

MARKETING STRATEGIES TO BE ADOPTED BY A CHOCOLATE MANUFACTURER TO EXPORT TO THE GHANAIAN MARKET

F. AKOMEAH¹ D. BOŞCOR²

Abstract: *More recently, chocolate manufacturers have been considering opening a new market to expand their presence in Ghana. Despite the abundance of raw materials in Ghana, there is still limited knowledge of the discrete consumption patterns. This study aims to identify the current market size, consumer preference and to explore the marketing strategies adopted by a chocolate manufacturer to export to the Ghanaian market. Quantitative data were collected and analysed using Microsoft excel 2019 with 210 respondents. The results showed that the companies should adapt the 4Ps of the marketing mix, considering the requirements of the local market.*

Key words: *marketing strategy, chocolate manufacturer, Export, Ghanaian market.*

1. Introduction

Recent research of Roque et al. (2019) has established that businesses are on the hunt for a way to expand their operations, which has given birth to internationalisation in the business environment. The opportunity for producers to grow their businesses and penetrate new markets is enormous, thanks to internationalisation (Money et al., 2024). The chocolate market globally is no different from this opportunity provided to its players. It takes meticulous preparation and the execution of successful marketing strategies to export goods to new markets. Although chocolate manufacturers are increasingly interested in the Ghanaian market, there remains a notable gap in comprehending the current market size, consumer preferences, and effective application of the marketing mix (4Ps) for chocolate producers in Ghana. This literature review aims to pinpoint some theories in exportation and marketing strategies that chocolate producers should utilise to successfully export its goods to the Ghanaian market. Due to its long history with cocoa and rising consumer demand for chocolate goods (Fanning et al., 2023), Ghana offers a rare chance for companies to create tailored marketing strategies from these theories to gain a competitive edge and forge a significant presence in Ghana by having a thorough

¹ Transilvania University of Braşov, frank.akomeah@unitbv.ro, ORCID ID: 0009-0000-8866-1839

² Transilvania University of Braşov, dana.boscor@unitbv.ro, ORCID ID: 0000-0002-6676-3102

awareness of the Ghanaian market segmentation, the marketing mix, consumer relation management (CRM), brand equity, positioning theory, and diffusion of innovation. Ghana is a major player in the world's chocolate business by supplying major raw materials (cocoa), 19.2%, and its chocolate product market is expanding (Afoakwa, 2016, p.2).

Marketing strategies are detailed plans and techniques used by businesses or organizations to achieve their marketing objectives and increase income from their products and services (Ferrell, 2017). From the standpoint of the customer, marketing strategies are essential for promoting the goods, especially the brand, and for starting a new venture (Zhou, 2024). Competitors assert that the marketing strategy produces a competitive edge in both domestic and foreign markets (Cateora and Ghauri, 2022). Therefore, the marketing strategy serves as a conduit between the business introducing a brand or a product, customers, and its competitors (which includes branding, the marketing mix, and other strategies under this umbrella). As a result, brand dependence is demonstrated in the marketing strategy to place oneself in a specific market and sector and attract customers (Ramli, 2017). Marketing strategies cover a wide range of assignments, such as customer distribution channels, promotion tactics, product adaption, and pricing (Money et al., 2024).

This study investigates the marketing strategies that can enable chocolate manufacturers to successfully break into the distinctive and culturally diverse Ghanaian market. The key strategies to be adopted by these companies ensure a smooth and low-risk entry into the Ghanaian market. By fulfilling the objectives, the study intends to make it easier for chocolate companies to enter the Ghanaian market while promoting reciprocal economic growth and cross-cultural exchange between their home countries and Ghana. The results will be advantageous to these companies as well as the larger area of international marketing since they provide an insight into successful approaches for penetrating new and culturally diverse markets like the entire West African market.

1.1. Objectives of the research

- I. To identify the current state of the chocolate market in Ghana including consumer preference and market size.
- II. To analyse the marketing strategies and the potential impact of different marketing messages and to identify potential area of differentiations and competitive advantages for the foreign companies.

1.2. Research question

1. How can the size, competitive environment and consumer preferences of Ghana's market be evaluated?
2. What potential points of distinction and competitive advantages can be identified by analysing the marketing strategies of existing chocolate manufacturers in the market?

1.3. Research Hypothesis

1. Analysing Ghana's market size, and consumer preference thoroughly will provide important insight for foreign companies to develop effective strategy to penetrate and thrive within the market.
2. The strategies used by existing chocolate manufacturers in the Ghanaian market have an enormous effect on the consumers' perception on their products and its position in the market.

2. Method

To ensure a comprehensive understanding of the Ghanaian market and develop successful marketing strategy of this study, the quantitative methodologies facilitated a refined exploration of the current market size, consumer preference and marketing strategies. A survey was created and disseminated among the Ghanaian consumers that is a representative to collect quantitative data on brand preferences, purchasing pattern and factors that impact their chocolate consumption. This survey will be carried out through structured questionnaires and an online platform (google forms).

SurveyMonkey was the main instrument for the research, which allows the creation and distribution of surveys through user friendly interface. The online survey platform will make it possible to gather and analyse quantitative data from the sample of Ghanaian consumers that is geographically diverse in an effective manner. To provide useful quantitative insight for strategic decision-making. This tool will be customized to the unique requirement and peculiarities of the Ghanaian market.

For a better understanding of the market's existing strategies, both primary and secondary data were sourced for this study. The survey was used to gather data from the market by structuring questionnaires that focus on providing in-depth analysis of the dynamics of the market.

Questionnaires were utilised in primary data collection because they are uncomplicated to use, and secondary data was sourced from CIA, ITA, the World Bank database. The survey items were created using both open-end and close-end format. This assisted the respondents in providing answers that meet the study objectives. The questionnaire was administered through an online platform (google forms). Quantitative data gathered was analysed using both descriptive and inferential statistics to convert unprocessed data to a format that would be easier to understand and interpret in connection to the research objectives, and to assess the best short-term and long-term marketing possibilities available to companies exporting into the country.

3. Results

3.1 Market size

The market size of the nation is estimated to be 31 million, with a rapidly expanding, youthful, globally connected, and internet-savvy population (International Trade Administration, 2023). Ghana is the third-biggest Sub-Saharan African destination for US commodities exports. Ghana's digital, financial services, construction, education, and franchising sectors are expanding quickly, in addition to the country's core industries of

mining, agriculture, and, more recently, oil and gas extraction. Ghana offers a great platform for conducting business in Africa thanks to its Atlantic seaports at both Tema and Takoradi. Ghana is at the centre of Africa's revolutionary regional integration and can be a suitable site to start your business plan for the continent since it is home to the new Secretariat of the African Continental Free Trade Area (International Trade Administration, 2023). With more than 747 radio stations (NCA, 2023) and 175 television operators (NCA Ghana, 2023), Ghana boasts of a thriving media landscape. Numerous media organizations are active on social media and have websites, and this will be a great platform for companies to get their messages out to the market.

Compared to earlier periods of political instability, commentators from both domestic and foreign sources consider Ghana to be among the most stable nations in Africa. Political stability has an impact on businesses for a long-time marketing plan, which is a crucial factor in determining corporate success. After Ghana adopted a multiparty democracy, the country's political stability and good governance issues enabled for economic liberalization, the protection of human rights under the law, and the realization of social justice and equality for all citizens, including businesses. Through several policy initiatives such as free zones agreement, the Ghanaian government has committed to working in full partnership with the private sector as a means of achieving economic growth and development. The current government has also promised to carry on the successful policies of the previous administration to promote entrepreneurship and create a competitive environment that attracts both domestic and foreign investment.

3.2 Demography of the Ghanaian market

According to the data from the Ghana statistical service on its 2021 Population and Housing Census (PHC), the population of Ghana is 30,832,019 people (Ghana Statistical Service, 2021). With the female population superseding the male population by 431,139 people (Ghana Statistical Service, 2021). Ghana's age distribution is youthful; as of 2020, almost 56% of the country's population were under 25 years (CIA, 2021). Ghana has a huge market for these companies based on its population. The population is centred in the southern half of Ghana (CIA, 2021). The age structure as stated by the CIA is as follows 0-14 years: 37.72%, 15-64 years: 57.92% and 65+ years: 4.36% with a population growth rate of 2.19% (CIA, 2021).

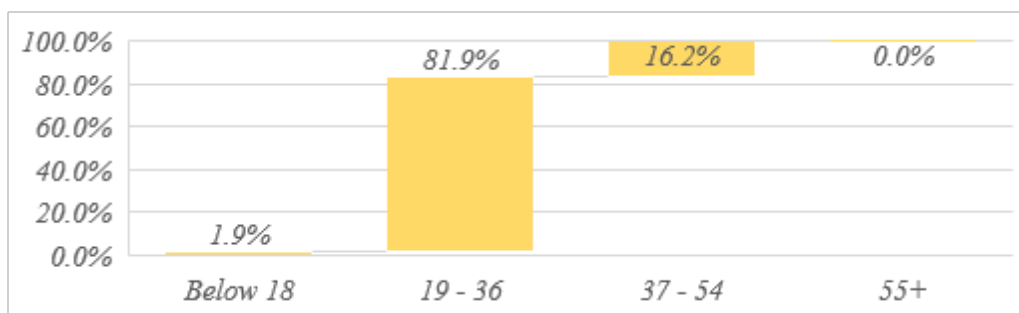


Fig. 1. Respondents by age range.

To clarify the data from CIA, the question “**What is your age range?**” was imposed in sourcing for primary data for this project. This closed-ended question has 4 options for the respondents to choose from (below 18, 19 – 36, 37 – 55, and 55+). Out of the 210 respondents, 4 respondents were ranged below 18 years old, representing 1.9% of the sample; 172 were ranged between 19 - 36 years old, representing 81.9% of the entire sample; 83.8% of the respondents are aged below 36 years old, confirming the secondary data from both CIA about the youthfulness of the Ghanaian population. 34 respondents were aged between 37 – 55 years old, representing 16.2% of the sample, and finally, none of the respondents were above 55 years.

3.3. Consumer Preference

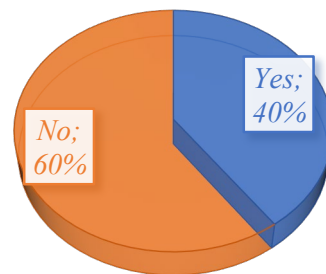


Fig. 2. Respondents by brand preference

To dive more into the consumer preferences and competition for companies exporting chocolate into Ghana, a question was imposed to find out if consumers have a preferred brand, and the reason for purchasing such a product/brand. 60% of the respondents have no preferred brand and 40% of them have a preferred brand as shown in Figure 2 above, which indicates that these foreign companies have a huge chance of penetrating the market. Out of the 40% that have a preferred brand, 64% prefer a chocolate bar from cocoa processing company limited. This makes Cocoa Processing Company Limited a core competitor for companies exporting chocolate into the Ghanaian market. Here are some chocolate manufacturers in addition to Cocoa Processing Company Limited: Olam, Cadbury Cocoa, Niche Cocoa, Cargill Ghana.

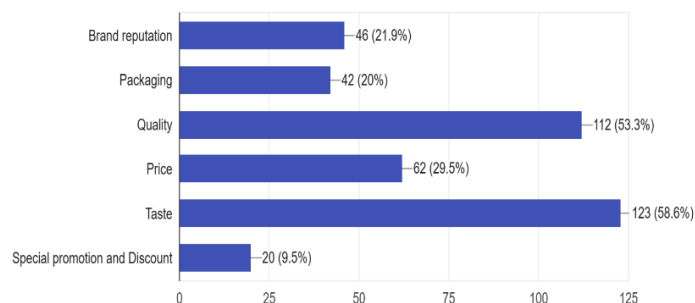


Fig. 3. Factors influence the purchase decision to a particular chocolate product.

In Figure 3, Ghanaians have a great respect for the refined tastes and rich flavours found in their beloved chocolate products. Consumers are looking for chocolate goods that entice them with a symphony of flavours that are rich, decadent, and unforgettable. Ghanaians love every mouthful of chocolate, from the busy streets of Accra to the peaceful rural areas where cocoa is grown. They appreciate the intricate interplay of sweet, bitter, and savoury elements. A strong bond with the nation's cocoa history is at the core of this concentration on flavour. Ghana is home to a wide variety of cocoa plants, each of which adds a unique flavour to the process of creating chocolate. Ghanaian consumers enjoy the wide range of tastes that their favourite cocoa beans can provide, whether it is the intense boldness of a dark chocolate bar or the smooth sweetness of a milk chocolate bar. Taste is more than simply a transient feeling for Ghanaian chocolate lovers, it is an investigation and learning process. They appreciate chocolate goods that capture the distinct soil of Ghana's cocoa growing regions and give depth, complexity, and nuance. From single origin bars to artisanal blends, they seek out chocolates that tell a story of heritage, tradition, and the timeless allure of cocoa.

The results from this question in the survey shows a remarkable 50% of respondents in this dynamic market state that the taste and quality of chocolate have a significant impact on their decision to buy, demonstrating the high value Ghanaian chocolate culture places on excellence and the sensory experience. 58.6% have chosen taste, 53.3% have chosen quality.

3.4. Marketing Mix

Businesses use the marketing mix, often known as the 4Ps of marketing, as a basic framework to establish their marketing strategy. There are four main components that a business can manage to affect the decisions that consumers make while making purchases. Product, Price, Place, and Promotion are these components. Discussing the 4P's in detail will help provide meaningful advice to any firm seeking to enter the Ghanaian chocolate market, because this will give much insight to the company as to the best strategy it can take in its entry into the Ghanaian market. For instance, what the best initial product will be, how it can best set its penetration price, the best promotional message, and the right distribution channel for this market.

3.4.1. Product

Product is the first P in the 4P's and it explains to us as marketing researchers what exactly the market is looking for. Chocolate is the product that the company has to offer the market in return for money or other forms of payment (Cateora & Ghauri, 2022).

Cocoa Processing Company, which is the key competitor to any confectionary company in Ghana, has the GoldenTree de luxe chocolate bars products in the market which comes in seven different brands namely, Kingsbite, Oranco, Akafo, Coffee Choc, Portem Nut, Portem Pride, Tetteh Quarshie and Aspire. Currently the sizes produced are 20g, 50g and 100g. The chocolate is produced from 100% Ghana premium cocoa beans, and GoldenTree confectionery products have no cocoa butter substitutes according to the

company's website. All these products fall under the chocolate bar category. The company also has 5 additional products namely, chocolate drgee (groundnut coated with chocolate pebbles), chocolate spread, drinking chocolate, chocolate couverture, and semi-finished products.

Niche Cocoa Ghana on the other hand also has a variety of products in the market, namely, peanut chocolate spread, extra dark chocolate bite, cashew chocolate spread, RTD chocolate drink, milk chocolate mango flavoured, and milk chocolate bite assorted flavours. A common thing about all these products is that they are carefully crafted to suit the Ghanaian heritage, which makes it easy for the companies to bond with the consumers and to withstand the hot tropical climate of Ghana and the African continent. Health awareness is one of the key elements that consumers look up to in every food that goes into their body, hence ethically sourced chocolate products with health consciousness should be invested into this market.

3.4.2. Price

A marketing executive's choice of price is crucial since it directly affects a company's profitability. This is apparent from a firm's profit equation, where:

$$\begin{aligned} \text{Profit} &= \text{Total revenue} - \text{Total cost} \\ &= (\text{Unit price} \times \text{Quantity sold}) - (\text{Fixed cost} + \text{Variable cost}) \text{ (Kerin \& Steven William Hartley, 2020 p.362)} \end{aligned}$$

The fact that pricing has an impact on the quantity sold further complicates this relationship. Furthermore, price has an indirect impact on costs because production efficiency typically influences a company's costs based on the quantity sold. Pricing is one of the most crucial decisions marketing executives must make since it affects both total income (sales) and total cost. Since this component of the marketing mix is a very key factor to look out for, it was critically considered in this project. This gives us the opportunity to give a meaningful suggestion to an entry company on its pricing strategy at each level of the product life in the Ghanaian market as stated by Raymond Vernon in his product life theory.

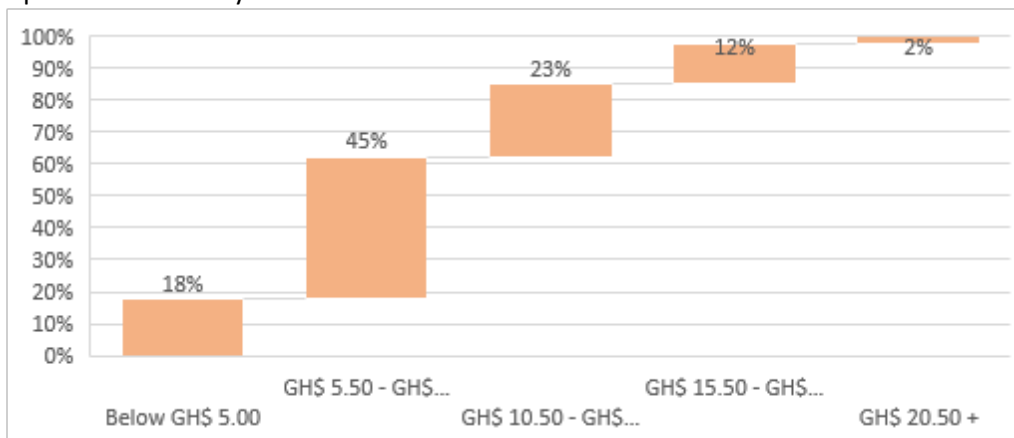


Fig. 4. Reasonable price range for a standard-sized chocolate bar (13.65cm x 5.72cm)

From the survey, it was discovered that 45% of the consumers see it reasonable for a standard-sized chocolate bar of 13.65cm x 5.72cm to be sold at around GH¢5.50 - GH¢10.00 which is equivalent to 1.68 RON – 3.06 RON (Oanda, 2024). This currency conversion was done with the help of Oanda currency converter, which equate GH¢1.00 \approx 0.30611 RON as of 21st June 2024, 1:09pm Romanian time.

3.4.3. Place (Distribution)

Place as a component of the marketing mix is an equally important factor to discuss, even if product, price, and promotion are usually the ones that receive the greatest attention. Place, which is also known as distribution, includes the channels and sites via which goods are made available to customers. This means channels through which products can get to the consumers in the Ghanaian market from the production plants. Franchising with local distribution companies within the market ensures that consumers have access to the products. Selling to business is the best way to start the operations in the market. Three major distribution companies in the market are Melcom Ghana, Shoprite Ghana, and MaxMart; these companies have access to over 60% (Department stores, 2023) of the Ghanaian market because their shops are almost all over the nation.

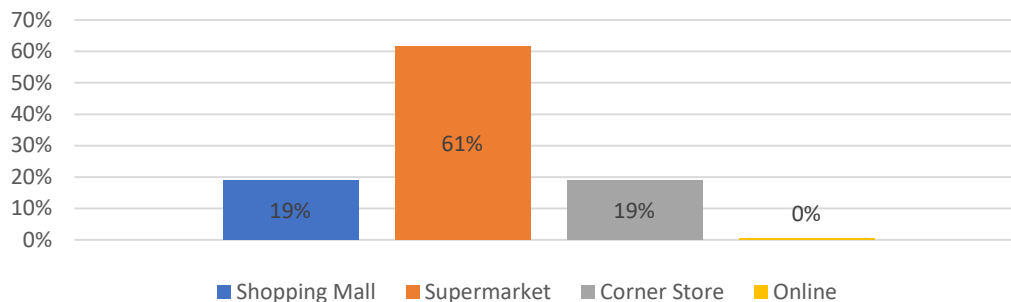


Fig. 5. Place of preference in buying a chocolate product.

61% of the consumers prefer to buy their chocolate products from the supermarket according to the survey, 19% prefer to buy from a shopping mall, 19% of the consumers also prefer to purchase from a corner store while none prefer to purchase online.

3.4.4. Promotion

As a component of the marketing mix, promotion is the producer's means of communication with the consumer. One of the keys to a successful promotion is the implementation of integrated marketing communications (IMC). The application of such a strategy emphasizes many marketing channels, and this IMC makes everything work together towards the accomplishment of the marketing objectives in a so diversified market. Building a brand in any market heavily relies on promotion done consistently and in a recognizable manner. In a so diversified market, the brand will fare better with more media channels in the promotional approach.

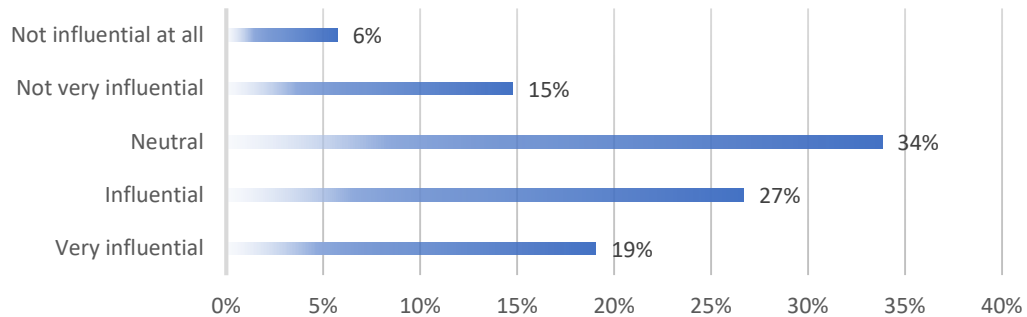


Fig. 6. *Influence of promotions or discounts in the purchasing decision of chocolate products.*

Figure 6 shows how consumers are influenced by promotion in the purchase of chocolate products. 19% of the respondents stated that promotion or discounts have a high influence on their purchasing behaviour, 27% are influenced by promotion or discount sales in their purchasing behaviour with a high percentage of respondents staying neutral, i.e. 34% of the respondents, 15% of the respondents are not highly influenced by promotion or discounting in their purchasing behaviour while 6% are not influenced at all. This shows that if a company puts up a very good promotional strategy, it will get into the swing of 34% consumers of who are neutral. This proportion of the market will increase the sales of the company if it attracts them.

4. Conclusion

Several important variables are driving the Ghanaian chocolate market's excellent growth prospects. First of all, growing export prospects and rising domestic demand have been driving the market's steady expansion. Ghana, one of the world's top producers of cocoa, has developed a robust chocolate business by utilizing its plentiful cocoa resources to reach both domestic and global markets. Ghana's expanding middle class and increased disposable incomes have, in part, contributed to the country's rising chocolate product demand. This change in customer preferences toward artisanal and premium chocolates, along with the generational transition, creates great prospects for product diversification and market expansion. Moreover, the market mix is a major factor in determining how the Ghanaian chocolate market behaves. For businesses to successfully reach and meet the needs of their target audience, they must carefully manage the four components of the marketing mix: product, price, place, and promotion. This entails providing premium items that are suited to the tastes of the customer, putting competitive pricing strategies into practice, setting up effective channels for distribution, and carrying out focused marketing efforts. All things considered, the Ghanaian chocolate sector is well-positioned for future expansion and innovation because to encouraging economic conditions, proactive government programs, and a solid base in cocoa production. In this dynamic and ever-changing market scenario, firms may achieve sustainable growth and unlock new opportunities by understanding customer preferences, taking advantage of demographic trends, and optimizing the market mix.

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