residential areas around. In this channel, we should select several influential shops or representatives as partners and sell products to the targeted students and residents. The second channel is large supermarkets. QingjiangFish has established links with large supermarkets such as Carrefour and Wal-Mart, and can directly sell goods on shelves.

3.6.4 Promotion

In the short term, we will adopt penetration strategies. We will implement different promotion programs to achieve the goal of expanding our reputation and occupying more market share. The promotion effect of QingjiangFish is not ideal. Because the promotion method does not conform to the needs and habits of targeted consumers for obtaining information. Although QingjiangFish has invested a lot of money in advertising, it has had little effect. The reason is that most advertising are presented in traditional ways. Therefore, adapting to the needs and habits of customers and adjusting strategy for social media communications may bring changes to company and brand.

- Advertising

Online advertisement:

QingjiangFish needs to improve the accuracy of advertising. Young women are the main consumers of such snacks. Therefore, advertising based on their buying habits will bring better publicity. For example, advertising on online shopping sites and social media.

Fashion trend:

The content of the advertisement can directly reflect the brand image. Adding fashion to the brand is one of the ways to attract young woman..

- Public relations

Public relations can be used for promotion. First, sponsor large events on university to let more students know about QingjiangFish. Second, get goodwill through charity. When consumers buy one QingjiangFish product, we donate 1 yuan to children in poor areas.

- Sales promotion

Free to taste:

We distributed snacks in supermarkets and invited consumers to taste. In order to increase consumer awareness of products and brands in order to increase brand influence. And this can affect consumers' choice of whether to buy.

Lottery:

Consumers obtain lottery opportunities after purchasing products. Since the value of prizes is very attractive, many consumers are willing to take part in this risk-free activity. Prizes should be attractive to consumers.

3.6.5 People

Employees are crucial to the success of marketing. If the organization's employees are not good enough, then it is difficult to imagine that marketing can achieve continuous success. For QingjiangFish employees, they should have more knowledge about nutrition or health foods. This makes promotion easier and more reliable.

3.6.6 Process

Online shopping is the main shopping method for targeted customers, where QingjiangFish put not much focus on. The process of offering services to customers through the Internet still needs improvement.

Customer service:

Customer service is the most common service that delivery by staff in the online shopping process. And this process is achieved through the network. Therefore, the capability of customer service personnel and the speed of website operations are important factors that influence consumer experience.

Parcel delivery:

Online shopping goods are generally delivered to consumers' homes by parcels. In this process, speed and protection are important. Slow speeds or damaged packages can cause consumer complaints.

3.6.7 Physical evidence

Website design and standees design are the most direct physical evidence. On the online shopping platform of QingjiangFish, the colors are relatively simple and there is no prominent style. This lack of aesthetics can cause discomfort to customers and affect the efficiency of information acquisition. In addition, the standees design is an opportunity to display the brand image in the supermarket. Reasonable display methods and art design can attract consumers' attention.

3.7 Budget

programs	Description	Expenditure
Advertisement	Sina Weibo	¥ 100,000 /year
	WeChat	¥ 100,000 /year
	Website maintaining	¥ 50,000 /year
	Salary	¥ 5000* 20 people* 12 months = ¥ 120,000 /year
Free to taste& Lottery	Posters & other material	¥ 10,000
	Product	¥ 20,000
Charity	Gift	¥ 10,000

	Donation	¥ 50,000
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4 Conclusion

To sum up, this report is a marketing plan for QingjiangFish, a fish snack brand. The main context of this report can be divided into two parts, which is the analysis and marketing mix. We analysed the macro environment, micro environment, external environment of QingjiangFish. Then the SWOT analysis was presented, included strengths, weaknesses, opportunities and threats. We found out that QingjiangFish was not competitive in the fish snack market because of the lack of brand awareness and impressive image. Therefore, in the following section, we designed a marketing mix from 7 aspects aiming at developing brand influence for QingjiangFish. For product, we are going to focus on the issues of packing. For pricing, we will apply high-quality and medium-price pricing strategies. For place, we emphasis two channels as the main distribution channels, which is middleman around school and large supermarket. For promotion, we will adopt penetration strategy and designed some policies according to the advertising, PR and sales promotion. For people, we propose that people who participant in marketing activities or even the whole company should improve the knowledge of health. For process, the service of online shopping should be delivered in efficient speed and under protection. For physical evidence, the design of website and standees should be considered. Finally, some suggestions were provided.

5 Recommendations

- Pay more attention to branding. In the case of serious product homogeneity, the brand is the reason consumers choose to buy again.

- Do not ignore the role of the Internet. Although fish snacks are a traditional snack, they can be given new meaning and value. Whether as a distribution channel or a way of spreading information, the Internet has become an integral part of people's lives.
- Everyone is involved in marketing. Whether or not they are related to marketing work, they should recognize the culture, values and ideas of the organization.

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