

# Marketing concept and marketing segmentation

[Business](#), [Marketing](#)



Since then, It has become a global phenomenon. Ice Cream lovers the world over now recognize the unique Hagen-Dads logo as synonymous with the ultimate super-premium Ice cream. However, for the company to reach where It Is today, a sincere marketing effort was undertaken from Its early days to understand customers and their needs. Since the beginning, Hagen-Dads has kept a keen focus on developing an internal & external marketing orientation.

They obtained their current competitive strengths to establish premium pricing from:

- \*Developing the brand with an attached history of perfection and luxury using the finest Ingredients to deliver product excellence
- \*Invested In consumer research to understand tastes and preferences of customers
- \*used selective dilutions and did not mass market until the minimum critical mass of opinion leaders were established
- \*Did not change their objectives in between
- \*Used creativity and innovativeness to support brand identity

This report will discuss In detail the evidence that Hagen-Dads does, indeed, practice the marketing concept of keeping customers needs as a priority for the rest of the business to follow. COMPETITOR ANALYSIS have successfully created a slot for themselves. This phenomenon is greatly supported by the open down policy of the local government to the people coming from other lands for settlement and tourism. Ice creams are a product that has not seen their prime in the U. A. E. Its potential is tapped in a meager form. Not that the commodity is in short supply. There is ample ice-cream available even at the moment. But, there is great scope of habituating the inhabitants of this place to consume more of the product, by exploiting the U. A. E. Climate to its best potential.

The United Arab Emirates has an ice cream market of 10th million, yet it has one of the lowest consumption (6.00 per capita pints) of ice-cream when compared to Australia which consumes 36.87 per capita / pints and USA 30.04 pints. In spite of these low figures, Hagen-Dads began its Middle East venture by opening its outlet in AY Daffy Street in Sat and from then on rapidly opened up cafes in Drier City Centre, Riga Street, Palm Strip Shopping Mall and Thunderbolt. However, prior to their entry into this market, a proper industry analysis was undertaken, similar to the one described below using the Porter's Industry Analysis. Rivalry in the Industry - Medium Rivalry is strong due to a number of factors.

Ben & Jersey's and Hagen-Dads dominate the global super-premium ice cream market. Each of these competitors has approximately 42% of the market, with the remaining 15% being divided up between a number of smaller firms that compete on either a local or national basis. However, within the U. A. E., Hagen-Dads made its entry while Ben & Jersey's was still concentrating on Europe. Globally, Hagen-Dads was competing for a larger slice of what was a shrinking pie. The ice-cream sector has been stagnating in the recent years. In addition to this, new overspent labeling regulations, a rise in consumer price sensitivity, and other factors have led to further slow growth. In the U. A. E. Forever, the major competitor at the time was the highest priced ice-cream at that stage, namely Basking Robbins. Basking Robbins ice-cream parlours are still not considered direct competitors because they do not portray the image and class associated with a Hagen-Dads cafe. Further, industry lead times for copying a new flavor are lowering, making it harder to maintain a competitive advantage in this area. Hagen-

Dads has been facing intense competition from a relatively similar priced entrant 'London Dairy' which has positioned itself as a premium ice-cream but still made itself accessible at every petrol station and convenience store in town.

Hagen-Dads quite readily imitated them and are now available in select petrol pumps and supermarkets. Threat of new entrants - Weak Though there are a significant number of competitors in the market, the largest firms still have such large market shares that they are somewhat "insulated" against since a firm that already competes in the premium or standard ice cream market could easily convert to the super-premium market (though not with guaranteed success). There is not a significant threat for a new firm to enter the market and establish itself as a rival to the main competitors though brands like Unchain, Quality and London Dairy have been introducing ice creams to attract this market.

Substitute Products - Weak This is not a significant force, even though there are a number of substitute products for this market. Because this is the super-premium ice cream and yogurt market, and the products have prices that reflect this super-premium standard, the buyer who is interested in this type of product is probably going to be an ice cream lover that is willing to pay the extra price to receive the higher level of quality. One of the driving forces in this industry is the ability to produce a range of flavors, and to keep introducing new ones. Many sales could be attributed to the buyer attempting to satisfy a craving for some unconventional flavor of ice cream.

Such a buyer would probably not be satisfied with a substitute product. Though there is sure to be some competition from products such as high quality cakes and cheesecakes, other frozen assert products, and other snack products such as chips and dips, these products are not a significant factor to this super-premium ice cream market. Power of Suppliers - Weak This force is also weak since, in some cases, Hagen-Dads is paying well above market prices in an effort to stay true to their mission of producing super-premium quality ice-cream and exotic flavors. Should the need arise, it would be quite easy for them to find a new supplier for any of its products.

The advantage the Hagen-Dads and Basking Robbins have over the smaller producers are that since they purchase on a lobar scale, being such a large buyer, gives them more power in the supplier/buyer relationship. Power of Buyers - Strong This is obviously not a product that is necessary to the consumer. There is a declining level of the price elasticity of demand. This puts more of the power in the relationship into the hands of the consumer. Producers in this market must respect this and be sensitive to consumer attitudes concerning their products or face declining sales. Most of this revolves around flavors that they produce and for this reason, Hagen-Dads is continuously innovating on newer and more exotic flavors to pep their customers continuously attracted to them.

Hagen-Dads continuously researches its market because this is exactly what got elements, the marketing philosophy, market segmentation and consumer behavior. Hagen-Dads has been noted to practice the consumer-driven philosophy whereby they rely on research to discover consumer

preferences, desires and needs before production actually begins. This philosophy stresses the need for marketing research to be conducted in order to better understand where or who a market is and to develop a strategy targeted toward that group. The core business they are in is production of ice-cream. This industry primarily focuses on consumer tastes and preferences and only research can help identify these.

However, it is not enough that research is conducted only prior to production of a particular flavor. They need to constantly research the movement of this flavor in the market and get feedback from customers about this. Market research has given Hagen-Dads many advantages, such as, \*Unique environmental insight, which they used to spot opportunities others overlooked - Reuben Mattes found a segment in the market he believed to be UN-served, namely, the adult ice-cream lover segment. While other companies focused on enticing kids with ice cream, Mattes decided to tap the older, mature segment that had the disposable income to 'indulge' themselves. Are proactive to competitor moves by following them closely - Hagen-Dads quite readily met all of competitors' Ben & Jerry's moves by continuously introducing new flavors focusing on their niche while others lost focus and were mass marketing their ice creams. This helps makes them fiercely competitive constantly striving to defend their turf. \*Identify customer wants thus focusing energies on giving them exactly what they want - research helped them realize that Japanese love tea and hence introduced the Green Tea flavor which was an instant success in that market. They are not the only ones undertaking market research. The UK Super Premium ice cream market had a retail value of £1 billion in the UK in February 2000.