

Analysis of Haigh's Chocolates in Terms of Marketing Mix Theory

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Abstract

This report focuses on Haigh's chocolates' and evaluates marketing strategies of the company, applying Marketing Mix Theory. Definition of product, promotion and people are introduced. Then this report explains how the Haigh's use these elements in its marketing strategies. Haigh's chocolates produces high quality chocolate with various different collections and well-designed packages to fulfill customers' needs. They are committed to environmental sustainability through packaging and the protection of bilby. The Haigh's also pays attention to the attitude and performance of their employees. It is recommended that Haigh's chocolates makes improvements for their online shop and open more offline shops in Australia.

Keywords

Marketing; Marketing Mix Theory; Product; Promotion; People.

1. Introduction

Haigh's chocolates, a family-owned chocolate maker who has the longest history in Australia, has been making prime chocolates since 1915 (Haigh's Chocolates, n.d.-a). The fourth generation of the Haigh's family is in charge of the company today. Nowadays, the Haigh's employs more than 650 people who work in the factory, management, online store and 22 bricks and mortar shops located across Adelaide, Canberra, Sydney and Melbourne (Haigh's Chocolates, n.d.-b).

1.1. Research Aim

This report will use Haigh's chocolates as a case study to evaluate the outcome of their marketing strategies using Marketing Mix Theory. More specifically, product, promotion and people will be explored. Then the performance of Haigh's chocolates and how those elements are used in the Haigh's case will be explained. Finally, several recommendations for enhancement will be suggested.

2. Marketing Mix Theory

Applying marketing strategies based on marketing mix theory can help companies to sell their products successfully. Elliott (2017) interprets marketing mix as things that a marketer can do to influence the exchange activity, and marketing mix includes 7Ps, which are product, price, promotion, place, people, process and physical evidence. Those seven elements have connections and dependence. This report will focus on three of them: product, promotion and people.

2.1. Product

When developing strategies deriving from marketing mix theory, product plays an essential role because other elements of the marketing are determined and relied on product characteristics and benefits. Palmer (2012) suggests that companies make use of products to satisfy their consumer's needs and products can be either tangible or intangible. However, different customers have varying preferences, companies are supposed to adjust their offerings

to make sure certain defined group's needs are satisfied. So he argues that it is beneficial for products to have exceptional characteristics to differentiate with other products (Palmer, 2012). Functionally, products need to be able to communicate with their customers about the benefits they can provide. He believes branding, which can help to establish a vision inside the customer's mind, is also an essential aspect for products. By building up brands, product differentiation would be realized together with long term customer loyalty.

2.2. Promotion

Promotion refers to the action of conveying information between the seller and possible buyers or other components who can have an impact on their attitudes and conducts. By promotion, corporations intend to draw the potential customer's awareness as well as provide potential customers adequate details concerning their own goods to prompt sufficient attraction to stimulate the exchange activity (Parmer et al., 2021). They explain that companies are able to increase their sales by promotion. Promotion provides extra information to help customers to decide on their purchase. One key element of promotion is public relations, which are defined as actions used to establish and retain the proper image of the company (Kazibudzki & Trojanowski, 2020). This would help to build long term relationships with their customers. According to Percival (2014), appliances for retaining public relations include donations, community relationships, and contributing to cultural affairs. These efforts help companies connect with the public on a deeper level, strengthening their reputation and fostering long-term customer loyalty.

2.3. People

People are also a crucial element of the marketing mix. People take into account everyone involved in the manufacture, marketing, and transportation of the products and customer service (Dobresecu, 2012). Skilled workers on the production side directly affect product quality, so businesses should provide training to ensure high standards. Well-trained staff can deliver better products, which is crucial for maintaining customer satisfaction. Dobresecu (2012) argues that customer service who get in touch with customers directly would influence the intrinsic value of the product. Offering in-house training for customer service teams ensures they are prepared to provide excellent support, which can enhance the overall customer experience and strengthen brand loyalty.

3. Analysis of Haigh's chocolates

Haigh's chocolates is widely acknowledged as a family-owned prime chocolate manufacturer who has the longest history in Australia, and they did quite a good job in applying several marketing strategies.

3.1. Analysis of Product

Haigh's chocolates is well known for its outstanding quality over its long history, combining with a variety of flavors and cardboard boxes to choose from.

To begin with, the Haigh's is treated as a prime quality chocolate provider. They are particularly vertically integrated so that they can control the entire process, from chocolate manufacture to retail, to guarantee customers outstanding quality chocolate for a long time (Haigh's chocolates, n.d.-b). As FitchSolution (2022) points out, consumers are progressively intent on products with high quality and innovative products. As a result, those who prefer quality products will take Haigh's chocolates into consideration when purchasing chocolate.

Moreover, Haigh's chocolates provides different collections of chocolate in comprehensive varieties (Haigh's chocolates, n.d.-c). For example, the Haigh's has boxed chocolate, loose chocolates, chocolate bars, and chocolate blocks & tablets. Furthermore, they provide limited

edition chocolate. Frequent chocolate consumers always choose different flavored chocolates from the same brand (Thaichon et al., 2018). In this case, customers will enjoy coming to the Haigh's and choosing a flavor they have not tasted before.

Last but not least, when making a purchase in Haigh's chocolates, customers can choose their own combinations of chocolate along with well-designed package boxes. Packaging can add value to the product and indicate product quality, which can stimulate the purchase of the product (Thaichon et al., 2018). Especially when the chocolates are purchased as gifts, those boxes save customer's money and time on not wrapping them by themselves.

3.2. Analysis of Promotion

The Haigh's has a determined dedication to environmental sustainability, which is taken into account in their entire business. This can be recognized as sustainable marketing. Kemper and Ballantine (2019) points out that sustainable marketing may have a positive impact on customer loyalty and company reputation. The most broadly accepted interpretation for sustainable development is 'as development that meets the needs of the present without compromising the ability of future generations to meet their own needs' (Brundtland, 1987, p. 43).

On one hand, Haigh's chocolates puts efforts to minimize the environmental impact of packing. Cardboard boxes, paper cases and wrapping paper are 100% recyclable (Haigh's Chocolates, n.d.-d). Meanwhile, in the case of gift packaging, they choose to use material that can be used as a collection or decoration. The volume of throw-away packaging decreases, which is a significant example of packaging sustainability. According to Prete and Samoggia (2020), packaging sustainability can have a positive impact on consumer's recognition of the chocolate quality. Although these packages may increase the cost of packaging, they have an encouraging influence on customers to convince them of the value of the chocolate.

On the other hand, the Haigh's makes an effort to protect bilby, an Australia native marsupial animal (Haigh's Chocolates, n.d.-d). It donates part of the revenue from its Easter Bilbies chocolate sale to Foundation for Rabbit Free Australia to support their commitment to keep the environment safe for native biodiversity.

3.3. Analysis of People

One of the benefits of Haigh's chocolates being a family-owned company is that they are known for their amicable and professional employees who can provide extra benefits for customers (Light, 2017). He explains that the Haigh's tries to treat their staff as volunteers, making them like what they do and making sure they are not just working for money.

On the sales side, Haigh's chocolates sees over 2 million customers a year. Dobresescu (2012) argues that the one person who gets interaction with customers directly can create or destroy the connection with them as well as the sale. So, if salespeople are enjoying the work and loving the company, they will treat customers satisfactorily.

It is the same on the production side. According to Light (2017), the Haigh's put time and effort into their in-house training to enhance their skills as well as make them stay for a long time. Since all Haigh's chocolates are made by hand, those skilled workers certainly have an influence on the quality of the chocolate. So, making sure their workers are properly treated is highly necessary.

4. Conclusion and Recommendation

Haigh's chocolates' marketing strategies are well implemented and lead to the success of this family business. However, the Haigh's is not completely protected from danger nowadays.

There are new competitors coming into the market. High-end chocolatiers and specialized chocolate stores are flourishing in Australia (FitchSolution, 2022).

One key recommendation is enhancing its online shop. By allowing customers to choose their own chocolate combinations and select personalized wrapping paper or boxes, Haigh's could provide a more tailored shopping experience. Additionally, opening more physical stores in Australia would increase accessibility, making it easier for customers to visit and further strengthening the brand's presence. These strategies would help Haigh's adapt to the growing competition while maintaining its position in the market.

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