

## Cover Page for Individual Assignment

**MKT1705X/MT1003X Principles of Marketing (for non-Business students)**

**Semester 2, AY2020/21 (January – April 2021)**

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### Individual Assignment 1 : Marketing & CRM

Criteria	Unacceptable D / F	Acceptable C/C+	Good B/B+	Exemplary A-/A/A+	Score
<b>Quality of content &amp; development of ideas</b> <ul style="list-style-type: none"><li>addresses IA qns</li><li>connections between issues identified and the strategic Marketing concepts covered</li><li>application of relevant marketing concepts</li><li>clarity of explanations</li></ul>	(this constitutes 80 marks)				
<b>Critical thinking and writing</b> <ul style="list-style-type: none"><li>good analytical skills</li><li>able to bring in realistic, relevant, constructive, creative and insightful viewpoints to the IA</li></ul>					
<b>Structure &amp; Organisation</b> <ul style="list-style-type: none"><li>organized and logical development of ideas</li><li>overall structure</li></ul>	(this constitutes 10 marks)				
<b>Readings &amp; References</b> <ul style="list-style-type: none"><li>relevance and extensiveness of research</li><li>proper referencing format</li></ul>	(this constitutes 10 marks)				
<b>Total (100 marks)</b>					

1. I would like to join the FMCG industry as a marketing professional. By having a good understanding of marketing, we will be able to effectively communicate value of the products to customers and capture value from them. Marketing skills will help us determine the 4Ps - price, product, place and promotion. This enables us to penetrate the market more effectively and more accurately. Marketing tools like marketing analytics help us generate data to better understand consumer's behaviour (Fleming, 2018). For instance, Unilever marketed a brand of shampoo through a campaign called "Dove Campaign for Real Beauty". It aims to build self-confidence in women and young children. This campaign was well received as Unilever understood their audience. They came up with a campaign that resonated well with their consumers. The marketing format was interesting and was widely successful. Sales increased from 2.5 billion to 4 billion (Skene, 2014).

2. SWOT analysis is an overall evaluation of the company's strengths, weakness, opportunities and threats. SWOT analysis, will allow Singpost to match strengths with opportunities and convert their weakness into strengths

## **1. Strengths**

### **1.1 Excellent Financial Position**

Singpost continues to enjoy significant growth and a strong balance sheet with an improved cash position, despite the decline in domestic mail, increased cost to raise postal service standards and the pandemic. From FY19/20 to FY20/21, Singpost experienced a 9.6% increase in revenue due to the group's strong e-commerce volume growth. Their net cash position showed an improvement from SGD128.6M to SGD195.1M (Singpost, 2020). These strong financial and liquidity positions amidst global uncertainty indicate the resilience of the company. With strong financials, Singpost's day-to-day operations are run with great stability, assuring its consumers and investors (Singpost, 2020)

### **1.2 Strong Equity and Brand Awareness**

Singpost is one of Singapore's pioneer institutions. The brand was established in Singapore since 1819 (n.a, 2021). Singpost is thus well known among Singaporeans. With such a strong brand presence, Singpost will need to spend relatively less effort on their end to acquire new customers. As the leading brand and monopoly of mail delivery, it does not have to spend any money to acquire customers who would like to post letters. Singpost may enjoy first mover advantage.

## **2. Weakness**

### **2.1 Require heavy investment in infrastructure and operations**

The logistic and postal industry is investment-driven. It will need huge capital and reinvestment back to the business to provide better customer service, expand and innovate. For instance,

Singpost new infrastructure, the smart letterbox, and stamps implemented last year incurred significant operating costs. Often, this return on investment is not immediate. The industry is heavy on labour, thus it is vulnerable to other macroeconomic factors in play like an economic downturn. For instance, because of the pandemic, their operational cost increased significantly. From FY19/20 to FY20/21, Singpost group expenses increased by 18.1% (Singpost, 2020)

## **2.2 Legacy Baggage**

Singpost holds the public postal licensee, thus they are unlike private companies where they can choose which type of postal service they will want to focus on. For example, in recent years, there has been a significant decline in domestic mails. However, Singpost, as the national postal provider and the only mail provider, cannot choose to pull out from the mail delivery business. The division has been loss-making for the company and enormous expenses are incurred. Being in a competitive market, these restrictions and inefficiencies might cause the downfall of Singpost (Lee, 2019).

## **3. Opportunities**

### **3.1 Boom in e-commerce has accelerated the demand for parcel delivery**

Singapore's B2C e-commerce market has been growing at a steady double-digit rate since 2017 and is expected to continue to increase (J.P. Morgan, 2020). Today, e-commerce drives 65% of the group's revenue (Singpost, 2020). With the onset of the pandemic, the e-commerce sector has been growing faster than ever. Many Singaporeans in lockdown turned to online shopping in large numbers. This uptick in e-commerce activity will continue even after the COVID-19 crisis and as consumers form new buying habits and the concerns about online shopping dissipates. This permanent shift in consumer behaviour and growth in Singapore's digital economy presents opportunities for postal delivery companies like Singpost to gain market share (Hrnjic, 2021). Singpost will need to develop capabilities to capitalise on this e-commerce boom.

## **4. Threat**

### **4.1 Intense Competition**

The postal delivery scene in Singapore faces intense competition with long-established players like DHL as well as up-and-coming start-ups like Ninjavan. All vying for a piece of growing parcel delivery. The high number of substitute services available means that consumers have low switching costs. They will switch to the service provider that gives them the highest value in return. For example, in the last-mile delivery service, Ninjavan, established in 2014, has rapidly expanded to 6 regions in SEA in 3 years (insightssuccess, n.d.). As a small company, they could adapt to the changing market conditions more quickly. Singpost needs to adapt, innovate, and strategize to get an edge over their competitors and the likes of their customers.

### **3(a) Market Penetration**

Singpost can focus on greater market penetration by increasing the sales of current products to cater to the existing market segments without changing its existing products. First, in the B2C market, Singpost can enhance customer experience by adding more touchpoints i.e. more POPstations to the 10996 pop station lockers (Lee, 2019). This can prevent customers from switching to another provider due to inconvenience. Customers can collect, post, and make payments for parcels more easily than ever, enhancing their experience with Singpost. High customer satisfaction leads to repeat users. Second, in the B2B market, Singpost can increase its partnerships and acquisitions. For example, Singpost has strategic partnerships with Alibaba. This allows Singpost to gain direct market access to subsidiary companies under Alibaba (Taobao.com, AliExpress, Lazada, etc). Customers can use their service directly when they shop on these platforms (Singpost, 2020).

### **3(b) Market Development**

Singpost can consider market development, by offering changed or new products to the current market segment. For instance, Singpost can review geographic areas that they can expand to. Singpost expanded into the Australian market for freight management, by buying a 40% share in a local logistic company named Freight Management Holdings (n.a, 2020). This allows Singpost to extend its services within Australia and increase its revenue sources.

### **3(c) Product Development**

Singpost can also encourage growth by offering new products to current market segments. Singpost latest strategy, “Future of Post” puts in place new architecture for customers using their last-mile delivery services. For instance, the smart stamp has a code similar to a QR code that can encode sent information. With this, all basic mail items can be tracked (Tay, 2019). These innovative measures increase efficiency and convenience for consumers.

### **3(d) Diversification**

Singpost can pursue a diversification strategy by acquiring business outside the company’s current products and markets. Diversification prevents over-reliance on revenue generated by its postal business unit. For instance, Singpost has diversified its business units to include transshipment (Singpost, 2020). This has allowed Singpost to better serve its postal e-commerce customers. In addition, Singpost is invested in the property rental business. The Singpost centre was redeveloped into a 5 storey retail mail which has 100% occupancy as of 2020. With this, Singpost can be vertically integrated as Singpost Centre also host the company’s post office (Chng, 2018).

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