

**Making Choices:  
Consumers and Their Impact  
on Canada's  
Agriculture and Food**

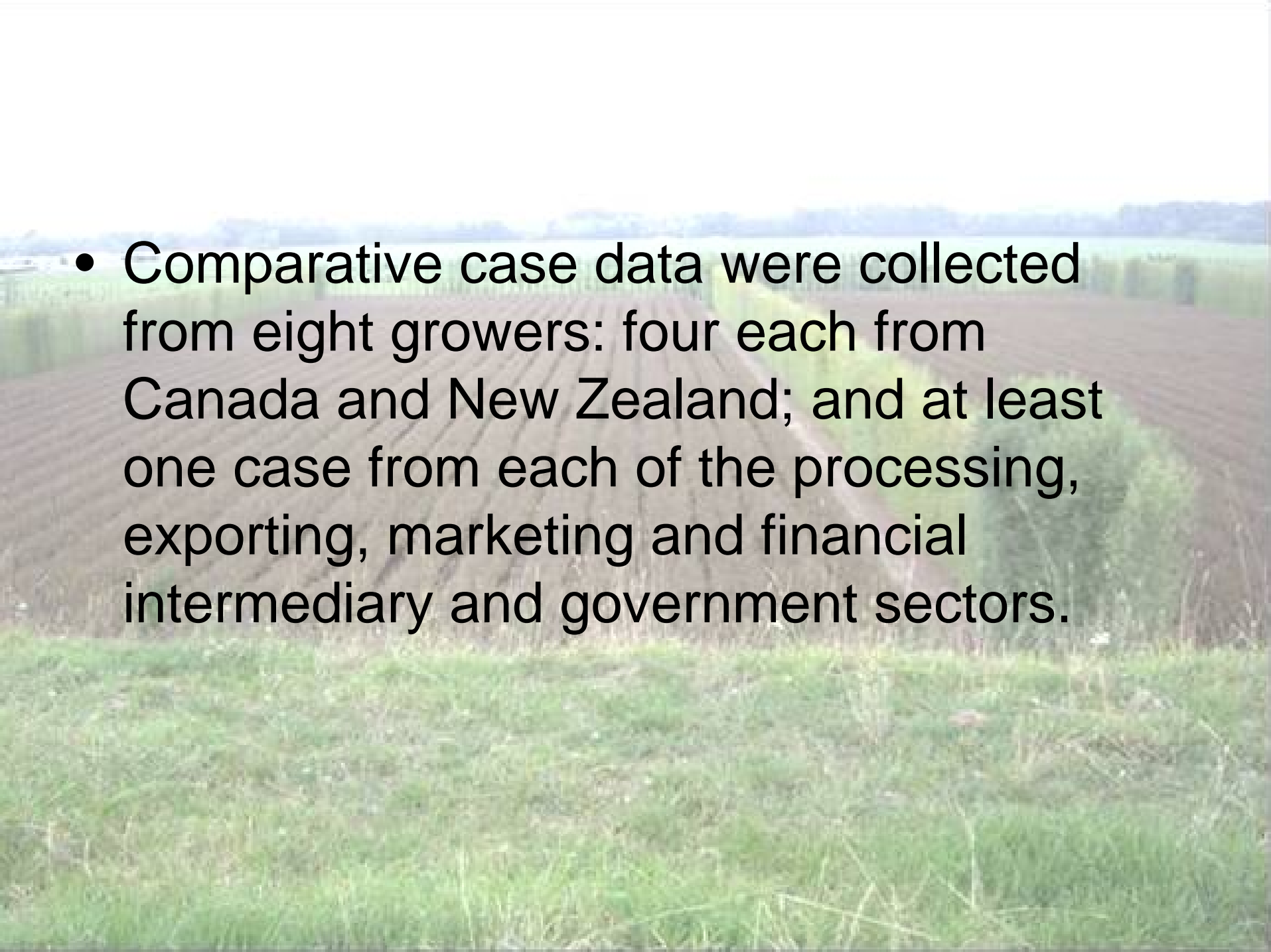
**Niche Marketing  
November 05, 2007**

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# Research Study Type: Case Study

- Key Words: niche marketing, strategic planning, flexibility, adaptation
- Objectives: Comparative analysis of niche market (blackcurrant) in Canada and New Zealand on the strategic planning process of industry participants.
- Approach: The research assessed the nature of niche marketing within the dark berry (blackcurrant) industry. Niche market defined as functional food and nutraceutical components.

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- A photograph of a rural landscape. In the foreground, there is a field of tall, green grass. In the middle ground, a large, dark brown plowed field stretches across the frame, with visible furrows. In the background, there are rolling green hills under a bright, overcast sky. The overall scene is a typical agricultural setting.
- Comparative case data were collected from eight growers: four each from Canada and New Zealand; and at least one case from each of the processing, exporting, marketing and financial intermediary and government sectors.

# Propositions:

- Firms engage in niche marketing
- Firms engage in strategic planning
- Niche marketers strategic selections were based on firms core competencies

# Niche market criteria:

- Niche is of sufficient size to be profitable
- Growth potential
- Negligible interest to competitors
- Firm has core competencies
- Entry barriers exist

Shani and Chalasani (1991)

# Findings - Niche market perspective

1. Niche markets exist widely in agriculture sector
2. Niche may expand to become mainstream
3. Niches tend to be volatile. Niche collapse may occur;
  - disintegrating,
  - become isolated,
  - be absorbed by the mainstream

# Findings - Firm perspective

1. Niche markets are not sought out by small and medium sized firm
2. Opportunity often presented to the firm by firm located higher in the value chain
3. Firms recognize a niche market and adapt to it.
4. Once involved in a niche market
  - Firms engage in strategic planning
  - Firms engage in contingency planning

# Findings – Industry perspective

- – Factors contributing to success in New Zealand
  - Cohesive industry
  - Reliable commodity market
  - Synergies in processing
  - Universal producer levy
- Critical mass
  - Level of activity exists where the market becomes self sufficient

