



Using Market Insight

In your Healthy Food &
Drink Product
Development

 **Interreg**
Atlantic Area
European Regional Development Fund



 **CAHFES**

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Market Overview

Defining the market and reviewing its
current size and status

What is Market Insight & what can it do for me ?

Gathering market insight – also called market intelligence – is a process of investigating & analysing information about the market you plan to launch into, so that you can make informed decisions.





Market Information

Is the market well documented ?
How could I access this information ?
Do I need to conduct my own research ?

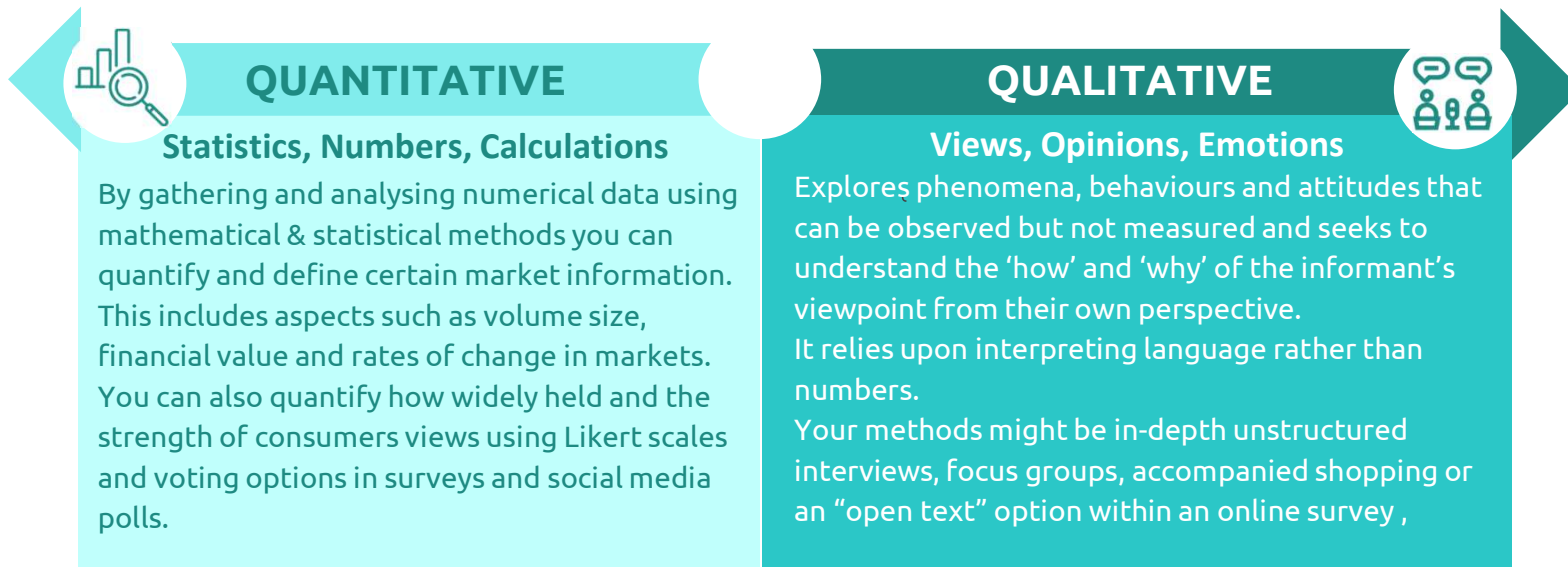
- You may be able to undertake “desk research” to access pre-existing data about the market which interests you for your development project
- Try an internet search which may direct you to a range of possible free sources of statistics and commentary on your chosen market sector
 - Trade associations websites
 - News articles in the trade or consumer press
 - Blogs from stakeholders in the market
 - Retailers, food service operators, manufacturers or raw material suppliers reports
 - Government or NGO statistics and academic papers
 - Export promotion agencies in other countries



Market Information

Is the market well documented?
How could I access this information?
Do I need to conduct my own research?

- Market insight is often described as divided into 2 types





Market Information

Is the market well documented?
How could I access this information?
Do I need to conduct my own research?

- Specialist market research agencies may gather, analyse and report on markets – these tend to require purchasing individually or can be accessed as part of an ongoing paid subscription.
- Access to useful reports may also be available via a business information library or other support service in your region.
- Below are some examples of Market Research companies who provide information relevant to the healthy food and drink sector – click on the logos to access their websites.

 EUROMONITOR INTERNATIONAL	 MINTEL	 KANTAR	 thefoodpeople™ inform inspire realise potential	 IGD RetailAnalysis	 statista
Global market data & analysis	Product launch tracking, consumer panels, consumer spending	Market reports & consumer insight for global markets	Track and interpret food & drink trends worldwide	Insight, training & best practice for the grocery industry	Global statistics, consumer survey results and industry studies

By joining the Food & Drink Wales Members Area, Welsh food & drink business can access a variety market insight resources

Northern Irish Food & Drink Businesses can access market insight at the Invest NI Business Information Centre

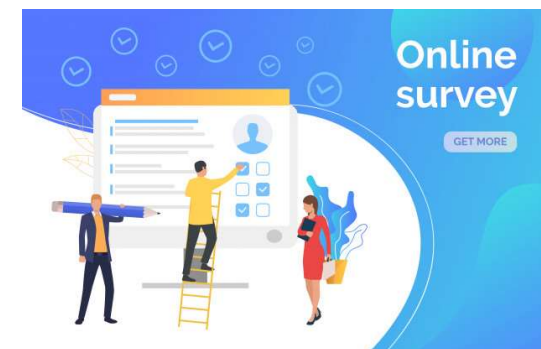
In Ireland, Bord Bia offers market insight reports and support to Irish food & drink businesses



Market Information

Is the market well documented?
How could I access this information?
Do I need to conduct my own research?

- If this desk research still leaves questions unanswered you may choose to conduct your own, bespoke research
- Small focus groups of consumers – held in person or online – can be an achievable and useful method to gather qualitative research findings
- You could give out samples of new concepts for consumers to try at home and then have a 121 video call via a platform such as WhatsApp or Zoom to discuss their thoughts
- Talk to your existing customers and find out their views
- Online surveys from links in your newsletters or polls on your social media platforms can be used to gather views or quantify interest in your concepts
- If you participate in food festivals or trade shows, these can be occasions when you can ask for feedback on your ideas



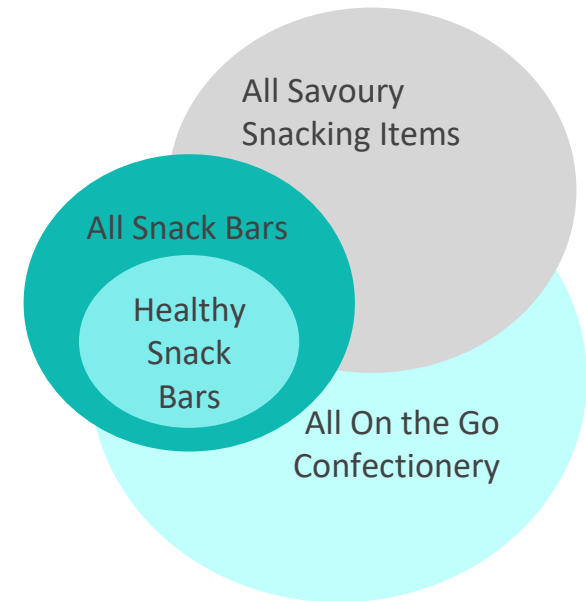


Market Size

How big is the market?
What is it worth?

Is there a standard definition of the sector boundaries?

- Sometimes it can be difficult to define a particular market's boundaries & what products are included within the category.
- You could consider definitions that
 - already exist in credible market reports
 - tie in with how your potential retail or food service customers define the category
 - reflect the categories managed by any individual buyers you deal with
 - follow export categories
- Ultimately you need to categorise the sector in ways that
 - seem realistic to you
 - allow you to gather useful information
 - help you make good quality decisions
 - make sense to anyone to whom that you need to explain your rationales - such as customers or investors



For example, if you have created a healthy snack bar incorporating healthy seeds, nuts, fruit & vegetable fibres what is your category and scope of the competition for attracting consumers attention & generating sales?



Market Size

How big is the market?

What is it worth?

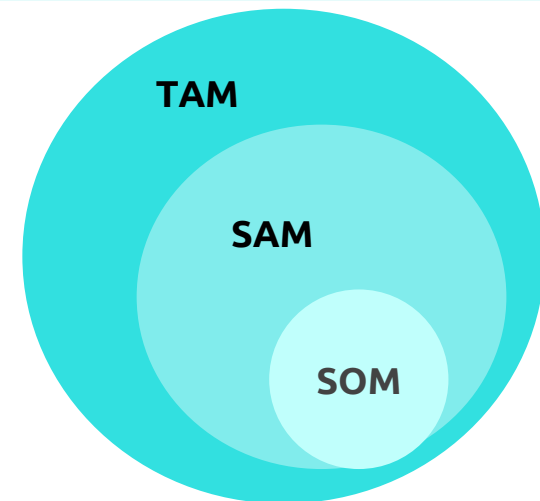
Is there a standard definition of the sector boundaries?

- Determining your market size tells you and your team, project partners and investors how much potential there is for your new concept
- Total market volume tells you the number of potential customers or unit sales
- Market value is a calculation based on volume x prices charged across the mix of product in the sector
- As you enter a market you need to be realistic about what percentage market share you could achieve
- Profit opportunities are determined by what market share you could realistically target, what you can charge for your product and your costs to serve that market.

TAM or Total Available Market is the total market demand for a product or service.

SAM or Serviceable Available Market is the segment of the **TAM** targeted by your products and services which is within the geographical reach of your distribution network.

SOM or Serviceable Obtainable Market is the portion of **SAM** that you can capture.

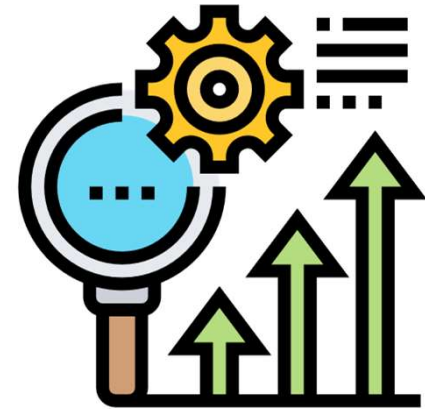




Market Growth

Is the market growing or declining?
How fast?
Where?

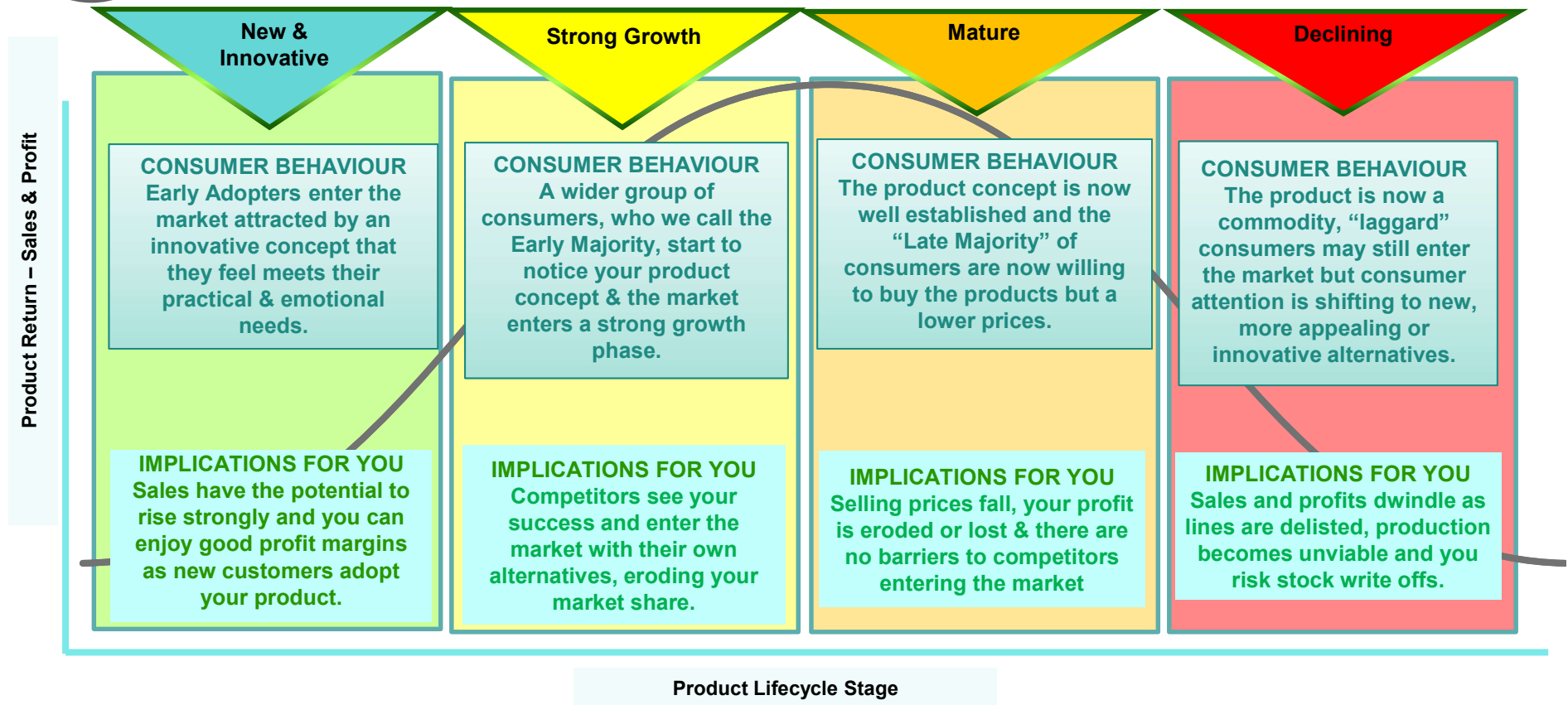
- When considering market size another critical factor is knowing whether the market is growing or in decline
- Often within a market some subsectors will be out-performing others
- Understanding where the fastest growing areas are within a market allows you to exploit those opportunities
- It may be easier for you to secure listings a new but high growth category
 - Buyers within retail & food service organisations may feel they can grow their own market share with your products
 - There may be less competition from other businesses





Market Maturity

Is this a mature & established market ?
Is it commoditised ?
Or a new sector at the early adoption stage ?



Market Change

Understanding how the market is
evolving and identifying where
opportunities exist



Market Dynamics

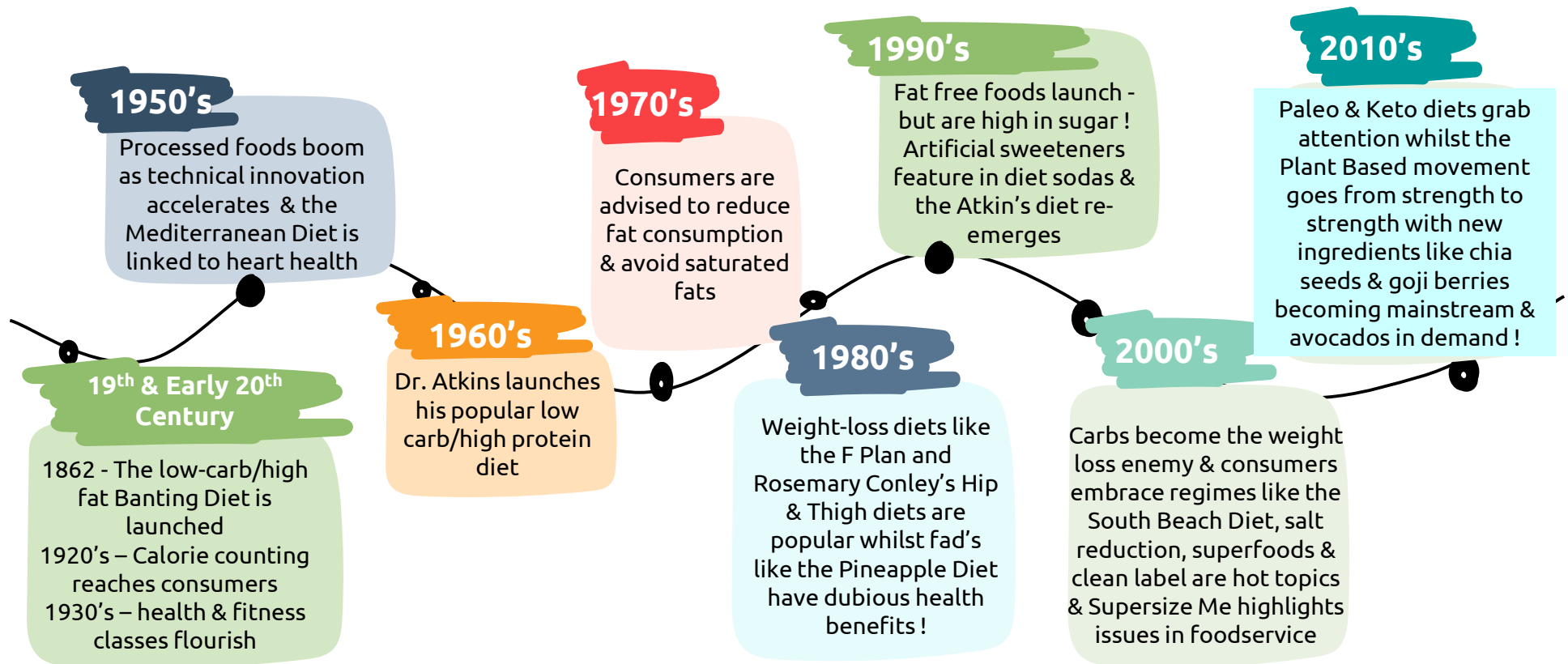
What is driving change in the market?
How is it evolving?

- You may now have gathered various statistics about the market sector that you are interested in, but it is also very insightful to understand the history of the category
- Knowing what has been tried before can help you avoid repeating the mistakes of concepts which failed in the past but also to decide if market conditions are now sufficiently different that concepts are worth re-exploring
- A good understanding of trends and consumer attitudes and behaviours allow you to determine drivers of purchasing so that you can anticipate where and how quickly demand will grow, allowing you to target your innovation in those areas with the strongest potential to succeed.



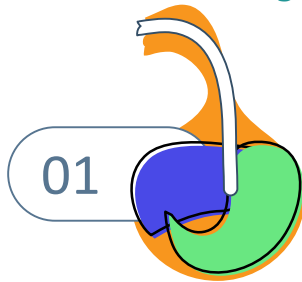
A Timeline of Healthy Trends in Food & Drink

Over the years the perceptions of diet related health issues have evolved considerably. Equally the food and drinks that have been innovated to address consumer needs & public health concerns have also advanced and changed – here's a short recap of where we have come from



What's Next for Healthy Food & Drink Trends ?

From “good fats” to Ayurvedic principles, insect proteins to algae and healthy aging to immunity boosting the many health trends emerging & evolving now promise exciting opportunities for healthy food & drink innovation



Gut Health

The growing scientific evidence of the role of a healthy gut in overall physical & mental wellbeing is driving innovation in foods & drinks



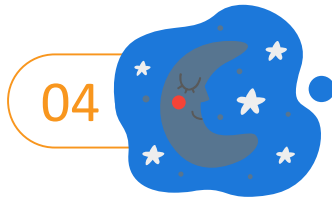
Mental Health

With mental health issues no-longer a taboo subject, foods which boost mental well being are coming to market



Hydration

An understanding of the importance of good hydration creates innovation opportunities to introduce beneficial ingredients such as botanical extracts



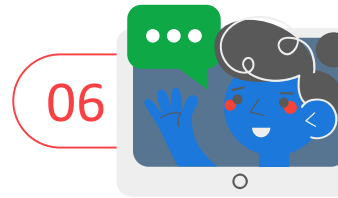
Mood Food

Foods & drink which promote positive moods and promote restful sleep



Plant Based

In the space where nutritional benefits and environmental concerns collide, plant based foods and meat reduction are key trends



Personalisation

Motivation to take personal responsibility for your own health & well being is high, and with it the demand for personalised solutions



Market Players

Who are the largest players ?
Who is disrupting the market ?
Who is leading innovation ?
Can I compete cost effectively with them ?



- Understanding your competition allows you to determine your ability to compete against their offer and how credible customers would find your innovation, new concept or variant
- Are there brands or businesses with longstanding presence in the market ?
- Are they innovating or resting on their laurels ?
- Who is bringing change to the category & what does this mean for you ?
- This would include your assessment of
 - how innovative they are
 - what funds & resources they have to bring concepts to market
 - likely marketing & advertising budgets, strategy and tactics
 - access to established distribution channels & customer relationships
 - probable costs of production

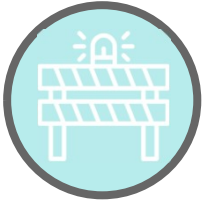


Market Opportunity

Are there gaps in the market?
Would my concept fill these well?
Where might my business fit in?

- Deciding if your concept has a realistic opportunity to succeed is a fundamental aim of your market and consumer insight
- Just because there appears to be a gap in the market, doesn't mean that filling it would be a successful strategy – sometimes the gap exists for a very good reason !
- You will need to draw together your conclusions from all the insight you have gathered and challenge yourself to provide strong evidence that your concept is viable from all perspectives – for example
 - Sufficient genuine consumer demand exists that will convert into sales
 - Costs of production are viable and you have a robust supply chain in place
 - Access to market is achievable & you can service the market appropriately
 - You have the correct technical & operational skills and resources





Market Access

Who controls the sales channels ?

Would my business be able to access these ?

Are there significant technological, legal or financial barriers to bringing products to market ?

- However strong your idea and your capabilities, without well defined routes through which you can get your concept in front of potential purchasers, you will not achieve sustainable sales
- Via which channels are existing sales in the sector achieved ?
- Can you access and service these channels ?
- Or if you plan a new & novel approach, can you test if your target channel is really viable ?
- What barriers may you face to securing listings or distribution ?
 - For example
 - Accreditations required before a listing can be secured
 - Export tariffs which make your products uncompetitive in overseas markets
 - Food safety testing over an extended period
 - Marketing support budgets expected by retailers or distributors
 - Proof of ability to produce at the scale demanded by a new sales opportunity

Using Market Insight

Interrogating the market information and looking at what it might mean for your business



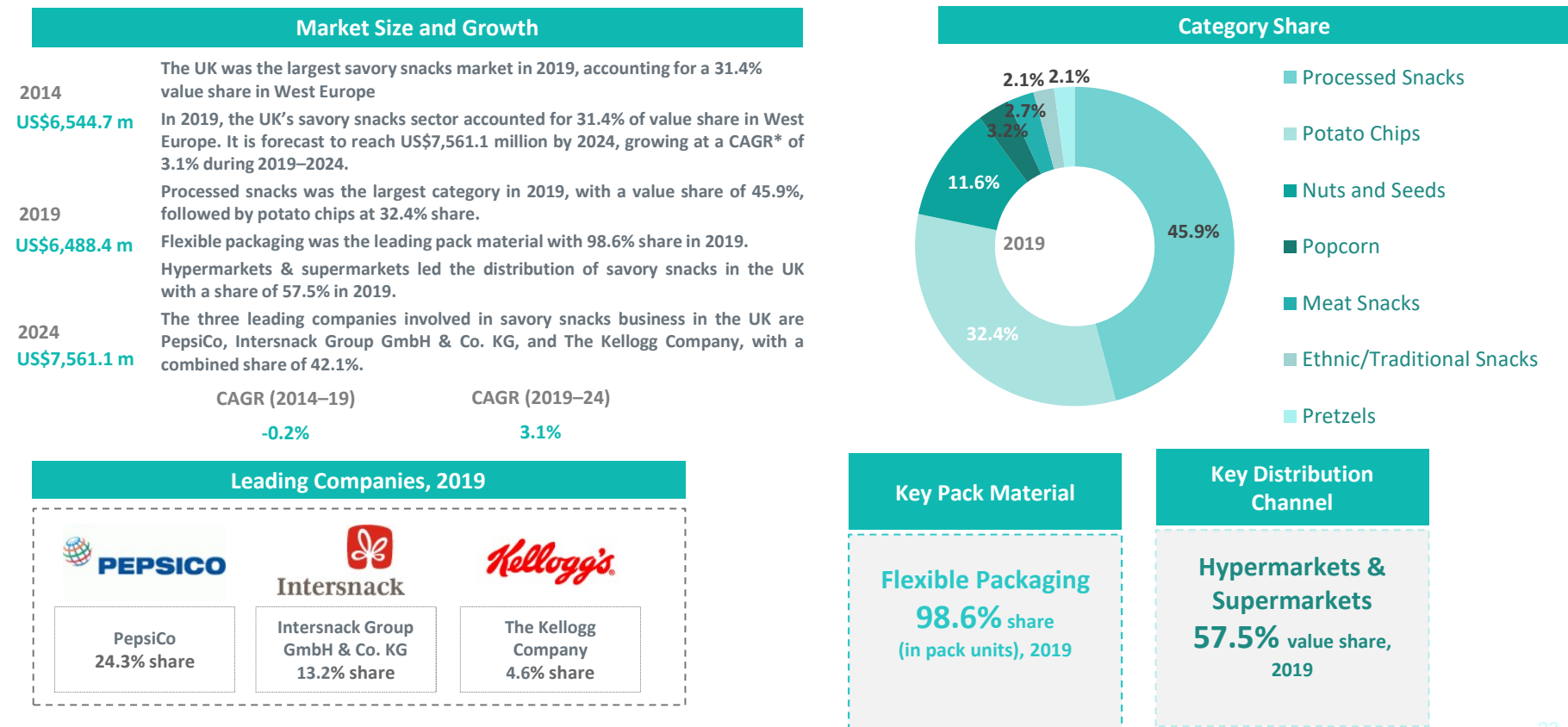
Using Your Market Insight

What does this all tell me ?
How should I use it ?
When do I have enough information ?

- Perhaps one of the most important aspects of your market insight is the “so what” factor !
- As you gather the information, try to keep referring it back to the context of your own business, brand or product concept
- In the following example we will see a summary of data about the Savoury Snack Market in the UK which we can use to tell us some interesting quantitative information
 - The UK has a very high market share in a European context, suggesting a mature market
 - Market had been sluggish but is now predicted to start growing again
 - Processed snack & crisps dominate but nuts and seeds are a sizable niche in the market
 - Flexible packaging dominates
 - A high proportion of sales are through supermarkets and hypermarkets
 - Some major brands exist with strong market shares
 - Males and females are pretty much equally engaged in the market
 - Children and older consumers are key consumer groups

Example: Market Information about the UK Savoury Snacks sector

The processed snacks category accounted for a 45.9% value share of the UK savory snacks sector in 2019

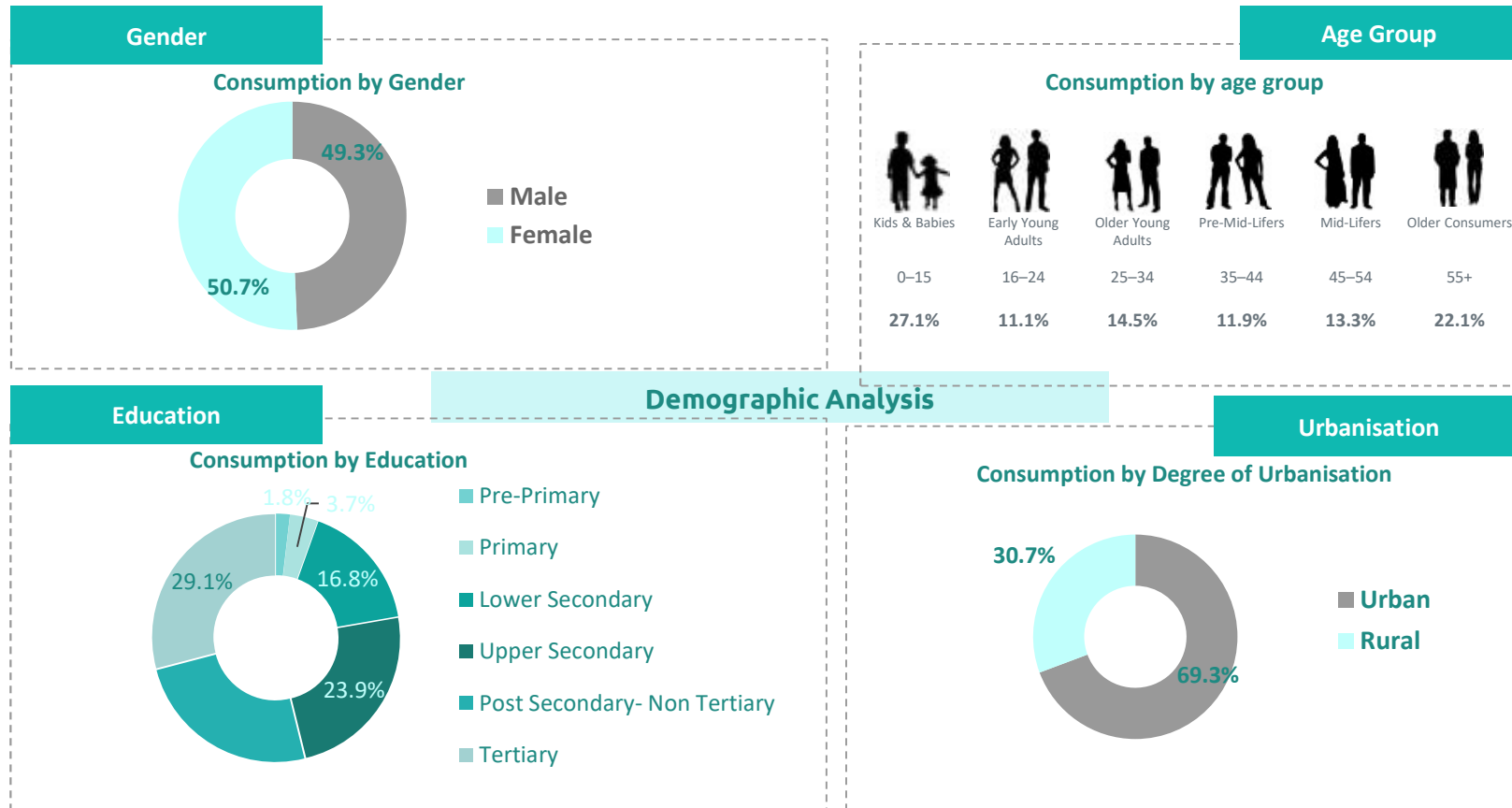


*CAGR = Category Average Growth Rate

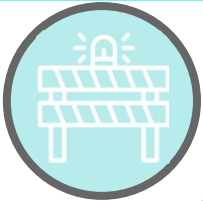
Source : Global Data

Example: Market Information about the UK Savoury Snacks sector

Urban consumers account for the leading share in the consumption of savory snacks in the UK



Source : Global Data



Asking Probing Questions

What does this all tell me ?

How should I use it ?

When do I have enough information ?

But we can still ask a lot more questions & conduct further investigation to reveal less obvious sales opportunities

- If the UK market is mature, are there other European markets where your snack product might have strong growth potential ?
- In which sectors is the market predicted to grow ? How would your concepts drive this growth ?
- Are some of the smaller sectors driving new sales by appealing to new consumer groups ?
- Flexible packaging is one of the least recyclable of plastics – would alternative packaging attract environmentally aware consumers to your brand ?
- Are supermarkets and hypermarkets a viable route to market for you ? If not which other channels are available and popular with the consumers you would like to target ?
- Can you get your brand noticed despite the marketing budgets of major brands ? What innovative ways could you approach this ?
- Although children are key consumers, the actual purchasing is probably done by the adults in their lives – could you position the brand to convert these purchasers to consumers and thus grow the sales opportunity ?
- If older consumers are a strong segment, what are their needs, pains & gains and could you target them effectively with product formats and marketing that will appeal to them ?



When Do I Have Enough Information ?

What does this all tell me ?
How should I use it ?
When do I have enough information ?

Being thorough about your market research is obviously essential but it also important to avoid “analysis paralysis” !

At some point you will need to decide that you have enough information to take the next step forward in bringing your concept to market

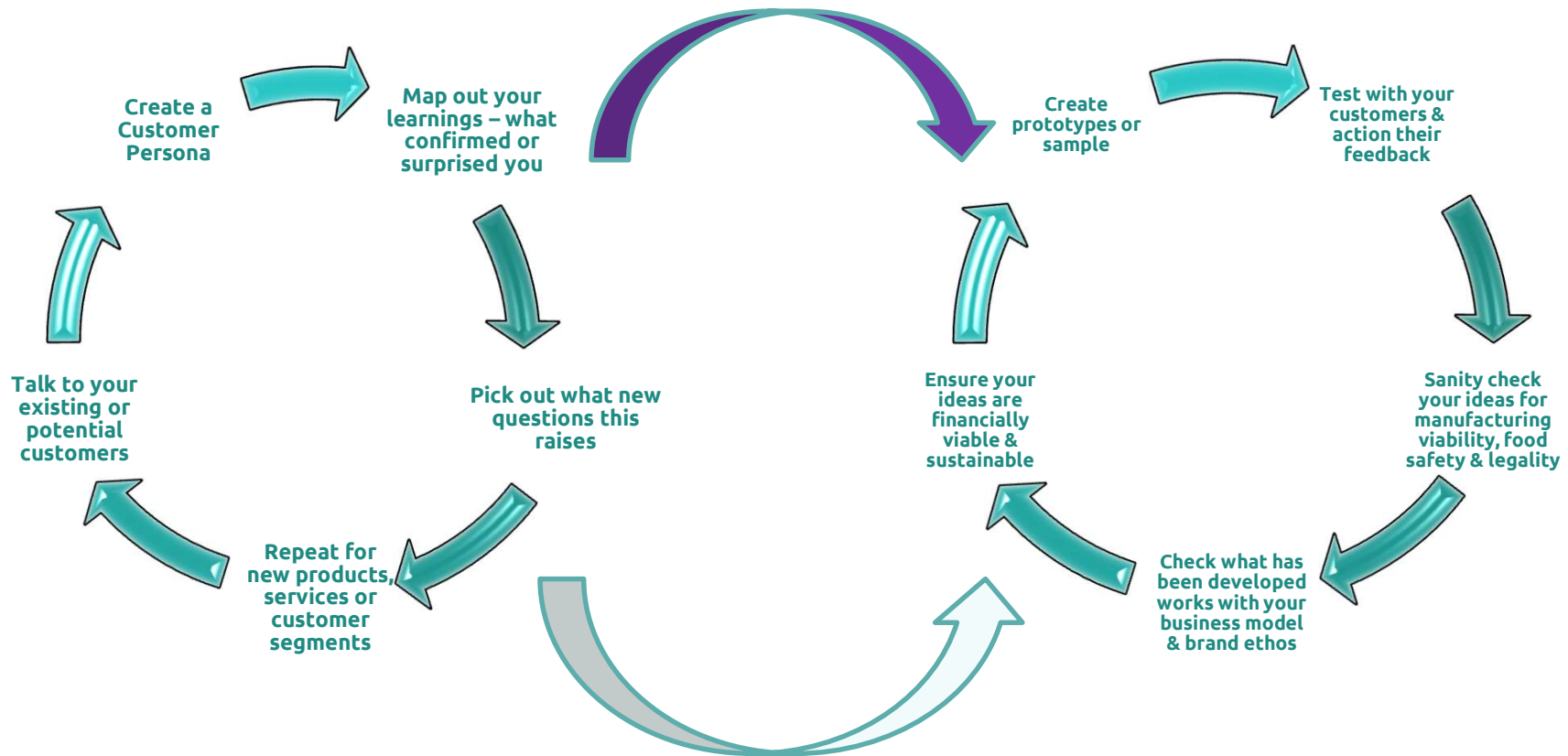
By setting out some key questions that you want to answer at the beginning of your research process, this gives you some boundaries of when to put your conclusions into action

You will also no doubt have found out some other insightful information along this journey !

Stepping forward – such as prototyping, creating samples, mocking up packaging or conducting a pilot production run – brings the project to life and allows you to get some more focussed and specific feed back from customers or consumers about your product

Insight Loops

Gathering and analysing your market and consumer insight is an ongoing process which will continue to add value to your decision making throughout the life of your brand or concept





We hope that you have found this training module a useful and helpful support to your healthy food and drink innovation.

This training module is one of a number of training opportunities, organised into themed training programmes to support SME's (small & medium sized enterprises) in the participating regions of Wales, Northern Ireland, Ireland, Spain, Portugal and France to successfully bring new and reformulated healthy food and drink products to market.

The training was created by the partners within the AHFES project which is a quadruple helix Atlantic area healthy food eco-system for the growth of SME's funded by the European Union under the Interreg Atlantic Area Funding Programme.

This programme promotes transnational cooperation among 36 Atlantic regions of 5 European countries and co-finances cooperation projects in the fields of Innovation & Competitiveness, Resource Efficiency, Territorial Risks Management, Biodiversity and Natural & Cultural Assets.

For more information about other training available [please click here](#).



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