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I. Executive Summary

Client Background

Guittard Chocolate Company was founded in 1868 by Étienne Guittard and headquartered in Burlingame, California, and is the oldest chocolate maker in the United States. Unlike traditional chocolate companies, Guittard sells chocolate in the forms of bars, chips, wafers, and cocoa powder, and is in the market of *couverture chocolate*, which is the gourmet subset of the chocolate industry. Companies that compete with Guittard include Callebaut, Felchlin, Ghirardelli, and Valrhona. However, Guittard's key competitive advantage is its principle of incorporating centuries-old French artisan techniques and using only the highest quality cocoa beans to produce gourmet chocolate. Their principle: "Your end product is only as good as the ingredients that go into it."

Industry & Market

The overall chocolate industry is estimated to bring in approximately \$21.2 billion annually. The premium chocolate sub-market is estimated to compose approximately 13% of the overall market, at around \$2 billion. With an annual revenue of approximately \$125 million, Guittard is currently 6.25% of its global target market. Other major companies in this industry include Hershey, Mars, Lindt, Ghirardelli, and Nestle.

Guittard provides chocolate for various target markets. While their primary target market is wholesale business, they also sell chocolate direct-to-consumer as well as to chefs, with the goal of increasing sales and raising brand awareness. In doing so, Guittard not only sells chocolate bars and confection items, but also chocolate for baking purposes.

Objective & Campaign Strategies

Guittard's primary objective is to gain more traction as a traditional chocolate-making company and gain market share in a growing industry. With this campaign, Guittard aims to demonstrate that although it is the oldest family-owned company in the United States, it remains up-to-date in terms of its ability to satisfy its customers with savory treats.

Our campaign will use various media in order to reach our customers. Along with modern and conventional forms of advertising such as social media and magazine advertising, we also plan to use food samples, thought leaders, etc. to get customers to buy our products.

Financial Information

Guittard defines its overall industry as the gourmet chocolate making industry. However, it plans to target the (population of people that shop for gourmet chocolate during the holiday season), because we will be able to capitalize on the annual high interest in gourmet chocolate. Since there are already competitive players in the industry, such as Mars, Callebaut, Nestle, and Ghirardelli, Guittard aims for a 10% market share for gourmet chocolate within 5 years. But for out of season gourmet chocolate shopping, Guittard aims for a 15% market share.

Campaign Benefits

Following our campaign, we expect Guittard to become even more competitive in the gourmet chocolate field, as there is an expected \$4,056,000 increase in sales. We also expect an increase in our brand awareness, as 2.5 million more people will become potential customers.

II. Description

Guittard Chocolate Company is an American-based chocolate producing private company that has been passed down through the family for over 145 years, making it the oldest family owned company in the United States. Founded in 1869 by Étienne Guittard in Burlingame, California, Guittard has been producing couverture chocolate not only for consumers, but also for wholesale manufacturers. Guittard offers their premium chocolate in a number of forms such as baking bars, baking wafers, baker chips, and cocoa powder using their generation-old techniques, traditional recipes, and innovative craftsmanship. Other competitors that contend for consumers in the chocolate industry are Callebaut, Felchlin, Ghirardelli and Valrhona.

Although Guittard is a fairly small company when compared to competing chocolate makers, it still provides chocolate for Williams Sonoma, Shake Shack and McConnell's ice cream companies, and more. Due to them being a small company, they only ship chocolate domestically, and have not yet touched the international market.

Guittard Chocolate Company is now located in San Francisco and has an annual company revenue of \$125,000,000, a number which has been steadily increasing by an average of 2-3% per year. One of Guittard's core principles includes the quote, "Taste has memory," as said by Gary Guittard. This quote shows that Guittard cares more about creating a lasting impression with the taste of their products as opposed to other aesthetic qualities.

III. Objectives of Campaign

Our campaign will focus on raising brand awareness and increasing sales for Guittard. A problem that Guittard has is their low retail sales. This is because the price for chocolate is known to be an “affordable luxury”. The concept of premium chocolate is new, but increasing in popularity as people are beginning to enjoy gourmet foods more. We will be launching our campaign during the holiday season, from November to January. During this time, consumers will be avidly searching for gifts to purchase on momentous occasions such as Christmas and New Year's. We hope to capitalize on this increase in interest for gifts such as chocolate during the holiday season.

Primary Objective

Our primary objective is to raise brand awareness so more people know about Guittard. We predict that our marketing campaign will reach more than 2.5 million people. This will be achieved by the following methods:

- “Experience Marketing”
- Sponsoring popular food bloggers with chocolate
- Food magazines
- Advertisements online
- Professional Chef Exhibition

Secondary Objective

Our secondary objective is to create an estimated increase of 3% for that year. Our secondary objective will be attained by the result and effects of achieving the primary objective. By raising brand awareness, people would be more encouraged to buy a product from a business that they are more familiar with.

IV. Target Market

Primary Target Market

Demographics

- Consumers
- Aged 30-45, upper middle class, income starting from \$62,500 a year
- Lives in United States

Our primary target market are consumers that will use Guittard products for home baking and eating purposes. Consumers, specifically bakers, are our primary targets because they will be able to buy our chocolate and use it in their cooking to create aesthetically appealing food. This will then make customers wonder what the food is made of, sparking an interest in the ingredients and what it is composed of.

Secondary Target Market

Demographics

- Professional chefs
- Income of \$25,000-\$50,000 a year
- Lives in United States

Our secondary market contains a more specific type of people, professional chefs. We hope to increase our sales and brand awareness with the assistance of professional chefs to show that Guittard chocolate is high end coverture because of how professional chefs will be using them in their cooking. Professional chefs will also help consumers associate Guittard with food

that is pleasing to the eye which will make them wonder what that particular food item is made of.

1.

2. List of Advertising Media Selection Necessary for the Campaign

Our campaign consists of four different forms of advertisement. We will use social media, sampling using thought leaders, professional chefs, sponsorship of food bloggers, “experience marketing” (Sampling), Google AdWords, magazines, and social media.

Thought Leaders

Thought leaders are very well respected individuals that consumers look to when making buying decisions. With our campaign, we plan to use these leaders to our advantage by hosting our chocolate on their shows, articles, social media pages, etc. This will not only help bring awareness to our company, but also convince more consumers to buy gourmet chocolate from us. We currently plan on approaching Glen Gilmore, a thought leader who specializes in implementing a culture of healthier living. With his help, Guittard Chocolate Company can have an article published about the advantages of their unique chocolate making process. His article will help increase the amount of people who are aware of Guittard with more and more people realizing the health benefits of Guittard chocolate.

Professional Chefs

We plan to target our secondary market by holding an exhibition professional chefs can come and learn about Guittard chocolate. We will present and sample our chocolate similarly to how our “Experience Marketing” event will work. We will also be explaining the appeal to our

chocolate, and what makes it unique from other companies' chocolate. We will invite local professional chefs to our event, as San Francisco alone has 1,940. We will set up four different times of the day, and the exhibition will be a come and go process. The chefs would come in, attend our presentation, and would leave after tasting a sample and receiving a coupon for Guittard's professional chocolate purchase. This would lead to the professional chefs wanting to use Guittard chocolate in their cooking.

Sponsorship of Food Bloggers

We plan to sponsor popular food bloggers across the internet, particularly the bloggers who use chocolate in their works. Food bloggers can have a follower or view count of over 100,000, many times even more, so we plan to work with ten chosen bloggers. In return for a supply of chocolate, they would recognize Guittard chocolate in their recipes. Our business and the blogger will both be benefited, and we will gain what we both need. This way, we create a mutual bond with our customers, and become well known. Almost 90% of the overall population say that they trust, and search for online recipes; food bloggers not only supply recipes, but also provide a source of internet leisure. Because of the immense range of people that use online recipes, our target audience will more than likely be included. This way, we will gain a lot of brand awareness from the selected food bloggers who will recognize our chocolate in their works.

"Experience Marketing" (Sampling)

The most effective way to show off a food company is by taste. As said by Gary Guittard, CEO of Guittard says "Taste is memory." Our campaign will provide chocolate samples to the public. We will be holding these sampling sessions at famous tourist venues in San Francisco at Union Square, Pier 39, and Golden Gate Park. These chocolates given to the sampler will be very

unique, so that they can remember our taste. We give the consumers a memorable experience with our chocolate using the four or five senses, and the more quirky or out of the box the experience is, the more of a lasting impression we will make. When the time comes for the customer to make a choice in the marketplace, they can call upon their memory of Guittard chocolate. This experience will alter their choice, and lead to our end goal: a sale.

Google AdWords

Another essential part to our advertising campaign includes using Google AdWords. Google AdWords is an advertising service Google provides in order to assist businesses that want to display their ads on Google. AdWords show advertisements based on keywords that are typed, which is how we plan on using Google AdWords. AdWords operates with a budget the business owner sets, and charges them only when consumers click on their ads. We will be able to increase our brand awareness due to Google's search engine dominance, which is showcased by the average amount of searches per day being at 3.5 billion. We estimate that a small portion of that number would be able to greatly impact our brand awareness. Google AdWords provides a function called Geotargeting, which enables us to target specific areas where we think we can make the most profit off of. Guittard's sales are predominant in the West and the Midwest, so we can use geo targeting to better utilize this program.

Magazines

Guittard Chocolate will advertise on Food Network, a popular monthly food magazine that showcases the best of the current food industry and what's trending right now. Food Network has a total of 1.7 million subscribers, reaching 5 million readers a month through home subscriptions and distribution through online magazine options such as Amazon, Google Play, and iTunes, as

well as in store purchases through Barnes and Nobles. The magazine will continue to grow with the help of Food Network, a well-known cable channel, bringing more attention to the monthly issues containing our advertisements for Guittard chocolate. This will help us reach our goal of increasing brand awareness among readers who are already receiving the Food Network monthly issues.

Social Media

Guittard Chocolate's Instagram currently has 5266 followers, but is constantly hosted, and partnered with other very popular food related Instagrammers. These big Instagrammers are tagged with Guittard and bring in a lot of traffic to Guittard's page. Their posts show off their work, using the trend, "#guittardpro", and they also post anything related to chocolate. Through Instagram, we can showcase other baker's works, essentially creating a contest. Each week would be dedicated to exhibit the best works from the public. The only rule would be the required usage of Guittard chocolate, which would not only create a new popular trend, and form a connection with their customers. Meanwhile, each contestant would also tag Guittard's Instagram account, bringing even more traffic, and new followers to their page. Accomplishing advertising on Instagram will bring the attention of Guittard to a large crowd, thereby raising brand awareness and creating an exciting trend on social media.

Of our target market, 77% of all women aged between 30-40 are a part of the Facebook community. We will utilize Guittard's Facebook page by posting more of their products. This will not only serve to advertise what Guittard sells, but also serves as a critique center for feedback. When new customers are introduced to Guittard chocolate, whether through a relative, or gifts, they can easily search up Guittard and comment their ideas. The page will act as a site

that will recognize their own products, and that will attract friends of followers to discover Guittard. Facebook is also a media where companies have the opportunity to advertise and promote themselves using Facebook ads, at a low cost of \$5 per day. These Facebook ads target specific, and selected audience to optimize their effectiveness.

VI. Schedules of all Advertising Planned

Our advertising campaign targets November, December, and January because this is the holiday season. During the holiday season, the average person spends \$805, which is the peak of the year. Consumers are more likely to buy our chocolate for personal consumption, or as gifts to others during this season. We want to introduce our plan starting November, during the Thanksgiving season, and build up the popularity to December, hoping to have a big impact during Christmas. Guittard can continue the costless promotions in the future with simple maintenance.

	November	December	January
Facebook Ads			
Magazines			
Google AdWords			

VII. Schedules of all Promotion Planned

Facebook page			
Instagram contest and partnership			

Sponsoring Food bloggers			
Sampling			
Exhibition			

*Instagram contest held will showcase top three winners every month

*Sampling will occur twice for two months

*Exhibitions will be held four times per day, one day a month

VIII. Budget

Advertising Media	Description	Units	Unit Cost	Total Cost
Social Media: Facebook ads Google ads Graphic designer	Daily ad Charges per click on ad For both medias	92 1 2	\$5 \$4000 \$65	\$460 \$4000 \$130
Magazine: Food Network Ad designer	One issue for two months For Food Network Magazine	1 1	\$96,250 \$65	\$96,250 \$65
Other: Sponsoring Sampling Professional Chef Exhibition Thought leaders	chocolate supplies(shipping) twice per month, 2 months Exhibiting Guittard Chocolate to Profess. Chefs(Coupons and Samples)	90 18 1	\$117 \$16 \$20	\$7020 \$328
Total Cost:				\$109,213

IX. Statement of Benefits

Following our advertising campaign, we expect an estimated increase in sales of 3.5% off of the 2-3% Guittard currently makes. The increase in sales will be approximately \$4,965,047. This will create an expected return investment by 3736%. With our campaign, we predict our Guittard

Chocolate to increase its brand awareness by 2.5 million people. The increase of brand awareness and sales predicated by our campaign will continue with Guittard Chocolate Company for 2017. We envision our campaign to have a lasting effect on Guittard's increase in sales for the next three years, approximately 2-3% above their normal rate.

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XI. Appendix

Talked with Amy Guittard (Marketing Director at Guittard Chocolate Company)

Talked with an employee of Guittard Chocolate Company (Mr.Lee)