

MARKET ENTRY ROADMAP FOR A JOINT VENTURE IN BREAD MANUFACTURING



Ipsos Business Consulting

Client: A joint venture between a local conglomerate company and an overseas manufacturer

Industry: Food & Beverage

Solution: Go-to-Market

Introduction

A joint venture between a leading local conglomerate company and an overseas manufacturer would like to understand the market opportunity for producing bread locally in Indonesia. The manufacturer has an existing product portfolio in the original market that they are looking to assess for its applicability to the Indonesian consumer. Ipsos Business Consulting worked with client teams to quantify the market potential for the product, develop a customised value proposition, and devise a go-to-market strategy to suit the unique characteristics of each target market.

About the Client

The leading conglomerate company in Indonesia is a listed company with a diverse portfolio of property, automotive, and insurance investments. Ipsos Business Consulting is working with the investment strategy team from both parties of the joint venture to develop the value proposition and the go-to-market strategy.

Business Issue

The opportunity for bread products varies between market segments (i.e. the Packaged Bread and Artisanal Bread Segments). The profile of distribution channels is also very different across market segments. At the same time, there are many incumbent local players (both modern and traditional manufacturers) that have already established their presence in the market. The joint venture company approached Ipsos Business Consulting to help them understand the specific nature of each market and how to customise sales and marketing strategies on a segment-by-segment basis to ensure a high acceptance for their product.

Ipsos Business Consulting Solution

We used a two-stage approach to understand the unique characteristics and market nuances in Indonesia focusing in the selected Tier-1 city in Indonesia.

The first step measured the market opportunity in each target market segment. Our team determined fundamental growth drivers, segmented the market based on product type and usage, and identified specific channels with high growth potential. After a comprehensive study comprising in-depth discussions with industry stakeholders, including the suppliers and channel market players, we developed a model to define the market size for bread and dough products and an addressable market for the client's product in each target city.

The second step developed understanding of consumer perspectives and expectations of the key product attributes and their acceptance level for the specific product concepts proprietary to the joint venture. We leveraged our expertise in consumer market research to conduct focus group studies as well as quantitative research and analysis in order to paint a clear picture of consumer awareness and expectation of similar product segments in the market based on the perception and usage of such products.

MARKET ENTRY ROADMAP FOR A JOINT VENTURE IN BREAD MANUFACTURING



Ipsos Business Consulting

Insights gathered during the first two stages were then supplemented by in-depth research into the innovative product concepts/value proposition that will help our client to further differentiate its offering and communication to the end consumer. The business concept outlined strategic levers to position the product in each market and defined a viable value proposition to address the unique characteristics of each target city.

Results

We worked closely with the client to devise a comprehensive go-to-market strategy, which covered the development of different value propositions for the main product to suit local needs and prioritised distribution channels. Following the engagement, the client is currently in active discussion about setting up a manufacturing facility in Indonesia.