Basic Marketing Concepts in Ben and Jerry’s Ice Cream Shop

One of the cornerstones in today’s ice cream industry is Ben and Jerry’s Ice Cream. Not only have they made a profound impact on the ice cream companies throughout the world, they have changed marketing strategy throughout the world and redefined the definition of what a company is and what a company can stand for. Many of the basic marketing techniques and concepts that we have learned in our class can be seen in the story of Ben and Jerry’s past. Their massive rise to popularity and their development of such a solid brand exemplify many of the same ideas and building blocks that make up modern marketing basics.

The majority of businesses die at the beginning of their life. The early years are often the hardest and Ben and Jerry’s used several creative strategies and clever techniques to make their first store a success. First they identified a target market and looked to create a product of value. They targeted college students and decided to make gourmet ice cream for them. College students are ideal targets for a gourmet ice cream store because many college students are highly educated and demand higher standards of their food, giving a lot of importance to fresh ingredients and food preparation. They also identified a product of value by selling their ice cream at the University of Vermont in Burlington where there was no competition for an ice cream shop. Since they also began the company right before the summer and the peak demand for ice cream they were able to help propel their profits early while they were still struggling to break even on their investment. These two factors, a ripe target market coupled with a lack of competition, were critical in allowing the first Ben and Jerry’s restaurant to succeed.

Once Ben and Jerry had become a success in Burlington there were several other strategies that helped the company rise to be the market leaders they are today. The first was packaging of the ice cream in pints. Distribution systems are vital to marketing and being able to distribute their ice cream to a much larger market allowed Ben and Jerry to connect with more of their target market, strengthen their brand, and improve sales and profits. They rented out a factory to increase their production and began increase the size of their company rapidly. Along with this rise came the development of an incredibly unique brand identity that resonated with the college students that were Ben and Jerry’s customers. They decided to forego the conventional wisdom to keep corporate entities away from political debate and made a forward stance against the war and for liberal ideals. This allowed them to develop an incredibly powerful brand that their customers aligned with and believed in. This is critical, as converting first time customers into life long believers in a brand greatly increases not only the brand value of the company, but their future revenues as well. As discussed in class, the lifetime value of a Wal-Mart customer is 215,000 dollars, therefore retaining customers is very important to a company. Also lifelong customers become important in the marketing strategy as well as they market the company to their circle of contacts and serve to bring in new customers to the company. Together all of these concepts together make Ben and Jerry’s a shining example of the basic marketing concepts we learned.