

Marketing food

For food manufacturers and retailers to succeed in gaining or keeping a large **market share** they must have products to sell that consumers want to buy. Market share can be increased by an effective marketing campaign. A successful campaign will bring the product to the attention of the consumer even though it may not be of better quality than a competing product.


Manufacturers and retailers use **market research** to monitor the buying habits of consumers because they need up-to-date information about consumer trends. A successful campaign will use this information to promote the main features of a product.

New opportunities

Apart from in supermarkets and local shops, food is increasingly sold in a large number of different outlets, such as petrol stations, vending machines and via the Internet. These

new outlets arise mainly because changes are continuously taking place in the way people live. The new outlets provide new opportunities and challenges for the marketing of food products. For example:

- the increase in one-person households gives rise to the need for some foods to be packaged in small portions
- the increase in women going out to work provides opportunities for the successful marketing of 'convenience' foods, such as pre-prepared meals
- changing meal times and eating habits allow opportunities for the marketing of snack foods
- the increase in car ownership creates

 *Packaging technology has made self-service marketing in supermarkets possible. The shelf-life of this shrink-wrapped cheese has been extended by its being packed in 30% carbon dioxide and 70% nitrogen.*



market opportunities because consumers can travel to the retailer that best suits their needs.

Technology

Developments in technology have extended the range of foods available and the way in which they are marketed. It is now possible to market some foods out of season as a result of controlling the atmosphere in which food is stored. Fruit is a good example of this. The atmosphere in a store is controlled by lowering the oxygen or increasing the carbon dioxide levels, delaying the rate at which the fruit ripens.

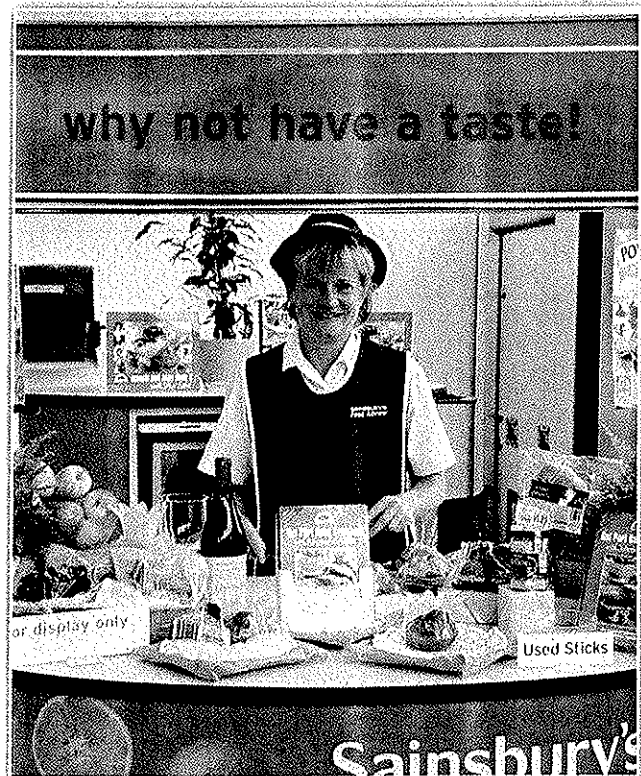
Modified atmosphere packaging helps to extend the shelf-life of products. The products are packed in a mixture of gases, which are formulated to prevent food deterioration. For example, shellfish and white fish can be packaged in a mixture of 30 per cent each of nitrogen and oxygen, with 40 per cent carbon dioxide to lengthen their shelf-life.

Marketing a new product

When a manufacturer or retailer wants to market a new product, they need to analyse their **target group** requirements. The consumer will expect a new product to be up-to-date in terms of presentation, appropriateness for their lifestyle, in a portion size that fits their needs, and so on. For example, the packaging must:

- market the product effectively
- keep the product clean, free from damage and contamination
- extend the product's shelf-life
- provide relevant information about the product, such as ingredients.

Information about appropriate packaging is available from the market research that has



Supermarkets sometimes hold in-store tasting sessions. Consumers are invited to try out a new product.

been carried out. Certain other aspects, such as the ingredients list and the **nutritional** information, are required by law to be presented in a certain way.

Special offers

In addition to those discussed on pages 34–35, there are some specific launch methods that food retailers use, one of which is called the loss-leader method. This is where new products to the market are sold at a very much lower price than they would be normally. The aim is to make consumers so keen on the product that they will continue to buy it when it is offered later at its usual price.

Other marketing methods include in-store tasting of a product, 'buy one get one free', and vouchers on a product that reduce the price of buying the next one.

Competitions, advertising campaigns, celebrity endorsements

Once the decision has been made about where the item is to be sold, promotion through advertising can be planned. The aim of advertising is to persuade the consumer to buy the product, thereby increasing the company profits.

Competitions encourage consumers to buy particular products, for example in order to use the bar code or competition entry form on the package for the chance of winning a prize. Some competitions require more than one purchase to enter and win. Other promotions offer cash back after a proof of purchase has been sent to the manufacturer.

Advertising appears in various forms, on television, radio, billboards, magazines and newspapers, as well as moving displays on buses and taxis, and more subtle promotion through sport sponsorship (for example the Melbourne Cup, or One Day Cricket).

Advertising is expensive, especially on television and radio. This cost needs to be absorbed into the final cost of the product. Greater profit is made on processed foods, particularly fast food and convenience foods, and for this reason they are the most highly advertised products.

Effective media advertising tools include jingles and slogans, and endorsements by celebrities. Other useful promotional activities occur at the point of sale, for example the supermarket, milk bar or corner store. These activities may be subtle in nature, such as positioning products at eye level on the supermarket shelf, to using flags and signs that extend from the shelves, to competitions or in-store taste testing, to large end-of-aisle displays.

Looking back

- 1 Having the right product at the right time is crucial for food companies. Why?
- 2 In what ways does the distribution aspect of a boutique product differ from that of a widely available supermarket product?
- 3 What is promotion?
- 4 How does advertising affect the price of a product?

For you to do

- 5 Using pictures, prices, logos and slogans from supermarket advertising brochures, explain the concepts of product, price, promotion and distribution.

- 6 Collect three magazine advertisements for food products that you consider to be effective. Identify the elements that make each so good.
- 7 Using these elements, identify the target market for your pesto and create a black and white 10 cm × 15 cm advertisement, suitable for placement in your local newspaper.

Taking it further

- 8 Investigate a food product that is a specialty of your local area. Conduct an interview or gather information on it via email or interview a relevant spokesperson and present an oral report on the way this product is marketed.

- 9 Select a food product that is relatively new to the market. How effective do you think the marketing strategies have been for ensuring the success of this product?

- 10 Conduct a debate on the following topic: 'Advertising informs the consumer'.

- 11 Watch 30 minutes of television between 3 pm and 5 pm, and then 30 minutes between 7 pm and 9 pm on any week day. List the advertisements you see in each time slot. Are the range of products vastly different? Why?

- 12 Why are children's programs on commercial television stations that screen in the mid-morning on week days often free of commercials, while on weekends, commercials are quite specifically aimed at children?