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## CASE STUDY -FRUIT FIRST LTD

Fruit First Ltd produces a range of 'smoothies', a fruit drink made from crushed fruit. Mary Ryan, a food scientist in the food industry, identified a gap in the market for an Irish supplier of natural fruit drinks. In her spare time she produced a batch of smoothies, supplying samples to local shops. Encouraged by the favourable responses, she left her job and set up Fruit First Ltd in 2001.

The business, based in the midlands, sources fresh fruit locally and from abroad. Bringing new investors on board in 2006 enabled Fruit First to invest in larger premises, doubling its production capacity. Profits are approaching €1million and the business now employs thirty full-time workers.

The chilled drink products come in attractively designed cartons of different sizes, supplied by a local firm. Fruit First vans deliver the products to retail outlets, nutrition shops and fitness centres nationwide. Mary's focus on producing a quality product has allowed her command a higher price than her competitors. Annual investment in research and development has led to a widening of the product range and development of a green image for the business. Initially Mary used local supermarkets to encourage consumers to taste the products. Over time Fruit First's marketing strategies expanded and the brand has now become associated with 'National Healthy Heart Day'.



As the leading Irish supplier of smoothies, further expansion in the small Irish market is unlikely. Mary sees the potential to grow the business and she is considering entering the UK market initially and subsequently the wider EU market. While recognising the high cost base in Ireland and the perishable nature of the product, Mary has begun developing an export strategy.

Fruit First is in discussion with a leading food retailing chain in relation to supplying shops throughout the UK. Mary views this as an opportunity and a necessary step before entering the wider EU marketplace.



## Questions

- A. Evaluate the elements of the marketing mix for Fruit First Ltd. (8 marks)
- B. Discuss how Fruit First Ltd benefits the local **and** national economy. Refer to the above text in your answer. (12 marks)
- C. You have been appointed to advise Fruit First Ltd on entering international markets. Outline your analysis of the opportunities **and** challenges facing Fruit First Ltd and make an appropriate recommendation. (20 marks)

**Total: 40 marks**