CMU Select Chocolate Bar

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Introduction

According to National American University, consuming chocolate while prepping for exams is considered highly energy-deriving and a stress-buster. As we launch our new product, Tartan Energy Bar, sold exclusively to Carnegie Mellon students, staff and faculty; we need to understand the requirements of the individuals in the university and craft a product that caters to the liking and nutrient quotient of the students. According to Humans of University, Carnegie Mellon is ranked third in terms of students getting depressed due to their rigorous academics and high-level course degrees. While it is an exceptional university with an excellent research facility and top-tier faculty, the students need to put in the work for every subject they undertake. This means working extra hours, compromising on their lifestyle and not getting time to cook meals or follow a structure around their personal life. Understanding all the pressures, Tartan Energy aims to put an end to one common phenomenon: Energy Depletion. Mental energy is as important as a physically sound body. When students need a quick fix, a pick-me-upper, they need something that will fill their stomachs up for an hour or so and provide them the energy to go through their strenuous day. Tartan Energy is an instant 'mood-lifter', 'stress-buster', and a great munchie that packs a powerful punch with its flavor and high-quality energy-providing nutrients.

Product Description

What is Tartan Energy?

As CMU chooses the cream of the crop from all over the world, they deserve an exclusive energy bar that is as well-rounded as the students they select. Packaged in plaid with our signature Scotty branding, Tartan Energy is a dark chocolate energy bar with a vanilla-bean-based protein powder paste, a hint of coffee, a crunchy wafer base, roasted nutty almonds and a refreshing sea-salt dust to create a balance of texture and palette.

As students devour the bar conveniently with its easily tearable wrapper and ergonomically easy-to-hold bar, they are surprised with layers of goodness. Starting off with the crunchy wafer base to provide a texture, they are hit with a vanilla protein powder paste that is gooey. Following the paste, they are hit with the decadent dark chocolate filling with the nutty kick of roasted almond bits. As they munch, they are surprised with hits of infused coffee in the dark chocolate filling and a balance is created with the sea-salt sprinkled atop. Tartan Energy packs a flavor so good, it tastes like 'luxury in a bar'. Being mindful in terms of nutrients, the bar uses maple syrup to add sweetness (better than refined sugar), premium quality sea-salt (unrefined low sodium levels as compared to table salt), 70% cacao dark chocolate, premium roasted almonds and hints of coffee powder dissolved in the dark chocolate filling.

Key Features: Dairy-free

Premium ingredients in terms of processing and manufacturing

Exclusive flagship branding to build consumer loyalty

Clear Brand Messaging

Protein-powder energy source

Mood lifting flavanols and methylxanthines

Optimal levels of caffeine taking acidic levels into consideration

How would we establish Tartan Energy in the Market (University-wide)?

While we do claim Tartan Energy bar to be a healthy alternative to chocolate consumption and as an ultimate 'brain food', we want it to be accessible to all the students across the university. Our mission is to make 'luxury in a bar' accessible to all for consumption at a reasonable price considering the high-quality ingredients we are using.

How can we facilitate that?

By conducting genuine market research we realized that selling this bar inside on-campus stores, vending machines and outside student-welfare centers makes it achievable for the Energy bar to be seen, sold and be a quick 'pick-me-upper.'

As Tartan Energy is an in-house brand, we will work with CMU Dining Services to distribute our product via its vending machines, dining vendors and convenience stores.

 Dining machine vendors: These vending machines in various on-campus locations (CFA, Cyert Hall, Cohen University Center, Doherty Hall, Gates, Hamburg Hall, Hamerschlag Hall, Margaret Morrison, Porter Hall, Posner, Tepper Quad, Wean Hall) offer various snack options, including chocolate bars, on the CMU campus.

- Dining vendors: Several dining outlets (Au Bon Pain, Exchange, LaPrima, Rothberg's Roasters II and Zebra Lounge) sell chocolate bars among their snack offerings.
- Convenience stores (Entropy and Market C) on the CMU campus also sell chocolate bars among their snack offerings.
- With the newly inaugurated Scotty's Market, Tartan Energy (because of its branding and relevancy) can be placed and promoted across the store with a prominent planogram site.
- As we mentioned mental health and well-being associated with stress and energy, Tartan Energy bars will be sold on every reception desk of student offices, centers, faculty offices and university center offices. For example: CAPS office for mental health, Athletics Department, SLICE office, DICE office and many more such student-oriented centers.
- Tartan Energy will be placed as an official food product in the University Store too due to its relevant branding. It will act as a merchandised item for visitors too to devour!
- Tartan Energy will be included in meal block plans across departmental dining locations.
 Dinner meals usually have an option of 2 sides and breakfast/lunch meal block plans
 have 1 side which are usually sweet goods → replace them with Tartan Energy bar.
 Breakfast meal blocks can have a grab and go coffee + Tartan Energy bar.
- Post 9 pm, dining halls close and major stores on campus close. The only option is to have Tartan energy bars from vending machines.

Market Definition



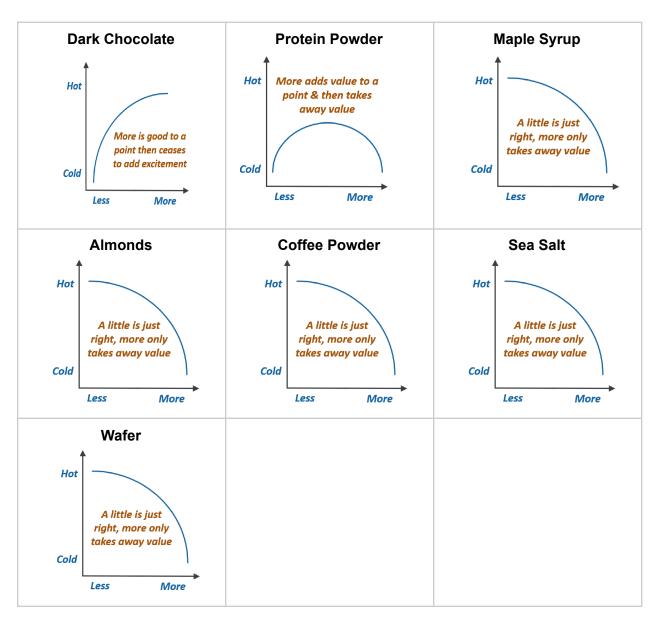
Competitors in the market: We have a lot of competitors in the market, such as KIND dark chocolate bar, Cinnamon Toast Crunch, Nature Valley cereal bars, Gatorade whey protein bar,

Butterfinger, Nutri-grain cereal bar and Snickers, etc. The KIND dark chocolate bar is a direct competitor for the Tartan Energy bar.

Value/benefit: The Tartan Energy bar has tremendous value to offer when you purchase a bar by providing your daily caffeine intake, the richness and health benefits that come with dark chocolate, the healthier sweetener in the form of maple syrup, and the nutrients from almonds.

Target Consumers: Our Target consumers are the CMU community of students and teachers alike.

QFD Response Curve



Pricing

The Tartan Energy bar will be priced at a price of \$1.70, considering its health benefits and carefully curated ingredients.

The available options at CMU vending machines are mostly milk chocolate based, high in sugar and have allergens. A bar of Snickers costs a CMU student \$0.89 to \$1.45. While it is cheaper, it is as unhealthy as it is cheap. Students do not need to force themselves to eat an unhealthy and sugar filled snack when the Tartan Energy bar is available. Unlike other companies and bars such as Cinnamon Toast Crunch granola bars, the Tartan Energy bar is designed to fill you up. Its rich flavors and ingredient profile will make sure you are energetic for the rest of your day. Although it is priced higher than the mass-market candies, it is important to note that with the ingredients and the value of health over anything else - Grabbing a Tartan Energy bar will set you up for success.

Vending machine competitors:

Gatorade protein bar: \$2.00

It also has a lot of sugar, around 350 calories per serving. Most of Gatorade's protein bar flavors also contain more sugar than protein. If you are allergic, you must verify the ingredient list as some protein bars contain soy or peanuts. Are Gatorade Protein Bars Good for You- 7 Best Protein Bars (myactivetribe.com)

The Tartan Energy bar provides you with the same if not a healthier alternative as compared to the Gatorade protein bar. Besides this, the Tartan Energy bar is low on allergens and contains no peanuts.

Kind cranberry flavor and peanut butter flavor: \$1.80

Ingredients: Peanuts, glucose syrup, almonds, honey, sugar, soy protein isolate, palm kernel oil, peanut butter (peanuts, salt), unsweetened chocolate, cocoa powder, tapioca starch, chicory root fiber, soy lecithin, sea salt, natural flavor, cocoa butter. – <u>KIND Bars Not Fully Kind to Your Health / Evolving Wellness</u>

The Tartan Energy bar provides you with a low sugar option, we utilize maple syrup to induce natural sweetness to the bar. Further, we use a vanilla based protein powder that helps with protein needs while also adding flavor. We include the protein powder to take care of your protein needs and avoid peanuts. We are priced at \$1.70 and we provide the better option as compared to the competition.

Nature Valley: \$1.45

Peanut Butter Crunchy Granola Bars: Whole Grain Oats, Sugar, Canola Oil, Peanut Butter (peanuts, salt), Rice Flour, Brown Sugar Syrup, Salt, Baking Soda, Soy Lecithin. – <u>Are Nature Valley Bars Healthy?</u> 7 Things You Should Know - I Am Going Vegan

As compared to the Nature Valley Granola bar option, the Tartan Energy bar is definitely the healthier option, with natural sweeteners. The Tartan Energy bar will provide a lot more value and health benefits as compared to the Granola bars and is close to being gluten-free with only the wafer compound containing gluten.

Nutri-Grain: \$0.60

Nutri-Grain bars have some healthy ingredients, like whole grain oats, whole wheat flour and fruit. But each bar has 12g of added sugar, with low fiber (1g) and low protein (2g). They also have carrageenan, which may cause gut issues for some people. They are also high in sugar. These include sugar, fructose, invert sugar and corn syrup. In fact, the filling is mostly invert sugar and corn syrup, not real fruit. – <u>Are Nutri-Grain Bars Healthy? 7 Things You Should Know - I Am Going Vegan</u>

The Tartan Energy bar serves as a protein packed, energy, healthy alternative to the competitors in the vending machine. This dairy-free, low-sugar, protein-rich and peanut-free snack bar provides a healthier alternative that justifies its \$1.70 price at the vending machines.

Target Market and Segmentation

The Tartan Energy bar is designed to cater to the needs of students, offering a convenient nutritional option for their busy schedules. This is particularly valuable during demanding periods such as midterms and finals when time constraints may make it challenging to have complete meals in between classes and study sessions. We can further focus our marketing efforts on specific student groups at CMU, including:

- Health-conscious students: Our energy bar encompasses all the health benefits within
 a single, satisfying bar, making it an ideal choice for individuals who prioritize their health
 and well-being. They can turn to our bars as a nutritious snack or meal replacement,
 forming a distinct market segment for us.
- Students preferring dairy-free snacks: Students, faculty and staff members who follow dairy-free diets due to dietary restrictions can also be a key target segment. Our bars are intentionally crafted to be dairy-free, making them a suitable option for this group.
- **Fitness enthusiasts**: We can also direct our marketing efforts towards fitness enthusiasts who frequently use the gyms at CMU, including CUC gym and Tepper gym. Our energy bars, rich in protein content, provide a compelling choice for this audience.

Positioning

Snacking is a lifestyle in the U.S. with younger generations. Based on the recap of the <u>Circana 2023 Snacking Survey</u>, a significant 83% of consumers are inclined toward snacks that feature strong, preferred flavors. When it comes to snacking habits, 71% of snackers do not follow a specific snacking plan. Approximately 62% of individuals seek snacks that offer a delightful and indulgent eating experience. For 54% of people, incorporating healthy snacks into their daily wellness routines is of considerable importance. Around 50% opt for snacks over full meals due to their busy, fast-paced lifestyles and numerous responsibilities.

While there will perpetually be a demand for deeply satisfying chocolate experiences, we anticipate a growing inclination among consumers for a more health-conscious approach to life, expanding the realm of 'Mindful Indulgence' in chocolate. According to <u>Top Chocolate Trends for 2023 and Beyond</u>, 48% of American consumers want chocolate low in sugar; an increase of an astonishing 17% compared to what it was two years ago. 39% of American consumers agree that dairy-free chocolate is better for them; an increase from 22% two years ago. 47% of American consumers actively seek out sustainably produced chocolate; an increase from 27% two years ago.

Although 'Healthy Indulgence' is relatively new in the world of chocolate, <u>80% of global</u> consumers plan to eat and drink more healthily. With this in mind, we select ingredients with health benefits and position the Tartan Energy bar in the premium market.

Positioning based on health advantages: Within the CMU campus, dining outlets, vending machines and the convenience stores provide an array of sweet treats. It's crucial that we set our chocolate bar apart by emphasizing its position as a healthier snacking option, especially given the health advantages of most of its selected ingredients.

- Dark chocolate has many benefits based on the <u>Cleveland Clinic</u> report.
 - Rich in flavanols: Dark chocolate contains 2-3 times more flavanol-rich cocoa solids than milk chocolate, which is a benefit to our heart health.
 - Source of important minerals: Our dark chocolate contains 70% cacao, packed with <u>essential minerals such as iron, magnesium, zinc, copper and phosphorus</u>.
 These minerals not only support our immune system but also enhance bone and dental health while promoting better sleep.
 - Non-dairy: Dark chocolate itself is considered a non-dairy product. It suits people
 who are sensitive to milk.
 - High in fiber: One-ounce dark chocolate contains about 4 grams of fiber while milk chocolate contains less than 1 gram of fiber.
 - Protects skin from sun damage: Dark chocolate is rich in antioxidants that enhance skin blood circulation and shield it from sun damage.
 - Enhances your mood: The polyphenolic compounds found in dark chocolate serve as antioxidants that reduce stress hormones, thereby improving our mood.
- Protein is crucial for maintaining a robust immune system and promoting the well-being
 of our heart, brain, and skin, as emphasized in a <u>Harvard Health Blog</u>. Adding <u>protein</u>
 <u>powder</u> into our chocolate bars can also support weight management and contribute to
 muscle toning.
- Maple syrup contains numerous antioxidants, fights inflammatory diseases, helps
 protect skin health and may help protect against cancer. It serves as a beneficial sugar
 substitute for enhanced digestion and provides essential vitamins and minerals based on
 Maine Maple Producers Association.
- Almonds are excellent sources of vitamins, minerals and dietary fiber for our bodies.
 They help lower cholesterol and blood pressure, strengthen bones, improve blood sugar control and improve gut health based on <u>WebMD</u>.
- **Coffee** contains more than just caffeine for keeping us awake; it also contains antioxidants and other bioactive compounds that may help reduce internal inflammation and protect against diseases based on <u>Johns Hopkins Medicine</u>.
- **Sea salt** undergoes less processing than table salt and retains its trace mineral content based on <u>Mayo Clinic</u>. The combination of the slight saltiness from the sea salt with the sweetness of chocolate can create a more complex and enjoyable taste experience.
- **Wafer** lacks nutritious components, but it contributes a textural element to our chocolate bar, enhancing the overall enjoyment and satisfaction.

Positioning within the premium market: While the Tartan Energy bar boasts high-quality ingredients, it is positioned within the premium market (such as Ferrero Rocher. Ferrero Kinder Bueno, Godiva Chocolate and Ghirardelli Chocolate) rather than at the top tier to facilitate a

more accessible market entry. This also helps us set apart from the mass-market products, such as Hershey's chocolate bar, snickers, Kit Kat, Milky Way, Nestle Crunch, etc.

Competitors

Direct competitors

- As we position our product as a nutritious energy bar with high protein content, our primary competition arises from other healthy energy bars available within CMU's dining outlets, convenience stores and vending machines.
- Notable competitors in this category include energy bars from brands like Nutri-Grain, Nature Valley, and similar options.

Secondary competitors

- Our secondary competition consists of chocolate bars available within CMU campus, while not primarily health-oriented, still serve as snack alternatives.
- These competitors include options such as Snickers, Reese's, Twix and similar products.

Distribution

In typical circumstances, the value chain for a product or service comprises the following five core components.



We can either buy our ingredients directly from suppliers and partner with a company to make the Tartan Energy bar or have the manufacturer purchase and manufacture our Tartan Energy bar. As our primary focus is the CMU community, we should collaborate with CMU Dining Service to distribute our chocolate bar through its dining vendors and vending machine providers. CMU Dining Service serves as our main distributor, while the dining vendors, vending machines, University store and student-oriented centers can act as our retailers. The CMU community represents our consumer base.

Conclusion

The Tartan Energy bar is designed to serve as a nutritious and delicious snack, offering a substantial protein content that effectively satisfies hunger. Our primary target includes health-conscious students, those with dietary restrictions, and the fitness enthusiasts at CMU. We position ourselves as a premium and health-oriented energy bar, setting us apart from the competition. To bring our product to market, we plan to partner with a reputable food manufacturer for production and distribute it through CMU's dining facilities and vending machines. With our high-quality, nutritious energy bar and targeted marketing approach, we aim to become a strong contender in our chosen market.