



Meat Promotion Wales

Global Marketing Strategy

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EXECUTIVE SUMMARY

The report will:

- Briefly introduce the background of Welsh Lamb.
- Taking key challenges and constraints into consideration.
- Develop creative strategies through segmentation, targeting and positioning.
- Conduct marketing mix for Welsh lamb.

The meat market can be subdivided into supermarkets, restaurants, butcher and retail chains.

For this report, supermarket and retail chain stores will be chosen and discussed. Welsh lamb is positioned as 'Convenient organic green food'.

According to the specific circumstances, different strategies should be adopted, products, distribution channels, processes and physical evidence to adopt the standardization strategy, the price, promotion and people adopt the adaption strategy.

1 INTRODUCTION

This report will: Providing a report developing a marketing mix design that will be suitable for Canada and direct exporting strategy that was recommended. Then, reviewing examples of how competitors have entered foreign markets and identifying the problems they have encountered. Next, discussing key cultural forces which may influence the organisation's decisions on whether to standardise or adapt their existing marketing mix tools for their B2B market. Finally, producing firm recommendations as to the course of action the company should take with regard to the marketing mix elements.

1.1 BACKGROUND

Welsh Lamb in Britain is popular for its good quality and are sold to many foreign countries. Official figures show that in 2014, approximately 35% of sheep meat produced in Wales was exported to the European Union, and up to 93% of Welsh lamb exports. However, The fact is that Britain has voted to leave the European Union and the negotiation will take at least two years, which can lead a huge decline of the EU market. HCC (Meat Promotion Wales) will now have to work hard to find new foreign markets for the 93% of lamb that is normally consumed in Europe. To develop existing markets and discover potential markets is the vital thing.

It is reported that the demand for lamb meat will increase at a growth rate of more than 40% from 2003 to 2020 in Canada. This is partly due to the shift in the demographic structure of Canada, which has made mutton a major demand. Canada receives about 300,000 new immigrants each year. Most of them come from countries that people love mutton, which means that more and more people need to consume lamb. These new immigrants came to Canada, most of which were concentrated in large cities such as Vancouver, Toronto and Montreal, and their surrounding satellite towns, causing changes in ethnic and demographic distributions, resulting in changes in consumer tastes and preferences, all of which led to a surge in imports of mutton or lamb of consumer demand (m.dooland.com/index.php). In the last assignment, Canada has been chosen as the export country of Welsh lamb and direct

exporting strategy has been decided. The hierarchical model is been chosen characterized by high growth potential and relative low sociocultural distance between Britain and Canada. Based on the recommended market entry strategy for a successful entry into the lamb market, marketing activities through the marketing mix have to be done next.

1.2 SCOPE OF REPORT

The purpose of this report is to design marketing mix for Canada market and give some recommendations.

1.3 RESEARCH METHODOLOGY

The main research method adopted in this report is secondary research, and sources of information come from books, journals, reports websites, and database online. Although this method is less expensive, less time-consuming and more objective than doing research abroad, it also has some drawbacks. For example, secondary data in some developing countries is scarce and some data can be unreliable.

2 DEFINITIONS OF MAJOR CONCEPTS

2.1 ETHNOCENTRIC POLICY

Ethnocentric policy is an approach found in international companies. This means that nationals from home country play a leading role in company and holds most of the decision-making power. Such ethnocentric attitude origin from the concept that nationals of home country are the best suited one to do business (Heery & Noon, 2009).

2.2 POLYCENTRIC POLICY

Polycentric policy means that the company can have more than one centre. Take this

market as the center when develop a new market, and adopt an adaptation strategy (Matthews, P.H., 2007).

3 MAIN FINDINGS

3.1 STP (SEGMENTATION, TARGET & POSITION)

Lamb is a kind of low-fat and high-protein meat with low calorie and rich nutrition. As people's living standards increase and incomes increase, the demand for lamb will continue to increase. (Font-i-Furnols & Guerrero, 2014). In addition, the Muslim population continues to grow in Canada and the demand for the lamb market in Canada will continue to expand (Anonymous, 2011).

3.1.1 SEGMENTATION

The meat market can be subdivided into supermarkets, restaurants, butcher and retail chains. For this report, supermarket and retail chain stores will be chosen and discussed. The market segmentation standard of any product is different and complex. Meat products have the characteristics of diversity and different consumer groups. The requirements for the taste, quality, and brand of lamb are different. According to the characteristics of lamb, it can be divided into: age class, marital status, economic income, residence, location of residence, demand for product taste, type of lamb, price, brand and lifestyle (Steven et al., 1996). Because of the limited number of words in the report, only the following indicators were selected as the basis for lamb market segmentation.

- Age Class (Years)
Less than 30, 30-39, 40-49, 50-59, Over 60
- Marital Status
Single, Married/co-hab, Separated/divorced/widowed,
- Income per Month
Stable and high income, unstable and low income

- Residence
 - Home, apartment, other
- Location of Residence
 - City, suburb, country, other

3.1.2 TARGET

- Adult is the main part of meat consuming and it should be the target. In addition, another objective is to attract new and younger consumers for its organic products since they are consumers with huge potential.
- In terms of marital status, married or cohabiting people are target customers, because they are more likely to cook using lamb for themselves.
- With regard to income, groups with stable monthly income are more likely to become loyal customers.
- About residence, people who lived in home is the main goal.
- Regarding location of residence, people who lived in city or suburb is the main objective.

3.1.3 POSITION

Welsh Lamb has been awarded the coveted status of Protected Geographical Indication (PGI) by the European Commission (EC) in view of unique qualities of Welsh Lamb. PGI represent that the product that are unique to their terrain, that are lovingly-crafted and have an unbreakable connection to the Welsh land they come from. Also, food safety, quality or traceability can be ensured. Hence, Welsh lamb meet consumer requirements for green and healthy foods. PGI sets Welsh lamb apart from the rest brand of lamb around the world (<http://eatwelshlambandwelshbeef.com/en/what-pgi>).

Moreover, for Canadians, Walsh lamb is an imported good and imported food usually means high quality. Moreover, some customers may prefer to show their good taste and good environmental awareness (Hollenson, 2013). Therefore, Welsh lamb is

positioned as ‘Convenient organic green food’.

3.2 MARKETING MIX (7P's)

The key consideration for all of the elements of the marketing mix (the 7P's) is one of standardisation or adaptation. This will be discussed in next several parts.

3.2.1 PRODUCT

Welsh lamb products adopt a standardized strategy. The figure below demonstrates that Fresh meat (counter) is the largest segment of the meat market in Canada, accounting for 42.5% of the market's total value.

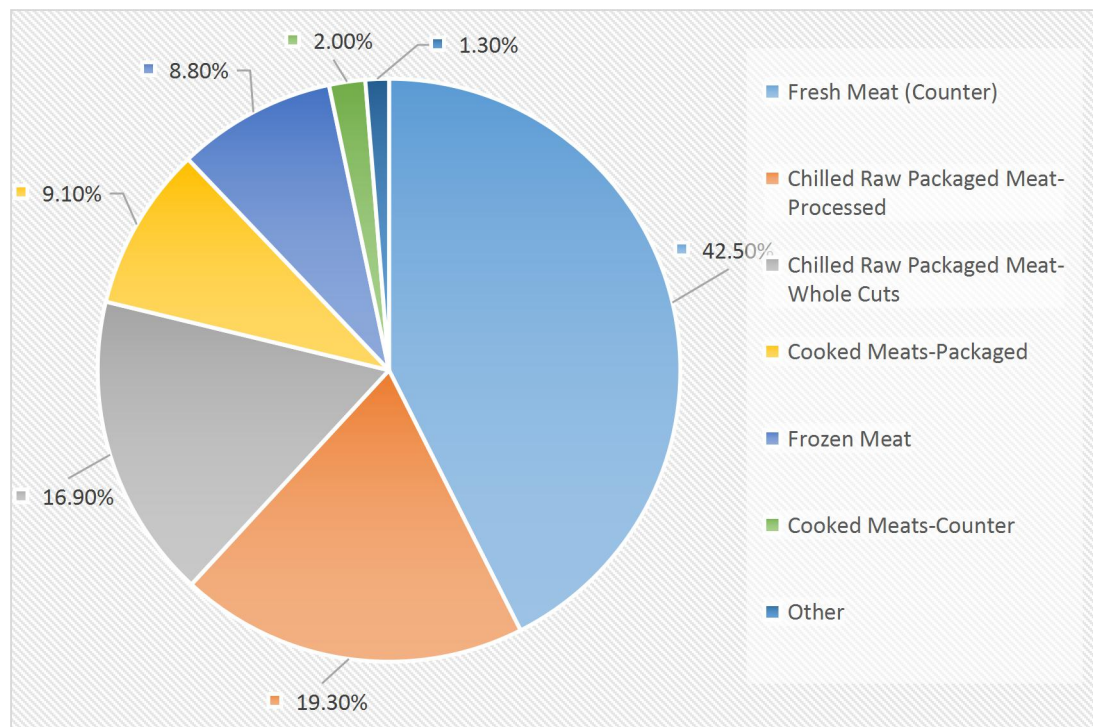


Figure 1. Canada meat market category segmentation: % share, by value, 2016

(Data Sources: Marketline Industry Profile)

The main kind of lamb meats is commercialized frozen, but there is a increasing demand for chilled cuts of lamb meat due to it's convenience for consumers (Fernandes et al., 2012). Compared with other meats, lamb meat has characteristic flavor, more expensive price and it is harder to transform (Bernués, Ripoll, & Panea, 2012). However, Due to the limitations of long-distance transportation and

refrigeration technology, it is hard to compete with local fresh meat. So chilled raw packaged meat (processed & whole cuts) is the main competitive category. Similar to other lamb brands, the main products of Welsh Lamb's business include high-quality super-cooled lamb splits, high-grade quick-frozen lamb products and hard-packed dried lamb. For this kind of products that are homogeneous relatively, a standardized strategy will be adopted. In addition, to shape the flagship product that is competitive in the lamb market, Welsh lamb can expand the proportion of dried lamb strips and diced products, using independent sanitary packaging and sell them in retail chain store like 7-Eleven.

3.2.2 PRICE

In this part, premium pricing and adaptation strategy will be adopted. Because of the high quality and organic green market positioning of Welsh lamb itself, premium price will be taken. Comprehensive pricing method will be chosen based on cost, competitive product prices and consumer psychology.

3.2.3 PLACE

Since it is not easy to develop new market at the initial time, the distribution channel adopts a standardized strategy. The main distribution channel for Canadian lamb products is cross-provincial or regional supermarket chains, which account for 75% of total sales. The second largest channel is retail giants such as Walmart and Costco; sales of other independent or specialty stores will not exceed 15% of sales. There are no marketing tools and measures for mutton in Canada's domestic supply market or import market(Marketline Industry Profile).

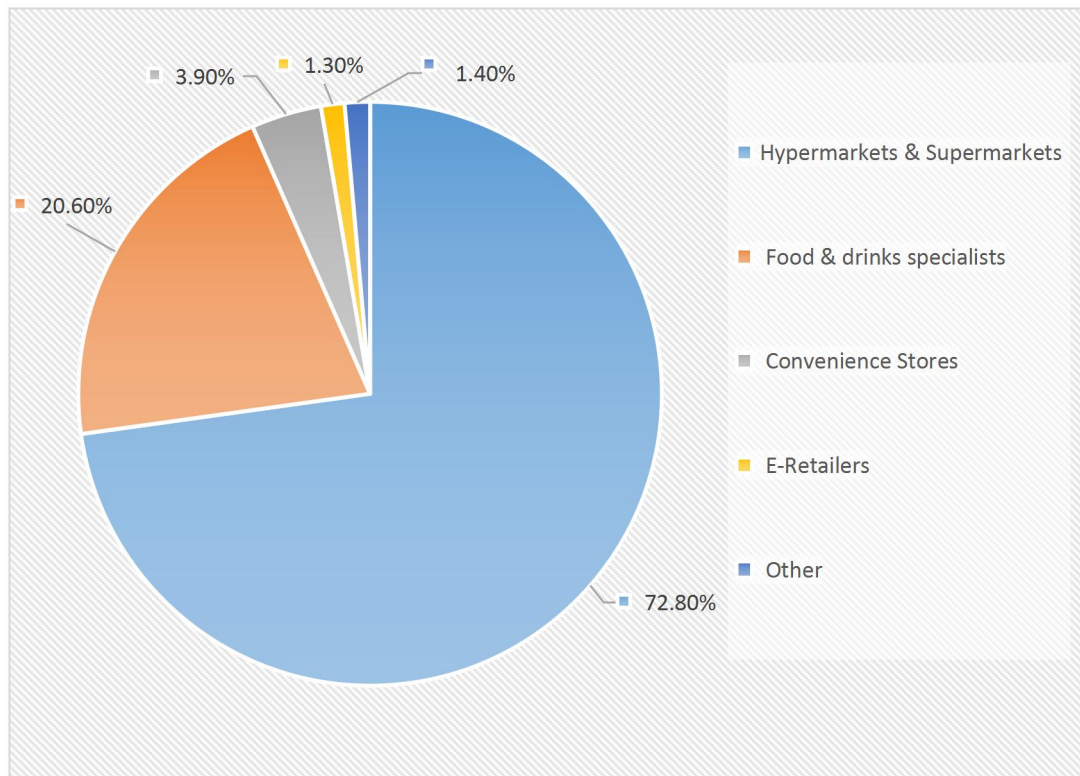


Figure 2. Canada meat market distribution: % share, by value, 2016

(Data Sources: Marketline Industry Profile)

Figure 2 shows that the leading distribution channel in the Canadian meat market is Hypermarkets & Supermarkets and Food & drinks specialists accounts for a further 20.6% of the meat market of Canada.

The distributors can have following choices:

- ✓ Make contracts and deals with retail chains like 7-Eleven, local beef and lamb franchise store and upscale restaurant.
- ✓ supply to large supermarket chains directly

However, according to the pie radar below, these supermarkets' negotiating position is enhanced by their large size of the average buyer and their buyer power is boosting. As a new brand to Canada, distributors' bargaining power is relatively weak.

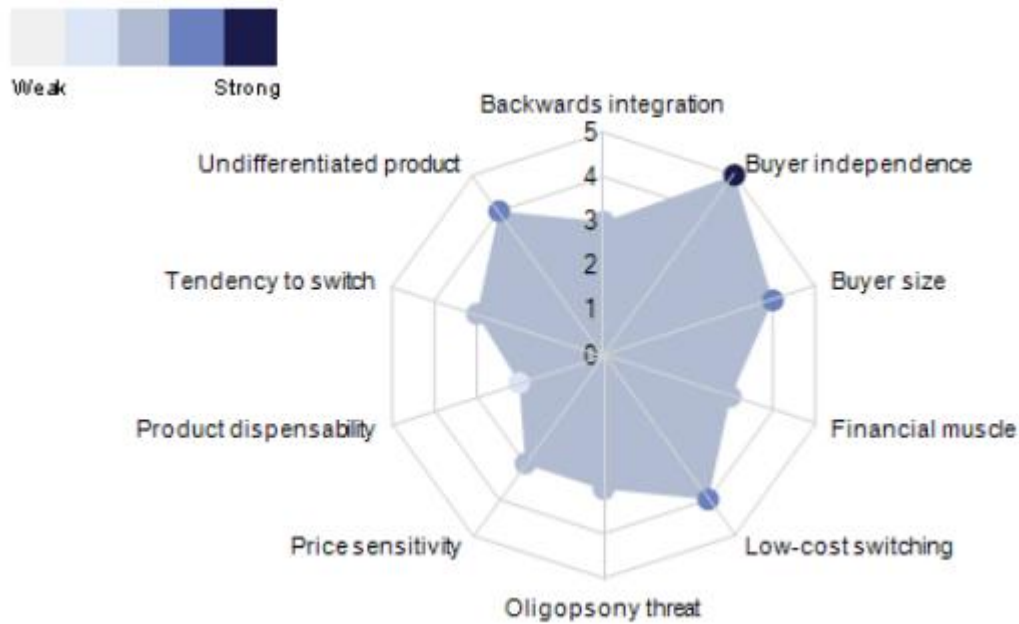


Figure 3. Drivers of buyer power in the meat market in Canada, 2016

(Data Sources: Marketline Industry Profile)

If the distributor is one of the leading competitors in the open market, they must maintain product quality to maintain brand equity in the long term (Marketline Industry Profile). In view of this, high-quality Welsh lamb can increase the bargaining power of suppliers with Canadian distributors. In addition, The Minister of Agriculture regulates meat producers and marketers. Health Canada is responsible for managing public health and monitors the safety and nutritional quality of all food sold the country. If Welsh lamb company can obtain the approval of these departments in advance then it will be very beneficial to the search for distribution channels.

Also, lamb should be transported in refrigerated containers or vehicles and be stored in cold houses. Taking notice of the approved refrigerator standards of the restaurant and stores.

3.2.4 PROMOTION

In order to adapt to the local market environment in Canada, adaptation strategy will be adopted for promotion including in chain stores, senior restaurant and supermarket. The specific promotion method is decided according to the store's own situation and

market environment.

- ✓ Promote lamb organic, green and healthy, by providing product information brochures or free in-store taste sample.
- ✓ Present poster or playing videos about Welsh lamb near the lamb counter.
- ✓ Provide appealing recipes
- ✓ Add Welsh lamb to their existing dishes and ask the waiter to remind customers when serving it.
- ✓ Introduce Welsh lamb on table placards and menus and put some posters or pictures near dining areas.
- ✓ Participate in agricultural products exhibitions.
- ✓ Advertise it on trade magazines, website and mobile terminal applications.

3.2.5 PEOPLE

This part adopts standardized strategy. First, people in supermarket or retail chain stores should be selected rather than hastily decided. Second, people who promote Welsh lamb can dress in clean uniform to leave a good impression on customers. Finally, educational training regarding Welsh lamb can be provided irregularly.

3.2.6 PROCESS

Since lamb is a commodity that does not require much after-sale service, this section only gives a brief description and it will take standardized strategy.

3.2.7 PHYSICAL EVIDENCE

In order to reduce costs and facilitate operations, physical evidence adopt standardized strategies. First, whatever for chain stores or upscale restaurant, the certificate of PGI (Protected Geographical Indication) and its brief introduction should be shown to public in order to convince people of the high quality of Welsh lamb. Second, the store can present lamb with green vegetables and make it related to the image of organic, green and environmental-friendly. Third, highly recognized

green packaging should be adopted. Fourth, the distributor can be suggested to brush pattern about Welsh lamb on delivery vehicles.

4 CONCLUSION

It is difficult to export new products in a relatively mature market, but Canada is a country with high potential for lamb consumption, coupled with the similar cultural background of the United Kingdom and Canada, developing new markets in Canada is a good choice for Welsh lamb. In addition to facing the current crowd of lamb consumption with standardized strategy, it should also strive to create a new main product like a simple snack to sell in the retail chain stores.

5 RECOMMENDATIONS

According to the specific circumstances, different strategies should be adopted, products, distribution channels, processes and physical evidence to adopt the standardization strategy, the price, promotion and people adopt the adaption strategy.

Price (premium)



Place (premium restaurant)



Product (species)



Promotion or Process(vacuum packaging)

Physical evidence

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