

MSU Product Center

For Agriculture and Natural Resources

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Dried Vegetables – Selective opportunities

Market drivers that provide selective opportunities

- Suppliers of dried vegetables can raise sales from these products based on the **wellness, convenience, ethnicity** and **demographics** market drivers.

Specific opportunities

- Dried vegetables fit the healthy food qualities that are in growing demand. But, due to a high competition from other vegetable products that are fresh and have better flavor, the product line will not open many sales opportunities for suppliers in the wellness and indulgence market segment. In addition, for dried vegetables that are used as ingredients in other foods, market opportunities will be determined by factors other than the added-in dried vegetables.
- Since most of these products in plain or added-in form are not coming as ready to eat products, they will not be considered convenient food items for the present consumer's lifestyles. They are, however, easily portable and easy to store products providing selective opportunity for suppliers to raise sales.
- Given the products' potential to create strong flavors, product innovations that are supported by appropriate market promotion activities will create increased opportunities to raise sales. The vegetable chips and snacks product line extension is one potential area that can provide increased opportunities, especially, if manufacturers focus on products that can compete with other chips and snacks and be perceived as healthier alternatives by consumers.
- Suppliers have selective opportunities to sell dried vegetables to different ethnic and demographic groups. Consumers in these market segments will primarily use these products as ingredients for cooking. Thus, dried vegetable products that come with different recipe ideas, and new food cooking and baking concepts will benefit from sales. Young adults and high income groups who want to cook food at home and are willing to pay more for dried vegetables will also be potential consumers for these products.
- Supermarkets provide better opportunities for both plain dried vegetables and dried vegetable containing foods. Suppliers can sell low-price bulk products through mass merchandise stores. Convenience stores provide opportunities for suppliers who want to focus on dried vegetable snacks for immediate consumption. Distribution of products through alternative channels such as local food stores or farmers markets can also facilitate growth in sales.
- The food service outlets can play an important role, if product innovations continue to raise the importance of dried vegetables as one of the components in restaurant food preparations or as toppings and dessert ingredients. Vending machines will be other market outlets especially suitable for dried vegetables designed for sale to children at school as snacks.

New product examples

- Giant Eagle – Different varieties of dried vegetables, 16 oz. plastic package.
- Just Tomatoes – Organic just tomato bits, 4 oz. plastic tub.

Special issues

- The market for this product is fragmented and brand products are not dominating. Individual suppliers can enter the market without facing high competition from large manufacturers. Suppliers have also many opportunities to develop private label products, specialty brands or regional brands that can help create new channels or expand existing markets. Co-branding and bundling with other products are other opportunities for manufacturers to raise sales.

Key to success

- Packaging innovations that make the product easy-to-eat or easy-to-carry for convenience-oriented consumers and use of different distribution channels are key to success in this product line.

Sources

Mintel, Global New Product Database. <http://www.gnpd.com>.