

Smart Ones®

Single-Serving Meal
Healthy Hearts

Final Marketing Plan Report



the
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SERVING SUGGESTION
KEEP FROZEN • SEE COOKING INSTRUCTIONS

READ THOROUGHLY

NET WT. 9.00 OZ (255G)

320	5g	4g	12g
cal	fat	fiber	protein

MKTG 5001 - MARKETING RESEARCH & STRATEGY

FINAL MARKETING PLAN REPORT - KRAFT HEINZ: SMART ONES BRAND FROZEN MEALS

PROF. DENNIS A. PARIS • FALL 2019

KraftHeinz

Marketing Plan Report: Kraft Heinz

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Marketing Challenge

To put it simply, as competition soars in sales within the frozen meals market, Smart Ones, and its parent company Kraft Heinz is on a steady decline. Through primary research, further discussed later in this report, we've discovered a negative perception of the brand and its category from consumers, leading us to believe this is what is driving the brand into a downward spiral.

Marketing Plan Objectives

In order to overcome Smart Ones' marketing challenge, our objectives must reposition the brand in the minds of our primary, secondary, and tertiary targets. The aim is to present Smart Ones as the best choice for overall convenience and value, as well as having great taste and healthy options.

Business Objectives

In the process of creating this marketing plan, three major business objectives were kept in mind. The key objective, based on Kraft Heinz's current situation in a rapidly growing frozen meal market, is to drive a \$50 million sales increase over the course of the next three to five years. This objective was determined based on competitive analysis, as competitors, such as Lean Cuisine, have driven \$58 million in sales (in one year)¹ to increase through similar tactics. The other two objectives include a 50% conversion rate through couponing tactics and selling approximately 50,000 products through the initial rebrand campaign, for a maximum revenue of \$399,500 in 3 months. Fulfilling these business objectives will determine if the launch of this plan and its implementation strategies is successful (breaking even, minimally) and should be further expanded to a larger geographic area.

Executive Summary

Kraft Heinz, the result of a merger between Kraft Foods Group, Inc. and H.J. Heinz Company, is a publicly-traded consumer-based company in the food and beverage industry.² In February 2019, their stocks were down by 27.4%, ending their 2018 fiscal year on a low note. The steep fall was due to failure to keep up with consumers and competition, being negatively represented in the public eye, and undergoing an SEC investigation regarding accounting policies, procedures, and internal controls.³

In today's society, consumers are looking for healthier alternatives, switching from artificial to more natural products. Kraft Heinz's competitors, such as Nestlé and General Mills, provide

consumers with the healthier options they're looking for,

something the worldwide conglomerate does not. For example, Nestlé offers Lean Cuisine, and General Mills,

Cuisine, and General Mills,

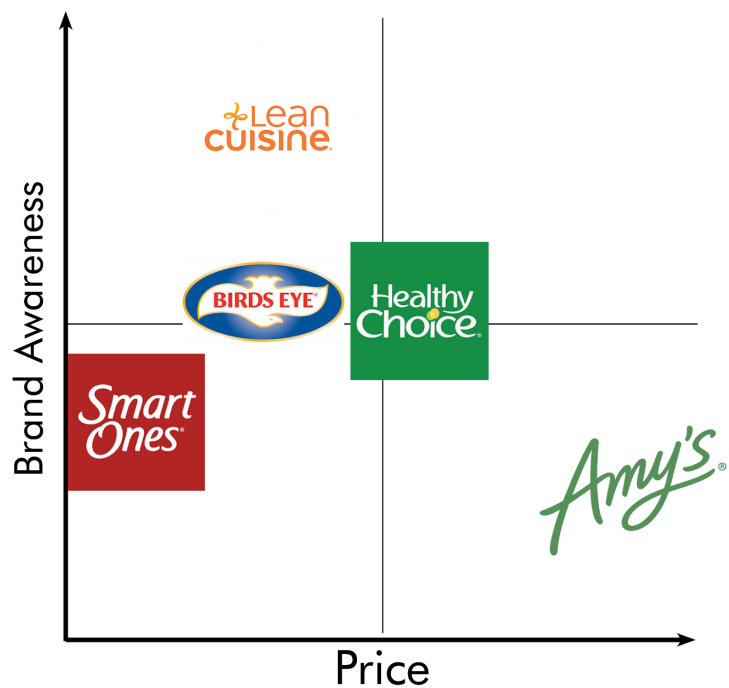
Amy's; both brands are

perceived as healthier frozen

meals. Smart Otnes offers 78 different meal options ranging

between breakfast, lunch, and

dinner, which may be a small,



but defining statistic. Because Kraft Heinz's offerings lack in healthy options and the brand desperately needs a revamp, we decided to focus on their frozen meal product sub-brand, Smart Ones. Through primary and secondary research, we wanted to better understand the perception of Kraft Heinz, specifically Smart Ones, in the eyes of the consumer.

Situation Analysis

Customer

Our primary target is a suburban citizen between 26 and 35 who works a 9-5 job and is often on the go. Because of their busy lives, they are looking for a quick and easy meal for their family or themselves at a low cost--frozen foods fit this bill. Smart Ones positively affects this type of consumer by offering a product that fits in with their lifestyle; finally they will no longer need to break a sweat over the kitchen stove! The perception of Smart Ones in the eyes of our consumer is far from what they look for in their everyday purchases – value and convenience as well as healthier alternatives. These standards, in their opinion, are met with competitive brands such as Amy's, Healthy Choice, and Lean Cuisine, causing brand awareness for Smart Ones to almost be non-existent.

Company

Smart Ones is a sub-brand of Kraft Heinz, a reliable household name in the eyes of our consumers. Currently, Smart Ones has a disconnect from consumers but seemingly had more brand awareness when it was seated under the Weight Watchers

moniker. According to the Eat Your Best website, Smart Ones' best selling meals are Santa Fe Rice & Beans, Three Cheese Ziti Marinara, and Broccoli & Chicken Rigatoni.³

Competition

Parent company Kraft Heinz has not been keeping up with their competition, with fingers being pointed by shareholders as being a big reason behind the company's issues.⁴ Smart Ones is priced between \$1.79 to \$4.59⁵ with the variation in price depending on the retailer, whereas competitors' products are priced between \$2.00 to \$6.89.⁶ Competitors separate themselves from Smart Ones by offering different types of healthier alternatives with unique product lines emphasizing high nutritional value. To paint a picture, Lean Cuisine's off-shoot line, Origins, includes meatless dishes, a sure-shot way to gain the attention of consumers who are more health conscious or have dietary restrictions.

Context

Smart Ones, typically purchased at grocery and big box stores, are making a subtle attempt at progressing with society's lifestyle changes, but stays behind their competitors in offering overtly healthy options. Sales for frozen food products tend to be higher in the winter time due to consumers wanting to stay in from the cold and for a quick meal between rushing around for the holidays.

Collaborators

Smart Ones does not have any direct collaborators, other than being known by its previous name, Weight Watchers Smart Ones. Key community partners for the brand are the grocery and big box stores that carry the brand. Within these stores, Smart Ones are displayed in freezer aisles near a similar portfolio of meal selections from other brands, such as Evol., Lean Cuisine, Amy's and Healthy Choice. While Smart Ones doesn't directly partner with socially responsible organizations, its parent company, Kraft Heinz, partners with Feeding America (nationwide food bank network), Boys and Girls Club of America (BGCA), American Red Cross, and other local food banks. Kraft Heinz also has their own Micronutrient Campaign, which "enhances access to nutritional supplements that promote healthy growth and development, especially in developing countries and regions", and the Lunchables Lunch Combinations partnership with BGCA.⁷

Research Highlights

Critical Findings

- 89.09% of people shop in-store, versus shopping online.
- The word "taste" had the highest frequency within our research when participants offered their opinion on frozen meals and why they don't buy them.



- 70% of frozen food shoppers choose these items for their convenience.
- Convenience and value served as the top 2 reasons for consumers to purchase frozen items overall.

We are focusing on the product and in-store shopping experience to attract our consumers who are looking for a frozen meal that is time-efficient and healthy. Due to the negative perception of frozen meals and their taste, we want our consumers to test the product in-person, during their shopping experience.

Target Segments

Primary: Freezer Burnt Farrah

Farrah is a suburbanite between the ages of 26-35. She is the household decision maker in terms of meal planning, and she is not afraid to stock up in the frozen food aisle. Farrah is burnt out from balancing her 9-5 job and managing her children's crazy schedules. By the time she gets home, she just wants to pop a meal in the microwave to simplify dinner time for her family.



Secondary: Heart Healthy Harriet

Harriet can be found reading the labels of every item in the grocery store aisle. Her biggest concern is sodium levels. She tends to shop in stores like Whole Foods and Target. Harriet prefers organic products but often will settle for low-calorie and low-sodium items.



Tertiary: Bargain Buyer Barb

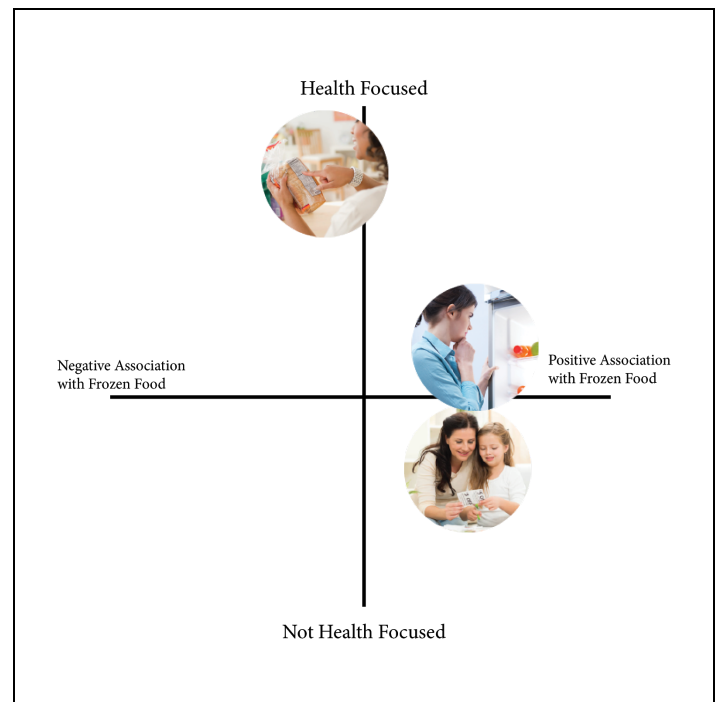
Barb is between the ages of 36-50, and holds some level of college degree. She is seeking the best ‘bang for her buck’. May be found clipping coupons with her kids on an episode of the reality show ‘Extreme Couponing’. Barb heavily favors searching through the newspaper classified section for the best deals.



Perceptions and Attitudes Towards Frozen Meals

In the perceptual map below, one can see how each of the target segments is relative in both their attitude towards

health-conscious habits as well as their perception of frozen food. At the top, one can see that Heart Healthy Harriet is extremely health focused and is the most health focused target segment. Freezer Burnt Farrah is located within the top right box as she is health focused, but that isn’t her main priority. Since Freezer Burnt Farrah lives off of convenience, she has a positive association with frozen food



because of its easy storage and cook attributes. This is why her segment is showing closer to the right side of the map. Bargain Buyer Barb is similar to Freezer Burnt

Farrah, except for the fact that she cares less about the health factor and more about overall value; making her segment dip underneath of Freezer Burnt Farrah. None of our segments are close to the left side, or have a negative association with frozen food, as it would not be a fit for the brand.

SWOT Analysis

<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> • Overall value (Convenience and cost) • Simple to cook, easy to store and stock up • Variety 	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> • Perception of Smart Ones: bad taste • Perception of Frozen Meals: not healthy • Not the healthiest option among competition
<p style="text-align: center;">Opportunities</p> <ul style="list-style-type: none"> • Highlight healthier meals • Potential Product: exploring healthier recipes • In-store samplings • Strengthening brand connection 	<p style="text-align: center;">Threats</p> <ul style="list-style-type: none"> • High presence of competition in supermarket: Lean Cuisine, Healthy Choice, and Amy's

Above: organization chart showcasing strengths, weaknesses, opportunities and threats

Strengths: The key strength is that we offer our customers cost-efficient, healthy, and convenient frozen meal products. By offering variety packs, healthy coded meals, and offering coupon deals our product will be more valuable than the rest.

Weaknesses: Frozen meals, specifically Smart Ones, have been stereotyped as poor in taste or quality. Consumers associate frozen meals with convenience and cost efficiency rather than taste and health. It's difficult to change consumers' minds if they

already have a bad impression of a brand.

Opportunities: Smart Ones has a variety of options to grow awareness and success of the brand. We plan to offer healthier options such as low calorie, low sodium, vegetarian and high protein. We will color code the meals based on healthy options, making it easier to find their desired meal. We will offer variety packs with the new healthier options, and a variety pack of breakfast, lunch, and dinner. To help with the negative taste stereotype, we will offer in-store sampling of our best tasting products to evoke a different feeling of the brand amongst consumers. We will offer media and add coupons, making we already cost-efficient products even cheaper.

Threats: Our biggest threat is our competitors; Lean Cuisine, Amy's and Healthy Choice. We are priced similarly to our competitors, who have better brand awareness, specifically Lean Cuisine and Healthy Choice. Another threat to Smart Ones is the stigma around the taste of frozen meals. In order to beat our competitors, we have offered a new selection of frozen meals, box redesign, variety packs, and coupons. To beat the sigma, we're offering in-store sampling to try before you buy.

Competitive Analysis

Amy's Kitchen

Amy's Kitchen is a unique offering in the frozen meal market. They are privately owned and offer exclusively organic meals with a vast majority of their frozen dinners catering to alternative diets like gluten sensitivity, lactose sensitivity, and

vegan/vegetarianism (Amy's 2019). Amy's Kitchen promises that each of their meals is treated with consumer needs, not shareholder needs in mind. Amy's Kitchen also emphasizes their attention to detail in selecting only quality ingredients, rich flavors, and earth-centric production practices (Amy's 2019).

Amy's packaging features distinct labels for the dietary needs the product satisfies. Whether a product is Gluten-Free, Dairy-Free, or Vegan, the prominent display of omitted ingredients provides great value to consumers who need to maintain those respective diets. Dietary labels eliminate the time a customer spends pouring through the ingredients list to confirm whether or not they can eat the meal (Amy's 2019).

Lean Cuisine

Lean Cuisine, owned by Nestle one of Kraft Heinz's competitors, was one of the top three performing frozen dinner brands in 2017 with 247 million in sales compared to Kraft's Smart Ones at 108 million (Statista 2017). Lean Cuisine positions itself as a partner along the customer's culinary journey, whether they are pursuing a healthier lifestyle or following alternative diets (Lean Cuisine 2019). Their positioning is focused on women, stating on their website "Each Lean Cuisine recipe is developed with women's needs in mind" (Lean Cuisine 2019).

Lean Cuisine provides value through their staff of nutritionists and dietitians who make recipes with a "variety of bold flavors and important nutrients". They have multiple targeted product lines that each provide value including their Origins and Comfort product lines (Lean Cuisine 2019). Their new line of entirely meatless products, Lean Cuisine Origins offers more options for customers searching to remove meat from their diet. Lean Cuisine Comfort provides hearty dishes, with a focus on proteins, at a fraction

of the calories than if it were homemade(Lean Cuisine 2019). Through their segmented product lines, Lean Cuisine provides value to any consumer along their health journey, with a targeted product based on their needs.

Competitive Pricing

Store (US Chains)	Price Range				Notes
	Smart Ones	Lean Cuisine	Healthy Choice	Amy's	
ShopRite	\$3.29-\$3.49	\$2.79-\$3.50	\$2.99-\$3.99	\$4.79-\$5.69	NY, NJ, PA, MD; 318 stores
Acme	\$3.79-\$4.59	\$4.09-\$5.59	\$5.19-\$5.79	\$5.19-\$6.89	CT, MD, DE, NJ, PA, NY; 168 stores
Giant	\$2.09	\$2.00-\$3.99	\$2.50-\$3.79	\$4.19-\$4.99	PA, MD, WV, VA; 180 stores
Weis	\$2.50-\$3.00	\$2.00-\$3.99	\$2.99-\$3.99	\$2.99-\$4.79	PA, MD, NJ, NY, VA, WV, DE; 198 stores
Target	\$1.79	\$2.29-\$3.69	\$2.69-\$3.69	\$3.99-\$4.29	1,844 stores in 50 states
Walmart	\$1.25-\$1.67	\$2.12-\$2.48	\$2.52-\$2.98	?	4,769 stores in 50 states

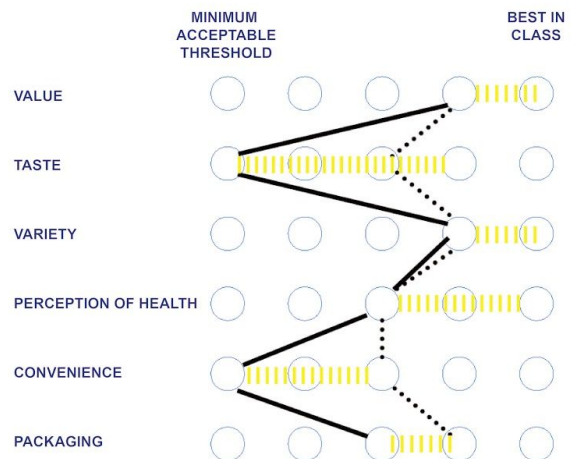
Above: competitor pricing chart categorized by store type/name

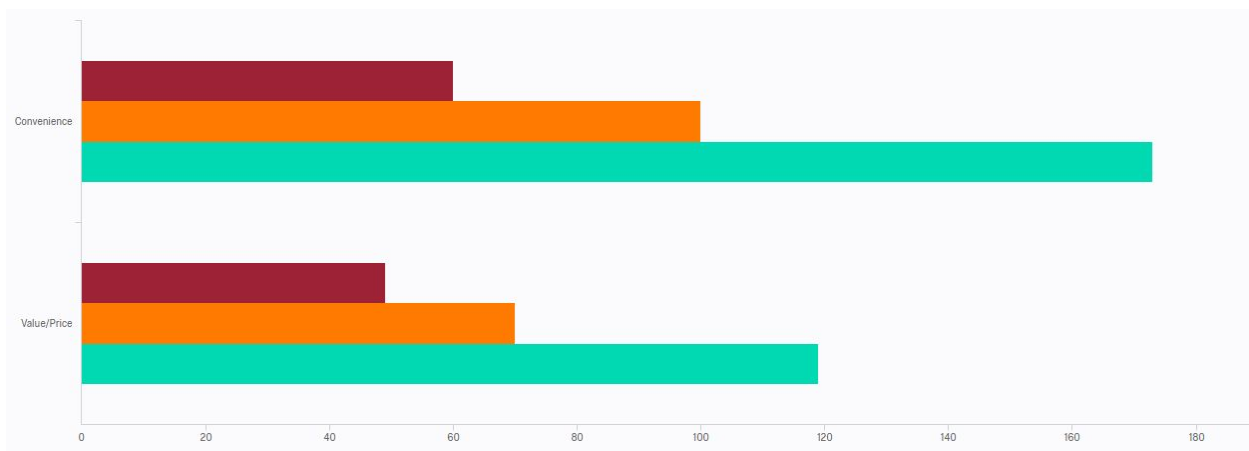
Go-to-Market Strategies

The 6 most important purchasing motivations relative to the Smart Ones brand includes value, taste, variety, perception of health, convenience and packaging. These 6 motivations were used to drive market strategies, thus also assisting in the segmentation of our target segments.

70% of frozen item shoppers purchase these items for their convenience. Convenience and value served as the top 2 reasons for consumers to purchase frozen items overall.

This key finding helped to drive our value propositions.





Above: bar graph showing data for purchase reasoning; convenience and value dominate the graph

Target Personas

Freezer Burnt Farrah: For the busy, on-the-go consumer, Smart Ones offers a variety of cost-efficient and healthy frozen meal options that are easy to stock up and store for the week to come.

Heart Healthy Harriet: For the consumer always looking for a healthier alternative, Smart Ones offers a variety of healthy frozen options all color-coded to best fit your health goal.

Bargain Buyer Barb: For the consumer looking for value, Smart Ones offers frozen meal options that are cost-efficient *and* delicious.

Positioning Statement

Smart Ones is a product for the consumer who is highly focused on convenience and on-the-go mealtime solutions in order to keep up with their busy lives while finding a healthier single-serving option. Smart Ones is a brand of delicious, well-portioned, frozen convenience products that simplify meal preparation because it offers the

cheapest price for the best value while still being a healthy option for consumers on-the-go.

4 Ps Strategic Implications

Based on our research, we discovered four strategic implications and devised our marketing tactics based on these strategies. Each strategy is rated on a scale of 1 to 5 “Smart One’s boxes” based on how relevant they are to our target segments with 5 being the highest, 1 being the lowest.



Strategy 1: Rebrand Smart Ones with packaging that highlights nutrient-related information. Utilizing colors to categorize meals by dietary/nutrient type or offering.

Target Segment Interest

Freezer Burnt Farrah



Heart Healthy Harriet



Bargain Buyer Barb



Above: Target Segment Relevance “Smart Ones Box” Meter

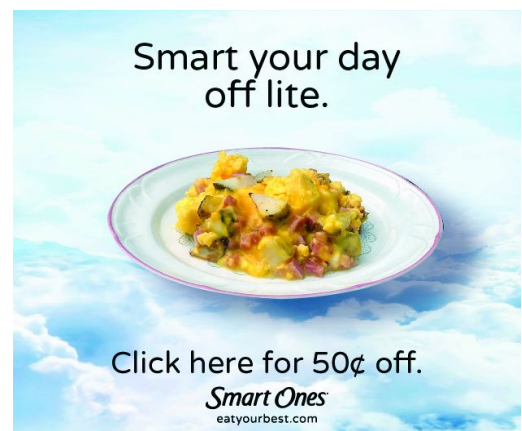
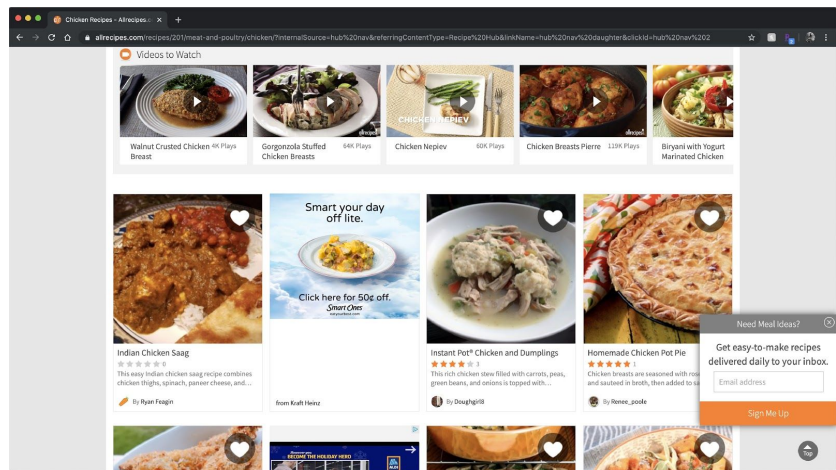
Product

We will utilize colors in packaging redesign to categorize meals by specific dietary/nutrient types for both single and variety packs: Red will signify heart-healthy options such as low sodium. Light blue will represent calorie-conscious will includes meals with low caloric content. Yellow-orange will be called the protein packer and will include meals high in protein. Lime green will represent our vegetarian options. This will be meals containing a large vegetable content with no meat and some dairy.

Promotion

We will create advertisements using the new Smarter Box branding, food imagery and clever taglines such as “New year, smarter you” or “Microwave and chill”. We will use multi-channel strategies to promote the new box design and draw attention to the new organization of product lines. Using sampling and coupon advertising, we will promote positive brand interactions through free snacks and discounts.

We will include a quiz on Smart Ones website to help consumers determine which meals the consumer may like best. This will make our brand



more interactive with our consumers, and help them pick a Smart Ones product that fits better in their lifestyle and taste preference.

Place

Ads created will be placed in-store (freestanding/hanging posters); on sampling booths, window clings, on boxes, printed coupon ads and online banners/ads (top/bottom/side banners) with links to our redesigned website.

Strategy 2: Differentiate product offerings and improve convenience and value compared to competition through new packaging strategies.

Product

Smart Ones delivers perfect portions in each meal and will be available in single-serving (existing) and variety packs based on the new categorizations of the Smarter Box Campaign (proposed). Variety packs will be offered based on realigned product groupings, also known as the “Smarter Box”, includes 3 unique meals in the same package. This strategy piques the interest of consumers looking to try a new product, or have a few meals planned out for themselves. We will add heating instruction labels to cellophane meal covers to allow variety pack to be depressed from their larger box, as well as prevent premature box throw-aways.

Freezer Burnt Farrah



Heart Healthy Harriet



Bargain Buyer Barb



Anytime Meals, a variety pack, will be good to split for bringing to work, eating in between activities with little time to spare, or for a quick meal when you don't want to cook for yourself. Health-Focused variety packs will include Smarter Box branding with "Heart Healthy", "Low-Calorie Creations", "Protein-Packed", "Vegetarian Delights" with 3-packs at launch, branching out to a 5-pack after proven success. After initial launch variety packs can be leveraged seasonally, or based on a daily meal prep schedule using Smart Ones breakfast, lunch and dinner offerings called Smart Day.

Price

Pricing for individual servings will remain the same since our proposition is around our value and prices are currently low at an MSRP between \$1.99 and \$3.99. In locations where our products are offered at similar or higher prices to competitors, at launch we will invoke a \$1.00 coupon strategy to give Smart Ones a pricing advantage for the initial campaign window. Pricing for new variety packs will be between \$5.99 and \$6.99 for the 3-packs based on product cost of the included meals. Pricing may vary, but will still provide the promised value and in many cases a discounted rate. Our pricing strategy will not induce any ill will with consumers.

Promotion

For a promotional aspect, we plan to utilize digital and coupon ads. These coupons can be found through banner ads, grocery store websites, and in newspapers.

Place

The Variety Packs will be offered at big box stores and supermarkets the two most frequented types of food stores by our primary target. Upon the success of the initial campaign, we could expand this strategy to wholesale clubs.

Strategy 3: Leverage store sampling in supermarkets and big-box stores, according to the two most popular grocery shopping destinations.

Freezer Burnt Farrah



Heart Healthy Harriet



Bargain Buyer Barb



Product

We will implement store sampling which will include 2-3, different meals being sampled at any time, each belonging to the same realigned Smarter Box product line.

Price

Samples provided in the store will be free for customers. We will offer a 50 cent coupon on a single pack they purchase and a \$1 discount on variety packs.

Promotion

Utilize a New Year's Promotion: "Make a Smart Resolution." We'll have a promotion of the Variety Packaging around New Year's resolutions.

Place

The product sampling will take place within a big box store and grocery stores on an end cap freezer or close to the frozen food aisle.

Strategy 4: Use integrated coupon strategies to increase brand awareness, brand identity and to maintain pricing advantages.

Product

Coupons will be offered on all Smart Ones products leading up to the launch of the Smarter Box campaign.

Freezer Burnt Farrah



Heart Healthy Harriet



Bargain Buyer Barb



Price

Two different coupons will be offered throughout the campaign. 50 cent coupons will be offered for single pack items and \$1 coupons for various packaging.

Promotion

Coupons will be paired and promoted with each other marketing tactic in the campaign.

Each coupon is color coded based on the future smart ones product line during Smarter Box campaign.

Place

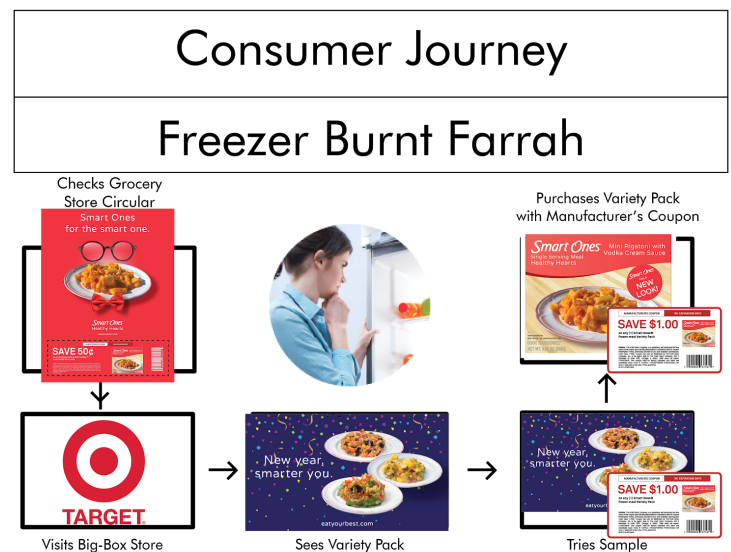
Coupons will be present on packaging, through digital advertisements with links to our website, at sampling stations and through print media channels. We will offer On-the-box coupons at higher cost retailers to mitigate pricing disadvantages.

Tactical Recommendations by Target Segment

Freezer Burnt Farrah

As a regular frozen meal purchaser, Farrah often buys the cheapest frozen meal on the shelf or a brand with which she's familiar. Based on our research, the most notable brand in the frozen meal space is Lean Cuisine, Farrah's current meal of choice and something we hope to change. We are able to

target Farrah due to her reliance on frozen food for most of her meals. By being able to buy a full variety of options in one box, it makes it more convenient for her to buy Smart Ones. This, in conjunction with the variety pack coupon, makes the pack more cost



competitive. Additionally, we offer the face-to-face experience making her more familiar and connected to the brand itself.

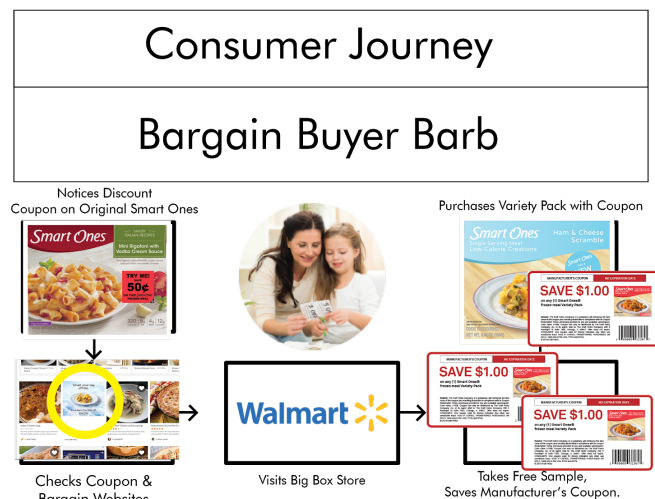
Heart Healthy Harriet

Our secondary target segment, Heart Healthy Harriet, prefers products that are low in sodium, low in calories, and/or high in protein. Our box redesign feature is what would tailor most to Harriet because by separating the lines to have their own similar but unique packaging. This tactic makes her job as a knowledgeable buyer easier by knowing when she grabs the red box they all have the same standards of being heart healthy.



Bargain Buyer Barb

Lastly, indirectly targeting our tertiary market Bargain Buyer Barb, we have coupons in various channels to pique her interest and overall awareness of the product. We consider her a tertiary market because we found her segment to be strongly persuaded by sales and



coupons, however, we aren't directly performing these tactics with her in mind. Barb also wouldn't be affected by the greater scheme of our tactics with the Smarter Box redesign.

The Smarter Box campaign will launch at the end of December 2020 to target those consumers, like Farrah and Harriet, looking to live a healthier lifestyle for their New Year's resolutions. We hope by taking advantage of traditional New Year's festivities, both awareness of the launch and sales of our new health-conscious products. We can use the data that comes from increased sales to measure the success of our healthier options.

Budgetary Considerations

Our budgetary considerations and projections are dependent upon the production costs of our products and coupons, the range of price points per product type (Smarter Box vs. Variety Pack), and the amount of products sold (with coupon applied). Please see the methodologies of the budgetary considerations below:

Advertising AgencyTactic Management and Creative & Website Development

In order to fully redesign and develop the Smarter box campaign we will pay an advertising agency with a retainer model of \$10,000 a month for 15 months.⁸ This time period includes, creative development leading up to the campaign, website development and tactic management costs.

On-the-Box Coupons

To print a projected 60,000 (40,000 launch, 20,000 spare) sticker coupons for the On-the-Box coupon campaign will be \$382⁹. The cost to apply these to our boxes is a variable cost based on either box manufacturing costs, or store application costs.

Manufacturers Coupons

For a more premium branded experience, we will offer manufacturers coupons that match the sampling booths they are offered. These larger, premium coupons cost around \$0.01 each and at 50,000 units our total cost is \$683.

Digital Banner Coupons

The highest average price per click for a Youtube or other website banner advertisement is \$0.58. With a goal of 25,000 engagements in our content, that works out to a maximum spend \$14,500.

Sunday Newspaper Coupons

We will be pushing out print newspaper ads in the Philadelphia Inquirer during the 3 month Smarter Box launch. Each sunday paper ad costs \$676 dollars a week¹⁰, over the 12 week campaign this amounts to \$8,112

Coupon Tactic Understanding

Because many of our tactics are paired with some sort of coupon strategy, our total profits will be slightly diminished on these purchases. Each individual coupon will reduce revenue on each product by the face value of the coupon, so keeping this in mind is critical to meeting successful profit metrics. For this reason we will limit the amount of coupons that can be redeemed per transaction to one per product line. This motivates consumers to purchase the product and then come back another day and repurchase or try another sample, while also regaining potentially lost revenue.

Sampling

9 Month Budget Forecast

Item	Units	Cost per Unit	Total Cost
On-the-box Coupons	60000 stickers	0.01	382.56
Print Coupons	12 Weeks of Ad space	676	8112
Digital/Banner Ads Coupons	25000 engagements	0.58	14500
Manufacturer Coupons	50000 coupons	0.01	659.94
Sampling	Total Cost for 100 stores for 3 Months	\$135,000-\$155,000	155000
Creative Development & Digital Ad Management	Website and creative development	250,000	150,000
Freezer Clings	100 window clings	6	600
		Total Estimated Budget	329254.5

Sampling, another major tactic in this campaign costs \$150/day, on average per store¹¹; this includes labor, products, and any other creative needs. We would sample during 18 weekend days in December 2020 & February 2021 for a total of \$2,700 per store. The aim is to reach 100 supermarkets and big-box stores in the Greater

Philadelphia region during the campaign's brand awareness program; sampling does not need to happen daily, so if we rotate and only have 50 stores sampling concurrently the entire 3 month event would cost between \$135,000-\$155,000.

Campaign Success Metrics

Across the 50 stores that will receive the 40,000 on-the-box coupons, we would consider a 50% coupon conversion rate and a 20% increase in sales per store to break even on the coupon cost at these venues. In order to sell our targeted goal of 50,000 Smarter Boxes we would need to sell 498 products sold per store (166 per month) throughout the 3 month campaign.

Smarter Box Coupon Campaign Success Metrics

Sales Metric Projections for December - February of Smarter Box Campaign:

Maximum sales goals for initial goal of 50,000 items with 0% coupon utilization.

- 50,000 Single Pack Products x \$1.99 - \$3.99 = \$99,500 - \$199,500 in sales
- 50,000 Variety Pack Products x \$5.99 - \$7.99 = \$299,500 - \$399,500 in sales

Minimum sales goals based on the pricing of lowest MSRP available (100%

coupon conversion) with minimum target 20% of sales through variety packs:

- 10,000 Variety Packs (\$4.99 each) = \$49,000 sales (subtract production costs)
- 40,000 Smarter Boxes (\$1.50 each) = \$59,000 sales (subtract production costs)
- TOTAL = \$110,000 sales revenue

Projected Revenue off of 50,000 units sold. Formula continued from above.

PROJECTION 1: (25% conversion using coupons) 50,000 units sold

- 100% Variety Packs (\$5.99 each) = \$287,000
- 50% Variety Packs (\$5.99 each) = \$171,625

PROJECTION 2 (50% conversion using coupons): 50,000 units sold

- 100% Variety Packs (\$5.99 each)= \$274,500 sales
- 50% Variety Packs (\$5.99 each)= \$162,250

PROJECTION 3 (100% Coupon Conversion) 50,000 units sold

- 100% Variety Packs (\$5.99 each) = \$249,500
- 50% Variety Packs (\$5.99 each) = \$137,250 sales

Marketing Tactic and Plan Recommendations

On-the-Box Coupons

Coupons will be present during all phases of our rebrand campaign, their first implementation will be before our rebrand campaign launches in big box stores and supermarkets in the Philadelphia Area. They will be placed on product boxes and as online advertisements to inform and drive our consumers to purchase Smart Ones. The segments that we are targeting with the tactic most from this tactic are Freezer Burnt Farrah (primary) and Bargain Buyer Barb (tertiary). Both segments are looking for a deal; and we hope that by offering one though coupons, they will be more inclined to try the product leading to brand loyalty.

Through secondary research, we found that Smart Ones is the lowest priced frozen meal at many retailers. At big box stores like Walmart and Target, Smart Ones is stocked with a minimum price of \$1.25 per unit, compared to Lean Cuisine at \$2.12. However, at supermarkets like ACME and ShopRite, Smart Ones is at a pricing

disadvantage with an average price of \$3.50 per unit, while competitors' meals are priced less than or equal to at an average price of \$2.99. With a 50 cent coupon reduction, coupons at supermarkets will put Smart Ones within price parity of Lean Cuisine.

If implemented effectively the benefits of these coupons are threefold: First, coupons will draw attention to our product increasing awareness before launching a rebranding campaign. Second, they offer the promise of savings by mitigating cost disadvantages at certain retailers, so customers in search of a deal will find it with our product regardless of their shopping venue. Finally, these coupons are self-validating and allow us to keep track of which products are selling well and improve forecasting once the Smarter Box campaign launches.

A Smarter Box Redesign and Launch

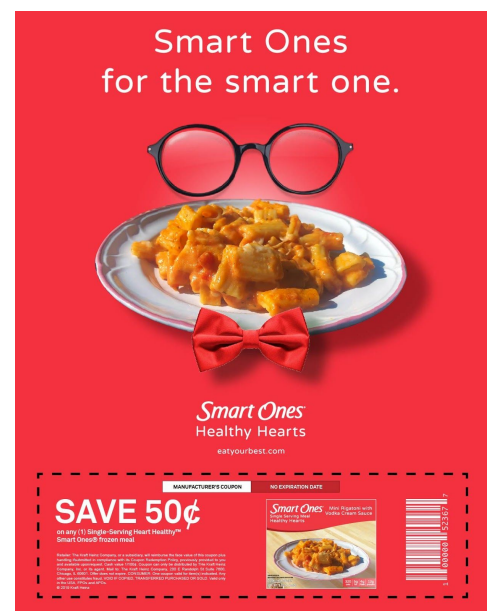
The mission of the “A Smarter Box” campaign is to meet the needs of our consumers looking to have healthier alternatives in their frozen meal selection. This will be accomplished by being transparent about what line of food they are eating and cross-promote meals within that line on the packaging of the product. Additionally, the campaign will develop a brand attitude that is currently non-existent for Smart Ones meals. According to our research, consumers purchase frozen low-calorie meals based on either brand loyalty or for a quick, convenient meal when they don't have time to cook themselves. The current box design strategy separates their meals into various worldly cuisines using colored squares. The Smarter Box will reorganize current product offerings into four categories, based on recipe qualifications, instead of cultural

designation: heart-healthy, high protein, vegetarian and low-calorie. For example, our Low-Calorie Creations meals are identified by blue packaging, whereas our Protein-Packed meals are identified with yellow-orange. By reintroducing Smart Ones into these four categories we also develop a brand attitude and hopefully create a brand resonance between frequent purchasers and the line of products they purchase.

The four product lines will be distinguished on the packaging through recognizable colors, copy, and imagery. The color assignments are as follows: red = heart-healthy, green = vegetarian, yellow-orange = high protein, and blue = low calorie. The new packaging will still incorporate aspects similar to the current packaging including, but not limited to: legally mandated copy, nutritional facts, values, weight/contents, and identification. These vehicles are simple and cross-promotional to get the word out for our product launch of the Smarter Box. Further developed brand identity will breathe new life into the product's appearance and encourage more customers to buy Smart Ones. This will help Kraft Heinz and the Smart Ones brand stay connected to its consumers and show they are willing to innovate along with their needs.

Coupon Flier

The most interesting things to come in midweek mail drops and the Sunday paper are the coupon packets from Valpak and Smart Source, bringing joy to those looking to save a buck or two or who religiously coupon as if it were an Olympic sport. To further promote the Smart



One's brand and elevate the number of people becoming triers at the very least, full-page ads following the design of the in-store sampling posters will make appearances in both of these throughout the year as shown in the media plan.

Banner Ads

As part of our digital implementation, banner ads will be bought and placed on various websites, specifically targeting the Freezer Burnt Farrahs as they browse different areas of the internet:

- Entertainment (e.g. YouTube, Vimeo)
- Recipe websites (e.g. Food Network, AllRecipes.com)
- Supermarket websites
- Specialty magazine websites (e.g. Women's Day, Women's Health, Redbook, Home & Living, Cosmopolitan, etc.)

These ads, when clicked, will take the visitor to Eat *Your Best* website where a manufacturer's coupon will be available. This coupon will be printable and optimized for mobile. Each ad will appear on pages where the content is relevant to that specific meal group (e.g. "Microwave, Chill & Save", the green ad, will show up on pages where there's a vegetarian or vegan content). Ad clicks and coupon usage will help gather information on which category is doing well.



Website Redesign

As a tie-in with the refreshed appearance across all of Smart Ones' platforms, the website must go through an overhaul to stay consistent with the new look of the Smart Ones packaging. Because the *Eat Your Best* website also has pages for SmartMade and Indulgence, Kraft Heinz's other health-inspired brands, the updated navigation menu will favor Smart Ones with newly designed and developed pages containing up-to-date information on the product, a product locator, and tools (like the meal-matcher quiz, formerly mentioned in the 4 Ps) to educate visitors on making *smarter* dietary decisions, among other features. Heart Healthy Harriets will enjoy browsing the website to harvest all the information they can get on the lineup of Smart Ones' meals, which ones they would like best, and how to incorporate them into their daily meal planning.

SmartMade and Indulgence will still be featured brands, but not with the same level of prominence as Smart Ones, providing fewer tools and information.

Variety Packs

The variety pack, initially comprised of the 3-meal box mentioned before, is to meet the convenience needs of our primary target audience, Freezer Burnt Farrah. Having a 3-meal variety pack box with different included meals is a cost-efficient and easy way to add variety to her hectic meal planning routine. For Farrah, This means she doesn't have to worry about what's for lunch the next few days, she has 3 meals ready-to-go. During competitive analysis, we discovered Lean Cuisine and Healthy Choice offer a multi-pack, 3 meals of the same type, but they do not offer a variety pack.

This is a strong competitive opportunity for Smart Ones and can greatly improve market share.

Each of the four lines will offer their own variety packs and will have individual heating instructions printed on the removable tray film of the meal so even though the product is removed from the variety pack box, the customer can still access heating instructions for their meal. During the initial launch of the variety packs, we will use the tagline “New Year Smarter You” to promote the culture of the new year’s resolution. Starting in March, the branding of print ads and other affiliated promotions for the variety packs will revert to their specific branded messaging.

In-Store Sampling

The objective of store sampling is to capture customers shopping in the frozen food aisle by offering them a free sample of our best tasting products a Smart Ones product. We will conduct in-store sampling in our selected big box stores and supermarkets in the Philadelphia area. While reviewing research data, we found that 66% percent of customers purchase their groceries in a supermarket and 70% purchase frozen food every time they visit the grocery store. Additionally, we found that there was a qualitative consensus that frozen meals, Smart Ones, in particular, taste terrible, contain too much sodium and are products they would never purchase. The hope is that this in-store sampling positively influences and eliminates the negative perception of Smart Ones frozen meals.

Implementation Sequencing

Based on our key findings, strategic implications, and marketing tactics, we have devised a 3 phase implementation strategy to effectively roll out our rebranding campaign with a fourth phase triggering product wide adoption with an eventual goal of \$50 million dollars in sales.

Phase 1: On-the-box Coupons

Philadelphia Supermarket Coupon Rollout



Leading up to the launch of the Smarter Box campaign, coupons will be placed on current Smart Ones boxes. These coupons will begin in July 2020 and continue through November.

Our initial run of 50 cent coupons will be 40,000 units, totaling 10,000 coupons for each of our 4 future product lines. We will launch these coupons at 50 Acme, Weis



and ShopRite stores in the Philadelphia Metropolitan Area. Each store will receive 800 coupons over the course of the July-November timeframe. Based on sales figures

after the first 3 months of the tactic, we can evaluate if we need to supply more coupons to our retailers and make necessary adjustments to inventory for the Smarter Box launch set for January 2021.

Phase 2: Smarter Box & Variety Pack Launch

Smarter Box Campaign (Box redesign, Variety Packs, Banner Ads, Print Ads)



Starting in December 2020, in accordance with the holiday season and the New Year, we will launch the Smarter Box campaign. We will initially launch the rebrand in all 50 grocery stores we previously offered coupons in during Phase 1 of the campaign, and in 25 Target and

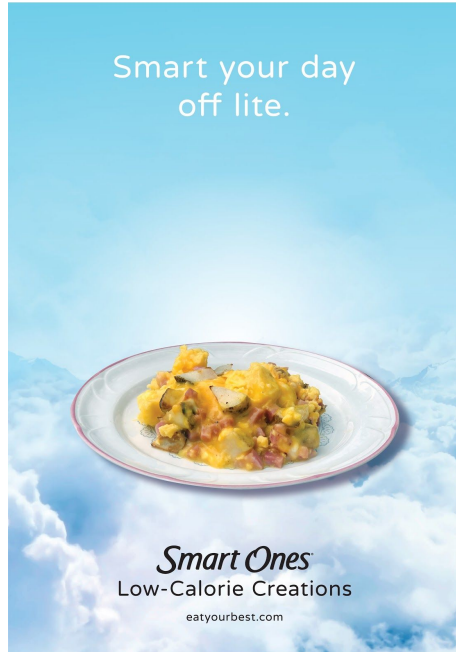
25 Walmart stores in the Philadelphia Area.



Also In December, each store carrying the new Smart Ones boxes will receive signage and promotional items to accompany the new product look, these include freezer clings, highlighting the new product packaging.

All 100 stores will receive an inventory of Smarter Boxes based on the sales of products sold in the preliminary coupon campaign. The launch of the campaign will be measured and monitored during the December-February launch campaign, through coupon tracking validation and sampling booth coupons.

Phase 3: In-store Sampling



Our final phase is in-store sampling of Smart Ones healthy alternatives. The goal of this phase is to engage customers, gain customer loyalty, and eliminate the stereotype in customers' minds of the product tasting unpleasant. We hope that the in-person customer engagement will build rapport with our target audience and educate them on the products we offer and their ingredients, especially our new healthy product line.

This tactic is easily replicated for seasonal promotions after the launch of the initial Smarter Box New Year campaign. For example, during back-to-school season, promotional coupons and messaging can be focused on busy school schedules and dinner planning.

These sampling booths will be highly branded based on which meals the sampler is serving. We will create posters, accompanying collateral for each line of Smart Ones sampled, so that each interaction at our sampling booths are in line with the Smarter Box campaign.

Parallel to the aforementioned events, the manufacturer's coupons will be run and distributed by the demonstrators at the sampling tables. Each set of coupons correlate with the proposed meal categories and will be good for those specific categories, allowing us to obtain a victory with this tactic. The coupons will also allow us to track sales that are directly influenced by the sampling event.

Phase 4: Nationwide Launch

Upon success of the previous phases in the Philadelphia area, we will commence phase 4, a nationwide launch of the Smarter Box and variety pack campaign. The same processes used in phases 1–3 will be employed, essentially rolling out the rebrand. The goal for this final phase is to have a net worth of \$50 million in sales (annual) and a stronger brand awareness for Smart Ones'. This will hopefully encourage Kraft Heinz to keep up with the competition.

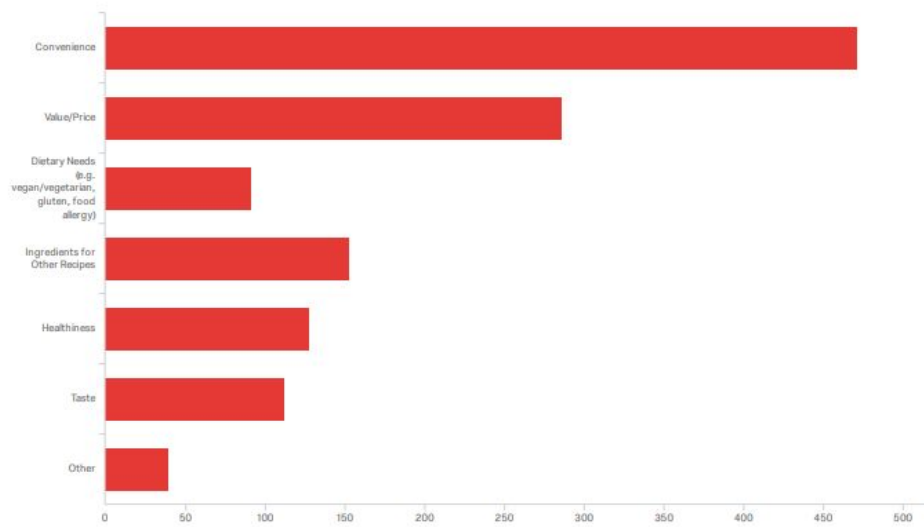
Media Type	Fiscal year 2020						Fiscal Year 2021					
	Phase 1			Phase 2 and 3			Phase 2 (continues)			Phase 4 >		
	July	August	September	October	November	December	January	February	March	April	May	June
Print												
Poster												
Newspaper Coupon												
Direct												
Coupon Sticker												
Manufacturer Coupon												
Aisle Clings												
Digital												
Banner Ads												
Website Refresh												
Product												
Variety Packaging												
Smarter Box												
Cross Product Promotion												

Legend
Tactic #1: Smarter Box Launch
Tactic #2: Variety Pack Launch
Tactic #3: Sampling
Tactic #4: Couponing & Ads

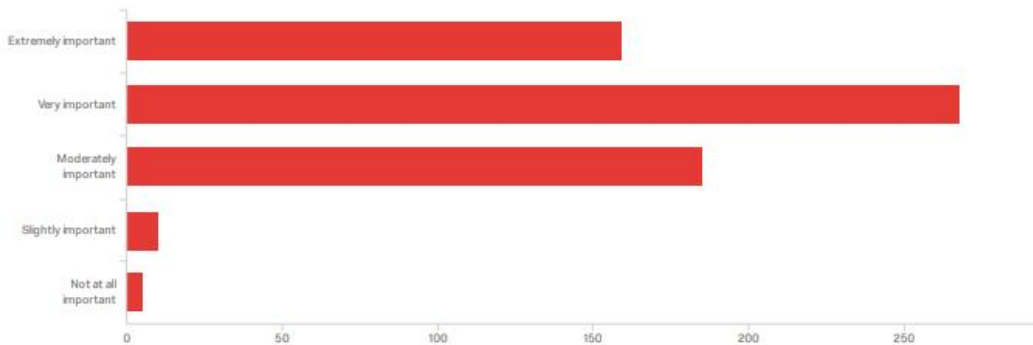
Appendix

- [Market Research Plan](#)
- [Competitive Pricing - Larger Scope](#)
- [Media Plan and Tactic Sequencing](#)
- **Survey**

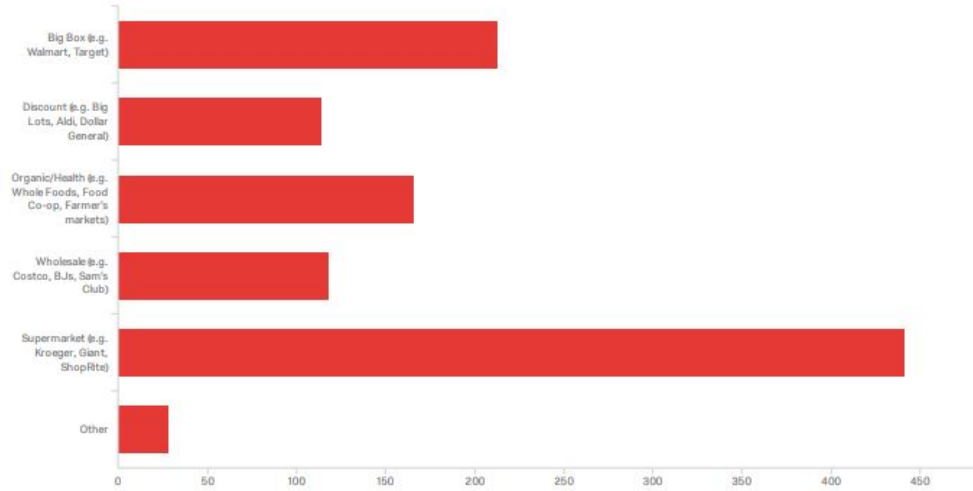
Q36 - If possible, please select all applicable reasons why you purchase frozen items.



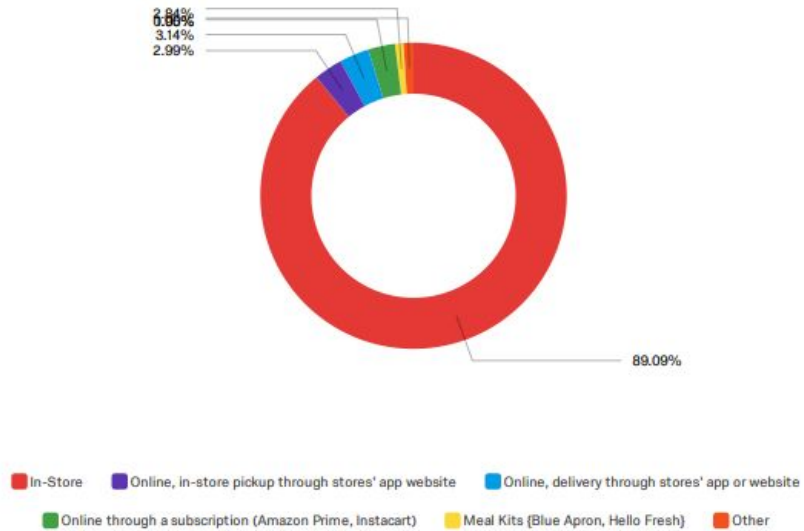
Q19 - How important is it for you to buy healthy food options?



Q17 - What type of store do you buy your groceries from? Please select all that apply.



Q15 - How are groceries primarily purchased in your household?



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