



Market Evaluation

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For: MKT-340-201

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Executive Summary

FoodCloud is a non-profit social enterprise founded by Iseult Ward and Aoibheann O'Brien. Ward and O'Brien's goal was to create a system that reduced food waste as well as food shortages. FoodCloud takes a unique approach to solving these social issues by taking surplus food from retailers and rehoming the food to charities in need. Their successful business model includes both retailers and charities paying a fee for their services; these fees help Foodcloud continue run their online app while continuing to expand as a company. FoodCloud currently has no direct competition; they are the only company in Ireland and the UK with this business model.

Introduction

Founded in Ireland by two young social entrepreneurs, Iseult Ward and Aoibheann O'Brien, FoodCloud is a social enterprise that connects businesses with surplus food to charities. Grocery stores have excess of food perfectly fit for human consumption for a variety of reasons, many of them including laws and regulations that do not allow the sale of food past a specific date. Other reasons may include something as simple as eggs being too small to qualify for the shelves of retail. In the past, excess food in Ireland would be thrown away even though there were thousands in need of it. "There's a lot wasted at retail level, but there are huge volumes that go to waste before they even get to a supermarket and they're in big bulk," O'Brien explains (Cleary, 2018).

FoodClouds innovative business model helps dramatically reduce food waste while aiding those who can not afford food themselves. FoodCloud created a network of charities that are in need of food. Such charities include those who are assisting children at risk of food

poverty, single parents, the elderly, and those who are homeless, those who are going through drug rehabilitation, unemployed, women escaping domestic violence, and families who overall need an extra boost to get by. Founder O'Brian states "We spotted a gap in the market for this supermarket-level surplus. That's where we thought it was really interesting because in the same communities there was surplus and scarcity. We thought, wouldn't it be amazing if you could bring it all together" (Cleary, 2018). The two young entrepreneurs also note that food businesses have been donating surplus food from manufacturing levels for decades, but there was never a solution at the retail level.

FoodClouds user-friendly system has aided their success. A store with perfectly good food that they are unable to sell uploads a description of the food using their in-store scanner to the FoodCloud app. From there, a local charity linked to the store through FoodCloud's platform received a notification meeting them know food is available for collection. Charities then collect the food and distribute it to those that specific charity is aiding. In some situations, businesses with surplus food delivery to FoodCloud hubs in Cork, Galway, and Dublin, from there is redistributed by FoodCloud. In other situations, FoodCloud collects the food from the business and deliver to charities.

FoodCloud is currently only operating in Ireland and the UK. Their goals include offering their innovative solution to food waste and food poverty around the world. Their vision includes a world where no good food is thrown away. The food industry is a very flawed system, FoodCloud has had quite the impact in the five short years they've been running. Over 12,961,216 kg (or 28,574,590 pounds) of food have been saved in Ireland and the UK since the start of operations. In July of 2014, Tesco and FoodCloud launched a partnership that ensures all

surplus food from Tesco's 149 stores to be redistributed to charities and community groups. In an interview, Iseult Ward said, "We had to scale up very fast when we won the Tesco contract". This promoted their new warehouse of 15,000 square feet.

Social Issue

_____The social issue that FoodCloud is addressing is the food shortage in Ireland while also decreasing the amount of food waste. According to FoodCloud, 1 out of every 8 Irish citizens experience poverty, and over 1 million tons of food is thrown away. On average, every household wastes about €700 of food every year. These are two big problems that no one is really focusing on. FoodCloud has found a way to connect those who need food and those who have leftover food.

Social Value Confirmation

Social value confirmation has five core areas that assess the need for the charity or organization. The five core areas are prevalence, relevance, innovation, urgency and need/accessibility.

Prevalence determines how rampant the social problem is. Food waste and food poverty is a major problem in Ireland. However, it is not commonly talked about as this is pretty much the only organization of its kind. As mentioned above, the amount of people who experience food poverty in Ireland is 1 in 8 (FoodCloud). Along with that 1,000,000 tons of food wasted annually. Some other statistics that prove this is a prevalence issue were how much FoodCloud has already done in Ireland and the UK. Since FoodCloud began, they have saved 12,961,216 kgs of food and distributed 28,514,675 meals in Ireland and the UK (FoodCloud). This shows that food waste and shortages are a prevalent problem that FoodCloud is fixing.

Relevance is why does this problem matter to us and who it's relevant to. Food shortages and hunger is a major problem across the globe. 1 in 7 people around the world experience starvation and don't have regular access to food (FoodCloud). This shows that while it's a problem in Ireland, it's also a problem everywhere. Another reason this is a relevant problem is that food waste contributes to environmental issues. Food can not properly decompose in landfills, not enough oxygen produces methane. In recent years, it has become more apparent that climate change is a huge issue, methane being one of the excess greenhouse gases causing the warming of our planet. By eliminating food waste, a cleaner environment can be attained and have a positive impact climate change.

Innovation is what is the new idea or new way of approaching this problem. FoodCloud is the first company to take this unique approach in Ireland and the UK. They've teamed up with popular grocery stores and retailers to gather wasted food and then provide it to charities in need of food (FoodCloud). Another way that FoodCloud has been innovated is their use of social media to spread their idea. To access FoodCloud's services, people must use their app (FoodCloud). This incorporates the world's growing use of technology and gives them a sustainable business model that hasn't been done before.

Urgency is whether the social problem needs an immediate response. As stated earlier, there are people suffering from food shortages world wide, affecting 1 in 7 people (FoodCloud). Along with this food waste is a contributing factor to environmental issues as mentioned previously.

Both these issues call for an immediate response as they affect us all.

Need/accessibility is why the problem hasn't been problem been solved yet. No one has addressed both issues at the same time or even one effectively. Most groups promote awareness

of the issues but don't take that extra step. FoodCloud is the first to combine both issues and use them to solve the other.

Value Proposition:

_____FoodCloud is a social enterprise which means it has a social value proposition as well as a commercial value proposition. FoodCloud's social value proposition is that they eliminates food waste and shortages by collecting leftovers from big retailers and redistributing it to those in need. Their commercial value proposition is that FoodCloud provides a cheaper yet green way of getting rid of food waste for retailers.

Model Analysis

FoodCloud is a non-profit social enterprise that funds its operations by charging retailers for their food redistribution services. The unique aspect about FoodCloud is that both parties, the retailers and those receiving the food equally benefit. Michelle Mahon, Tesco's corporate responsibility manager says it costs around €15 to dispose of 100kg of food. It doesn't sound like much, but when you have a chain as big as Tesco, thousands of Euros will be spent disposing of or perfectly fine food. Charity partners do pay FoodCloud a fee that goes towards storage and transportation of the food, but this amount is nowhere near the amount they would otherwise spend on food disposal (Griffin, 2018). Stores have an opportunity to contribute to their local community in a meaningful and environmentally friendly way. For charities collecting food from their local retailer through FoodCloud, they can do so free of charge. For those collecting food from the FoodCloud hub, a small fee is paid based on the weight of food the charity is picking up. The charge covers the operational and upkeep costs of the three Hubs in Ireland. FoodCloud saves charities 90% on the retail value of items in the store (Griffin, 2018).

The money FoodCloud receives allows the company to operate while also expanding. Announced in January 2018, more of Ireland's biggest retailers agreed to participate in the movement to reduce waste with FoodCloud. Major retailers on board currently include Tesco, Lidl, Aldi, Supervalu, Centra, Spar, and Mace (Irish Examiner, 2018). This expansion was huge for FoodCloud. In addition to Ireland, the UK is home to over 1,600 Tesco stores.

Stakeholders involved include stores with surplus food, charities in need of food, individual people who benefit from charities, community members, and of the company FoodClouds and their employees. The act of donating surplus food is seen in a very positive light, so one company such as Tesco doing so may have very well had an impact on encouraging other retail chains to follow. There are countless qualitative benefits to a community by aiding those in need. FoodCloud partners with other organizations involved in the food redistribution sector. One of these partnerships includes Bia Food Initiative, a food redistribution charity in Ireland. Their partnerships are a tool for growth and help cut costs through shared resources. FareShare is FoodClouds UK partner; they work with FoodCloud to enable more charities to access surplus food to provide nutritious meals to those in need.

Market Strategy

Market Analysis

FoodClouds market presence is dominant in their industry. Although they are the only company with their retail to charity business model, other companies such as Crosscare Food Bank, Art, the Great Hunter, and Mary's Meals focus on eliminated under from Ireland. FoodCloud partners with big retail chains, while also partnering with charities such as Bia Food Initiative. As to the impact of private or public sectors, FoodCloud greatly impacts both. On the

private end, retailers and charities not owned by the government benefit from FoodClouds services in terms of both saving money and making a positive impact on their community. As for the public, FoodCloud helps those who are unable to feed themselves, meaning there is less need for the government to step in with funding to feed those who go hungry. As mentioned previously, those who benefit from this surplus food include breakfast clubs the homeless, hostels, and family support series.

SWOT Analysis

The SWOT analysis helps to determine internal and external factors that impact FoodCloud as a company.

<u>Strengths:</u> characteristics of the business or project that gives it an advantage over others • Only company doing this in Ireland and UK - hold most of the market share • Partnerships with supermarkets and charities • Strong brand • Small business	<u>Weaknesses:</u> characteristics that place the business or project at a disadvantage relative to others • Social Enterprise: harder to make money → less money for marketing • Gathering volunteers
<u>Opportunities:</u> elements that the business or project could exploit to its advantage • Lack of competitors	<u>Threats:</u> elements in the environment that could cause trouble for the business or project • Need for fast-business

● Technology/Social media ● Conscious minded buyers ● Composting	● Poverty
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Internal: The strengths and weaknesses of FoodCloud can be used to assess their company internally. FoodCloud's strengths, as listed above, are their unique business model, partnerships, strong brand, and small business. As mentioned previously, FoodCloud is the only company in Ireland and the UK who addresses the issue of food waste and shortages. This gives them the majority of the market share. Their partnerships allow them to grow and connect those with extra food to those without food. Their presence on social media and their use of technology has allowed them to create a strong brand for themselves. Also, the fact that they're the only company plays into their high brand recognition. Lastly, because they're a small business, the owners, Iseult Ward and Aoibheann O'Brien have a say in all aspects of the business. All these strengths come with some weaknesses. One weakness FoodCloud faces is not generating large amounts of income to expand their business.

External: Opportunities and threats can be used to predict potential possibilities for a company externally. The opportunities for FoodCloud are lack of competitors, technology/ social media, conscious-minded buyers and composting. The lack of competitors allows for FoodCloud the freedom to take risks in their business. FoodCloud's use of technology and social media means that they can continue to innovate as new technologies are invented. The goal of FoodCloud is too eliminate food waste, part of their vision includes creating more awareness of how much food direct consumers throw away each week. Lastly, FoodCloud's model thrives because there

is such a great deal of excess food. In future years, if retailers/consumers become more conscious of what they're buying, FoodCloud would ironically have less food to give to those in need. If their vision becomes fulfilled by eliminating food waste, the issue of food hunger will still exist.

Competitor Analysis

In Ireland and the UK, FoodCloud is the only company who has found a unique way to equal out the amount of food wasted and food shortages. Due to FoodCloud's innovative service, many companies haven't stepped up to their level to compete. One charity that could be considered a slight competitor is VOICE. VOICE offers a similar idea to Food Cloud as their one of their goals is to eliminate food waste. Their main goal is to eliminate every kind of waste everywhere (VOICE). They work with charities and companies to find ways for them to reduce their food waste. The only event that VOICE has done that really competes with FoodCloud was their "Feeding the 5,000" event which was put on in 2012. The event fed those in need and promoted proper disposal of food waste (VOICE). While this event sort of competes with FoodCloud's model, VOICE hasn't done anything like it since 2012 which was over five years ago. This shows that FoodCloud doesn't have any real competitors at this point in Ireland and the UK.

Evaluation

Overall, FoodCloud is doing an efficient job of decreasing the amount of food waste and shortages in Ireland and the UK. They're a social enterprise that is tackling an important issue that no one else seems to be dealing with. FoodCloud is the only company in Ireland and the UK that is trying to eliminate food wastes by giving it to those in need of it. FoodCloud's unique approach, lack of competition, and the need for food waste disposal and food, in general, makes

this social enterprise successful. FoodCloud has a successful business model but its only operating in a small area. Expansion is something that FoodCloud should pursue to make their vision happen worldwide.

Recommendations

After much research, there appears to be no evidence or commentary on expansions into other countries. Although this expansion beyond Irelands and the UK's borders may be far more complex than it seems, FoodCloud could hire individuals to take on their work in their home country. According to the Food and Agriculture Organisation of the United Nations, the world production of food will need to be increased by at least 60% in the next 30 years if it is to cope with an expanding global population which is estimated to surpass nine billion by 2050. Every country needs to have a quick, easy, and efficient operating system like Ireland and the UK. Not staying ahead of the times and implementing efficient systems will be detrimental to us as a species and to our planet.

Our second recommendation was for FoodCloud to further promote composting. Although composting is highly encouraged in Ireland as well as most countries around the world, many still do not do so. Composting allows one to fully recognize just how much food they are throwing away themselves, which may convince them to buy less food at the grocery store during their next shopping trip. We believe FoodCloud could benefit from partnering with composting companies around Ireland, such as Enrich Soil Solutions.

Conclusion

In conclusion, FoodCloud has excelled in working towards their vision of a world with little to no food waste. Some people feel as though certain tasks are far too big and unrealistic to

tackle, but FoodCloud is an example of two passionate people trying to do the right thing.

Canadian journalist David Bornstein once said every change begins with a vision and a design to take action. Their win-win business model of helping retailers reduce food waste while aiding those who can not afford food themselves has made dramatic improvements in the lives of community members as well as aiding to the health of our Earth.

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