

# Alpine food

Business, Marketing



The paper "Alpine Food" is an outstanding example of a marketing article. 1. Terms of reference. Given the current economic downturn, an external consultant has been sought for advice on Alpine Food's UK prospective markets. Based on consultant's assessments Mr. Derek Slattery, CEO, has commissioned Mikheil Chkhartishvili, author, to create a report, due in three weeks, on significance and implications for Alpine Food. Board's extraordinary meeting has settled on three main concerns after review of consultant's findings: 1. 1 Environment. Consumers, increasingly aware of environmental issues, want to purchase home-grown, -produced, and -manufactured products. 'Low-mile' food is an issue particularly at stake. 1. 2 Packaging. Product packaging has seen developments in recent years and has shown steady sales growth for companies opting for less. 1. 3 Going organic. 'Natural' reigns supreme amongst customers who prefer 'organic' over 'non-organic'.

## 2. Method

Building upon the consultant's primary research a secondary research has been conducted by an author. Given Devon's unique status as home of locally produced food nationwide (Exeter city council n. d.) as well as Devon's rural character, food supply networks providing for Alpine Food have been assessed. Moreover, primary research's discussion of cost-cutting strategies (e. g. product packaging) calls for an investigation of possibilities to follow same strategies adopted by competition and / or to create strategies consistent to Alpine Food's mission and values. 3. Findings 3. 1 Exeter's current core accessibility indicators, especially to food stores (Department for transport 2009), greatly weaken Alpine Food's supply

networks. Alpine's delivery system (basically one based on trucks) requires, moreover, special product packaging and handling, a mark-up competitors have cut back on leading to steady growth in sales. Further, lead time for domestic and international orders of raw food required for muesli, granola, dried fruit and nuts suffers prolonged delays due to inconsistencies in supply chain systems, a major disadvantage given customers' increasing preferences for low-mile food (Ho & Gala 2005). Put differently, due to Alpine Food's basic reliance on international markets for raw food supplies, expected delays in international orders factor in frequently in company's delivery system's in domestic market given a wide range of political and social issues as well as regulatory measures external to company's control and particularly exacting on an already vulnerable delivery system during high-demand periods.

Moreover, Alpine's sole production facility in Exeter, Devon hardly meets, let alone misses up on a strategic market opportunity of, growing demands for fresh food all over the UK, simultaneously.

3. 2 For Alpine's specialty offerings – breakfast cereals, snack bars, and dried fruit and nut – Alpine enjoys a competitive edge given growing national and international consumer's preference for locally and organically produced foods let alone national agencies' favorable characterization of organically produced foods (Food standards agency n. d.).

3. 3 Even though Alpine's core products promise potential expansions into bordering market segments such as confectionery and bakeries, UK's market for confectionaries, bakeries, and breakfast cereals is one characterized by continuous innovations as well as finely divided shares (Fletcher 2006).

Typically, big players dominate the confectionery market. That is, Alpine finds little opportunity entering confectionery's territory. However, given 'fresh food' stamp Alpine Food brands her products, expanding into a bordering market may distract a company's focus from addressing core business issues as have been raised in consultant's report.

3. 4 In the past two years, many companies in UK food and beverage markets have lowered their packaging cost to check the recent global downturn and volatile packaging costs. They are introducing broader product ranges and low-cost packaging techniques that can attract consumers in a more budget-friendly way (Rees). It is also true that packaging is related to the eating habits of the consumers. People always prefer to eat fresh fruit and vegetables. Therefore over packaged items may not be attractive to them, when the products are mere cooking ingredients, fruits, and nuts. Therefore offering these products in simple low-cost packages seems to be profitable for the company. The most important step taken in the UK markets is the introduction of the biodegradable packaging system (California State University and Chico Research Foundation). The previous packaging materials like glass, plastics, light metals, and paperboard are being replaced by the new packaging techniques which would produce more rigid, stable and resalable packages (Cheruvu, Kapa, and Mahalik, 418). In this way, the use of Modified Atmospheric packaging System shows potency for growth for the food and beverages markets in the UK. Also, the new version of packaging techniques has more attracting consumer capacity as they have desirability towards the more organic techniques. The Modified Atmospheric Packaging (MAP) has emerged as a high-quality packaging

technique in recent times as it could alter the atmospheric conditions inside the package and, therefore, can maintain the food quality for longer periods. This technique is very useful for fresh fruits and vegetables. These items remain fresh for four to seven days (Rooney 62).

Nowadays packages greatly influence the consumers' purchase decision. New and attractive package attracts consumers more towards existing brands too. These low-cost biodegradable packages lower the packaging cost for the company and would attract the consumers for their organic quality. Alpine food products, using such low-cost environment-friendly packages, have the potential to grab the UK food markets more progressively.

#### 4. Conclusion

Based on Findings, Alpine Food's major liability rests in weak delivery system infrastructure. Alpine's exclusive dependency on a tracking system for delivery is, moreover, an overload during high demand times. Alternative means for delivery (e. g. internal canals), as well as innovative arrangements with partner retailers and/or stores, should be put in place. Moreover, relying on a tracking system for delivery not only exhausts the company's operations but requires additional costs (of handling and packaging) which have been disposed of by competition. By adopting alternative means of delivery, Alpine Food can dismiss packaging costs almost entirely such as via introducing new (locally produced) offerings catering to growing market segments increasingly aware of health issues, offerings based on conceptualizations of "fresh" and "immediate consumption".

This is particularly significant for customers' residing all along River Exe and beyond where a combination of environmentally friendly onboard delivery

means (e. g. canoes) and Preferred Partner (PP) deals with local producers is apt to induce customers increasingly conscious of local produce and low-mile food. By the same token, Alpine Food can strike similar deals with local producers and retailers all across the U. K. in order to meet customers' growing demand on local, organic, and low-mile food. Indeed, in order for Alpine Food to address such issues a significant shift in company's procurement strategy, wholly dependent on international markets, which in turn is bound to bring about changes in delivery system from one based on fossil fuels and long haul into a low-mile and multi-modal one.

#### 5. Recommendations

Apart from packaging cost-cutting strategy, Alpine could find in licensing agreements both a source for additional income and an opportunity for product development and market share expansion. Investing in production facilities can also enhance Alpine's market position and help meet growing demands across a wider geographical spread. Finally, Alpine's entry into newer markets should be based on the company's core values and vision.