

British apple market

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



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PESTLE Analysis

Politically as well as legally, the company, does not face any government policy regulations that hinder its operations. However, there exists a need for policies that will encourage orchard development by developing policies cushioning production of apples in orchards such as reduction of fertilizer costs.

Economically, adequate investments exist however should be backed by the adequate market to ensure that consumption of apples leads to profit making (Gupta, 2013, p. 36).

Socially, apples are regarded as an expensive fruit which makes them very unpopular among lower middle-class families. As such, subsidies would do good to bring down inflation in the UK allowing more middle families to afford fresh fruits that are often sold exorbitantly.

Technologically very little if any is of notice in regards to boosting the production of apples, however, marketing technological solutions are needed to enhance profit-making the British apple sector.

The environment in the UK proves favorable for the production apples as various regions support different varieties of apples that give the country a unique sense of supremacy in the apple production business venture.

Competitor Analysis

The chief competition for the production of British apples is the international apple production sector that exports cheaper produced apples to the United Kingdom. Consequently, imported apples in Britain end up on supermarket shelves and retail at lower prices than locally produced apples. In that esteem, customers will opt to purchase foreign apples simply because they are price friendly. Further, policy development and implementation do not put into consideration the fact that the local apple production sector has invested heavily in the production process; hence, the higher prices of apple products. Notably, the government should also be more supportive of the local industry by providing subsidies that have the implication of ensuring that the local industry lowers its costs of production and, thereby, support local production of apples by making the final price competitive in the market (Gupta, 2013, p. 34). The government, therefore, needs to invest in policy development and implementation that would support local apple farming.

Porter's Five Forces Analysis

The threat of new entrants into the industry remains rife given the fact that the apple production industry is open both to international and local producers. Therefore, the risk of the market being over flooded with products or commodities from far and wide is immense.

An evaluation of buyer power reveals that consumers are in a position of desperation owing to the high inflation in the country. Resultantly, very little if any is left for exorbitant spending. Notably, fresh fruits and vegetables including apples are considered expensive by most consumers an implication that most buyers in the country would not afford to purchase apples.

In regards to the threat of substitution, there is the high possibility that the population will seek other sources of nutrients that are offered by apples (Bengtsson, Ahnstrom, & Weibull, 2005, p. 265). Vitamins that are most prevalent in apples can also be found in other fruits such as bananas, watermelon, and oranges. In that respect, it highly likely that the purchase of such fruits will replace the purchase of apples (DiNardo, 2012).

Supplier power also proves fundamentally weak in the sense that the supply of apples is purely dependent on demand. Notably, convenience stores such as Tesco have limited the amount of apples that they stock in their shelves from the local British market because there is dwindling demand for locally produced apples (Bengtsson, et al., 2005, p. 266; Radas, 2001, p. 213). As more demand for cheaper imported apples increases, it is highly likely that the production industry will suffer owing to weak supplier power.

Finally, competitive rivalry is in the fact that the importation of cheap apples by large chain supermarket stores to meet consumer needs of affordable apples works in the opposition of the growth of the local industry (Radas, 2001, p. 215). In other words, it serves to stifle the chances of the local industry to compete with the international market on fair grounds.

Target Market Analysis

The target market reveals that the number one consumers of British apples are women followed by men and then children. It is apparent that children are not more conscious of the importance of eating fruits for maintaining good health. The analysis of the market also reveals that women's incomes are spent more on household products that comprise groceries where apples mostly fall while men's incomes are often spent on paying bills and other expenses before purchasing fruits. Notably, children are increasingly dependent on their parent's income which they use to purchase commodities not limited to fruits. Consequently, the little that parents can share with their children in terms of allowances account for a lesser margin of revenue sources for British apples. In that esteem, the target market that British apples capitalize on are women who are the most likely to purchase apple products.

Product Life Cycle Analysis

Apples are seasonal fruits which also complicates the price-demand-supply relationship. Notably, apples are most expensive when they are out of season and are the most affordable when in season. In that esteem, apples that are imported from other regions of the world at times coincide in

seasonality with those apples that are produced in the local market. The ramifications of a market flooded with foreign apples where demand has already fallen due to an influx of the supply of apples in the local market lead to an even bigger dip in the prices offered for apples in the market during peak seasons (Radas, 2001, p. 207). Regrettably, farmers in the local British market are exposed to price shocks owing to the seasonality of the apple's life cycle. Notably, a sense of stability is needed prices of seasonal apples are to be predictable enough to offer stable prices.

SWOT Analysis

The strengths of British apples lie in the superior quality and taste as well as richness in nutrients that they offer in comparison to imported apples.

Notably, British apples are cultivated using natural manure and grown on natural soils as opposed to imported apples that are to a great extent mostly genetically cultured.

The central weakness of British apples is that it is left vulnerable to the forces of demand and supply and that its production costs make its affordability warring. To that extent, the major challenge that the company is faced with in regards to its production of apples is affordability (Ommani, 2011, p. 9449).

Opportunities that present for the British apple business lies in the development of push for government policies that support the local industry as opposed to the international sector.

The threat of new entrants especially from the international market is the chief concern of the sector because it negatively impacts the prospects of the business in terms of profit making (Ayub, et al., 2013, p. 93). It would, therefore, be imperative that the industry is shielded through policy development and implementation against invasion from international brands.