

Company A

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International Marketing Portfolio for Company A

Note: this report has been made prior Trump re-election, most of the data aren't up to date.

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International Marketing Research

Company A is a New Zealand beverage company founded in 1970's. It produces concentrates and fresh fruit juices. The company was rebranded as Company A in 2000's when the company turned its focus only on concentrates and syrups. The company exported for the first time in 2010's to South Korea and is now present in several nations such as Australia, Vietnam, Taiwan, Canada...

They also have been awarded some international recognition like the HACCP (the Hazard Analysis Critical Control Points was established by the NASA standard which make a product suitable for space), Sedex membership, Kosher and Halal certification, the BRC (Brand Reputation through Compliance) Certification and the last in date, the FDA (Food and Drug Administration) Certification in 2020's which is the one necessary for an edible product to be distributed in the United States of America (Company A. 2020's). This certification encourages Company A to enter the US market, with a preference to focus on the Midwest.

1.1 Problem Identifications

For Company A, the first stage to enter the US market is to obtain the FDA approval which is essential for an edible product. The FDA certification requires some steps which will be different depending on the entry strategy Company A will choose to enter the US market. But there are which are absolutely required: the safety test, the labelling and the record keeping. The safety test has to be operated by two actors; a foreign business must send a sample to an office of FDA which will conduct its own tests and the business must contact a local laboratory or any establishment equipped with sufficient materials (such as an university) to ensure the product is suitable for human consumption with the same criteria's established by the FDA and the United State Department of Agriculture (USDA). The labelling must be in English (exemption for Puerto Rico) and presents nutritional information. The record keeping is important for ALL business in case of recall of a product from the business or one of its suppliers during the transformation process (Food and Drug Administration. 2024). It is however important to note that some requirements may change from a state to another. But as seen earlier, Company A did already have the FDA Certification, meaning that its products can be sold in US territory.

New Zealand and United States do not have a Free Trade Agreement, even though a possibility was in discussion in 2003, it has been aborted after political disagreements about New Zealand position on nuclear power and Iraqi War (Salmond.2003). It is said that the two countries were planning to join a Trans-Pacific Trading Partnership alongside Australia, Singapore, Malaysia, Brunei, Vietnam, Japan, Canada, Mexico, Peru and Chile but the United States withdraw from the agreement under Trump administration in 2017 (James McBride, Andrew Chatzky, and Anshu Siripurapu. 2021). This absence of trading agreement is going to impact the right strategy for Company A to adopt to enter US market. But the absence of a free trading agreement does

not mean there is no trading between the two nations: United States exported for \$4.2 billion of good to New Zealand while importing for \$5.4 billion in 2022. This is made possible thanks to a Trade and Investment Framework Agreement between the two countries since 1992 (US Bureau of East-Asia and Pacific Affairs. 2024). However, the absence of taxes on import/ export would probably have boosted the trades between New Zealand and United States.

1.2 Data Collection

To ensure Company A's implantation within US, the company needs to gather data; primary data to understand the regulations Company A will have to face toward the US government, helping its market entry strategy and secondary data about the consumer's behaviour for Company A to adapt its communication strategy to be able to reach the most potential customers.

It requires a lot of information to understand the mercilessness of the US market rules (New Zealand Trade & Enterprise. 2024) but the New Zealand Trade & Enterprise, a government agency website, is giving tips to help national companies to implant in foreign markets. For example, they suggest that before moving to United States, to hire a local accountant or a lawyer as first step to be sure to meet all requirements as a foreign business. But as a food and beverage company, understand and going through FDA requirements is also a major step in the process for Company A to enter US market (Food and Drug Administration. 2024).

To understand consumer's behaviour, Company A must perform a market study. Midwest population is about 68 million individuals (Census Gov. 2023), even if the population density on the territory is weak, only 35 per square kilometre (Census Reporter. 2023), the Midwest region is home to several major US cities such as St Louis, Indianapolis, Des Moines, Kansas City, Minneapolis, Columbus, Detroit, Milwaukee and the most famous and populated: Chicago, the American Wind City. These major places offer a wide range of cultures, proper to American Salad Bowl and quite like New Zealand on this aspect. It opens a great opportunity for Company A to acquire some market's share with this diverse population; it is more likely the company will meet customer's need on a market which reach \$1 trillion worldwide in 2022 (Gourmet Pro.2024).

Market Entry Strategy

2.1. Journal Article

Ward, D, (2020). *The perceived importance of the changing political environment on SME market entry: New Zealand SMEs entering the United States*. Retrieved 2020 from <https://openrepository.aut.ac.nz/server/api/core/bitstreams/8a5d5a58-3190-4505-ba1b-e3def6bfd3c2/content>

ABSTRACT

The central aim of this study is to explore the perceptions of New Zealand small-and medium-sized enterprises (SMEs) that have recently experienced internationalisation into the United States (US). The reason for this is to understand if changes to the political environment have been perceived to have an influence on these firms and their approach. Above all, the primary objective focuses on the importance of the changing political environment on New Zealand SMEs, specifically a notable rise in protectionism (Enderwick, 2011). Notwithstanding important research that exists within international business on the relevance of SMEs, and entry strategies that these firms adopt, a lack of understanding exists on current perceptions of political change and how firms are responding to this change. Therefore, this research topic explores: *The perceived importance of the changing political environment on SME market entry: New Zealand SMEs entering the United States*. Sub questions include: 1) *How do New Zealand SMEs perceive changes in the US political environment?* 2) *How do New Zealand SMEs change their approach to the US market, in light of the changing political environment?*

Theoretical frameworks included to give shape to the research are: the Resource-Based View (RBV), Dynamic Capabilities, Networking Theory, Adaption-Innovation Theory and Institutional Theory.

An interpretivist paradigm is adopted for this study, supported by a relativist ontology and a constructivist epistemology. This exploratory research follows a multiple case study methodology involving three cases. Primary data was collected through conducting semi-structured interviews, with one participant from each firm who was responsible for international business decisions. Moreover, secondary data was obtained for this research through a variety of documentation such as government websites and company reports. The analytical strategy adopts thematic analysis, in order to present the finding of this research. The findings from both within and across cases identified central themes related to use of intangible resources including market opportunities, high profile networking and relationships, institutional influences, and knowledge and experience related to adaptive capacity in social, political and regulatory aspects. They also identified perceptions of potential future reactions to political changes. The study concludes with the identification and interpretation of the emerging themes to present insights into the approach of SMEs within the changing US political environment. This research provides a valuable contribution to scholarship or academic literature and the New Zealand and international business communities, as well as including suggestions for future research.

2.2 Media Article

Market Data Forecast (2024). *Flavoured Syrup Market* retrieved 06/2024 from <https://www.marketdataforecast.com/market-reports/global-flavoured-syrups-market>

REGIONAL ANALYSIS

North America had the largest share of 33.9 percent in 2023. The growth of the regional market is primarily due to people's habit of consuming flavored syrups in regular meals such as cereals, snacks, desserts, and drinks. Also, the extensive usage of fruit syrups and the convenient and sufficient availability of high-quality ingredients such as chocolate, toppings, shells, and spices are fuelling its demand. This encourages the use of scented syrups throughout the food and beverage industry. Moreover, another factor assisting the expansion of flavored syrups is the rising bakery industry in the region. And, statistics wise around 2800 commercial bakeries earned over 36 billion dollars in 2021. As of 2024, the bakery industry stands at a market cap of 50 billion dollars along with the presence of more than 6000 companies and suppliers. In this, the demand for specialty baked items is rising sharply among the people, which is expected to drive the flavored syrup market.

2.3 Evaluation

The journal article is focus on the entry of a New Zealand Small and Medium-sized Enterprises (SMEs) similar size of Company A in the US market. It mentions that the protectionism economy policy under Trump slowed down all importations within US. Since Biden came in power in 2020, some trade's barriers fall allowing foreign countries to export again to US with less taxes than during Trump presidency. This article encourages also for companies who wish to enter the US market to gather the most knowledge possible to be sure to not commit any mistake and ruin or slow-down their entry in the market. For the case of New Zealand, there is however a particularity: the KIWI Act. This act created and ratified by the United States in 20218 (United States Embassy. 2018) is specifically designed for citizens of New Zealand, it allows them to obtain Visas for US territory if the reason of their stay is related to their work, like an agent from a New Zealand company staying in US to supervise local operations. The two countries institutions are both in favour of this act to boost the trade between the two nations.

The media article from Market Data Forecast is not related to establish a company overseas but more about the growing of the market Company A operates: the flavoured syrup. With a market which represents over US\$45 billion in 2023 and prevision to US\$55 billion before the end of the decade and with a percentage of 33% for North America (US and Canada) on the flavoured syrup market (Market Data Forecast. 2024), it is a market with a lot of opportunities. The North American region has always been famous for its love for Maple Syrup; it is then not surprising than the flavoured syrup meets an enormous success. The customers also are more likely to try different tastes nowadays, rather than staying on the same one for ever and having something more authentic (Future Market Insight. 2024). Also, having more choice of syrup flavours will opens the way to new creations, a plus for Americans, always looking for tasty discoveries (Gourmet Pro.2024).

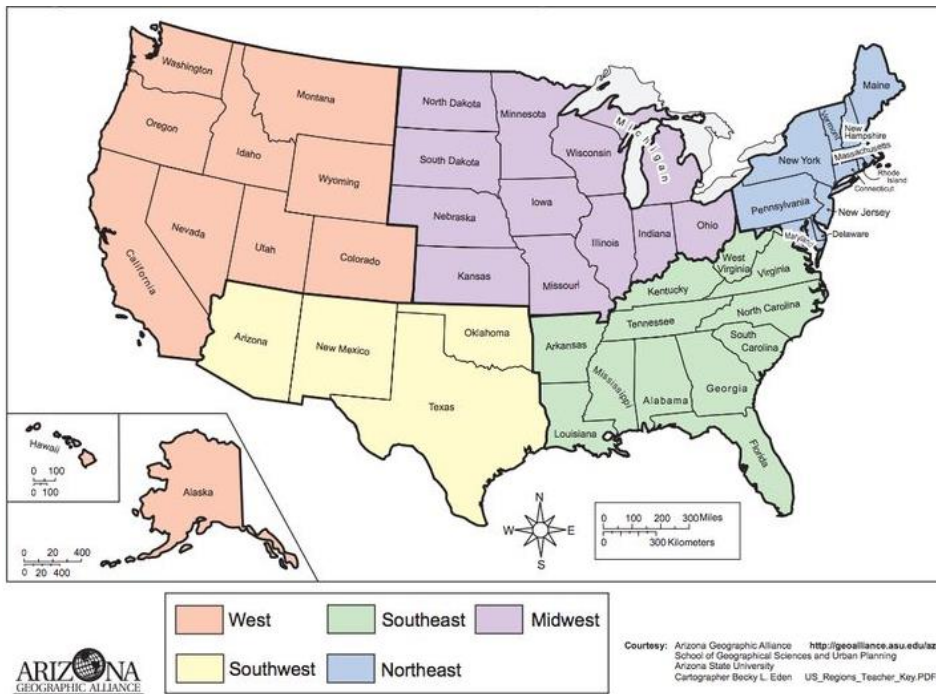
2.4 Recommendations

For Company A, a relationship-based entry in the US market is the best option. For an entry and durable presence in the US market, it is easier for Company A just to join effort to an already existing manufacture entity in the Midwest for geographic and shipping reasons. According to the CEO of Company A, having manufactures facility abroad will reduce the environmental footprint, a cause dear to Company A (Stevenson.2021). The reason the Midwest is a good

opportunity for Company A to operate a relationship-based entry is the location: it is right in the centre of North America (US and Canada) which represents 33% of the syrup worldwide market. It is so convenient for shipping to reach all these potential customers within the continent. Another reason will be to get rid of the taxes on exports because these taxes concern goods, not knowledge so instead of paying money a local manufacturer, share process and recipe will increase the relationship with the new partner. Company A will remain the main actor on the marketing and promotion plan.



Plus, having the famous “proudly made in US” logo on the bottle will have a positive impact on the American’s customers who are more likely to consume locally produced items. Contacting a local manufacturer should not be a challenging task, Midwest is a territory with a lot of potentials like was Detroit before the 2008 Crisis which is currently coming back in the industry game (Keight.2024).



The other option for Company A will be a joint venture. If Company A decides to associate with a local, it is a benefit to have the possibility to know more about the market and customers’ behaviour thanks to this potential partnership. Company A will keep the control

over mostly of the operations and would not be alone to communicate over this joint-venture and so access to this partner’s existing customers who are loyal to this company. Company A will have the possibility to launch a limited edition to celebrate this new partnership with new design on the labels. However, the company will need to be careful to keep its property knowledge and keep good relations with its partner because in case of conflict, Company A will lose its new acquired place on this market.

In the end, United States made easier for New Zealand worker to settle in US with the KIWI Act (United States Embassy. 2018), in both situations, Company A can send one or several permanent agents (keen to live abroad) to supervise Company A's operations in North America. Also, the reason why Midwest is a good location is because it is a central position in North America, it will reduce shipping costs, time and will be free of taxes to be exported to Canada and Mexico thanks to the United-States-Mexico-Canada Agreement which replaced the North American Free Trade Agreement since 2020 (Office of the United States Trade Representatives. 2020).

Ethical Consideration

3.1 Journal Article

Grummon, A, H, Hall, G, M, Block J, P, Bleich S, N, Rimm, E, M, Smith Taillie, L, Barnhill, A, (2020). *Ethical for food and beverage warnings* retrieved 01/08/2020 from <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7321920/>

Abstract

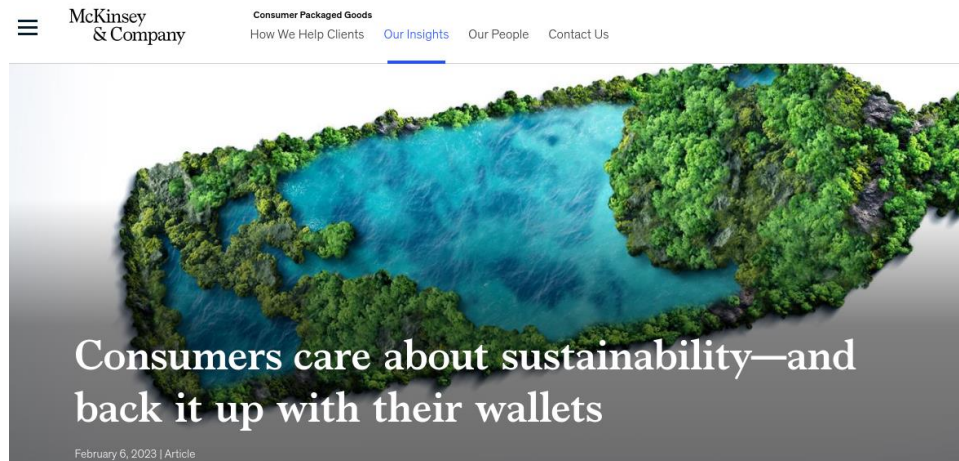
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Several countries have implemented warnings on unhealthy foods and beverages, with similar policies under consideration in the U.S. and around the world. Research demonstrating food warnings' effectiveness is emerging, but limited scholarship has evaluated the ethics of food warning policies. Using a public health ethics framework for evaluating obesity prevention policies, we assessed the ethical strengths and weaknesses of food warnings along multiple dimensions: 1) Health behaviors and physical health, 2) Psychosocial well-being, 3) Social and cultural values, 4) Informed choice, 5) Equality, 6) Attributions of responsibility, 7) Liberty, and 8) Privacy. Our analysis identifies both ethical strengths and weaknesses of food warnings, including that: 1) warnings are likely to generate important benefits including increased consumer understanding and informed choice, healthier purchases, and potential reductions in obesity prevalence; 2) warnings evoke negative emotional reactions, but these reactions are an important mechanism through which food warnings encourage healthier behaviors and promote informed choice; 3) warnings appear unlikely to have ethically unacceptable effects on social and cultural values, attributions of responsibility, liberty, or privacy. Current research suggests we continue to pursue food warnings as a policy option for improving public health while simultaneously conducting additional research on the ethics of these policies. Future research is especially needed to clarify warnings' effects on stigma and to characterize the balance and distribution of costs of and benefits from implementing food warning policies.

3.2 Media Article

Bar Am, J, Doshi, V, Malik, A, Noble, S, (2023). *Customer care about sustainability and back it up with their wallets* retrieved 06/02/2023 from <https://www.mckinsey.com/industries/consumer->

[packaged-goods/our-insights/consumers-care-about-sustainability-and-back-it-up-with-their-wallets](#)



3.3 Evaluation

In this research article, the authors focus on the ethic about warning consumers about what is present inside the products. For them, company should be warning about health risks when consuming food with lot of sugars, salt or fat. They take as example the health-star ranking to let consumers know which foods are better to consume. But there is a limit, for some social, cultural or religious events, a food with a low-ranking will still be consumed. These ranking are put in place by public power, and some criteria are not the same everywhere. According to the research article, Italy accused the British Government who was giving a low ranking (traffic light system) to Mediterranean food because of the difference of consumption habits between the two countries. So, the question is to know if it is better if the food producer company was putting themselves the warnings on the label. And it is not only about putting the list and the quantity of each ingredient but also to put a warning if the product is high in sugar or else compared to what is recommended by the country's power or the World Health Organisation. In the article some studies showed that the setup of ranking labelling did not really had impact on the consumer's habit while concerning food. The reason is that it is hard for consumers to change quickly their habit for healthier products, but younger generations will be more likely to purchase higher ranking items when they will be the first decider during the groceries, if they are able to purchase because better nutrition value also means higher price.

The media article suggests that companies with a good Environmental, Social and Governance (ESG) behaviour are realising more sales than before the sustainability's era we are currently living in. It shows that the products from a company with ESG-related claims achieved a higher growth rate in the retail; 6.4% of growth versus 4.7% for the products without ESG-related

claims in the US market. It shows that consumers are more likely to accept products from a company that is adopting a better behaviour toward sustainability. It shows that unlikely the previous article that consumers are more likely to change their habit for products from a company with a better ESG behaviour that products which will benefit better their own health. Fortunately, this behaviour from both companies and consumers will lead to a better society and healthier planet. And for the company, despite the financial cost these actions could have, the growth of their sales will cover; in a certain way, even if it is the right behaviour, it is also an investment.

3.4 Recommendations

Company A is already having a good ESG behaviour, the Company A website provides some links to their ethic's actions (Company A .webpage. 2024). In 2018, they edit a contract with their suppliers; in this contract it is mentioned all the ESG- actions their suppliers must comply with if they want to stay Company A supplier. If the mentions are not respected Company A will "review" the trading agreement (Company A. 2024). They also adopted a good behaviour to reduce their wastes, use of energy. However, even if their labelling is showing all the benefits of the products, there is no list of ingredients inside the products available on their website. The list of ingredients should be provided on a product page along with a description of the products or what is best to be used for.

This element would indicate a consumer if the product does not contain any allergens, he or she is sensible for and lead to another purchase.

Even if Company A provides an example of a recipe where the product can be used for, there is no warning message about alcohol consumption while presenting a recipe include an alcoholic ingredient.

It is important to remind customers that alcohol must be consumed with moderation or even provides additional information for customers suffering from an addiction.

Company A is a company with lot of potential for the US market, as the product they propose is popular on the North American continent. Also, having an ethical behaviour toward environment and people is a good marketing tool for the consumers in United States as they are sensitive toward actions to safeguard the planet and make a better society.

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