Thesis IBMS 2013-2014
Profimeat: Direct Export in the French Frozen Salmon Market

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Executive Summary

This thesis was a project developed as an ending of the course IBMS, under the supervision of Professors Nielsen and Vermeulen. The purpose of this study was to understand the buying decisions and purchase opinions of Profimeat's potential customers in the French frozen salmon market. Furthermore, the sales potential of frozen Chilean Atlantic salmon in the French wholesale market was estimated.

The thesis was made for Profimeat, a company that specializes in the import-export of meat, poultry and fish products. The research areas include internal analysis, payment and sales, distribution channels, market entry and estimation of potential sales. The theoretical framework presented consists of the 7s framework, a SWOT to analyze the internal situation of the company, a Porter’s five forces and PESTLE analysis and to understand the macro-environment. The goal for the empirical part was to get an understanding on purchase decision maker’s opinion on the Atlantic frozen Chilean salmon and the competition. Furthermore, the empirical part goal was also to generate an estimation of potential sales of frozen Atlantic Chilean salmon in the French frozen seafood market.

The research was conducted using both qualitative and quantitative approach. A survey amongst 217 out of 500 purchase decision maker and potential customers in wholesale was conducted. In addition ten in depth telephone interview were carried out. The secondary data was collected from related topic literature found through desk research. The final part was the conclusion, and suggestions for improving Profimeat’s performance and succeeding in implementing their goals.

This project was addressed to the management team of Profimeat and professors of the IBMS course. I would like to thank the management team of Profimeat for the cooperation and provision of information needed for accomplishing the tasks asked by the course.
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Overview of abbreviations

IVP: Individual Vacuum Packed
IQF: Individual Quick Frozen
LBS: Pounds
EU: European Union

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Chapter 1 Introduction management issues and thesis objective

The aim of this bachelor thesis was to give a clear understanding of how to determine Profimeat’s sales potential situation in the frozen salmon market in France. The intent of this thesis was to use a questionnaire to discover buyer’s intentions and estimate potential sales of frozen Atlantic Chilean salmon in the France Profimeat.

1.1 Context

Profimeat Holland B.V. is a small starting-up sister company of the company F.G.M., Feburo Global Meat. It is an international food trading company specialized in the import-export of meat products, located in Rotterdam. Profimeat imports fish, meat and poultry product from South America, mainly from Chile, Brazil, Argentina and Uruguay. Profimeat is now focusing on the import of salmon from Chile, beef from South-America and Chicken, also coming from South-America.

Profimeat’s products are thus divided into three categories:

- **Fish**: Atlantic Salmon, Mackerel, Trout (Products, 2013)
- **Meat**: Lamb, Bovine, Pork (Products, 2013)
- **Poultry**: Chicken, Turkey (Products, 2013)

Profimeat’s clients are mainly B2B wholesalers, retailers and processors of meat products. Profimeat has been supplying meat and poultry product to its customers in many European countries for over 85 years and is now looking forward to do the same thing with frozen salmon in France with as a targeted client base, the wholesalers of frozen salmon and seafood products.

As the decision to go abroad is never easy, companies need a substantial amount of information and research about, the foreign market, consumers and clients to know whether the market is actually attractive and whether or not they should take the decision to enter it. Due to the globalization, the competition from foreign countries on the home market forces national firms to go abroad in order to become more competitive (Lowe, 2008). A company that wants to enter a new market needs to make an estimation of potential sales and do market research to find out if the market is attractive. This is the reason why Profimeat requested an estimation of its potential sales in the French market.
1.2 Management issue

Profimeat is now facing the decision whether to enter the French market or not. Profimeat already exports in many countries in Europe and is mainly known for its meat and poultry products and services. Profimeat still does not operate in France while France is one of the biggest consumers of salmon in the world (Malek, 2010). Profimeat thus feels that there is great potential in France. In fact, the salmon industry is at maturity in France and many companies with different activities work with frozen salmon (Escande, 2013). However, their only option is the salmon from Norway, Ireland, and Scotland. Chilean producer of premium quality salmon product, for a relatively cheaper price that what is in the French market at the moment, could be a greater option for the B2B potential clients. This is reason why the management of Profimeat sees good opportunities of exporting its product, the Chilean Atlantic Salmon in France.

It is essential first of all to determine what the product characteristics in terms of potential clients are. The product is frozen Atlantic salmon coming from Chile. Profimeat can offer 2-3 LBS and 3-4 LBS salmon fillet, salmon cubes of 10x10x15 mm and portions of 140 and 170 grams. Product characteristics in terms of clients are fixed. Indeed quality wise, it is a premium quality salmon with 23+ colour. Concerning the packaging, the product is individually vacuum-packed (IVP) and individually quick-frozen (IQF) in 10 Kg cartons labelled with Chilean supplier’s name. Regarding the durability of the product, the salmon can be stocked in cold storage for a period of 24 months. The price of the products differs in function of the form: fillet, cube or portion. Additionally, the weight of the product also influences the price as well as the salmon market supply and demand.

Furthermore, the potential buyers or users of the product characteristics will be defined. The targeted clients are wholesalers in the French frozen seafood B2B market. Their size must be important enough to handle the amount of order Profimeat requires. The company would like to sell a quantity of salmon between a pallet of 700kg and a full truck. Selling more to one company would decrease Profimeat’s flexibility and capacity to process orders. The delivery is done by trucks with a containment size of 10t. The companies are also required to have credit-insurance so that any non-payment risk is insured by their banks. Even though they are wholesalers, target clients might have different additional activities with the salmon. They can store it and retail or process it. Or resell it to a retailer, or processors.
1.3 Thesis objective

The goal of this research was to estimate potential sales to selected French Wholesalers in the frozen salmon and frozen seafood market. It led to an advice report for strategic decision-making and planning concerning the direct export of Profimeat’s frozen salmon from Chile in France. In order to do that, different scope of business needed to be researched. Indeed, Profimeat’s internal situation was analysed, meaning that its resources, organizational characteristics and competitive strength was evaluated. Then the external factors that affect the frozen salmon industry were described. Following this the strengths and weaknesses of Profimeat’s competition was identified. After that, the opinion of purchase decision makers about the frozen Chilean salmon and elements regarding logistics and purchase was researched as well. And following this, the amount of frozen salmon that can be sold in the French market was estimated.

1.4 Research objectives

1. Determine what Profimeat internal sales situation is, meaning evaluating its resources and competitive strength.
2. Identify the external factors that affect the frozen salmon industry environment.
3. Identify the strengths and weaknesses of Profimeat’s frozen salmon and purchase decision makers’ opinion about it.
4. Determine who are the competitors and identify their strengths and weaknesses.

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5. Identify sales and payment structure of Profimeat and its potential French B2B customers
6. Describe the logistic requirements of the purchase and the process of the purchase of frozen salmon from potential customers.
7. Estimate how much frozen salmon can Profimeat sell in the France in the next year.

1.5 Research Framework
For this research a combination of data collection techniques was used. In order to gather primary quantitative data a survey was conducted. The survey was targeting the purchase manager of wholesale company working with frozen salmon or seafood in France. In order to understand decision makers’ views on the purchase of frozen salmon, ten in depth interviews were conducted first. Based on the findings, questions for the questionnaire will be generated.

On top of that, this research was also based on secondary data. It was an internal desk research where existing data from the Profimeat database and documentary secondary data such as journals, books and reports on the world and French frozen salmon and seafood markets were used in order to answer the research questions.

The theoretical basis of this bachelor thesis consisted of concepts concerning market potential definition and theory about competitor analysis. A theoretical framework should be utilised to define the information generated from the thesis, such as Kotler’s competition, PESTLE, SWOT, Kotler’s competition analysis, 7s structure, and Porter 5 forces.

Research Questions

1. What and how is Profimeat’s internal sales operations situation?
2. What are the macro-environment factors affecting the frozen salmon industry in France?
3. What are decision makers’ opinions on Profimeat’s Chilean frozen salmon?
4. What are competitor’s strengths and weaknesses according to decision makers?
5. Which arrangements for sales and payment are preferred by decision makers?
6. How is the purchase of frozen salmon organized at potential customer level?
7. How many frozen salmon can be sold by Profimeat in the French wholesale market?

1.6 Structure of the report
Chapter two shows the theories presented in previous research related to the area of market entry, internal analysis, competition and estimation of potential sales. Then, the methods used to conduct the research are presented in chapter three. In chapter four empirical data and findings collected from the case study are presented. Chapter five presented the conclusion based on the research and the recommendations. Chapter six consisted of a strategic implementation plan. Finally, chapter seven presented the reflection of the thesis.

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Chapter 2 Theoretical foundation

The previous chapter introduced the context and goal of the thesis and terminates by stating the research framework and outline of the thesis. This chapter was devoted to the theoretical foundation of this thesis.

2.1 Introduction
The theoretical foundation consisted of concepts regarding the internal structure of the sales operation of Profimeat, the macro-environment of the French frozen salmon industry and the importance of purchase decision maker opinion in the buying process. Thereafter, theories concerning market potential estimation and competition analysis were also presented. Those concepts from different authors were used to have a wide range of ideas on the issue of the case company.

Figure 2: Relevance tree (theory)
2.2 Describing sales operation of Profimeat

As Profimeat was trying to enter a new market through direct export, it was important for Profimeat to analyse its internal situation. In order to do this, two tools, the 7s model and SWOT analysis were used to assess Profimeat sales operation characteristics and to evaluate the internal and external factors that were advantageous and disadvantageous to complete the market entry.

7S Model

To understand the company Profimeat, an internal analysis was carried out. This internal analysis was focused on the product, the strategy and the organizational characteristics of Profimeat. The McKinsey 7Ss model is a model that can be applied to almost any organizational or team effectiveness issue (Peters, 1980). It was developed to describe several factors which have to be considered and influenced by managers to make their business effective and efficient (Peters, 1980). The 7S model can be used in a wide variety of situations: to improve the performance of a company, examine the likely effects of future changes within a company, align departments and processes during a merger or acquisition and determine how best to implement a proposed strategy (Peters, 1980). The first three elements; strategy, structure and systems are considered the hardware of success and the other four; skills, shared value, style and staff are considered to be the software.
**SWOT Analysis**

A SWOT analysis is a structured planning method used to evaluate the strengths, weaknesses, opportunities, and threats involved in a project or in a business venture (Kotler, 2000).

SWOT stand for:

- **Strengths**: characteristics of the business or project that give it an advantage over others
- **Weaknesses**: characteristics that place the business or project at a disadvantage relatively to others
- **Opportunities**: elements that the project could exploit to its advantage
- **Threats**: elements in the environment that could cause trouble for the business or project

In order to properly use the SWOT analysis, one needs to ask and answer questions that generate meaningful information for each to make the analysis useful and find its competitive advantage. In this case it was used to evaluate Profimeat’s entry in the French market of frozen salmon. It involved specifying the objective of the business project or and identifying the internal and external factors that were favorable and unfavorable to achieve that objective.

**Motivation and comparison**

**7S Model**
The internal sales situation of Profimeat was an important element. The fact that Profimeat wanted to expand in France induced change within Profimeat. In order to execute the implementation plan properly, the McKinsey 7S Framework was used to identify where the Profimeat organisation was at the moment and how they might could be affected by the proposed change; it was also used to identify Profimeat’s organizational characteristics and how the case company could have achieve its objectives.

**SWOT Analysis**

Each and every one of Profimeat competitor has strengths that give them a competitive advantage. However, they might also have weaknesses that could give the advantage to Profimeat. Once competitor's strengths and weaknesses are known, Profimeat will be able to think about how to minimize the impact of competitor strengths or use their weaknesses for

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better business. The SWOT gave Profimeat ideas on how to exploit opportunities for the benefit of the firm, regarding an entry in the French market. This way Profimeat was able to evaluate the internal and external factors that go along with completing the market entry.

2.3 Picturing the Macro-environment

Profimeat wants to export its product, the frozen Atlantic Chilean salmon in France in order to gain more market share. However it was important to determine if France is a suitable market for entry. This is the reason why the macro-environment, all the major external and uncontrollable factors that influence performance and strategies must be considered. To do this the Porter five forces and a PESTLE analysis were used.

PESTLE Analysis

Figure 5: PESTLE

PESTLE or STEEPLED analysis adding Ethics and Demographic factors describes a framework of macro-environmental factors used when running an environmental investigation in strategic management. It is thus a part of the external analysis when conducting a strategic analysis or doing market research, and gives an overview of the different macro-environmental factors that the company has to take into consideration. It is a useful strategic tool for understanding market growth or decline, business position, potential and direction for operations (Association, 2011). The basic PEST analysis includes four factors: Political, Economic, Social and Technological. Expanding the analysis to PESTLE or PESTEL adds: Legal, Environmental. Other factors for the various offshoots include: Demographic, Regulatory.
Porter five forces

Porter five forces analysis is a framework for industry analysis and business strategy. It is important for Profimeat because it determines five forces that according to Porter enable the determination of competitive intensity and attractiveness of the market (Porter, 1979). Porter five forces analysis is a framework for industry analysis and business strategy. Porter’s five forces are: Threat of new entrants, bargaining power of suppliers, bargaining power of customers, Competitive rivalry within an industry and threat of substitute product (Porter, 1979). An "unattractive" industry is one in which the combination of these five forces acts to drive down overall profitability. A very unattractive industry would be one approaching "pure competition", in which available profits for all firms are driven to normal profit.

Motivation and comparison

PESTLE Analysis
PESTLE gives an overview of the different macro environmental factors that Profimeat has to take into consideration. The PESLTER analysis was an important part of an external analysis when doing a market research on the French seafood market.

Porter 5 forces
With Porter’s five forces analysis the French seafood industry was analysed. It was an important tool for Profimeat because it determined five forces that drew the competitive intensity and the attractiveness of a market. Thus, this model helped in order to advise Profimeat whether or not the French market could have been a profitable market.
2.4 Importance of decision maker opinion

Why is their opinion important?
The intent of this question is to understand the impact of decision makers’ opinion on the purchase decision of Atlantic Chilean salmon. Decision makers are the ones responsible for the purchase, and figuring out who exactly is responsible for the purchase is often a complex task. Indeed, decision makers give the final answer for the purchase of the product that has to be in accordance with their company’s needs.

Stages in the B2B buying process are similar to stages in the consumer’s buying process.

1. A need is recognized
2. The need is described and quantified
3. Potential suppliers are searched for.
4. Qualified suppliers are asked to complete responses to requests for proposal (RFPs).
5. The proposals are evaluated and supplier(s) selected.
6. An order routine is established. This is the stage in which the actual order is put together.
   The order includes the agreed-upon price, quantities, and expected time of delivery, return policies, warranties, and any other terms of negotiation (Saylor).
7. A post purchase evaluation is conducted and the feedback provided to the vendor.

In the case of Profimeat, stages 1 to 4 were inexistent because the sales persons were directly proposing the product straight to the purchasers. The role of the seller is to point out the advantages of his product relatively to the competition and bring forth its expertise in the field. This is the reason why, in order to make a strong impression to the buyers, it is important to determine what the buyers think and understand what influence their purchase decision.

How to measure it?

Decision –making can be regarded as the process resulting from the selection of an action among several alternative possibilities (Reason, 1990). Business buyers have different interests and different decision criteria. Furthermore, purchase decision making is both a rational and emotional actions serving the needs of the individual as well as the company (Kotler, 2000). Through questionnaire and in-depth interviews the seller can have necessary information on the decision makers’ opinion. It can give information on the factors that influence decision makers and the views of those involved in the purchase process. The goal is to determine what motivate the b2b buyers and which features are the most important.
2.5 Evaluating competitive strengths

Kotler's Market-based competition analysis

Competitor analysis in marketing and strategic management is an assessment of the strengths and weaknesses of current and potential competitors. This analysis provides a strategic line to identify opportunities and threats from the competition (Kotler, 2000). According to Kotler's, companies need to know five things about competition:

**Who are the competitors?**

The firm should decide on which competitors are likely to impact on their business and which businesses the firm will be able to compete with. There are a number of models which can be used to identify competitors including Porter’s Five Forces model explained earlier (see above p.10).

**What are their objectives?**

This includes future growth plans and company values. To gather information about competitor objectives and plans it is possible look at their websites, company reports, press releases and marketing material. It is important to analyze competitor objectives to get an idea of their values and likely strategy.

**What are their positioning strategies within the market?**

This question is about the perceptions customers have about competitor's products. Is it perceived as a quality product, or is it perceive as a cheap and generic products or luxury products.

**What are their strengths and weaknesses?**

A SWOT analysis may help to identify and record the answers to this question (see above p.10).

**What are their reaction patterns?**

This will help identify the reaction patterns, identify how competitors could react to the new market entry.

Competitor analysis is an essential component of corporate strategy (Lowe, 2008). It is argued that most firms do not conduct this type of analysis systematically enough. Competitor analysis helps firms to anticipate their competitor’s actions and exploit competitor’s weaknesses. It also helps firms to identify their firm's unique selling points, so that these can be promoted with marketing campaigns. Competitor analysis is an ongoing task, as successful competitors will continuously develop their marketing strategies, in response to changes in the market place.
Motivation and comparison

(Kotler 2000) Because the company is on an early stage the competition is not known yet. However, it is important when entering a new market to take the competition into consideration. Profimeat needed to identify and analyses the competitors. It was also important to classify market roles. Thanks to this, Profimeat was able to localize and profile the competition.

2.6 Estimating potential sales

In this part, the methods for thinking about the future results of the marketing plan, namely sales or market share was described, with a particular focus on estimation of potential sales.

Futrell

Futrell provides an analysis-based estimate that largely based on the potential users of frozen salmon and their buying habits. This method is based on the potential buyers or users of the product (Futrell, 2000). The first step of the process is to define the potential buyers and determine how many customers are in the potential group of buyers. In this case the estimated group size is 500 wholesalers companies or potential buyers. The second step is to estimate the potential purchasing rate. This will be done by taking the average purchase rate discovered in the survey. Following this, by multiplying the numbers obtained in the first and second step we will get the market and sales potential. The goal is to get an idea of what the market and sales potential will be by asking respondents if they would buy and how much they would buy over time.

Bottom-Up Approach

A bottom up analysis is calculated by estimating potential sales in order to determine a total sales figure. The bottom-up approach will be used. The bottom-up approach sizes a market using projections of individual clusters. A firm must first identify the customer segments it intends to reach, and then make estimates of their size and growth, through a combination of primary and secondary research. While it takes a lot more effort, the result is usually much more accurate.

Here are the steps:

1. Where is the frozen salmon typically sold?
2. How many customers are there in France?
3. How many customers will be willing to buy from Profimeat?

Motivation and Comparison

At the business planning stage, it was important to estimate the market sales potential. It provided a directional sense to the firm’s managers whether they should pursue the project over
alternative priorities. With the bottom-up approach and the Futrell formula method the following formula was given:

\[
\text{Market Sales Potential (MSP)} = \text{Prospective Buyers (B)} \times \text{Quantity Sold (Q)} \times \text{Price (P)}
\]

It enabled Profimeat’s to estimates its sales potential for its frozen Chilean Atlantic salmon in the French wholesale market.

### 2.7 Conceptual Model

In this part of the chapter, the conceptual framework which was based on the literature review is described. Conceptualization is a method that helps clarify, either through graphics or text, the main elements of the research that will be studied (Hubermann, 1994). In this case, the conceptual model was the base for the in-depth interviews and questionnaire questions.

![Conceptual Framework](image)

**Figure 7: Conceptual Framework**

#### 2.7.1 Internal Sales Operations

First the internal sales operation situation of Profimeat is conceptualized. To answer this research question, the following theories where applied:

- 7s Model
- SWOT Analysis

#### 2.7.2 Macro-environment
This research question was about the macro-environmental factors that affect the frozen salmon industry. To answer this question the following theories were applied:

- PESTLE
- Porter 5 forces

2.7.3 Importance of decision makers’ opinion

This research question was about the importance of the purchase decision maker’s opinion and how to measure it. To answer this research question, the following theories were applied:

2.7.4 Evaluating competitive strengths

This part is devoted to the evaluation of competitive strengths; to do this the following theory was used:

- Kotler

2.7.5 Estimation potential sales

Finally, the estimation of potential sales is conducted with the help of the following two concepts:

- Futrell
- Bottom-up approach

This chapter was to introduce the theoretical framework and describe the models that are used to analyze the problem as thoroughly as possible. Each model in the framework has been described, compared and judged relevant to the thesis issue. The net chapter will present the methodological approach of the thesis as well as the methods used to get essential primary and secondary data in practice.
Chapter 3 Methodology

3.1 Introduction

This chapter analyzed the methodology used in this thesis and presented how data was gathered in order to find the answers to the stated research questions. First the research questions of the study are discussed and related to the data collection instruments used. After that, the research strategy and data collection methods are examined. Following this, the method of assuring credibility and validity will be presented and finally the planning and execution of the research will be explained.

![Figure 8: Relevance tree (methodology)](image)

3.1 Profimeat internal sales situation

The goal of this question was to determine what Profimeat’s internal sales situation was and to evaluate its resources and competitive strengths. The unit of analysis in this case was the company Profimeat. Information about the company Profimeat, such as its mission, vision,
product, market and organizational sales operation characteristics were found using a combination of secondary and primary research. The company’s website was used, as well as Profimeat’s internal database and one informal internal interviews with the company’ CEO, Armin Troost. The questions asked to the employees were established in order to build the 7s model of McKinsey and the SWOT analysis.

3.2 Picturing the macro-environment

This part was set to identify the external factors that are affecting the French frozen salmon industry. The unit of analysis was the French seafood industry. The analysis was based on the five forces framework of Porter and the PESTLE analysis as general aspects of the target country such as political and legal information, financial and economic information and facts about the socio-cultural environment needed to be analysed. Information for the Porter five forces and PESTLE analysis were found with a secondary research on the internet, using government reports on the frozen salmon market in France that gave information on the suppliers and purchasers of frozen Atlantic salmon.

3.3 Decision makers’ opinion on Chilean Atlantic frozen salmon

This part helped identify purchase decision makers’ opinion about the Chilean Atlantic frozen salmon. The unit of analysis was the buying behaviour and decision making by the French potential customer. The goal was to determine what the customer thought about the product, what their buying behaviour was and what could have had influenced the purchase decision making. In order to gather information primary data collection was used, the ten in depth interviews with purchase decision makers gave qualitative information. Interviewees were asked about their opinion on the frozen Atlantic salmon, if they would buy or not this product and how they felt about Profimeat attempted entry in the French wholesale market. Thereafter, the questionnaire was used to collect quantitative information from 217 companies about the purchase decision makers’ opinion on the frozen salmon and Profimeat attempted entry in the French wholesale market for frozen salmon.

3.4 Competitors strengths and weaknesses

The goal was to determine who the competitors were and identify their strengths and weaknesses. The unit of analysis was the buying behaviour and decision making by the French potential customer and the competitors’ strengths and weaknesses. To answer this question, primary and secondary research was used. The ten in depth interview and questionnaire gave some insight on the purchase decision makers’ knowledge on the competition in the frozen salmon industry. Indeed, they were asked whether or not they knew or worked with other
Chilean Atlantic frozen salmon suppliers and where were they getting their salmon supplies at the moment. Furthermore, desk research was used to establish a competition analysis.

3.5 What are the arrangements made for payment and sales?

The objective of this part was to identify sales and payment structure of Profimeat and its potential French B2B customers. The unit of analysis was the buying behaviour and decision making by the French potential customer. The research was mainly primary. The data came from the ten in-depth interviews and the questionnaire. In the interviews, purchase decision maker were asked about they preferred arrangement for payment, which incoterm they were working with and which price they were paying at the moment for the Chilean frozen salmon fillet (trim-D). In the questionnaire, 217 companies were asked which price they were willing to pay for the Chilean Atlantic salmon fillet (trim-D). This way, qualitative and quantitative data was collected on this subject.

3.6 Organisation of Purchase

The goal was to describe the logistic requirement of the purchase and the process of the purchase of frozen salmon from potential customers. The unit of analysis was the buying behaviour and decision making by the French potential customer. In order to get information the ten in-depth interviews and the questionnaire were used to have knowledge from the purchase manager. The interview purpose was to understand how the purchase was organized, what the frequency of ordering was and which mean of transport was used. The questionnaire was used to ask the 217 companies how many times they were likely to order from Profimeat and if they were able to order one pallet per month.

3.7 Estimation of potential sales

The objective of this sub-chapter was to estimate how much frozen Atlantic Chilean salmon Profimeat could sell to French wholesalers in the next year. The unit of analysis was the estimated sales of frozen salmon. To answer the research question “how many frozen salmon can Profimeat sell?” and make an estimate, the answers from the questionnaire’s questions, “How likely are you to buy from Profimeat’s frozen salmon soon?” and “how likely are you to buy frozen salmon this year” were used. Moreover, the collected answers regarding the quantity sold from the question “how many time will you order from Profimeat this year?” and the price from the question “how much are you willing to pay for the Chilean frozen salmon trim-D?” were used. Following this, the formula (Market sales potential = Prospective buyers * Quantity sold * Price) was used to reach best case scenario estimate and a worst case scenario estimate. The best case scenario assumed that all respondents to the question “how likely are you to buy frozen

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salmon this year” bought the salmon while in the worst case scenario only the amount of people buying the product in a near future were taken into account.

3.8 Research Strategy

This research pertained to study the French frozen salmon market, Profimeat’s internal situation and estimating Profimeat potential sales in France for the Atlantic frozen salmon from Chile to wholesalers. This chapter was explaining the different methods that were used to collect data for the research questions described earlier.

Research Design

For this research a combination of data collection techniques were used. The main reason for conducting telephone interviews with purchase experts was to provide insight into the selected foreign market, local knowledge, understanding, perception, expertise about the French frozen salmon market. For this research in depth interviews were conducted with ten purchase manager working in the frozen seafood industry.

Based on the findings, questions for the questionnaire were developed. The questionnaire targeted the purchase managers of wholesale company working with frozen salmon or seafood in France and was addressed to 217 companies. The questionnaire was destined to the purchase manager of wholesale company working with frozen salmon or seafood in France who also are Profimeat’s potential customers.

Moreover, the research was also based on secondary data. It was an internal desk research where internal data from the Profimeat database and external data such as journals, books and reports on French frozen salmon and seafood markets were used. The data collected enabled the conduction of a market research about the environment of the frozen salmon industry in France and Profimeat’s internal sales operation situation.

Data Collection

Interviews

Initial contacts were made with the purchase managers. Indeed, on the phone they were explained the situation and the reason for the interview. Interviewees were carefully selected in function on their company characteristics and their business background. The detail of interviewee can be shown in the table below:

<table>
<thead>
<tr>
<th>Company</th>
<th>Contact</th>
<th>Employees #</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andric</td>
<td>Mr. Merieu</td>
<td>30</td>
<td>Wholesale, Processors</td>
</tr>
<tr>
<td>Corse Maree</td>
<td>Mr. Quilisi</td>
<td>6</td>
<td>Wholesale</td>
</tr>
<tr>
<td>Cosmos Foods</td>
<td>Mrs. Fanny</td>
<td>75</td>
<td>Import-Export, Wholesale</td>
</tr>
<tr>
<td>Creative Seafood</td>
<td>Mime Derrien</td>
<td>290</td>
<td>Processors, Wholesale, Catering</td>
</tr>
<tr>
<td>Gelfish</td>
<td>Mr. Cartier</td>
<td>55</td>
<td>Import-Export, Wholesale</td>
</tr>
</tbody>
</table>

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<table>
<thead>
<tr>
<th>Company</th>
<th>Contact</th>
<th>Employees</th>
<th>Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mericq</td>
<td>Mr. Leroy</td>
<td>400</td>
<td>Processors, Import-Export, Wholesale</td>
</tr>
<tr>
<td>Novofood</td>
<td>Mr. Stefansson</td>
<td>20</td>
<td>Wholesale</td>
</tr>
<tr>
<td>Soprolux</td>
<td>Mr. Guerrin</td>
<td>240</td>
<td>Wholesale, Retail</td>
</tr>
<tr>
<td>Sunfish</td>
<td>Mr. Merrien</td>
<td>40</td>
<td>Wholesale, Import-export</td>
</tr>
<tr>
<td>Valofish</td>
<td>Mr. Barbe</td>
<td>98</td>
<td>Wholesale</td>
</tr>
</tbody>
</table>

Figure 9: Interviewee details

The questions will be issued on the phone which gave a high response rate at a reasonable cost (Saunders, 2009, p.349) with the list of 500 companies serving as sampling frame. Before starting the interviews, the following information was already available:

- Company name
- Number of employees
- Address

**Questionnaire**

The questionnaire goal was to collect quantitative data to estimate the amount of frozen salmon Profimeat can sell, but also to find out the opinion of purchase decision makers on the product and to discover logistics, payment and competitor's strength and weaknesses in the market. The questionnaire had to be done with purchase decision makers with the most accurate knowledge in the research. When contacting the companies, it was immediately stated that the person taking care of the buying decision was requested.

Three of the most common type of questions used in questionnaires or surveys was used in the questionnaire; it included open questions, closed questions and Likert questions. While formulating questions, the information needed in order to answer the objective of the thesis and the interviews were taken into account. The information needed encompassed the following areas: Attitude towards Chilean frozen salmon, price position, purchasing rate, competition, logistics, total market potential and total sales potential.

**Desk Research**

The theoretical data of this thesis was based on several sources like books, articles and the Internet and can be divided in two main parts, the data for market entry and the data for estimating potential sales. The main reason for using international institutions and databases was to gain information from independent and reliable sources in order to conduct detailed market analysis of selected countries. Additional information was obtained from the selected countries such as local environmental agencies, commercial chambers, local institutions and companies responsible for aquaculture and fisheries in France.
3.9 Sampling selection

As stated earlier in this thesis, the intention of this study was to make an estimation of Profimeat potential sales in the French frozen salmon market. Since this study aimed to look at the potential sales in B2B, finding French frozen salmon wholesaler was essential. After having compiled a list of 500 different potential customers companies that were appropriate for this study and willing to be interviewed, Saunders was used to calculate the sample size.

With a population size of 500 that represent the 500 potential clients for Profimeat. The sample size set was 217 (margin of error 5% and 95% confidence level). (See table below)

Thus, the questionnaire sample size is 217, and it represents potential clients taken from all the listed 500 potential clients of Profimeat in France.

From those companies ten purchase decision makers were selected for in-depth interviews.

Furthermore, following a stratified random sampling method: The total population of 500 wholesale companies is divided into 3 groups based on the number of employees: Small, Medium and Large. Then, the total population of 500 wholesale companies was proportionally displayed into the sampling frame. Sample size is 217. Based on the population, the sample size is as followed.

<table>
<thead>
<tr>
<th>Type (number of employees)</th>
<th>Population</th>
<th>Sample size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large: (10 to 45)</td>
<td>95</td>
<td>42</td>
</tr>
<tr>
<td>Medium: (45 to 200)</td>
<td>281</td>
<td>122</td>
</tr>
<tr>
<td>Small: (200+)</td>
<td>124</td>
<td>53</td>
</tr>
<tr>
<td>Total</td>
<td>500</td>
<td>217</td>
</tr>
</tbody>
</table>

Figure 10: Sample size table Source: (Salar, 1983)

Figure 11: Stratified random sampling
3.10 Validity and reliability

Validity

For the purpose of increasing the validity of the study, respondents were approached in advance to be able to prepare for the interview and to avoid any misunderstanding. Furthermore Mr. Nielsen was asked for feedback on the questions.

The quality of the questionnaire was also important as the questions must have been in accord with the thesis purpose. The sampling frame quality was also an important element because the companies need to be relevant for the purpose of the research. Moreover, conducting pilot tests with a draft of the questionnaire was essential to reach a good quality questionnaire.

Reliability

When conducting the interviews it was important to attempt to stay as neutral as possible to avoid biasing the answers. Indeed, reliability could be decreased as respondents would like to make an ethical impression in a positive direction. There is always a risk that a respondent would give false answers, as business operations could be a subjective area. This was the reason why questions relevant and in close link with the research purpose were asked. Another reliability aspect was that the questionnaire and interview was sent out to personal email address and done on the phone, so that it could be determined that the intended and correct person actually answer the questionnaire and the interviews. During the interview, notes were taken and tape was used to record. The interview was conducted in French, as it was both the interviewers and interviewees native language, it gave the possibility to communicate freely and avoid misunderstanding. Afterwards, the interviews were translated in English.

3.11 Planning, Risks and execution of the research

Planning

<table>
<thead>
<tr>
<th>Research Activities</th>
<th>Reflected in</th>
<th>Start</th>
<th>Lead time (in week)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preparing the research</td>
<td>Chapter 3 methodology, chapter 4 findings</td>
<td>1/04</td>
<td>2</td>
</tr>
<tr>
<td>Conduction of interviews and collection of the questionnaire</td>
<td>Chapter 4 findings</td>
<td>16/04</td>
<td>3</td>
</tr>
<tr>
<td>Analyzing data collecting, reporting the research findings and drawing of the conclusions</td>
<td>Chapter 4 findings, chapter 5 conclusions and recommendations</td>
<td>12/05</td>
<td>2</td>
</tr>
<tr>
<td>Formulating the recommendation and strategic implementations</td>
<td>Chapter 5 conclusions and recommendations, chapter 6 strategic</td>
<td>30/05</td>
<td>1</td>
</tr>
<tr>
<td>Implementation</td>
<td>Thesis</td>
<td>Date</td>
<td>Odds</td>
</tr>
<tr>
<td>------------------------------------------------------------------------------</td>
<td>--------</td>
<td>----------</td>
<td>------</td>
</tr>
<tr>
<td>Finishing the full draft of the thesis</td>
<td>Thesis</td>
<td>3/06</td>
<td>1</td>
</tr>
<tr>
<td>Refining the thesis, handing in the final draft</td>
<td>Thesis</td>
<td>9/09</td>
<td></td>
</tr>
</tbody>
</table>

Figure 12: Planning

**Risks**

Survey high non-response, causing the loss of valuable data and co-operation from purchaser with the in-depth interviews
The research needed co-operation from the purchase decision makers of the 217 sample companies. The information needed from the companies was used to estimate Profimeat potential sales. Without their response the estimation of Profimeat potential would have been less accurate.

The in-depth interviews needed collaboration from purchase decision makers. The information needed from them was used to get knowledge on the frozen salmon industry and was the base for the questionnaire.

The odds of happening: Medium
After having contacted the respondents I expected that everyone would be willing to help me with the research. The challenge was that I could not reach everybody at first. I needed to be patient and flexible at work.

**Lead time of the project**
An important risk of this research was to act within the time limit given. The research had to be finished at most, May, the 1st. Furthermore, the last thesis draft has to be handed in June, the 16th.

The odds of happening: Low
A strict time schedule was necessary in order to finish the project on time.

3.12 Chapter summary
This part was meant to provide the reader with an understanding of the methods used to answer the problem definition and research questions, and why these approaches were chosen. Furthermore, means to assure the validity and reliability where presented. The next chapter will present the empirical data that has been have gathered and their analysis based on the theories and the conceptual framework presented earlier.
Chapter 4: Research findings

In this chapter the empirical data gathered based on the theories and the conceptual framework given earlier will be presented. The research results were obtained by primary and secondary research and by both qualitative and quantitative methods. This chapter also presents the answers from the in-depth interviews as well as the response from the questionnaire.

4.1 Research justification

The in-depth interviews were conducted with ten purchase decision makers in the French frozen seafood industry (see table above p.21). The interviewees provided insight on their opinion on the Chilean Atlantic frozen salmon and insight on the environment in the French frozen salmon market. Moreover during the interviews, knowledge about the purchase process and the arrangement for sales and payment was gained.

The questionnaire was issued to 217 companies working with frozen salmon in the French wholesale market. From it, numerical data on the frequency of ordering, price of the salmon and potential clients’ likeliness to buy the frozen Chilean Atlantic salmon was acquired. The data enabled the estimation of potential sales of Atlantic Chilean frozen salmon in the French wholesale market.

The secondary research that consisted of an internal desk research within the company and external desk research gave the possibility to research the French frozen salmon industry. With the data collected, the macro-environment was analyzed with the creation of the PESTLE analysis and porter 5 forces. Furthermore the internal research helped creating the 7s model and the SWOT analysis.

4.2 Profimeat internal sales operation situation

The goal of the internal analysis was to describe the characteristics of the company Profimeat. It was focused on the product, the market and the organizational characteristics.

McKinsey 7s model

Profimeat is about to enter a new market in order to gain market share. It is thus important for Profimeat to analyse its internal situation. This is why tools such as the 7s model and SWOT are used to assess Profimeat resources and capabilities.

Strategy

Until now, differentiating by focusing on exporting products’ with premium quality has always been the company’s primary strategy. The company clearly emphasize the importance of its
excellent level of quality service and its capacity of always being up to date with the last market trend (Products, 2013).

**Shared Values**

Although the company is a young start-up, its core values were formed since the very first days. Those values include customer-oriented business, quality commitment, flexibility and trust (Armin Troost).

**Structure**

Since Profimeat has been continuously growing, the structure of the company has been changed a few times in order to keep the system running fluently, the main idea was to keep the company flexible and small to save costs and be more efficient (Armin Troost).

**Staff**

The company is currently composed of twelve employees (excluding logistics) that received training for their work and are all well trained for their jobs. The company prefers to recruit young business students in order to have fewer costs and be spirited (Armin Troost).

**Systems**

The company is more or less run by the CEO Armin Troost, who is directly giving orders to everybody else for most processes. Those processes are divided in different department including finance, logistics, sales and administration. The performance of each task is evaluated by the CEO and Sales manager Marco Wardenburg.

**Style**

In Profimeat the CEO’s decisions are final. However, everybody’s opinion is heard and meeting are organised every Monday to establish what the plan of action is going to be. Then the decided strategy will be executed.

**Skills**

The company’s main emphasis is on working creatively yet professionally as a team to fulfill the customers’ needs. For the best performances, each employee has to be skillful in his/her job. The ambition and ideas of the young staff is linked with 85 years of experience in the food trading business (Products, 2013).
SWOT

For a potential entry in the French market it is crucial to evaluate with a SWOT analysis the strengths, weaknesses, opportunities, and threats that associate with the decision to enter France (Kotler, 2000). This way Profimeat can evaluate the internal and external factors that are advantageous and disadvantageous to complete the market entry.

**Strengths**

While talking about the strength of Chilean frozen salmon, quality is the biggest strength. The Chilean frozen salmon is put into trim and filet by highly qualified and experienced workers in Chile (Alvial, 2012). Chile has good infrastructure and has been producing excellent quality products since the ISA virus outbreak (Alvial, 2012). Additionally, French people are very fond of smoked salmon, the end-customer most important characteristics is the quality, taste and color of the salmon but due to the higher costs they compromise their wish and need with cheaper industrial products (Pellertier, 2008).

**Weaknesses**

Chilean companies do not have proper knowledge of marketing and advertising techniques in France (Bras, 2011) thus French companies have no ideas about the product and only heard the bad news from the ISA virus and are reticent to work with this product (Bras, 2011). This is the reason why even though Chile now has enough output to operate and export its product in the whole world, only a few Chilean companies tried to export. Another weakness is that Profimeat advertisement costs are in the lowest range among competition.

**Opportunities**

According to Fishpool, France is seen as promising market for the Chilean Atlantic salmon because French people eat per year 35Kg of seafood (Pellertier, 2008) entering France can open an enormous amount of customers. Furthermore, Profimeat might be able to sell its salmon to other segment of the frozen salmon industry such as the catering sector as the hospitality sector is booming in France. There are also opportunities to enter other big potential market such as Eastern Europe. Finally, Chile possesses an important amount of different fishes that could also be imported to France. Mackerel and trout are products that are also highly consumed.

**Threats**

It has become difficult for non-French company in the food industry because the French are not inclined to change from the Norwegian fresh salmon that they are used to get. They are used to working with fresh product. Along with this, another threat is the rise of the market price that can increase the price of the frozen Chilean Atlantic salmon and turn it into a less attractive alternative. Moreover, because the frozen Atlantic Chilean salmon is shipped from Chile to Europe, there are transportation risks. Due to force majeure, the product can be lost at sea, or perish because of delays of delivery.
### Strengths
- Premium quality of the Atlantic Chilean frozen salmon
- Good infrastructure and quality control in Chile
- Low workforce, which enable a cheaper product
- 85 years of experience in food trading business

### Weaknesses
- Chilean companies do not export themselves
- Profimeat has low advertisement costs

### Opportunities
- Important demand in the French market
- Other segment of the seafood industry such as caterers
- Could be a step to enter other markets (ex: Eastern Europe)
- Other Chilean fishes could be exported to France

### Threats
- French company are used to being supplied by the Nordic countries
- The rise of the market price of the salmon
- Transportation risks

---

### 4.3 What are the macro-environment affecting the frozen salmon industry in France?

Profimeat wants to export its product, the frozen Atlantic Chilean salmon in France in order to get more market share. However it is important to determine if France is a suitable market for entry. This is the reason why the macro-environment, all the major external and uncontrollable factors that influence performance and strategies must be considered. To do this the Porter’s five forces and a PESTLE analysis will be used.

**PESTLE analysis**

The PESTLE framework is a useful tool for understanding the macro-environmental factors that have an impact in France. It includes political, economic, social, technological, environmental and legal aspects in the business environment (Association, 2011). Doing a PESTLE analysis helped Profimeat distinguish market growth or decline, potential and direction for operation.

**Political**

Considering the political part of the PESTLE many factors have to be taken into account. France is a developed country; the political environment is stable as there is no political trouble, no war, no political crisis, and no conflict; this is a factor that can attract investors and new business entry. The government of France has no control on religions or culture. France has a history of social changes and is often mocked because of its workers tendency to go on strike, the strikes...
being instigated by social pressure groups. Profimeat should take into account those social pressure group (fishmonger, aquaculture, seafood association) has they can influence the French market of frozen salmon.

**Economic**

One important factor which contributes in doing a business in another country is the economic position of this country. According to INSEE, the real GDP growth rate of France has increased from (0.3% in 2008 to 8% in 2009) this reveals a better economic situation of the country although being hit by the recession and in fact France handled the economic crisis better than the other big countries of Europe.

Following the INSEE, the GDP per capita has shifted from $33800, $33700 to $32800 in 2007, 2008 and 2009 respectively. This shows that a quite standard position of GDP per capita of France which reveals a good economic situation of the country. However, according to the INSEE, the unemployment rate has increased from 7.4% in 2008 to 9.7% in 2009. To summarize, considering all these aspects it seems that the economic position in France makes it a favorable country for business.

**Social**

French people are known as fashion consciousness peoples, with sense of value like taste, quality or beauty. But the French economic and political events have made the French purchase power lower than decades ago. Whatever the social class, French people are always looking for the cheapest purchase. France is a country with a long history and therefore there are many events and festivals to celebrate throughout the year. There are also a large number of music festivals, from opera to open-air jazz and rock concerts. Additionally, the French people are very proud of their language which is famous worldwide and also shown their identity. The French people share a great passion of food as France is very famous for cuisine, wines and cheese.

**Technology**

France has an excellent scientific and technological environment. It is one of the world leaders in space technology, in nuclear energy, in computer engineering, in environmental protection. Indeed, France spends about 2.2% of its GDP for the development of its technology and industrial growth on research and development (INSEE, 2014).

**Legal**

Written contract are mandatory to all grades and levels and should be in French. The current standard tax rate is at 19.6%. The “Code du Travail” is the major basis for labor law. Meeting across the code is a large organization of legally enforceable rights introduced from side to side group and work agreements “règlement intérieur”. Moreover, there is no policy stated by the government to restrict any new entry of any business.

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Porter 5 forces

Porter 5 forces analysis is a framework for analysing the industry. It enables the determination of competitive intensity and attractiveness of the market (Porter, 1979). With the Porter five forces analysis a clear study of the French frozen salmon industry will be done to determine the competitive intensity of the industry Profimeat is trying to enter.

**Bargaining power of buyers: HIGH**

On account of the Kompass’ database, most wholesalers and workers with frozen salmon are concentrated in several zones (Nord, Brittany). Since the buyer concentration decreases the supplier’s product prices and profits (Grant 2010, 76), the bargaining power of buyers increases. The high number of international suppliers provides buyers with a broad range of choice for their inputs; indeed the French have the possibility to buy salmon in different countries. Those factors are driving up the power of buyers in the input market.

**Bargaining power of suppliers: LOW to MODERATE**

In respect of the high bargaining power of buyers, it is understandable for the authors to presume that the suppliers in the same supply chain have little bargaining power. Firstly, the suppliers are numerous and located worldwide with a very low concentration (l'agriculture, 2012) Secondly, very few of them have enough resources to integrate deeper forward the value chain. Consequently, the buyers, who are concentrated and somewhat more integrated, are the winners in terms of bargaining.

**Threat of new entrants: MODERATE**

Any profitable industry is facing with the invasion of firms outside the industry. One of the most effective barriers the capital required for entry is not present because the capital requirements in food trading are not that high. However, economies of scale could be a challenging barrier. Indeed, established firms have advantages in research and operating experience, which help them reduce the cost per unit over time. They also have an adequate number of customers, which enables them to operate in large-scale, reduce costs and compete with low price. New entrants, by contrast, have to bear costs and time loss (by for example sending samples) in their early stage.

**Threat of substitutes: LOW**

Threat of substitute products refers to products outside of the industry. Such product would be other luxurious fishes, caviars, loup de mer, tuna or oyster. Those products are consumed in during event seasons such as Easter or Christmas. Because of those products the demand and price of the frozen salmon are affected. However, even during the current though economic period, French people are still consuming salmon.

**Rivalry between competitors: HIGH**

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There are a large number of firms in the industry, indeed the salmon industry is present in the whole world and there are many actors such as Norwegian, Irish, Scottish and Chilean companies. They are all competing in the same industry and for the same customers and market share. On account of the low differentiated nature of the salmon products, no firm has a superior competitive advantage in terms of product design. Finally, the exit barrier is very low. The reason is that the initial capital investments are low thus companies do not hesitate to quit the business.

4.4 What are decision maker’s opinion about the frozen salmon from Chile

Even though potential customers are the companies, the purchase decision is made by purchase decision makers. In order for Profimeat to be successful, the product characteristics of the Chilean Atlantic frozen salmon need to be similar with the purchase decision maker’s needs.

One of the most important characteristics of Profimeat’s Atlantic Chilean salmon is its premium quality and the 24+ color, distinctive characteristics of premium quality products. Another characteristic of the Chilean Atlantic frozen salmon is its durability. When stored in cold storage at a temperature of -18 degrees, the Chilean Atlantic salmon has a durability of 24 months. Furthermore, Profimeat brings with its product, services such as packaging and transportation. The salmon is frozen and vacuum packed and/or quick frozen in function of client’s needs. Profimeat also takes care of the delivery. Profimeat third party logistic provider, HSF logistics, uses trucks with a containment size of 10t.

Interview

The primary qualitative research method was conducted by using in-depth interview with purchase manager of frozen salmon wholesalers in France. The purpose of the interview was to get insight on purchase decision makers’ opinion about the frozen Atlantic salmon from Chile.

The interviewees were asked about their opinion on the frozen Atlantic salmon from Chile. The respondents said that it is a product relatively similar than the salmon from Norway, Scotland and Ireland and that it is a product than can be useful for wholesalers in order to keep some stocks. They liked the idea of having an alternative to the Norwegian, Scottish and Irish salmon. Moreover, respondents also said that the high prices of the fresh salmon could force them to think about buying the cheaper Chilean salmon. The only negative point is that there are still some concerns because of the ISA virus that stroke the Chilean salmon aquaculture industry in 2007.

The interviewees were also asked the reason why they would buy or not buy the frozen Atlantic Chilean salmon. Their answers state that they might all be interested in buying the Atlantic Chilean frozen salmon fillet. One of the main reasons is that it is cheaper than the fresh salmon products and cheaper than the frozen salmon from Norway. It was also said during the interviews that it is the right timing to start buying frozen Chilean Atlantic Salmon, the reason being that Chile can now provide enough output and safety control to insure a premium quality.
product appreciated by French consumers. Furthermore, according to Mr. Cartier it is a fine product to enter the French market. The negative point, however, is that the majority of interviewees customers that process salmon are only working with fresh as it is faster to smoke. According to Mr. Merieu, it takes 4h to process the salmon fillet because of the defrosting.

The interviewees were also asked if they felt that the French market was suitable for Profimeat’s entry. Their reply was that the market prices in French for fresh salmon being at its highest right now, there might be room for a cheaper product, even if the French buyers are often reluctant to change suppliers and trust new ones.

**Questionnaire**

The quantitative part of the study was conducted through a questionnaire. The target group for the questionnaire consisted of potential customers companies in the French frozen seafood market. They were either retailers or processers but commonly all wholesalers of frozen salmon. They were 217 companies, consisting of 53 small, 122 medium and 42 large companies differentiated by number of employees.

The first question consisted of asking potential buyers how likely they were to buy Chilean Atlantic frozen salmon, from Profimeat or another supplier. The result gave that 192 respondents, 89% percent of the respondents, answered that they were likely or highly likely to buy Atlantic Chilean frozen salmon.

![Figure 14: Likeliness to buy Chilean Atlantic frozen salmon](image)

<table>
<thead>
<tr>
<th></th>
<th>Highly likely</th>
<th>likely</th>
<th>neutral</th>
<th>total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small</td>
<td>14</td>
<td>22</td>
<td>6</td>
<td>42</td>
</tr>
<tr>
<td>Medium</td>
<td>53</td>
<td>56</td>
<td>16</td>
<td>122</td>
</tr>
<tr>
<td>Large</td>
<td>26</td>
<td>21</td>
<td>6</td>
<td>53</td>
</tr>
</tbody>
</table>

![Figure 15: Distribution by company’s size](image)

The second question consisted of asking potential clients if they were likely to buy frozen Atlantic salmon from Profimeat right now. The result was that 116 respondents, 53% percent answered that they were likely or highly likely to buy Atlantic Chilean frozen salmon right now from Profimeat.

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4.5 **What are competitor’s strength and weaknesses according to decision makers?**

While trying to enter the French market, Profimeat is certainly going to meet new competition. This is why a competitive analysis should be done to assess competitors’ strength and weaknesses.

Profimeat is a small trading company and clearly does not have the same financial resources that market leaders might possess. However due to its smaller size Profimeat can use its flexibility to answer clients need. Regarding the competition in France, numerous French wholesale companies have exclusive contracts for the supply of frozen salmon. If that is case, Profimeat would not be able to make an offer to the customer during the time bound by the contract. This is why existing contracts are key elements to take into account.

**Interview**

To answer this research question, the in-depths interviews were conducted to get insight on competitor’s strengths and weaknesses in the French frozen seafood market according to purchase decision makers.
The first interview question asked purchase decision makers if they knew or worked with other companies supplying frozen Atlantic Chilean salmon. Most of the respondents did not know companies supplying frozen Chilean Atlantic salmon, only Mrs. Fanny, Mr. Cartier and Mrs. Derien that worked with it before were aware of the product attributes. Furthermore, Mrs. Fanny and Mr. Cartier gave more useful information saying that Direct Ocean was importing frozen salmon from Chile and exporting it to France. This establishes Direct Ocean as one of Profimeat direct competitor.

Respondents were also asked where they were getting their salmon supply at the moment. It was clear that most of current purchase decision maker salmon supplies are coming, as expected, from Norway, Scotland and Ireland. Just a few of them had heard or worked in the past with frozen salmon from Chile.

Another question asked if they were expecting the formation of exclusive contracts with suppliers. Some of the interviewees were expecting it as Mr. Stefansson said that “it is important to make contract with a solid supplier, this way we are less influenced by the changes of the market”. Mr. Guerrin also said that it was common to establish exclusive contracts for processors because they need a steady flow of stock, it is important for them to always have salmon in stock so that they have product to smoke. To summarize, the formation of exclusive contracts is more likely to happen with a company that does the processing of the salmon.

Another question was asking how they would compare Profimeat with their other suppliers. The respondents said that Profimeat was similar than their other suppliers if not smaller. However being a small company is not considered a negative point as Profimeat prices might be cheaper, because there are no middlemen. Indeed, Mrs. Fanny said that the other importers had different way of working, with agents and middlemen. Profimeat has an advantage on them because there are fewer costs. Mr. Guerrin said that regarding salmon, it was new for them to work with companies that are not at the source, as usually he worked with companies that took care of the aquaculture themselves. Furthermore, having contact with a Dutch company was new for most of the purchaser.

**Questionnaire**

The first question consisted of asking potential buyers if they were working or knew other companies supplying Chilean Atlantic salmon. The result was that 136, 63% where not and 36% said yes.

![Knowledge of the Competition](image)

**Figure 18: Knowledge of the competition**

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
<th>Do not know</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small</td>
<td>13</td>
<td>29</td>
<td>0</td>
<td>42</td>
</tr>
<tr>
<td>Medium</td>
<td>40</td>
<td>82</td>
<td>0</td>
<td>122</td>
</tr>
<tr>
<td>Large</td>
<td>25</td>
<td>25</td>
<td>3</td>
<td>53</td>
</tr>
</tbody>
</table>
The following question was asking potential customers if they had exclusive contracts with frozen salmon suppliers. The result was that 199 respondents, 92% of all the respondents said no while 18 said that they did, 8% of the respondents.

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small</td>
<td>0</td>
<td>42</td>
<td>42</td>
</tr>
<tr>
<td>Medium</td>
<td>7</td>
<td>115</td>
<td>122</td>
</tr>
<tr>
<td>Large</td>
<td>11</td>
<td>42</td>
<td>53</td>
</tr>
</tbody>
</table>

Kotler Market based analysis

Porter’s five forces

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bargaining power of buyers</td>
<td>HIGH</td>
</tr>
<tr>
<td>Bargaining power of suppliers</td>
<td>LOW-MODERATE</td>
</tr>
<tr>
<td>Threat of new entrants</td>
<td>MODERATE</td>
</tr>
<tr>
<td>Threat of substitute</td>
<td>LOW</td>
</tr>
<tr>
<td>Competitive rivalry</td>
<td>HIGH</td>
</tr>
</tbody>
</table>

Who are the competitors?

Across the whole world there are many firms that supply and distribute frozen salmon. In France however, the majority distribute only Norwegian, Irish or Scottish salmon. Current competition is coming from other suppliers that import Chilean Atlantic salmon and export it in the French seafood market. This kind of competition is a brand competition. Until now the only spotted companies is Direct Ocean. Additionally companies supplying Norwegian, Scottish and Irish salmon are Industry competition because they offer the same class of products.

What are their positioning strategies?

Direct Ocean is a specialist in seafood processing and marketing, they use their network and resources to promote their frozen product. Regarding the Norwegian and UK companies, they are betting on the highest quality of the fresh salmon.
What are their objectives?

According to their website Direct Ocean wants to be a market leader in the industry of frozen salmon in France. Norwegian and UK companies are looking forward to continue being the major suppliers to French companies. Scottish and Norwegian have the Label Rouge label that enables them to sell to special high class processors.

What are their strengths and weaknesses?

Norwegian and Scotts weaknesses are the fact that their high prices, however the high quality of their salmon is their biggest strengths. Direct Ocean has 33 years of experience in the French market and an important network that enable them to always have many customers. Their weaknesses would be the fact that there are many middlemen and agents in between their operations. While their prices could be lower without them.

**SWOT**

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
</table>
| • Premium quality of the Atlantic Chilean frozen salmon  
  • Good infrastructure and quality control in Chile  
  • Low workforce, which enable a cheaper product  
  • 85 years of experience in food trading business | • Chilean companies do not export themselves  
  • Profimeat has low advertisement costs |

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Threats</th>
</tr>
</thead>
</table>
| • Important demand in the French market  
  • Other segment of the seafood industry such as caterers  
  • Could be a step to enter other markets (ex: Eastern Europe)  
  • Other Chilean fishes could be exported to France | • French company are used to being supplied by the Nordic countries  
  • The rise of the market price of the salmon  
  • Transportation risks |

What are their reaction patterns?

It seems that they are all stochastic competitors. Because Profimeat is a small firm, prompt and strong reaction to the market entrance is not expected from the larger and more establish competitors. Indeed, even though Chile is back with an important output, no company has started to heavily import this product, which is less expensive. Furthermore the Norwegian and Scottish did not react to it, as the French people are still used to buying their salmon there.
4.6 Which arrangement of sales and payment are preferred by decision makers

The pricing of the frozen Atlantic salmon is one the main factors influencing the buying behaviour of potential purchaser. In the frozen salmon industry, it is necessary to have a fair price that purchase decision maker are willing to pay. Otherwise customers could decide to purchase from the competition.

The price is decided by the frozen salmon market and fluctuates on average between 6 and 9 euros. The price can be modifying in function of the distance that has to be covered for delivery. Delivery terms must be stated according to the current Incoterms at the time of the order, once the seller and buyer have agreed on a price in the order confirmation the transaction is done and the buyers have to pay for the product. The customer must have an insurance credit. This way Profimeat will always be insured for the risk of non-payment. If the purchaser does not comply with its obligation, he will be legally in default.

Interview

The purpose of the interviews was to get insight on preferred arrangement of sales and payment by purchase decision makers.

Logically the first question was asking about what purchase decision makers preferred arrangement for payment was. Mostly all the interviewees are waiting upon delivery of the product to pay. After conducting the interviews, it makes sense to establish that the payment should be received between the 30 days after delivery. According to Mme. Derrien French companies are rather trustworthy and most of them have an insurance credit. Profimeat however, needs to prepare an order confirmation so that the amount bargained is fixed and has to be paid. Only Mr. Quilici that has a small company with 6 employees pays on cash upon delivery.

The question was asking how much were they paying at the moment for a salmon fillet 2-3 lbs. The reply was that they were paying between 8.50 and 9.20 euros at the moment. This is their price for the trim D which is the most expensive frozen salmon fillet trim.

The interviewees were asked for which incoterms they preferred to work with. And following their responses, they are mostly working with DDP and if the prices are a high FOB/FOT.

Questionnaire

The first question consisted of asking potential buyers how fair they thought the price of 8.50 euros was for the Atlantic Chilean salmon D-trim 2-3 lbs. The result was that 122 respondents, 56% of the total, said that the price was fair and 95, 44% of the total answered that the price was unfair.
The second question was asking the potential customers how much they would be willing to pay for the salmon filet D-trim 2-3lbs. The results are stated below:

We can see that the majority feel like paying between 7 and 8 euros.
4.7 How is the purchase organized?

Being a trading company in the food industry, Logistics is one of the biggest challenges for ProfiMeat and is a fundamental determinant of success in international trade. In order to enter the French market, ProfiMeat must deliver the quantity demanded in time. ProfiMeat strategy is direct export. It is the most fitting mode of entry as ProfiMeat only requires investment in distribution. The lead time to process the order and delivery is also crucial, the product is stored in a cold storage in Rotterdam and it should take 5 days or less to deliver it in any part of the French continental territory. ProfiMeat works with a third-party logistic provider (Dammes Laban) for all warehousing activities and HSF Winterswijk for the distribution of the frozen salmon.

Interview

The purpose of the interviews was to get insight about how the purchase process is organized.

The interviews asked which means of transport the purchase manager thought were most suitable for the transport. Following their response it is clear that they trucks are the mean of transport to use, however Mr. Leroy said that if his order are high the product can also be shipped.

The next question was asking about the frequency of ordering. According to the interviewees, their order varies depending on the season. Mr. Barbe said that there is always a pick of demand during the period before Christmas. Interviewees’ purchase of frozen salmon varies between one pallet every two months and 40t/month.

Questionnaire

The first question consisted of asking potential buyers if their location was easily reachable by trucks from the NL in less than 5 days. Like the figure shows, most of the companies are reachable by trucks in less than 5 days. Only companies situated in Corse could take longer.

Figure 25: Delivery possible in less than 5 days

The second question asked potential
customers the minimum number of times they were likely to purchase frozen salmon this year. As we can see in the figure below, potential buyers purchase their salmon between 2 and 8 times during the year.

![Minimum number of times companies will order this year](image)

Figure 26: Minimum orders per companies this year

4.8 How many frozen salmon can be sold?

Market sizing is traditionally defined as estimating the number of buyers of a particular product, or users of a service. Because of the relative newness of the frozen Chilean Atlantic salmon in the French market, sizing the potential market is a necessary and valuable exercise for Profimeat.

To make an estimation of how many Atlantic Chilean frozen salmon can be sold in the French wholesale market, the questionnaire was used to collect the necessary numerical data.

In order to find the number of prospective buyers, the respondents were asked if they would buy the product in a near future or whenever this year. From this point a best and worst case scenario was established. The best case scenario is in case all the respondents that said they would buy the product actually buy it and the worst case scenario only takes into account the respondents that said they would buy the product in a near future.

The price was set with the help of the question asking the potential suppliers for their pricing. From there the price of 7.50 euros was set as the majority of the potential suppliers were willing to pay this price.

Moreover, the quantity sold was found with the question asking potential customers how many times they were willing to order from Profimeat this year. The minimum number of times was 2. It gives a minimum quantity sold of 2 pallets per customer. This is 2*800=1600kg.

Thereafter, this formula was used:

\[
\text{Market Sales Potential (MSP)} = \text{Prospective Buyers (B)} \times \text{Quantity Sold (Q)} \times \text{Price (P)}
\]

Following the results of the questionnaires, the prospective number of buyers in the first year is between 116 (131) and 192 (217) (non-sample).
The average quantity sold would be at least 2 orders of 1 pallet per companies and following the previous research it is set that the price potential clients would be willing to pay for the Chilean Atlantic frozen salmon trim-D 2-3lbs is 7.50 euros/kg.

Using the bottom-up approach, the following calculation gives the estimated sales potential:

Worst case scenario:

116*1600 = 185600

116*1600*7.50 = 1 392000 euros

Best-case scenario:

217*1600 = 307200t

192*1600*7.50 = 2 304 000 euros
Chapter 5

In this chapter the conclusions and recommendations of the thesis are presented. The first section deals with the conclusions, the second section provides the recommendations for the company and further research on the subject.

5.1 Conclusion

This thesis has sought to give an insight of the estimation of potential sales of Profimeat and see if they could enter the French market. This chapter will attempt to formulate adequate conclusions based on the performed secondary research and the answers from the interviews and questionnaire.

<table>
<thead>
<tr>
<th>Research questions</th>
<th>Conclusions</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is Profimeat’s internal sales operation situation?</td>
<td>7s Model</td>
</tr>
<tr>
<td></td>
<td>The company Profimeat is a small start-up company always up to date with the last market trend. It is a customer-oriented business that delivers high quality products and bet on quality, commitment, flexibility and trust.</td>
</tr>
<tr>
<td></td>
<td>Profimeat is a company that wants to remain small to save costs and focus on the delivery of its product and be efficient. Thus the advertisement expenses are low and investment are only required for distribution.</td>
</tr>
<tr>
<td></td>
<td>With a small group of 15 to 20 employees both in Holland and Brazil Profimeat is working creatively and professionally linking the youth of the staff with the 85 year of experience in the food trading industry.</td>
</tr>
</tbody>
</table>

SWOT

<table>
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<th>Weaknesses</th>
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<td>Important demand in the French market</td>
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<tr>
<td>Could be a step to enter other markets (ex: Eastern Europe)</td>
<td>Transportation risks</td>
</tr>
<tr>
<td>Other Chilean fishes could be exported to France</td>
<td></td>
</tr>
</tbody>
</table>

| What are the macro-environment factors affecting the PESTLE | France being at the heart of Europe offers great possibilities. It has one of the world’s largest consumer |

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| **Frozen salmon industry in France?** | Frozen salmon industry in France is one of the leading destination for tourism, famous for its cuisine. Furthermore, the French government provides a great support for foreign business and investments.  
Porter's five forces  
There are a large number of firms in the industry, indeed the salmon industry is present in the whole world and there are many actors such as Norwegian, Irish, Scottish and Chilean companies. They are all competing in the same industry and for the same customers and market share. On account of the low differentiated nature of the salmon products, no firm has a superior competitive advantage in terms of product design. Finally, the exit barrier is very low. The reason is that the initial capital investments are low thus companies do not hesitate to quit the business. |
| **What are decision makers' opinions on Profimeat's Chilean frozen salmon?** | Interviews  
Following the purchase decision makers, the frozen Atlantic Chilean salmon is a similar product than the salmon from Norway, Scotland, and Ireland. It is the best quality frozen product, one level under the fresh salmon that the latter counties produce. It can be useful for wholesalers, to keep stocks and having a cheaper alternative to the Norwegian, Scottish, and Irish salmon. However, the French buyers that are often reluctant to new products could be hesitant to switch to the Chilean frozen salmon as it has a negative connotation because of the ISA virus that stroke the Chilean salmon industry and the fact that frozen salmon takes longer to process.  
Questionnaire  
From the questionnaire, it seems that most of the respondents would buy frozen Chilean Atlantic salmon (89%). Moreover, 53% could buy it in a near future and 65% the next month. |
| **What are competitor’s strengths and weaknesses according to decision makers?** | Interviews  
Most of the respondents did not know or worked with other companies supplying frozen salmon, except a few. Direct Ocean, a company that supplies frozen salmon often came up. Furthermore, interviewees are getting their salmon supplies from the usual channels: Norway, Scotland, and Ireland. A few were getting it from Chile. Regarding exclusive contracts, the possibility that they are formed with French frozen salmon wholesalers is low. It is more common with processors. Lastly, Profimeat is the only fish trader from the Netherlands that they had contact with.  
Questionnaire  
The questionnaire revealed that most of the respondents were not working with Chilean Atlantic salmon (63%) and did not have exclusive contracts for the supplies of salmon (92%).  
Kotler |
| **Which arrangements for sales and payment are preferred by decision makers?** | Interview  
The purpose of the interviews was to get insight on preferred arrangement of sales and payment by purchase decision makers.  
- Interviewees are waiting upon delivery of the product to pay. After conducting the interviews, it makes sense to establish that the payment should be received between the 30 days after delivery.  
- French companies are rather trustworthy and most of them have an insurance credit  
- The reply was that they were paying between 8.50 and 9.20 euros at the moment. This is their price for the trim D which is the most expensive frozen salmon fillet trim.  
- They are mostly working with DDP and if the prices are high FOB/FOT.  
Questionnaire  
- The result was that 122 respondents, 56% of the total, said that the price was fair and 95.44% of the total answered that the price was unfair.  
- The second question was asking the potential customers how much they would be willing to pay for the salmon filet D-trim 2-3lbs. We can see that the majority feel like paying between 7 and 8 euros. |
| **How is the purchase of frozen salmon** | Interview |

Amadou Barry Bachelor Thesis IBMS
The purpose of the interviews was to get insight about how the purchase process is organized.

- It is clear that they trucks are the mean of transport to use, however Mr. Leroy said that if his order are high the product can also be shipped.
- According to the interviewees, their order varies depending on the season. Mr. Barbe said that there is always a pick of demand during the period before Christmas.
- Interviewees’ purchase of frozen salmon varies between one pallet every two months and 40t/month.

Questionnaire

- Most of the companies are reachable by trucks in less than 5 days. Only companies situated in Corse could take longer.
- 119, 55% of the total said yes. While 73, 34% of the total said that they will not be able to order a palette every month.

Potential buyers purchase their salmon between 2 and 8 times during the year.

<table>
<thead>
<tr>
<th>How many frozen salmon can be sold by Profimeat in the French wholesale market?</th>
<th>The average quantity sold would be at least 2 orders of 1 pallet per companies and following the previous research it is set that the price potential clients would be willing to pay for the Chilean Atlantic frozen salmon trim-D 2-3lbs is 7.50 euros/kg. Using the bottom-up approach, the following calculation gives the estimated sales potential: Worst case scenario: 116<em>1600 = 185600t 116</em>1600<em>7.50 = 1 392000 euros Best-case scenario: 217</em>1600 = 307200t 192<em>1600</em>7.50 = 2 304 000 euros</th>
</tr>
</thead>
</table>

In the first part, the conclusions of the thesis were presented. The next section deals with the recommendations for the company and further research on the subject.

5.2 Recommendation

The main objective of this thesis was to find out the market possibility for the frozen Atlantic Chilean salmon in the French wholesale seafood market and estimate the potential sales in this market. This section gives recommendation to management based on the data and findings.

5.2.1 Internal sales operation situation

Profimeat has competitive advantages in production costs, raw material resources and is enjoying significant and stable growth. Profimeat seems to be ready for international market expansion, having already expanded their market coverage to several countries in Europe such as Germany. However, Profimeat is now facing an intensive competition from several giant international corporations based in Norway, the first producer of salmon in the world. The company needs to improve their performance in order to successfully enter the French market where the standards for the frozen salmon are very high. Furthermore, Profimeat should improve employees’ skills of the French language and business culture for employees that have contact with French customers. Profimeat can thereafter hire suitable salesperson or educated an employee thoroughly.
5.2.2 Picturing the macro-environment
France was subjected to a thorough analysis and characterized as a favorable country for most businesses. Based on the accessible information, the frozen salmon market appeared to be very promising in terms of the current size, demand, and potential growth. The main threat is the French people’s hesitation to change suppliers and the bad reputation of the Chilean Atlantic salmon. This research has shown that the market opportunities are great and that, for this reason it is worth taking the risk with direct export. Manager need to consider local customs and values, the legal framework and try to localize knowledge. In few ways, French companies are similar to German ones and the way Profimeat works with Germany can be applicable for France.

5.2.3 Decision maker’s opinion
The fact the Profimeat product is coming from Chile can be generally seen as negative by the potential customers. However, if they use it once they would see that the product is as good as any other premium quality product. Thus, paid sample should be sent so that the clients try the product. It is recommended that the label of the product containing the technical sheet be translated in French, this way the consumers will see and understand the products attributes. Going through the investigative discussion It was discovered that product quality and price were the most important factors in the decision making process. Ultimately, French companies consider that the price of the Chilean salmon is more affordable than the frozen salmon from Norway, Ireland and Scotland.

5.2.4 Competitive strengths
The competition in France is expected to be moderately fierce. The market of frozen salmon is growing every year meaning that there is room for new market entry. However, because of the low capital requirements for starters, the company might face a lot of competition in the future. However just the fact that competitors strengths and weaknesses are known can help Profimeat in its decision to enter the French market. Regarding the competition, there are still a few issues that need to be studied further. Sadly, a closer analysis of the competition in the industry and benchmarking could have given better information. For example a list of all competitors that are competing in the market would be useful for Profimeat to map all the competition and could be essentials for the success of the case company’s future internationalization.

5.2.5 Which arrangements for sales and payment are preferred by decision makers?
The price for the frozen salmon should be at the moment 7.50 euros. Regarding the proposals for future research, there are still a few issues that need to be studied further. These issues include: The price level for each of Profimeat’s products that the customers are willing to pay. Furthermore, it is known now that Profimeat is going to give to French companies 30 days for customers to pay after the delivery. The incoterms will be negotiable but mainly FOT (named destination) will be used. In case the price is too high for the clients, DDP (named destination) can be used.

5.2.6 How is the purchase of frozen salmon organized at potential customer level?
Direct export proved to be the simplest, easiest bearing minimum risk. This method does not require agents and merchants based on home country to distribute the target product and helps
minimizing the costs for intermediaries and logistics (Joshi, 2005). Profimeat should use trucks to deliver its product in France, France has good quality roads and it will also increase flexibility. Each area of the country can be reached within five days. Furthermore the main purchase points are harbors and companies are clusters in specific areas (North, Brittany). The frequency of order has been established with the help of the questionnaire, each potential customer will buy at least two pallets this year. Profimeat needs to have enough in stock to be able to deliver this amount; buying three containers should be enough for the first months. Profimeat can also use international events such as trade shows, fairs and exhibition to build awareness, meet new customers and maintain the relationships with current customers. Sales persons should also frequently visit France to maintain the relationships and keep informed.

5.2.7 Estimation of potential sales
This thesis estimated market sales potential but did not include further concrete financial analysis. A profit and loss analysis for the internationalization process of the case company could be interesting information. Finding out how much turnover the project will get and how expensive the transportation, distribution, manufacturing and detailed information about what would be the most cost-effective way of getting the attention of the customers would be great help. Analyzing, all the outcomes and based on the findings from the research, there is a good possibility for the Chilean Atlantic salmon from Profimeat in the French wholesale seafood market. Customers can find a unique quality for a reasonable price and this will definitely give another alternative than Norwegian, Scottish and Irish salmon.
Chapter 6

In order to implement the market entry discussed throughout this thesis, a proper time plan has to be drawn and certain steps need to be followed in the implementation phase. The following implementation plan is a suggestion to Profimeat Holland BV on how to proceed with the French wholesale market entry. As a sample time frame, the end of the year 2014 has been chosen starting from August, the 1st and ending with the start of the low salmon season in March. Following this, a financial overview of costs and benefits and the risks will be presented.

6.1 Implementation plan

Now that market situation has been outlined, a proper plan for the implementation of the future entry has to be defined. In the first stage, all products and services should be made available in French. Then, Profimeat may use a low penetration pricing in order to gain market share as a newcomer. The first stage can be seen as a ‘pilot phase’ where Profimeat will tests how the product functions in practice and how it is received by customers. Sales agents need to be ready and in addition to that, marketing material must be designed and delivered in order to receive attention by the customers. The possibility of upcoming fairs and exhibitions should be checked and planned. Famous fairs include Rungis which is scheduled for September 2014 in Paris, or the SAIL seafood exhibition, which is scheduled for November 2014. Profimeat will then be officially entering the French market. Sales agents will be actively involved in generating sales. Depending on the demand, additional sales agents will be recruited, to cover other areas or more customers.

6.2 Time frame

Stage One: Direct Import (timeframe 1-2 months) – end September 2014

The first step for Profimeat, before taking its products abroad, is to start manufacturing the actual product. Once they have a decent inventory of the product, they can start direct exporting and sell the products in France, meanwhile gaining customer feedback and important contacts with firms.

Stage Two: Direct Export (timeframe 2-3 months) – end December 2014

The second step is to export the products from Rotterdam to France. Direct export method will be used. Thereafter, Profimeat would need to stay in frequent contact with the customers, because they would need the technical details for their purchase.

Stage three: Evaluation (timeframe 3 months) – end March 2014

Throughout this step the progress that has been made will be monitored to make sure that the export is on track and on schedule. A final evaluation should be done to determine how well goals and objectives are attained. The intended sales will be assessed to find out whether the outcomes obtained were accurately planned.

6.3 Financial overview of costs and benefits

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Below you can see the investment proposal which describes the yearly amount of the required investments and what changes will occur in the company with the additional funds.

In the first year the main focus is made on hiring new employees, training them and alongside make use of the fairs and exhibition opportunities. Thus, the costs associated with the first year are of 600 000 EUR. The estimate potential sales was calculated earlier (see above) and was 1 392000 EUR.

The fixed costs that Profimeat will need to pay regardless the sales are: the frozen salmon for 495000 EUR (Three 40 feet-containers for 5.50 EUR/kg) the wages for sales employees 16 000 EUR and the phone 3200 EUR.

Variable costs will be mainly transportation (on average 700 EUR). However, in order to cover costs that have not been thought of costs overruns of 500 EUR are added.

Thus: Expected costs are 495 000 EUR + 1 200*8 = 504 600 EUR

Below one can find all the financial data associated with the implementation process.

(Amounts in EUR)

<table>
<thead>
<tr>
<th></th>
<th>March 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial investment</td>
<td>600 000</td>
</tr>
<tr>
<td>Estimated sales</td>
<td>1 392000</td>
</tr>
<tr>
<td>Expected costs</td>
<td>504 600</td>
</tr>
<tr>
<td>Expected Profits</td>
<td>887 400</td>
</tr>
</tbody>
</table>

Figure 27: Financial overview

6.4 Risks

Delays in Project Completion

Implementation of a strategy may require the completion of a series of steps by different departments within the organization. If one department can’t complete its assigned projects on schedule, implementation of the strategy will be delayed (Hill, 2014). For example, delays in the manufacturing or in the shipping will also delay the implementation plan.

Loss of Key Personnel

Delays in implementation can also be caused by the unexpected departure of key personnel in the implementation of the market entry. It takes time to find a replacement with the same knowledge and skills (Hill, 2014). Indeed, due to the loss of key personnel Profimeat can lose valuable time during the process of finding an employee with similar skills. Furthermore, customers can be lost due to special relationship between the sales agent and the customer.
Higher Implementation Cost than Forecast

During the planning process, a financial costs and benefits budget was done. However, precisely calculating the costs can be difficult (Hill, 2014). As the time goes, the costs that are inherent to the implementation could be higher than the estimation made in the beginning, thus making it difficult to keep track of what has been spend and to reach its profit goals.

Loss of Key Supplier or Distributor

Some suppliers are key for the components of the products (source). Losing a supplier may cause production to be downsized and the company may not be able to achieve the revenue growth that was estimated in the implementation plan.

6.5 Chapter summary

This section described the implementation process of the thesis project a proper for the future entry was defined. Following this, a financial overview of the costs and benefits of the proposed plan was established. Finally, the risks inherent to the implementation plan were presented.
Chapter 7: Reflection

The goal of this thesis was to provide a clear estimation of potential sales for the Chilean Atlantic salmon in the French wholesale seafood market and an advice report for entering the French frozen salmon market. This chapter is about the reflection on the thesis process, the lesson that I learned and the points of improvements.

7.1 Reflection on the competencies
The rapport provides the framework for an internal sales operation analysis of Profimeat and a macro-environment analysis of the French market. After spending a lot of time researching and writing about this subject I can say that I know now more about sales and market research. Even though I do not plan to work in sales later, I now better understand how to concretely establish a market research, estimate potential sales and how to target the knowledge for it.

7.2 Lessons learned throughout the process
When I started writing this thesis, I knew a lot about how the internationalization process works in theory. But I understand now more the process. Doing those interviews and the questionnaire was slightly time consuming and often scary, but I found that interviewing persons who were doing business everyday was really informative and important. I learned so much more in every single interview and I also gained new perspectives about how the mindset is different on what your firm do and what it is.

7.3 Improvement points
I had to learn how to manage my time, and I will admit that I could have managed is so much better than what I did as the thesis ending up taking much more time than I thought it would. It was quite a challenging job to collect findings and gather information about this research. It might have been possible to collect more precise information if I was more often going to France.

7.4 Eligibility BBA degree
I got the opportunities to use various theoretical knowledge as well that we achieved during the study period in our university. I can now look back and realize that this experience has helped me both as a student and as a young professional starter. Research and writing skills are not only valued in hogeschool, but also in the business sector as well. I now feel much more confident in my writing abilities and research skills.

7.5 Chapter summary
Though it was difficult at times to motivate myself to do the work, on the whole I enjoyed the research and writing and found that the work was much more manageable than I thought it would be. I also finally learned how to conduct a whole research by myself. I have done multiple researches since high school but this is largely the longest.
Bibliography


Amadou Barry Bachelor Thesis IBMS


Appendix A: Interview questions

Preliminary explanations on the interview are already provided to the interviewee.

Interviewee:

a) Company name:

b) Name:

c) Position:

• What is the core business of your company?

  How many employees does the company have?

  What is your main use of the frozen Atlantic salmon?

  Which other salmon products are you using?

• What do you think about the frozen Atlantic salmon from Chile?

  Which services do you expect Profimeat to carry with the product?

  If you do not want to use or buy the frozen salmon from Chile, could you please explain why?

• Do you know other companies supplying Atlantic Chilean salmon?

  Where are you getting your salmon supplies at the moment?

  Do you expect the formation of existing contracts between wholesalers and suppliers?

  How would you compare Profimeat to your other suppliers?

• How much does the purchase of frozen Atlantic salmon fillet of 2-3 LBS cost you?

  Which incoterms do you prefer to work with?

  What is your preferred arrangement for payment?

• How often do you order frozen salmon:

  Which means of transport do you use?

  Which quantity do you use?

• Do you believe Profimeat will be able to enter the French wholesale market?
Appendix B: Draft Questionnaire

<table>
<thead>
<tr>
<th>Questions</th>
<th>Highly Likely</th>
<th>Likely</th>
<th>Neutral</th>
<th>Unlikely</th>
<th>Highly Unlikely</th>
</tr>
</thead>
<tbody>
<tr>
<td>How likely are you to buy Chilean frozen Atlantic salmon?</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>If our frozen salmon was available today, how likely would you be to buy it</td>
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<td></td>
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<tr>
<td>instead of Norwegian or Scottish?</td>
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<tr>
<td>How likely are you to buy this product in the next month?</td>
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<td></td>
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<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Questions</th>
<th>A. Yes</th>
<th>B. No</th>
<th>C. Do not Know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Are you willing to pay the price set for the Atlantic Chilean Salmon?</td>
<td></td>
<td></td>
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<tr>
<td>Are you ok with the packaging of the salmon?</td>
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<tr>
<td>Is your place easily reachable by truck in less than 5 days?</td>
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<tr>
<td>Can you order at least one palette each month?</td>
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<td>Do you have exclusive contracts with salmon suppliers?</td>
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<tr>
<td>If the product answers your expectations would you continue doing business</td>
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<tr>
<td>with us?</td>
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</tr>
<tr>
<td>Do you know others companies working with the Chilean Atlantic salmon?</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Questions</th>
<th>Open answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compared to our competitors, how do you feel this product is priced?</td>
<td></td>
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<tr>
<td>What is the minimum number of times you are likely to purchase frozen</td>
<td></td>
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<tr>
<td>salmon this year?</td>
<td></td>
</tr>
<tr>
<td>About how much would you be willing to pay for this product?</td>
<td></td>
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</tbody>
</table>