

# CAMEL MILK VICTORIA

*Marketing Plan*

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## BACKGROUND

### HISTORY

Camel Milk Victoria is a company that has substantially stepped into milk industry by offering camel milk to Australian milk consumers. The company has been established by Chris and Megan Williams in Victoria's northeast region (Camel Milk Victoria, 2016). The farm of Camel Milk Victoria has 14 camels that are milked while the ultimate goal of the entrepreneurs is to have 50 milking camels. The dairy farm is stretched in the Campaspe Shire near Kyabram on 100 acre of land which is used for shared farming with family. Chris and Megan use portable milking machines in order to milk the camels after taking specialized camel handling course from local camel trainer named as Peter Hodge (Romensky, 2015).

### PRODUCTS

The company now offers Camel Milk in 500ml and 1litre bottles, Camel Milk Soap of 150 g, Laundry Powder made from Camel Milk of 1.25kgs, Handmade Lip Balms made with natural oils and scents of 10g and customized camel milk soaps with camel and teddy designs of 100g and 60g each (Camel Milk Victoria, 2016). The pricing of each product is as follows:

- Camel Milk Soap (150g) at \$10.25
- Laundry Powder (1.25kg) at \$24.95
- Lip Balms (10g) at \$9.95
- Camel Milk Soap (75g) at \$6.95
- Camel Milk Soap (100g) Camel Design at \$14.25
- Camel Milk Soap (60g) Teddy Design at \$13.45
- Camel Milk (1L) at \$21.00
- Camel Milk (500ml) at \$11.00

### MISSION AND VISION

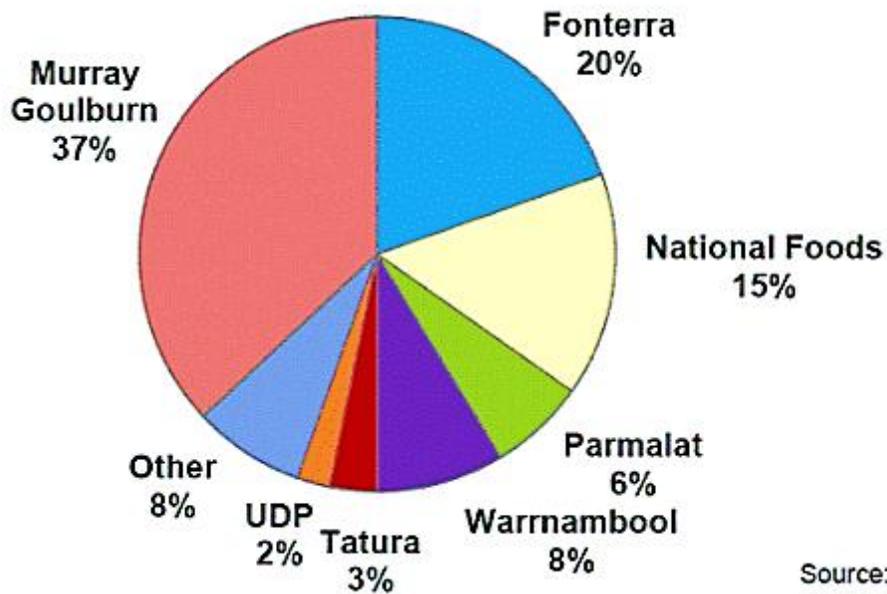
The mission of Camel Milk Victoria is to provide healthier alternative to other milk. The vision is to promote consumption of Camel Milk as it contains 30% less fat and 40% less lactose as compared to cow's milk. Furthermore, Camel Milk is a good source of Calcium and Magnesium that can reduce health related issues especially autism, food allergies, diabetes, cancer, skin issues, lactose intolerance and insulin problems (Camel Milk Victoria, 2016). The composition of camel's milk has less fat than cattle, goat, sheep and even human milk as shown in the table below.

	Moisture	Non Fat Solids	Fat	Lactose	Protein	Ash
Camel	86.3-87.6	7.0-10.7 8.9-14.3	2.9-5.4 2.9-5.5	3.3-5.8 2.9-5.8	3.0-3.9 2.5-4.5	0.6-0.8 0.35-0.95
Cattle	86.1	8.5	5.4	4.6	3.2	0.7
Goat	87.1-88.2	7.8-8.8	4.0-4.5	3.6-4.2	2.9-3.7	0.8
Sheep	79.5-82.0	11.6-12.0	6.9-8.9	4.3-4.7	5.6-6.7	0.9-1.0
Human	88.0-88.4	8.3-8.9	3.3-4.7	6.8-6.9	1.1-1.3	

## SITUATION ANALYSIS

### MARKET SECTOR

Camel milk is associated with dairy market in Australia that offers cheese, butter, margarine, milk and other dairy products. Milk's retail value growth rate was 2% in 2014 that came down from 4% in 2013 (Euromonitor, 2015). Since, Australian consumers tend to skip breakfast frequently, so the milk consumption rate has fallen. The Australian milk industry is held by Parmalat Australia, National Foods, Murray Goulburn, Fonterra, UDP and Tatura as shown below.



It is expected that in future the consumption of milk products will slow down to 1% from 2% in 2015. Camel Milk is a niche market in milk industry that will divert the sales prospect of cow, goat and sheep milk towards itself due to its added benefits.

## CAMEL MILK MARKET DEMOGRAPHY

Dry land dairy production that utilizes the camels for milking them represents major development possibilities in Australia. Australia is the only Western country with unfettered access to healthy wild herd of camels. It is in a unique position to capitalize the camel milk market. In Australia, there are an estimated 300,000 feral camels roaming in the deserts that can be tapped for milk by using top class research facilities that can be used for refining and pasteurizing the milk (Helbig, 2016). Australia can become world's leader in this field by combining its research potential with its natural resources i.e. feral camels. The camel industry overall has been on the brink of expansion for almost 20 years but still the interest in the camel milking industry has been stationery. According to BBC report (2013), there are around 750,000 wild camels roaming wildly in Australia (Martin, 2014).

In Australia, the number of feral camels are increasing from 1880 until presently. The data below shows the gradual rise in feral camels over the time period.

Time Period	Number of Camels
1880 – 1907	20,000
1920	12,649
1941	2,300
1920 – 1941	10,000
1966	20,000
1980 – 1983	43,000
2001	300,000
2006	730,000
2015	1 to 1.2 million

Source: (Australian Feral Camel Management, 2015)

Female camels are able to produce 7 to 20 liters of milk per day and the whole camel milk industry is operating along with Safe Foods Queensland for developing a camel dairy industry in Australia (Brisbane, 2009). Safe Foods Queensland is taking on improving the future prospects for producing powdered and fresh camel milk for domestic use in Australia as well as for exporting in foreign market.

## DEMAND ANALYSIS

The camel milk market in Australia is currently facing several hurdles including fluctuating milk volumes based on the forage availability to camels (Worthington & Fitzgerald, 2016). However, the demand for camel milk in Australia is on the rise as many people believe in its superior nutritional value and overwhelming health benefits. Camel milk is considered as a high end health product that is used for reducing the autoimmune diseases like autism and diabetes.

According to the Australian Camel Dairies (2014), the demand for camel milk in Australia is rising and is opening the arena for the product to become wildly popular (Martin, 2014). It means an emergence of new profitable niche market in Australia. Previously, the camel milk dairies didn't get approval by the health department indicating that since camel's milk cannot be pasteurized, so there are huge chances of camel milk being full of bacteria. However, during 2014, Australian Camel Dairies received license of approval from the health department in Australia for pasteurizing the camel milk which opened the doors for the camel milk dairies to sell the milk for human consumption (Martin, 2014).

According to Martin (2014), international demand for camel milk has risen to 7,000 liters per month. Australian camel industry has competitive edge over Dubai as it is the only western country with access to disease free wild camels as well as highest dairy standards in the whole world. United Nations estimated that there are 200 potential camel milk consumers across the globe while industry is at \$10 billion worth (Martin, 2014).

## SWOT

### STRENGTHS

Camel milk is healthier alternative to cow milk.
It has low fat and high in Calcium, Iron, Vitamin C and potassium (Australian Feral Camel Management, 2015).
It is consumable by lactose intolerant consumers on regular basis (Martin, 2014).
Camel Milk Victoria is the first licensed camel milk production house in the state (Romensky, 2015).
There are number of feral camels available for milking in Australia (Brisbane, 2009).
Milk yield of camel can touch 20 liters per day if proper machinery is used with care
Camels are easily domesticated and appear to be unstressed during milking process.
Lots of training and documentation is readily available for capturing and handling the camels.
Strong research and development has been already agreed by the Commonwealth.

There is ongoing development of camel products by the CACIA officers.

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## WEAKNESSES

Due to lack of awareness, the camel milk demand is still not able to outreach cow milk demand (Dowdell, 2016).

Camel milk is salty and might not appear tasty to the consumers with developed taste buds for cow milk (Martin, 2014).

Camel meat, if not pasteurized, contains huge proportion of bacteria and is presumed to be unhealthy by the health doctors (Martin, 2014).

Promotion is yet untargeted and there is insufficient attention towards the messages that are required to be communicated to the ultimate consumers of camel milk.

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## OPPORTUNITIES

There is a growing awareness that camels can act as a major milk provider.

People are shifting towards healthier food options with lower fat and high calcium components (Swinburn, et al., 2010).

Health concerns and rise in heart related diseases as well as diabetes has opened a door for growth in the camel milk industry (Martin, 2014).

Camel milk is a daily kitchen item and can be consumed just like cow milk, only with added benefits.

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## THREATS

The camels are under global threat since 25% of the camels have vanished in only last decade. Thousands of camels were found dead because of respiratory camel disease in previous years (SMEDA, 2015).

If demand for camel milk increases, there could be several difficulties in supply as most of the camels belongs to Aboriginal Central Land Council in Western Australia.

High level of bacteria in camel milk can understate the customers' confidence and might result in loss of the market (Martin, 2014).

Camels are perceived to be much less competitive as compared to cow and goats.

Funding support from RIRDC, State government departments and AusIndustry are subject to vary and priorities (RIRDC, 2011).

## COMPETITION

The camel milk market is currently on the rise with increasing benefits associated with camel milk consumption. It is being sold in Queensland and Western Australia under different brand names. There are few big established dairies in Queensland and Western Australia while the camel dairy farm in Shepparton region is also getting bigger. However, Camel Milk Victoria is the first licensed camel milk production house in the state (Long, 2015).

## COMPETITORS

South Australia's first functional camel dairy is Humpalicious that started its operation near Port Germein (Dowdell, 2016).

Australia's first commercial scale camel dairy was established in 2015 named as Clarendon Dairy and Australian Wild Camel Corporation. It is situated in South Australia and is owned by Evan Casey and Hannah Purs (Helbig, 2016).

QCamel is Australia's second camel dairy nationwide and is considered as the first dairy farm on the east coast in Australia in Queensland (QCamel, 2016). The farm is owned by Peter and Lauren Brisbane. QCamel is run on basis of herd of 30 camels in the Caloundra district. The farm milk six cows (female camels) a day resulting in 150 liters of milk that is then sold in Queensland and Melbourne (QCamel, 2016).

Australian Camel Diaries is a farm established in Western Australia and is first commercial camel dairy that is operating in Perth Hills (Martin, 2014). Steve, the owner of the farm, milks the camels that are currently over 400 days over their milking time. Strong yields of 5 liters are milked by Steve from each camel per day and sold at \$20 a liter.

Calamunnda Camel Farm is setup by Chris O'Hara with around 30 Arabian camels (Dowdell, 2016).

## MARKET ORIENTATION

Camel Milk Victoria is strictly committed to highest quality standards in all of its operations from the collection of milk to the hygienically processed nutritious products to its customers. Camel Milk Victoria has the underlying philosophy of delighting the customers by giving them the opportunity of consuming quality milk at the right price.

## SALES STRATEGIES

Marketing of camel milk has been expanding in the recent years due to increasing awareness about the number of benefits associated with camel milk consumption. Nowadays even hundreds of liters of milk are traded in the inlands (Brisbane, 2009). The sales strategy that will be used for selling camel milk are discussed below:

Selling camel milk by associating it with celebrities, doctors associations and dietary issues can increase its impact in the market. Moreover, the advertisements will be used for changing the milk perception from being boring drink to one that is cool and has low fats. The sales strategy will be to increase sales not by getting more people to drink camel milk, instead to attract people with autism, heart diseases, diabetes and those who are lactose intolerant to drink more of camel milk. By increasing the competition, Camel Milk Victoria will focus on increasing sales (Martin, 2014).

There is a growth in food safety aware customers that want to know more about the products they purchase for consumption (USC Marshall, 2016). The composition of product and its ingredients attract several customers. So, by telling the food safety aware customers about the composition of Camel Milk, the company will be able to attract customers.

The sales strategies will evolve around raising awareness about the positive qualities of camel milk through articles, promotional sales and advertisements. Moreover a successful sales strategy is built upon identifying target customers, unique selling proposition and sales expectations.

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## **TARGET CUSTOMERS**

The targeted customers of Camel Milk Victoria are the children who are lactose intolerant, obese people and females/males with various diseases especially diabetes, cardiovascular, autism and overweight.

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## **USP**

The USP for selling Camel Milk is that camel milk is richer and creamier in texture. It has many health related benefits e.g. fighting the tuberculosis, typhoid, diabetes and heart diseases. It is also “low in fats and carbohydrates”. So the unique selling point of camel milk will be “ITS MEDICINAL VALUE!”

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## **POSITIONING STRATEGY**

The positioning of Camel Milk Victoria will be done for creating the perception that drinking camel milk is healthy and a quality habit and it should be a part of all family members, giving them satisfaction, nutrition and happiness.

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## **SALES PRICE STRATEGY**

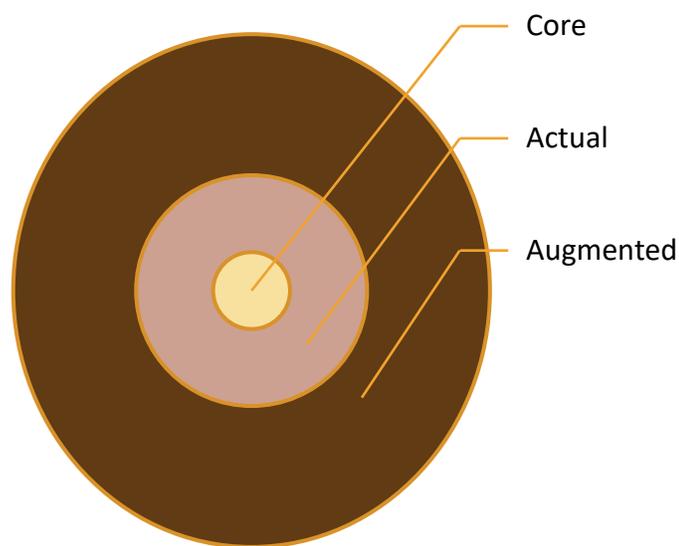
The Camel Milk Victoria is priced at \$21 per 1L by Camel Milk Victoria. However, in other parts of Australia, it is being sold at \$32 a liter due to its high production cost and cleaning overheads. The raw milk of camel is passed through a filter for removing the dust or fine particles before putting it in fridge. Because Camel Milk is produced by many farmers and it is a homogenous product, so the price of camel milk is likely to fall in future.

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## SALES EXPECTATIONS

Camel Milk Victoria is expecting to cater demand of international clients that are requesting up to 7,000 liters a month. The company expects the demand to surge in future due to which it has decided to expand its herd to around 300 camels. It is expected to touch daily production of 20 liters of milk per camel from a herd of 30 camels initially. At least 500 liters are expected to be sold with 100 liter left in the inventory. The milk will be packaged in bottles and marketed at retailers and distributors like Wesfarmers, Coles, Woolworths, Costco, IGA and Aldi.

## THREE LEVELS OF PRODUCT



**Core:** The core product is explained as the basic function that a generic product fulfills (Jain & Jain, 2012). The core product offered by Camel Milk Australia is fundamental element of good diet particularly for bones protection and development.

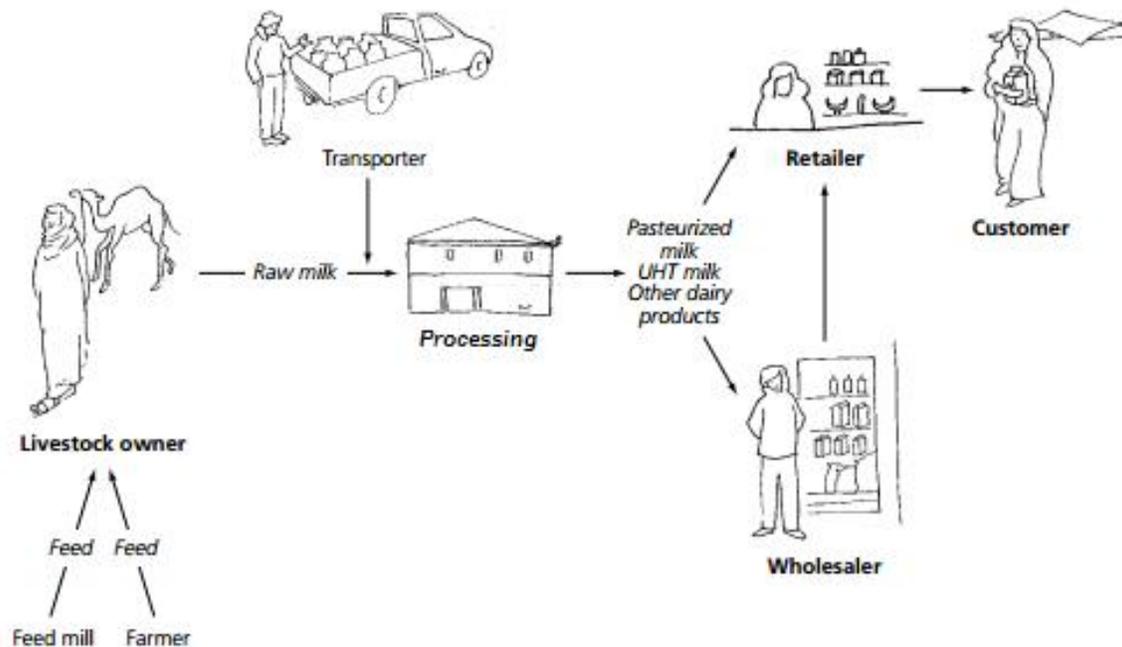
**Actual Product:** The actual product is about designing and tangibility of the product. It involves the brand name, designing and packaging of a product (Jain & Jain, 2012). In this case, the actual product is the brand “Camel Milk Victoria”, a glass bottle for packaging camel milk, pasteurized milk free of bacteria. The glass bottle comes in two different sizes 500ml and 1L.

**Augmented Product:** The augmented product are the additional services offered by the product (Jain & Jain, 2012). Which in this case is offer of free delivery at door step by Camel Milk Victoria.

## MARKETING PROMOTION OBJECTIVES AND STRATEGIES

### MILK MARKETING VALUE CHAIN

The Camel Milk Victoria will have the following milk marketing value chain



The milk will be extracted from the 30 camels by herds after which these will be transported for processing and pasteurization. After pasteurizing, the milk is bottled and sold to retailers and wholesalers that in return sells it to customers.

### MARKETING PROMOTION OBJECTIVES

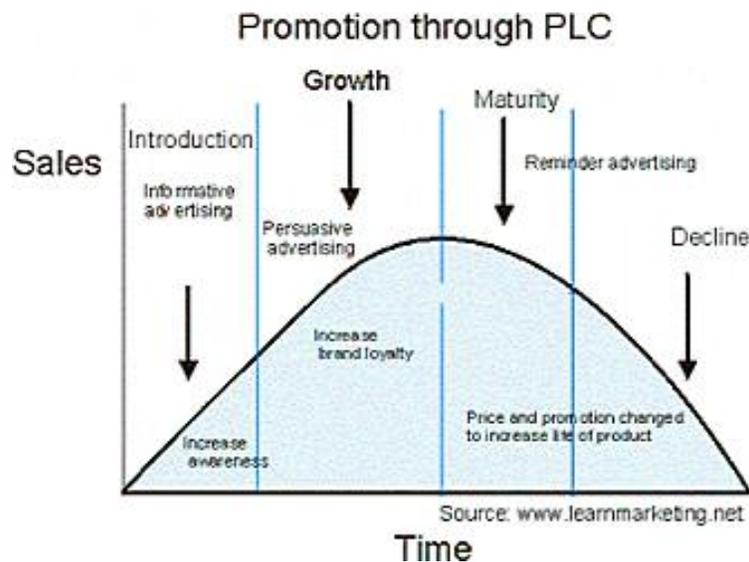
The marketing promotion objectives of Camel Milk Victoria are:

- Providing information to the targeted customers about the health benefits associated with consumption of camel milk.
- Differentiating camel milk based on the low fat and high calcium content in it.
- Increasing sales and entering a new niche market of camel milk by increasing awareness about the availability of Camel Milk.
- Stabilizing sales by constant promotional acts.
- Identify the market knowledge of camel milk.
- Increase the product awareness for capturing a larger market share.

- Ensuring customer satisfaction
- Move from \$21 (price penetration) strategy to \$25 to \$30 i.e. price skimming after few months by offering different flavored camel milk bottles.
- Ensuring fresh produce of Camel Milk is delivered in high quality
- Become environmental friendly by following anti-animal cruelty standards and offering recycled bottles for packaging milk

## MARKETING PROMOTION STRATEGIES

The marketing promotional strategies are dependent upon the product lifecycle (Dibb & Simkin, 2008). The product lifecycle has four major phases i.e. introduction, growth, maturity and decline. As the product moves through the lifecycle, the strategies related to promotion, pricing, distribution and competition changes. The lifecycle and promotional strategies are shown in the figure below:



Camel Milk Victoria is currently in introduction phase, hence by using informative advertising to increase awareness, Camel Milk Victoria can move into growth stage. Various marketing strategies can be used at this stage few of which are discussed below:

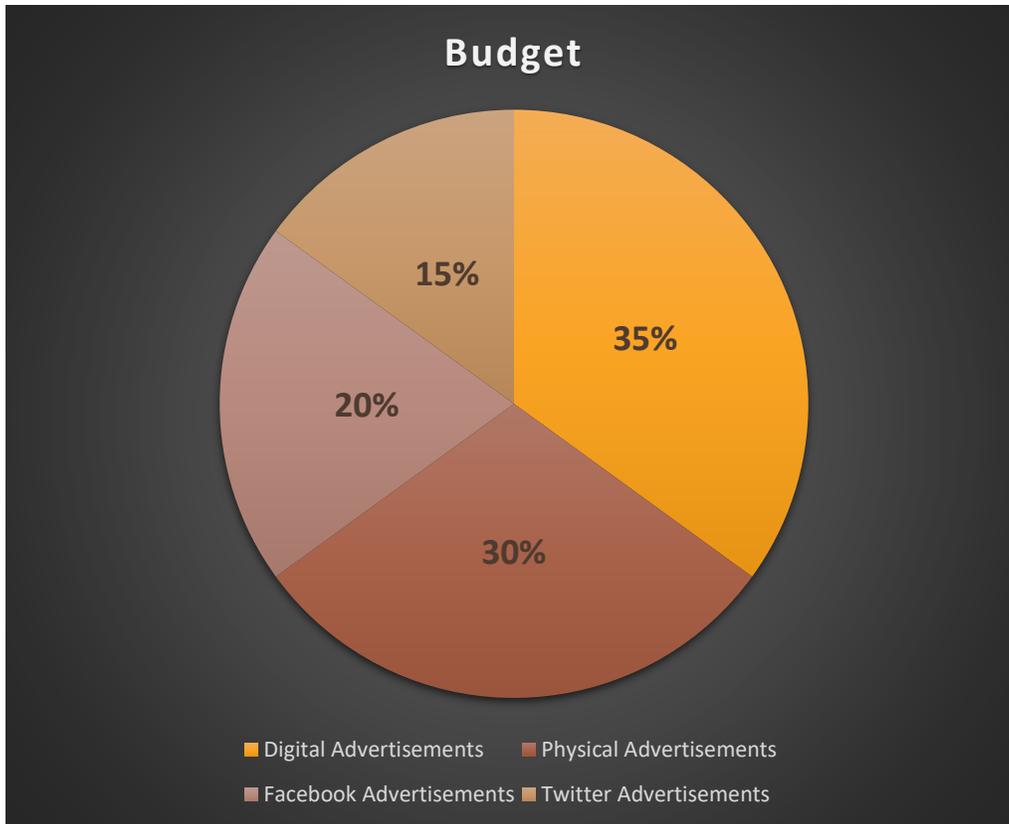
- **Advertising:** It is a paid form of communication that is done by using mass media of any kind. Advertisement can be done through newspapers, articles, television adverts, radio transmissions, billboards, flyers and brochures (Kotler & Armstrong, 2010). Camel Milk Victoria will utilize television adverts, newspaper, articles and billboards for advertising the milk. 2 minute advertisement will be played on television highlighting the benefits associated with consumption of camel milk i.e. low fat, high calcium and good for diabetes and cardiovascular diseases.

- **Public Relations:** It involves development of positive relationship with the media and investing in positive community development goals (Kotler & Armstrong, 2010). Camel Milk Victoria will build positive relationship with medical community for promoting the consumption of Camel Milk through dietetics and doctors. It will also join hands with autism supporting groups for promoting the consumption of camel milk to reduce autism.
- **Social Media:** Advertisements of Camel Milk will be displayed upon Facebook and Twitter for promoting the products and home delivery service. Articles and testimonials by medical officers will also be published on social media to bring awareness.

## MEDIA AND BUDGET ALLOCATION

The budget of \$200,000 will be allocated to media and promotional activities in following manner.

Tools	Percentage	Budget
<b>Digital Advertisements (Television and Radio)</b>	35%	\$70,000
<b>Physical Advertisements (Magazines and Articles)</b>	30%	\$60,000
<b>Facebook Advertisements</b>	20%	\$40,000
<b>Twitter Advertisements</b>	15%	\$30,000
<b>Total Budget</b>	100%	\$200,000



## CONCLUSION

The marketing plan above for Camel Milk Victoria has been developed for aiding the company in establishment of clear message as well as setting of target markets. A strong social media campaign can help Camel Milk Victoria for enhancing the visibility and bringing awareness about benefits of camel milk. Camel Milk Victoria will be at better position to increase the sales of its products by implementing the marketing strategy discussed above.

The results of marketing analysis above show that in Australia, the demand for camel milk is still increasing. Since consumers in Australia are becoming aware of the potential health benefits, so offering them pasteurized camel milk free of bacteria can help in achieving targeted sales. By using correct mixture of pricing, distribution and promotion, Camel Milk Victoria can lead the industry in short time.

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