

MSU Product Center

For Agriculture and Natural Resources

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Soybean Based Foods – Selective opportunities

Market drivers that provide selective opportunities

- There are **selective** opportunities for soybean based food products that appeal to the demand driver of **convenience, ethnicity, indulgence** and **value**.

Specific opportunities

- In order for soy food products to become more popular, they must be just as easy to consume as traditional food items. There has been a number of energy bar and snack product introductions designed to meet this trend. There has also been an increase in soy based cereal consumption.
- Soy food products are a common part of many Asian dishes, especially Chinese and Japanese foods. An increase in the Asian population, especially the Chinese provides an opportunity.
- Marketing products to women also creates an opportunity. Women tend to eat, and are more interested in soy based food products than men.
- There appear to be opportunities by appealing to the demand driver of indulgence. However, to do so, soy foods need to taste good.
- Many soy food products are substitutes for other food items such as meat. Raw material costs are not prohibitive. Firms that can take advantage of economies of scale can develop products that appeal to the demand driver of value.

New product examples

- From 2002 there were 17,707 new product introductions. The number of new product introductions in 2004 was 23,242, an increase of 31.3 percent from the 2002 figure.
- 8th Continent, Refreshers Juice & Soy Blend drink, available in Strawberry Banana flavor.
- Good Health Natural Foods, Inc., Energy Well Soy Jerky, available in health food stores.
- Trader Joe's Spicy Soy & Flaxseed Tortilla Chips, only 9 grams of effective carbs and no hydrogenated oils.

Special issues

- Compared to many markets there is opportunity for entry, although established firms are increasingly interested in soy foods. Another opportunity may be internet or other forms of direct sales to customers.
- There also appears to be opportunities in the selling to supermarkets, health foods stores, ethnic food stores and other outlets. Selling to mass merchandisers may be more difficult.

Key to success

- Consider whether or not it would be possible to combine products attributes, especially linking product attributes to wellness. For example healthy snacks present opportunities. Consider nontraditional marketing outlets. Be sure to be the low cost producer if pursuing value based products.

Sources

Mintel. Soy-Based Food and Drink.

_____. Global New Products Database.