Predlog marketinškog plana za ulazak novog brenda prehrambenih dodataka na tržište
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Apstrakt: Snabdevanje sigurne hrane, koja ne ugrožava zdravlje potrošača putem hemijskih, bioloških ili drugih vrsta zagadivača, je osnova zdrave ishrane i važan faktor zaštite zdravlja kao javnog interesa. Prevencija bolesti koja se prenosi hranom i zaštita interesa potrošača su stoga dva glavna elementa zakonodavstva o prehrambenim proizvodima. Zakon o prehrambenim proizvodima propisuje opšte uslove, biološku i hemijsku sigurnost hrane i utvrđuje zahteve za nosioce poslovanja u vezi sa označavanjem, prezentacijom i reklamiranjem hrane, uključujući zdravstvene i prehrambene zahteve za hranu. Zahvaljujući posebnom proizvodnom procesu, načinu delovanja i sastavu, dodaci hrane Gematria su jedinstveni brend proizvoda. Oni su klasiﬁkovani kao proizvodi visokog kvaliteta i cene. Pored pitanja cena, postoji i izazov da se proizvodi proizvode u SAD, gde se primenjuje različito zakonodavstvo o prehrambenim proizvodima. Naša studija istražila je da li postoje realne mogućnosti uvoza ovih proizvoda u Evropu, da li slovenačko tržište ima prostor i interes za takve proizvode, a na osnovu analize rezultata kvantitativne studije, pripremi marketinški plan za ulazak novog brenda na slovenačko tržište. Rezultati studije nam omogućavaju da zaključimo da je slovenačko tržište spremno za unos novih i prethodno nepoznatih brendova za dodatak prehrani, koji nude visokokvalitetne proizvode od visokokvalitetnih sastojaka i u skladu sa dobrim proizvodnim praksama.

Ključne reči: Prehrambeni dodatak, brend, pozicioniranje, zakon o prehrambenim proizvodima, marketinški plan

Marketing Plan Proposal for the Entry of a Food Supplement Brand into the Market

Abstract: The supply of safe food, which does not endanger the health of consumers through chemical, biological or other types of pollutants, is the foundation of a healthy diet and an important factor of the protection of health as a public interest. The prevention of food-borne diseases and the protection of consumers' interests are therefore two main elements of food legislation. Food legislation stipulates the general requirements, biological and chemical safety of foods, and establishes the requirements for food business operators as regards the labelling, presentation, and advertising of foods, including health and nutrition claims on foods. Due to the special manufacturing process, mode of action, and composition, Gematria food supplements are a unique brand of products. They are classified as products of a high quality and price. In addition to the price issue, there is the challenge that the products are manufactured in the USA, where a different food legislation applies. Our study investigated whether there are realistic possibilities of importing these products into Europe, whether the Slovene market has the space and interest in such products, and, based on an analysis of the results of a quantitative study, prepare a marketing plan for the entry of a new brand into the Slovene market. The study results allow us to conclude that the Slovene market is ready for the entry of new and previously unknown food supplement brands, which offer high-quality products made of high-quality ingredients and in accordance with Good Manufacturing Practices.

Keywords: Food supplements, brand, positioning, food legislation, marketing plan
1. Introduction

The supply of safe food, which does not endanger the health of consumers through chemical, biological or other types of pollutants, is the foundation of a healthy diet and an important factor of the protection of health as a public interest. The prevention of food-borne diseases and the protection of consumers’ interests are therefore two main elements of food legislation. Food legislation stipulates the general requirements, biological and chemical safety of foods, and establishes the requirements for food business operators as regards the labelling, presentation, and advertising of foods, including health and nutrition claims on foods.

Food supplements are considered foods and from the viewpoint of quality and safe use, the safety of food supplements therefore falls under the authority of various offices of the Ministry of Health. Each entity entering the Slovene market with a foodstuff (food supplement) has to register a food establishment with the Administration of the Republic of Slovenia for Food Safety, Veterinary Sector and Plant Protection. After the registration of its activity, control over the entity is taken over by the Health Inspectorate, which performs inspection visits so as to establish appropriate operations and compliance with legislation at the time of the entry of the product into the market and at least once a year. During the inspection visits, the inspectors make sure that business operators comply with legislative requirements concerning the composition and labelling of food supplements and foods for special purposes. Appropriate presentation and advertising are checked by monitoring various media, with an emphasis on the Internet. As regards manufacturing and storage, the inspectors check if the facility meets the hygiene requirements and whether procedures which are based on HACCP principles have been set up. Wholesomeness of foods is checked with laboratory analyses of taken samples (Health Inspectorate, 2017).

Food supplements are foods whose purpose is to supplement the normal diet. They are concentrated sources of individual or combined nutrients, or other substances with a nutritional or physiological effect and are marketed in the form of capsules, pastilles, tablets and other similar forms, sachets of powder, ampoules of liquids, drop dispensing bottles, and other similar forms of liquids and powders designed to be taken in measured small unit quantities (Rules on Food Supplements, 2013). For different conditions, a different nutrient content is required to achieve a physiological effect (e.g. a healthy individual has a lower requirement for additional nutrients than patients, pregnant women, people with a compromised immune system).

Despite claims made by nutritionists that we receive all the required nutrients with a healthy diet, consumers are aware that the path from the garden to the plate is getting longer and the food is consequently losing its nutritional value. The modern lifestyle, environmental, psychological and physical stress increase the need to add nutrients. There are a number of food supplements in the Slovene market; however consumers are mostly not sufficiently informed to be able to choose products of the highest quality. They mostly settle for the opinion of the sellers, who usually offer a product of their choice (which depends on a number of factors). The fact is that different chemical forms of nutrients have a different bioavailability and the uptake can be substantially different.

The European Union wishes to unify the legislation of member states; however there are still major differences in regulations which hinder individual products from entering the market. So as to balance this obstacle and facilitate the exchange of goods within EU borders, the Contract on the free movement of goods and services was concluded stipulating that the competent authority has to prove the effect on public health if it prohibits the sale of a specific product in the territory of a member state and Regulation (EC) no 764/2008 on mutual recognition was adopted. The main objective of this Regulation is to lay down the rights and obligations of national authorities and enterprises when these authorities intend to reject mutual recognition and access to the market to a product which is legally marketed in another member state. The Regulation stipulates that the burden of proof lies with national authorities which plan to reject the product access to the market (Free movement of goods, 2010).

Gematria food supplements are a unique product. The owner of Gematria Products Inc, a company based in Carlsbad, the USA, Dr Todd Ovokyatis, is an inventor and expert with excellent knowledge of the human body. Dr Ovokyatis participated in numerous studies on the workings of the immune system, which led him to persons afflicted with HIV infection. To help with conventional treatment, Dr Ovokyatis developed a line of food supplements which help strengthen the immune system. He also
developed a special laser which enhances the energy of bonds in crystals, thus enabling better absorption of nutrients in the body. This laser optical technology has been patented worldwide. This invention is now being used in the potentiation of nutrients and for directing substances to a specific place in the body. Gematria food supplements are manufactured in accordance with pharmaceutical GMP (good manufacturing practices) standards (Gematria, 2017).

The strict food legislation is the main reason why Gematria has left the EU market, as of all the available products (approximately 40), only 5 or 6 (depending on the member state in question) meet the requirements of the EU legislation. Individual EU member states, which are more inclined towards the United States (Great Britain and Ireland), still allow the import of food supplements from the United States despite the incompatibility of products with the applicable legislation. Europe is a market with 500 million consumers and a high purchasing power and as such interesting for manufacturers from across the globe. As the market of self-treatment and prevention of diseases is constantly growing (including wellness, alternative medicine, etc.), there are realistic possibilities for Gematria to re-enter the Slovene and later the entire European market.

We wish to use the study results to prepare a marketing plan proposal for the entry of this high-priced food supplement brand into the Slovene market. We studied whether, in light of the applicable legislation, there is a legal option for these products to be present in the market and whether the Slovene market has the space and interest in such products. One of the objectives was to explore the market’s attitude towards food supplements which are made predominantly from natural plant ingredients.

2. Purpose, Methodology and Study Sample

2.1 Purpose of the Study

The purpose of the study was to search for answers to the posed hypotheses and establish whether consumers are interested in natural plant-based food supplements and whether consumers, who are already taking food supplements, are willing to accept a high-priced brand and what would convince them to do so.

2.2 Methodology and Study Sample

The quantitative research method and the technique of online surveying were used. A survey was implemented among consumers of food supplements. The respondents were asked to participate in the survey by an e-invitation. The invitation/access to the survey was sent to our contacts, who were asked to fill it in and send it to their contacts – this way, snowball sampling was used for the survey. The survey was filled in by 80 respondents. The survey was active from 29 July 2017 to 29 August 2017. The sample is not representative and the study results cannot be generalised to the whole population. The obtained data have been analysed and are presented in the results of the analysis. Based on the obtained results, the research hypotheses were tested.

2.3 Research Hypotheses

The hypotheses which were tested during the study:

- **H1** There are realistic market opportunities in the EU for importing food supplements from the USA.
- **H2** Consumers of food supplements are more inclined towards products which also contain plant ingredients.
- **H3** Consumers of food supplements are aware of the chemical forms of food supplements that the body more easily absorbs.
- **H4** Price is important for the purchase decision.
- **H5** The brand of the food supplement is a decisive factor for the purchase of the product.
3. Survey Results

3.1. Respondents’ Demographic Characteristics

The survey was filled in by 80 respondents, i.e. 49 women (61%) and 31 men (39%). The majority of the respondents were 40 to 49 years old, i.e. 38% (n=30), followed by respondents in the 30 to 39 age group, i.e. 28% (n=22), respondents in the 50 to 59 age group, i.e. 20% (n=16), 11% (n=9) were in the 20 to 29 age group, and the lowest number of respondents belonged to the 60 to 65 age group, i.e. only 4% (n=3).

95% of the respondents (n=76) are employed, 2.5% (n=2) are still in school, 1.25% (n=1) are retired, and the same percentage, i.e. 1.25% (n=1), are unemployed.

The educational attainment of respondents is relatively high, as 49% (n=39) of respondents hold a university degree/2nd cycle Bologna degree, 24% (n=19) have a college diploma, and the remaining percentage have completed secondary school (10%, n=8), hold a master of science or PhD (9%, n=7), have completed a vocational school (5%, n=4), short-cycle college (3%, n=2), and 1 respondent completed primary school.

3.2 Analysis of Purchasing Habits of Consumers of Food Supplements

We were first interested in the percentage of respondents who regularly or occasionally consume food supplements. The answer was interesting, as from the 80 respondents, 61% (n=49) said yes and 39% (n=31) said no. The 49 respondents who provided an affirmative answer participated in the continuation of the survey. From the 49 respondents who said that they consume food supplements, 25% (n=20) consume them daily, 21% (n=17) when they remember, 10% (n=8) twice to three times a week, and only 5% (n=4) usually make a monthly treatment using an individual food supplement (Figure 1).

On average, the respondents consume 2.8 (standard deviation=1.8) different food supplements.

As asked which food supplements they consume, the respondents reported the use of different vitamins (multivitamins: n=11, vitamins B: n=6, vitamin C: n=5, vitamin D: n=4, vitamin E: n=1), minerals (calcium: n=2, magnesium: n=16), omega-3 fatty acids (n=6), Bilobil (n=2), maca (n=1), MSM (n=3), hemp protein (n=1), algae (n=2), probiotics (n=1), and coenzyme Q10 (n=2).

As asked where they buy food supplements (several different answers were possible), the majority of the respondents, i.e. 37% (n=30) answered that they buy them in the pharmacy, 22% (n=18) buy them in
specialised stores, 21% \( (n=17) \) buy them in shops, 13% \( (n=11) \) online, 6% \( (n=5) \) said that other people buy the food supplements for them, and 1% \( (n=1) \) buy them in sports nutrition stores (Figure 2).

![Figure 2: Place of Purchasing Food Supplements](image)

Slightly less than one half \( (49\%, n=24) \) have more faith in food supplements of known brands, 33% \( (n=16) \) believe that brand is not important, 14% \( (n=7) \) said “I don’t know”, and 4% \( (n=2) \) said that sometimes yes and sometimes no and that they have their own selection of good products.

When choosing the food supplement (several answers were possible), the respondents mainly focus on the composition \( (36\%, n=35) \), price \( (21\%, n=20) \), 19% \( (n=18) \) of respondents find it important who the manufacturer is, for 13% \( (n=13) \) it is important whether the product has an organic/biological certification, and the least important criterion for the decision to buy a food supplement is the quantity of the food supplement \( (11\%, n=11) \) (Figure 3).

![Figure 3: Criteria Affecting the Choice of the Food Supplement](image)

We were further interested who they ask for advice on which food supplement is appropriate or which food supplement to choose. The highest share of the respondents, i.e. 21% \( (n=19) \), believe that they get the best advice from the people they know, 19% \( (n=17) \) of the respondents search for information on the manufacturers’ websites, 18% \( (n=16) \) study different literature, 16% \( (n=14) \) ask the pharmacist for advice, 10% \( (n=9) \) seek the information from a nutritionist, 7% \( (n=6) \) ask their personal trainer, 6% \( (n=5) \) search for information in blogs, only 2% \( (n=2) \) consult their doctor, and 1% \( (n=1) \) do not ask anyone for advice.

Slightly more than one half \( (56\%, n=27) \) always check the ingredients prior to purchasing the food supplement, 42% \( (n=20) \) check them sometimes, and 2% \( (n=1) \) never check the ingredients.
56% (n=27) find it important that food supplements contain plant ingredients, while 44% (n=21) believe that this is not important.

From the 27 respondents who answered in the affirmative as regards plant ingredients, 56% (n=15) believe that it is important that the plants come from organic farming and the remaining 44% (n=12) believe that this is only sometimes important.

In order for the absorption of nutrients to be effective, the chemical forms of vitamins and minerals are important. 57% (n=28) of the respondents never check the chemical form of the product, while 43% (n=21) do so at the time of purchase.

Almost two thirds of the respondents (59%, n=29) occasionally use a combination of natural plant ingredients, vitamins and minerals, 27% (n=13) always use such a combination, while 14% (n=7) do not use such combinations.

The price as a decisive purchasing factor is occasionally important for slightly more than one half of the respondents (53%, n=26), it is always important for 20% (n=10) of the respondents, and not important for 27% (n=13) of the respondents (Figure 4).

The respondents spend an average of €28.90 (standard deviation=19.99, min.=2, max.=85) monthly on food supplements and they would be prepared to spend an average of no more than €53.40 (standard deviation=50, min.=5, max.=250).

26% (n=30) of the respondents would make the decision to change the currently used food supplements if advised to do so by a doctor, 18% (n=21) if it was recommended by a pharmacist, 17% (n=20) if recommended by a nutritionist, 15% (n=17) if recommended by people they trust, and the same percentage also by their own choice, 5% (n=6) would do so if this was recommended by their personal trainer, and only 3% (n=4) would be convinced to change the food supplements on the basis of information from the media (Figure 5).
69% (n=34) of the respondents would decide for the change despite a higher price, 18% (n=9) would not decide for the change because of a higher price, and 12% (n=6) believe that they would decide for the change in specific cases, depending on the difference in the price, the quality of the other product, and the person who recommended the change (Figure 6).

3.3 Hypotheses Testing

H1  There are realistic market opportunities in the EU for importing food supplements from the USA.

This hypothesis can be confirmed. Reviewing the literature and the study results, we came to the conclusion that market opportunities do exist, i.e.

- If labelling of Gematria food supplements is adapted to the EU legislation, as the recommended daily allowances are lower than in the USA. New calculations need to be made, the RDA percentage calculated, and daily allowances adapted to the EU legislation (e.g. instead of two capsules, which are allowed in the USA, only one capsule a day).
- Within the EU territory, different member states have a different national legislation regarding the amount of nutrients in food supplements. In consideration of the Treaty relating to the free movement of goods, we decided to make Ireland the entry point to the EU, as it does not stipulate limitations on the import of products from the USA. From Ireland, the products can freely move to other EU member states.
H2 Consumers of food supplements are more inclined towards products which also contain plant ingredients.

Plant ingredients are important to almost two thirds of consumers, while the remaining percentage see this as an unimportant fact. The hypothesis can be confirmed, as this is important to the majority of the consumers.

H3 Consumers of food supplements are aware of the chemical forms of food supplements that the body more easily absorbs.

Only slightly more than one third of consumers of food supplements are aware of the chemical forms of vitamins and minerals, which means that this can be a sales leverage for the sellers/distributors for the products already present in the market and for those they wish to launch to the market. The hypothesis is refused.

H4 Price is important for the purchase decision.

The study results show that the price is not a decisive factor for the purchase of a food supplement, as it ranked second in terms of a purchasing criterion. Composition is more important, however the hypothesis is nevertheless confirmed, as consumers rank it among the most important factors influencing their purchase decision.

H5 A renowned brand of the food supplement is a decisive factor for the purchase of the product.

Less than one third of consumers believe that a renowned brand is important when choosing the product. We therefore believe that yet unknown (but high-quality) brands have the possibility to successfully enter the market and therefore refuse the hypothesis.

4. Marketing Plan Proposal for the Entry of the Gematria Brand into the SLOVENE Market

4.1 Market Analysis

According to 2015 data, the food supplements market in Slovenia is growing, i.e. an average 2% under current retail conditions. Consumers’ interest in the purchase of food supplements is increasing due to the need for self-treatment, the growing trend of a healthy lifestyle, and due to encouragements from the professional public (Euromonitor, 2015).

The following competitive enterprises have been identified in the Slovene market:

- **Sensilab**: a very recognisable Slovene food supplements manufacturer with its own chain of stores and a broad range of products. The company is very active at fairs, offers expert measurements, counselling, prepares nutrition plans, offers assistance in choosing the right solution for an individual problems, offers free advice and information on healthy living online and in magazines, has online applications helping consumers, etc. It is possible to order their products online and buy them in pharmacies and in specialised stores (www.sensilab.si, 2017).

- **Medex**: one of the leading European manufacturers of food supplements based on bee products and other natural products and cosmetics. Production has been upgraded with high production standards and tested quality ingredients. An advantage is the Slovene origin of products. The company markets its products via the online shop, is a very active advertiser, has an own store in Ljubljana, and Medex products can be found in almost all stores across Slovenia and in individual filling stations. (www.medex.si, 2017).

- **Jamieson**: is a Canadian food supplements brand. They are characterised by a broad spectrum of different combinations of vitamins and minerals in doses which mainly exceed the highest allowed doses in the EU. Their products are available in pharmacies, specialised stores and in the online shop. In terms of price, they come closest to Gematria from all the compared
brands, and the same applies to the composition and quality of the ingredients (www.jamiesonvitamins.com/, 2017).

The strengths and weaknesses of individual brands have been assessed with regard to different factors (Table 1). A downwards arrow means that Gematria is better than the competition and an upwards arrow means that it is worse.

Table 1: Strengths and Weaknesses of Gematria Compared to its Competition

<table>
<thead>
<tr>
<th>Factor</th>
<th>Sensilab</th>
<th>Medex</th>
<th>Jamieson</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product price</td>
<td>▼</td>
<td>▼</td>
<td>▼</td>
</tr>
<tr>
<td>Brand recognisability</td>
<td>▲</td>
<td>▲</td>
<td>▲</td>
</tr>
<tr>
<td>Ingredient quality</td>
<td>▼</td>
<td>▼</td>
<td>the same</td>
</tr>
<tr>
<td>Sales channel accessibility</td>
<td>▲</td>
<td>▼</td>
<td>▲</td>
</tr>
<tr>
<td>Number of sales channels</td>
<td>▲</td>
<td>▲</td>
<td>▲</td>
</tr>
<tr>
<td>Marketing activities</td>
<td>▲</td>
<td>▲</td>
<td>▲</td>
</tr>
<tr>
<td>Negotiating power with suppliers</td>
<td>▲</td>
<td>▲</td>
<td>▲</td>
</tr>
</tbody>
</table>

Source: own

4.2. SWOT Analysis

The SWOT analysis was chosen to analyse the threats and opportunities, as it appropriately shows the main strengths and advantages of Gematria compared to the competition and sheds light on the weaknesses and potential threats which might endanger the successful entry into the Slovene market (Table 2).

Table 2: SWOT Analysis for Gematria

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td>The only laser enhanced food supplements in the world;</td>
<td>Excellent supportive treatment of complex chronic and acute diseases;</td>
</tr>
<tr>
<td>Carefully chosen ingredients and continuous quality control;</td>
<td>Relocation of production to the EU;</td>
</tr>
<tr>
<td>Sophisticated composition of products for the best possible effect;</td>
<td>Adapting formulas so that they comply with EU legislation;</td>
</tr>
<tr>
<td>Manufacturing in accordance with GMP standards.</td>
<td>Setting up an educational network for buyers/therapists.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Weaknesses</th>
<th>Threats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expensive ingredients;</td>
<td>Complex positioning of products compared to the competition;</td>
</tr>
<tr>
<td>Complex production process;</td>
<td>High costs of setting up production and a network in the EU;</td>
</tr>
<tr>
<td>Manufactured in the USA, raising the price of the product;</td>
<td>High price of the products;</td>
</tr>
<tr>
<td>Recommended doses in the USA substantially exceed those in the EU;</td>
<td>Rigid European legislation;</td>
</tr>
<tr>
<td>Use of plant ingredients which are not allowed in Slovenia or which are registered as medicine;</td>
<td>High wholesale and retail margins which substantially increase the price of the product (up to 40%).</td>
</tr>
</tbody>
</table>

Source: own
4.3 Segmentation of Target Groups

Table 3: Segmentation of Target Groups

<table>
<thead>
<tr>
<th>Demographic characteristics</th>
<th>Youth: preventive and curative care, fast treatment of diseases. Elderly: curative care, better buyers due to the increase of modern-day diseases and the desire for a long and healthy life. Households with above-average income and a higher level of educational attainment.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geographic characteristics</td>
<td>Consumers who live in the urban environment and have a higher income and better access to information and products.</td>
</tr>
<tr>
<td>Psychographic characteristics</td>
<td>Primary target group: patients with a weak immune system, active individuals, athletes, business people, frequent travellers, people with a hectic lifestyle and a lack of time for traditional meals, which increases the need for food supplements, individuals with a higher income. Secondary target group: conscious buyers who take active care of their health and the health of their family.</td>
</tr>
<tr>
<td>Behavioural characteristics</td>
<td>Consumers who are highly conscious of the preservation of health. Loyal consumers who regularly consume the products of their chosen brand. Consumers who are willing to learn and are strongly motivated to preserve a healthy lifestyle.</td>
</tr>
</tbody>
</table>

Source: own

4.4. Setting Marketing Objectives

After the SWOT and market analysis for food supplements, short-term marketing objectives for a three-year period were set:
- The visual identity of the brand has to be refreshed prior to entering the market, making it more agreeable to the European market,
- An online educational portal and smartphone application for the professional public and consumers have to be set up,
- Certified consultants have to be trained to become the operators of the educational platform,
- A network of nutritionists/doctors/pharmacists, who will recommend our products, has to be established,
- Active field promotion, workshops, training seminars, counselling offices,
- Media and online advertising.

4.5. Designing the Marketing Strategy

Currently, marketing in Gematria is not developed, the products are being sold by inertia selling, and there is no marketing plan which would foresee future actions and appropriate positioning of the products in the market. The introduction of a brand which does not have a clear strategy and appropriate marketing support from the manufacturer is a major challenge. These products are unique and it is therefore sensible to use resources to successfully launch them into the Slovene market. The company’s owner is a scientist with an exceptional sense and knowledge for creating products, however due to too great a need for control is also hurting the business. The marketing strategy for Gematria with the aim of achieving the marketing objectives has been designed with the help of marketing mix elements (4Ps), which are aimed at realising the marketing objectives in the chosen market.

4.5.1. Product

In light of the benefits of Gematria products for individual target groups and with specific medical conditions, we decided to position Gematria products as a high-quality brand of high-priced food supplements, which are unique in the market in terms of composition and mode of action. The sophisticated composition, special processing, and exceptional effectiveness of the products support the treatment of acute modern-day diseases (HIV infection, AIDS, cardiovascular diseases, cancer, etc.).
The message for the buyers is “The perfect choice for maintaining everyday health and an excellent support for treating health conditions.”

4.5.2.  Price

As regards pricing of Gematria products at the time of entering the market, the price skimming strategy will be employed in accordance with the set marketing objectives, market segmentation, and product positioning. Price adaptation for individual products will further be used for rewarding and encouraging consumers. Discounts will be offered for the purchase of a larger quantity of the same products (e.g. buy two equal products and get a 20% discount), a 10% discount will be offered for payment against a pro forma invoice, promotional prices will be available for the first purchase, i.e. prices equalling our cost of purchase including costs, consumers who will order regular monthly packages of products will receive additional discounts and benefits.

This way, consumers will be encouraged to regularly consume the products, we will create a pool of loyal consumers whose brand loyalty will spread a positive opinion on the products and whose regular purchases will enable the organisation to develop and expand its operations.

4.5.3.  Place

Gematria buyers will be able to buy the products in pharmacies/specialised stores and/or online. In the event of online purchases, consumers will receive a special benefits package (lower prices, discounts, promotions), which we cannot provide in pharmacies or specialised stores as the distributor. We hope that this way online purchase will become attractive to consumers who are not used of buying such products online.

4.5.4.  Promotion

When planning promotional activities for Gematria, all tools of the marketing mix will be used. The majority of the activities will pertain to sales promotion, direct/electronic marketing, and viral marketing. Advertising, personal selling, and public relations will be used to support the main tools. The following activities are planned for individual tools:

4.5.4.1.  Advertising

Advertising will inform potential buyers of the arrival of a new brand to the market. Gematria products will be advertised in various media: magazines focusing on health-related topics, journals for pharmacists and doctors, magazines focusing on specific groups of patients, magazines read by business people, using Google AdWords the products will be presented online with banners, the majority of advertising will take place via social networks (mainly Facebook), as this way we can reach a large number of potential consumers in a more individual and sentimental way. In order to reach the target population, all functionalities offered by Facebook will be used.

4.5.4.2.  Sales promotion

In sales, direct and indirect sales promotion will be employed in wholesale, retail, and with final users. Wholesalers will be motivated with promotional quantity discounts, retail with free products, which they can either sell or use themselves, while a detailed system of discounts, promotional prices, and quantity discounts will be prepared for final users in accordance with the brand’s pricing strategy.

4.5.4.3.  Personal selling

Gematria is a unique brand due to its composition and it is important for consumers (direct and indirect) to be aware of all the advantages and benefits. This will be achieved with regular sales presentations for smaller groups, participation at fairs, and free samples. The foundation of marketing is in consulting consumers over the educational platform. Buyers will also be able to use the forum on the website where employees will provide assistance and advice when choosing the right product.
4.5.4.4. Public relations

So as to create a positive public image, press conferences for journals intended for the professional public are planned. This group mostly focuses on pharmacists and doctors who advise consumers to use Gematria products.

4.5.4.5. Direct marketing and/or electronic marketing

Direct marketing will be implemented with text messages and emails. Consumers will be informed of current events, novelties, various health conditions (e.g. obesity, fatty liver, weakened immune system, etc.) and how to address those using Gematria products, they will be advised to use Gematria products to help them alleviate their problems. Each message will also contain a link for fast orders. We expect that this way a larger number of consumers will more quickly decide for the purchase of the products.

4.5.4.6. Viral marketing

Using YouTube, Snapchat, Instagram, and Facebook, the public will be provided with short, interesting, humourous, and ingenious messages, which they will want to share with their friends and acquaintances. This way, a large number of potential buyers will be reached in the shortest possible time and with a minimum investment.

4.6. Control of Marketing Activities

So as to control the implementation of marketing and business activities, an appropriate business structure needs to be set up. In addition to the general manager, the company will also employ the head of sales and marketing. As the company will mostly focus on marketing and indirectly on sales, while direct sales or distribution/logistics will be implemented by an external partner, we decided that for internal and external needs, standard operational procedures for the following business processes will be prepared:

- Ordering products from the USA,
- Customs clearance and transport to the central warehouse,
- Storage, distribution,
- Sales,
- Quality management (product recall and monitoring of unwanted events).

All employees and external partners will receive training on procedures affecting their work in the company’s business structure.

The head of marketing and sales will be responsible for:

- Preparation of product labelling (in accordance with the legislation),
- Preparation of marketing material,
- Setting up and maintenance of the website and social networks,
- Maintenance of the website and social networks content,
- Training and control of partners as regards the use of promotional materials.

The company’s general manager will be responsible for concluding contracts, supervising partners and employees, and for the appropriateness of procedures and products.

5. Conclusion and Discussion

The purpose of the study was to employ an analytical approach to establish the situation and factors in the Slovene market which encourage and/or impede the entry of a new food supplements brand into the Slovene market. Due to the nature of food supplements, which are considered foods however due to their shape and composition the lay public often attributes the characteristics of medical treatment to them, the entry into the market represents a challenge already from the legislative aspect. The European Union has recognised the problem of the lacking regulation of food supplements and began regulating the legislation slightly more than 10 years ago. As fast change can cause economic damage, EU experts, together with the economy, have been shaping the legislation since 2006. This way, enterprises
had sufficient time to implement all changes in their manufacturing and marketing processes. Health claims for food supplements and conditions when these can be attributed to food supplements and for which groups of consumers have been specified since 2012. In 2013, the labelling of allergens changed and in 2014 legislation on additives entered into force. We can now claim that on the global scale, the EU has the most regulated legislation in the field of foodstuffs and consequently food supplements. The USA followed the EU with similar measures, however due to strong lobbies the United States were unable to regulate its legislation in a similar manner. So far, food supplements can still be attributed the characteristics of medical treatment by adding that such a statement has not been evaluated by the FDA. With a good knowledge of the legislation, Gematria products can nevertheless enter the Slovene (EU) market despite legislative reservations.

The next challenge for entering the market is the price of Gematria products, which ranges from €30 to €120 monthly for one product. In the survey, the respondents said that the (average) highest monthly amount that they would be willing to pay for all the food supplements that they consume (which in light of the survey results is an average of 2.5 products) is no more than €53.40. This means that the majority of the respondents would be willing to buy only one Gematria product a month. There is a realistic possibility, which has shown itself in the respondents’ answers, that they would be willing to pay more for the food supplements if the recommendation to change their current choice came from the doctor/pharmacist. This means that active promotion among the professional public needs to be implemented, which is foreseen by the marketing plan. A deficiency noted through the answers is the fact that Gematria is still an unknown brand, since the majority of respondents prefer to buy products of known brands. This means that initial activities will have to focus on building brand image more than they will focus on product presentation.

We believe that the unique nature of Gematria products represents an excellent starting point for successfully positioning the brand in the Slovene market. It is necessary to shape clear messages which will present all benefits of the products for the buyer. We are convinced that financial incentives when introducing a product to the market are sensible; however these products are of such a high quality that excess sales below value are not justifiable. The fact remains that after the recent economic crisis, consumption is growing and people are ready to invest in their health and well-being. More than financial incentives, information needs to be provided to all involved parties (professional public, consumers, and distributors). An advantage in the marketing of food supplements (with the assumption that we comply with the legislation) is that we can use the marketing mix to influence the final users and the professional public.

The study results allow us to conclude that the Slovene market is ready for the entry of new and previously unknown food supplement brands, which offer high-quality products made of high-quality ingredients and in accordance with Good Manufacturing Practices. The higher price is not an obstacle to succeeding in the market; however the right distribution channels have to be chosen which, in light of the survey results, are pharmacies and specialised stores. An appropriate market approach has to be prepared, which would be based on raising the awareness of the professional public (doctors and pharmacists) and the use of social networks, as consumers usually ask advice from people that they know and trust.

References


33. Sensilab (2017), electronic source: www.sensilab.si, [accessed on 23 June 2017]