

Marketing opportunity analysis

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



Opportunity analysis has been conducted to support the introduction of 'Naturalism', a new naturally sweetened low-carbohydrate ice cream, into the open and highly competitive Frozen Dessert Industry In New Zealand. This product will be produced and sold by Emerald Foods Ltd as a new variety In the brand New Zealand Natural.

Product Outline Ice cream which can be defined as a sweet frozen food made from cream or milk products, is a food which is both indulgent and moderately unhealthy. Due to this fact, it is generally inaccessible to consumers who are conscious of their weight and re actively trying to consume foods which are high in nutritional value and consequently, low in fat and sugar content.

Although this issue has been addressed somewhat in the industry through the introduction of low-fat options such as the Weight Watchers variety and Tip Tops' Creamy Yoghurt ice cream, these products, like many low-fat and fat-free foods, are laden with sugar, artificial sweeteners (which have potential to increase risk for bladder cancer in humans) and sodium. Sugar, a refined carbohydrate, 'enters the bloodstream quickly generating a large Insulin espouse and Is subsequently stored as fat leading to weight gain' (King, 2011).

This fact coupled with recent research published In the Journal of the American Medical Association 2012 which concludes that " a low carbohydrate rather than low fat diet would be most likely to produce sustained weight loss" (The Journal of the American Medical Association, 2012), is valid in identifying a sufficient gap in the market that will be

addressed through the introduction of a product which is low in both fat and sugar, and thus sought after by the large proportion of health conscious consumers who are aware of the detriment that products with high sugar content will cause to their nutritional goals.

This differentiated market offering, manufactured under the name 'Naturalism' as a variety of the New Zealand Natural ice cream range, will be unique in its approach to health-based nutrition in that it will be sweetened not by artificial sweeteners (used in Emeralds' product 'Zilch'), but by Stevia extract; a natural plant derived sweetener that is significantly sweeter than sugar but with no calories. This product will also act as an improved offering, replacing Emeralds' 'Zilch' product, which is inferior due to its use of artificial sweeteners.

Market Analysis Industry Definition With Ice Cream and Frozen Dessert products accounting for \$1 in every \$44 dollars spent by New Zealand households, New Zealanders are among the highest consumers of Ice Cream per capita in the world (Statistics New Zealand, 2010). This information supported by a 6% growth value recorded in 2012 with sales of \$342 million identifies the industry as one that is lucrative and highly profitable. Prospect wise, the industry forecasts maintained growth rates and opportunities for growth in health and wellness positioned products (Remuneration International, 2012).

Similarly research in the corresponding New Zealand Weight Management Industry proposes a steady growth as more information on nutrition becomes available to consumers, which is expected to increase consumer interest in

pursuing a healthy lifestyle (Remuneration International, 2012). Market Segmentation demonstrates that of the 33. 20% who purchased Ice Cream over a four week period, 36% hold the attitude that they would like to lose weight, and 34% are conscious of the amount of calories they consume (Roy Morgan New Zealand, 2011).

This information identifies a significant market segment that 'Naturalism' will benefit and provide significant value for. By addressing this 'niche' demographic it is apparent that the product has the potential to generate sustained customer value by responding to the needs of a segment which is often overlooked. Company Analysis and Competition 'Naturalism' will be manufactured by Emerald Foods Inc. And sold under the brand New Zealand Natural. Emerald currently has a 5. 2% Market share among the top 5 manufacturers in New Zealand (The Nielsen Company, 2012).

Despite this, Emerald nominates the premium grocery category with 7 of the 10 top selling products across three brands (Emerald Foods, 2010). This 'premium' category is desired as it serves to differentiate the product from others. Also the New Zealand Natural branding is ideal as the new product will be positioned among other 'natural' premium products already sought after by consumers. This allows Emerald to not only capitalise on an already established market segment, but to diversify and increase it as well.

Being a 'niche' product means competition is relatively minor. Competition exists in the form of the 'low-fat' products available from brands such as Tip Top and Weight Watchers, however advertising will be informative in nature so as to make consumers aware of Naturalism's nutritional benefits and as a

consequence create an inferior view of competitor's products. S. W. O. T Analysis Strengths -Sold under a brand which already dominates the premium grocery industry. This will lower the costs incurred with having to aggressively advertise a new and unknown brand. Cost savings in manufacturing due to downward pressure in the market currently on the price of Stevens glycoside which will be used in place of sugar (Holiday, 2009). Weaknesses - Use of Steven is not prevalent meaning supply may be somewhat low. This has the potential to slow manufacturing of the product. Opportunities - Consumer interest in health and well-being is expected to grow which implies the targeted market segment has potential and likelihood for growth. - New information on the benefits of low carbohydrate diets is constantly emerging. This indirectly promotes the product and enhances its value in the eyes of the consumer.