

# Agenda case study analysis

Business



Low fat versions of the competitors' frozen desserts may have lower fat content than their regular products but may contain more calories. The sorbet that Hagen-Dads will be creating, will carry the same characteristics; it will have fewer calories, less fat and taste just as amazing as would be expected from the premium ice cream maker. Problem 1 is not winner or not Hagen-Dads should develop ten sorbet, as innovating and launching new products for any company is essential for success and growth. The ice cream and frozen dessert market itself is mature and new products will stimulate sales. The problem is choosing the correct strategy and approach to do so.

Sorbet or sherbet has been in the freezers of grocery stores for a long time and it just doesn't have the same appeal to consumers as rich, tasting ice cream does, especially not the same as Hagen-Dads premium ice cream does. Sorbets are not as lucrative and not as good a seller as the premium ice creams to ice cream lovers and those that crave rich taste and the creamy texture. Also, sorbet carries an image of being glorified ice, just with some color thrown in it. Hagen-Dads ice cream is considered a rich tasting, indulgent dessert; sorbet does not exactly fall into this niche that's been created.

In order for it to do so, this sorbet must differ from the competitors' low-fat versions of frozen desserts and maintain Hagen-Dads' reputation as the producer of super-premium products which represent quality and extravagance.

The price point would have to be reasonable as well, as the target market would be the growing, health conscious consumers and competition is fierce to entice them. How can Hagen-Dads sell “ glorified ice” at a premium price? They must maintain their stance as a premium producer of frozen products and maintaining a premium price point is extremely difficult due to the tough economic times and the less disposable income households currently have to spend on indulgences. Changing from a product that is worth paying the premium for because of the indulgent nature of it, to being a health conscious one may ruin the premium reputation of the brand as a whole.

The global decrease of the honeybee population has created a negative impact on global agriculture, which in turn has created a decrease in fruit and nut which are the natural ingredients currently used by Hagen-Dads, and that will continue to be used with the sorbets.

Hagen-Dads must continue to support the sustainable pollination research, as it has in the past, to remain portrayed as a sustainable corporation. This presents an additional cost that could also affect their efforts to keep the price point competitive. The seasonal nature of the frozen desserts will make sorbet difficult to market at any time, so the timing of its introduction into the market will be a critical element as well.

Not only timing, but marketing strategies will need to encompass the desire for sorbet not only in the summer, but all year round. Solution Hagen-Dads has continued to focus on developing their competitive strength by establishing premium pricing, and being able to do so because of the brand representing perfection and luxury. This status must be upheld with the

development of the sorbet products if the price point is desired to remain premium.

The sorbet must have the upscale appeal that Hagen-Dads' current products have and they must be unique from what the competitors are offering to justify the premium price tag. Research and development must take this initiative very seriously.

Hagen-Dads worked for two years to develop a process that would make their low fat ice cream products taste just as full-bodied as the higher fat alternatives. A ten price pilot was kept comparable to ten Tulle Tat versions. Salary Elegance ND care should go into the development of the sorbet to ensure the same success. Promotion strategy for the sorbet must switch gears from being reliant on word of mouth and product differentiation alone, to being one including market penetration.

The line extension approach will help achieve this. The introduction of low fat sorbets into the market of the health conscious consumers, who still want that indulgence, is currently occupied by competitors such as TACT and Basking Robbins.