

Truearth foods



**ASSIGN
BUSTER**

TruEarth Foods 1. Cucina Fresca's refrigerated pasta was successful first because people perceived it to be fresher than the traditional dry pasta. When they launched the product there was no strong player offering a refrigerated whole grain product and with people looking for healthier options this gave them a great advantage. They also did market studies to better ensure their success, looking at sales volume and assessing consumer awareness of fresh whole grain pasta. They did their research and put together a product consumers could make easily but still feel as if they were putting some cooking effort into their families dinner. . The main difference I noticed was that consumers making pasta were more conscious of healthy options whereas consumers choosing a pizza wanted a quick meal that tasted good. Pizza is not looked at, as a healthy food I think their efforts would be overlooked. With pasta there is more of a variety of different meals that you can make and people view it as healthier than pizza even though this may not be the case. For their pizza line to be successful I think they should focus a bit more on taste than on the health aspect. 3.

Exhibit 5 Pizza Concept Purchase Volume Estimate, Year 1 Trial Purchase Intent| | Repeat Purchase Inputs| | Definitely would buy| 18%| Trial Households (MM)| 3. 2| % of " Definites" who actually buy| 80%| Repeat Purchase Occasions| 2. 0| " Definite" Purchases| 14. 4%| Repeat Transaction Amounts| 1. 25| Probably would buy| 43%| Repeat Rate, by Product Scenario| | % of " Probables" who actually buy| 30%| Mediocre Product| 21%| " Probable" Purchases| 12. 9%| Average Product| 37%| | | Excellent Product| 49%| Trial Rate (Definite + Probable)| 27. %| | | | Repeat Volume, by Product Scenario (MM)| | Marketing Plan Adjustment| | Mediocre Product| 1.

0| Gross Rating Points| 800| Average Product| 1. 7| Projected Consumer Awareness| 50%| Excellent Product| 2. 3| All Commodity Volume distribution (ACV)| 40%| | Marketing Adjusted Trial Rate| 5. 5%| | Trial Rate x Awareness x ACV| | Target Households (MM) a| 58. 8| | Trial Households (MM)| 3. 2| | a Target households based on addressable market in metropolitan areas with annual household income over \$50K Methodology: 1.

Trial Rate = “ Definites” x 80% + “ Probables” x 30% 2. Marketing-Adjusted Trial Rate = Trial Rate x % Awareness x % ACV (distribution) 3. Trial Households = Target Households x Marketing-Adjusted Trial Rate 4. Repeat Volume = Trial Households x Repeat Purchase Occasions x Repeat Transaction Amounts x Repeat Rate 5. Total Volume (Table A) = Trial Purchases + Repeat Purchases = 35% The gross margin on the pizza line is 35% and according to the exhibits 8-10 I believe if the company can reduce the cost of the pizza from its Trial rate of \$12. 38 to the Mean price of \$10. 5 and at the same time increase the overall flavor of the product they will do very well producing this product. They have a 12 million dollar minimum wholesale business requirement so if their profit margin of 35% is above this I would proceed in production of this pizza line. 4. I think that they should introduce pizza. The market for pizza is very large and with a few changes here and there I think that they could be very successful. If they increase they flavor and cut the price a bit I think that consumers would respond very well to the new product.