

Marketing Scenario

Food Science Career Development Event – 2022

Memorandum

TO: Research and Development Group
FROM: Market Research & Opportunity Group
SUBJECT: Meeting Market Needs for an Adult Gourmet Noodle Product

TASK: Using the materials, ingredients, pricing, and nutritional information provided, create a gourmet vegan noodle product for adults

According to Vantage Market Research’s recent analysis of the global noodles market, the increasing demand for convenient food and ready-to-eat products is expanding market growth. Primarily driven by the rising popularity of Asian cuisine, the global instant noodles market is forecasted to grow at a healthy rate until at least 2025 with the total global noodles market estimated to reach \$20.2 billion by 2028. The market is supported by additional growth drivers such as an increasing working population, rise in disposable income, ascending middle-class population, high demand for convenient food, and use of instant noodles in the case of emergency situations like natural disasters. The market is also confronted by some challenges, such as food safety concerns and vulnerability to supply chain disruption which is taking a toll on consumer acceptance and confidence.

An increasing demand for convenient food and ready-to-eat products is expected to fuel the growth of the noodle market during the coming years. According to Vantage Market research, “as the number of individuals working rises, more people are leading stressful lives. As a result, there was a significant surge in demand for ready-to-eat items.” According to data published by Unione Italiana Food and the Italian Trade Agency (ICE), consumption of these products increased during the lockdown in Italy, Germany, France, and the United States. The largest exporting countries of these products showed a 31% growth in demand due to rising customer demand for ready-to-eat food. These foods are also less expensive and simpler to prepare, making them a popular choice among working people. Furthermore, a major expansion in the number of large retail formats worldwide, such as convenience stores, specialty stores, and hypermarkets & supermarkets, is also driving demand for such convenient products.

The fortification of instant noodles, spike in demand for clean label products, proliferation of social media platforms, launch of variants as per taste of different regions, and prospects for instant noodle companies to strengthen distribution channels are some of the current market opportunities. The growing popularity of Asian cuisine is anticipated to augment the growth of the noodle market within the estimated period. Both large and small restaurants have begun to provide Asian cuisine, including noodle meals on their menus. Asian cuisine, which was once thought of as tasty but inexpensive fast food, has transformed its image, and today's diners perceive it as a highly valuable meal due to its complex taste, flavors, and health advantages.

Noodles, specifically rice noodles, have become extremely popular in most parts of the world. Fresh, frozen, and dried rice noodles in a variety of forms and textures are available, making them appealing for individuals of all ages and ethnicities. The adaptability of the item allows it to

be used with a wide range of ingredients, spices, and sauces, further enhancing its renown. The fact that rice noodles do not include wheat flour and so are naturally gluten-free is a crucial element boosting market growth and makes it ideal for people with gluten intolerance and celiac disease. Rice noodles are also a healthier option as compared to yellow egg noodles, making them more attractive to health-conscious consumers

Udon and soba noodles are similar in that they both appear in soups and cold dishes, but can provide a slightly different eating experience. Udon noodles are thick, strand noodles typically made from wheat that can be round, square, or flat and ribbon-like and are white in color. They are slippery and chewy. Soba noodles are made from buckwheat giving the noodles a slightly darker color. Soba noodles are also thinner and have a nuttier, earthier flavor.

Another factor contributing to the popularity of the global noodle market is the new wave of innovative Asian chefs who use Ramen as a platform to showcase their specific culinary voices. Ramen is a traditional style of wheat noodles in a savory broth served with different inclusions and meats. The broth is the real centerpiece of the soup and is often flavored with miso, soy sauce, and hot chili paste. An obvious reason for the popularity of ramen lies in ramen's "umami" element. It is considered a familiar terminology for the fifth taste perceived by the tongue after sweet, sour, salty, and bitter. Truthfully, it is a sensation that is difficult to describe in English, however, one notion that is agreed on is that umami plays a vital role in the way we determine food to be delicious. Ramen is the perfect dish to experience umami as the broth is a great example of this taste. Higher-end ramen packages often contain multiple pouches including premium noodles, a liquid sauce pouch, a dried vegetable pouch and a flavored oil pouch. The typical components of ramen are noodles, broth, garnishes/toppings and a concentrated flavor sauce which differentiates the different styles of ramen. Ramen is typically classified by broth flavor, with common categories being: shoyu (soy sauce), shio (salt), miso (fermented soybean paste), and tonkotsu (pork bone broth).

The newest offering brings a welcome change in the segment in the country as instant noodles will now be available to consumers in a bowl format. The noodle market is being driven by younger people (millennials and gen Z 'ers) who are living in cities and are still in more entry level careers. This group will have a little more money than they did in college but are still looking to purchase the maximum amount of food for their money. They end up eating more upscale versions of the foods they ate in college like pizza and ramen.

Your challenge is to create a product targeting adults with a single serving size package. Your desired package weight should be 60-100 grams per serving (dry weight) with no more than 2-4 inclusions plus a seasoning. You are to assume that you will add 1 cup of water. You are responsible for providing reconstitution options. Your choice of packaging should allow each individual product to be placed in the package for the consumer to mix them during preparation. You must provide directions to the consumer so that they can properly prepare the product. Your product launch will be on April 1, 2023. For the purpose of this exercise, vegan will mean contains no animal products or byproducts.

In addition to calculating accurate ingredients and packaging costs, research and development teams must include \$1.00 per package to account for manufacturing, marketing and distribution

costs (fixed costs) and profit margin. As a product development team, you have access to multiple pre-portioned, pre-packaged ingredient options. You may put these as individual packages in your product so the families preparing them can mix them together. You may not portion the products into smaller components and you are required to keep them in the portioned bags provided. Your target price for the product is \$2.09-\$4.09 total cost. Your team should be preparing a noodle product.

Your team should be prepared to clearly identify key processes for production, packaging and quality control within your production plan. Your team should use the nutrition information, ingredients and packaging options included and determine a brand name, design marketing display panels for your product, develop an accurate nutrition panel and an appropriate ingredient statement. You need to include a preparation statement on the package.

Your principal display panel should be affixed to whatever package option your team chooses. We recognize that, depending on your package choice, the Marketing and Communications department may need to reformat your nutrition facts panel based on federal standards. Therefore, you may prepare and present your nutrition facts panel on the blue colored paper provided, but you must still indicate where on the package the nutrition facts panel should go. Nutrition facts will be based upon the dry ingredients only.

You are required to provide your formulation, nutrition, and pricing calculations when you present your product. Pink colored paper has been provided as scratch paper to show your work for the formulation, nutrition and pricing calculations.

We are eager to see the product you develop and look forward to hearing your full report.
GOOD LUCK!!