

Dippin dots



**ASSIGN
BUSTER**

1. Analysis of the external environment in which the company operates

Dippin' dots, the company operates in a highly competitive ice cream market, one which is characterised by so many rivals producing very similar products, with big names like Nestle of Switzerland and Unilever PLC of London and Rotterdam. But dippin' dots, however, has managed to differentiate their products distinctively from what is being offered in the market.

Its method of production highly favours mass production and storage in volumes of the ice cream which, on one hand, serves as competitive advantage as they get to enjoy both economies of scale and economies of scope within the industry but on the other hand may be a threat as the majority of their clientele buys and consumes ice cream in small quantities at a given time. Given the said drawback, an opportunity for the company lies in the making of dippin dots ice cream that can be stored in smaller quantities, small enough for consumers to take home.

Consumers have dynamic tastes which changes, most of the time without warning signs. This would mean the company has to adapt to the changes of they are to stay in business but unfortunately, due to the specialised large machinery they have for the special ice cream, such change cannot be accommodated over night, it takes a long time and would be very costly for the company to keep changing every now and again. As such, their response to market demands would be very slow such that their customers end up going for the next best alternatives and subsequently leaving out dippin dots ice cream.

Legislation had its role to play in the external environment of dippin dots. Apart from taxation on earnings, federal law had its requirements regarding some of the ingredients like butterfat and egg York solids.

Dippin dots grew at a very fast rate and as such was ranked as one of the 500 fastest-growing companies two consecutive years 1996 and 1997. By the year 2004 the company had franchised heavily and got recognition from prestigious business magazine 'entrepreneur'. Franchisees were to sign franchise agreements and pay royalties for any location they operated or planned to operate.

From the onset of the company, extensive efforts saw the company seeking stands at fairs at events. They had to pull up their socks in order to stay afloat within the competitive industry by taking advantage of as many events and gatherings as they could possibly be able to be a part of. And as people enjoyed the dippin dots flavours, word of mouth became the primary source of advertising and the name dippin dots spread far and wide. Other efforts saw dippin dots adverts flying in magazines like the 'Nickelodeon' and in backgrounds of some Hollywood movies' scenes

2. Analysis of the company's internal environment The ice cream is made under extremely low temperatures and exposing them to the day's temperatures result in the quick melting of the ice cream. As such buying this ice cream would indirectly mean eating it soon after buying because waiting long will just melt it. This has been observed and as such, an opportunity for the company, with regard to this aspect lies in specialised packaging, one which retains the temperatures within the packaging and at

the same time not allowing outside temperatures to melt the ice cream. For example, the ice cream could be sold in thermos flasks-like material. With this, the container can be used over and over again as it serves its purpose.