



Helado
Care for a slice?



MARKETING REPORT

The Australian Ice Cream
Market

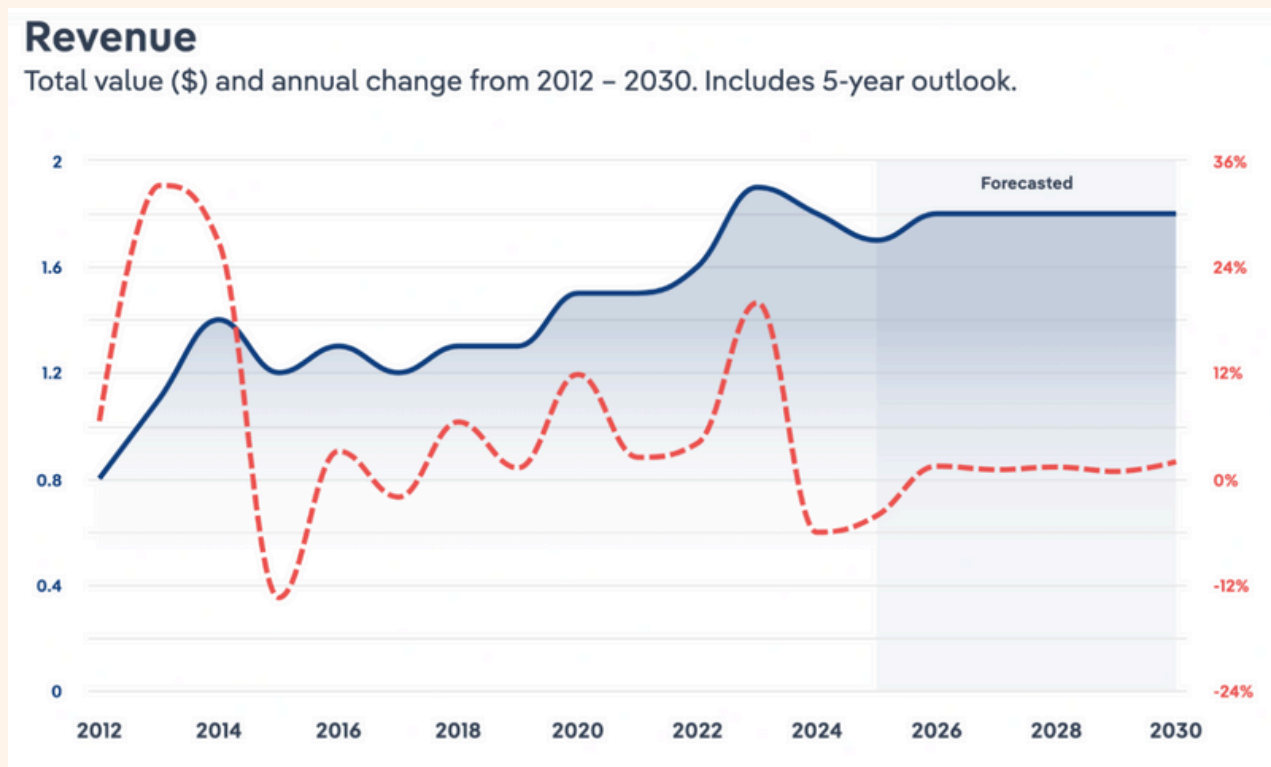


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1.1 MARKET SIZE

The Australian Ice Cream market generates \$1.7 billion in revenue annually, with approximately 159 businesses supporting the employment of 2,599 employees (Francis 2024). However, the industry experienced a sharp decline of 6.1% during 2024 and is forecasted to not increase until the 2026 financial year. This reduction results from the decline in household disposable income due to the contractionary monetary policy conducted by the Reserve Bank of Australia (Beckers et al. 2024). The increase in interest rates has reduced the income available to purchase ice cream, therefore, resulting in a decline in the total revenue of the industry. However, this reduction in year-on-year growth is expected to be temporary with the industry projected to experience marginalised growth across the next five years post 2025.



Major Players >



1.2 Market Share of Key Companies

The most prominent companies within this market include Peters Food Group, Bulla Dairy Foods, Unilever Australia and Norco Co-op. These companies hold approximately 77% of the market share within the Ice Cream industry (Francis 2024). Peters Food Group, the leading corporation, has a growing market share of 33.1% resulting from their consistent presence within the sector since 1907, and becoming known as a traditional Australian ice cream (Peters 2024). Norco Co-op holds the smallest share with 6.6%. The remaining companies Bulla and Unilever make up 22.4% and 14.9% respectively.

1.3 Market Share of Products and Markets

The market segments of the ice cream industry include premium tubs, take-home tubs, multi-packs, scoop-and-serve, and individually packaged (Francis 2024). Premium tubs are the most sold with 32.1% of the total sales. The leading three subsectors (86.8%) all share the commonality of convenience through take-home tubs that allow individuals to enjoy ice cream within the comfort of their households. The remaining products scoop-and-serve and individually packed hold 9.4% and 3.8% of the market.

Products and Services >



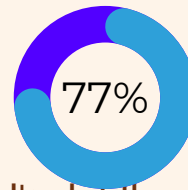
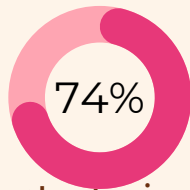


1.4 Underlying Consumer Motivations

There are many underlying motivations for consumers that purchase ice cream including areas of one's life such as emotional support and social connections (Tiret & Hebert 2024).

1.4.1 Emotional Support (Psychological/Personal)

Ice cream serves the purpose of comfort food, 'whose consumption provides consolation or a feeling of well-being' (Spence 2024). This is supported by a survey testing by Wansink and Sangerman, on whether an item can be considered as comfort food. The results highlighted ice cream as the most feel-good purchase, with 74% of females and 77% of males stating it within their top three (Wansik 2017).



Comfort foods are often staples in an individual's childhood that can be provided as a reward or have positive associations with consumption. Ice cream effectively evokes nostalgic emotions from most people's childhood, releasing both dopamine and serotonin when eaten (Vandergrindt 2020). These neurotransmitters provide psychological support and ultimately influence consumers to purchase ice cream. Furthermore, an individual's perception of flavour changes depending on the emotion felt, where sourness is tasted during challenging times (Dando & Noel 2015). The high content of sugar and fat within ice cream bypasses this limitation, ultimately serving as a beneficial decision regardless of the situation.

1.4.2 Social Connections (Sociocultural)

Ice cream promotes social connections, serving as a keystone food in any interaction. The shared experiences of going to an ice cream parlour for ice cream serve the purpose of a casual outing that encourages interaction among friends and family. This activity allows an individual to further build relationships as they can learn another person's flavour preferences and discuss memories associated with specific flavours. Additionally, items like gelato, for Italian consumers, have a strong cultural influence on purchases as traditions such as "passeggiata", an evening stroll, are often accompanied by gelato (Planet Health 2024). Furthermore, a study on undergraduates found that students ate more ice cream when in groups of three or four (Berry et al. 2011). This highlights the influence of sociocultural factors on purchasing ice cream and the extent of influence they have upon demographics throughout society.



1.5 Key Industry trends

The predominant industry trends within the Australian ice cream industry have severely highlighted areas of potential growth and also increased the difficulty of operating within this market. These include the adoption of health consciousness consumption and the shrinking milk supply (Francis 2024).

1.5.1 Health Consciousness

Health consciousness is a major catalyst for growth within the industry and is expected to continue with 79% of people believing it is important, and 42% of people considering it as a top priority (Callaghan et al. 2021). This trend's importance has developed over the past two decades representing a key capitalisation opportunity that can develop a competitive advantage through product differentiation. Through the creation of healthier alternatives that include low-fat, dairy-free and plant-based ice creams the consumption can become guilt-free (Markets & Data n.d.). This emerging trend is crucial in remaining profitable in this competitive market.



1.5.2 Declining Milk Supply

The supply of milk within the Australian market has drastically fallen resulting from the higher prices that have reduced demand (Francis 2024). Unpredictable weather patterns have increased the prices of feed and water, key inputs in the production process of milk, that has ultimately removed the competitive advantage for farmers (Gray & Clun 2019). In response there has been a '15% increase of Australian dairy farmers sending their herd off to meat markets, causing a 12% reduction in the Australian milk pool in the last 12 months'(Tibballs n.d.). Resolving this issue is critical in minimising production costs and ensuring dairy products remain purchasable products for everyday consumers.

1.6 Macro environmental forces (Opportunities & Threats)

The main threats to this industry are the high raw material costs resulting from the shortage in milk supply (Tibballs n.d.). This increase in the price of inputs is passed to the consumer which already has lower levels of disposable income leading to a decline in revenue for the ice cream industry (Beckers et al. 2024). Furthermore, since local production has become more expensive, the level of international competition has risen intensifying the price competition and potentially eroding profits (Francis 2024).

With the rising level of health-conscious consumers occurring, a key opportunity within this market is maximising on these health and wellness trends. This can be achieved by reducing sugar and fat content within ice cream, in addition to adding ingredients with nutritional benefits. This encourages the adoption of ice cream to a wider demographic that includes individuals who have dietary requirements or are trying to lose weight. Capitalising on this trend is pivotal in remaining competitive within the industry.

2.1 MARKET SEGMENTATION

Segment Name	Sweet Seekers	Guilt-Free Gourmets	Luxury Lickers	Fun Families
Benefits	Trendy flavours, often colourful and instagram worthy	Healthy alternatives, low sugar and fat, taste whilst keeping flavour	Premium indulgers, high quality ingredients, lavish experience	Large quantities, affordable, simple tastes that accomodate for everyone
Geographic	Urban, within city centres, areas with nightlife	Urban and suburban areas	High Income Neighbourhoods	Suburban and rural areas
Behavioural	Experimental and enjoy trying new flavours, Drawn to limited time offers. Often buy single-serve. Will share on social media	Purchases low calorie options, open to healthy flavour experimentation, tend to manage portion sizes, appreciate business transparency	Selective buyers for special occasions, likely to purchase exotic flavours, willing to pay premium for exceptional quality	Routine buyers, multi-pack options, classic Neapolitan flavours, value discounts
Psychographic	Young, social, often adventurous eaters	Prioritise wellness, mindful eaters	Focus on status, experience received, recognition received	Practical family, budget focused
Approx Size				

2.2 JUSTIFICATION OF SELECTION

Helados' new product, Picea, will be directed towards premium indulgers with available disposable income. This product is a selective purchase for when individuals expect a high-quality dessert after any special event or occasion. As the price of inputs is substantially higher than other competitors within the industry, this decision will allow for the premium pricing to signify the quality of the product and allow for profitability. Since ice cream connoisseurs purchase it on an occasional basis they are least worried about the sugar and fat content within. Therefore, allowing for the maximisation of growth without large levels of disruption by health-conscious consumerism. Instead, they are drawn by the flavour and experience connected with the product. Creating a niche for high-quality take-home ice creams will elevate sales and effectively foster market share within the industry (Nielsen 2024).

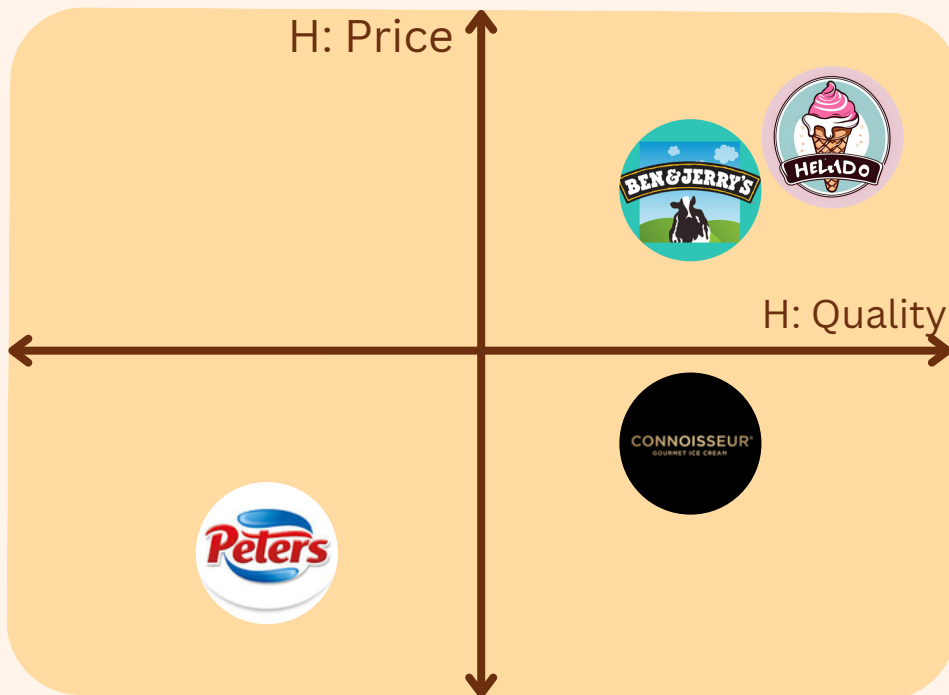
Furthermore, a consumer is more likely to repeatedly purchase premium-priced products since the restrictive barrier to purchase continues to solidify their perception of quality and exclusivity. Additionally, alternative options will become less appealing and eventually build habits integrating Picea into their regular purchasing patterns. The superb flavour and premium packaging also provide the social validation these consumers seek, and through this approval, brand loyalty will begin to grow.



2.3 POSITIONING STATEMENT

For premium indulgers, Picea is the perfect combination of ice cream and cookie that not only tastes exceptional but also leaves any guests in awe. Picea's focus on locally sourced premium ingredients ensures the quality of products whilst cutting down on transportation emissions, and promotes the local agriculture industry. That's because Picea cares about achieving more than what's depicted as necessary, and so do you.

2.4 POSITIONING MAPS

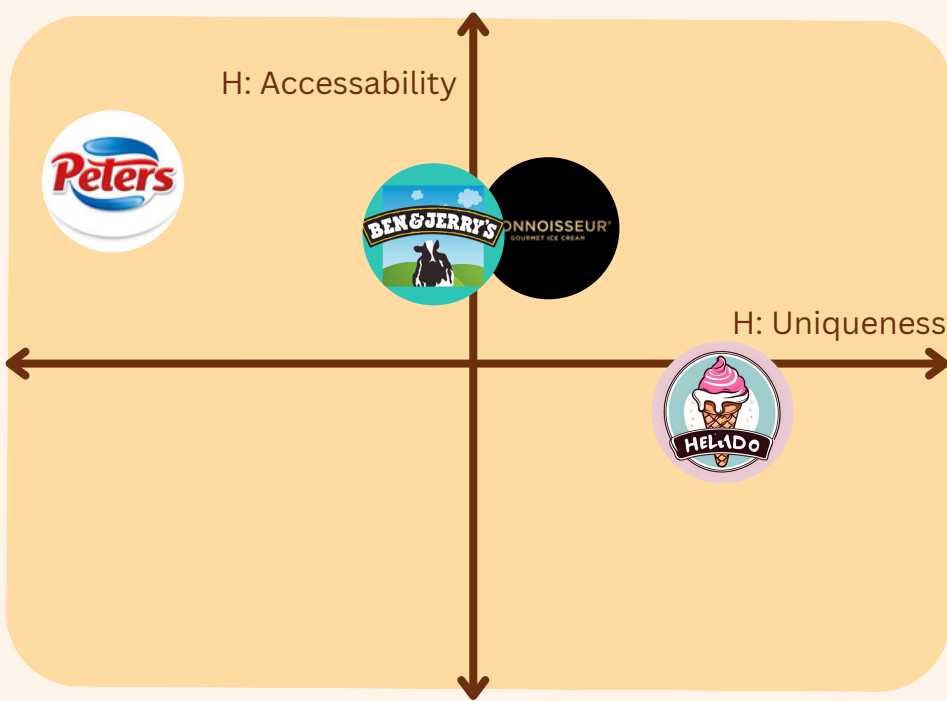
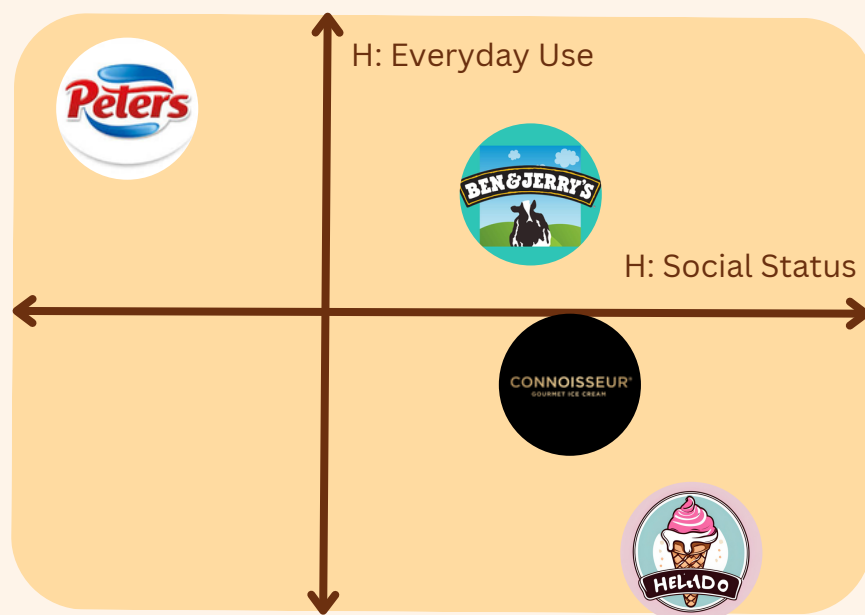


2.4.1 Price vs Quality

By using the most high-quality ingredients Helado aims to effectively position itself in the market as the best option available. This should increase the acceptability of circumstances when it can be served. Since inputs are expensive this higher price allows for profitability to occur whilst maintaining a prestige product

2.4.2 Everyday Use vs Social Status

Picea serves as an occasional dessert, served complimentary to special events and fine dining at home. Therefore everyday use is lower than competitors. However, due to the exclusivity and selective purpose of the purchase, it elevates the consumers' social status to a point higher than competitors.



2.4.3 Accessibility vs Uniqueness

Since the process of producing a Picea is more delicate than competitors, due to the utilisation of local produce and sustainable packaging, the accessibility of it will also be less available. However, this positively represents the product as unique and not available to everyone which supports the exclusivity and prestige associated with a purchase.

3.1 THE PRODUCT & PACKAGING

3.1.1 The Product

Introducing my new product, the ice cream sandwich, named "Picea". Picea originated from pizza and ice, manipulating the structure to combine both into a singular word. This effectively demonstrates the key characteristics of the product, which is that it is an ice cream sandwich that can be consumed in slices similar to that of pizza. Furthermore, the slogan "Care for a slice?" motivates consumers to make a purchase. This implies that acquiring a Picea can demonstrate care for themselves and others. Utilising the double meaning of the word "care", subtly motivates a positive feeling to be associated with a purchase.



3.1.1 The Packaging

Through using recyclable paperboard cartons the focus on sustainability is highlighted by reducing the wastage and increasing the recyclability of products, supporting a greener future (GoforGreen 2023). This decision will reduce environmental impact whilst increasing both brand image and sales. The simplistic design with light brown symbolises a cookie with warmth and richness suggesting a high-quality product.



3.1.1 The Logo & Brand Name

The brand name is "Helado", which is the translation of ice cream into Spanish. This develops a sense of exclusivity and unfamiliarity that can create a sense of prestige that accommodates the premium indulgers of this market. Furthermore, the dark colours provide a sense of formality, prestige and sophistication suitable for this brand (Cherry 2022).

3.2 PROMOTION

3.2.1 Prototype #1

Postal Advertisement

As the target market of premium indulgers is dominated by wealthy minded individuals, the promotion strategies will aim to appeal to their moral entitlement serving as a means to appear special between peers. The simplicity of messaging aligns with a sense of sophistication and elegance that create a sense of luxury. This advertisement is very memorable and eye-catching to potential consumers. The contrasting colours of black and gold further enhance the premium targeting. The black gives a sense of elegance and the gold symbolises wealth, luxury and success (Cherry 2022). These pamphlets will initially be placed in mailboxes of individuals living in areas of higher socioeconomic status this creating a sense of importance by exclusivity.



Picea Coming soon..
Care for a Slice?

3.2.2 Prototype #2

Social Media Advertisement

Once the positioning of the company is positioned as a luxurious brand that effectively captures one's desire for social status, Helago will implement social media advertising through Instagram to increase adoption. In particular, the utilisation of key wealthy individuals can promote brands, since the target market of the product is the same as the audience of the content (Matthew 2018). This will increase the resource efficiency of advertisements as it is effectively targeted to the correct audience and also increase the social proof of the product adoption due to the response by consumers. Additionally, since this content will appear seamlessly within a potential customer's feed it will avoid any natural bias against the traditional form of advertisements.



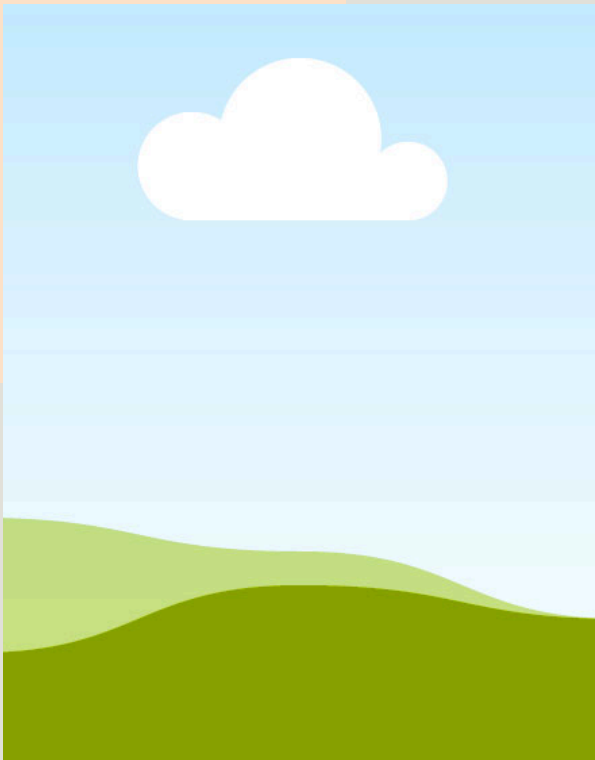
3.3 Place Strategy

For our target market, we would delegate our product to local gourmet shops to cater for premium customers who appreciate high-quality products. This selective distribution strategy allows for a minimisation of costs, resulting from the more directed targeting, rather than the expensive cost of holding stock everywhere (Masterclass 2023). This decision works in line with the positioning statement of exclusivity, it cannot be purchased everywhere, only where company purposes align. Therefore, this product cannot be sold in stores such as Woolworths and Coles, but instead in smaller companies such as St Louis House of Finace Ice Cream & Dessert, Gelatissimo and Cow and the Moon.



This partnership with local gourmet shops will reinforce the products' positioning by accurately representing the quality and exclusivity. Offering Picea will improve the shopping experience for customers, increasing the potential products available, leading to greater satisfaction that builds brand loyalty while increasing the volume of sales. Additionally, any marketing campaign by us will likely generate recognition for any participating locations, growing the level of consumer awareness and brand recognition. Furthermore, since we place focus on sustainability and the local sourcing of ingredients this amplifies positive characteristics of any partnering company, effectively meeting key areas of corporate social responsibility and pleasing consumers.

3.2 PROTOTYPE ADVERTISEMENTS

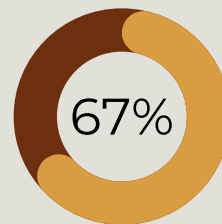


Our progress is to build people's minds about the importance of greening the environment.

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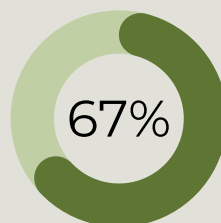


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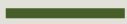


ABOUT US

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We are the pioneers in reforestation.



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Picture 1.1 Plant

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Picture1.2 Botanical Plant

ABOUT OUR PROJECT

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Care for a Slice?



Picea

Warrent Buffet: 'There is no better dessert'
Ealon Musktick: 'This is something special'

