

[MSU Product Center](#)

For Agriculture and Natural Resources

Funding: USDA Rural Development Cooperative Service Market Advisor: The Hale Group

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Levels of Opportunities

Background

- The agri-food system is being affected by several overall demand drivers. These demand drivers are wellness, indulgence, convenience, value and ethnicity. To learn more about the demand drivers click [here](#).
- The intersection of product form and demand driver can be seen as a market. Some markets possess more potential than others.

Categorization of Potential

- The assessments fall under three broad categories of potential for new products and other innovations.
- Markets with **few** opportunities are those where new innovations are less likely to be successful. New innovations in these markets would be working against the overall trends.
- Markets with **selective** opportunities have some possibilities for some success; the overall trends are neither positive nor negative for innovation.
- Markets with **many** opportunities have the highest probability for successful innovation. The demand drivers are inclined to accept new products and supply chain introduction.

Be Careful to Consider

- Introducing a product where the opportunities are low is not necessarily doomed to failure and introducing a product where there are many opportunities is not a guaranteed success.
- Many factors besides general market potential determine the success or failure of a new firm or a new product.
- Some opportunities may be only available to large firms. Economies of scale, distribution requirements, and other factors may eliminate small firms from taking advantage of an opportunity. Small firms or individual entrepreneurs may be best served by looking for opportunities in small or niche markets.