

GLOBAL MARKETING STRATEGY - ASSIGNMENT 2

HYBU CIG CYMRU (HCC) PROMOTION OF WELSH LAMB MEAT IN HONG KONG

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1.0. Executive Summary

This report investigates both the marketing mix and the international marketing mix of Hong Kong, and agent as the market entry method. The marketing mix consists of the 7P's (Products, Price, Place, Promotion, People, Process, and Physical Evidence), while the international marketing mix are the standardisation (ethnocentric) and adaptation (polycentric).

The research is done by using the secondary research. Journals, books, news articles, company websites, and online websites are used to help delve into the research for content and solutions. The Hybu Cig Cymru (HCC) main website and its microsites are used to find more information of the product that they are offering and the way they handle their products. The content for Hong Kong is found in the Hong Kong government websites, where many articles and guides are available for access.

It is found that the HCC would have to Adapt their marketing mix and with the help of the Agents in Hong Kong, the business runs smoothly. In terms of Product, the welsh lamb has a fierce competitor with Mainland China and Australia. The Price is set to a competitive price that bests represents the quality of the meat and to cover costs. The use of sea freight is cost efficient as it allows them to export high volumes of welsh lamb meat. Place is located in Qianhai Bonded Area in mainland China where the meat is stored temporarily and distributed to Hong Kong in batches. Promotion, advertising the product based on the familiarity of the Hong Kong people. People, the agents hire their employees and train them to work. Process, delivery is seen by the agents to make sure that the products are delivered to the customer efficiently. Lastly, the Physical Evidence the agents are given uniforms and delivery trucks that has the HCC brand on it.

It is recommended for the HCC to adapt themselves to the Hong Kong market, because the market is competitive and demanding.

2.0. Introduction

The report is a continuation of the previous report. It was discussed that the next country to introduce Welsh Lamb is Hong Kong, and the market entry method is via agent. It continues on to the discussion of the general marketing mix (7P's) and the international marketing mix (Adaptation [polycentric] or Standardisation [ethnocentric]).

Hybu Cig Cymru (HCC) or Welsh Meat Promotion is an organisation that is funded by the Welsh government and supported by the European Commissions. The organisation works together with Welsh farmers who produce lamb, beef and pork to supply both the UK and international market. The suppliers and their produce have gone through strict regulations by the HCC to ensure that the meat that they produce satisfies the requirements to ensure the quality of meat is certified Protected Geographical Indicator (PGI). This certification proves that the welsh meat is of the best quality.

An agency is picked from Hong Kong to carry out some of the marketing mix elements. Mainly the Place, Processes, Physical Evidence, and People.

3.0. Marketing Mix (7P's)

The marketing mix is a strategy that is used by marketers when delving into a new market especially the international market. The marketing mix consists of 7Ps; Products, Price, Place, Promotion, People, Process, and Physical Evidence. Also, the international marketing mix considers the options for the Hybu Cig Cymru (HCC) on standardising or adapting their business to Hong Kong (HK).

3.1. Product

The product is an item that is sold for a value. The product could be both tangible, and non-tangible (services) so long as it provides their customers value in purchasing the product (The Economic Times, n.d.). In this case, the Welsh Lamb is the product.

The HCC is certified Protected Geographical Indication (PGI) by the European Commissions for all their meat products. (HCC Wales, n.d.) This assures customers that their products are of premium quality. The Welsh lamb meat is cut into the standard parts of the lamb and manageable pieces for easy transport. Though the consumers could put in a special request if they want the meat cut to their preference. (Hybu Cig Cymru - Meat Promotion Wales, n.d.)

Health and cleanliness is important to both consumer and business. Thus the meat is cleaned, vacuum packed, and kept in ideal temperatures to maintain its quality and prevent bacterial growth to reduce wastage during exporting (Hybu Cig Cymru - Meat Promotion Wales, n.d.). The packaged meat has to be labelled with the nutritional facts and expiration date as set by the Hong Kong Centre of Food and Safety (cfs.gov.hk, 2007), and the PGI stamp be shown clearly as proof of its quality.

3.2. Price

Price generates revenue for the business. The quality of the product plays a vital role in consumer's view on the value of the product. If the product is expensive, the consumer expects premium quality.

The HCC would have to adapt their price to best suit Hong Kong market, cover the costs of export, and distribution, and to cover the different currency rates. Hong Kong does not implement any taxes on the sale of goods, but it has 16.5% profit tax on corporations (guidemehongkong.com, n.d.). The choice of using sea freight as a mode of exporting the goods, it is cost effective and allows them to import big batches of meat (Hybu Cig Cymru - Meat Promotion Wales, n.d.). HCC would have to cover the insurance due to using Ex. Works which puts responsibilities to the exporter in making sure that the products arrive safely. Thus, the HCC to bases their meat at competitive prices.

The consumers in Hong Kong would pay money for the premium products, so long as it provides the best quality and consumer benefits (En.portal.santandertrade.com, 2018) Thus, the PGI certification allows the Welsh lamb to be sold at a premium price because of its international recognition of quality. Though HCC would have to adjust their meat pricing at a competitive value because the consumers are looking for “value for money” products.

3.3. Place (Distribution)

Place is a factor that represents the distribution of the product. The product has to be at the right time, quantity, and location, while maintaining a cost effective approach on the distribution, inventory and storage. Convenience and efficiency is key in impressing the customers of the business.

The meats are cut into pieces, and vacuum-packed and froze to -1°C to -1.5°C to keep its freshness and increases its shelf life (Hybu Cig Cymru - Meat Promotion Wales, n.d.) throughout the transport and delivery time. The meats are then stored into temperature controlled coolers and it is not packed fully, this is to ensure that the meat does not go bad during delivery because of the uneven temperature distribution (CRS Cold Storage, 2016).

The job of the agents is to ensure that the meat is packed and delivered to the designated port and distributed to the customers on time. This is done once the cargo is docked at the Qianhai Bonded Area and it is inspected by the country's authorities (cfs.gov.hk, n.d.). It will then be delivered to the warehouses, customers, restaurants, deli, and butchers. The agency and HCC should ensure that their website is mobile friendly and features delivery tracking for their customers to track their delivery and order status.

3.4. Promotion (Communication)

Promotion gives a chance for businesses to showcase their products to customers, and provide a two way communication between businesses and consumers. Promotion comes in traditional forms (newspaper, TV, brochures) and online (social media, corporate website, online advertisement). It is also a two way communication where the interaction between HCC and the agents, and agents with consumers. (CIM 7Ps - A brief summary of marketing and how it works, 2015)

HCC provides the agents with the information that describes the products and services that the organisation offers. Through Public relations method, the agents help HCC to update the available website to adapt to the local market and deal with local advertising. The information provided in their promotion materials will be in english and mandarin.

Hong Kong people tend to purchase products that are endorsed by both local and western celebrities (En.portal.santandertrade.com, 2018). It provides them reassurance that the product is of premium quality and social status. The advertisements in Hong Kong are mostly focused on health, physical strength, and tenderness and flavour (Chan, Leung and Tsang, 2013). The agencies should provide the best advertising campaign on making the Welsh lamb attractive and appealing to the local consumers. By advertising the product in local festivity ads for example, that shows a family having a nice reunion dinner surrounding a variety of dishes. This allows the consumers to relate themselves with the product.

3.5. People

Employees are the lifeblood of an organisation. People focuses on training the employees to provide the best customer service, because they represent the organisation. Thus, it is HCC's job to provide training and employee development to their own staff members and the agencies.

In HCC, the organisation hires professionals for their staffs, who are trained in their positions and provide the best service to their customers. HCC should provide staff training and motivation for the agency workers. They agency acts as the face of HCC to the consumers. Therefore, they would monitor the progress of the distribution and maintain relations with the customers. By creating relationships with customers, it allows HCC to monitor the percentage of sales of the product and loyal customers of their product. Not only that, HCC and the agency should provide after sales support. It adds more value to the product, like giving out memberships and promotions. (CIM 7Ps - A brief summary of marketing and how it works, 2015)

3.6. Process

Process deals with how the product reaches to the customer's door step. (CIM 7Ps - A brief summary of marketing and how it works, 2015). Nowadays, everything can be done online. From the customer's order to the delivery status of the product.

The Welsh lamb club that is established by the HCC in Hong Kong, allows customers membership on the premium lamb meat. The agents handle the processes to ensure that the products arrive on time and the quality is maintained. Everything is done online now, the online website should be displayed and run to be customer friendly. The agents would adapt the website to best suit the customer's needs when ordering the product, like information of the meat's cut, nutrition facts, and delivery status. Another way is through electronic processing where the packaging of the product would have QR codes that allows the customer to learn more about the product (The Marketing Mix, n.d.). Hong Kong agents would have to adapt the current technology that is in UK to better suit the Hong Kong's consumer payment method, as now they are moving on to using e-wallets. (Yeung, 2018)

3.7. Physical Evidence

The saying, “Don’t judge a book by its cover” is an example of physical evidence. The way the product is displayed either online or in a physical store. It is one of the way marketers attract their customers to their product; by including something eye-catching. This could be a nicely done webpage, the packaging of the product, striking logo, certification, and others. (The Marketing Mix, n.d.)

The hired agency should include the Welsh lamb meat in their online store and provide detailed information about the product. Because the local agency knows their local customer’s preferences, they could adapt the webpage design special for the HCC meat promotion. Not only that, the packaging should be displayed in a nice package and of premium quality. The design of the package is based on the quality of meat and the PGI stamp and brand should be clearly stamped to prove the meat’s quality. The agents are also provided with uniforms and delivery vehicles are stamped with the HCC logo and PGI stamp. The warehouses are kept clean together with the delivery trucks. This shows the customer that the company has standards and produce premium brand goods. (Oxford College of Marketing Blog, 2018)

4.0. Key Cultural Forces

In Hong Kong business is run differently than in the UK. Differences in culture, language, and ethics. The Hong Kong people would greet each other with a handshake and addressing each other by their title and surname. Hierarchy is important for Hong Kong people, because it shows respect to those who are senior, thus the most senior member should be greeted first. Provide business cards that are both in English and Mandarin, as it a way for them to know if you are interested in doing business with them. (The Economist, 2008)

Dress code should be formal with muted colours as different colours have different meaning. Hong Kong people are not direct. They would not mean what they say sometimes. Example, a 'Yes' does not mean that they agree with you immediately, it could mean that they understood you. The word 'No' should be rephrase to a more polite tone, as it could show aggressiveness. It would be nice if the HCC employees learn to speak Cantonese, even though most of the time, meetings are carried out in English. It would show that effort is put into creating a business with them. Not only that, it helps then to easily communicate with the businessmen and locals. (Focus, 2018)

Keeping calm, modest, and patient, is important because they tend to have a discussion before making a final decision. (Internations.org, 2018)

5.0. Conclusion

In the beginning, it would be hard for HCC to adapt themselves to the Hong Kong market because of its competitiveness and demanding consumers. The HCC has to be competitive themselves, as they are competing with other lamb meat producers who have been doing business in Hong Kong for years, like Australia, New Zealand, America, and Mainland China. Since the organisation has established the Welsh Lamb Club in Hong Kong, it provides a chance for them to be recognised by the local consumers, as each club member is well known. If the organisation does not push on and create a strong customer base it would prove to be difficult for them to continue on doing business in Hong Kong.

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