

## MSU Product Center

*For Agriculture and Natural Resources*

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### **Wheat: Cookies – Few opportunities**

#### **Market drivers that provide few opportunities**

- There are relatively **few** opportunities for cookie products that appeal to the demand drivers of **convenience**, **value** and **wellness**.

#### **Specific Opportunities**

- In one survey 79 percent of households consumed cookies. Cookies have a fairly high level of penetration in terms of consumption.
- Cookies by their very definition are extremely convenient. There may be some possibilities to enhance convenience through single serve packaging.
- The opportunities to develop products that appeal to value are extremely limited. Large firms and private label brands make entry into this market sector difficult. To appeal to value a manufacturer would have to be a firm that could take advantage of economies of scale.
- Wellness presents some limited possibilities. Cookie products that are low in calories, free of trans fatty acids and low in sugar may find a market. However, competition will be intense.
- Alternative distribution channels such as direct sales may provide opportunities.

#### **New Product Introductions and Examples**

- From 2002 through the first quarter of 2004, there were 1,371 new cookie products introduced in North America.
- Harry London Candies' Cookie Joys mint chocolate cookies come individually wrapped in a 1 pound container that sells at club stores.
- Wal-Mart Great Value Snickerdoodle Cookies.
- Hain-Celestial Group Earth's Best Organic, Organic Letter of the Day cookies, trans fat free and high in iron, zinc and 6 B vitamins.

#### **Specific Issues to Consider**

- Entry into the market may be difficult; there are several large firms in the industry. These firms are well aware of the demand drivers of convenience, value and wellness.
- Finding shelf space in supermarkets may be difficult. Supermarkets are increasingly offering their own cookie products through their own in-store bakeries. However, there may be opportunities in offering products to delis, gourmet stores etc., or through direct sales or convenience stores.

#### **Be Especially Careful to:**

- Consider whether or not it would be possible to combine products attributes, for example combining wellness and indulgence. A firm must be the low cost producer if competing on the basis of value.

#### **Sources**

Mintel. Cookies.

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