

Nestle crunch marketing plan assignment

[Business](#), [Marketing](#)



Marketing Management Brenan University Instructor: DRP. North June 10, 2014 Executive Summary This marketing plan was created for Nestle Crunch to position itself in the next year to deliver at least \$13 million in profit without increasing the budget by over \$2 million. An analysis of the chocolate confectionery market will be analyzed to develop marketing strategies to implement to satisfy these objectives. Situation analyses

Market Size Crunch is produced by the largest food and beverage company, which is Nestle.

Retail sales of chocolate confectionery comprised of \$33.8 billion in retail sales, which \$16.9 billion were in chocolate sales. Market Trends The growth rate of chocolate confectionery lagged behind the cereal, gum, and sugar confectionery and showing very little projected growth through 2014. Unit Volume 35% of the market share in sales were the Regular sized Chocolates, 30% were for the miniatures, 25% were of promotional items (promotes seasonal sales), and then there were the king sizes which made up of only 10% of the market sales. Price Nestle's strategy was to list the lowest price on their bars at \$0. Each for Butterfingers and Crunch, while its close competitor, Hershey priced its Bars and Reese's cups at \$0.89. The other competitor, Mars, priced theirs even higher at \$0.99 each. Price increase would result in lost in sales. Product Services Offered Nestle Crunch offered consumers a chocolate confectionery that served as an indulgent treat in contrast to satisfying hunger. SOOT Analysts In SOOT, strengths and weaknesses are internal factors. In business, the strengths identified are what a business works to maintain, build, and leverage.

Weaknesses that are identified should be removed, resolved, or remedied. Opportunities and threats are external factors. External factors are, in most part, out of our external locus of control. We can only either optimize it or deal with it. Opportunities should be prioritize and optimized. Identified threats must be acknowledged by a business and/or develop counter measures for it, if any (SOOT Analysis, 2009). INTERNAL Strengths Offer the lowest prices among competitors Crunch is regarded as an indulgence, a reward, or treat Participates in all channels of distribution

Produced by the worlds' largest food and beverage company – Nestle Weaknesses Marketing budget cannot increase more than \$MM from the previous year (2009) Its By steamroller's consumers EXTERNAL Opportunities Large market in the Midwest Females and children consumed most of the chocolate confectionery Cryptographic segments that are potential target markets: Practical value seekers Confection loving moderators TV has the greatest reach Threats Chocolate sales lag behind sugar confectionery, cereal bar and gum Competitors – Hershey and Mars in the U. S. Reek share marketing strategy Positioning We want to position Crunch as: “ Nestle Crunch is for women and children who want to reward themselves to an indulgent chocolate treat, because Nestle Crunch is the only chocolate bar that tells you best that you deserve it. ” strategy development Objective The mission is to deliver at least \$13 million in profit without increasing the budget by more than \$2 million. Targeted Consumer Demographics Target Market Crunch satisfies a consumer's need to satisfy an indulgent desire, and promotion is used to trigger these impulses.

Therefore, promotion is vital to increasing sales. Specifically, to children and females (teenage females, adult females, and mothers) who mostly attribute chocolate as an indulgent desire according to the Figure below. In addition, according to the research, women are 51% of the population and consume 6% more chocolate than men. Children and young adults under the age of 25 comprise 60% of the population. In terms of geography, the Midwest is 22% of the population and the region that sells the most chocolate confectionery.

Tragedy development Financial Projections Strategy and Execution Minus 1 event of free standing insert (IFS) coupon good on one regular size Crunch bar. Add 1 event of A regular bar bonus size (+25%) is offered during 2-week display featuring regular size Crunch. Distribution increases by 2.0 percentage points. A Crunch price increase of +12.5% on all products would match Heresy's retail prices but would still be less than Mars' prices; no pricing action was taken in 2009. The following table shows the impact on sales and profit when making changes in the marketing mix.

According to the table, with the marketing mix selected we are able to achieve our objective of ensuring production contribution of at least \$13 million, our profitability percentage change is at least over 15%, and budget does not increase by more than \$2 million.

Advertising and Promotion Media Marketing

The media vehicles for advertising that will be utilized are TV, print, and online. Since TV has the greatest reach, 70% is allocated in the budget for TV advertising and promotion; 20% for online and 10% of the budget for print marketing. The total budget for these media marketing is a little below \$12. Million. We have an estimated reach of 90% for the TV advertising and marketing and 10% ND 20% for print and online.

respectively. The pie graph below illustrates the media mix selection: Pricing strategy The pricing strategy will be to increase the price of Crunch by 12.5%, which will match the Hershey retail price, but will still be below the price of Mars. An increase in price does result in a decrease in sales, but after thorough examination of the P, it will show an increase in profitability to justify the drop in sales. Distribution strategy Increasing the distribution showed to increase sales.

Since a large percentage of sales were sold through other distribution channels besides mass merchandisers, supermarkets, and convenient stores, an increase in distribution to the other channels that include drug stores, warehouse club, and vending machines, justify a slight budget increase as shown in the Figure below. Promotions, advertising, and special events are concentrated on the special holidays that historically show increase sales in the chocolate confectionery market. Many of the events are also focused mostly in the Midwest, because this region is shown to have the highest sales and consumption in the nation.