

Ipt marketing analysis

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According to the International Dairy Deli Bakery Association's What's in Store report, 93% of Americans snack, with 50% of them doing so two or three times a day; 40% at least four times a day; and 13% five or more times a day (" Industry News: Snacks and Sweets Statistics", 1998). Everybody snacks. In aculturebored by potato chips and peanuts, there is a golden opportunity for IPT to infiltrate the national snack market, both sweet and salty, by offering something unique, which will appeal to all ages and ethnic groups.

Initially, target markets will consist of three categories based on price structure and volume: corporate accounts, retail customers, and wholesalers. In order to reach these target markets, a number of means will be used. For corporate accounts, including incentive companies, sales managers will participate in a sales blitz of local companies and both print and online e-zine advertising will be placed with trade publications. To reach wholesale accounts, sales managers will participate in trade shows and banner advertising will be placed on commercial distributors' websites.

Retail customers, IPT's strongest market, will be tapped through the development of a catalog, a website with point of sale software, and radio advertising on a local and national level. Currently, a strong market exists for retail consumers who arehealthconscious but don't want to give up snack foods, or what is labeled " compromisers" (Kuhn, 1996) and this will be a key segment for IPT.

In the future, expansion of target markets will include foreign consumers, bulk buyers, and ethnic groups (with offerings of flavor coatings reflective of culture). After expansion regionally and nationally, the next market to

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logically to acquire is a global one. As IPT expands its operations, it is essential to fine-tune production in order to attract customer who will order in bulk, such as Wal-Mart. With IPT's patented coatings process, it will be easy to offer additional exotic flavorings to attract various ethnic groups.

Market segments are divided geographically, psychographically and by price point. Geographic areas will be segmented according to local, country-wide and Canada and sales managers assigned to each markets. The psychographic segments are categorized according to those who are health-conscious, families, and baby boomers as well as senior citizens who have fond memories of popcorn and pretzels as treats while growing up. In addition, segmenting by price points will give IPT the categories of retail, wholesale, and corporate accounts.

Pricing to the various segments will reflect high-end cost with retail consumers paying full mark-up, wholesalers receiving a 40% discount off retail pricing and corporate accounts capable of realizing a 25% to 35% discount based on annual sales volume. Retail customers will bring in the most profit per sale, however, sales from the retail sector will certainly be lower than that of those at the wholesale and corporate levels.

Positioning of IPT in the marketplace will be first and foremost focused on its products' quality, uniqueness and variety (snack foods, floral arrangements and gift baskets). The products, many with their origination in Pennsylvania Dutch country, and the patented popcorn coating process are unique and consumers will see them as exotic. Stressing the variety of products offered will capture further shares in the market. Brand management based on this positioning strategy will employ the use of memorable tag lines geared at

the various segments such as “ Dutch treat” and “ Healthy indulgence”. To coincide with this brand managementphilosophy, marketing materials will be consistent in packaging and liberally employ the use of IPT’s newly created, distinctive logo.

IPT is differentiated by other, larger, snackfoodsuppliers by offering a more personal touch in customer service. Customers will have several ways of ordering products (phone, catalog, website, retail store) as well as the availability of a dedicated customer service line for any problems that might arise, day or night. IPT’s snack foods are different than other manufacturers, such as Frito Lay, because of their Pennsylvania Dutch origins. This, along with IPT’s unique coating process, allows the company to offer very unique products unavailable at the local grocery store. The modern trends in snack foods are to be organic and healthy while a heavy Asian and Hipic influence demand that spicier flavors be added to snack foods (“ Snack Food Trends in the United States”, 2006).

With the company strengths of local recognition, the patented coating process, the long-term contracts and the addition of other products to its offering, IPT is poised to become a major player in the snack food and retail product market. Only through effective marketing, however, will this be achieved.

References

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