

By Carol T. Culhane, P.H.Ec., MBA

☀ Soft, slow and sluggish...

...are often used to describe worldwide food sales. Financial publications (Wall Street Journal, The Economist, Canada's Report on Business <http://www.globeandmail.com/hubs/rob.html>) identify the flat market of the Western world as the prime factor in the food industry's intensifying concentration, decreasing number of competitors, and shifting infrastructure. An ageing population united with a low birth rate drives the soft sales. Few people consume the same amount of food at age 70 as at age 17, thereby significantly curtailing total aggregate demand. Fewer births reduce the flow of new consumers in future years.

☀ What to do?

The quick and nimble will overcome the situation by capitalizing on one or more of the three strategies described below.

☀ #1 Enter a dynamic or expanding niche

Such is the thinking behind niche markets such as ethnic, organic and functional foods. The re-positioning of staples such as liquid milk and margarine is covered in the article "Functional Food - Where is the Market Going?" at http://www.just-food.com/features_detail.asp?art=285

☀ #2 Diversify within a more stable sector

Convenience has become the latest food group, nourishing the bounty placed on personal time. Convenience is a moving target, evolving with the pace of technology to meet current expectations. However, handiness and usefulness are an individual matter. What one person deems convenient, another can reject as frivolous.

Thus, there are many opportunities to sell convenience. Distribution strategies such as in-store kiosks (be it pharmacies, video outlets or hardware stores), foodservice listings and buying clubs provide consumer access. Re-sealable packaging and smaller unit sizes appeal to single-person households of all ages. The soup segment expanded as "just add water" concentrates were fast-forwarded into ready-to-eat formats. Those who enjoy cooking from scratch but have simply no time to shop for groceries value e-commerce. See <http://www.grocerygateway.com/>

☀ #3 Outperform competitors

In an industry windswept by mergers and acquisitions, size can overshadow the skills of the astute and agile player. Anticipation of consumer needs and superior service will generate sales and protect market share. Observe Marks & Spencer's chef-endorsed menus, built upon prepared foods and simple recipes that cater to a large cross-section of consumer tastes, preferences and dietary requirements.

<http://www.marksandspencer.com/>

☀ Luck Favours the Prepared

Wondering how to get started? Experiencing doubt and inertia? Reference one of the most useful items in the Business Books sector. Since its launch two years ago [Who moved my cheese?](http://www.whomovedmycheese.com) <http://www.whomovedmycheese.com> continues to make the Best Seller list and is often back ordered. Insightful, thought provoking and short (I read it in an hour amidst the hustle and bustle of a local coffee shop) it will make the perfect Christmas gift for friend, colleague or... yourself. You will be moved to make a mark on your millennium year. **FF**

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