

# Alara agri case



1. Should Taner engage in consumer research for Alara Agri's prepackaged cherries or should he attempt to persuade German and Belgian retailers to conduct some test marketing in their stores? Taner should engage in consumer research for Alara Agri's prepackaged cherries because throughout the case, German and Belgian retailers were very pessimistic of the idea of prepackaged cherries, believing that the packaging would deter the consumers in their countries from buying because it does not give the "farm fresh feel. The German and Belgian retailers also stated that their consumers were more price sensitive, and would not be prone to packaging unlike other countries such as the UK which is an island. German and Belgian retailers were under the assumption that the UK consumer would pay more for packaged goods because they are an island, and it is not as easy to obtain such fruits and vegetables all year round.

After reading studies, a Belgian report showed, "an in-store survey revealed less than 40 percent of consumers are able to state the correct price of a jar of mayonnaise immediately after purchase, more than 20 percent having no idea at all of the price charge." A German study of consumers at supermarkets found a staggering number of just under 70 percent of purchases were made at the point of sale, and that brand meant a lot, because it distinguished quality items from not. 2. If you think consumer research is appropriate, what are the specifics of your research plan?

The specifics that would be most appropriate for the research plan, would have to be having a brand/label test, as well as a price test. The ultimate goal is to propose the plan to the German and Belgian retailers, which is already touchy. The plan is to show a minute cost increase but with a return

far greater with the idea of longer shelf life, as well as a brand that would stick. The challenge to overcome is to figure out how to convince the German and Belgian retailers that the cost of convenience and quality would catch on quickly as it did in Europe.

The research plan will also include test marketing in the stores, perhaps with a credit to the retailers whose shelf space was wasted as a result of a failed attempt to gain a new base of consumer. All in all, getting the brand name out and getting it to stick with the meaning of quality, with an offering of good faith that if the attempt fails, the retailers would be reimburse to the fullest. 3. If you think test marketing by retail customers is appropriate, what are the specifics of your research plan?

Test marketing is absolutely appropriate by retail consumers, because it allows a company to not throw all of their eggs in one basket only to have it fail. It gives the company an opportunity, as well, to determine whether or not it would be appropriate to make such a drastic change in an already established market. In order to do this, we would need retailer willingness of shelf space for any certain amount of time. We would also have to implement a consumer report of customers who picked through cherries, as opposed to customers who picked up the " punnets" of cherries.

This type of comparative data would allow us to show the Belgian and German retailers an analysis of growth, profit, and gross margin, ultimately convincing, or proving the Belgian and German retailers correct. 4. Do you have any other recommendations for Mr. Taner? My only other recommendations is that Mr. Taner prove his brand and quality meet the expectations of those he is trying to convince. Rightfully so, Mr. Taner has all

of the tools he needs in order to perform a thorough study which should allow him to obtain shelf space in German and Belgium, on the pretense that his changing of the market is an actual success.