

# UOB-SMU Asian Enterprise Institute



## Awesome Artisanal Ice Cream: Udders Ice Cream

Udders was started “on a whim and a dream” in 2007 by husband-and-wife team David Yim and Wong Peck Lin, who are “still having mooch fun doing it”.

It is a fun, casual, laidback and quirky ice-cream café concept offering unusual and delicious flavours of ice cream. “In a world hurtling towards the mass-

produced, we’d like to bring some intimacy back to one of life’s simple pleasures” is the rationale that is stated on the Udders website, which goes on to elaborate on how this is done.

The brand prides itself on the freshness of its hand-crafted ice cream and the originality of its flavours. In fact, new flavours are being added to the menu ever so often as the ice-cream artisans love experimenting with new tastes “to keep things interesting,” shared Ms Wong.

Giving a preview of more fun things to come, she revealed that “besides awesome ice cream, we have also recently started a new sister concept called The Udder Pancake – wonderful, savoury pancakes paired with pulled pork eggs benedict, salmon crab caviar, beef & mushroom ragout, and more!”

Udders serves its customers in six cafes across Singapore, and also does a substantial wholesale business with partners locally. Looking further afield, the owners are actively seeking overseas franchise opportunities to grow the brand’s footprint.

But things are not staying stagnant here – the SME is exploring a new concept to reach out to more customers, and worked with the UOB-SMU Alliance Enterprise Institute (AEI)’s flagship Consulting Programme on the viability of a new business initiative.

### Coveting creamy goodness

The ice-cream scene in Singapore has grown exponentially in recent years. Existing mass-market players are wising up to the changing expectations and deeper pockets of their consumers, and entrepreneurs – many of them young people who know intimately the profile of their own generation – are seizing opportunities to fulfil unmet demands. In the process, they are introducing niche or novel products to a consumer segment that craves innovative ideas.

According to a 2015 Euromonitor International industry report, ice cream in Singapore recorded positive value growth in 2014. Rising sophistication and improved disposable incomes contributed to the expanding demand for premium ice cream, as well as its unique flavours and combinations. In an

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economically optimistic setting, consumers are more prone to indulge themselves and do not mind forking out higher prices for premium products.

Unilever, the global market leader in ice cream last year, also did well in Singapore, with 44% of the market share (by value). Together with Nestle Singapore and Kraft Foods, these billion-dollar companies have almost total control of the local ice-cream mass market with their established brands, including Magnum, Wall's, Ben & Jerry's, Haagen-Dazs and Cornetto.

Food mecca Singapore is quick to embrace new F&B concepts, including for ice cream. Today, it is home to home-grown artisanal ice cream, as well as ice cream from around the world – and their diverse variants.

### **Passion + Preference = Purchase?**

Udders has experienced great success in its retail and catering business, but it is not certain if the new business concept will prove as “tasty” to its target group of consumers. Through the Consulting Programme, the SME hopes to ascertain the viability of the venture.

The team of student-consultants undertook a feasibility study to provide an overview of the primary issues related to the implementation of the new business idea, and identify its practicality and challenges. Through the primary and secondary research, the team sought to understand consumers' attitudes towards, and the factors underlying, their purchase decisions, analyse expected demand, and determine the optimal pricing. The insights would form the basis of their strategic recommendations.

They applied the knowledge gleaned from the classroom. Using the scientific and methodological approaches that are the value propositions of the Consulting Programme, they used a combination of qualitative and quantitative research to obtain the necessary data.

Two focus group discussions gathered a range of views pertaining to the new business idea. The less structured, face-to-face sessions enabled the team to probe further, thus eliciting more depth and variety of perceptions and opinions. Based on the focus group findings, a street intercept survey was conducted to quantify the opinions and preferences of the target consumer group. “The street intercept survey will provide a higher level of general capability in representing a large population, and possesses a better description of the relative characteristics of the population involved in the study,” explained a student-consultant.

### **No favourite flavours**

“We wanted an objective, external view of the proposition for our new idea to distribute yummy Udders ice cream, specifically with the use of statistical data,” said owner Ms Wong, who is Director of Udders. “Yes, our expectations were met. The team conducted the requisite surveys and analyses to give a reasoned conclusion based on the data and responses that were gathered in the surveys.” She appreciated the scientific methods used, and shared that the quantitative and qualitative approaches yielded sufficient “breadth and depth” of research.

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For the student-consultants, the opportunity to work with a local enterprise, and the exposure to real-life management consulting, fulfilled their objectives for participating in the Consulting Programme. The team of Finance and Management majors were able to apply what they learnt in their academic modules, such as concepts in consumer behaviour, and employ marketing techniques such as hypothesis testing, and use marketing research software to formulate a more scientific and robust set of recommendations.

As the project took place in the middle of the academic semester, juggling different responsibilities was a huge challenge, but the team managed to overcome it with a “solid action plan and prudent time management,” shared a student-consultant. “Our Project Adviser Anna Ho also provided us with interesting insights and resources, which better steered us in the right direction and smoothed the steep learning curve.”

“As Project Adviser, I ensure that the student-consultants understand the problems, explore multiple ways to research and validate solutions, and finally present a good report to the SME,” said Ms Ho. While they drive the whole project end to end, she oversaw the process and “stopped them regularly to question their work”. She found the students to be “passionate and professional”; they successfully held two focus group discussions and conducted 150 face-to-face interviews – “a huge accomplishment for a three-member team; they also presented their proposal well”.

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