

Healthy activia grows healthy us sales critical thinking

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



Questions for Discussion:

1. Describe the target market for Activia's probiotic yogurt?

The target market for the Activia probiotic yogurt is basically the health conscious eaters in the developed countries. In the United States, this pertains to the "New Generation" or what they call as the new baby boom (Health and Wellness Trends, p. 1). These are younger children who consume healthier products and maintain a healthy diet. They select the right nutrition for their daily food consumption. Another important target market for Activia probiotic yogurt is the young and old baby boomers and/or those ageing baby boomers who are now health conscious for health and illness measures (p. 1). They also consume food and beverages which offer specific health benefits.

In the United States, people are becoming more health conscious. In the case of the old baby boomers, they have become specifically conscious due to their health concerns. In demographic categories, this pertains to over 81% of Americans 50 years old and above who are more conscious of what they eat (p. 1). The younger baby boomers, on the other hand, pertains to those Americans aged 45 to 55 years old. They also look for healthy foods even when they eat outside their homes (p. 1).

These health conscious consumers follow food safety concerns. They are concerned about their foods' freshness and safety. They want to know where the food product comes, how it has been processed and if it is safe. They

want foods which are farm fresh, as much as possible. They also like the fact that the foods they eat are locally grown.

These target markets would be attracted with the Activia probiotic yogurt because they know of its nutritional and health benefits (Ferrell & Pride, Case 1. 2.).

2. What forces in the marketing environment represent possible opportunities for Danone's Activia brand? What forces represent potential threats to Activia brand?

The opportunities in the marketing environment which are conducive for the growth of Danone's Activia brand include the following:

The global market for functional foods is forecasted to grow rapidly.

According to Stanton, et. al. (p. 1), probiotic food products are making a remarkable growth under the functional foods category. While Japan presently holds about one half of this market, the United States is exhibiting the fastest rate in terms of growth. The probiotic market, particularly dairy products like yogurts and fermented milks, has also made an impressive growth in Europe.

The continued growth of the U. S. functional food market, which is estimated to be the largest in the world, is a potential for further sales for the brand.

This market represents between 35 and 50% of the global sales of fortified and functional foods that includes yogurt (p. 1).

The positioning of packaged foods as "smarter" or "better-for-you" products while consumers demand healthier alternatives. It reduces the fear of

consuming packed foods such as yogurts and healthy drinks.

The forecasts that “ food-as-medicine” will become more popular in packaged and processed foods. Consumers will then specifically consume food products to eliminate or reduce illnesses or promote good health such as good digestion, which is one of Activia’s primary benefits.

The increases in life expectancy and the ageing of baby boomers will increase the demand for customized and convenient products for seniors.

The growing distribution channels for healthy foods will also boost the sales of Activia. Supermarkets, mass merchants, warehouse clubs, natural food stores, convenience stores and drug stores, play the important role of bringing more healthy food options to consumers.

The long-term research and development of probiotics products as positively enhanced by sound, scientifically proven clinical evidence of health-promoting activity, precise consumer information, effective marketing tactics, and overall quality product will satisfy the growing consumers of healthy foods.

Meanwhile, there are also negative developments in the market which can severely affect the growth of the yogurt markets. These include the following:

A strong competitive force against organic retailers comes from the threat of forward integration by their suppliers. The Wal-Mart or Whole Foods will determine a larger distribution channel for competing yogurt and Activia will be threatened if these big retailers will be exclusively sourcing from Activia’s competitors.

Major competitors like General Mills and Kellogs are threatening the growth

of Danone's yogurt. Like Danone's, General Mills also focuses on health and wellness products. It also promotes yogurt. In fact, more than 80% of its corporate sales under the functional food category come from the yogurt segment (Health and Wellness Trends, p. 1). It has agreed to acquire the French yogurt maker Yoplait and other Yoplait global brands. This will directly compete with the Activia brand (Scott-Thomas, p. 1).

Entry of many health alternatives which will take the market share from the Activia yogurt. For instance, Modjo Life offers Natural Energy Shot with grape pomegranate flavor. This healthy food product is sweetened with organic cane juice and contains vitamins, amino acids and antioxidants (Health and Wellness Trends, p. 1). Those who will buy the yogurt may be swayed to buy this health drink instead. There are many more health related food products entering the market and these would hinder the sales of the Activia brand.

Private label brands of yogurt will also expand its market and attract other retail outlets to increase its sales.

3. How might a customer assess the value of Activia yogurt? Be specific as possible in your answer.

The number one basis for assessing the value of Activia yogurt is its health benefits. Traditionally, it is consumed more for its presumed medicinal qualities than its nutritional content. Customers believe that probiotic yogurt improves digestive health.

With many purported health food products and supplements claiming nutritional and medicinal benefits, consumers will definitely look for the institutional approval in the product packages. They will not be swayed by

big advertisements showcasing the remarkable health benefits of the products if they do not see signs of approval from the likes of FDA and other international health standards institutes.

As observed by many consumers, the quality of probiotics data which are supplied to consumers are not very reliable. Hence, controversies arise and many consumers know these. They are well aware of the bogus claims of certain products and they will certainly assess Activia's yogurt against its seal of approval and actual health benefits as they consume it.

As the product also has a dieting sub theme in its advertisements (focusing on the women market), the consumers will also assess the calories content of the yogurt product. They will assess the nutritional facts behind the large advertisements and marketing claims. As it is, an Activia yogurt contains 110 calories in each serving. This caloric content is further broken down as follows: 35% fat, 47% carbs, and 18% protein (FatSecret Website, p. 1).

For the eating pleasures of the consumers, aside from health consciousness, they will also look for the flavors and/or varieties of these yogurts. They will taste each yogurt type and compare its caloric content with its general tastes and appeal.

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