Project Report | Analysis of Conagra Brands

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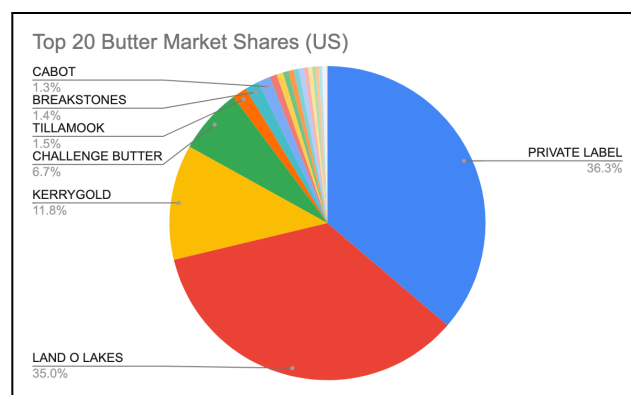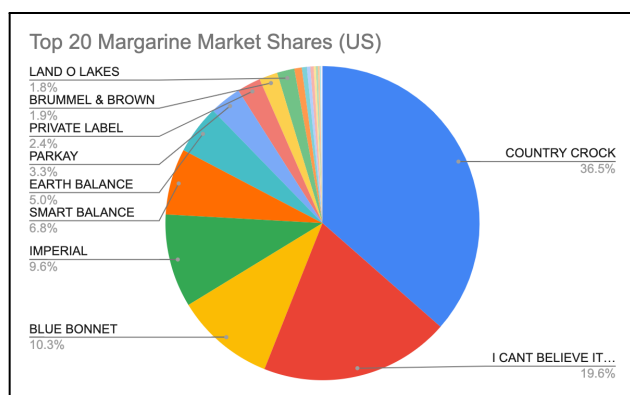Aayush Shukla (ACS20002)

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Introduction

The purpose of this study is to conduct a comprehensive analysis of Conagra brands' standings among the top 20 Margarine brands in the United States.

Top 20 Margarine Market Shares (US)

LAND O LAKES
1.8%
BRUMMEL & BROWN
1.9%
PRIVATE LABEL
2.4%
PARKAY
3.3%
EARTH BALANCE
5.0%
SMART BALANCE
6.8%
IMPERIAL
9.6%
BLUE BONNET
10.3%
COUNTRY CROCK
36.5%
I CANT BELIEVE IT...
19.6%

Top 20 Butter Market Shares (US)

CABOT
1.3%
BREAKSTONES
1.4%
TILLAMOOK
1.5%
CHALLENGE BUTTER
6.7%
KERRYGOLD
11.8%
PRIVATE LABEL
36.3%
LAND O LAKES
35.0%

Studying the above top 20 brands in both Butter and Margarine category, our analysis revealed that none of the Conagra brands were present in the top 20 butter brands, prompting us to focus on margarine. The Conagra brands that we have analyzed in this report are Blue Bonnet, Smart Balance, Earth Balance, and Parkay.

To conduct our analysis, we started by identifying the top product categories in each region and the top brands within each product. We then analyzed Conagra brands through pairwise comparisons with similar leading brands in each region based on market share and pricing points. This helped us determine how Conagra brands can capture their competitor's market share.

In addition, we analyzed demographic data for the top 20 margarine brands on a national level to identify segments where Conagra can compete and increase their market shares.

This report provides valuable insights with supplemental materials included in the appendix for further details.

Product Categories with most Sales ($) & Instances Sold (count):

We identified 3 product categories under margarine that are sold the most in all the 8 regions that Conagra operates in as namely Tubs 15oz, Tubs 45oz, and Sticks 16oz, as shown in Table 1 (in appendix). We could clearly see that margarine generates the most revenue in the form of tubs in the form 15 Oz

and 45 Oz volumes (combined ~60%) across all regions, with sticks in 16 Oz being a close 3rd (~13%). So this should be the focus area for Conagra to increase its market share.

Top Brands across regions for these product categories

When we evaluated market share of the margarine brands in these 8 regions for each of these top selling product categories as mentioned in Table 2 from the appendix, we noticed:

- I Can't Believe It's Not Butter, Country Crock, and Smart Balance, end up being consistently ranked in the top 3 based on market share for the Tubs 15 Oz segment.
- Country Crock, Blue Bonnet, I Can't Believe It's Not Butter, Smart Balance, and Imperial end up being consistently ranked in the top 3 based on market share for the Tubs 45 Oz segment.
- Imperial, Country Crock, and I Can't Believe It's Not Butter end up being consistently ranked in the top 3 based on market share for the Sticks 16 Oz segment.

Price thresholds with maximum impact on sales

For each region and product category, we also identified different price (per 16 Oz) thresholds (ranges) where the majority of the sales happen. So in every region for each of these top 3 product categories we identified small price bands within which even if we bring down the price per 16 Oz by something as small as $0.5, the growth in sales would be significant. A few interesting insights from the analysis were as follows:

Tubs 16 Oz
- **Mid South:** 30% of the total sales in this product category in the Mid South region happen as we bring down the price from $7.5 per 16 ounce to $6.5 per 16 ounce. Similarly,
- **North East:** Bringing down price $8 to $7 => 33% of the total sales
- **Great Lakes:** Bringing down price $8 to $7 => 33% of the total sales
- **South Central:** Bringing down price $8 to $7 => 42% of the total sales
- **West**: Bringing down price $8 to $7 => 28% of the total sales
- **California**: Bringing down price $8.5 to $6.5 => 50% of the total sales
- **Plains**: Bringing down price $8.5 to $7 => 42% of the total sales
- **Southeast**: Bringing down price $8 to $7 => 30% of the total sales

Tubs 45 Oz
- **Mid South:** Bringing down price $4 to $2.5 => 73% of the total sales
- **North East:** Bringing down price $5 to 4$ => 30% of the total sales
- **Great Lakes:** Bringing down price $4.5 to $3.5 => 42% of the total sales
- **South Central:** Bringing down price $5 to $4 => 39% of the total sales
- **West**: Bringing down price $4.5 to $3.5 => 45% of the total sales
- **California**: Bringing down price $4.5 to $3.5 => 40% of the total sales
- **Plains**: Bringing down price $4.5 to $3.5 => 45% of the total sales

- **Southeast**: Bringing down price $4.5 to $3.5 => 37% of the total sales. We also noticed that bringing down price $3.5 to $2.5 => 31%

Sticks 16 Oz
- **Mid South:** Bringing down price $3.5 to $2.5 => 33% of the total sales
- **North East:** Bringing down price $3.5 to 2.5$ => 35% of the total sales
- **Great Lakes:** Bringing down price $3 to $2 => 43% of the total sales
- **South Central:** Bringing down price $3.5 to $2.5 => 48% of the total sales
- **West**: Bringing down price $3.5 to $2.5 => 44% of the total sales
- **California**: Bringing down price $3.5 to $2.5 => 51% of the total sales
- **Plains**: Bringing down price $3.5 to $2.5 => 34% of the total sales
- **Southeast**: Bringing down price $3.5 to $2.5 => 34%% of the total sales

Comparing Conagra brands with top performing non Conagra brands

On comparing Conagra brands with non-conagra brands for these 3 product categories, there were a few interesting insights we were able to uncover:

- Based on evaluation of how brands price their products across all region, we were able to find 3 Conagra and non Conagra brand pairs to compare, where the non Conagra brand had more market share, in the region within that product category, than the Conagra brand:
    - Smart Balance (Conagra) & I can't believe its not butter (Non-Conagra)
    - Blue Bonnet (Conagra) & Imperial
    - Parkay & Fleischmanns

- Given the remaining Conagra brand, Earth Balance, is sold at a very high price point, we weren't able to find any direct competitors on a national level. And in every local market, Earth Balance ended up capturing maximum market share in the high price bucket segment

- Smart Balance Vs I can't believe its not butter

Tubs 15 Oz
- **Mid South**: I can't believe it's not butter ends up doing 3 times more sales for this product category than Smart Balance. Also I can't believe it's not butter does 58% of its sales in the desired $6.5 to $7.5 per 16 ounce price band, whereas smart balance is able to generate 22% of its sales within the same price range. So to gain higher sales velocity and thereby more market share, Smart Balance can try to anchor its prices around this price band, without having to bring down its pricing below its minimum threshold.
Average discount (I can't believe it's not butter) = 17% vs Average discount (Smart Balance) = 5%
- **Northeast**: Sales of I can't believe it's not butter = ~3X Sales of Smart Balance

- **Great Lakes:** Sales of I can't believe it's not butter = ~4.5X Sales of Smart Balance
- **South-central:** Sales of I can't believe it's not butter = ~3.5X Sales of Smart Balance
- **West**: Sales of I can't believe it's not butter = ~3.5X Sales of Smart Balance. $7 - $8: Sales (I can't believe it's not butter) = 77% vs Sales (Smart Balance) = 45% => Opportunity to increase market share.
  Average discount (I can't believe it's not butter) = 14% vs Average discount (Smart Balance) = 7%
- **California**: Sales of I can't believe it's not butter = ~3X Sales of Smart Balance. $7 - $8.5: Sales (I can't believe it's not butter) = 68% vs Sales (Smart Balance) = 38% => Opportunity to increase market share.
  Average discount (I can't believe it's not butter) = 20% vs Average discount (Smart Balance) = 17%
- **Southeast**: California: Sales of I can't believe it's not butter = ~3.6X Sales of Smart Balance
- **Plains**: Sales of I can't believe it's not butter = ~4X Sales of Smart Balance. $7 - $8.5: Sales (I can't believe it's not butter) = 65% vs Sales (Smart Balance) = 58% => Opportunity to increase market share.
  Average discount (I can't believe it's not butter) = 13% vs Average discount (Smart Balance) = 7%

Tubs 45 Oz
- **Mid South**: Sales of I can't believe it's not butter = ~2X Sales of Smart Balance
- **Northeast**: Sales of I can't believe it's not butter = ~2X Sales of Smart Balance
- **Great Lakes:** Sales of I can't believe it's not butter = ~2.5X Sales of Smart Balance
- **South-central:** Sales of I can't believe it's not butter = ~2X Sales of Smart Balance
- **West**: Sales of I can't believe it's not butter = ~2X Sales of Smart Balance
- **California**: Sales of I can't believe it's not butter = ~2X Sales of Smart Balance. $6 - $5 Sales (I can't believe it's not butter) = 85% vs Sales (Smart Balance) = 75% => Opportunity to increase market share.

- Blue Bonnet Vs Imperial

Stick 16 Oz
- **Mid South**: Sales of Imperial = ~8X Sales of Blue Bonnet. $2.5 - $3.5: Sales (Imperial) = 66% vs Sales (Blue Bonnet) = 19% => Opportunity to increase market share.
  Average discount (Imperial) = 14% vs Average discount (Imperial) = 8%
- **Great Lakes**: Sales of Imperial = ~90X Sales of Blue Bonnet
- **South-central:** Sales of Imperial = ~39X Sales of Blue Bonnet
- **Plains** - Sales of Imperial = ~9X Sales of Blue Bonnet 53% of the sales in this product category happen as we bring down the price from $3.5 per 16 ounce to $1.5 per 16 ounce.

- ## Parkay & Fleischmanns
  - **West**: For Stick 16 Oz product category, Sales of Fleischmanns = ~5X Sales of Parkay. $4.5 - $5.5: Sales (Fleischmanns) = 57% vs Sales (Parkay) = 51% => Opportunity to increase market share.
  - **Northeast**: For Stick 16 Oz product category, Sales of Fleischmanns = ~1.6X Sales of Parkay. Average discount (Fleischmanns) = 25% vs Average discount (Parkay) = 7%

- When comparing Parkay & LandOLakes in the Southeast region, we noticed they operate within the same price band, yet sales for LandOLakes end up being 1.3 times as that of Parkay.

Demographic Data Analysis

This section focuses on the demographic data analysis of the major Conagra brands and their closest competitors in the margarine market on a total US level.. After identifying the top 20 margarine brands by market share, with Conagra brands highlighted in green, we have narrowed our focus to the top 10 brands from Country Crock to Brummel & Brown.

The table above shows the market value, total sales, market share, and category of each brand. As the table indicates, Country Crock is the leading brand with a market share of 36.33%, followed by "I Can't Believe It's Not Butter" with 19.48% and Blue Bonnet with 10.21%. Other notable brands include Imperial, Smart Balance, Earth Balance, Parkay, Private Label, and Brummel & Brown.

Our analysis will explore the demographic data of these top brands, including factors such as age, gender, income, family insights, and life stages. By identifying trends and patterns within the data, we aim to provide insights that will inform Conagra's marketing and sales strategies for its margarine products.

Our brand level analysis will be comparisons between brands on a total US level which have similar price points.

CAG_Major_Brand_Value	Market_Share
COUNTRY CROCK	36.33%
I CANT BELIEVE ITS NOT BUTTER	19.48%
BLUE BONNET	10.21%
IMPERIAL	9.56%
SMART BALANCE	6.79%
EARTH BALANCE	5.01%
PARKAY	3.26%
PRIVATE LABEL	2.44%
BRUMMEL & BROWN	1.88%

Overall Recommendations

Before we dive into a brand wise analysis on the recommendations Conagra can follow to increase each specific relative Conagra brand's market share relative to comparable brands, here are a few overarching recommendations which encompass the themes of many of the following comparisons:

- **Invest in targeted marketing campaigns**: Conagra could benefit from investing in advertising and promotional campaigns that are specifically targeted towards key demographics that each brand is struggling to reach. For example, Blue Bonnet could focus on advertising in larger urban areas, while Smart Balance could create campaigns targeted towards individuals with higher levels of education.
- **Develop promotions that appeal to specific demographics**: In addition to marketing campaigns, Conagra could consider developing promotions that are tailored towards specific demographic groups. For example, Blue Bonnet could create kid-friendly packaging or promotions for families with children, while Smart Balance could market themselves as a more affordable alternative to I Can't Believe It's Not Butter.
- **Highlight unique selling points**: Each brand has its unique selling points, such as Smart Balance's appeal to pet owners or Blue Bonnet's potential for new flavors or product formulations popular among Hispanic consumers. Conagra could benefit from highlighting these unique selling points in their marketing and advertising campaigns to differentiate their brands from competitors.
- **Partner with companies or organizations**: As seen in the recommendation for Parkay, Conagra could consider partnering with companies or organizations that employ or cater to specific demographic groups as a way to increase brand awareness and loyalty among those groups. This could include offering discounts or promotions to employees or customers of these companies.

Blue Bonnet Vs. Imperial

Based on the data provided from Table 3 in the appendix, we are comparing Blue Bonnet and Imperial because they have similar price points. Blue Bonnet may be able to capture some of Imperial's market share by focusing on several key areas:

- **County Size A Top 25 Mkts**: Blue Bonnet performs lower in the top 25 markets compared to Imperial. This suggests that Blue Bonnet may have a weaker presence in larger urban areas. To capitalize on this, Blue Bonnet could consider investing in advertising and promotional campaigns that target consumers in these markets. This could include local TV and radio ads, billboards, and social media campaigns that highlight the brand's strengths and unique selling points.
- **Target Race - Other / Unknown**: Blue Bonnet has a lower market share among consumers who identify as "Other/Unknown" race compared to Imperial. This presents an opportunity for Blue

Bonnet to improve its outreach to these consumers, potentially through targeted marketing initiatives that appeal to the unique needs and preferences of this demographic.

- **Target Child - 1+**: Blue Bonnet and Imperial have similar market shares among households with one or more children. However, given that this is a relatively large segment, Blue Bonnet could consider developing products and promotions that specifically target families with children. For example, the brand could create a kid-friendly packaging design, or offer promotions that include free or discounted items for children.
- **Target Acculturated Hispanic**: Blue Bonnet performs less well among acculturated Hispanic consumers compared to Imperial. This suggests that Blue Bonnet could benefit from developing products or marketing initiatives that appeal specifically to this demographic. This could include creating new flavors or product formulations that are popular among Hispanic consumers, or partnering with Hispanic-focused media outlets to increase brand awareness and recognition.

Smart Balance Vs. I Can't Believe It's Not Butter

Based on the data given in Table 4 in the appendix, Smart Balance can capture I Can't Believe It's Not Butter's market share by focusing on the following categories:

- **Target Higher Education**: Smart Balance performs better among males and females who have graduated high school and some college. This suggests that marketing campaigns and product promotions could be targeted towards individuals with higher levels of education to capture their attention.
- **Target Pet Owners**: Smart Balance has a relatively high percentage of pet owners.. This could be used in marketing and advertising to appeal to pet owners and highlight how their product is a better choice for those who care about their pets.
- **Target Generation X**: Smart Balance performs well among Generation X, women aged 45-54, and established workers with no children. Therefore, these groups can be targeted for promotions and advertising campaigns.
- **Target Larger Household size**: Smart Balance performs well among 5+ person households, which suggests that their products may be more appealing to larger families. Promotions and advertising campaigns targeting larger households could be developed to capitalize on this demographic.
- **Target Lower- Income**: Smart Balance performs better among lower-income individuals ($25-34.9K). This suggests that they could market their products as a more affordable alternative to I Can't Believe It's Not Butter.

Parkay Vs. Country Crock

Based on the data given in Table 5 in the appendix, there are several insights that can be drawn regarding the competition between Parkay and Country Crock, and some recommendations on how Parkay can capture more of Country Crock's market share.

- **Target Females 25-34**: Parkay seems to perform relatively worse than Country Crock with female consumers aged 25-34 years old, with a 9% competition gap. One recommendation for Parkay could be to target this demographic further with marketing campaigns and product promotions that are tailored towards their preferences and needs.
- **Target Households with Children:** Both brands seem to be performing equally well among households with one or more children, with Country Crock ahead by 8%. Parkay can try to improve their marketing strategies to target families with children better. This can include promoting their product's health benefits, convenience, or affordability for families.
- **Highlight Products for Children**: Parkay seems to lag behind Country Crock among young families with children under 12 years old, with a 8% competition disadvantage. A possible recommendation for Parkay could be to develop new product lines that appeal to this demographic, such as offering a range of spreads with flavors that appeal to children, or highlighting their product's nutritional benefits for young children.
- **Target Males ages 35-44**: Male consumers aged 35-44 years old seem to prefer Country Crock over Parkay, with a 7% competition disadvantage. To capture more of this market, Parkay can focus on developing a strong brand identity and promotional campaigns that appeal to this demographic. For instance, highlighting their product's quality, value, or convenience for busy males.
- **Target Employed Male**s: Lastly, Parkay seems to have a weaker presence among employed males working over 35 hours per week, with a 7% competition gap. To leverage this competitive edge, Parkay could consider partnering with companies or organizations that employ this demographic and offering discounts or promotions as a way to increase brand awareness and loyalty among this group.

Appendix

Table 1:

Region	Market Share		
	Tubs 15 Oz	Tubs 45 Oz	Sticks 16 Oz
Mid-South	25%	31%	12%
Northeast	37%	23%	12%
Great Lakes	31%	30%	15%
South-Central	33%	24%	15%
West	33%	32%	12%
California	38%	28%	13%
Plains	33%	31%	12%
Southeast	28%	30%	11%

Table 2:

Region	Rank	Tubs 15 Oz		Tubs 45 Oz		Sticks 16 Oz	
		Brand	Market Share	Brand	Market Share	Brand	Market Share
Mid-South	1	I can't believe it's not butter	31%	Country Crock	60%	Imperial	43%
	2	Country Crock	30%	Blue Bonnet	16%	Country Crock	18%
	3	Smart Balance	10%	I can't believe it's not butter	10%	I can't believe it's not butter	11%
Northeast	1	I can't believe it's not butter	37%	Country Crock	49%	Imperial	41%
	2	Country Crock	20%	I can't believe it's not butter	23%	Country Crock	13%
	3	Smart Balance	13%	Smart Balance	11%	I Can't believe it's not butter	12%
Great Lakes	1	I can't believe it's not butter	38%	Country Crock	61%	I can't believe it's not butter	38%
	2	Country Crock	28%	I can't believe it's not butter	14%	Country Crock	28%
	3	Smart Balance	9%	Imperial	10%	Smart Balance	9%
South-Central	1	Country Crock	42%	Country Crock	56%	Imperial	69%
	2	I can't believe it's not butter	29%	Imperial	12%	Country Crock	11%
	3	Smart Balance	8%	I can't believe it's not butter / Blue Bonnet	12%	Parkay	7%
West	1	I can't believe it's not butter	33%	Country Crock	60%	Imperial	57%
	2	Country Crock	25%	I can't believe it's not butter	16%	Country Crock	18%
	3	Smart Balance	11%	Imperial	9%	Earth Balance	14%
California	1	I can't believe it's not butter	35%	Country Crock	50%	Imperial	58%
	2	Country Crock	22%	I can't believe it's not butter	20%	Land O Lakes	14%
	3	Burmmell & Brown	12%	Imperial	15%	Earth Balance	11%
Plains	1	I can't believe it's not butter	34%	Country Crock	62%	Imperial	48%
	2	Country Crock	30%	I can't believe it's not butter	13%	Country Crock	15%
	3	Smart Balance	8%	Blue Bonnet	10%	I can't believe it's not butter	8%
Southeast	1	I can't believe it's not butter	34%	Country Crock	60%	Imperial	48%
	2	Country Crock	32%	I can't believe it's not butter	11%	Country Crock	15%
	3	Smart Balance	10%	Blue Bonnet	13%	I can't believe it's not butter	12%

Table 3: Blue Bonnet Vs. Imperial

Brand_Name	BLUE BONNET	IMPERIAL	Competition Better by %
County Size A Top 25 Mkts	25	34	9
Race - Other / Unknown	5	9	4
Child - 1+	30	34	4
Acculturated Hispanic	7	11	4

Table 4: Smart Balance Vs. I Can't Believe It's Not Butter

Brand_Name	SMART BALANCE	I CANT BELIEVE ITS NOT BUTTER	Competition Better by %
Male Graduated High School	14	19	5
Pet Owner	54	59	5
Race - White	73	77	4
Generation X (Born 1965-1980)	24	28	4
Fem Graduated High School	17	21	4
Fem Some College	23	27	4
Fem Empl - ge 35 hrs/wk	29	33	4
County Size C/D	22	26	4
Male Blue Collar	12	15	3
Fem 45-54 years old	13	16	3
LS4 - Established Workers (no child, age 45+, FT empl)	24	27	3
2+ Dogs	14	17	3
Lower (<$30k 1P + $5k per add`l Person)	23	25	2
5+ Person HH	8	10	2
Income $25-34.9K	8	10	2
Millennials-Older (Born 1981-1989)	11	13	2
Child - 1+	23	25	2
Male Craftsmen/Foreman (Skilled)	6	8	2
Fem White Collar	38	40	2
Fem Other Collar	4	6	2
LS3 - Raising Teens (oldest child 12-17)	11	13	2
1 Dog	23	25	2
M10 - 35-44 w/Kids $70k+	4	6	2

Table 5: Parkay Vs. Country Crock

Category	PARKAY	COUNTRY CROCK	Competition Better by %
Fem 25-34 years old	10	19	9
Child - 1+	30	38	8
LS2 - Young Families (children <12)	12	20	8
Male 35-44 years old	11	18	7
Male Empl - ge 35 hrs/wk	41	48	7
Millennials-Older (Born 1981-1989)	15	21	6
Fem White Collar	37	43	6