

PASSPORT CASE STUDY

MBA students use Passport to create a successful market entry strategy

Project Overview

A graduate professor of international business tasked students with developing a market entry study across a range of product categories for the country of their choice.

How Students Used Passport - Choosing a Market

To determine a viable market, students used Passport Dashboards, visual representations of the data contained in Passport, to understand the geographic growth potential within their product category.



How Students Used Passport - Analysing the Industry

After determining an export market, students used Passport's in-depth industry coverage to identify market size, company and brand share data, qualitative trends and competitor analysis, gaining insight on how best to position their product.

	2006	2007	2008	2009	2010	2011
World						
Soft Drinks	384,714.6	405,657.5	418,459.8	429,494.3	449,370.9	469,146.0
Bottled Water	145,961.4	157,637.6	164,775.6	171,068.5	181,147.1	191,809.5
USA						
Soft Drinks	78,212.2	80,105.8	78,905.2	77,782.2	78,147.1	78,988.7
Bottled Water	21,498.4	23,896.2	23,960.4	23,995.0	24,034.0	24,133.8

COMPETITIVE LANDSCAPE

* In 2011, the combined total of all private label products held a 22% off-trade value and a 29% off-trade volume share of bottled water. Nestlé Waters America led all branded products with a 31% off-trade volume share of bottled water. The company's market share for particular brands to particular regions, time. The marketing of these regional brands is closely aligned with phrases such as "Water – life's simple. The marketing of these regional brands is closely aligned with phrases such as "Water – life's simple. There is also increased focus on the premium brands. Nestlé Pure Life, which has been trading down because it is available at a lower price point than other brands. There is also increased focus on the premium brands. Nestlé Pure Life, which has been trading down because it is available at a lower price point than other brands.

HEADLINES

- Total bottled water volume sales decline marginally while total value sales increase by 2%
- Concerns over high sugar and high-calorie content in flavoured and functional bottled water cause the categories to continue to decline in 2011 in terms of total volume and total value
- Carbonated bottled water growth remains steady with highest growth of 5% in 2011 in total volume terms while total value sales also increase fastest at 6%
- The average off-trade unit price increases by about 2% in 2011 as shipping and logistics costs increase, while the overall unit price of bottled water also increases by about 3% in 2011
- Private label products capture a greater share than any single manufacturer, with Nestlé Waters still holding the leading position among branded products
- Total bottled water volume sales are predicted to grow at a CAGR of 1% between 2011 and 2016, while total value sales are expected to grow at a CAGR of 2% in constant terms

How Students Used Passport - Analysing the Environment

To supplement industry coverage, students used Passport's Countries & Consumers data to better understand the operating environment in their country of choice, including ease of doing business rankings, import and export data, consumer expenditure patterns, demographics, infrastructure and more.

MAJOR COMPONENTS OF THE ECONOMY

Manufacturing sector vulnerable to global economic conditions

China's economy remains strong, although real GDP growth has moderated since 2011 amid a global slowdown and a deepening of the eurozone's debt crisis. The country's growth is driven by consumer demand continues to expand its economy.

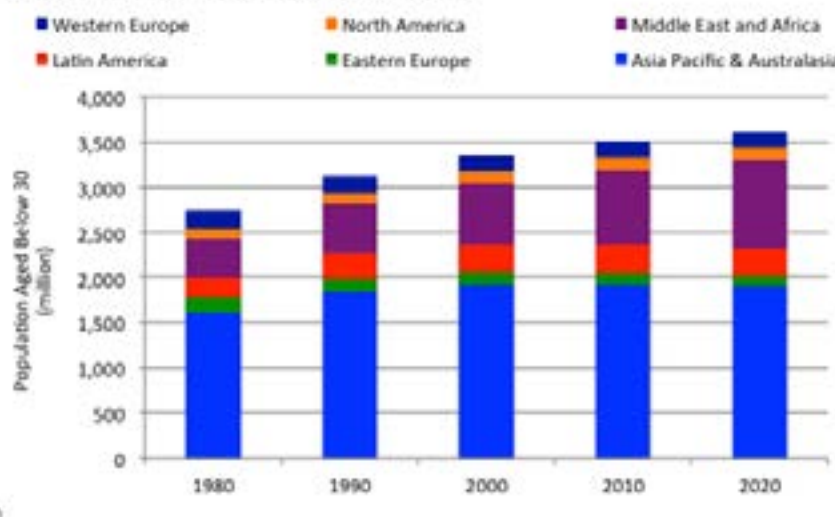
In 2011, China's annual GDP in US\$ terms was the second largest economy after the USA. The country, however, is still a developing country. The country's level of development levels and business environment. The Doing Business Index in 2012, a ranking of the regulatory environment is more conducive to business. China has been serving as one of the world's fastest growing economies. The country's growth has been expanding impressively at an average annual rate of 10% since the global financial crisis, the annual real GDP growth rate has been 10%.

Chart 1 Ease of Doing Business Ranking 2011 - 2012

Ranking out of 183 countries



Population Aged Below 30 by Region: 1980-2020



Result

Classroom assignments were successfully completed through a thorough 360 degree analysis into the countries and industries which they initially chose.

Students gained an understanding of product entry strategy and the process that companies use when analyzing export markets.

