



PLANTERS PEANUTS

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BLUE TEAM 4

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COMPANY OVERVIEW

Planter Peanut Company, was founded in 1906 with an aspiration to become “the national nut” which would offer consumers “high quality peanuts at low cost”
Planter innovated in peanuts with introducing dry roasted peanuts, and expanded product line to cashews, mixed nuts, and trail mix.

Planter peanut is deciding on if they should refocus on peanuts, cashews and mixed nuts or attempt to grow their share in fast growing pistachio and almond market.



ISSUE IDENTIFICATION

How should Planters communicate with customers in competitive product category

How to match high marketing spends of the competitors

Overcome the issue of low product margins and declining growth

Need to improve positioning and targeting strategies for the newly launched products

EXECUTIVE SUMMARY

THE PROBLEM

Should Planters focus on peanuts, cashews, and mixed nuts, or should increase their share in the fast-growing market of almonds and pistachios? How should Planters leverage the rich brand history and increase their profit margins as peanut growth stagnates.

THE EVIDENCE

In terms to support the market objectives and recommendations for Planters, they should target the segment of "the smarter individual" as this targets age group 45+ of which includes both males and females. The agenda is to indulge into healthy consumption pattern with and prevention in health deterioration. The 5C analysis also provides us more details about Planters mission, competitors in market, collaborators, context and consumption.

THE SOLUTION

To overcome the problems, the brand is recommended to analyse and revise their target audience while launching new product lines that would cater to different consumer base. The solution consists of being authentic to the rich brand history of selling nuts but at the same time having variations in their product line that each serve a health benefit.

THE OPPORTUNITY

The North American nut consumption market has projected a growth rate of 6.8% through 2030, mostly driven by Almond and Pistachio sales. While Planters is behind in these categories, they can catch up through leveraging an over 50% market share in Mixed Nuts, including these nuts with their peanuts. Additionally, repositioning to include females in their marketing strategy is a crucial step Planters must take.

5C ANALYSIS

COMPANY	COMPETITORS	CUSTOMER	CONTEXT	COLLABORATORS
<ul style="list-style-type: none">• Planters Peanut Company, founded in 1906, is a Kraft Food's subsidiary.• Planters has supplied customers with a variety of healthy and easy peanut focused products.• Over the last six years, Planters has experienced a 23% decline in sales.• Our objective is to create a new and exciting mixed nut product that will attract a new segment of customers.	<ul style="list-style-type: none">• Wonderful, Blue Diamond, Emerald, and Store Brand nuts are the primary reason for Planters decline in the market.• Blue Diamond and Wonderful have shifted the market demand from peanuts to pistachios and almonds, by marketing their nut options as the healthier option	<ul style="list-style-type: none">• Our customer base will focus on older individuals of both genders that are health conscious.• As our customers grow older in age they want to make sure they are fueling their bodies with healthy options that will allow them to feel young.	<ul style="list-style-type: none">• Nuts have become the go to snack for customers that are looking for a healthier option.• With the rise of new nut option such as Almonds and Pistachios, the nut industry increased 1 billion dollars from 2005 to 2012.• Both Almonds and Pistachios household penetration increased 12%, while peanuts decreased 7 %.	<ul style="list-style-type: none">• Planters will partner with celebrities who can relate to our customers to help promote our new mixed nut product, such as Martha Stewart• Planters will also collaborate with grocery stores and rest stops where customers could buy or product in mass quantities or for quick consumption.• Working alongside scientist and doctors, Planters will ensure that every product not only meets but exceeds health standards

○○○○ **MARKETING OBJECTIVES**

- Broaden the target to include both men and women in an effort to increase Market Share.
- Position planters as a convenient and healthy option for those who love snacks/nuts.
- Increase the market share of the mixed nuts market by 10% in the next year through campaigns that advertise that traditional nuts help to lower cholesterol and almonds are "heart healthy".
- Increase household penetration for traditional peanuts and mixed nuts among the 45+ group age from 38% to 48% in the next year, through the introduction of new advertising campaigns.
- Allocate a larger share of the company's budget to advertising spending to compete with larger brands/other nut categories (1.5% -> 3%, budget for mix nut: 4M)



SEGMENTATION

Key Buying Factors	The Smarter Guy	The Smarter Individual	The "On-the-Go" Snacker	The Health Nut	The Ocassional Entertainer
Defining Attitudes	35 to 65-year old males with a desire for a healthier lifestyle.	Males and Females 45-65 with a desire to live healthier lifestyle.	Males and females 18-34 who are constantly on the go and in need of a quick snack.	Females 35-65 looking for healthy snacks to supplement their existing healthy lifestyle.	35-65 Males and females that host occasionally during the year and more frequently during the holiday season.
Taste & Flavor		X	X	X	X
Competitive Price	X	X	X		
Accessibility	X	X	X		X
Healthy (High protein, zero grams of trans fats)	X	X		X	

○○○○ **TARGET: THE SMARTER INDIVIDUAL**

Our goal in this marketing campaign is to target a relatively older demographic, of all genders, who are predominately concerned about healthy snacking. They look for tasty, nutritional snacks through a semi-preventative lens, as they are concerned about their health deteriorating as they get older and want to combat this through making healthy food decisions.

Characteristics

Demo/Psycho-Graphics: 45+, M/F, late stage career/retirees who want to prevent deteriorating health and better their consumption habits. *Want:* to continue snacking on tasty items *Need:* to look at the nutrition of what they eat

Size

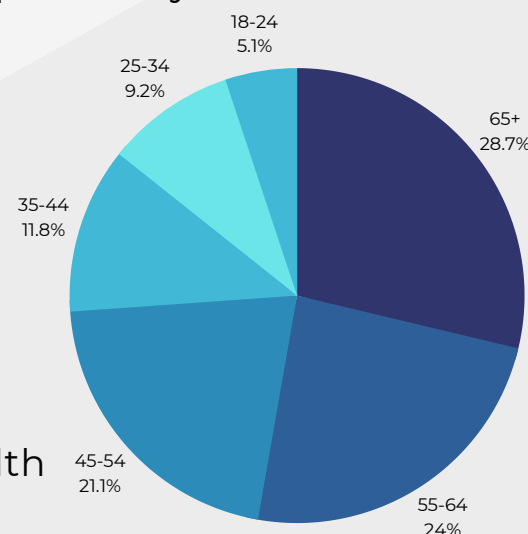
This age group = 74% of all nut consumption = ~\$7.0 B market size (statista)
--> mixed nut specific 12%, \$840 M
Female-added strategy brings in 55% of previously un-targeted consumers

Growth

Mixed Nut penetration -6%, smaller margin than peanuts/cashews

Profitability

Potential for higher profit margins than peanuts, selling to a higher-income, health conscious demo. = mark-up on products
--> further explained in 4 P's/ Quant Analysis



Competition

Competitors

Wonderful, Blue Diamond, Emerald, Store Brands

- need to eliminate "just as good" mentality

Competitive Advantage:

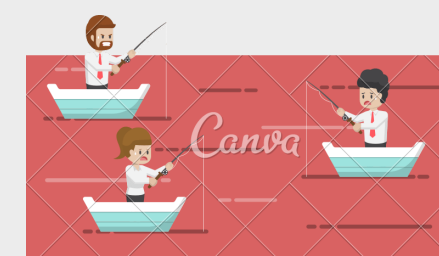
Can price products still relatively lower than premium mixed nuts (Emerald)
Biggest Brand Equity in the Market
Large scale marketing/sales/operations divisions can push new product offerings

Weakness to address:

1.4% ad spending to retail sales is lowest among big competitors



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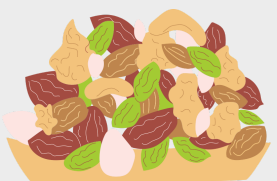
Fit

Objective

increase mixed nut market penetration and create positive growth for the category, increase \$/Mkt share to 60%

Competencies

- Brand Awareness
- Brand Equity
- "High Quality Nuts"



Resources

leverage pulling power of brand and scale of company to create a massive funding campaign for healthy mixed nuts:

Budget: 4M/year

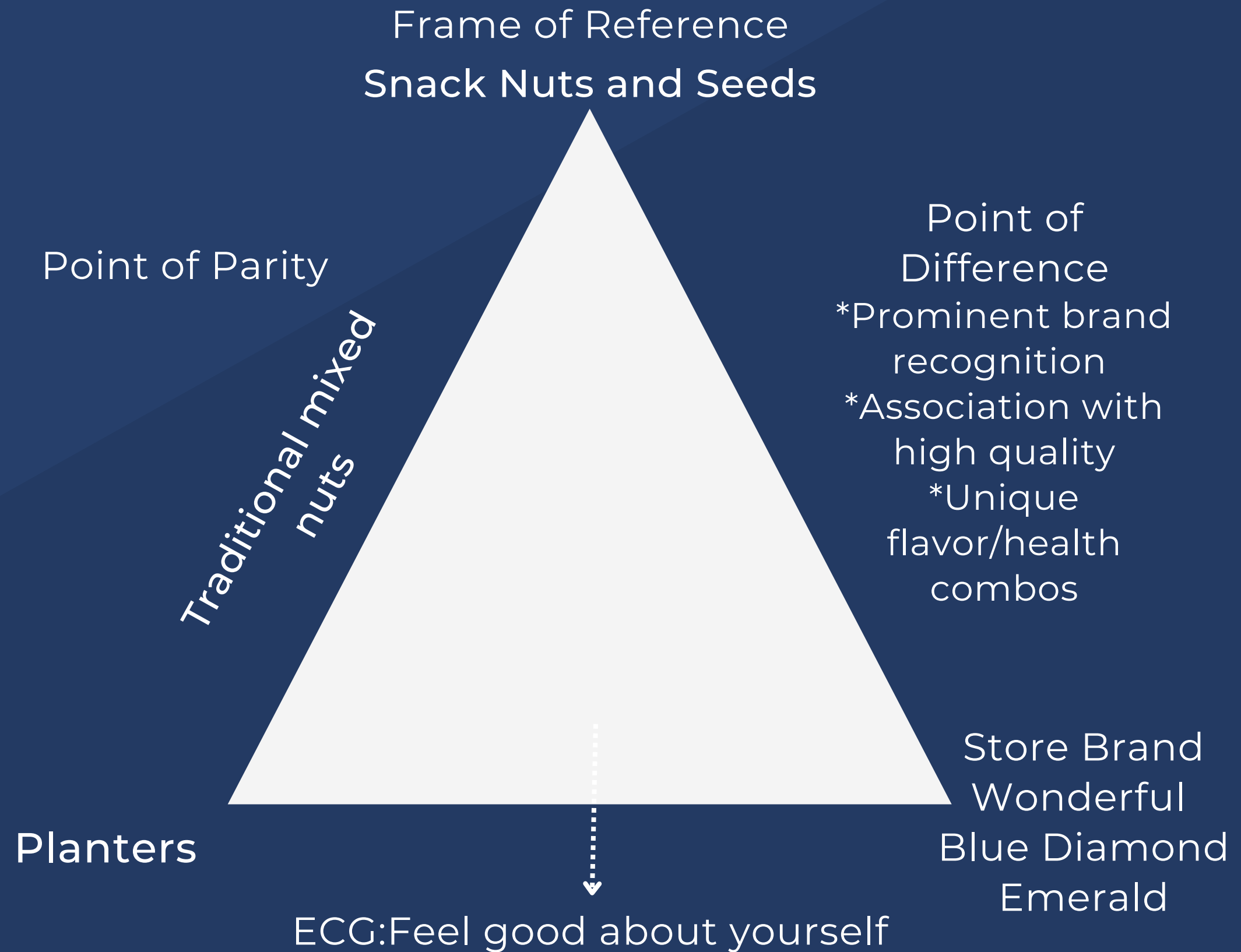
- Branding/Testing 200k
- In Store sampling/promotions 100k
- TV ad campaign 2.7M
- Print/Magazine/Radio 300k
- Social Media/Mass Media 700k

POSITIONING STATEMENT

“

To the individual that wants to protect their health as they age, Planters offers a unique assortment of wonderful nuts hand-picked to provide the best health benefits a filling snack can offer. Made with nourishment in mind, the nuts are sourced directly from the earth containing fibers and nutrients that rejuvenate your body. With decades of expertise in crafting the highest quality nuts at an affordable price, Planters Mixed Nuts is perfect for satisfying your snacking-cravings while supporting a healthy lifestyle.

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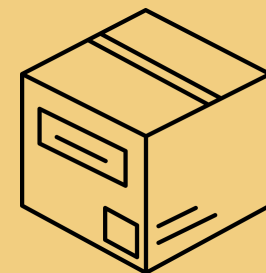


MARKETING MIX: THE 4 P'S

Assortments of Mixed Nuts Packages
Variety of Flavors/Combinations
Packaging Emphasis on different health priorities (heart, bone, etc)
sold in smaller packages, snack size (less cal.)

	Not New	New
Not New	INCREMENTAL (Line Extension)	BLUE OCEAN (Uncontested market space)
New	ADJACENT (Brand Extension)	RADICAL (Technological Breakthroughs)

Nuts come in 12 oz bags of
8 1.5 oz small bags (each w/h
<180 cals) price at 0.85c per oz, 10.25 for
bag (each bag = \$1.28 x 8)
-premium mark up due to small packs of nuts
Customer Value Pricing Strategy: perceived value
of health benefits from nutritional snacking high



Product



Promotion

Campaign messaging centered around the unique health benefits of different mixed nuts
-For example mainly almonds = heart health
Advertising through a large TV and print campaign
-2.7 M budget for Campaign
-Running ad campaigns on TV networks frequently viewed by men + women in the selected demographic(45-65)
-Promoted by older celebrities with health conditions, preventative messaging while highlighting the taste and nutritional value

**"Who knew
snacking could be
this healthy?"**

Price



Placement



The placement of Mixed Nut bags remains the same
-Large grocery stores, brick and mortar food stores (Walmart, Giant, Target) in the nuts section
-Online retail channels like the Planters Website and Amazon.
Convenience locations like vending machines and snack kiosks. (different sizing/price 2oz bag, suggested MSRP \$1.75)



THE CUSTOMERS DECISION - MAKING JOURNEY



Purchase

Based on market metrics by nut type, peanuts and cashews have a U.S. Household Penetration of 43%, with the addition of almonds and pistachios to the mixed nuts would give a boost of 12%, increasing the purchase of planter products.

Purpose

Based on brand awareness, with a 71 % Planters is at the top of the mind of snack nuts compared with their competitors with 2%. indicates strong intent to purchase and product popularity.

Consideration

Customers become intrigued by the new mixed nut line and Mr. Peanut through discount events, special offers, promotions, coupons, etc. Encourage interest by communicating the product's benefits explicitly on the packaging.

Recognition

Making use of traditional and social media platforms in the target market of the 45-65 age demo through magazines, social media saturation, day time TV ads

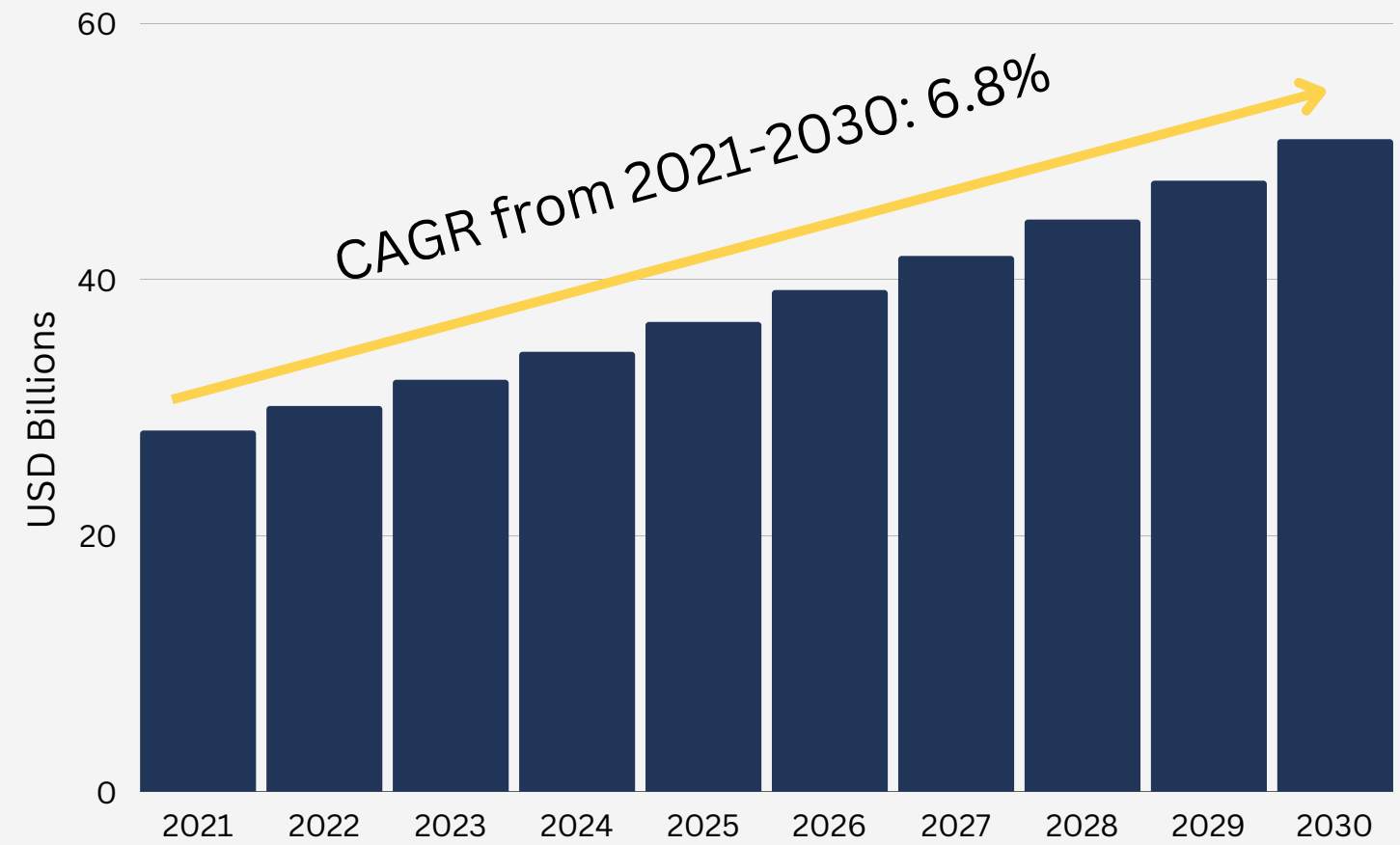
CUSTOMER BUYING JOURNEY

Dreaming	Research/ Planning	Purchasing	Experiencing	Reflecting
The Buyer expresses interest in purchasing healthy snacking options like nuts etc.	The Buyer evaluates various options available. Planter has to align with the buyer's "Key Buying Factors"	The buyer has reached a decision about which Snacker he/she wants to purchase and buys it through his preferred medium of retail	The Buyer consumes the peanuts. They realize that Planter Peanuts is indeed a healthy and tasty snack	The Buyer is delighted with the experience and will be a repeat customer as well as a recommender to other consumers
Content to Entertain	Content to Educate	Content to Convert	Content to Persuade	Content to Retain
Targeting buyers through TV advertisements and Displays in grocery stores	Using Sponsored Ads as a way of increasing brand awareness. Whenever a buyer searches for anything related to peanuts, mixed nuts, etc. Planter's website or products should pop up.	Making sure that Planter's has a wide reach and strong distribution. A buyer with an intent to buy Planter's should not go empty handed	Planters sells new mixed nut products in package deals, which gives customers to explore new products while getting a great discount.	Planter's can track consumption trends and buying behavior to gauge customer retention and modify positioning if needed

QUANTITATIVE ANALYSIS

Market Analysis

North American Nuts Market



Source: [Databridge](#)

Profitability Analysis

Assumptions

- Total US Nut Market Share for target segment ~7.0B
 - 12% of this is Mixed Nut 840 m
 - current 50% \$/mkt share of category: 420 m
 - target share of 60% 504 m (CAGR 2% in 10yrs)
 - 30% of our Mixed Nut product line are the Nutritional Nut Packages
- 1.75% CAGR for Mixed Nuts over 10 yrs
- MSRP is \$10.25/unit , COGS is 75%

	Year 1	Year 5	Year 10
Units Sold	12.29	14.24	16.79
Revenue	126.00	145.99	172.11
COGS	94.50	109.49	129.08
Gross Profit	31.50	36.50	43.03
SG+A + R & D	5.35	5.45	5.58
Operating Profit	26.15	31.05	37.45
Margin	20.8%	21.3%	21.8%

All figures in \$ Millions

CONCLUSIONS

- Planters is an established brand within the nut industry in need of revitalization. Unlike previous marketing tactics that excluded Women, the brand should refocus marketing efforts to include both men and women in search of a healthier lifestyle.
- Planters should therefore target 45+ Men and Women who want to live healthier lifestyles
- Messaging of campaigns will need to portray snacking in a new, healthy light

MOVING FORWARD...

- For product: Planters should go the Mixed Nut route to highlight the flavors and health benefits of different nut combinations, variety will also help individuals in the target find something they love
 - R + D team will have to come up with optimal nut combinations for both taste and nutritional value
- In order to promote the new Planters Mixed Nuts, a more robust marketing budget/ad campaign will have to be set in place to compete with other big nut advertisers

