

Opportunities for Marketing Chilled Indian Samosas in Australia



By

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Executive Summary

The objectives of this paper are to:

- quantify the market size for chilled samosas; and
- evaluate the feasibility of manufacturing chilled samosas in Australia.

For this purpose, feasibility was determined on the following indices:

- minimum return of investment of 10% per annum; and
- minimum net profit of \$A 100, 000 per annum from the fifth year of operation.

The research was completed through literature review and field research.

The research concluded that food products which offer greater convenience are becoming popular in Australia. This trend appears to be the outcome of changing demographics such as increased participation in the labor force (particularly by women), a trend towards two income households, smaller households and increasing ethnic composition in the population. Additionally, greater health-consciousness has increased the demand for fresh, healthy, high quality and conveniently available foods requiring minimal preparation.

This research suggests that the consumers of chilled samosas will come from diverse ethnic backgrounds and will have the following characteristics:

- High consumers of take-away foods;
- Australian or second generation Australian;
- 20-54 year age class;
- Open minded attitude towards their food;
- Seekers of 'Fresh' food;
- Live in the inner suburbs.

The research posits that because Indian foods have a strong flavour and smell, the key purchase determinants will include the consumer's familiarity with Indian foods and their attitude towards the taste and flavour of Indian foods.

Supermarkets in Australia are conveniently positioned in most suburbs to service customer needs. However, the majority of convenience foods products sold in supermarkets are frozen products.

Generally the marketing of chilled foods is in the embryonic stage. The market is localised and the product range is limited.

The analysis shows that the demand for chilled samosas in Australia can range from 19.5 million units (best case scenario) to 600, 000 units (worst case scenario).

This study suggests that with start-up annual sales of 450,000 units, this business can generate a return of investment of 11.55% per annum on an investment of A\$ 1.3 million.

This study recommends that the market for chilled samosas be segmented into six distinct target markets - variety seekers, healthy choice, lifestyle, Indian children, Authentic Indian and conservatives. However the positioning of chilled samosas should not be developed over too narrow a market due to the small Australian population.

Consequently the positioning of chilled samosas through supermarkets should initially cut across a number of the identified segments (variety seekers, healthy choice, lifestyle, Authentic Indian and conservatives) by focusing on the large consumer segment in the marketplace of people who are time poor, seeking fresh quality foods with flavour that are easy to prepare prior to consumption in their home, and who are prepared to spend their income on purchasing such conveniences (subsets of the segments listed above).

The product should be positioned by focussing on quality, freshness and authenticity. Packaging should be distinctively Indian and clearly branded. The chilled samosas should initially be sold through the delicatessen section of supermarkets by utilising food brokers to distribute the products nationally and manage in store logistics. Samosas should be sold in packs of two and four at approximately 60 cents per samosa for the first three years to facilitate product trials. Promotions should focus on regular taste testing in supermarkets.

1. Introduction

1.1 Background

The aim of this thesis is to determine whether there is a profitable opportunity to manufacture and retail prepared chilled samosas (Indian pastries) through Australian supermarkets. A wide variety of Indian pastries are available in Indian ‘take-away’ shops. However, this research will be limited to analysing production and sales opportunities for chilled samosas.

Samosas are deep fried pastries made of whole wheat flour and filled with a mildly spicy mixture of potatoes and peas. The researcher’s experience in the United States and United Kingdom is that the market for Indian foods has expanded substantially. Initially these products were made only in the homes of Indian migrants to these countries. However, Indian foods became more popular with the mainstream population in these countries resulting in increasing numbers of new Indian restaurants.

Mass marketing of chilled foods was pioneered by Marks & Spencer, a British food retailing company, in the late 1980s. As a means of surpassing the competition who had already established themselves in the various food categories, Marks & Spencer introduced the concept of ‘freshly prepared chilled’ foods into the marketplace. They offered chilled foods from all over the world either through the refrigerated areas in their stores, where they were prepackaged products, or through the delicatessen section where consumers could individualise the quantities they purchased. Consumer’s growing desire for food freshness and its perceived healthiness meant that

chilled foods became extremely popular, and profitable, because of high turnover and consumers preparedness to pay a premium for freshness (Supermarket Business, March 1995 pp. 145).

Since fresh food production was emulated by other British retailers, chilled foods is now becoming among the fastest growing food categories in Britain. As a result, now virtually all types of cuisines (European, American, Asian, etc) and foods are being sold as chilled products.

There are a number of reasons why chilled foods have become popular in Britain.

Firstly, chilled food products have been able to meet the growing need of the British consumer for convenience, that has resulted from lifestyle changes such as increased workforce participation by women. ‘ Because of the growing number of women in the workplace, a marketing explosion is forecasted for the carry-out and home-delivery services as we near the 21st century’ (Gerben, 1989). Infact even McDonalds now home-delivers from some of its outlets. These lifestyle changes have enhanced the need for households to purchase externally some of their services (eg. meals) which have been traditionally provided from within the household.

Secondly, the United Kingdom is characterised by high density living. London for instance has a population of 6.7 million, living within an area of 1580 square kilometres (Hunter, 1995). As a result, most services, including supermarkets are highly accessible and generally tend to be within walking distance from any home, thus

making supermarkets a convenient outlet from which to purchase food. Consequently British consumers tend to shop on a daily basis. This has enabled consumers to purchase ready made meals from supermarkets on their way home from work, further enhancing the convenience factor that chilled foods offer.

Thirdly, chilled foods have been positioned in Britain (successfully) as the fresh alternative in convenience foods. Since consumers believe that 'fresh' foods offer improvements in texture, flavour and nutritional content over processed foods, chilled foods have become extremely popular with the general masses. In addition, although consumers have wanted more conveniences they have not wanted to trade on quality. Basically consumers have been seeking meals of a quality similar to what they would prepare at home. Moreover, the inability of British restaurants and take-away outlets to provide high quality convenience foods at a reasonable price, has driven consumers to purchase chilled foods.

Fourthly, chilled foods have also been able to fulfil the British consumer's demand for more cuisine variety, that the limited range of available restaurants have been unable to accommodate.

Fifthly, since most retailers in the United Kingdom currently manufacture between 40-50% of all food products in most food categories themselves or under their own brands, they have a vested interest in building consumer awareness of the chilled food category. Consequently British retailers have aggressively 'pushed' chilled food products to the consumer through price cuts, wider facings dedicated to chilled foods,

and intensive in-store promotions. Such actions have successfully increased consumers awareness of chilled foods and created a demand push for the food products.

Both chilled foods and Indian-style foods are 'new' to Australian supermarkets. However chilled Indian products have a large and established market in the United Kingdom. Despite earlier set-backs in the USA because quality, freshness, taste, value, price, nutrition, ingredients and packaging did not meet consumer's expectations, more recently, there have been rapid increases in the consumption of Indian style foods in the USA (Supermarket Business, March 1995 pp. 143).

In Australia, there is only one national manufacturer (Pacific Brands) who sell their chilled products through supermarkets under a number of brands - Latina, Leggo, Chef to You, and Four and Twenty. Consumer awareness of chilled foods is therefore low.

Consequently, information on the demand and consumption characteristics of chilled samosas is not readily available in the public domain. Accordingly, this research will analyse:

- a) trends in consumption of chilled products;
- b) trends in consumption of 'parallel' products such as curried pies in Australia;
- c) market trends for Indian style foods in Australia and countries such as the United Kingdom and United States as a basis of forecasting consumption trends.

Although Australians, like their British counterparts, are seeking freshness and convenience from their food purchases, it is unlikely that chilled foods will be as popular in Australia as in Britain, for the following reasons:

Chilled Foods are Less Convenient to Purchase in Australia

In Australia, consumers have to drive to their supermarkets to purchase chilled foods. Consequently, Australians make on average only 1.8 shopping trips per week. In the United Kingdom however, supermarkets are within walking distance of consumer households, and thus Britons visit their supermarkets daily. Chilled foods sold through supermarkets in the UK are therefore more convenient to purchase than in Australia (Foodweek, 2 Feb 1993).

Restaurant Quality and Price

Australia provides an extensive range of restaurants of a good quality and reasonable price. British restaurants are generally of a poorer quality and are considerably more expensive. Consequently, while Britons have sought chilled foods from supermarkets as a means of overcoming the deficiencies of their restaurants, the high quality and good value of Australian restaurants will limit the consumption of chilled foods in Australia.

Retailer Activity

Australian supermarkets do not have any involvement with the manufacture of chilled foods and are unlikely to do so in the future. Consequently they have no inherent desire

to create a similar awareness for the chilled food category in Australia as British retailers in the United Kingdom.

Manufacturer Activity

The technology utilised to manufacture chilled products in the United Kingdom is less sophisticated than what is required in Australia. In the United Kingdom, chilled foods are delivered almost daily as a result of the close proximity of manufacturing plants to supermarkets. Infact in the UK, 'daily store deliveries and the nations renowned distribution system mean most products require a shelf life of only 1 to 3 days' (Supermarket Business, March 1995 pp. 143). However, in Australia transportation constraints can mean that it takes up to one week for a food product to get transported to its destination and another week before the product gets to the supermarket shelf. This has required Australian manufacturers to evolve state of the art technology to develop chilled foods for the Australian marketplace, the cost and expertise of which is something many manufacturers will not have access to. The lack of momentum created by the limited number of chilled food manufacturers in Australia will limit the growth of chilled foods.

Notwithstanding, 'changing demographics [in Australia are favouring] more convenience products and more exotic flavours (Retail World, Dec 13-17 1993). According to Olivier Tate, Food Buyer for Myer Melbourne, whom I interviewed on 18 May 1995, 'Australian's are moving away from the bland mushy flavours of Chicko rolls and are seeking much spicier, fresher foods'. This trend also reflects similar trends experienced in the United Kingdom over the last few years.

Asians and Indians (including Pakistanis, Sri Lankans and Bangladeshis) make up 0.8% and 3% of the British population respectively, and although relatively small compared with the Anglo-Saxon population, they have greatly influenced British tastes (Hunter, 1995). Consequently, Indian food products and particularly Indian chilled foods such as curries, rices, roti, parathas and samosas are consumed extensively.

Similar trends are emerging in Australia. Since 1990 there has been a 36% growth in the number of Indian restaurants in Melbourne (1990 Melbourne Yellow Pages; 1994 Melbourne Yellow Pages) against a backdrop Victorian population of 118,098 (3%) Asians, 3.5 million (81%) Anglo-Saxons and 19,540 (0.5%) Indians (1994 Victorian Yearbook, ABS). Victoria is not too dissimilar from other Australian states, so it seems reasonable to conclude that Australians are embracing Asian foods and more specifically Indian foods. The trend towards Indian food consumption is also confirmed by supermarket buyers' who have admitted to being interested in stocking more Indian-style food products in their supermarkets.

Indeed, to reflect this demand most food companies are now including some Indian-style product lines within a product range. For instance, Pacific Brands who recently moved into the production of chilled foods, produce 3/8 Asian style, 1/8 Indian and 4/8 Italian in their 'Chef to You' Prepackaged Convenience Dinner range. Craig Fuller, General Manager of Chilled Foods, Pacific Brands, whom I interviewed on 8 June 1995, agrees that Asians have had a large influence on Australian cuisine and will continue to do so in the future. He indicated that the 'Chef To You' chilled food range will reflect changing consumer preferences and believes that within 3-5 years over 60%

of his chilled range will be Asian or Indian. Although he believes Indian style foods are establishing themselves with consumers, he claims that it will be at least 5 years before there is enough wide-spread acceptance throughout the country of the food style to warrant producing a more expansive range of Indian style products.

Anecdotal evidence indicates that consumers are extremely receptive to Indian style foods and are already familiar with products such as samosas, which they currently purchase from restaurants and take-away outlets with a large proportion of Indian food purchases being consumed away from the restaurant or take-away, - usually in the home.

This provides a unique opportunity to develop Indian foods which are convenient to purchase (eg. through a supermarket) and which are easy to prepare in the home (eg. by micro-waving). Given consumers' escalating demand for freshness, hygiene, quality and convenience, samosas sold as chilled products through supermarkets would appear to be able to appease this demand pull.

Existing sales of samosas through take-away outlets to be presented later in the paper will also confirm this assumption.

Consequently, to determine whether an opportunity exists to manufacture and mass market 'freshly prepared chilled' samosas through Australian supermarkets, this paper will aim to resolve the following:

1. Whether there is an opportunity to retail prepared chilled samosas through supermarkets in Australia, where an opportunity is perceived to be:

- that no manufacturers in Australia currently retail their samosas as 'fresh' products through supermarkets and are unlikely to do so within the next two years;
- consumers are receptive to purchasing chilled samosas through supermarkets;
- that sufficient consumer demand exists in order for sales of samosas through supermarkets to be viable.

2. Whether the manufacture and subsequent retailing of prepared chilled samosas would be profitable, where profitability is perceived to be:

- that a return on investment of at least 10% pa. real would be obtainable; and
- a profit after all costs and overheads from year 5 onwards of at least A\$100,000 pa. real, be obtainable.

Specifically the output of the research will be a report which identifies:

1. Background information on the processed food industry in Australia;
2. Trends in consumption of processed foods in Australia, the USA and UK;
3. Contrast between the demographic trends of the UK, USA and Australia and the effect of these trends on consumption patterns of Asian-style convenience foods;
4. The potential consumer base:
 - the consumer demographic profile;
 - segmentation options;
 - marketing mix options;
 - what is the best means to develop demand for the samosas;
 - positioning options;
5. Potential market demand;
6. Competitive Analysis:
 - overview of manufacturers and retailers of Chilled and Indian-style food products in Australia;
7. Financial Analysis based on manufacturing and retailing samosas through supermarkets.

1.2 Introduction

1.2.1 The Australian Food Industry

Food manufacturing (or processing) and supply is a very important aspect of any country's economy, given the need for people to consume food and drink for their ultimate survival. Not surprisingly, the Australian food industry is the largest

manufacturing industry in Australia (Wilson, 1986). It is closely linked to the agricultural sector and accounts for over 20% (A\$30 billion in 1988/89) of manufacturing turnover (Rural Industries and Development Corporation, 1992).

Although there are more than 3000 companies operating in many comparatively unrelated segments, there are a relatively small number of large established companies dominating individual product segments. This has developed as a result of the requirement for large sums of capital investment which are necessary for plant and equipment, thus forcing the smaller companies in the food industry to either import their products from overseas or service smaller niche markets (Dept of Industry, Technology & Commerce, 1991).

According to sales revenue data provided in Foodweek March 1, 1994 and ASX 1994 reports, the ten top food suppliers in Australia held around 50% of the market share in 1993 and the top twenty eight suppliers around 75%. (See **Appendix 1** for a list of market participants, the products they manufacture, ownership and their market shares).

Foreign-owned or controlled firms account for about 30% of industry turnover. These tend to be large multi-product firms who also have a relatively high market share in the areas in which they operate (Egan, 1991).

Thus it is clear that the industry has become increasingly concentrated with monopolies or oligopolies in many market segments. The defence of market share and growth

through acquisition have been dominant business strategies in many large firms. Despite this, the industry remains highly competitive and very open (Egan, 1991).

Interestingly, the concentration in food manufacturing has been matched by increasing concentration in food retailing. We have also seen the development of co-operatives which have been established to enable smaller firms to compete alongside the powerful national firms dominating some sectors.

Government policies such as import substitution and inefficient work practices have resulted in many firms being uncompetitive because they have allowed themselves to be domestic demand driven and thus developed low-volume production facilities (White, 1992).

Consequently, few firms have focused on high value-added processing, a sector that is clearly growing in other countries around the world such as Asia, the United Kingdom and America.

The great majority of firms in the Australian processed food industry are dependent on mature markets and products, and the production of minimally processed staples. Consequently, smaller firms have emerged to meet these specialist market opportunities. Unfortunately however, the smaller firms tend to supply one or two regional markets at a time.

There is also considerable diversity amongst the smaller food firms. Whereas some firms focus on mature products and change slowly and cautiously, other firms react quickly to meet changing consumer needs.

Despite the domestic focus in the past, food industry firms have been shifting their focus toward the global market as a result of slow growth in domestic demand. Consequently, we have seen the establishment of overseas operations (particularly in North America and Europe) by several of the larger Australian companies, and of joint-venture processing facilities in Asia (Egan, 1991).

It is believed that change in the industry is likely to occur in the future. Greater backward and forward integration is expected as chemical firms enter the food processing industry, more food processors integrate upstream, and major retailers increase their involvement in food production and processing.

1.2.2 Growth in Convenience Foods

Processed foods are those foods which have been treated or preserved in some way by a series of operations (Australian Nutrition Foundation, 1986).

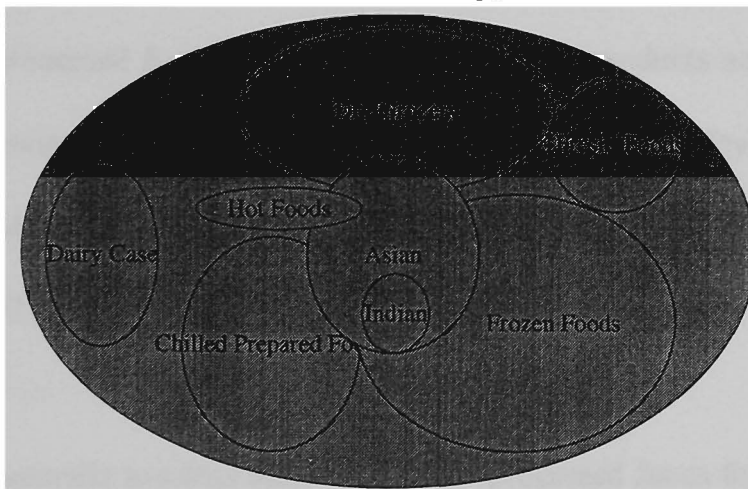
Supermarkets tend to label processed foods into the following food categories (see **Figure 1** below):

- Dry Grocery - which includes subcategories of beverages, biscuits, breakfast cereals, canned foods, dry foods (such as pasta, rice), cake mixes, condiments, jams, confectionery and snack foods;

- Fresh foods - which includes subcategories of salad or vegetable mixes, fresh meat and poultry;
- Dairy or dairy case;
- Frozen foods;
- Hot foods;
- Chilled foods.

Asian and Indian style foods can be found in the dry grocery, frozen foods, chilled prepared foods and hot food categories.

Figure 1:
Processed Food Categories



Foods in each different category (eg. chilled or frozen) are positioned differently in the minds of consumers and thus satisfy different needs and wants. For example, canned, bottled and chilled sauces all enable consumers to conveniently prepare a meal, however their perishability, additive content and freshness all vary considerably. Consumer's selection from the range will depend on which products in the range meet with their values, preferences and budget.

Although chilled foods are very convenient to use, they offer the consumer added value through improved texture, flavour, higher nutritional content resulting from fewer additives, freshness and thus overall superior quality to similar products.

Although this study will focus on chilled samosas (an Indian-style food product) to be positioned in the chilled category, this paper will attempt to provide the reader with some comprehension of the frozen food market and the demand for Asian/Indian foods as a dry grocery item since Indian-style chilled foods are still not widely distributed in Australia, and thus reliable information is unavailable.

Demand for processed foods has outpaced other food products across the globe as a result of a growing need by consumers for consistently safe quality food products that are easier and quicker to prepare in the home and which offer cuisine variety (Desrosier, 1971).

The trend in Australia towards more convenient processed foods follows similar trends that have been experienced in both the United Kingdom and United States over the last few years. The US experience has shown that more people are eating food prepared outside the home, as 42% of total food expenditures by households in the US were spent on take-away foods (FACM, 1993). Infact Litwak (Feb 1993) says that ‘ even the most upscale merchants are beginning to realise that the majority of consumers may be looking for time-saving convenience ... thus their preferences in prepared foods are not limited to those they could not or would not make for themselves’. This resulted in increased demand for freshly prepared hot or chilled convenience foods in the United

States, and similar trends have been experienced in the United Kingdom (Foodweek, 11 Oct 1994).

‘ The most notable strategic shift is the ongoing movement toward refrigerated self-service products’. ‘Retailers also believe greater emphasis on refrigerated products addresses what is this years [consumers’] greatest concern - food safety- by cutting down the risk of spoilage and food born diseases’. Indeed, ‘food-service directors clearly indicate that “cold” is the wave of at least the near future’ (Supermarket Business, July 1993).

According to surveys conducted for Supermarket Business, March 1995, almost 53% of the American population consume some form of "prepared dinner".

In Australia the amount spent on convenience food has grown from 6% of the household budget in 1956 to around 30% in 1988. Apparently as much as 30% of a take-away store’s sales is derived from the drive-through facilities. Infact, of all take-away food purchases, 53% is eaten at home, 14% at work, 19% in the car and 14% in other places (Foodweek, Oct 18 1994).

According to this evidence, Australians are purchasing food from take-away food outlets to be consumed in their homes or elsewhere, because a void exists in supermarkets to provide similar convenience foods.

Despite this, freshly prepared chilled convenience foods are still in the embryonic stage of development in Australia. Most firms servicing this food category are small companies supplying one or two regional markets - there are few national suppliers.

Research indicates that three out of every five meals will soon be purchased outside the home (Machan, 1994). It is forecast that over the next few years prepared chilled foods will be one of the fastest growing food categories in Australia (Foodweek, 11 Oct 1994).

In the United Kingdom, the demand for food products resulting from greater priority among consumers for freshness and quality, has increased sales of chilled foods by more than sales of frozen foods. Katherine Harris (Supermarket Buyer, Coles Myer) whom I interviewed on 13 June 1995 predicted that within two years many frozen food manufacturers in Australia will have re-positioned their products into the chilled food section of supermarkets.

According to McKenzie (1994) it is believed that the value of non-dairy chilled foods in Australia is currently worth approximately A\$250 million per annum (or A\$14 per head of population), but has the capacity to grow to four times that size if it follows the European pattern. This is disputed by Fuller (General Manager Chilled Foods, Pacific Brands), who claims that the limitations in the Australian marketplace (described earlier in the thesis) will restrict demand to only \$20 per head of population or \$360 million per annum. The chilled ready meals market in the United Kingdom is

valued currently at more than A\$2.5 billion per annum (A\$45 per head of population) and is growing rapidly (Foodweek, Mar 14 1995); (Mark, 1993).

From the preceding analysis it appears that increased demand for convenience foods in Australia, and overseas, has predominantly resulted from three main factors, namely:

1. Increased participation in the labour force, particularly by women;
2. A trend toward two income households; and
3. Smaller households.

Infact, Supermarket Business (March 1995 pp. 61) adds further that '[factors] driving the current trends [are] changing lifestyles, [and] market and consumer knowledge'.

Labour force participation rates have increased in Australia over the last few years, particularly among women. Whereas in 1965 the female participation rate was 34.1%, this increased to 51.8% by 1993. The increases have predominantly been in the 35-44 age group resulting from married women returning to the workforce (Women & Work, 1992).

The increased labour force participation of women diminishes the amount of time available for household and recreational activities, which subsequently increases the value of this time (FACM, 1993).

The importance of this change in time allocation is that capital and purchased services are being substituted for household labour time. Obviously, one of the primary ways to

cut down on household time is to spend less time in the kitchen. This correlates with the growth in convenience foods, 'take-out to eat foods', fast food and home delivered foods.

The trend towards increased labour force participation is expected to continue to 2011 for all women except for those in the 15-19 and 65 plus age groups. The participation rate for females aged 25-34 is projected to increase from 65.6% in 1993 to 79.3% in 2011 (that is, only 20% of women in the prime child-bearing age group will be out of the labour force). For females aged 35-44 it is projected to increase from 70.4% to 83.8% (1995-2011 Labour Force Projections Aust., 1994).

For males and females, the major gains in labour force numbers are projected to occur for the 45-54 age group, thus between 1993 and 2011, the male labour force is projected to rise by 36% and for females by 75% (1995-2011 Labour Force Projections Aust., 1994).

The trend towards the use of more part-time and casual workers also came into force in the early 1990s, particularly with women. Of the total increase in part-time employment in Australia over the period 1983-1992, 71% were women (Women & Work, 1992). Consequently, as both males and females in the household are now likely to be working, even if it is on less than a full time basis, they may demand foods that offer greater convenience.

With more women entering the workforce there has been a steady shift to two-income households. Overall, higher incomes support the trend toward a much greater variety of food products, particularly higher value-added products. 'Affluence is clearly associated with an expression of more consumer choices. At the poverty level, families must attend to basic dietary needs. As rising incomes boost discretionary spending, more food purchases are driven by tastes and preferences. Rising incomes also tend to broaden the mix of foods through the purchase of more convenience foods and more meals away from home' (The Food & Agricultural Marketing Consortium (FAMC), 1993).

Australia is also developing more heterogeneous households than in the past. In fact, the number of households is growing faster than the population. Single-person households, single-parent households and non-family households are growing in importance. The net result is that demand for foods is much more diverse as consumers express preferences for taste and convenience that match their lifestyles.

We are now finding smaller, older household sizes and fewer married couples with fewer children than ever before. Smaller households tend to spend more per capita on food, they eat more food away from home, purchase smaller portions and demand more conveniences. The trend towards persons becoming independent of their parents at a much younger age also fuels demand for convenience foods. Not surprisingly, 'the teenage market is one of the biggest markets for convenience snack foods' (Foodweek, September 1994 p. 10).

The US experience suggests that these demographic shifts have not only created a demand for greater convenience but also for spicier foods. For example, the growing Asian populations in the US has supported a stronger move towards the consumption of a broader array of food products, particularly Asian style foods. Now Asian-style foods are offered in abundance through supermarkets in many processed forms (Foodweek, 11 Oct 1994). 'Just about every major US city has become, if not a melting pot, at least a simmering stew of ethnicity. That can translate into surprisingly strong local demand for the right exotic item - especially if they're offered at the right price' (Supermarket Business, March 1995 p. 71). Infact according to Litwak (February 1993) 'ethnic foods are hotter than ever and not just the traditional Mexican and Oriental. Almost any 'ethnic' food has appeal'. 'Ethnic marketing in the delicatessen and bakeries is getting more popular, probably because each specific type of ethnic food has garnered more widespread popularity across all ethnic groups' (Supermarket Business, May 1993).

According to Australian Demographic Statistics 1983-1990, provided by the ABS, Asians now make up 52% of Australia's migrant intake and it is therefore anticipated that Australia will be Asian by lifestyle and by race within two more generations. Surprisingly however this is yet to be reflected to the same extent in the style of food products being offered in supermarkets.

It is quite evident by the huge growth of Asian restaurants over the last few years in Australia, that Asian food is now being more widely eaten throughout the community and it appears that large food manufacturers have been slow to translate these changes

to their production lines. Notwithstanding, the smaller food companies have been attempting to fill some of these food market niches, as there are now a small number of Asian food manufacturers producing processed Asian-style foods for supermarkets. However, the vast majority of Asian-style foods being offered are still imported.

Despite these small producers, volumes of Asian-style prepared chilled foods are still relatively insignificant, although a larger array of products are sold in very small quantities through specialist outlets such as Asian grocers, gourmet deli's, etc.

Given the similar demographic shifts we have experienced with both the United States and United Kingdom, where Asian-style chilled foods are readily offered and consumed, it would appear that Australian food manufacturers have been slow to embrace a segment of the food industry that can offer considerable returns.

Notwithstanding, Jerome De Ferrieres, General Manager of A Clouet (Australia), one of the largest manufacturers, importers and distributors of Asian food, believes that the market for Asian food in Australia has the potential for significant long term growth (Foodweek, 19 Apr 1994).

1.2.3 Indian-style Prepared Chilled Foods

'Indian' prepared chilled foods (such as samosas, fresh curries, roti, parathas, rice, etc) have enjoyed unprecedented acceptability in the United Kingdom. No doubt, this has been partly due to the large Indian population in the United Kingdom (3% Southern Asians ie. Indians and derivatives in the United Kingdom compared with 0.7% Indians

in Australia) and the influence this community has had on tastes. However, although the United States has a considerably smaller Indian population (3% of the population is either Asian or a Pacific Islander with the predominance being Filipino, Chinese or Japanese) they have experienced similar popularity with Indian foods (Hunter, 1995; 1994 Australian Bureau of Statistics Year Book, 1994).

Although there is a large Indian population in England, empirical research suggests that Indian processed foods are consumed by a wide variety of consumers including those with non-Indian and non-Asian backgrounds.

Indian foods have only been recently introduced to Australian supermarkets and according to Retail World (Dec 12, 1994), 'they are enjoying big sales increases and are promising to grow into the next big international cuisine in the Australian market'. It appears that although Australians have known about Indian cuisine for years, 'its perceived spiciness, combined with middle Australia's timidity towards exotic blends/pastes, has meant that the big market for Indian foods was in the Asian spice centre trade'. However with the growing number of Indian restaurants and the subtle but effective public relations/education by the marketers of major Indian cuisine brands, the average Australian is now being familiarised with this food style.

Infact, the 'Indian range' now being sold in supermarkets, which includes the small segment of Indian foods such as sauces (cans and glass jars), pastes, chutneys and pickles, but excluding Indian spice powders, is worth about A\$11.1 million per annum and is expected to grow to A\$50 million over the next three years. Growth in 1994 for

this food category was an astronomical 80% (Foodweek vol. 47 no 24 Dec 13 1994; Foodweek vol. 47 no 22 Nov 29 1994; Retail World Dec 12, 1994). However, Indian foods are still not widely manufactured in Australia, and the vast majority of them are still sold outside supermarkets.

Growth of the limited Indian foods category in supermarkets over the last two years has mirrored growth in the food category in the United Kingdom. So far this segment has been supplied by food companies who have been either importing their products from the United Kingdom or India and operating distribution and marketing networks in Australia.

There are a small number of Australian-based Indian food manufacturers in Australia supplying frozen samosas and other Indian products to restaurants, Indian/Asian grocers, gourmet delicatessens, catering companies, company and school canteens, and 'take-aways'. However, they tend to operate on a very small scale and are mostly family run labour intensive operations. A few large national manufacturers such as Petersville, McCain and Findus have recently introduced 'curry and rice' into either their chilled food or frozen range, but, no Australian manufacturers other than Korma Foods (selling chilled curries in Sydney) are distributing samosas or indeed any chilled Indian products through supermarkets.

In Western Australia there are currently a few small Australian-based manufacturers who supply Indian breads such as 'chilled' parathas through supermarkets. There

would appear to be no other firms producing samosas for supply through supermarkets, certainly not as chilled foods.

Frozen samosas were sold through Australian supermarkets in 1993 with sales around \$A187,000 per annum or a volume of around 5000 dozen samosas. However, sales through supermarkets ceased in 1994 and unfortunately no one is able to provide any insight as to why (Retail World, vol. 46 no 24 Dec 13-17).

Preliminary investigations of the Australian marketplace suggest that consumers of Indian foods sold outside supermarkets are widely dispersed throughout the community and have varying ethnic backgrounds. As the Managing Director of Spice of Life indicated, they tend to be in the 20-45 age group and come from a diverse range of educational backgrounds.

Indian foods as a grocery item in supermarkets, like prepared chilled foods is still in its embryonic stage, with the only Indian products currently on offer being the range mentioned above. However, research indicates that Indian products are growing in acceptability to the Australian palate and it is extremely likely that Australians are ready for prepared chilled samosas. The 36% growth in Indian restaurants in Melbourne from 1990 to 1994 also confirms this.

It is difficult to provide an indication of the size of the Australian based manufacturers of samosas because the operators are so small and fragmented. Needless to say, samosas are currently being manufactured by quite a number of small established

companies, usually with owners of Indian backgrounds, who could pose a potential threat to any new manufacturers wishing to sell samosas through supermarkets. However, given many have not attempted to sell their products through supermarkets because they have been unable to scale up operations to the extent necessary for the mass food market, it is likely that they would be slow to react to any new entrants for similar financial or management reasons.

It appears that a window of opportunity exists to manufacture and retail samosas as a prepared chilled food product through supermarkets, particularly if Australia follows the trends of consumption experienced in the United Kingdom, where samosas are widely consumed. However, given the rapid awareness of Australian manufacturers of consumers growing preferences for Indian foods, it is unlikely that the window of opportunity will be open beyond two years, before other major manufacturers take up the opportunity.

Potential demand for samosas per annum are forecast at (see section 3.5 for details):

High:	Units	19.5 million
	Sales Turnover	A\$ 11.7 million
Mid:	Units	3.5 million
	Sales Turnover	A\$ 2.1 million
Low:	Units	0.06 million
	Sales Turnover	A\$ 0.036 million

To put this data into perspective, similar convenience products sold through supermarkets, such as Chinese snacks (spring rolls, dim sum, soi mai, etc), albeit frozen, are currently valued at A\$32.1 million per annum and frozen savoury pastries (pies, sausage rolls, etc.) A\$114.2 million (Retail World, Dec 12 1994 p.20). Baked

chilled products such as savoury pies, sausage rolls, pastries, party packs and fruit pies are currently worth between \$8 to \$10 million and is growing at about 5% (Foodweek, 15 Nov 1994). 'The microwave snack meal category is valued at about A\$15 million. Edgell Birds Eye is the sole trader in the category which grew by 7% in value and 15% in volume in the 12 months to April [1994]' (Foodweek, September 1994).

It is worth noting that the turnover figures provided for the above-mentioned frozen foods may underestimate the potential of the chilled samosa market, because Australians have clearly shown a movement away from frozen foods due to their belief that the product is not as healthy as a fresh product (Foodweek, 26 Apr 1994). In addition, sales vary significantly with the amount of advertising a company undertakes. Research suggests that the frozen Chinese snacks as a food category are under-advertised compared with the other products mentioned above because the manufacturers tend to be small businesses with smaller funds available for advertising.

In addition, baked chilled products are still in the early stages of product introduction in Australia, and thus may provide a better indication of demand initially, particularly given its similarity to chilled samosas.

Prima facie, it would appear that a very viable opportunity exists to manufacture and retail chilled samosas through supermarkets, given the growing Asian population, Australians heightened awareness of Indian style foods and their desire for convenience snack products.

1.3 Product Concept

Samosas are deep fried pastries made of whole wheat flour and filled with a mildly spicy mixture of potatoes and peas. In India, they are consumed throughout the day as warm snacks, and as an entree to a meal or as party food.

Empirical evidence shows that an opportunity exists for them to be sold in the refrigerated section of supermarkets in standard size packs of two and four, and as 'party samosas' in a finger food size pack of 12.

The concept is to mass produce prepared chilled samosas to be sold through supermarkets firstly in Victoria's major cities as a testing ground, and then on a national basis and possibly as an export to Asia in later stages of product development.

It is anticipated that initially the product will be sold in as many supermarkets as possible in likely high demand areas such as Carlton, Malvern, St Kilda, East St Kilda, South Melbourne, South Yarra, etc., - predominantly the wealthier inner suburbs which cater for people with a busy lifestyle. An initial selection of stores will be chosen in consultation with the appropriate Food Buyers, where a three month trial phase will be undertaken prior to expanding into other supermarkets. It is anticipated that chilled samosas will be introduced at a level of 180 stores in the first year, 300 stores per annum in years two through to five inclusive and 130 stores in year six, commencing in Victoria first, then NSW, WA, Queensland, South Australia and Tasmania.

Chilled samosas can be sold either through the delicatessen or refrigerated area of supermarkets and will have a life of at least two weeks. They will be stored under four degrees Celsius, which is the standard temperature of refrigerated areas of supermarkets. However, only the refrigerated area offers the manufacturer the ability to develop the brand, as products sold through the delicatessen are unbranded. Consequently if the manufacturer wishes to establish chilled samosas in the Australian marketplace with any force, the company will need to sell their products through the refrigerated section where they can nurture the brand and effectively differentiate their product from others.

Samosas will be marketed to the public as Australianmade, restaurant quality, high value added, nutritiously tasty, 'fresh' convenience foods. This is based on evidence collected by Business Review Weekly (3 Sept 1993 pp. 63-64) which suggests that 'consumers are more sophisticated than ever and are demanding - along with convenience - healthy, safe and fresh foods'. The focus will be on freshness and high-quality wholesomeness of ingredients at a reasonable price (around A\$2.00 for a pack of two samosas). Pricing has been determined on the basis of being competitive with local restaurants and take-away outlets as well as possible substitute products.

The chilled samosas can either be refrigerated or frozen (for a longer shelf life) by the consumer and heated in a microwave or oven prior to usage.

They will be targeted at satisfying the needs of consumers who like the convenience of fast food, but who don't always have the time to go to an Indian restaurant to purchase take-aways. That is they will be initially fulfilling the unsatisfied wants of consumers

who already love Indian food, but find it difficult or inconvenient to purchase, and the unrecognised needs of consumers who seek tasty convenience foods but are not familiar with samosas (Desrosier, 1971).

The researcher's observation suggests that the potential consumers are likely to be in the 20-45 age group - the 'yuppies' who are relatively well educated and have a higher than average disposable income. The target market will focus on those households which have a busy lifestyle, are cash rich and time poor (see also section 3.1.1 for discussion of 'push' and 'pull' strategies).

Although the Australian market for chilled samosas is likely to have a number of distinct segments, in order for samosas to reach the mass market effectively, it is anticipated that the product will be positioned so that it cuts across various segments (see section 3.4 for a more detailed discussion of product positioning and segmentation).

The packaging of the chilled samosas will be an important aspect of the product. The following aspects will be incorporated into the packaging:

- The wrapping will be clear plastic containers so that consumers can readily view the products they are about to purchase and so that they are attractive from the refrigerator;
- It will be colourful (using greens, blues and ochres) with packaging vastly different from other manufacturers so that the product grabs the consumer's attention;

- The packaging will be environmentally friendly;
- The package will be microwavable, so that foods do not need to be transferred to other containers to heat;
- Easy to follow heating instructions;
- Nutrient details will be spelt out clearly including additive, fat and salt components;
- The fresh cleanliness of the AUSTRALIAN-made product (Foodweek, 25 Jan 1994) will be prominent;
- Health-board approval.

According to Supermarket Business (March 1995) one of the more successful manufacturers and retailers of house-branded chilled foods - Tesco (UK), uses the design and photography on the packaging as its primary type of marketing for the product.

It is important for the chilled samosa manufacturer to develop an early mover advantage in the form of brand development. Nurturing of the brand at a very early stage will be a critical part of the marketing program (Macrae, 1991). Thus, it is anticipated that year round promotion of the product will focus heavily on supermarket displays and store samplings as well as regional advertising campaigns on radio (which now accounts for more than 50% of all shoppers main media exposure on the day of shopping (Foodweek, Feb 2 1993)) and TV (which the questionnaire suggests is the main media influence over food purchases). Store samplings will be conducted on Thursday, Friday and Saturday for the first month of introducing the product to the

store, as these are the main shopping days when 33.5%, 20% and 16.5% of Australians undertake their shopping (Foodweek, Feb 2 1993). Brand loyalty programs will be developed through the use of an all expenses paid trip for two to India for one week as well as free gift offers for collecting coupons on the packaging.

The prices of the products will be reduced for the first two months to encourage product trials and improve product penetration.

2. Research Methodology

2.1 Overall Project/Research Development Concept

The research was conducted through an extensive literature review as well as field research. The researcher investigated many journals, government gazettes, periodicals and databases in libraries such as the Australian Dairy Corporation Library, Rural Researcher in Progress, Processed Food Database, Applied Science and Technology database at Victoria University and the Axis database at Monash University.

Newspaper articles and magazines such as Supermarket News, Foodweek: Australia's Own Supermarket Magazine, The Grocer, Business Review Weekly and Asia Pacific Food Industry were also reviewed. Corporate publications and annual reports of prominent manufacturers in the Australian marketplace were reviewed to gain an overview of the industry and the market players.

Statistical information was sought from government publications such as the Australian Bureau of Statistics and its many departments and research undertaken by universities and some of the supermarket newspapers. Information published on demographic trends in the United Kingdom and the United States of America was sought from overseas government publications, newspapers, magazines and universities.

Secondary information only provided general information about the marketplace, since the product which is the subject of this analysis is still not widely distributed in Australia and thus the principal means of research was of a scientific nature based on

interviews with market participants such as manufacturers of samosas in Australia, manufacturers of substitute products in Australia, manufacturers of Asian processed food stuffs, retail shop audits of food-service participants retailing samosas as well as supermarket buyers.

Exploratory studies of supermarkets in the United Kingdom were undertaken prior to the commencement of this research project, and information collected during those visits have been incorporated into the report as a primary source of information gained through observation by the researcher.

The following Australian primary information sources were contacted:

2.1.1 Manufacturers of Samosas in Australia

Exploratory studies have shown that both the companies listed below are currently manufacturing and wholesaling frozen samosas. There is the possibility that they are considering retailing their frozen products through supermarkets such as Safeway and Coles. Consequently, their products are very close substitutes for prepared chilled samosas.

Mahendra’s Indian Food

32 Slater Parade, East Keilor

Ostindo International Pty Ltd.

10-12 Abbott Rd, Hallam Vic

2.1.2 Manufacturers of Substitute Products in Australia

The following manufacturers and retailers of Asian products were approached to assist in understanding what underlying trends determine the consumption of Asian style products. They were able to provide some insight on consumer behaviour and buying patterns of Asian foods.

Yum Cha Frozen Food

202 Albion Street, Brunswick

Chien Wah Trading Co.

408 Hoddle Street , Clifton Hill

Makmur Enterprises Pty Ltd.

120 Murphy Street, Richmond

2.1.3 Supermarket Buyers/Representatives

Supermarket Buyers also provided some reliable information on the potential of selling chilled samosas through supermarkets, particularly since many had already been contacted by a variety of manufacturers who intend to sell frozen samosas. Consequently, they were sought as a source of detailed marketing information (eg. demand patterns, consumer profiles, etc.) that is generally provided prior to a new product launch. In addition, these market participants were asked to provide some feedback on the realistic potential of chilled samosas based on their experience with similar products.

These interviewees were also asked to provide information on the costs associated with wholesaling a new chilled product through supermarkets.

The following companies were contacted:

Supermarket Buyer Chilled Foods

Coles Supermarkets

Tooronga Road, Malvern

Managing Director

The Scott Group (Supermarket Brokers)

Melbourne

Primary information was also collected by visiting and observing the range of products on offer in supermarkets such as Coles (Northcote), Jewel (Northcote), Franklins (Brunswick), Safeway (St Kilda) and a number of small Asian grocers such as those on Victoria street, Richmond, Victoria Market and Moonee Ponds market.

2.1.4 Retail Shop Audits

The primary objective of the trade audits was to ascertain product potential by relying on the insights and expertise of channel members, since it was rightly anticipated that manufacturers would be reluctant to provide detailed information particularly on sales (Amine, 1993).

Food Buyer- Myer Food Hall

Myer Melbourne

Shop Manager

Spice Of Life (Indian Take-away Foods)

Moonee Ponds Market

Shop Manager

Nallfaur Tandoori Indian Take-Away

Barkly Street Elwood

2.2 Mode of Field Research

Field research was conducted by the Researcher in the following ways:

2.2.1 Product Inspection at Supermarkets and Asian Grocers

The researcher visited a range of supermarkets personally and observed the chilled foods, Indian style foods, Asian foods and frozen foods being sold.

Possible substitute or competing products were identified and information relating to packaging, prices, distinctiveness, etc., recorded in order to present an overview of the marketplace and what potential opportunities and threats exist.

2.2.2 Interviews with Supermarket Buyers

Buyers of food products for the supermarkets or outlets mentioned above were contacted for interview. These supermarkets/outlets were contacted because they expressed an interest or intent in stocking samosas as a product line.

The interviews were semi-structured in that the interviewer prepared a general outline of questions to ask each buyer. The interviews took place either over the phone or face-to-face, depending on what each buyer was more comfortable with.

The interviews consisted of open ended questions, which would generally require the interviewer to comment on information that is available through the literature and through observation and request responses to specific matters such as potential market demand.

The researcher took interview notes and modified questions during the interview. The personal interview technique was used as it was expected to yield a higher response rate and enabled a higher degree of researcher control in eliciting more pertinent responses from interviewees.

2.2.3 Interviews with Manufacturers

The sampling frame was selected on the basis of which companies are important in Australia in manufacturing Asian type foods, Indian foods, chilled food products or likely complementary or substitute products. Some of the contacts were as a result of

direct referrals, others were from periodicals, newspapers, journals and the 'Yellow Pages'.

The sampling frame was based on the key informant technique. Managers and employees who were known to have substantial responsibility in developing the companies strategies and policies or sales were interviewed by the researcher.

General guideline questionnaires were prepared before each interview consisting of open ended questions which would generally require the interviewee to comment on specific matters such as potential market demand, consumer profile, etc. The researcher took interview notes and modified questions during the interview as per interviews with supermarket buyers.

2.2.4 Retail Shop Audits

The researcher identified a number of food-service operators selling samosas and approached them to provide information on the samosa market in Australia.

This approach was adopted because many of the small manufacturers of samosas were not readily prepared to provide information, particularly sales data, etc., resulting from the need to protect their commercial interests.

Shops purchasing frozen samosas from a manufacturer were forthcoming with more accurate and detailed data, because samosas represent one of the products they offer to their consumers, and thus the information was less sensitive.

The sampling frame was based on the key informant technique. Managers and employees who had information regarding the companies sales and trends were interviewed by the researcher.

General guideline questionnaires were prepared prior to each interview consisting of open ended questions relating to areas such as the product's characteristics (price, packaging, buyer awareness) to sales potential.

The researcher took brief interview notes, modifying questions during the interview and wrote up a more detailed précis of the interview immediately afterwards.

Information provided by Nallfaur Tandoori Indian Take-Away was used as a case-study to estimate the existing demand for samosas. Data provided by this primary source was extrapolated as a means of determining demand for prepared chilled samosas in Victoria and Australia.

2.2.5 Consumer Profile Questionnaire

A questionnaire was administered by the researcher consisting of some closed and open ended questions to determine the profile of food consumers, their needs and the likely acceptance of samosas in supermarkets by the general Victorian population, as well as what aspects of the marketing mix they value with new product introductions.

Forty interviewees were selected randomly from the telephone directory or directly 'off the street' and interviews were conducted either by telephone or face-to-face.

All data was collected in and around Melbourne city and suburbs and results extrapolated to determine a fit with the whole Australian population. (Given that the demographics of the Victorian population as a whole does not differ significantly from other Australian states, it was anticipated that this method would not present any significant problems).

Since only forty people were interviewed, it is anticipated that the results will only be able to provide a broad indication of whether chilled samosas would be acceptable to the Australian population, the general consumer profile, and possible marketing issues. Obviously a more detailed questionnaire would be required if product development continued to the prototype stage.

(See **Appendix 2** for Customer Profile Questionnaire).

2.3 Scope and Limitations

2.3.1 Published Data

The manufacture of Indian foods in Australia is still in its embryonic stage. As mentioned above, the segment is extremely fragmented and is characterised generally by a number of small companies who have very little understanding of the market segment as a whole. Consequently, it is difficult to get a true overview of the

marketplace as manufacturers are found to exist almost everywhere, eg restaurants, take-aways, home-operated businesses, small factories, etc. Needless to say, most tend to operate in a very crude manner with very little strategic planning, if any at all.

In addition, they tend to be very secretive with their information, and although are willing to provide some indication of general trends and consumer buying behaviour, they tend to guard sales information closely.

Consequently, it was difficult to obtain accurate existing demand figures for samosas being sold, and virtually impossible to obtain a reliable indication of the potential of the same. This has resulted in the simplification of research methods utilised in the study.

Nallfaur Tandoori Indian Take-away was used as a case-study from which to predict existing and potential demand for samosas in Victoria and Australia.

With respect to these demand estimations the reader should be aware of the following limitations:

- Nallfaur's demand figures relate to a 3 kilometre radius around Barkly Street Elwood;
- The demographics of the Elwood/St-Kilda population is not necessarily a true representation of other suburbs in Victoria. The population profile appears considerably younger than many other suburbs, it has a much higher transient population particularly on weekends, the population appears to have a high propensity to purchase take-away foods, and the life-styles and backgrounds of

many inhabitants make them more adventurous towards trying exotic cuisines such as Indian food;

- Many of the sales made by Nallfaur do not appear to be recorded, so any sales data provided is only as good as what the owner believes his sales to be.

In addition, the calculation of **potential** samosa sales relies heavily on the consumption patterns of similar products in other product categories (eg. frozen dim sum, 'other' Indian foods, etc.,) as well as predictions from food-service participants such as Myer. Predictions are therefore only as good as:

- How closely substitute or complementary products reflect the demand for prepared chilled samosa;
- Food-service participant predictions.

Consequently, to minimise some of these disturbances, I have provided 'optimistic' and 'pessimistic' scenarios for all predictions of prepared chilled samosas in the report.

2.3.2 Financial Analysis

Since the researcher has no first hand knowledge of the manufacturing process of samosas, I have relied on information provided by Nullfaur (1995) to determine what machinery and man-power is needed to produce samosas. Predictions as to the manufacturing output per hour, is also based on data provided by Nullfaur (1995).

The reader should be aware that the reliance on these estimated outputs critically impacts the profitability and investment returns provided in this report.

2.4 Definitions

Asian Foods -

Any foods whose background stems from Asia.

Baked Chilled Products -

Includes all savoury single serve pies, sausage rolls, pastries, party packs and fruit pies.

Chilled Foods -

Any foods sold from refrigerators.

Chinese Snacks -

Includes all supermarket sales of dim sims, spring rolls and other frozen Chinese snacks such as soi mai, prawn toasts, etc., in all Australian states except for the Northern Territory.

Convenience Food -

Is usually used to describe foods which are either ready to eat or which require very little preparation. Examples include, frozen foods, canned vegetables, pies and ready to serve meals, etc.

Ethnic Foods -

Any non Anglo-Saxon foods. Ethnic foods includes Asian foods, European foods such as Italian and Greek, Mexican, etc.

Ethnic Food Developer -

Manufacturers of ethnic food products such as Italian and Greek, Mexican, etc.

Frozen Savoury Pastries -

Includes supermarket sales of pies, sausage rolls and frozen 'Australian' savoury pastries.

High Value Added Foods -

Foods that as a result of some form of processing, command considerable margins over the natural product ingredients.

Indian Food or 'Other' Indian Foods -

Indian products sold through supermarkets but not specialty shops. The category relates to chutneys, curry sauces and pastes, pickles, pappadums, pappads and Indian bread mixes.

Snack -

Food eaten between meals which is therefore prepared, ready to eat (Noyes Data Corporation, 1973).

3. Market Research & Analysis

3.1 External Environment

3.1.1 Market Characteristics

Table 1: Market Characteristics

1. Highly competitive industry
2. Chilled food category is emerging, fragmented with no brand or other loyalties
3. Market niche (Indian chilled foods) is identifiable and reachable
4. Existing supplier’s products are not of a sufficiently high quality
5. Consumers reachable and receptive
6. Product life of chilled samosas is durable and exists beyond the time to recover investment and profit
7. Opportunity to establish powerful position in food category before the erosion of cost competitiveness
8. Threat of large frozen food manufacturers establishing in the chilled food category within two years

As the summary in **Table 1** indicates, the food industry is highly competitive, with manufacturers operating in specific market niches. The chilled food category is in an embryonic stage and is highly fragmented, thus providing new entrants with the opportunity to build brand loyalty without threatening established brands and experiencing the cost of retaliation. Thus an opportunity exists to establish a powerful position in the chilled food category before the erosion of cost competitiveness. Although large frozen food manufacturers are potential new entrants to the chilled food market, they are unlikely to enter in the short to medium term with any force and instead are likely to spend considerable sums advertising their frozen food products over the coming years to maintain sales revenue.

Indian chilled foods is a market niche that has yet to be satisfied successfully. The potential consumers are identifiable, reachable and receptive, with many consumers currently purchasing Indian food products through take-away outlets.

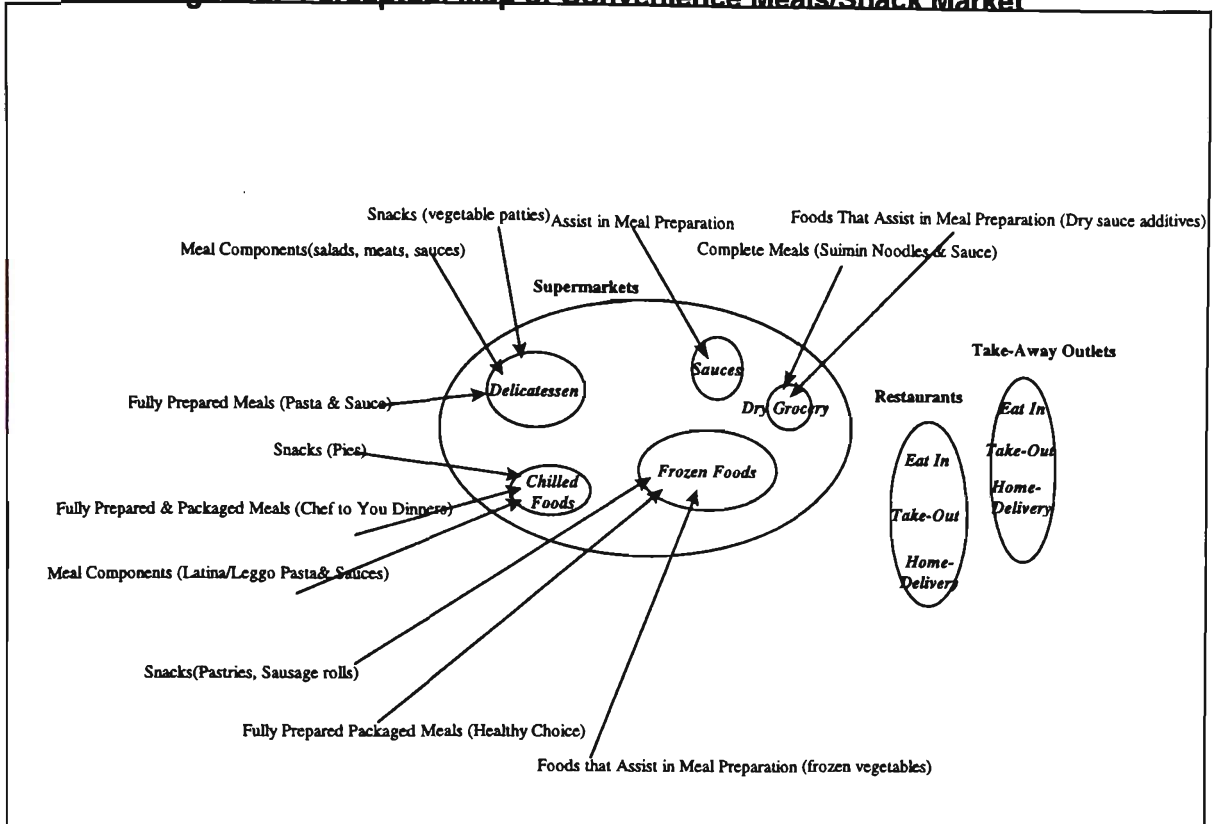
3.1.1.1 The Opportunity

Consumers are currently seeking convenience, freshness, quality, safety, taste and texture in their food purchases (Foodweek, 14 Mar 1995). This follows similar trends experienced in Europe, where according to Retail World (vol. 46 no 24 Dec 13-17) the ten distinct food trends that have been identified include tastier light food, health for life, quality and convenience. The 'fresh food' category is estimated to be worth A\$4.4 billion in total terms (Retail World vol. 46 no 24 Dec 13-17).

Home delivery of all types of food products, including complete meals, continues to grow and also emphasises consumer desires for fresher and more convenient foods (Dougherty, 1990). According to Foodweek (14 June 1994), 76% of all shoppers visiting supermarkets visited the delicatessen department seeking freshly prepared foods.

Currently, the majority of convenience food products sold through supermarkets are frozen, but the growing number of consumers purchasing take-away meals or ordering home delivered meals would suggest that consumers are seeking convenience but they also want the freshness that take-away chains are offering - a want which supermarkets are currently not satisfying.

Figure 2: Perceptual Map of Convenience Meals/Snack Market



As **Figure 2** indicates there are three types of outlets from which consumers purchase convenience foods - supermarkets, restaurants and take-away outlets. Supermarkets are conveniently placed to service these consumer needs, since they appear with relatively high frequency throughout most suburbs. Also most supermarkets now offer extended opening hours from 9am-10pm Monday through to Friday and 9am-5:30pm Saturdays including some Sundays, which previously limited their ability to service the convenience seeking consumers. Infact Supermarket Business (July 1993) revealed that 'despite belt-tightening', convenience was highly sought by consumers who continued to 'turn to supermarkets for reasonably priced foods'.

Since 72% of consumers shop weekly and 20% shop fortnightly (Foodweek, 2 Feb 1993), supermarkets are an ideal and principal location from which consumers purchase convenience foods. As **Figure 2** indicates, convenience foods sold in supermarkets fall into five categories:

1. Delicatessen - which includes:

- snacks (such as vegetable patties);
- fully prepared meals (such as roasted chickens, pasta and sauces);
- meal components (items that assist in the preparation of a total meal such as salads, meats and sauces).

2. Sauces -

- the most popular sauces are those which assist in meal preparation rather than ready-to-eat.

3. Dry Grocery -

- ready-to-eat (or complete meals such as noodles and sauce);
- food components (eg. dry sauce additives).

4. Frozen Foods

- fully prepared and packaged meals (such as Healthy Choice Pasta and Rices);
- snacks (eg. pies, pasties);
- meal components (eg. frozen vegetables, fish fingers).

5. Chilled foods

- fully prepared and packaged meals (such as Chef to You Dinners);
- Meal components (such as Leggo pasta and sauces);
- Snacks (such as pies).

The major convenience foods purchased from supermarkets are bought as frozen foods in one of three forms - snacks, fully prepared packaged meals or meal components. The delicatessen section satisfies similar needs to frozen foods although to a lesser extent, but also satisfies the emerging trend toward fresh foods. Sauces and dry grocery predominantly cater for consumers seeking meal components which assist in preparing a meal within the household. It is clear that supermarkets are a major force in providing convenience foods for consumers and thus would be an ideal location from which consumers can conveniently purchase freshly prepared meals and snacks that can be refrigerated until used.

Australians are also seeking more variety in their diets as is evidenced by the changing restaurant profile in Victoria. In 1994 there were significantly more Indian, Thai and Malaysian restaurants than there were in 1990.

The Melbourne Yellow Pages (see **Table 2** below) reveals that although Italian, Chinese and Anglo-Saxon restaurants are the most popular, Sub continent Asian foods are growing in popularity.

Table 2: Number of Restaurants in Melbourne

	1990	1994	% Change
Indian/Sri Lankan	69	94	+36
Thai/Malaysian/Indonesian	71	144	+103
Italian	337	385	+14
Chinese/Vietnamese	513	484	-6

Source: 1990 Melbourne Yellow Pages; 1994 Melbourne Yellow Pages

The market for samosas can be defined as a market for fresh authentic convenience snacks. Convenience foods can be purchased from restaurants and take-away outlets (generally offering a range of services which enables the consumer to consume the purchased product in the home), and supermarkets.

Chilled samosas will be marketed as fully prepared foods and as snacks across the two components in the chilled food category. Firstly, it will be marketed as a tasty snack to be consumed at any time of day. It will also be marketed as a meal component to be consumed as an accompaniment or entree to dinner or a full meal.

When defining the market for convenience Indian-style foods, one must be careful not to define it too narrowly, particularly in Australia where the population is relatively small (18 million people, with only 43% between the ages of 25-54) and thus it is often inefficient to segment the population to any large extent particularly when selling products through supermarkets which requires high volumes to cover the high associated costs such as the retailers margin and advertising costs (ABS Catalogue 3220.0, 1994).

This is a problem that Pacific Brands faced when it first began marketing it's range of chilled convenience meals. It targeted one segment of the Australian population and found it was too small, indeed it quickly realised that the demand for chilled convenience foods cut across all demographic profiles and that the only characteristic that consumers who purchased convenience meals had in common was that they were time poor, cash rich and generally came from the inner suburbs. Basically the target

market now includes all people who value spending their disposable income on purchasing convenience foods rather than on other items. Consequently, they are likely to be consumers who already consume large quantities of take-away food.

Awareness of chilled foods and their benefits are still in the infancy stage, therefore, current manufacturers of chilled foods must first educate the market about the benefits of their products over existing categories. Similarities between the United Kingdom and Australia would suggest that Australian consumers are likely to be as receptive of the food category as British consumers, although there are likely to be some limitations to acceptance which were discussed earlier in the thesis.

3.1.1.2 Products and Pricing

To date the products in the convenience chilled food product range include pasta and sauces, complete convenience meals (Chef to You) and pies. Pacific Brands manufacture the Latina and Leggo pasta and sauce range as well as the Chef to You range. Four and Twenty (a subsidiary of Pacific Brands) and Ma's Pies produce a range of chilled pies.

Kamal Foods, a Sydney based company recently set up operations to manufacture an Indian range of chilled foods such as curries. Although the company is currently selling its products through a number of Sydney based supermarkets, the quality and authenticity of the products are still inferior.

'Fresh' pastry products from all manufacturers are sold in single serves, are branded and sold through the dairy case/chilled section. These products have a shelf life of approximately 2 weeks and are packaged in flimsy plastic wrapping with some colourings of black and red. Prices of the products range from A\$1.07 to A\$1.17.

Pasta sauce products are packaged in tubs in the colours of Italy, and the contents are not visible to the consumer. These products are sold as single serves of 300 grams (suitable for one to two people) and double serves in 425g tubs (suitable for three to four people). These products retail for approximately A\$3.65 and have a shelf life of six weeks which makes them very attractive to supermarkets.

The Chef To You range of products are packaged in plastic containers with internal cardboard packaging similar to frozen food packaging, however it is possible to see the compressed contents of the pack if the package is turned on its side. These products are sold in single serves and retail for approximately A\$5.59. They also have a shelf life of approximately six weeks but have been quality tested to actually last seven weeks as some consumers eat the contents of products after their expiry date. These products target consumers looking for fresh convenience foods, however some consumers have indicated that compressed products do not convey freshness to them and have indicated they are unlikely to purchase the product again.

Product packaging is a critical aspect of the product with chilled foods as the packaging must not only be attractive it must also maintain the integrity of the contents.

Demand for chilled foods is likely to be seasonal with higher consumption through the winter months, particularly for products like samosas. Since all chilled foods currently being sold are in the introductory phase of it's life cycle and there are a large number of smaller companies, competition is intense in the non-national smaller end of the market. Until these niches grow to a considerable size for the larger suppliers to take notice (approximately \$A5 million), new entrants are only likely to be threatened by smaller food companies.

So far, Australian consumers have been very receptive to chilled products. For instance Four and Twenty is selling 18 units of curried pie per store across the country. Also pasta sauce sales have also been growing steadily, although much of this growth has been from the expansion of distribution networks (Harris, 1995).

3.1.1.3 Channels

Chilled foods sold through supermarkets can either be sold through the delicatessen area/department or through the chilled/refrigerated section.

Food products sold through the delicatessen cannot be branded, but the associated costs of this distribution channel are lower (approximately 30% of cost plus distribution charges). Many new chilled food products being introduced to the marketplace are being sold through the delicatessen as fresh snacks or ready to eat meals. Small manufacturers tend to utilise this channel to mass merchandise their products.

Chilled foods sold through the refrigerated section of the supermarket can be branded but costs are higher (approximately 43% of cost plus distribution charges). Products such as Four and Twenty Pies, Chef To You prepackaged dinners and Latina pasta and sauces are some products recently introduced to this food category. Products in this category are highly differentiated and are positioned as fresh convenience foods.

Manufacturers selling products through the delicatessen section do not bear any costs for perishability whereas manufacturers selling products through the chilled food section can choose between the 'sale or return' option or just the 'sale' option. If the retailer is responsible for product perishability, that is the manufacturer chooses the 'sale' option, there is another cost of approximately 5% charged by the retailer.

Manufacturers of chilled foods sold through the chilled section are typically large companies with considerable market power. So far there is only one large national manufacturer of Chilled foods - Pacific Brands.

The small niche operators are generally struggling with their distribution capabilities and thus do not pose a threat to a manufacturer of chilled samosas.

Manufacturers have very little control over the positioning of the product in the store, the number of facings made available to the company (although higher volume products generally have larger facing allocations) or the prices (determined by the retailer and based on product cost). In addition, when a manufacturer is trialing it's

products in a state, although it can instruct the retailer as to how many stores are to carry the product, the retailer determines which stores will carry the products.

Ensuring the shelves are stocked with the manufacturers product is the responsibility of the manufacturer who must employ merchandising staff to visit supermarkets stocking their products to ensure the correct range of products and number of products are stocked. Brokers are increasingly being used to perform this function by both the small and large manufacturers.

3.1.1.4 Physical Distribution

Distribution of foods in the industry can occur by any one of the following means:

1. Manufacturers own distributors;
2. Supermarket Distribution Channels;
3. Brokers.

Manufacturers Own Distributors

This method of distribution is employed by a number of small and large manufacturers in the industry. The factor determining whether manufacturers opt to undertake their own distribution or outsource it depends on the scale economies they can derive from doing it themselves which varies according to a myriad of factors (eg. location of manufacturing plant, volume, retailing locations, perishability, etc).

This method of distribution generally costs the manufacturer somewhere around 20%.

Supermarket Distribution Channels

Supermarkets offer high turnover manufacturers the option of utilising the retailers distribution facilities. Consequently, only the larger established food companies with many product lines have access to this channel. This means of distribution costs the manufacturer approximately 10%.

Brokers

This is increasingly becoming the method of distribution for both large and small companies. Brokers are companies in the industry who offer food companies the option of outsourcing some of their tasks such as merchandising, warehousing, distribution, negotiation with retailers, etc. Brokers often provide a cheaper alternative to distribution than can be gained from within the company because of their ability to distribute products for a large number of manufacturers to the same stores.

3.1.1.5 Communication

Manufacturers of food products really have two customers - the retailer and the end-consumer. As such manufacturers in the food industry must develop strategic programs which attract the retailer to stock the manufacturers product and 'push' the product to consumers as well as develop a promotional program to develop a demand 'pull' for the product by the end consumer.

There are a number of ways manufacturers are accomplishing this:

- Communication with the consumer;
- In-store tastings and promotions ;

- National and regional television advertising ;
- Magazine advertisements;
- Exposure at consumer events.

Communication with the Retailers is usually by way of a sales force. Manufacturers have had to look for ways to attract retailers to stock their products and they have done this by firstly developing a focused program to attract the consumer to their product. This obviously promises higher sales turnover which means greater margins to the retailers. Exhibitions are another means by which food manufacturers communicate with retailers.

As Business Review Weekly (April 3 1995, pp. 46) observed, 'to succeed in the food industry, a company needs to develop innovative products that will excite retailers and consumers'.

3.1.2 Economic Environment

Demand for food products particularly for non-essential food products such as convenience foods are subject to the vagaries of the economy. Economic conditions affect consumers' purchasing power as well as their buying behaviour. For instance, frozen savoury pastries in 1993 showed minimal growth because of the high unemployment in a stagnant economy which forced greater at-home food preparation brought about by the income squeeze. Not surprisingly, during difficult economic times generic brands perform well as consumers focus more on price than on product attributes (Retail World, vol. 46 no 24, Dec 13-17 1993).

Although the food industry is often believed not to be as greatly affected by economic conditions as other industries, it was clear over the past few years that even food purchases suffer when incomes do. This is particularly the case with convenience foods, which are not really essential to a consumers survival.

Table 3: Economic Projections for 1995/1996

	1995/1996
Unemployment	8.0
Exchange Rates	0.75
Interest Rates (90 day bank bill)	7.4
Interest Rates (10 year bonds)	8.8
Inflation	4.0
Private Consumption	3.8
Domestic Demand	3.5

The economic projections for 1995/1996 outlined in **Table 3** indicate that consumption is relatively strong despite high unemployment. Low inflation will maintain income strength and purchasing power, and thus the economic environment is unlikely to adversely affect the consumption of new food products. However, moderate pricing of new chilled food products will be essential to facilitate trialability.

3.1.2.1 Macro Economic Conditions

The economy has slowed significantly from the fast pace experienced in the latter half of 1994 as is apparent from the National’s Quarterly Business Survey. The government’s course of tightening monetary policy has effectively slowed the pace of economic growth.

Employment

Employment effects income levels of consumers which affects their spending.

Although the government has indicated that it will focus on creating jobs and reducing unemployment in the country, its policy of fiscal and monetary tightening has left businesses fearful of building up their workforces to any large extent. Consequently employers have focused on improving their profitability by improving employee productivity. This has clearly resulted in a reduction in employment intentions and wage/price pressures, resulting in unemployment expectations for the short-term of 8%.

Interest Rates

Interest rates affect disposable income levels which in turn affect the money consumers have available to spend on convenience foods.

Clearly, the role of interest rate expectations has been important in slowing growth in the Australian economy. Given the recent softening in market expectations about the need for further tightening of monetary policy, once short term imbalances between production and sales are unwound, consumer spending could bounce back. However, it is more likely that consumer spending will continue to be subdued because of slower growth in employment (reflecting companies better than expected productivity performance), some moves by consumers to increase household spending and lower levels of disposable income, in part associated with mortgage interest rate effects.

Inflation

Inflation affects the price of goods and thus affects how much consumers can purchase.

Economic conditions continue to be underpinned by low inflation (forecast at 3%) which maintains purchasing power as there is less pressure on prices and wages. GDP growth is now forecast at around 4.25% (ABS, 1995).

3.1.2.2 Micro Economic Conditions

Export Grants

As part of the governments micro economic reform policies, the government has been providing manufacturing companies who export, access to export grants. It is well known that the larger food companies are usually in a stronger position to export and thus tend to get these grants, which could offer large companies over the next few years greater economies of scale for their operations overall.

Fiscal Policy

Through its interest rate policies, taxing policies (increased indirect taxes) , and sell-off of public utilities, the government has clearly been attempting to increase consumer and investment spending. This has affected consumer buying behaviour in both the retail and food sector, where spending has been considerably curtailed. This is likely to continue into at least the medium term.

Thus overall the outlook for the Australian economy for the next five years is that unemployment levels will slowly decline as domestic production improves. The government will continue to focus on maintaining low inflation rates although interest rates are likely to increase in the medium term as the level of activity in the economy begins to improve again in 1996. Fiscal tightening will also be a feature of the medium term. Thus economic conditions are likely to be constrained over the next few years if the government continues with it's policy of containing growth.

Over the last year there has been a shift by consumers back to purchasing branded products which indicates that new product introductions must be strategically developed if they are to succeed. Clearly pricing of goods will continue to be an issue, and chilled samosas will have to be priced competitively if consumers are going to believe they are getting value for money.

3.2 Industry Analysis

'Food is a very attractive industry to be in. If you nurture your brands correctly, get your factories right and control your working capital, you can generate dramatic growth in profits, return on investment and underlying value of the business' (Shoebridge, 1995).

The Australian food industry is 'plagued by long term problems'. It has a small population, a lack of growth in most big food categories and a declining share of disposable income (Shoebridge, 1995). It is mature with growth at around 2% pa, which means that competitors fiercely attempt to hold onto market share. Despite this,

there is a continual influx of small niche manufacturers attempting to introduce new innovative products.

Consequently manufacturers growth strategies have focused around acquisition, organic growth and distribution extension.

With a number of small suppliers and a small number of large suppliers, the seller configuration is a paretopoly (November, 1984).

On the buyer side, there are obviously many small buyers thus making the configuration a polyopsony (November, 1984). Demand for food products is highly elastic. Although products are often highly differentiated, product pricing can affect demand considerably particularly through difficult economic times.

Companies in the industry usually sell their products to either the food-service sector (particularly the smaller companies) or through supermarkets. Unless companies are able to maintain relatively high product volumes and margins, the costs and conditions supermarkets impose on suppliers can make the supermarket distribution channel unviable. Large manufacturers will be found throughout the country whereas the smaller manufacturers often sell their products only around their manufacturing base.

Supermarkets through their activity with generic brands for standardised products such as salt, sugar, etc also make the food industry highly competitive.

Many of the large companies are highly diversified, (for example Pacific Brands manufacture shoes and clothing as well as food) and have foreign ownership links.

3.2.1 Power Of Suppliers

Economies of Scale

The large manufacturers in the industry do wield a considerable amount of power predominantly through their ability to develop economies of scale. Basically because the larger manufacturing companies produce many product lines under one brand, their advertising and distribution costs are spread over many products, thus reducing their overall costs. Their ability to manufacture such an extensive range of products enables them to access supermarket distribution channels that smaller manufacturers cannot. Furthermore, their size also presents them with the opportunity to have greater control over the supermarket process than smaller manufacturers.

In addition, many of the large companies have some affiliated companies in overseas markets through which they sell their products, further improving their scale economies.

Large Capital Investments

A considerable barrier to developing market share and growing in size for food market participants is the capital investment required to improve plant and equipment in order to develop the large economies of scale.

Price Leadership

Because the large companies do have such scale economies, this enables them to be price leaders in any product line if they so choose. However, most large companies in the industry have found that the best way to improve their turnover is to spend their money on advertising and thus differentiate their product from their competitors and build brand loyalty than compete on price.

Advertising Barrier to Entry

Advertising expenditures in the food industry per sales dollar are higher than in any other category of goods. Because of the large food company's ability to spend freely on advertising, market power is quite distinctly in the hands of a few large food companies (Connor, 1985).

Brand Loyalty

Many of the established market participants have been able to erect considerable barriers to entry for new participants through the brand loyalty they have developed over their years of operation.

Access to Capital

Large food companies have greater access to capital than do the smaller companies. Many have used this benefit to exert their power through the acquisition of smaller companies. The greater access to capital of the large companies has also enabled them to invest in sophisticated technology to reduce the perishability of their products or to spend on research and development programs in order to bring new innovative

products (a key to success) to the market. Thus access to capital is a large power source to the small number of large companies in the industry.

Lead Times

Through their access to significant resources, the large established food companies are able to react to market changes quickly. For instance a large company such as Pacific Brands has the resources to get a new product into a supermarket within nine weeks. This offers them considerable power if threatened by smaller entrants or players.

Thus the large industry barriers to entry developed in the forms of scale economies, large capital investment, advertising costs and established brand loyalty certainly provide some of the large industry suppliers considerable power.

3.2.2 Power of Buyers

The buyers of foods manufactured within the industry are the:

1. Supermarket retailers;
2. Food service participants;
3. End consumer.

End Consumer

The final consumer's power is derived as a collective force through the choices they make about product consumption. For instance, the consumers power as a collective force was clearly evident with the way buyer behaviour was able to send Garibaldi into receivership by not purchasing their products.

Supermarket Retailers

Supermarkets do have considerable power within their capacity as middle man between the end-users and suppliers. Since there are a relatively few number of supermarket chains in the industry, supermarkets can often make or break a food company. This can happen through their refusal to stock certain product lines or if they stock products in obscure places in the supermarket.

Supermarkets have a take-it-or-leave-it attitude regarding the terms and conditions between supplier and retailer. They determine in which store your products are sold, in which part of the store your products are sold, the timing of promotional programs, the rebates they must receive, indeed they even have the power to fine a supplier if there is a product run-out.

The power of supermarkets is transparent when considered in light of what they charge suppliers to retail products (around 30% if sold through the delicatessen department or 43% if sold through the chilled foods section).

Supermarkets' control over access to their distribution facilities is also another considerable source of power they have.

Food Service Buyers

Buyers in the food-service industry range from the very large, such as an airline or hospital, to the very small such as school canteen. The power of food service buyers is

somewhat similar to that of the end consumer, since they are many with no individual companies or group of companies predominating.

3.2.3 Threat of Substitutes

The Australian food market is small compared to world standards and growth is almost insignificant, which means that manufacturers need to constantly innovate new products as part of an extension strategy or product substitution strategy to maintain market share.

The large established companies provide the greatest threat of competition for substitute products as they have the capital and thus ability to move quickly to develop new products and distribute them nationally. With their considerable advertising power they could easily create a demand for their substitute product.

The smaller food manufacturers pose less of a threat because they tend to focus their retailing around their manufacturing base and don't have the capability to be a national distributor.

Ostindo

With respect to the market for chilled samosas, there is a real threat of substitutes entering the marketplace. According to Nullfaur, Ostindo have expressed their intention to sell frozen samosas through supermarkets. Ostindo are already the sole supplier of samosas to the Myer Food-service department and are a well established company with years of experience in retailing Indian foods such as Maharajas Choice

(a range of Indian spices). If samosas were to develop good sales in supermarkets it is very likely that Ostindo would move in with substitute products.

Mahendras

Mahendras is a small family operated food manufacturing (five staff) company currently producing in Victoria. They have been operating for approximately ten years and manufacture a broad range of freshly prepared Indian products including samosas.

Mahendras currently manufacture samosas for Ostindo who resell the product to the food-service industry and restaurants nationally. Mahendras also retails some of their produce directly to the food service industry and to consumers through their supermarket located in East Keilor, usually as frozen products.

Their operations are predominantly manual, but the Manager at Mahendras has indicated that they plan to expand their business on a much larger scale, by selling to supermarkets and exporting. It is unlikely that this company will have the power to introduce substitute products to supermarkets except through a joint venture, which would probably be with Ostindo, given their existing relationship.

Generic Brands

Generic brands could also pose a threat. Supermarkets already produce a range of frozen snacks under various generic brands and they could move into the manufacture

of chilled foods if the food category becomes as profitable as it is in the United Kingdom.

Supermarkets in the United Kingdom for instance have developed their own chilled food brands which retail at considerably lower prices than similar branded products.

According to Harris (Supermarket Buyer, Coles Myer), this is unlikely within the next ten years at least because the Australian marketplace is too small and Australian supermarket chains are too disorganised.

3.2.4 Threat of New Entrants

There is always the threat of new entrants into the industry who are seeking to fill voids in the marketplace with innovative new products. These companies however are usually unable to establish national operations with any speed and thus do not pose an immediate threat to the established companies in the industry.

Overseas Food Manufacturers

There is a threat that food companies established overseas could enter the Australian marketplace particularly since most Western food markets (Eg. United States, Europe and the United Kingdom) are also mature with insignificant growth. Many of these overseas companies are already expanding their businesses by focusing on the international market. According to an article titled 'Tomorrow The World' in Food Engineering, December 1984 issue, pp. 72-76, 'packaged food volumes are growing

only at 1-2% pa. in the US which means that leading food corporations are seeing the international marketplace as one of their best hopes for achieving growth'

These companies pose a huge threat as they are usually very large with huge access to funds.

One such likely new entrant into the chilled food category is Pataks. They are an English company who have for years manufactured Indian products (dry grocery and chilled foods) for the UK market. Recently they entered the Australian marketplace on a national basis via a Marketing and Distribution company in Australia called Mauri, who are importing and merchandising Pataks dry grocery product range such as pickles, sauces, bread mixes, etc. If the company were to enter the Australian marketplace with chilled Indian foods, they would need to set up a manufacturing base in Australia as the freight economies would preclude importing. Given the Australian marketplace is relatively small, they may not find the economies of scale they would need to develop a separate division of the company in Australia.

Supermarkets

There is a possibility that supermarkets could integrate backwards and develop some of their own manufacturing operations or outsource the manufacture of chilled foods which would be sold under a supermarket or generic brand. If entry were to occur, it would occur once the food category was established in the marketplace and almost became a staple purchase item as it is in the United Kingdom. This would enable

supermarkets to control both the retail and wholesale margin thus widening their area of influence and the industry group's market power.

Under such a scenario, food companies would have two options - to compete on price or spend considerable sums of money on developing brand loyalty. However, given the limited size of the Australian marketplace and the disorganisation of supermarkets, this is unlikely to occur in the short to medium term.

Frozen Food Companies

Although consumer awareness of chilled products as a food category is currently low, according to Harris (Supermarket Buyer, Coles Myer), there is a strong possibility that frozen food companies will also develop a range of chilled foods within the next two years, as consumers seek the freshness and quality that chilled foods offer. This is something to be extremely wary of, as virtually all the frozen food manufacturers are very large and powerful.

3.2.5 Intensity of Competition

Thus the competitive pressures placed on the Australian food marketplace as a result of its limited size and growth, makes the industry extremely competitive. The constant development of new food products and new ways of presenting foods means that companies, particularly the smaller ones in the industry are constantly jockeying for position while the large established companies struggle to maintain market share.

In addition, the threat of new entrants to the industry from overseas and from supermarkets integrating vertically and possibly chemical companies, forces the competitors to be as efficient as possible.

Furthermore, since food products can be so highly differentiated on the basis of advertising, quality and taste, the power of some of the large capital rich food manufacturers can be diminished with concerted promotional programs.

3.3 SWOT Analysis

3.3.1 Analysis of Strengths and Weaknesses of Possible Chilled Samosa Competitors

Table 4: Critical Success Factors of Competitors

CSP	Weighting (%)	Indian Restaurants/Take-Aways	Mahendras/Ostindo	Pacific Brands	Four & Twenty	Korma Foods
Scale Economies	25	1	2	5	5	2
Organisational Effectiveness	5	1	1	2	2	1
Production Capability	15	2	1	4	4	1
Distribution Capability	10	1	3	4	4	2
Product Acceptance	5	3	3	3	5	2
Access to Capital	5	2	2	5	5	2
Brand Awareness & Promotion	30	1	1	5	5	2
Established Networks	5	1	3	5	5	2
Total Rating	100	1.3	1.7	4.5	4.6	1.8

Performance Rating Scale: 1 - Low to 6 - High

Table 4 rates the strengths and weaknesses of competitors in the marketplace against eight factors which are critical to the success of chilled food manufacturers. It shows

that Pacific Brands and its subsidiary, Four and Twenty, are the clear leaders in the manufacture and retail of chilled food products. The major strengths of both companies are the parent company's size and subsequent economies of scale; access to capital; access to cost efficient , reliable and effective production and distribution networks; and established relationships with the vast majority of supermarket chains.

Any new entrants into the marketplace would need to be wary of the retaliation from these well established companies and the barrier imposed by their well known and respected brands.

One thing however that Pacific Brands and its companies are notorious for is its poor management ability and its lack of speed in reacting to changes in the marketplace. Notwithstanding, these established companies could be formidable opponents to any new entrants.

The other competitors (at this stage) are poorly placed in the market place as a whole, but may retaliate on the basis of price if threatened in their niches. Notwithstanding, given their small capital bases, it is unlikely that price competition could be sustained over any lengthy period of time.

3.3.2 Opportunities

Food service

According to Shoebridge (Apr 3, 1995), ' the food-service industry is an important target for the new chilled meals division. Food manufacturers that rely on supermarkets

for the bulk of their sales are racing to get into the food service sector, which is the fastest growing part of the food industry'. For instance, food service clients such as airlines , hotels and fast-food restaurants account for 22% of Pacific Brands annual food turnover and its food-service sales are growing by 15% a year.

Complete Indian Meal Package

There is an opportunity to develop chilled samosas as part of a complete Indian meal package, where a range of meal components such as curry, rice, roti and samosas are developed so that consumers can mix them together as desired to develop a full meal.

According to Harris (Supermarket Buyer, Coles Myer), although consumers seek convenience they usually wish to maintain some ownership over the meal and thus packaging samosas along with other Indian meal components, would enable samosas to be purchased as snacks, party food or as an entree to an Indian dinner.

In this way samosas would be purchased in a similar fashion to how they are currently purchased as take-outs from Indian restaurants.

Other Convenience Outlets

Since chilled samosas are to be aimed at the convenience food market, there is also an opportunity to sell them through 7-11 stores, Food Plus and service stations.

3.3.3 Threats

Quick Entry by Lower Cost Producers Driving Prices Down Faster than Expected.

It is highly likely that other competitors will begin to manufacture the product once the product line enjoys high consumption in the marketplace. There is a possibility that manufacturers could supply generic chilled samosas through the delicatessen section at lower prices.

Lower than Expected Demand Due to Lack of Acceptance by the Consumer Market.

There is also the possibility that chilled samosas may not be readily accepted by the mainstream population. This may occur for many reasons eg. spiciness, freshness, etc. Consequently demand may be lower than forecast.

3.4 Potential Customers

3.4.1 Analysis of Research

The information gained from the questionnaire and other research indicates that the consumers of chilled samosas will come from a diverse range of ethnic backgrounds, however they are more likely to be second generation Australians (ie. Australian born individuals with one or both parents born overseas) rather than first.

The research shows that generally first generation Indians (South and South East Asians) despite being heavy consumers of Indian foods and indeed samosas, are

unlikely to be consumers of chilled samosas because they have preconceptions that chilled samosas cannot be authentic Indian products and are unlikely to taste like the fresh samosas with which they are familiar.

It is clear that first generation Indians have well established eating rituals associated with the purchase and consumption of samosas. They generally buy samosas fresh and hot from take-aways to consume as snacks or from restaurants as part of a meal. Otherwise they tend to make samosas fresh in their own homes. Chilled samosas purchased from a supermarket would not fit with their preconceived psychological attitude towards samosa consumption. Furthermore, the Indian community in Australia have well developed networks from which they do already conveniently purchase Indian products such as samosas. These networks enable Indians to purchase authentic products offering textures and flavours with which they are familiar and at a freshness level (eg. uncooked, par cooked or fully cooked) to suit their individual needs. Purchasing from these networks enables these Indians to assist their community financially. Many of the product suppliers are those in the community who are unable to work or are elderly. Consequently, first generation Indians are unlikely to purchase chilled samosas from supermarkets.

First generation Asians (all Asians other than those from South and South East Asia) have also responded negatively to purchasing chilled samosas from their supermarkets. The major reason is that samosas are an unfamiliar product in their diets and the strong smell and spiciness of samosas is often off putting. Asians also have established eating

patterns that have been developed in their country of origin, where the variety of cuisines is generally limited, and their exposure to Indian food products is minimal.

However, it is interesting to note that despite their limited eating habits, most Asians have now incorporated McDonald's into their eating patterns. Indeed observation suggests that Asians are often heavy consumers of the McDonalds products, despite the fact that the flavours and texture of hamburgers are totally different from their staple foods.

It would appear that awareness, availability and low trial costs are the keys to penetrating the established food habits associated with different cultural backgrounds.

First generation Europeans are also unlikely to be significant consumers of chilled samosas for the same reasons developed above for the Asian ethnic group. Infact some Europeans interviewed have claimed that Indian style foods, with their strong spices and smell, are unhealthy.

Older Australians (generally those over 54) similarly have a conservative and narrow attitude towards food. They are generally unfamiliar with Indian foods and are unlikely to break considerably with their established 'meat and three vegs' ritual. Consequently, first generation Australians and elderly Australians have responded negatively towards chilled samosas. Despite this however, with heightened awareness of the food category, younger persons may become consumers of chilled samosas if the products are readily available and inexpensive so that there is not a high associated trial cost.

According to (Wilson, 1986), elderly people lose some sensation in their taste buds, and thus need to eat stronger flavoured foods. 'Given the decline in sense of taste and smell with ageing, the ethnic food developer can use the maturing consumer as an indication of opportunities for successful ethnic food cross-overs to the mass market. The ethnic food developer that appeals to the mature consumer, and also considers the health/nutrition equation, can expect a larger and more successful crossover into the mainstream food markets.' This segment of the market obviously offers some potential as a non-mainstream target market if the manufacturer can mount a promotional program to institute some change to this group's established eating patterns.

The research results also reveal that young persons under the age of 20, who are unfamiliar with Indian foods are unlikely to be significant consumers of chilled samosas. Empirical data suggests that young people are not attracted to spicy food generally and tend to prefer more subtle flavours. Notwithstanding, this can vary marginally depending on the parent's eating habits. Children tend to develop a taste for richer and spicier foods only as they grow older even though the parents may be heavy consumers of spicy foods during the early years of their children's life.

The most likely consumers of chilled samosas will be found amongst the younger Australians and second generation Australians (ie. Australian born individuals with one or both parents born overseas such as the two major groups of European-Australians and Asian-Australians), because these consumers have grown up in a multi-cultural society and have been exposed to a variety of foods and cuisines.

Chilled Samosa consumers are most likely to be in the 20-54 age group and already familiar with Asian foods or have experimented with Indian foods. These consumers attitudes towards eating is vastly different from their parents and is the key to their acceptance of foods from different countries. These consumers seek convenience, variety, freshness, quality and safe, healthy food at an affordable price. 'Younger consumers look for exotic easy-serve varieties that would be relatively difficult for the inexperienced cook to prepare' (Retail World, vol. 46 no 24 Dec 13-17 1993).

This group seeks excitement and change in what they eat, and tend to be heavy consumers of restaurant and take-away meals. They are generally found in the inner suburbs.

However, no correlation exists between heavy consumption of convenience foods such as those provided by take-away outlets or purchasers of supermarket convenience foods (eg. frozen dinners, frozen snacks such as pies, etc) and a propensity to purchase chilled samosas. Basically the first determinant will be the attitude of the consumer and whether they are prepared to trial chilled samosas. The second determinant will be how 'samosas taste to each individual palate.

The research also shows that no correlation exists between education or professional status and the demand for chilled samosas. Notwithstanding, higher levels of education tend to produce buyers with more discriminating tastes and higher incomes, and coupled with their occupation is likely to influence the attitudes interests and life-

style factors of the consumer. Generally, as incomes grow consumers seek more conveniences and will not compromise on quality.

The research indicates that in multi-numbered households, the females still tend to prepare the majority of meals and decide on what food to purchase. If the women work, there is a greater tendency to purchase convenience foods, but consumers lack of familiarity with samosas and individual consumers attitudes towards spicy food would appear to be a greater determinant of whether chilled samosas are purchased or not.

Similarly, no relationship can be established between marital status or household incomes and samosa demand. Most respondents have indicated that they would expect samosas (Pack of 2) to be priced around A\$2.00, which makes the product affordable to most consumers. This price is also competitive with other take-away convenience foods such as McDonalds.

The research suggests that since Indian food has a strong flavour and smell, the key determinants of whether a consumer will purchase chilled samosas is dependent on the consumer's existing familiarity with Indian food and their basic attitude towards the taste and flavour of Indian foods.

Basically 'food items are sought out for a wide variety of reasons' according to The Australian Nutrition Foundation (1986), 'far exceeding any functional benefit. It is influenced by background, culture, education, customs, income, personal incomes, as

well as personal liking and satisfaction gained in using particular products. However, it is availability, palatability and social acceptability that ultimately determine what people eat’.

Although the evidence collected in the questionnaire bears out that the palatability and social availability are an important determinant of what a person eats, social acceptability was rated as not important or only of some importance by over 90% of respondents.

3.4.2 Market Segmentation Options

There are a number of distinct groups of consumers of chilled samosas, as follows:

Table 5: Samosa Market Segmentation

	Variety Seekers	Healthy Choice	Lifestyle	Indian Children	Authentic Indian	Conservatives
Principal Benefit Sought	Flavour, Taste and Convenience	Nutrition	Convenience	Familiar product	Authentic Indian food that is convenient to buy	Familiarity and mild flavours
Demographic Strengths	20-44 All education levels	25-54	20-54 Single and single parents. Empty Nesters, Families with busy lifestyles.	SE and S Asian children familiar with samosas	Asian sub-continent backgrounds	Men and Persons aged <19 and >45 Australians and immigrants, and 1st generation Australians
Behavioural Characteristics	Heavy Users	Light Users	Heavy Users	Moderate consumers	Heavy Users	Initially light users
Personality Characteristics	Innovators who are very open minded about change	High hypochondriasis	High autonomy	High autonomy	Varied	Laggards
Lifestyle Characteristics	Active, young and highly mobile	Active	Active	Varied	Varied	Conservative
Determinants of Usage	Consistency, flavour and availability	Feeling the product is good for them	Availability	Promotional program and product awareness	Authentic consistent flavour	Mildness of food, low prices availability and familiarity (probably through TV)

The market for chilled samosas can be segmented into six distinct target markets as described in **Table 5**, namely, Variety Seekers, Healthy Choice, Lifestyle, Indian Children, Authentic Indian and Conservatives.

Variety Seekers

The 'variety seekers' segment are those consumers in the population aged from 20 to 44 who primarily seek flavour and taste from their food purchases but like them to be convenient to purchase. The consumers in this segment transgress all ethnic groups and levels of education but are more likely to reside in the inner suburbs.

Consumers in this segment are also likely to have a youthful outlook, be active and highly mobile with a compulsion for convenience in most aspects of their lives, resulting in a strong propensity to spend disposable incomes on food as well as other conveniences.

Generative research also indicates that although consumers in this segment's primary focus is taste and convenience, there is also a subset which respond positively to food which is also 'healthy'. Observation by the researcher also suggests that these consumers are more than likely to be currently purchasing samosas from take-away stores (if conveniently placed).

As a consequence of their desire to seek variety, they are likely to be the 'innovators' and opinion leaders (Stanton, 1991) in the marketplace who readily accept change. This group will be approximately 16% of the population (approximately three million consumers) who are likely to be among the first to purchase new products.

Consequently the best means of reaching these consumers is by offering samosas through supermarkets in order to satisfy their need for convenience, and by targeted in-house supermarket promotions programs enabling consumers to taste the freshness and flavour of the new products. If this is successful, this segment should display heavy usage patterns.

Healthy Choice

The 'healthy choice' segment of the market are those consumers who would purchase samosas based on the belief that they are nutritious snacks.

These consumers are found across all socio-economic and demographic profiles as well as most geographical locations throughout the country. They are likely to be slightly older than the variety seekers - around 25 to 54.

These consumers are likely to be very highly active and seeking low fat, cholesterol free and baked, rather than deep fried food products. Since samosas are deep fried pastries, reaching this market segment will require considerable energy. Consequently, any marketing program to sell chilled samosas to this group would need to focus on:

- The freshness of the product (ie. chilled rather than frozen);
- Appealing packaging with a healthy, environmentally friendly theme;
- Information about the products contents and constituents;
- Branding;
- The health department's seal of approval.

Notwithstanding, despite targeted marketing efforts, consumers in this segment are unlikely to be more than light users.

Lifestyle

The 'lifestyle' segment of the market are those consumers in the marketplace who seek convenience from food purchases as a result of their busy lifestyles. They range in age from 20 to 54 and include singles with and without children, as well as empty nesters and families with two working parents.

They are found in both the inner and outer suburbs, across all socio-economic groups and will lead active lifestyles thereby placing a high value on their time.

These consumers are unlikely to have a high propensity to prepare meals requiring considerable effort in the home. They are more likely to purchase larger than average quantities of take-away foods, home delivered foods as well as eat out at restaurants.

These consumers are likely to form part of the early uptakers/majority (approximately thirty-four percent of the population or six million consumers) of chilled samosas and are inclined to be heavy users.

To effectively target this market segment, chilled samosas should display the following characteristics. They will need to be:

- Conveniently available for purchase;
- Easy to prepare in the home prior to consumption;

- Of consistently good quality;
- Reasonably healthy;
- Reasonably priced;
- Easily recognised by distinctive packaging.

Indian Children

This is a very small segment in the Australian market. Consumers in this segment will be either first generation Indian immigrant children or second generation Australian children with at least one parent born in Southern Asia (ie. Indian and derivatives). Their propensity to purchase is based on their existing familiarity with spicy Indian products such as samosas.

They are likely to be found across all demographic profiles, higher socio-economic groups and geographical locations (Helweg, 1986).

If there are positive sensory evaluations of the flavour of the chilled samosas with existing eating habits, this segment will be moderate purchasers. Targeting these consumers will require a tailored promotional program, most likely on television to heighten awareness of the product and build an attraction/demand for them.

Authentic Indian

This market segment contains consumers who are first generation Asian sub-continent migrants (ie. Indians and derivatives, approximately 0.7% of the Australian

population), who seek genuinely authentic 'fresh' samosas that have the taste and flavour of samosas that they would purchase in their home country.

They are more likely to be found in the lower to middle socio-economic groups living close to areas well serviced by transport. Research furnished from the 'Customer Profile Questionnaire' indicates that these consumers have a propensity to prepare meals in the house particularly for major meals such as dinner as well as on weekends, as a result of their desire to eat foods with flavours that are familiar. However, they may purchase meals externally for lunch, for reasons of convenience.

These consumers currently purchase most of their Indian products from Asian/Indian grocers, where they may also purchase pre-prepared samosas. In addition, through their connections with the Southern Asian community, they are able to purchase fresh samosas that can be prepared by frying, in their own home. Despite these established purchasing patterns, the existing means of purchase can sometimes be inconvenient.

Consequently, this segment is unlikely to be easy to reach, unless the manufacturer of 'chilled samosas is able to add-value by offering the samosas 'ready to eat', consistently authentic in flavour, convenient to purchase, and inexpensive (compared with their other means of purchase).

A promotional campaign in supermarkets enabling product trials will also be an important aspect of penetrating this segment. Notwithstanding, once consumers have been won over, they are likely to be extremely loyal, and be heavy users of chilled

samosas. Thus branding should be an important aspect of the marketing campaign to reach this segment initially and subsequently build sales.

Conservatives

This market segment contains persons aged between 19 and 45 who are conservative in their food preferences. Research undertaken as part of this thesis suggests that they will be Australians with very simple palates and immigrants who are not familiar with Indian food products (ie. Greeks, Italians, Chinese, etc). Similarly, first generation immigrants who are unfamiliar with food flavours outside their home country due to eating habits in the household, also fall into this segment.

These consumers generally seek familiar flavours and in some cases mild flavours, and are only likely to purchase chilled samosas, a long time after the product has been introduced to the marketplace. These consumers are the 'laggards' (approximately 16% of the population) and will require considerable effort to induce purchase.

This market segment will need to be targeted through taste samplings in supermarkets, lower prices to encourage trial and product familiarisation through television over a long period of time. Consequently, this market segment should not be a primary focus of manufacturers of chilled samosas, particularly during the initial phases of product introduction.

3.5 Market Potential

Five sources have been used to determine market potential when chilled samosas are first introduced to supermarkets and they are based on data collected from 1995 sales turnover.

3.5.1 Case Study

Nallfaur Tandoori Indian Take-Away is an Indian take-away located in Barkly street, Elwood. Mr. Shahid, the owner, has been operating Indian restaurants and take-aways for the last ten years and set up Nallfaur in 1992.

The take-away predominantly services consumers in a three kilometre radius from the restaurant, and although the majority of the business is in take-out and home deliveries, there are facilities to consume food in the store. The store is open for business 7 days a week from 12pm to 10pm and a little later on weekends. The busy days are Thursday (evening), Friday (evening), Saturday and Sunday.

Product and Pricing

Nallfaur retails a range of Indian products which include curries, rice dishes, entrees such as samosa and vegetable pakora, breads such as roti and paraths as well as a range of sweets. The restaurant also retails a range of Maharajas spices.

All main dishes are sold in two sizes - small and large. The small sizes are extremely popular since the servings are generous and the prices range from A\$4.50 to A\$5.50 for a curry dish, and A\$2.00 for a rice dish. Snacks such as samosas are sold hot from

the servery and come in only one size. There are two varieties, vegetable and meat, which are priced at A\$1.00 and \$1.20 respectively.

Vegetable samosas are clearly more popular than the meat variety and are sold in an 80-20 proportion. The range of products are identical to what would be sold in any Indian restaurant.

Many of the curries and all of the entrees are pre-prepared and consumers choose products from the servery which are then packaged in either paper bags (entrees) or plastic containers for take-out.

The flavour of the food is traditional North Indian. The outlet has a Tandoori oven which is used to cook many of the breads and meats for curries. Flavour, quality and freshness are excellent - three reasons Mr. Shahid gives as to why he would never be interested in mass producing.

Distribution

All products are manufactured on the premises, some with the aid of expensive machinery. All products are made fresh each day and sold directly to the public from the premises. A range of snacks including samosas are sold to the food-service industry.

Home-deliveries are undertaken by one of the staff members as the orders are completed. Food is transported in Eskies to keep them hot.

Raw materials are purchased directly by staff members generally from the market.

Promotion

Mr. Shahid is a well known Indian food restaurateur and often gains much free publicity in the local magazine. Indeed when the store first opened for business there was a favourable write-up on the take-away restaurant.

Nullfaur does advertise locally from time to time but now generally relies on word-of-mouth to promote the products. Free home deliveries and free gifts (250ml bottle of champagne) offered with home deliveries over A\$20.00 are part of his promotional program. Notwithstanding, the business promotes itself by consistently providing inexpensive, flavoursome, quality Indian products.

Samosa Potential

According to Mr Shahid of Nullfaur, the current size of the samosa market in Victoria is valued at A\$20 million per annum.

The size of the samosa market is calculated on the following basis:

- Mr Shahid of Nullfaur Tandoori Indian Take-Away currently sells approximately 1000 samosas per week or 52,000 per annum;
- The samosas are sold within a 3km radius of Barkly Street Elwood, where there are a total of 46,829 inhabitants and 39,512 adults (over 20 years of age);

- This equates to a consumption per adult person of 1.32 samosas per annum or 1.11 samosas per head of population;
- There are 17.7 million persons in Australia, and if this figure is extrapolated to the whole Australian population, this would equate to a potential demand for chilled samosas of 19,470,000 per annum.

Market Potential: 19, 470,000 samosas per annum (Australia-wide)

The area in question is a veritable melting pot, however, there is a strong European (13%) and Anglo-Saxon (64%) constituency in the area. Not surprisingly, the Indian population is only 1% or 511 inhabitants. This confirms that samosas are widely consumed throughout the population particularly amongst Australians.

Thirty nine percent of households in the area have an annual income under A\$20, 000 and twenty eight percent over A\$40,000. Only 34% percent of the population are professionals with approximately 20% being tertiary educated.

A staggering 54% of households are single households (either single or one parent families) with a further 19% being couples without children. This suburb clearly has inhabitants who have a lifestyle free of encumbrances and are likely to value conveniences quite highly on their scale of needs. Not surprisingly, 82% of the inhabitants either rent or own their own homes and are likely to have more money with which to purchase conveniences.

Given the lack of information about existing and potential demand for samosas, this method has been adopted to provide some indication of market size, however one should be aware of its limitations particularly with respect to the inhabitants of Elwood being representative of the Victorian population generally.

(See **Appendix 3**, for more detailed information on the demographics of the Elwood population).

3.5.2 Food Buyer Forecasts

The chilled food buyer for Coles supermarkets believes that the demand for samosas is likely to be 8 units per variety per store per week.

Market Potential: 3,779,313 samosas per annum (Australia-wide)

Assumptions:

- Two varieties of samosas are manufactured - packs of two and packs of 4;
- Number of supermarkets in Australia is 1510;
- Samosas are sold in all Australian supermarkets and have a demand of 8 units per variety per store per week;
- There are 365/7 weeks per annum.

3.5.3 Chinese Spring Rolls

Chinese Spring rolls are similar products to samosas in that they are Asian deep fried snacks and are likely to be sold to the same target market as samosas. Spring rolls however have high consumer awareness and thus projections based on spring rolls will have to be balanced against this fact versus the decline in popularity of frozen foods.

Demand for spring rolls in 1993 was 2,100,324 and in 1994 was 2,274,393 which equates to 8% growth by volume. They are valued at 32% of the A\$21 million Chinese snack market (or A\$6.72 million). Growth for Chinese snacks overall in 1994 was 20.5% by volume and 12.3% by value (Retailworld, vol 46, no 24, Dec 13-17).

Market Potential: 2,800,000 samosas per annum (Australia-wide)

Assumptions:

- Frozen Spring rolls are selling (1995) at 6 units per variety per store per week (Harris, 1995);
- Spring rolls are sold generally in packs of 6;
- Number of supermarkets in Australia is 1510;
- There are 365/7 weeks per annum.

3.5.4 Frozen Samosa Consumption (1993)

Frozen samosas were sold in Australian supermarkets in 1993 and according to Retail World (vol. 46 no 24 Dec 13-17 1993), 58,997 samosas were sold - equivalent to 1%

of the frozen snack market. Data is unavailable as to how many months this data actually relates to, needless to say, demand was not sufficient to enable the company to maintain sale through supermarkets, and it is believed that they ceased to be sold through supermarkets some time during 1994.

They were sold in supermarkets in Victoria, New South Wales, Western Australia and South Australia.

Demand: 58, 997 samosas

3.5.5 Chilled Curry Pies

Four and Twenty are currently manufacturing and retailing chilled curried pies through supermarkets nationally. The product can be used as an analogy for samosas, however, the following factors must be considered when utilising figures for the sales of samosas:

- Four & Twenty is an established household brand and have been manufacturing pies, for a decade - they have considerable consumer loyalty;
- There is high consumer awareness about pies;
- Pies are an Australian institution and are widely eaten throughout the country, much more so than samosas would be;
- The target market for samosas and pies are likely to be very different.

Market Potential: 8, 503, 457 samosas (Australia-wide)

Assumptions:

- Chilled pies are sold in quantities of 18 units per variety per supermarket store per week;
- Chilled pies are only sold as single serves;
- The number of supermarkets in Australia is 1510;
- There are 365/7 weeks per annum;
- Demand for chilled curried pies in 1995 is 1,417,242;
- Samosas would be sold in packs of two and four.

3.5.6 Customer Profile Questionnaire

The questionnaire asked respondents a series of questions including whether they would be prepared to purchase chilled samosas and if they were, in what quantities they would be prepared to purchase. The sample of respondents were selected randomly from the public and included persons with different demographic profiles. Of the sample of 40 respondents, 40% indicated that they would not be interested in purchasing chilled samosas whereas 60% responded positively.

Of those interviewed who responded positively, 29% indicated that they would be interested in purchasing chilled samosas once per month, 33% twice a month, 8% three times a month and 30% four or more times a month.

It is worth remembering however that evidence shows that only a percentage of the population who responds positively in surveys actually purchase the products with any regularity (McDonald, 1989).

Total Market Potential: 25,381,800 chilled samosas (Australia-wide)

Assumptions:

- The sample interviewed for the research reflects the Australian population generally and thus it is possible to extrapolate the findings to the whole Australian population of 17.7 million people;
- Market Potential is calculated on the basis of multiplying 17.7 by 60% (the population prepared to consume samosas, and then multiplying each part of the population that will consume by the demand rates, ie. 29% of the population by 1, 33% of the population by 2, 8% of the population by 3 and 30% of the population by 4.

Thus overall potential demand for chilled samosas nationally is:

High:	19.5 million samosas
Medium:	3.5 million samosas
Low:	0.06 million samosas

Growth of the chilled samosa category is only expected to grow as the population increases in size - ie.. organic growth. However demand will be limited by the following factors:

- Consumers preparedness to spend their disposable income on convenience foods rather than other items;

- Wages growth;
- Employment growth;
- Growth of take-aways and restaurants selling samosas presently;
- General economic conditions.

3.6 Evaluating Marketing Opportunities

Because there are no other manufacturers of chilled samosas in the marketplace, consumers are unlikely to have established any loyalties to other manufacturers.

This provides the manufacturer with the unique opportunity to enter the marketplace by servicing a market niche without antagonising existing manufacturers.

The chilled Indian food market is fragmented with most companies selling to the food-service industry, so there is clearly an unfulfilled market niche. Consumers are reachable and receptive and there is an ongoing move towards convenience snacking.

Demand for the product will be a 'demand pull' since the chilled samosas will be an innovative new product satisfying a need which is currently being filled through Indian take-away outlets. Chilled samosa demand is likely to range from 58, 997 (low) to 19,500,000 (high).

The company will have at least two years before large frozen food manufacturers begin to pose a threat.

Other companies which have expressed an interest in the manufacture of samosas are currently in a weak position . For example, Mahendras recently lost their Chief Executive Officer and are floundering.

So if the right marketing program is developed there is a strong possibility to gain total market share and maintain a large percentage of the market.

It is critical for the manufacturer of chilled samosas to develop some barriers to entry for the product line, through the development of an authentic brand, focused market positioning and an advertising program to heighten brand awareness and develop loyalty.

According to McDonald (1989), consumers do not really know what they want, so the task of marketing is to understand the customer, their problems and develop ways to make life easier for them.

When positioning chilled samosas, it is important not to develop too narrow a market, particularly in Australia which has such a small population. Initially, it would appear that the least resistant way to position the product in the market is to target young singles or couples, because they would already be familiar with the product and are likely to be heavy users. However, these segments alone are too small in Australia to make the manufacture of chilled samosas viable.

Consequently the positioning of chilled samosas through Australian supermarkets should initially focus on the large consumer segment in the marketplace of people who are time poor, seeking fresh quality foods with flavour that are easy to prepare prior to consumption in their home, and who are prepared to spend their income on purchasing such conveniences.

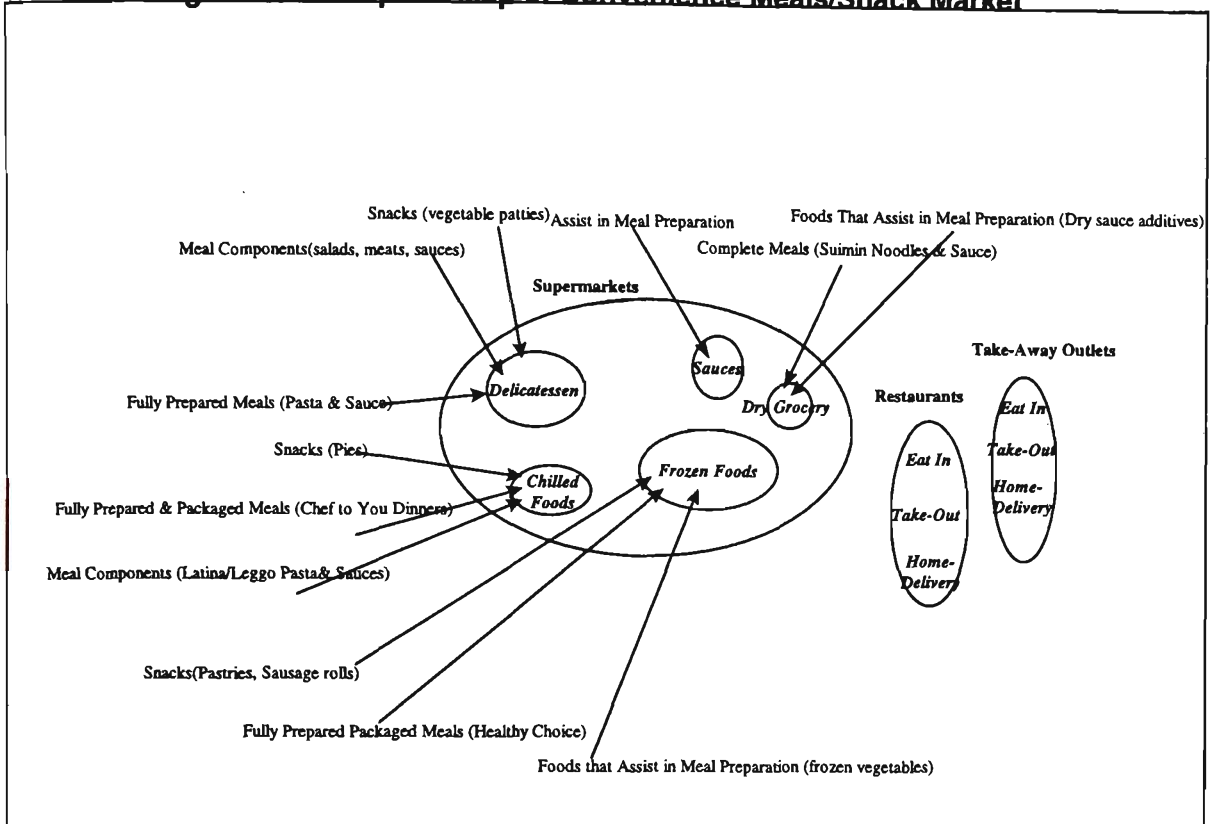
These consumers are likely to be:

1. High consumers of take-away foods;
2. Australian or second generation Australian;
3. In the 20-54 age bracket;
4. Have an open minded attitude towards their food;
5. Seeking 'Fresh' food;
6. Live in the inner suburbs.

Basically, product positioning should cut across a number of the identified segments (Variety Seekers, Healthy Choice, Lifestyle, Authentic Indian and Conservatives) and focus on those needs that unite consumers across all individual market segments.

The research undertaken as part of this thesis, suggests that by positioning the product as authentic Indian, 'fresh', conveniently available and easy to prepare prior to consumption, tasty but with natural healthy ingredients of superior quality and inexpensive (compared with its substitute products), at least four market segments (Variety Seekers, Healthy Choice, Lifestyle and Authentic Indian) can be successfully targeted all at once at considerably less cost compared with individual marketing

Figure 2: Perceptual Map of Convenience Meals/Snack Market



As **Figure 2** indicates there are three types of outlets from which consumers purchase convenience foods - supermarkets, restaurants and take-away outlets. Supermarkets are conveniently placed to service these consumer needs, since they appear with relatively high frequency throughout most suburbs. Also most supermarkets now offer extended opening hours from 9am-10pm Monday through to Friday and 9am-5:30pm Saturdays including some Sundays, which previously limited their ability to service the convenience seeking consumers. Infact Supermarket Business (July 1993) revealed that 'despite belt-tightening', convenience was highly sought by consumers who continued to 'turn to supermarkets for reasonably priced foods'.

4. Financial Analysis

4.1 Overview of Financial Analysis

The analysis was undertaken over a fifteen year time frame commencing in 1996 (see **Appendix 4** for assumptions) for the sale of chilled samosas through the delicatessen section in supermarkets and the chilled food section. For both scenarios of sale through the delicatessen and chilled foods sections, the results show a positive profit (before tax) in year three onwards, with profits in excess of A\$ 100, 000 in year four onwards.

Sale Through Delicatessens

The capital investment of \$1.3 million (discounted) for sale through delicatessens earns a return of 11.55% pa with a payback in year 4. Clearly, sale of chilled samosas through the delicatessen section of supermarkets is an ‘opportunity’ (as stipulated in section 1.1) to sell chilled samosas through supermarkets.

Sale Through Chilled Food Section

However, given the higher cost structure imposed through higher packaging costs and supermarket charges, sale through the chilled food section does not present itself as an ‘opportunity’. Based on a capital investment of \$1.5 million (discounted), a paltry return of 3.86% pa is achieved), resulting from the need to fund higher negative cashflows in the earlier years.

The pay back is achieved in only year six.

Thus the mass merchandising of chilled samosas through supermarkets is viable only if sold through the delicatessen section of the stores.

Demand Limitations

Samosa demand will be limited by the following factors:

- Consumers preparedness to spend their disposable income on convenience foods rather than other items;
- Wages growth;
- Employment growth;
- Growth of take-aways and restaurants selling samosas presently;
- General economic conditions.

4.2 Sales Table

SALES							
YEAR	STORE PENETRATION	CUMULATIVE STORE PENETRATION	SAMOSAS SOLD PER STORE PER WEEK	GROWTH ON PREVIOUS YEARS (%)	SAMOSAS SOLD pa	PRICE (PER SAMOSA)	GROSS SALES VALUE \$A
1996	180	180	48		450,514	\$0.60	\$270,309
1997	300	480	48	5	1,223,897	\$0.60	\$734,338
1998	300	780	48	5	2,035,949	\$0.60	\$1,221,569
1999	300	1080	48	5	2,888,604	\$0.60	\$1,733,162
2000	300	1380	48	5	3,783,891	\$0.60	\$2,270,335
2001	130	1510	48	5	4,298,457	\$0.60	\$2,579,074
2002	0	1510	48	5	4,513,380	\$0.60	\$2,708,028
2003	0	1510	48	7	4,829,317	\$0.60	\$2,897,590
2004	0	1510	48	7	5,167,369	\$0.60	\$3,100,421
2005	0	1510	48	7	5,529,084	\$0.60	\$3,317,451
2006	0	1510	48	7	5,916,120	\$0.60	\$3,549,672
2007	0	1510	48	10	6,507,732	\$0.60	\$3,904,639
2008	0	1510	48	10	7,158,506	\$0.60	\$4,295,103
2009	0	1510	48	10	7,874,356	\$0.60	\$4,724,614
2010	0	1510	48	10	8,661,792	\$0.60	\$5,197,075
				10			

4.3 Costs and Profit (Delicatessen) Table

COSTS AND PROFIT (SALE THROUGH DELICATESSEN)															
YEAR	GROSS SALES	Fixed Costs (per samosa)				Variable Costs (per samosa)					Fixed+Var Costs (per samosa)	Cost to Sell Through Supermarket	Total Costs (per samosa)	No of samosas sold	Profit \$A
		Staffing	Rental & Assoc costs	Depn Equip (%)	Total Fixed Costs	Raw Mats	Distribution & Warehousing	Adv & Promo	Packaging	Total Var Costs					
1996	\$270,309	0.230	0.019	0.003	0.252	0.017	0.050	0.555	0.010	0.631921	0.884	0.265	1.149	450,514	(\$247,535)
1997	\$734,338	0.174	0.007	0.004	0.185	0.017	0.050	0.204	0.010	0.281266	0.466	0.140	0.606	1,223,897	(\$7,071)
1998	\$1,221,569	0.161	0.004	0.004	0.170	0.017	0.050	0.123	0.010	0.199793	0.369	0.111	0.480	2,035,949	\$243,731
1999	\$1,733,162	0.155	0.003	0.003	0.162	0.017	0.050	0.087	0.010	0.163547	0.325	0.098	0.423	2,888,604	\$51,098
2000	\$2,270,335	0.152	0.002	0.003	0.157	0.017	0.050	0.066	0.010	0.143070	0.300	0.090	0.390	3,783,891	\$792,863
2001	\$2,579,074	0.151	0.002	0.003	0.156	0.017	0.050	0.070	0.010	0.146792	0.302	0.091	0.393	4,298,457	\$889,409
2002	\$2,708,028	0.151	0.002	0.003	0.155	0.017	0.050	0.066	0.010	0.143469	0.299	0.090	0.388	4,513,380	\$956,338
2003	\$2,897,590	0.150	0.002	0.003	0.154	0.017	0.050	0.062	0.010	0.139121	0.293	0.088	0.382	4,829,317	\$1,055,164
2004	\$3,100,421	0.149	0.002	0.003	0.154	0.017	0.050	0.058	0.010	0.135057	0.289	0.087	0.375	5,167,369	\$1,160,974
2005	\$3,317,451	0.149	0.002	0.003	0.153	0.017	0.050	0.054	0.010	0.131259	0.284	0.085	0.370	5,529,084	\$1,274,255
2006	\$3,549,672	0.148	0.001	0.003	0.152	0.017	0.050	0.085	0.010	0.161515	0.314	0.094	0.408	5,916,120	\$1,135,532
2007	\$3,904,639	0.148	0.001	0.002	0.152	0.017	0.050	0.061	0.010	0.138465	0.290	0.087	0.377	6,507,732	\$1,451,406
2008	\$4,295,103	0.147	0.001	0.002	0.151	0.017	0.050	0.056	0.010	0.132878	0.284	0.085	0.369	7,158,506	\$1,655,026
2009	\$4,724,614	0.147	0.001	0.002	0.150	0.017	0.050	0.051	0.010	0.127798	0.278	0.083	0.361	7,874,356	\$1,879,195
2010	\$5,197,075	0.146	0.000	0.002	0.150	0.017	0.050	0.046	0.010	0.123180	0.273	0.082	0.355	8,661,792	\$2,125,969

4.4 Costs and Profit (Chilled Food) Table

COSTS AND PROFIT (SALE THROUGH CHILLED FOOD SECTION)															
YEAR	GROSS SALES \$A	Fixed Costs (per samosa)				Variable Costs (per samosa)				Fixed+Var Costs (per samosa)	Cost to Sell Through Supermarket	Total Costs (per samosa)	No of samosas sold	Profit \$A	
		Staffing	Rental & Assoc costs	Depn Equip (%)	Total Fixed Costs	Raw Mats	Distribution & Warehousing	Adv & Promo	Packaging						Total Variable Costs
1996	\$270,309	0.230	0.019	0.003	0.252	0.017	0.050	0.555	0.060	0.68	0.93	0.402	1.336	450,514	(\$331,531)
1997	\$734,338	0.174	0.007	0.004	0.185	0.017	0.050	0.204	0.060	0.33	0.52	0.222	0.738	1,223,897	(\$168,721)
1998	\$1,221,569	0.161	0.004	0.004	0.170	0.017	0.050	0.123	0.060	0.25	0.42	0.180	0.600	2,035,949	\$377
1999	\$1,733,162	0.155	0.003	0.003	0.162	0.017	0.050	0.087	0.060	0.21	0.38	0.161	0.537	2,888,604	\$182,356
2000	\$2,270,335	0.152	0.002	0.003	0.157	0.017	0.050	0.066	0.060	0.19	0.35	0.151	0.501	3,783,891	\$374,563
2001	\$2,579,074	0.151	0.002	0.003	0.156	0.017	0.050	0.070	0.060	0.20	0.35	0.152	0.504	4,298,457	\$413,103
2002	\$2,708,028	0.151	0.002	0.003	0.155	0.017	0.050	0.066	0.060	0.19	0.35	0.150	0.498	4,513,380	\$458,463
2003	\$2,897,590	0.150	0.002	0.003	0.154	0.017	0.050	0.062	0.060	0.19	0.34	0.148	0.491	4,829,317	\$525,626
2004	\$3,100,421	0.149	0.002	0.003	0.154	0.017	0.050	0.058	0.060	0.19	0.34	0.146	0.484	5,167,369	\$597,962
2005	\$3,317,451	0.149	0.002	0.003	0.153	0.017	0.050	0.054	0.060	0.18	0.33	0.144	0.478	5,529,084	\$674,606
2006	\$3,549,672	0.148	0.001	0.003	0.152	0.017	0.050	0.085	0.060	0.21	0.36	0.156	0.520	5,916,120	\$471,115
2007	\$3,904,639	0.148	0.001	0.002	0.152	0.017	0.050	0.077	0.060	0.20	0.36	0.153	0.508	6,507,732	\$597,780
2008	\$4,295,103	0.147	0.001	0.002	0.151	0.017	0.050	0.070	0.060	0.20	0.35	0.149	0.497	7,158,506	\$736,185
2009	\$4,724,614	0.147	0.001	0.002	0.150	0.017	0.050	0.063	0.060	0.19	0.34	0.146	0.487	7,874,356	\$888,637
2010	\$5,197,075	0.146	0.000	0.002	0.150	0.017	0.050	0.058	0.060	0.18	0.33	0.144	0.478	8,661,792	\$1,056,540

4.5 Future Funding Arrangements Table

FUTURE FUNDING ARRANGEMENTS						
YEAR	Equipment Capital Repts	Funding Negative Cashflow Delicatessen	Total Capital Investment Delicatessen	Funding Negative Cashflow Chilled Foods	Total Capital Investment Chilled Foods	
1996	16,000	246,095	262,095	307,943	323,943	
1997	48,000	2,751	50,751	164,153	212,153	
1998	96,000		96,000	0	96,000	
1999	112,000		112,000		112,000	
2000	120,000		120,000		120,000	
2001	128,000		128,000		128,000	
2002	136,000		136,000		136,000	
2003	144,000		144,000		144,000	
2004	152,000		152,000		152,000	
2005	160,000		160,000		160,000	
2006	168,000		168,000		168,000	
2007	176,000		176,000		176,000	
2008	192,000		192,000		192,000	
2009	208,000		208,000		208,000	
2010	224,000		224,000		224,000	
Total	2,080,000	248,846	2,328,846	472,096	2,552,096	

4.6 Return On Investment (Delicatessen) Table

RETURN ON INVESTMENT (SALE THROUGH DELICATESSEN)

YEAR	Total Capital Investment (MOB)	Net Revenue From Operations After Depreciation (MOB)	Discount Rate at 9%	Total Investment (Discounted)	Total Revenues (Discounted)	Cumulative Total Revenues	Rate of Return (% pa)
1996	262,095	(\$247,535)	1.00	262,095	(247,535)	(247,535)	
1997	50,751	(\$7,071)	1.09	46,561	(6,487)	(254,022)	
1998	96,000	\$243,731	1.19	80,801	205,143	(48,879)	
1999	112,000	\$511,098	1.30	86,485	394,661	345,782	
2000	120,000	\$792,863	1.41	85,011	561,684	907,466	
2001	128,000	\$889,409	1.54	83,191	578,055	1,485,521	
2002	136,000	\$956,338	1.68	81,092	570,233	2,055,755	
2003	144,000	\$1,055,164	1.83	78,773	577,211	2,632,966	
2004	152,000	\$1,160,974	1.99	76,284	582,654	3,215,619	
2005	160,000	\$1,274,255	2.17	73,668	586,702	3,802,322	
2006	168,000	\$1,135,532	2.37	70,965	479,661	4,281,982	
2007	176,000	\$1,451,406	2.58	68,206	562,468	4,844,450	
2008	192,000	\$1,655,026	2.81	68,263	588,419	5,432,870	
2009	208,000	\$1,879,195	3.07	67,845	612,953	6,045,823	
2010	224,000	\$2,125,969	3.34	67,031	636,189	6,682,011	
Total	2,328,846	14,876,354		1,296,271	6,682,011		11.65

4.7 Return On Investment (Chilled Food) Table

RETURN ON INVESTMENT (SALE THROUGH CHILLED FOOD SECTION)						
YEAR	Total Capital Investment (MOB)	Net Revenue From Operations After Depreciation (MOB)	Discount Rate at 9%	Total Investment (Discounted)	Total Revenues (Discounted)	Cumulative Total Revenues
1996	323,943	(\$331,531)	1.00	323,943	(331,531)	(331,531)
1997	212,153	(\$168,721)	1.09	194,636	(154,790)	(486,321)
1998	96,000	\$377	1.19	80,801	317	(486,004)
1999	112,000	\$182,356	1.30	86,485	140,813	(345,191)
2000	120,000	\$374,568	1.41	85,011	265,353	(79,838)
2001	128,000	\$413,103	1.54	83,191	268,489	188,650
2002	136,000	\$458,463	1.68	81,092	273,366	462,017
2003	144,000	\$525,626	1.83	78,773	287,535	749,552
2004	152,000	\$597,562	1.99	76,284	299,896	1,049,448
2005	160,000	\$674,606	2.17	73,668	310,607	1,360,055
2006	168,000	\$471,115	2.37	70,965	199,004	1,559,059
2007	176,000	\$597,780	2.58	68,206	231,660	1,790,719
2008	192,000	\$736,185	2.81	68,263	261,740	2,052,459
2009	208,000	\$888,637	3.07	67,845	289,854	2,342,313
2010	224,000	\$1,056,540	3.34	67,031	316,166	2,658,479
Total	2,562,096	6,476,666		1,606,194	2,668,479	3.86

5. Summary, Conclusions, Recommendations

Perceived Opportunity

This paper sought to analyse whether there is a large enough consumer base in Australia for chilled samosas and whether their manufacture and subsequent retailing would be able to provide a return on investment of at least 10% pa real and a profit after all costs and overheads from year 5 onwards of at least A\$ 100, 000 pa real. It also sought to address how to best market the product in the event of financial soundness.

Background

Chilled Indian-style foods were introduced in England in 1980 by Marks and Spencer, as a result of the English consumer's increased desire for fresh, healthy foods, greater cuisine variety and convenience (resulting from lifestyle changes in households) .

By reason of English supermarkets close proximity to households, and their considerable marketing efforts (since they manufacture between 40-50% of all chilled foods themselves or under their own brands), growth in the consumption of chilled foods (particularly of exotic origins) has grown substantially over the past fifteen years.

Similar changing demographics in Australia such as increased participation in the labor force (particularly by women), a trend towards two income households and smaller households, and a growing ethnic population has also driven Australian consumers to favour products offering greater convenience (Retail World, Dec 13-17, 1993). This

increased need for greater convenience has been displayed in the significant growth in the amount of food purchased from take-away outlets in Australia.

Furthermore, the trend toward greater health-consciousness in Australia has increased the number of consumers seeking fresh, healthy, high quality and conveniently available foods requiring minimal preparation.

These trends have also been replicated in the United States of America where a large percentage of disposable income is being spent on take-away foods, home delivered foods and prepared dinners (particularly chilled ethnic foods).

Preliminary research of the Australian marketplace showed an absence of such foods in supermarkets and thus it was perceived by the researcher that a possible opportunity existed to manufacture and mass merchandise Indian-style chilled foods, in particular chilled samosas, through supermarkets.

The Australian Marketplace

The food industry in Australia is highly competitive, with manufacturers operating in specific market niches. The chilled food category generally is in an embryonic stage and is highly fragmented, with Indian chilled foods being a market niche that has yet to be satisfied successfully.

However, with the growing number of Indian restaurants and the subtle but effective public relations/education by the marketers of major Indian cuisine brands, the average Australian is now being familiarised with the food style. Indeed, growth of the limited

Indian foods category (predominantly chutneys, spices and sauces) in Australian supermarkets over the last two years has mirrored growth for the food category in the United Kingdom.

Manufacturers of chilled foods through the chilled section are typically large companies with considerable market power. Notwithstanding, there are a small number of Australian-based Indian food manufacturers in Australia supplying frozen samosas and other Indian products to restaurants, Indian/Asian grocers, gourmet delicatessens, catering companies, company and school canteens, and take-aways. However they tend to operate on a very small scale and are mostly family run labour intensive operations.

The large national manufacturers such as Petersville, McCain and Findus have recently introduced 'curry and rice' into either their chilled food or frozen food range and no Australian manufacturers other than Korma Foods (selling chilled curries in Sydney) are distributing samosas or indeed any chilled Indian products through supermarkets.

Currently, the majority of convenience food products sold through supermarkets are frozen, but the growing number of consumers purchasing take-away meals or ordering home delivered meals would suggest that consumers are seeking the convenience and freshness that take-aways chains are offering - a want which supermarkets are currently not satisfying.

Although large frozen food manufacturers are potential new entrants to the chilled food market, they are unlikely to enter in the short to medium term with any force and are likely to spend considerable sums advertising their frozen food products over the coming years to maintain sales revenue.

Supermarkets are conveniently placed to service the consumer's needs for convenience since they appear with relatively high frequency throughout most suburbs. Also most supermarkets now offer extended opening hours from 9am-10pm Monday through to Friday and 9am - 5:30pm Saturdays, including some Sundays. Infact Supermarket Business (July 1993) revealed that 'despite belt-tightening', convenience was highly sought by consumers who continued to 'turn to supermarkets for reasonably priced foods'.

To date the products in the convenience chilled food product range include pasta and sauces, complete convenience meals (Chef to You) and pies. Pacific Brands manufacture the Latina and Leggo pasta and sauce range as well as the Chef to You range. Four and Twenty (a subsidiary of Pacific Brands) and Ma's Pies produce a range of chilled pies.

Kamal Foods manufacture an Indian range of chilled foods such as curries but the quality and authenticity of the products are still inferior. Most small niche operators in this market are generally struggling with their distribution capabilities and have been unable to scale up operations to the extent necessary for the mass food market and thus do not pose a threat to potential manufacturers of chilled samosas.

The significant number of chilled curried pies being sold suggest that Australian consumers are receptive to ethnic chilled products. Consequently, the potential consumers are identifiable, reachable and receptive, with many potential consumers currently purchasing Indian food products at take-away outlets.

Analysis of the Research

The analysis showed that the overall potential demand for chilled samosas nationally is:

High:	Units (samosa)	19.5	million
	Sales Turnover (\$A)	11.7	million
Medium:	Units (samosa)	3.5	million
	Sales Turnover (\$A)	2.1	million
Low:	Units (samosa)	0.06	million
	Sales Turnover (\$A)	0.036	million

Based on initial sales turnover in year one of 450, 514 samosas, with further growth over a fifteen year period through increased store penetration and with minimal demand growth, the analysis (see section 4.0) indicates that the sale of chilled samosas through the *delicatessen* section of supermarkets will yield a rate of return of 11.55%’ pa. based on a total capital investment of \$1.3 million (discounted).

The investment will yield a profit (before tax) in excess \$100,000 pa from year four onwards, with the pay back on investment being achieved in year four. Thus the manufacture and subsequent sale of chilled samosas presents itself as an ‘opportunity’ (as stipulated in section 1.1) to be exploited.

A SWOT analysis (see section 3.3) indicates that the window of opportunity exists and would be open for approximately two years.

The information gained from the Customer Profile Questionnaire (see **Appendix 4**) and other research indicates that the consumers of chilled samosas will come from a diverse range of ethnic backgrounds, however they are more likely to be second generation Australians rather than first.

The research shows that generally first generation Indians (South and South East Asians) despite being heavy consumers of Indian foods and indeed samosas, are unlikely to be consumers of chilled samosas because they have preconceptions that chilled samosas cannot be authentic Indian products and are unlikely to taste like the fresh samosas with which they are familiar.

It is clear that first generation Indians have well established eating rituals associated with the purchase and consumption of samosas. They generally buy samosas fresh and hot from take-aways to consume as snacks or from restaurants as part of a meal. Otherwise they tend to make samosas fresh in their own homes. Chilled samosas purchased from a supermarket would not fit with their preconceived psychological attitude towards samosa consumption. Furthermore, the Indian community in Australia has well developed networks from which they already conveniently purchase Indian products such as samosas. These networks enable Indians to purchase authentic products offering textures and flavours with which they are familiar and at a freshness level (eg. uncooked, par cooked or fully cooked) to suit their individual needs.

Purchasing from these networks enables Indians to assist their community financially. Many of the product suppliers are those in the community who are unable to work or who are elderly. Consequently, first generation Indians are unlikely to purchase chilled samosas from supermarkets.

First generation Asians (all Asians other than those from South and South East Asia) have also responded negatively to purchasing chilled samosas from their supermarkets. The major reason is that samosas are an unfamiliar product in their diets and the strong smell and spiciness of samosas is often off putting. Asians also have established eating patterns that have been developed in their country of origin, where the variety of cuisines is generally limited, and their exposure to Indian food products is minimal.

First generation Europeans are also unlikely to be significant consumers of chilled samosas for the same reasons developed above for the Asian ethnic group. Infact some Europeans interviewed have gone so far as to claim that Indian style foods, with their strong spices and smell are unhealthy.

Older Australians (generally those over 54) have similar conservative and narrow attitudes towards food. They are generally unfamiliar with Indian foods and are unlikely to break considerably with their established 'meat and three vegs' ritual. Consequently, first generation Australians and elderly Australians have responded negatively towards chilled samosas. Despite this however, with heightened awareness of the food category, persons in this segment who are younger may become consumers

of chilled samosas if the products are readily available and inexpensive so that there is not a high cost associated with product trials.

The research results also reveal that young persons under the age of 20, who are unfamiliar with Indian foods, are unlikely to be significant consumers of chilled samosas. Empirical data suggests that young people are not attracted to spicy food generally and tend to prefer more subtle flavours. Notwithstanding, this can vary marginally depending on the parents eating habits. Children tend to develop a taste for richer and spicier foods only as they grow older even though their parents may be heavy consumers of spicy foods during the early years of their children's life.

The most likely consumers of chilled samosas will be found amongst the younger Australians and second generation Australians (such as the two major groups of European-Australians and Asian-Australians), because these consumers have grown up in a multi-cultural society and have been exposed to a variety of foods and cuisines.

Chilled samosa consumers are most likely to be in the 20-54 age group and already familiar with Asian foods or have experimented with Indian foods. These consumers attitudes towards eating is vastly different from their parents and is the key to their acceptance of foods from different countries. They seek convenience, variety, freshness, quality, and safe healthy food at an affordable price. 'Younger consumers look for exotic easy-serve varieties that would be relatively difficult for the inexperienced cook to prepare' (Retail World, vol. 46 no 24 Dec 13-17 1993).

This group seeks excitement and change in what they eat, and tend to be heavy consumers of restaurant and take-away meals. They are generally found in the inner suburbs.

The research suggests that since Indian food has such a strong flavour and smell, the key determinants of whether a consumer will purchase chilled samosas or not is dependent on the consumer's existing familiarity with Indian food and their basic attitude towards the taste and flavour of Indian foods.

The research indicates that the market for chilled samosas can be segmented into six distinct target markets namely variety seekers, healthy choice, lifestyle, Indian children, Authentic Indian and conservatives. However, it is clear that the positioning of chilled samosas should not be developed over too narrow a market, particularly in Australia, due to the small population.

Consequently the positioning of chilled samosas through Australian supermarkets, should initially cut across a number of the identified segments (variety seekers, healthy choice, lifestyle, Authentic Indian and conservatives) by focusing on the large consumer segment in the marketplace of people who are time poor, seeking fresh quality foods with flavour that are easy to prepare prior to consumption in their home, and who are prepared to spend their income on purchasing such conveniences (subsets of the segments listed above).

The profile of the target market:

- High consumers of take-away foods;
- Australian or second generation Australian;
- In the 20-54 age bracket;
- Have an open minded attitude towards their food;
- Seeking 'Fresh' food;
- Live in the inner suburbs.

The research undertaken as part of this thesis, suggests that by positioning the product with the following characteristics:

- Authentic Indian;
- 'Fresh';
- Conveniently available and easy to prepare prior to consumption;
- Tasty but with natural healthy ingredients of superior quality; and
- Inexpensive (compared with its substitute products),

The manufacturer of chilled samosas will be able to mass merchandise the product to at least five market segments all at once at considerably less cost compared with individual marketing programs.

Recommended Marketing Mix

Pricing

Penetration pricing should be adopted for the first three years to facilitate product trials. A price of approximately 60 cents per samosa is suggested.

Price increases in year four and onwards should be in line with the supply/demand balance.

Distribution

Chilled samosas should be sold through the delicatessen section initially. However, this should be reviewed as the potential to increase prices is improved, with a view to moving sales through the chilled food section due to improved branding positioning.

Brokers should be utilised to distribute the products nationally and manage in-store logistics.

Product

The product should be clearly defined in the marketplace through distinctive Indian themes and appealing packaging which displays a healthy, environmentally friendly theme. Product information should be detailed and should include the health department's seal of approval.

The product should also focus on prominent branding utilising a distinctive logo which can be displayed in all promotional activities as well as on the product packaging.

Promotion

Promotion should focus on taste testing in supermarkets. Key aspects of chilled samosas that should be highlighted as part of the promotion include:

- Product freshness (ie. chilled rather than frozen);
- Preparation simplicity prior to consumption;
- Pricing (inexpensive);
- Healthiness;
- Authenticity of taste and flavour.

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APPENDICES

APPENDIX 1

APPENDIX 1

The Major Food Suppliers in Australia: Ranked According to Sales Revenue

Ranking	Company	1993 Sales Revenue (SA million)
1	Goodman Fielder	3983
2	Coca-cola Amatil	1951
3	Burns Philp	1340
4	Nestle Australia	1230
5	George Weston Foods	1016
6	Cadbury Schwepps Australia	900
7	National Foods	886
8	Pacific Brands	868
9	Effem Foods (Mars)	868
10	Bonlac Foods	779
11	Murray Goulburn	729
12	Inghams Enterprises	704
13	Arnotts	662
14	Kraft Foods	550
15	Bunge Australia	523
16	Smorgan Meats	505
17	Unifoods	500
18	Southcorp (food & beverage)	476
19	Australian Co-operative Foods	459
20	Ricegrowers Co-operative	390
21	CSR Refined Sugars	384
22	Kellogg Australia	370
23	QUF Industries	343
24	Defiance Mills	314
25	Peters W.A.	292
26	Berrivale Orchards	275
27	HJ Heinz	231
28	Golden Circle	220

Source: Craig, E., Foodweek: Australia's Own Supermarket Magazine, Mar 1 1994

Note:

- Published sales revenues are for 12 month period in 1993 which may finish anywhere between March and December that year
- Sales figures include export sales

MAJOR AUSTRALIAN FOOD AND BEVERAGE COMPANIES

APPENDIX 1

Company	Australian Turnover (a)* \$M	Product	Ownership
Allowrie Farmers Group PO Box 292 Eastwood NSW 2122 Phone: (02) 858 4444	500	Milk, cheese, butter, yogurts, desserts, ice cream, honey, jams, fruit juices	Aust
Ardmona Fruit Products Co-op Ltd Young Street Mooroopna VIC 3629 Phone: (058) 252 633	100	Canned fruit, fruit juices, vegetables	Aust
Arnott's Biscuits Ltd IBM Building 168-170 Kent Street Sydney NSW 2000 Phone: (02) 258 4333	740	Biscuits, cakes, snack foods	60% Aust 40% USA
Berrivale Orchards Ltd McKay Road Berri SA 5343 Phone: (085) 821 611	280	Juices, fruit products, soymilk, spring water	Aust
Bonlac Foods Ltd GPO Box 4313 Melbourne VIC 3001 Phone: (03) 520 0922	620	Dairy foods	Aust
Bunge (Australia) Pty Ltd 6th Floor 616 St Kilda Road Melbourne VIC 3004 Phone: (03) 520 1616	417	Bread, bakery & flour products, smallgoods & pork, glucose, starch and gluten	Dutch/UK
Burns Philp & Co Ltd 7 Bridge Street Sydney NSW 2000 Phone: (02) 259 1111	255	Yeast, vinegar, food ingredi- ents, sauces, condiments	Aust
Culmer Australia Ltd PO Private Bag 585 Campbelltown NSW 2560 Phone: (046) 258 711	25	Alcoholic cider, concentrated apple & pear juice, fruit juices	UK
Cadbury Schweppes Pty Ltd PO Box 6134 St Kilda VIC 3004 Phone: (03) 520 7444	1126	Non alcoholic beverages, confectionery, jams	UK
Carlton & United Breweries Ltd PO Box 753F Melbourne VIC 3051 Phone: (03) 342 5511	100+	Beer	80% Aust 20% Japan

Company	Australian Turnover (a)* \$M	Product	Ownership
Coca-Cola Amatil Limited 71 Macquarie Street Sydney NSW 2000 Phone: (02) 259 6666	1770	Beverages, snack foods	Aust/USA
Competitive Foods Australia Ltd 79 Hay Street Subiaco WA 6008 Phone: (09) 382 2899	175	Meat patties, Hungry Jacks chain, frozen meat products	Royal Co Ltd (Japan) 33.3%
Craig Mostyn & Co Pty Ltd GPO Box 103 Sydney NSW 2141 Phone: (02) 648 4600	50	Seafoods	Aust
Defiance Milling Co Pty Ltd PO Box 161 Lutwyche QLD 4030 Phone: (07) 357 7133	240	Flour products, pastry products, baked products	Aust
Effem Foods Pty Ltd Kelly Street Wodonga Vic 3690 Phone: (060) 55 5200	750+	Confectionery, petfood, vegetable products, spreads, sauces, spices, frozen pizzas	USA
George Weston Foods Limited PO Box 88 St Leonards NSW 2065 Phone: (02) 439 1499	910	Bread, biscuits, cakes, pastry, smallgoods, flour mill products, dairy, starches	UK
Golden Circle Cannery PO Box 150 Mundah QLD 4012 Phone: (07) 266 0000	191	Canned fruit, vegetables, jams, juices, cordials, soft drinks	Aust
Goodman Fielder Wattie Limited Level 42 Grosvenor Place 25 George Street Sydney NSW 2600 Phone: (02) 258 4000	1900	Bakery, dairy foods, flour mill products, gelatine, margarine, oils, poultry	Aust/NZ
Heinz Co Australia Ltd PO Box 57 Sandenong VIC 3175 Phone: (03) 797 3757	207	Canned meals, baked beans, baby foods, seafoods, Weight Watcher Class Meetings	USA
M Australia Pty Ltd 10 Jolimont Street East Melbourne VIC 3002 Phone: (03) 654 2300	320	Cereals, biscuits, snack foods	Aust
Pharms Enterprises Pty Ltd PO Box 4 Perpool NSW 2170 Phone: (02) 602 8744	640	Poultry	Aust

Company	Australian Turnover (a)* \$M	Product	Ownership
Joe White Maltings Limited 105 Victoria Parade Collingwood VIC 3066 Phone: (03) 419 7411	152	Malt, food products	Aust
Kellogg (Australia) Pty Ltd 41-51 Wentworth Avenue Pagewood NSW 2019 Phone: (02) 316 9541	320	Breakfast cereals	USA
Kitchens of Sara Lee (Australia) Pty Ltd PO Box 572 Gosford NSW 2250 Phone: (043) 283 333	100	Cakes, pastries, ice cream	Sara Lee (USA)
Kraft Foods Ltd GPO Box 1673N Melbourne VIC 3001 Phone: (03) 647 5656	506	Cheese, spreads	USA
Murray Goulburn Co-op Co Ltd 140 Dawson Street Trunswick VIC 3056 Phone: (03) 387 6211	516	Milk, cheese, vegetables, dairy	Aust
National Brewing Holdings Level 12 Challenge Bank House 2-36 Martin Place SYDNEY NSW 2000 Phone: (02) 234 2200	1739	Beer	Aust/NZ
Nestle Australia Limited PO Box 4320 Sydney NSW 2000 Phone: (02) 266 0622	1100	Dairy products, coffee, frozen meals, confectionery, pet foods	Swiss
Orco Co-operative Ltd PO Box 486 More NSW 2480 Phone: (066) 212 771	170	Cheese, ice cream, milk products, bacon & smallgoods	Aust
Petersville Sleigh Limited 4-294 Wellington Road Mulgrave VIC 3170 Phone: (03) 565 7666	932	Canned & frozen food, dairy, pastry & cake products	Aust
Peters (WA) PO Box Locked Bag 3 Dumbleview WA 6018 Phone: (09) 445 1000	270	Ice cream, dairy, frozen foods, meat, poultry	Aust
P.F. Industries Ltd Montague Road South Brisbane QLD 4101 Phone: (07) 840 0100	191	Milk, dairy, juices, frozen pies	Aust

Company	Australian Turnover (a)* \$M	Product	Ownership
Ricegrowers' Co-operative Ltd Yanco Avenue Leeton NSW 2705 Phone: (069) 530 411	357	Rice, rice products	Aust
Riviana (Australia) Pty Ltd Private Bag 50 Mulgrane North VIC 3170 Phone: (03) 764 3377	105	Rice, cheese, vegetables	NZ Dairy Board
S.A. Brewing Holdings Beverage and Food Group GPO Box 1472 Adelaide SA 5001 Phone: (08) 354 8888	245	Beer, wine, processed meats	Australia
Sandhurst Foods Group PO Box 452 Bendigo VIC 3550 Phone: (054) 439 866	100	Milk, cheese, fruit juices, meat products, dairy products	Aust
S.P.C. Ltd Andrew Fairley Avenue Shepparton VIC 3630 Phone: (058) 219 111	144	Canned fruit, jam, baked beans, spaghetti	Aust
Unifoods Pty Ltd 20-22 Cambridge Street Epping NSW 2121 Phone: (02) 869 6100	800	Tea, coffee, seafoods, ice cream, margarine	UK/Dutch

(a) Latest available turnover figures and includes DITAC estimates where accounts are not published.

* Does not include overseas revenue.

APPENDIX 2

Customer Profile Questionnaire

PERSONAL INFORMATION

1. Sex - Male
Female
2. Age Under 19
20 - 24
25 - 34
35 - 44
45 - 54
55 - 64
Over 64
3. Your Highest Level of Education
Elementary School
High School/TAFE
College/University Degree
Graduate Degree
Other (specify) _____
4. Occupation
Professional
Non-Professional
Trade
Self Employed
Student
Other (specify) _____
5. Ethnic Background
Specify _____
Asian Middle Eastern
European Pacific Islander
Australian
African
American
6. Marital Status
Married
Single
Widowed
Divoced or separated
Other (specify) _____

HOUSEHOLD INFORMATION

7. Number of Adult members in household
Specify _____
8. How many adult members in the household work
Full-time
Part-time/Casual
Do not work
9. Do the female(s) in the household
Work Full-time
Work Part-time/Casual
Do not work presently
Never worked
Other (specify) _____
10. Annual Household Income
Under \$20, 000
\$21,000 - \$29,000
\$30,000 - 44,000
\$45,000 - 60,000
Over \$60,000
- 11a. Number of Children in household
Specify _____
- 11b. To what extent do the children in the household influence what food purchases are made
To a large extent
To some extent
Not at all
Give details

12. In which suburb do you live
Specify _____

PURCHASING HABITS

13. In which suburb do you do the majority of grocery shopping
Specify _____
14. Where do you do the majority of your grocery shopping
Coles
Safeway
Franklins
Bi-Lo
Woolworths
SSW
Davids
Other _____
15. Who preapres the majority of meals in the household
Female
Male
Shared
Outside Help
Other (specify) _____
16. Who makes the majority of food purchases for the household
You
Other (specify sex and relationship to respondent) _____
17. How many times each month do you eat:
A Restaurant Meal
Take-Away foods
Snacks
Convenience frozen foods
Pre-prepared chilled foods
Specify from where foods are sourced (deli, Asian grocer, etc)
-
18. What are the reasons for eating meals that are not prepared in your home
Convenience
Cost
Quality
Diet
Social/Enjoyment
Other _____

19. Have you or members in your household eaten/tasted Indian food.

No (Give Reasons)

Yes

(Specify range of food eaten)

20 How often would you eat Indian food each month

Give details

21. If answer to Question 16 is YES

Have you or members of the household eaten samosas

(a) Yes

(ai) From where are the samosas usually purchased

Restaurant

Take-Away

Asian Grocer

Delicatessens

Supermarket

Other

(b) No

22. Do you currently buy chilled preserved foods

(a) Yes

(ai) Why do you buy chilled foods

Convenience

Price

Flavour

Quality

Other (specify)

(aii) Give examples of chilled preserved foods that you currently buy
and source location of those foods

(b) No

FOOD SPECIFIC QUESTIONS

23. If Indian foods such as samosas were offered in your supermarket, would you be prepared to purchase/try them

(a) Yes

(ai) How would you like to see them served

Frozen

Chilled and Preserved in the cold food section

In the Delicatessen Cold

Warm

Other

(aii) What qualities/elements would need to be present in order for you to purchase the samosas

Quality

Price

(What would you expect to pay for a pack of two samosas) _____

Taste

Nutritional Value

Ease of Preparation at home (Eg microwavable)

Other aspects (specify)

(b) No

MARKETING INFORMATION

24. When buying any new food products what attracts a product to you

Price
Perceived value for money
Smell
Taste
Perceived quality
Nutritional Aspects
Low Fat/Cholesterol
Low Salt
Approved by the Health Board
Recommendation from a friend
Tasted it somewhere else before purchase
Social acceptability of the food product
Packaging information
Packaging /Colour & General Appearance
Advertising
Other (specify)

25. Which advertising medium would most greatly influence your food purchases

Television
Radio
Health Magazines
Food Magazines
Women's Magazines (eg Womens Weekly)
Other Magazines (specify)
Billboards and Posters
Newspapers
Other (specify)

Thank-you for your assistance and time, it is greatly appreciated!!

APPENDIX 3

Appendix 3: Statistics for 3km Radius Around Barkly Street Elwood

Total Population	46,829
Males	23,640
Females	23,189

Age Group Statistics								
Age Group	0-9	10-19	20-29	30-39	40-49	50-59	60-69	70 Plus
Number	3,756	3,531	11,704	9,930	5,901	3,767	3,599	4,611
Percentage	8%	7.5%	25%	21.2%	12.6%	8%	7.7%	

Country Of Birth						
Country	Europe	India	Asia	Australia	UK&NZ	Other
Number	6,023	511	2,031	25,314	4,460	8,460
Percentage	13%	1%	4%	54%	9.5%	18%

Annual Household Income								
Income ('000s)	0-12	12-20	20-30	30-40	40-50	50-60	60-70	70 Plus
Total Households	427 1	3227	3706	2595	1854	1251	631	1690
Percentage	22%	17%	19%	14%	10%	6%	3%	9%

Education Level & Profession		
Qualifications	(Persons Aged 15+)	
Tertiary	9611	20%
Vocational	3964	7%
Professional Level	% Of Employed	
Professional	7758	34%
Non-Professional	8476	38%
Trades & Labourers	4833	21%
Other	1464	7%
Working Population	22531	100%

Household Size		
1 Person	9809	46%
2 Person	7223	34%
3 Person	2445	11%
4 Person	1870	9%
Total	21,347	100%
Average Household Size	1.97	

Household Type				
1 Parent Families	2 Parent Families	Couples	Groups	Single
1442	2789	3865	2989	9790
7%	13%	19%	14%	47%

Housing Tenure (Occupied Private Dwellings)	
Owned	4505
Purchasing	3240
Rented (Private)	9905
Rented (Government Agency)	860
Total	18510

APPENDIX 4

Financial Analysis Assumptions

Sales and Margins

- Inflation assumed to be constant over planning period;
- Prices assumed to be constant in line with constant inflation;
- Growth is based on increased awareness and acceptability of the product through wider store penetration;
- 48 samosas are sold per store per week, based on the sale of 8 units of the 2 pack and 8 units of the four pack;
- The existing number of supermarkets in Australia (currently 1510) is assumed to remain static
- There are 52.142857 weeks per annum.

Costs and Profit

- Inflation assumed to be constant over planning period;
- Staffing costs are based on 1 person being able to completely manufacture 100 samosas per hour;
- Manufacturing staff costs are based on \$13 per hour working 335 days per year;
- All staff are paid at the rate of \$13 per hour during annual leave and public holiday periods;
- One management staff is also factored into the calculations at a salary of \$40K;
- Advertising and promotions costs are assumed to be \$250K for years 1 through 5, \$300K for years 6 through 10, and \$400K onwards;
- Costs to sell through supermarkets are calculated at 30% of cost (delicatessen) and 43% of cost (chilled foods);
- Raw materials to make 24 samosas are 1.5 cups plain flour (\$0.10), 2 tablespoons oil (\$0.02), 300g potatoes (\$0.18), three quarter cups of peas (\$0.05), 1 teaspoon ground cummin and half teaspoon cinnamon (\$0.05);
- Depreciation of equipment assumed to be flat at 9% per annum.

Return On Investment

- Discount rate of 9% is based on the cost of capital;
- Inflation assumed to be constant over planning period;
- Rate of Return = $\left(\frac{\text{Discounted Revenues}}{\text{Discounted Investment}}\right)^{1/15} - 1 \times 100$;
- Economic formulae are sourced from Donnelly, G 1985, *Economic: For Management and the Professionals*, Longman, New York.

APPENDIX 5

Summary of Research Findings

Sex	Age	Education	Occupation	Ethnic Background	Marital Status	Household Adults	Household Income	Home Ownership
M	25-34	Grad	Prof	Chinese/Singapore	Single	1 M/FT	30-44K	Renting
M	<19	Prim Sch	Student	Australian	Single	2 F/FT M/FT	>60K	Doesn't Pay
M	25-34	Grad	Student	Pakistan	Single	4 M/FT	21-29K	Renting
M	25-34	Grad	Professional	West Indian	Single	1 M/FT	30-44K	Purchasing
M	25-34	Grad	Professional	Chinese	Married	2 F/FT M/NW	<20K	Renting
M	25-34	Tate	Non-Prof	Russian	Single	4 F/FT F/Pt	>60K	Doesn't Pay
F	35-44	Grad	Prof	Indian	Married	2 F/FT M/FT	>60K	Own
M	25-34	Grad	Student	Chinese	Single	3 M/FT	<20K	Renting
M	35-44	Grad	Non-Prof	Chinese	Married	3 M/FT	<20K	Renting
M	25-34	Grad	Student	Indian	Single	1 M/FT	<20K	Renting
M	20-24	Grad	Trade	Indian	Single	1 M/FT	21-29K	Renting
F	25-34	Grad	Prof	Australian	Single	1 F/FT	45-60K	Purchasing
F	25-34	High Schl	Non-Prof	Lebanese	Married	5 F/FT F/NW	30-44	Renting
M	25-34	High Schl	Non-Prof	Australian	Single	1 M/FT	30-44	Renting
M	>64	Elem Sch	Retired	Italian	Married	2 F/FT M/NW	30-44	Own
F	25-34	High Schl	Non-Prof	Yugoslav	Married	2 F/PT M/FT	>60	Purchasing
F	35-44	Grad	Prof	Indian	Married	2 F/FT M/FT	>60	Purchasing
M	25-34	Grad	Prof	Italian	Single	1 M/FT	>60	Purchasing
M	25-34	Grad	Prof	European	Single	3 F/NW M/W	>60	Own
M	25-34	Grad	Self-Empl	Turkish	Married	2 F/FT M/FT	<60	Renting
M	20-24	Undergrad	Student	India	Single	3 F/FT M/FT	<20	Renting
M	55-64	Grad	Prof	Austrian/2	Married	2 M/FT F/FT	>60	Purchasing
F	25-34	Grad	Prof	Indonesian/1	Single	3 F/FT	30-44	Renting
F	25-34	Grad	Prof	Yugoslav/2	Single	4 F/NW F/FT	>60	Own
M	25-34	High Sch	Non-Prof	Yugoslav/2	Single	M/FT F/NW	>60	Own
F	25-34	Grad	Prof	Australian	Married	2 M/FT F/FT	30-44K	Renting
F	25-34	High Sch	Prof	Australian	Single	2 M/FT F/FT	45-60K	Renting
F	35-44	Grad	Stud	Australian	Married	3 F/FT M/FT	30-44K	Own
M	45-54	Grad	Prof	Indian/2	Single	2 M F/FT	21-29K	Renting
F	45-54	High Sch	Non-Prof	German/1	Married	2 F/PT	>60	Own
M	54-	High Sch	Non-Prof	German/1	Married	2 F/PT	>60	Own
M	24-34	Grad	Prof	Australian	Married	2/FT	>60	Own
M	35-44	High Sch	Non-Prof	Lebanese/1	Married	2 F/PT M/FT	>60	Renting
M	45-54	High Sch	Non-Prof	Italian/1	Married	2 F/FT M/FT	>60	Purchasing

F	25-34	Grad	Prof	Australian	Single	3 F/FT	>60	Renting
F	25-34	Grad	Prof	Indian/1	Single	3 F/FT	>60	Renting
F	55-64	High Sch	Retired	Indian/1	Married	1 F/FT	<20	Own
M	65+	Elem Sch	Retired	Polish	Married	3 F/PT M/NW M/FT	30-44	Own
F	55-64	Elem Sch	Retired	Yugoslav/1	Married	3 F/NW M/FT F/FT	\$45-60	Own
M	25-34	Grad	Prof	Italian/2	Single	2 F/FT M/FT	>60	Own

No. of Times each month, the following foods are eaten:										
Restaurant Meal	Take-away	Snacks	Convenience Frozen Foods	Chilled Foods	Reason for eating meals not prepared in home	Familiar with Indian Food	Tasted Samosas before	Purchase signals	Price Samosas	Comments
0.5	24	20	0	0	Convenience	Y	Y	N		Prefer freshness from take-aways
										Too strong flavour
8	8	15	8	0	Taste	Y	N	N		
5	5	5	0	0	Change Social	Y	Y	Y/3X	2.00	
1	20	0	0	0	Convenience	Y	Y	Y/4+X	1.80	
0	12	12	0	0	Convenience	N	N	Y/1X	2.00	Likels to try new things
1	12	20	0	0	Convenience	Y	N	Y/1X	1.80	
10	6	20	8	1	Convenience Social	Y	Y	Y/4+X	1.50	Freshness is an issue
1	12	0	0	0	Convenience	N	N	N		Doesn't eat unfamiliar foods
0.5	16	4	0	0	Convenience	N	N	N		Unfamiliar
6	20	10	0	0	Convenience	Y	N	Y/4+	1.00	Authentic flavour
7	15	7	12	0	Convenience	Y	Y	N		Not authentic
8	3	8	1	0	Convenience Social	Y	Y	N		Too spicy
0	0	1	0	0		N	N	N		Mother cooks every meal
2	6	12	0	0	Convenience Social	Y	Y	N		Too spicy
4	2	0	0	0	Social	N	N	N		Spicy not healthy
3	10	3	10	0	Convenience Social	Y	Y	Y/2X	3.00	
1	4	5	8	0	Convenience Social	Y	Y	Y/2X	2.00	
12	16	0	0	0	Convenience	Y	Y	Y/2X	1.50	

[illegible]

Suburb	New Food Products: Attraction Factors																Advertising Influences				Medium		
	P R I C E	V A L U E	S M E L L	T A S T E	Q U A L I T Y	N U T R I T I O N	F A T C O N T E N T	S A L T C O N T E N T	H E A L T H B O A R D	F R I E N D	F A M I L I A R I T Y	S O C I A L A C C E P T	P A C K I N F O	P A C K A G I N G	A U S M A D E	A D V E R T I S I N G	T E L E V I S I O N	R A D I O	H E A L T H M A G S	F O O D M A G S	W O M E N S M A G S	B I L B O A R D S	N E W S P A P E R S
Heidelberg	4	4	4	4	4	3	4	4	4	1	2	1	5	2	1	2	2	1	4	4	4	1	4
Elsternwick	1	1	3	4	3	1	1	1	1	1	1	1	1	1	1	4	5	1	1	1	1	2	1
Brunswick	2	2	4	4	4	4	4	2	4	2	2	2	3	3	5	4	2	1	1	1	1	2	3
Malvern	3	3	5	5	3	1	1	1	1	2	1	1	1	1	1	1	1	5	1	1	3	1	5
Footscray	3	3	4	5	3	2	1	1	2	3	1	4	1	4	1	1	4	1	1	1	1	2	2
Keilor	3	2	5	5	5	2	2	2	2	4	5	2	2	2	1	2	3	3	2	1	1	1	2
Strathmore	3	3	4	5	4	4	4	3	4	3	2	1	4	3	5	4	4	1	4	1	3	1	1
Brunswick	4	4	2	5	4	3	2	1	2	5	3	2	3	3	1	3	2	1	1	1	1	4	2
Brunswick	4	4	4	4	4	4	4	4	4	3	4	3	4	2	4	3	3	3	2	3	2	2	3
Footscray	2	2	3	5	4	3	4	3	3	4	2	2	3	3	1	4	4	2	2	3	1	3	1
Footscray	2	3	2	4	4	4	5	2	2	2	1	3	3	3	2	3	3	3	1	1	1	1	1
Kew	4	4	2	1	3	3	4	2	2	4	4	1	3	3	5	1	4	1	1	1	1	2	3
Clayton	4	4	5	5	5	4	4	4	5	1	3	3	2	3	3	3	4	3	4	3	3	3	3
Richmond	4	4	4	4	4	3	4	4	3	3	3	2	3	4	4	3	4	3	4	2	1	3	2
Doncaster	4	4	1	4	4	4	2	4	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Sydenham	4	4	1	4	4	1	1	1	1	1	3	1	2	2	1	1	3	1	1	1	1	1	1
Elsternwick	4	4	1	4	4	1	1	1	1	1	3	1	3	3	1	1	2	1	1	1	1	1	1
Thornbury	3	4	5	4	3	3	3	3	1	1	1	3	4	4	1	1	2	1	1	1	1	1	1
H/Crossing	3	4	1	4	4	4	4	4	3	1	1	1	3	1	1	2	1	1	1	1	1	1	1
South Yarra	3	1	3	3	3	1	1	1	1	1	1	3	3	3	3	1	2	1	1	1	1	2	1
North Melb	4	4	5	4	4	3	4	4	3	4	4	4	4	3	1	4	4	3	1	1	3	3	4
Elwood	2	2	4	5	4	4	4	2	2	1	1	1	3	4	4	2	1	1	2	1	1	1	3
North Melb	1	1	4	4	2	2	2	2	2	3	4	2	2	3	1	3	3	2	1	1	2	3	2

1 = Low
3 = Medium
5 = High