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Research Article

# Business Model Canvas Analysis of Hale's Blue Boy: Market Strategy, Consumer Trends, and Competitive Challenges

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## Abstract

Hale's Blue Boy has led the Thai-flavored syrup market for over 60 years with strong brand equity, superior-quality ingredients, and a secret formula. A Business Model Canvas (BMC) analysis was conducted to assess its strategic approach, key success factors, and potential areas for future development. Its key customers include dessert shops, families, and sweet flavor lovers. Its strength lies in its unique taste, premium glass packaging, and nostalgic emotional appeal. Hale's Blue Boy uses a multi-channel distribution system via hypermarkets, convenience stores, and traditional retailers for widespread market penetration. The company builds customer loyalty through taste and product quality consistency, and uses Collaborative Planning, Forecasting, and Replenishment (CPFR) to coordinate with partners. Sales of syrups are the major revenue source, underpinned by brand strength and product consistency. Hale's Blue Boy is faced with the threat of shifting consumer preference for healthy products and growing competition. The study recommends long-term sustainability initiatives such as diversification into healthier foods, eco-friendly packaging, and online interaction with younger consumers. Having reliance on a single category of products is risky. It requires innovation and flexibility to stay competitive.

**Keywords:** Hale's Blue Boy, Flavored Syrup Market, Business Model Canvas, Nostalgia Branding, Consumer Behavior in Thailand

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## 1. Introduction

Hale's Blue Boy has been a prominent brand in Thailand's dessert and beverage sector, with their flavored syrups dominating the market for more than six decades. The company possesses a substantial market share and consistently demonstrates robust revenue growth.

Nonetheless, dependence on a singular product category poses long-term risks, especially as consumer preferences shift towards healthier alternatives and competition from global corporations and private labels escalates. To maintain its dominant position, Hale's Blue Boy must adjust to these changing market dynamics.

This study employs the Business Model Canvas (BMC) to assess the company's strategic orientation, pinpointing critical success factors and potential weaknesses. It emphasizes specialty positioning, brand loyalty, and distribution channels as avenues for growth, while also evaluating the risks linked to market fluctuations and reliance on a single core product.

Hales Trading (Thailand) Co., Ltd., the company behind Hale's Blue Boy, was founded in 1959. Initially located on South Sathorn Road in Bangkok, the company moved its operations to Bangchan Industrial Estate in 1999. In 2000, it further expanded by establishing a distribution center on Ram Intra Road to improve logistics efficiency.

In recent years, the company has demonstrated strong financial performance. It has demonstrated recent financial achievements, recording a 23.09% year-on-year revenue increase to THB 3,718,053,270 in 2023 and a 7.74% asset growth to THB 4,250,816,475 [1]. Despite this success, long-term sustainability continues to be a significant challenge in the increasingly competitive food and beverage sector.

This research offers significant strategic insights for enterprises functioning in analogous market environments.

### 1.1 Objective

This study dissects Hale's Blue Boy's strategy by utilizing the Business Model Canvas (BMC), focusing on key elements of success and future challenges.

This study explores if the brand's focus on one product category, value offerings, and distribution strategies can sustain growth in the long run amidst evolving consumer demands and rising competition. It also explores how customer relations and brand loyalty can reduce risks associated with market fluctuations.

### 1.2 Research Questions

How can the Business Model Canvas (BMC) help analyze the company's strategies for maintaining customer loyalty and competitiveness, considering its single-product focus amid evolving consumer trends and increasing competition in the food and beverage sector?

### 1.3 Literature Review

1.3.1 Strategic Business Frameworks in Practice

Alexander Osterwalder and Yves Pigneur's Business Model Canvas (BMC) examines how firms create, deliver, and capture value. Its nine components are customer segments, value proposition, channels, customer relationships, revenue streams, key resources, key activities, key partnerships, and cost structure [2], [3]. The BMC helps businesses to analyze market positioning, grow revenues, and gain a competitive edge against threats.

In the FMCG sector (Fast-Moving Consumer Goods), Business Model Canvas (BMC) simplifies the operations and engages the customers. It allows companies to identify target segments and align their value proposition with the market needs [2], [3]. ShopeePay used the BMC to enhance its promotion activities [4], and Altilis Cookies created personalized promotions for children with autism, building loyalty and engagement [5].

BMC helps businesses understand revenue and cost models within a turbulent market. As an example, in a coffee shop, the application of BMC showed that optimizing resources and customer relationships enhanced efficiency and revenue [6]. This highlights BMC's capability to link operational strategy and financial performance, crucial to profitability in a competitive marketplace.

FMCG companies with a single product may struggle to remain competitive. The Business Model Canvas (BMC) is a revenue structure, market position, and customer relationship analysis tool that helps companies to analyze diversification and competitiveness strategies.

1.3.2 Customer Segmentation: Foundations for Market Strategy

Customer segmentation is crucial in marketing planning, whereby firms tailor products and offerings to address target segments. Segmentation is being used intensively in food and beverage to find opportunities, drive maximum innovation, and gain a competitive edge.

Demographic segmentation divides consumers into segments based on age, gender, income, and education. It is used widely in the food and beverage sector in an attempt to target particular consumer segments [7]. Coca-Cola and PepsiCo, for example, provide products based on different age group preferences [7]. Research on food consumption among teens suggests that demographics significantly shape inclinations, and it is therefore necessary that companies employ strategies targeting chosen segments [8]. In the drinks industry, demographic segmentation helps companies appreciate changes in customer demographics and variations in purchasing behaviors between young and old consumers [8].

Psychographic segmentation recognizes consumer motivation through lifestyle, values, and personality [9]. Research shows that health-conscious consumers choose organic food and locally produced goods emphasizing value alignment [9]. Additionally, targeted marketing of low-sugar drinks directly affects purchasing as health trends increase [10]. Drink firms employ psychographic segmentation to determine the extension of product lines to low-sugar, organic, or functional drinks to cater to various consumers and health trends [10].

Behavioral segmentation splits consumers based on their purchasing behavior, which is significant to study product interaction. Research in e-commerce indicates that understanding indulgence preferences can contribute to satisfaction and increase repeat purchases [11]. Analyzing behavioral data helps companies in creating demographically focused loyalty programs, enhancing promotions, and building long-term brand relationships [11].

Combining segmentation approaches allows food and beverages industry companies to pursue new markets, value propositions, and targeted campaigns. Due to increasing competition, segmentation data becomes requisite for strategic initiatives revolving around diversification of the product and marketing growth in new markets for their long-term feasibility.

1.3.3 Value Propositions and Their Role in Brand Loyalty

Value proposition has a significant role to play in brand loyalty in the rapidly evolving food and beverage sector. Product quality assists in greatly enhancing customer satisfaction and loyalty through the act of meeting or exceeding expectations, building trust, and reinforcing loyalty [12].

In consumer goods companies like Coca-Cola, a strategy of product quality promotes customer loyalty in the long term [12]. Research has shown perceived product quality to be directly related to brand loyalty as customers have a liking for products of consistent quality [13]. A strong brand reputation for product quality and product innovations such as low-sugar or natural products can shape consumer purchasing behavior [13].

Packaging is at the core of a brand's value and serves strategic marketing and functional roles. Effective packaging not only safeguards products but also decides brand image [14]. Research shows that innovative, eco-friendly packaging impresses environmentally conscious consumers, and loyalty to the brand follows [14]. Aesthetic and functional packaging makes a lasting first impression, drives purchases, and fuels loyalty [15]. Brand differentiation occurs through distinctive designs, increasing identification and customer interaction [16].

Emotional engagement is the key to brand loyalty. Businesses that create strong emotional bonds with customers develop trust and dedication, which maintains long-term loyalty [17]. Communications that engage positive emotions and connect with consumer values inspire repeat usage and brand recommendation [18]. Emotional branding strategies like web storytelling, influencer alliances, and culturally-relevant advertising keep brands connected with current and potential consumers [19].

To address future challenges such as health trends, competition, and evolving customer demands, food and beverage organizations must distinguish their value proposition through creative concepts, product enhancements, and targeted branding.

1.3.4 Optimizing Distribution Channels for Market Coverage

A good distribution channel plan plays a critical role in market expansion and reaching diverse customers. In the food and beverages industry, convenience, price sensitivity, and taste drive behavior, and brands can gain an advantage by following a systematic multi-channel approach to enhance market visibility and stay competitive [20], [21].

- Modern trade channels, such as supermarkets and hypermarkets, are crucial for reaching price-sensitive consumers [22]. Modern trade channels are utilized by brands like Nestlé and Unilever for offering a vast variety of products to urban consumers at affordable prices [22], [23]. Expanding in modern trade boosts visibility and growth in urban and suburban markets [23].
- Convenience stores emphasize convenience for consumers looking for speed. Well-established FMCG brands such as Coca-Cola make the products more visible and encourage impulse buys in these locations [24]. Solid alliances with such stores and proper product placement can significantly boost sales and branding [24].
- Local retailers, known as traditional retailers, are important for reaching rural areas where there is a lack of trade infrastructure [22]. Continued relationships with such chains enable FMCG companies to reach underserved markets and maintain the availability of products for more consumers [25]. FMCGs also gain an advantage in coping with own-brand competition and evolving markets through local retailer support [25].

E-commerce and digital platforms play a crucial role in food and beverage distribution [21]. PepsiCo has effectively used e-commerce and DTC models to gain market share [21]. Online platforms allow brands to reach consumers who like to shop online and receive home delivery [21].

A multi-channel distribution model that blends new trade, convenience stores, traditional retailers, and digital channels helps brands develop market presence, address retail change, and tap into new consumer segments. This model maintains competitiveness and drives growth for the food and beverage industry [20], [21].

1.3.5 Customer Relationship Management: Tools for Retention

An effective CRM system enables businesses to interpret customer data, personalize marketing, and enhance interactions [26]. This approach generates brand loyalty and maintains a competitive edge in the competitive food and beverage industry [26]. For established brands, a CRM strategy enhances engagement with current and prospective customers amidst growing competition [27].

Tracking consumer preferences allows organizations to troubleshoot issues and create loyalty solutions on a personal level [27]. A CRM system provides insights into product usage across various consumer segments. For example, it can reveal how different syrup flavors are used in desserts versus drinks within the traditional customer base, or it can highlight the development of new segments with specific preferences [27]. Personalized marketing, loyalty programs, and directed promotions retain current customers and attract new ones with changing behavior [27].

Collaborative planning, forecasting, and replenishment (CPFR) complements CRM by facilitating cooperation between companies and partners, such as suppliers and retailers [28].

CPFR allows businesses to share demand forecasts, inventory levels, and point-of-sales data, aligning supply chain operations with customer demand [28]. This provides product availability, which raises customer satisfaction and loyalty [28], [29]. Coca-Cola, for instance, uses CPFR to streamline distribution and meet consumer demand in an efficient manner [29].

Blending data-driven CRM with CPFR partnerships allows food and beverage firms to know consumers, make distribution more effective, and enhance loyalty [29]. As preferences shift and choices expand, improving targeted marketing, demand forecasting, and retailer coordination will be critical to remaining relevant and expanding [29].

1.3.6 Key Resources as Competitive Advantage

Unique resources are essential for gaining competitive advantage and achieving brand differentiation in the food and beverage industry. Brand differentiation allows brands to build loyalty, retain distinctive positions in the marketplace, and adapt to shifts in consumer taste [30].

Signature recipes are a key component of the food industry, offering unique tastes that strengthen consumer loyalty and brand recognition [30].

Coca-Cola dominates the market with a secret recipe that is not so simple to replicate [30]. Likewise, brands need to maintain their signature recipes while catering to new consumer preferences for healthier, less sweet, and natural alternatives.

Ingredient quality contributes to competitive success. High-quality ingredients make products more appealing and meet consumers' demands for ethically produced, high-quality products [31]. Ben & Jerry's, for example, emphasizes high-quality, sustainably sourced ingredients to appeal to ecologically conscious consumers [31]. Maintaining ingredient quality and offering natural or organic options helps brands remain relevant to market trends while staying true to their identity [31].

Brand reputation is a valuable asset that influences consumer trust and fosters loyalty [32]. A strong reputation retains customers and commands premium pricings [32]. Research on consumers shows that individuals are likely to be loyal to reputable brands, making reputation management the main pillar of long-term competitiveness [32]. Legacy brands, such as Nestlé, leverage their strong reputation and commitment to quality to cater to diverse consumer preferences, ensuring continued market leadership [33].

Strong brands utilize the advantage of connecting with new generations via electronic marketing, product innovations, and unique branding [33]. By maintaining control over recipes, quality ingredients, and brand image, food and beverage businesses can maintain their competitive edge and keep pace with trends [33]. Effective brand strategies, transparency, and innovation contribute to building successful brands for the long term.

1.3.7 Cost Structures in Premium Branding

Food and beverage companies with an established market presence need to balance product quality and affordability. Managing costs without compromising brand value ensures profitability and competitiveness [34].

Investment in packaging is central to a brand's reputation and product quality [34]. Coca-Cola uses iconic bottles and high-quality materials to enhance its brand image [34]. However, packaging innovation can be expensive, requiring brands to balance visual identity, product protection, and cost-effectiveness [34]. Going green with modernized materials can appeal to environmentally conscious consumers while retaining heritage [34].

Ingredient quality builds customer trust. High-quality, sustainably sourced premium ingredients enhance product appeal but can lead to increased prices [31]. Ben & Jerry, for example, prioritizes ethical, high-quality sourcing to meet consumer demands for sustainable practices [31]. Finding a balance between ingredient quality and cost-effective options like natural sweeteners or domestic sources allows brands to be profitable while not sacrificing quality [31].

Maintaining high production standards is fundamental for achieving recognition in the market. Maintaining high production standards is fundamental for achieving recognition in the market [35]. Nestlé maintains its premium position by preserving quality through strict quality control, aligning prices with these standards [35]. During volatile markets, optimizing production, e.g., by automating processes or partnering with suppliers, lowers costs without compromising quality [35].

Strategic packaging management, economical sourcing of ingredients, and optimized production processes enable brands to stay ahead in the face of changing consumer attitudes and cost pressures [35]. Brand heritage and innovation for cost savings must be balanced to win in the long term in the food and beverage industry [35].

### 1.4 Conceptual Framework

This research examines Hale's Blue Boy's strategy through the Business Model Canvas (BMC), with an emphasis on success factors and market threats. The BMC enables the determination of factors influencing business sustainability and competitiveness. It consists of nine building blocks: customer segments, value proposition, channels, customer relationships, revenue streams, key resources, key activities, key partners, and cost structure.

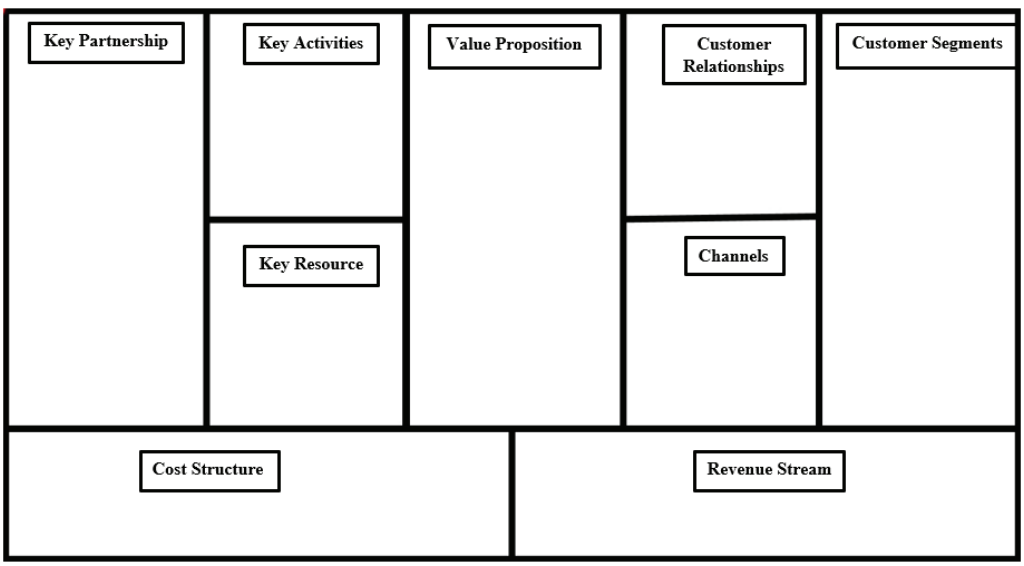


**Figure 1** Business Model Canvas

This study explores if Hale's Blue Boy business model can address changing consumer demands and competition in the food and beverage sector in the highly competitive business environment. The elements of the Business Model Canvas (BMC) are employed to determine how the brand can leverage strengths, reduce threats, and identify opportunities for expansion.

The diagram above represents the connections in Hale's Blue Boy business model that guide the investigation of its market leadership and strategic evolution necessary for long-term viability.

## 2. Research Methodology

This research employs qualitative research to examine Hale's Blue Boy's strategic positioning through the Business Model Canvas (BMC). Qualitative research allows for a detailed analysis of how the company has responded to consumer needs and competition while maintaining its market presence.

This study combines semi-structured interviews for data collection and thematic analysis for interpretation. The BMC framework serves as a guide to analyze key components relevant to Hale’s Blue Boy, particularly value proposition, customer relationships, and distribution strategies. The analysis identifies the company’s strengths and weaknesses within the evolving food and beverage sector.

### 2.1 Study Targets and Sampling

To ensure that participants possessed relevant knowledge and experience, a purposive sampling method was employed. This method allowed for the deliberate selection of individuals who could provide meaningful and diverse perspectives on Hale’s Blue Boy’s business model.

- **Consumers (4 respondents)** provided insights into their purchasing behavior, brand loyalty, and factors influencing product preferences, particularly in the context of emerging health-conscious trends and competing beverage options.
- **Modern trade representatives (2 respondents)** provided perspectives on Hale’s Blue Boy’s market positioning, promotional strategies, and competitive differentiation within supermarkets and convenience stores, which are increasingly dominated by multinational brands and private labels.
- **Dessert shop owners (4 respondents)** contributed insights into the practical applications of the product, pricing considerations, and its role in competitive positioning, particularly in relation to alternative syrup brands and shifting consumer demand.

### 2.2 Data Collection Methods

Data was collected using semi-structured interviews, which provided a balance between guided questions and participant response. This approach generated in-depth information in accordance with research objectives. Questions during the interviews were framed around the nine components of the Business Model Canvas (BMC) to address the most relevant aspects of the Business Model Canvas for Hale's Blue Boy.

Interviews were conducted in January 2024, following a structured process to ensure consistency and data quality. A question mapping framework was developed to align each query with the research objectives, thereby enhancing the relevance and clarity of responses. Each interview lasted approximately 40 minutes and was conducted face-to-face, allowing the researcher to observe non-verbal cues, adding depth to the data collection process. Responses were audio-recorded with participant consent and supplemented by detailed field notes to ensure accuracy and reliability during subsequent analysis.

### 2.3 Study Limitations

Despite its rigorous design, this study has limitations. The small sample size ensures data saturation but restricts generalizability to the wider population. Additionally, limited access to financial data makes it difficult to evaluate BMC components such as cost structure and revenue streams in depth.

However, these limitations are mitigated by incorporating industry trends, retailer insights, and consumer behavior analysis, ensuring a comprehensive understanding of Hale's Blue Boy's strategic positioning. The qualitative approach remains crucial in evaluating the brand's competitive standing and long-term sustainability.

## 3. Research Results

Data from 10 respondents comprising consumers, modern trade representatives, and owners of dessert shops address Hale's Blue Boy strengths and strategic areas of focus. The results provide insight into customer segments, value propositions, and drivers of market leadership, as well as challenges arising from shifting consumer behavior and increasing competition.

### 3.1 Customer Segments

Hale's Blue Boy is serving various customer segments that are crucial to its success. Dessert stores, a significant segment, depend on the syrup for top-sellers like shaved ice and pink milk. Five of the interviewees mentioned that its consistency in terms of quality and taste is crucial to their high-quality products.

Families are another target market, according to five of the respondents. Hale's Blue Boy brings back memories of childhood for many consumers who have had homemade treats. This identity builds loyalty, with families choosing the product based on quality and taste.

The brand is attractive to customers with a penchant for sweet flavors. Two respondents said that such individuals choose Hale's Blue Boy because of its unique taste and versatility. Serving both the mass and niche markets strengthens the market position of the brand.

### 3.2 Value Proposition

Hale's Blue Boy's strength lies in its product innovation, customer loyalty, and market dominance. Its distinct flavor, picked out by nine respondents, is a differentiating feature, and thus more appealing to consumers who seek consistency. This is the defining feature of its dominance with loyal consumers, especially in desserts and beverages.

Packaging by the brand enhances its appeal, as opined by seven respondents. Glass packaging helps maintain quality, lasts longer on the shelf, and gives a premium image. Growing green awareness means exploring eco-friendly packaging further could potentially enhance brand positioning without diluting premium appeal.

Six of respondents pointed out consistency in taste, brand heritage, and product dependability, with the syrup being a well-known market favorite. Four pointed to its distinctive fragrance as an area of importance in terms of standing out and recognition. Three mentioned Hale's Blue Boy's stronghold on market positions, cementing its position at the top for flavored syrups.

These attributes build brand strength, yet rivalry and sector trends towards more healthy living force strategic innovation in order to maintain leadership. Maintaining success requires adaptation based on changing consumer tastes while keeping sight of constantly changing dynamics.

### 3.3 Channels

Hale's Blue Boy employs a multi-channel distribution system to improve market coverage. The primary channel is modern trade, specifically hypermarkets such as Big C, Lotus, and Makro, cited by six respondents for visibility and convenience. These retailers supply households and dessert shops, offering bulk options for businesses and availability for individuals. Increasing competition from private-label syrups and international brands is a threat to dominance in modern trade.

Convenience stores like 7-Eleven were cited by four respondents as being very important for small, impulse buys in urban areas. They provide a quick option compared to hypermarkets, building brand awareness. Consolidating promotions in these outlets has the potential to increase consumer engagement and brand recall among young consumers.

Smaller distribution channels, such as MAMA shops and wholesalers, each mentioned by two respondents, play a role in ensuring availability in traditional retail markets and rural areas. While these channels contribute to brand accessibility, they face the challenge of declining relevance due to the increasing dominance of modern trade and e-commerce platforms. Grocery stores, though playing a limited role, also support Hale's Blue Boy's distribution network.

This strategy allows the brand to effectively target various consumer segments through a balance of bulk, convenience, and retail. As digital and direct-to-consumer food and beverage sales continue to grow, reinforcing e-commerce channels and updating distribution methods can help improve accessibility and competitiveness.

### 3.4 Customer Relationships

Hale's Blue Boy creates faithful customer connections by meeting its diverse market demands, building loyalty by providing consistent products and proactive engagement. Its core strategy is a partnership with families and resellers, enhancing brand trust and repeat purchases. The brand also shares profound emotional ties with consumers thanks to its iconic, long-standing product. Nevertheless, with shifting taste for healthy beverages, optimization of digital engagement and one-on-one communication is capable of augmenting loyalty among young consumers.

The company utilizes Collaborative Planning, Forecasting, and Replenishment (CPFR) in its coordination with trading partners. This optimizes inventories, matches the availability of product with demand, and minimizes stock outs in high-volume retail outlets like supermarkets. Stable availability and good relationships improve Hale's Blue Boy's reputation among businesses and consumers.

These relationship strategies have worked, but there is room to transition into consumer-focused strategies like targeted promotions, loyalty programs, and online campaigns. With more direct-to-consumer movements, maximizing brand engagement through e-commerce and social media could increase customer retention and market share.

### 3.5 Revenue Streams

Hale's Blue Boy earns the majority of its income through sales of flavored syrup via an extensive distribution channel that spans modern trade channels and convenience stores. The respondents pointed to stable revenue growth due to the brand having a strong presence in supermarkets, hypermarkets, and dessert shops, which ensures constant demand. The brand covers a variety of consumer segments like households and food service institutions to ensure steady sales.

The company's partnership with its partners in the supply chain is instrumental in keeping the revenues steady, ensuring effective distribution and availability of its products. In contrast to high-spending promotional tactics from aggressive competitor companys, Hale's Blue Boy remains profitable because it treasures its high brand equity, product consistency, and high-quality reputation in its marketplace.

This revenue model has been lucrative, yet market dynamics are changing with competition from private-label competitors, evolving consumer trends, and growing demand for healthier drinks. Expanding revenue bases in low-sugar syrups, premium products, or e-commerce direct-to-consumer can enhance profitability in the long term. Concentrating on developing digital commerce and export markets also creates incremental revenue from conventional channels of distribution.

### 3.6 Key Resources

Hale's Blue Boy's success relies on key resources underlying its brand identity and market leadership. Its secret recipe, as noted by three respondents, is crucial for its unique taste and odor, setting it apart from other companys. Its patented formula is a key to guaranteeing consumer patronage in Thailand's beverage and dessert industry. But with rising health trends, conforming to low-sugar or natural compositions could enhance its competitiveness.

Good quality raw materials and sophisticated facilities improve the reliability of the brand. Respondents cited Hale's Blue Boy complies with international standards such as GMP and HACCP, which increases consumers' trust and retailers' confidence. The established reputation of the brand increases customer recognition, emotional connections, as well as repeated purchases. This brand equity creates market stability, yet ongoing engagement and contemporization are required to be relevant to young consumers.

### 3.7 Key Activities

Hale's Blue Boy enhances operating efficiency and market coverage through initiatives that boost supply chain management, retailer collaboration, and product availability. Some of the initiatives include Collaborative Planning, Forecasting, and Replenishment (CPFR), which develops customer relationships and supply chain efficiency. CPFR benefits Hale's Blue Boy by streamlining inventory levels by using up-to-date sales information, customer feedback, and forecasting. It is relevant to modern trade as it ensures that there is a constant product availability in supermarkets, convenience stores, and wholesalers.

CPFR at Hale's Blue Boy involves sales forecasting and collaborative meetings among retailers, distributors, and partners to align strategies for accurate projections. By using previous records and analyzing seasonal trends, the company anticipates fluctuations and simplifies logistics. The practice makes it more efficient, strengthens partnerships, and makes Hale's Blue Boy more credible when it comes to product availability.

Logistics efficacy lies at the core of Hale's Blue Boy, enabled through a Distribution Centre that coordinates shipping and stocking of products. Through this, they achieve timely refilling through various channels, preventing supply interruption and ensuring customer satisfaction.

CPFR provides Hale's Blue Boy with a competitive advantage by scrutinizing buying behaviors and matching procurement to demand projections, enabling response to shifts in the marketplace. To enhance efficiency and resilience in the face of changing consumer demands and supply chain intricacies, additional integration of digital analytics, automated forecasting, and e-commerce logistics is necessary.

### 3.8 Key Partnerships

Hale's Blue Boy uses strategic alliances to maintain market visibility, supply chain efficiency, and product range extension. Strategic alliances with quality producers of raw materials assist in delivering consistent taste and food safety regulation adherence. This focus on quality gains consumer trust and loyalty, positioning Hale's Blue Boy as a premium syrup brand.

Collaboration with modern trade retailers like hypermarkets and convenience stores provides higher exposure and availability of products to household consumers and dessert companies. These partnerships improve distribution, inventory management, and promotion, which helps Hale's Blue Boy stay ahead with growing competition from private labels and multinationals.

Retailer and wholesaler collaborations increase the brand's footprint in rural markets without diluting consumer coverage. As e-food and beverages grow, tie-ups with online marketplaces can foster competitiveness and sales.

By connecting operations to customer actions and marketplace demands, such partnerships render Hale's Blue Boy responsive to change, holding leadership, and building long-term value.

### 3.9 Cost Structure

Hale's Blue Boy has quality, efficiency, and premium brand as its pricing focus. Its cost driver is high-quality ingredients that support its unique taste and elevated standards. This investment engenders a loyal clientele but necessitates significant cost control to price above lower-cost alternatives.

Glass packaging increases the production cost, which further solidifies the premium image of the brand and integrity of the product. Although it is better than plastic in terms of shelf life and flavor retention, it has a higher manufacturing and transportation cost. As sustainability gains more importance, exploring low-cost eco-friendly packaging options can make brand perception cost-effective.

Additional expenses involve labor and manufacture at advanced plants in line with GMP and HACCP quality and safety principles. These investments make the brand more credible and competitive, but at the cost of continually needing to optimize production to control expenses.

Hale's Blue Boy leads the flavored syrup market by focusing on quality, operational excellence, and brand differentiation, providing consistent customer value. To more effectively address evolving competitive pressures and costs, improving supply chain efficiencies, procurement strategies, and packaging options can propel long-term financial sustainability while safeguarding product integrity.

**Table 1** Strategic analysis of Hale’s Blue Boy summarized in a 9-block Business Model Canvas (BMC)

| BMC Component | Hale’s Blue Boy’s Strategy |
|---|---|
| Customer Segments | - **Dessert shops** that use syrup for menu items (e.g., shaved ice, pink milk)<br>- **Households** that have an emotional connection with the brand through childhood experiences<br>- **Consumers** who prefer sweet flavors for making beverages and desserts |
| Value Proposition | - Unique and consistent taste<br>- Premium glass bottle packaging that preserves quality and extends shelf life<br>- Emotional connection with consumers through nostalgia and long-standing trust |
| Channels | - **Modern trade:** Hypermarkets such as Big C, Lotus, Makro<br>- **Convenience stores**: 7-Eleven and similar outlets<br>- **Traditional retailers:** Local mom-and-pop stores and wholesalers |
| Customer Relationships | - Builds customer loyalty through consistent product quality and taste<br>- Uses Collaborative Planning, Forecasting, and Replenishment (CPFR) to coordinate with retailers and distributors<br>- Relies on word-of-mouth marketing rather than aggressive advertising |

**Table 1** Strategic analysis of Hale's Blue Boy summarized in a 9-block Business Model Canvas (BMC) (Continued)

| BMC Component | Hale's Blue Boy's Strategy |
|---|---|
| Revenue Streams | - Primary revenue from syrup sales through retail and wholesale channels<br>- Revenue from modern trade and convenience stores catering to households and dessert shops<br>- Revenue generated by maintaining strong market positioning and brand loyalty |
| Key Resources | - Secret recipe that creates a unique taste and brand identity<br>- High-quality raw materials and GMP & HACCP-certified production processes<br>- Strong brand reputation built over 60+ years |
| Key Activities | - Strict quality control to ensure consistent product taste and safety<br>- Efficient inventory and logistics management to meet market demand<br>- CPFR implementation for demand forecasting and stock replenishment |
| Key Partnerships | - Raw material suppliers to maintain premium product quality<br>- Retail and wholesale partners to expand market reach<br>- Logistics partners to ensure smooth and efficient product distribution |
| Cost Structure | - Premium raw materials to maintain taste quality<br>- Glass bottle packaging costs to uphold product integrity and premium brand image<br>- Operational and production costs for maintaining high manufacturing standards |

## 4. Discussion and Conclusion

The results of the study indicate that Hale's Blue Boy has maintained its market dominance based on strong brand name, quality ingredients, and patented formula creating an exclusive value proposition. Its ability to command customer loyalty is largely due to product consistency, premium glass packaging, and well-established presence in several retail locations [35], [36].

There are three customer segments, each with different values: consumers, retailers (modern trade), and dessert shops. Consumers appreciate the traditional taste, retailers appreciate reliability, and dessert shops appreciate brand popularity. These results are in addition to existing literature on how essential it is to tailor value propositions to various segments to be able to increase competitiveness as well as loyalty [21], [37].

Hale's Blue Boy has a solid market footprint due to effective supply chain management through Collaborative Planning, Forecasting, and Replenishment (CPFR). This ensures optimal inventory and demand forecasting, minimizing stockout and overstocking. The efficacy of this enhances product availability in the retail sector, making it more competitive [20]. The brand's ability to maintain a stable presence in both modern trade and traditional retail markets reflects its strong distribution and logistical efficiency, reinforcing its competitive position [20].

Additionally, word-of-mouth marketing has played a significant role in driving brand loyalty, as consumers tend to develop strong emotional connections with brands that offer consistent quality and nostalgic appeal [35], [36]. The enduring trust and familiarity associated with Hale's Blue Boy's long-standing reputation, premium product quality, and heritage branding further reinforce its competitive position in the market [36].

While traditional marketing strategies have been effective, research suggests that digital marketing, e-commerce, and online loyalty programs could help the brand expand its reach and attract younger, tech-savvy consumers [36], [39]. The transition toward digital engagement aligns with broader industry trends, as studies indicate that digitalization enhances brand recognition, customer interaction, and long-term consumer retention [39]. A hybrid marketing approach—combining traditional brand trust with digital expansion—could sustain Hale's Blue Boy's leadership amid evolving consumer preferences.

Despite its strengths, the use of glass packaging presents challenges in terms of cost and sustainability. While it enhances brand prestige and product quality, the brand must evaluate eco-friendly alternatives, such as returnable glass programs or high-quality PET packaging, to maintain its premium perception without compromising cost efficiency.

Diversification into healthier drinks is in line with consumer trends but must be done in a way that ensures the retro appeal of the brand is retained. Phased release, e.g., limited releases, makes it possible to test the market without alienating current customers. The study of Hale's Blue Boy must balance traditional retail with online growth. An omnichannel strategy that blends e-commerce and digital loyalty can boost engagement while maintaining retail relationships [38]. This shift is important because technologically savvy customers increasingly use digital channels for purchase decisions [36], [39]. One of the significant risks is the brand's reliance on a single product. As consumers seek healthier options, excessive reliance on flavored syrups is a threat to market share and profitability. This risk can be hedged by entering into allied products like sugar-free syrups or functional beverages. Pilot research will have a critical role in establishing feasibility and consumer acceptability.

Future research needs to explore how digitalization and e-commerce are transforming the food and beverage sector, with implications for Hale's Blue Boy to improve distribution and go global. As consumer behavior continues to evolve, with a growing focus on sustainability and digital engagement, strategic realignment through innovation and omnichannel marketing will be essential for maintaining profitability and market leadership.

A structured resolution method is outlined in Table 2 to resolve the principal strategic issues, offering specific tactics for Hale’s Blue Boy to navigate challenges while preserving its brand identity and market position.

**Table 2** Strategic Conflict Resolution Approaches

| Conflict | Resolution Strategy |
|---|---|
| **Product Diversification vs. Brand Identity** | Gradual introduction of limited-edition flavors, co-branding with health-focused brands, and heritage-based storytelling. |
| **Glass Packaging vs. Cost Efficiency** | Introduce sustainable packaging alternatives, refillable glass options, and conduct consumer perception research. |
| **Market Expansion vs. Traditional Strength** | Implement omnichannel strategies, offer exclusive digital promotions, and integrate loyalty programs across both channels. |
| **Single-Product Dependency vs. Market Leadership** | Expand into complementary health-focused products, test low-sugar options, and conduct market pilot studies. |
| **CRM and Digital Engagement** | Strengthen digital marketing, launch data-driven engagement initiatives, and create an e-commerce-integrated loyalty program. |

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