Marketing Plan: San Remo Company

San Remo

Introduction

The San Remo pasta is one of the most consumed pasta in Australia. This paper deals with developing the marketing plan that shall enable to count on the shreds of evidence for better sales and market share of the company. The basic estimation of the targeted market and the consumption behaviour of the targeted sector that has an impact on the sales volume and overall organizational stake in the market will be comprehended in the report. The situational analysis will help San Remo in determining the areas where San Remo has scope to outperform and the areas where the company has to take a back step.

Background Of The Company And Its Marketing Issues

San Remo Macaroni Company is a food manufacturing company that has an Australian background and was founded in 1936 in Adelaide. The company was founded by Luigi Crotti and is still managed and controlled by the third generation of the Crotti family. The company provides a range of pasta and has export dealings with 50 countries. San Remo also offers private label production service and has a belief that they do not produce just the product but also share the culture and tradition of pasta making with Australia.

San Remo company has various offerings for its vast variety of products. The egg pasta, short pasta, long pasta, fresh pasta, baking pasta, cous cous, gluten-free pasta, speciality, side dishes, and sauces are the foodstuffs of San Remo Macaroni Company. The company has generated revenue of AUD$ 24.12 million (Dun & Bradstreet, 2019).

The company enjoys a competitive edge as it has been the early adopters to the new tread of health care and encouraged transformation within concerning the societal cultures that attract the consumer for purchase.

Situation Analysis

PESTLE Analysis

Political factors-

The stability of the government allows easy operation in the exports as well as inland operations of the company. The political scenario is supportive as the policies and regulations are more that affect the food industry as by the public health policies healthier options need to be added in the menu. Current policies are such that it pushes the public towards health food buying behaviour which leads to an impact over San Remo.

Economical factors-

Since San Remo deals in the agricultural sector also that contributes to 2.8% of GDP. This is some proportion of San Remo contribution to the GDP as well. The economy of Australia is growing as it grew by 3% in 2018 which leads to export more. Due to the changes in the taxation, consumer spending and food interest rates at Australia the opportunities get affected by San Remo.

Social factors -

Crotti was an Italian who shifted to Australia to manufacture the culture and traditional inspired pasta. The company has sustained for the longest because they have bridged the gap between the cultures of the 2 nations. Also, the population and all the generations in Australia support the pasta concept and hold a predilection for it (KPMG, 2018).

Technology factors-

The company harness the big data retrieved through the market trend analysis and then drive the operational decision. The San Remo macaroni company estimates the trend in the market through technological software assistance (ORACLE, PYTHON).

Legal factors-

The Australian government has signed free trade agreements with other nations like China, Asian countries that help in the export of the product overseas. Also, the Australian government has commitments under WTO that give the benefit of tariffs and duties (Australian trade and investment commission, 2019). Australia is one of the most technologically advanced countries which lead to the creation of opportunity for San Remo to produce pasta and macaroni as per the needs of the customers by purchasing more technology and investing in them to meet the needs of the customers through innovation of tastes and different designs.

Environmental factors-

The current scenario worldwide supports sustainability and is more environmentally conscious. Thus, San Remo has involved its operation in relative recyclable packaging. The execution of corporate social responsibility is a major consideration for the company emerges as the opportunity for it to grow and succeed.

SWOT Analysis

Strengths

1. San Remo owns the durum wheat mill that is the largest and makes the finest pasta and wheat.
2. Employment to farmers to grow wheat that has a positive impact on the brand equity
3. The company has a keen focus on the quality thus they begin from the basic that is the wheat and use only the fines Durum Wheat (Flyen, 2017).
4. The San Remo website has some healthy recipe that is made using the San Remo pasta. The consideration of the calories, carbs, fats, protein is mentioned that helps the consumer to know the exact intake of the mix.
5. The company has estimated the environment need for sustainability thus, the packaging

is recyclable.

Weaknesses

1. The potential risk of affected disease in the durum wheat, chances of food poisoning if the ingredients are not correctly balanced, the allergies of the consumer is a consideration but complete information of it is not disclosed.
2. The cost increase of the ingredients and the supporting items in the manufacturing of pasta shall affect the profitability aspect of the company. The other costs shall also rise impacting an overall increased budget of the production.
3. The public perception has an impact on the revenue. In the cases when the consumer starts to have a negative notion for the brand then there is likely less scope of its consumption.

Opportunities

1. San Remo has access to 50 countries who have built a taste for San Remo pasta thus, the company has acceptance in the global village and there are opportunities to access other nations also as the products are doing well in the exported countries.
2. The statistical data reveals that the consumers are drifting towards health food style and the Durum wheat pasta is just another form of wheat that is healthy.
3. Market analysis of gluten-free products will serve as an opportunity for San Remo's pasta
4. The charity that the company is engaged in gives the benefit of good public image that shall have a perception of enduring social responsibility leading to more customer loyalty.

Threats

1. The competition from General Mills Holding (Australia) in the Italian foods is a great threat the company is exposed to.
2. Since the company operates globally, any increase in the transportation cost to export abroad there shall be a direct impact on the product cost (Flyen, 2017).

Objectives Of San Remo Marketing Plan

By the SMART framework San Remo has devised the following marketing objectives by the situational analysis performed:

Objective 1

To extend the product line by 3% with new products through market penetration until 2021

Objective 2

To enhance sales by 35% as a result of this marketing plan until the end of 2021

Objective 3

To increase customer loyalty by 10% in the Australian market till 2022

Objective 4

To bolster the market share by 5% till the end of 2021

Target Market

The company caters to the business for 80 years and is mostly producing dry pasta that is more suitable for vegans. The company has segmented the market and has targeted the vegetarian consumers of the market. The company are availing on the website, the recipes that included eggs and cheese to cater the no vegan consumers also (Webber, 2019). The company in the new launch includes breadcrumbs, spinach, lentils, potato flakes, and textured vegetable protein. The company has estimated and made a market analysis that the consumers majorly are vegan thus, there is the great scope and potential of the same in the market. The company has targeted consumers who want a meat-free alternative (Webber, 2019).

Consumer Behaviour Of The Target Market

The target markets as per the market plan of San Remo are the ones that are vegan and tend to endure meat-free food consumption. Thus, there is a prevalent medium intensity of involvement of the consumer. This is evident as the revenue generated in the last few months of 2019 has increased by 15% (Cameron, 2019).

Marketing Strategy

4p’sP Of Marketing Mix Strategy For San Remo

To outstanding in the market San Remo has employed the following marketing mix as a marketing strategy that helps it in reaching the desired marketing objectives devised above within the time frame decided:

Product-

San Remo has a variety of products in the market to which the company has designed a different portfolio to cater to the target market (Išorait?, 2016). The brand has been in the business for really long and has placed itself on the prime position by delivering a quality product. Also, the company is introducing new and innovative products as per the needs of the market. The company has imbibed the culture with the product and has a belief that the quality product shall have along with sustenance if the correct market is a target. The company uses the finest in-house produces Durum Wheat to ensure the quality of the pasta (Webber, 2019). This will help it in reaching at ‘Objective 3’ as due to its product’s quality more customers will be attracted and it will retain customer loyalty.

Price-

The process is one of the great factors that make the product a success in the market and the rate of consumption also depends on the price s at times. The company inland charges $0.39

for each 100 grams pack which is quite affordable. Also, the company is making the product available at a relatively low cost as compared to the competitors enjoying a competitive edge. This helps to bring San Remo closer to it is Objective 1 of extending the product line by 3% with new products through market penetration until 2021 (Išorait?, 2016).

Place-

The company has been in the export business for a very long time and has been catering to the Asian and Chinese markets. The products of San Remo company are available in approx. 50 countries thus there is more consumption globally (Išorait?, 2016). With the free trade agreement that is signed between Australia and other countries, there are likely chances more thriving export over the global. Inland, the entire products are available on the retail store and the website of certain grocery stores and the online portal/website of the company. This thus helps it to attain ‘Objective 4’ and helps it to increase its market share.

Promotion-

San Remo is a company that has initiated the concept of pasta in Australia. Before that period no company manufactured pasta thus, the company has already positioned the brand in such an order that when it comes to pasta the only thing that strikes in the mind of the consumer is San Remo (Išorait?, 2016). But still, there are promotional techniques in which the company enhances the brand image. The company is involved in campaigning and multi-pronged marketing strategies as a promotional pattern. The company also makes charity that brings the company in limelight now and then (Cameron, 2019). This helps it to attain it's Objective 2' of increasing sales through effective promotional strategies and tools in the Australian market.

Implementation

New 4P’s implementation with reasons:

Product

San Remo will begin at the end of 2019 with the introduction in the market of gluten-free pasta that will attract most of the consumers who are allergic to gluten. This will gain the attention of customers in the Australian market and will help to gain customer loyalty objective of San Remo (Blakeman, 2018).

Place

To reach the desired market share hike of 5% till the end of 2021 San Remo will start entering new markets and countries which will help it to grow its market and opportunities to reach desired objectives.

Promotion

San Remo will start promoting the products by frequent discounts and coupons and sales that have increased in the volume sale of the products (Blakeman, 2018). This will be started by it since 2019 Christmas Eve which will help to reach the desired sales volume objective till the

end of 2021.

Price

Offering lower prices will help it to penetrate in the market and it will also plan to offer new products by bringing in innovation in tastes and flavours that will capture a wide customer base as well. This will begin with the year ending 2019 and will attain its objective until 2021 (Blakeman, 2018).

Evaluation

The market plan approached and executed by the company is the market extension by penetrating new products in the market. The company has specified that the pasta is high in protein and fiber and takes approximately 6 minutes to cook with no artificial colours or flavours. This market plan to cater to vegans has increased the sales of the company by 15% within the last two months of implementation of strategies. Also, the brand enjoys a market share of more than 50% (Global Data, 2019). There is an estimation that the revenue as a result of the marketing plan shall cross AUD$ 78.45 million by the end of 2020.

Conclusion

San Remo Macaroni Company was the first to invade the pasta industry of Australia. The company has been, to date, enjoying the first-mover advantage as the brand loyalty and the brand equity of the company is positively impacted. Also, the company has many advantages one being the Durum Wheat mill that the company possesses gives the company a benefit of cost reduction in manufacturing and at the same time maintaining the quality of the product. The company has limited competitors but the marketing mix that the company has keeps it in a better position. Overall, the company has been making remarkable initiatives by frequently coming with products that are the current requirement of the people. The company has estimated the changing needs in delivering the requirements.

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