

THREE YEAR MARKETING PLAN

KRAFT HEINZ-JELLO FUSION

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EXECUTIVE SUMMARY

For over a century, Jell-O has continuously evolved to meet the changing needs of its customers, consistently delivering irresistible treats through cutting-edge innovations. Today, we proudly introduce Jell-O Fusion, our boldest and most forward-thinking product yet. Designed to resonate with modern consumers, Jell-O Fusion offers a unique blend of health benefits and mood-enhancing properties, making it stand out in the market. Jell-O Fusion fills a significant gap by combining great taste with wellness, leveraging CBD infusion to create a nutritious, enjoyable and mood enhancing treat. As consumer demand for functional snacks and CBD-enhanced products skyrockets, we are strategically positioned to meet this growing need. With the legalization of CBD spreading across the U.S. and around the world, the market is expected to triple within the next five years, building on its current value of \$6.9 billion. Given our long-standing reputation and leadership in the snacks and treats industry, Jell-O is uniquely equipped to become a market leader in this space. Our heritage of trust, combined with our ability to innovate, positions Jell-O Fusion to capture a significant market share, delivering a product that aligns with both wellness trends and consumer indulgence.

One of the leading competitors in the dessert, topping, and baking industries is Kraft Heinz, which accounted for 4% of the company's overall sales as of Q1 2021. Jell-O, its most popular dessert, has been a staple in American households since the early 1800s, available as both a powder and gelatin mix in a variety of flavors. Despite its long-standing presence, Jell-O has struggled with declining sales due to intense competition. In response to market trends and the growing popularity of cannabinoids (CBDs), Kraft Heinz has decided to launch a CBD-infused Jell-O product line. This innovative approach aims to capture the expanding CBD beverage market, which is projected to exceed \$2.8 billion by 2025, and restore Jell-O's position as a beloved dessert.

OBJECTIVES

The objectives for the first three years include:

- 1. Achieving an additional \$2 million in net sales in the first year.
- 2. Grow net sales by 10% annually over the next five years.
- 3. Secure a strong presence in all legal markets within two years, starting in Ohio.

KEYS TO SUCCESS

The keys to success are:

- Deep customer insights and proven flavor development.
- Penetrating the organic and all-natural food markets.
- Introducing 10 different flavors by the end of the first year.
- Offering diverse sizes and concentrations to cater to various consumer preferences.
- Developing health-conscious options to meet growing demand.
- Establishing itself as a national leader in the CBD-infused beverage field.
- Developing a supply chain infrastructure that leverages the company's size and expertise in organic ingredient sourcing.



COMPANY DESCRIPTION

Heinz, or H. J. Heinz Company is a well-known food processing company in the United States. It was established in 1869 by Henry J. Heinz, and its head office is in Pittsburgh, Pennsylvania. Although ketchup is its most well-known product, Heinz also makes a variety of sauces, soups, pasta, beans, and baby foods. After Heinz and Kraft Foods Group combined in 2015, the Kraft Heinz Company was created, which is currently the third-largest food and beverage company in North America and the fifth largest worldwide. Its portfolio features unmatched brands such as Oscar Mayer, Philadelphia, Kraft, and Heinz. Products from the H.J. Heinz Company are now sold in more than 200 nations and territories after being produced in facilities spread over six continents. The company offers a variety of dining occasions at home, in restaurants, or on the go since it is dedicated to quality, delicious food, and nutrition. The firm produces and distributes its goods under the brands Kraft, Heinz, ABC, Ore-Ida, Capri Sun, Oscar Mayer, Planters, Philadelphia, Velveeta, Lunchables, and Maxwell House from more than 78 manufacturing and processing facilities.

One of the leading competitors in the dessert, topping, and baking industries is the Kraft Heinz firm. This division of Kraft Heinz's business accounted for 4% of the company's overall sales as of Q1 2021. The most popular Kraft Heinz dessert is Jell-O, which comes in a variety of flavors and can be purchased as a powder or as a gelatin mix. Since the early 1800s, this dessert has been a mainstay in American households. The competition has caused Jell-O's sales to continue declining in recent years. Even with constant reimagining, Jell-O has had trouble maintaining its position as one of the nation's most beloved sweets.

Cannabinoids (CBDs) are being utilized more frequently in beverages since the US farm bill was passed in 2018. This is especially true of infused drinks. By 2025, the infused alcohol market is projected to be valued at more than 2.8 billion. As a result, Jell-O has chosen to launch a Jell-O-infused CBD. Jell-O.

The Kraft Heinz Company is certain that its increased success will come from its broader range of products and solutions as well as its proven performance over the preceding few decades. With the inclusion of CBD Jell-O, Kraft-Heinz will be able to take the lead in the cannabis beverage industry and restore its position as the best dessert in both the United States and the rest of the world.

This marketing strategy describes how Kraft Heinz will launch CBD Jell-O and make sure it becomes the leading product in the expanding CBD beverage category. There will be several kinds of CBD Jell-O, such as cherry, apricot, chocolate fudge, and cheesecake.



STRATEGIC FOCUS AND PLAN

This section addresses three critical aspects of corporate strategy that shape the marketing plan: (i) MISSION, (ii) GOALS, and (iii) CORE COMPETENCIES/SUSTAINABLE COMPETITIVE ADVANTAGES of The Kraft Heinz Company and Jell-O.

MISSION

As the world's fifth-largest food and beverage company, Kraft Heinz is a globally trusted producer of delicious, high-quality, and nutritious foods. At its core, the company is committed to sustainability for its people, the planet, and its business.

GOALS

Over the next 5 years, the Jell-O CBD-infused brand of the Kraft Heinz company is on track to achieve the following goals

Non-Financial Goals:

- 1. With 24 states and the District of Columbia having legalized recreational marijuana, most Americans currently have access to it. With three additional states having ballot initiatives this year, our goal is to start in Ohio and, within two years, expand to all legal markets, continuously adding as more states adopt these initiatives.
- Introduce 10 different flavors by the end of the first year, mirroring the variety of classic Jell-O flavors.
- 3. Offer diverse sizes and concentrations to cater to diverse consumer preferences.
- 4. Develop health-conscious options to meet the growing demand for healthier alternatives.
- 5. Establish ourselves as a national leader in the field.

Financial Goals:

- 1. Achieve an additional \$2 million in net sales in the first year.
- 2. Grow net sales by 10% annually over the next five years.
- 3. Assess and optimize the current operating profit of Jell-O.

CORE COMPETENCIES AND COMPETITIVE ADVANTAGE

As the world's fifth-largest food and beverage company, Kraft Heinz boasts a portfolio of beloved brands and core competencies that include deep customer insights, streamlined manufacturing and packaging capabilities, and industry-leading marketing foresight. This positions Kraft Heinz exceptionally well to introduce new products and leverage its existing customer base.

Leveraging its expertise in beverage and Jell-O flavors, the company is poised to incorporate CBD infusions and package these products for the mass market. While CBD products are already available in beverage form, Kraft Heinz's dominance in the Jell-O category uniquely positions the company to capitalize on this emerging market.



SWOT ANALYSIS

	Positive	Negative		
Internal	 World renowned brands: Jell-O is an established and trusted household name, comparable to how Google dominates the search engine space Category Leader: Jello's reputation in the dessert category wields credibility and consumer loyalty Innovative and Niche product: The combination of a well-known brand with a trendy CBD market spurs innovation, development, and creativity. Established Infrastructure: Existence of proven infrastructure capable of scaling up to capture significant share of the market Availability of Resource: Extensive resource for research, development, and advertising. 	 Weaknesses Limited Knowledge in the CBD Market: Though Jell-O's expertise is in food products, the infusion of CBD adds a layer of complexity, which is highly specialized and regulated sector. Costly R&D: Developing CBD product requires significant investment in research, testing and meeting legal standards, increasing production cost. High production cost: Extracting and incorporating CBD into food products may involve more expensive processes. Lack of CBD market experience: Learning curve entering an unfair market, especially considering the competition from more established niche CBD brands. 		
External	 New Market Entry: Jell-O has the potential to emerge as a staple in the CBD market by leveraging its brand reputation. Access to a growing Market: The CBD sector continues to grow, providing opportunities to capture market share and introduce multiple product lines (e.g., different flavors or forms of CBD-infused snacks). Expansion to a contemporary audience: Introducing a CBD-infused product line would attract younger, health-conscious consumers seeking natural wellness products. Cross-product development: Jell-O could expand beyond gelatin to create innovative CBD-infused edibles like gummies or powders, further broadening their product offering. 	 Brand association with controversy: Tying the Jell-O brand to CBD could alienate conservative Customers or families wary of CBD. Emergent and competitive space: Competition with more established and niche competitors in the CBD emergent space, also risk associated with investing and competing in an emergent space. Regulatory uncertainties: As CBD regulations continue to shift, Jell-O could face setbacks in distribution, labeling, and legal approvals, especially on an international scale. Potential legal challenges: CBD's legal status is still evolving in many regions, creating potential regulatory hurdles. 		



The Kraft Heinz Co. demonstrates significant strengths through its diverse brand portfolio, including well-known names like Oscar Mayer and Philadelphia, which contribute to a strong market presence, particularly in North America. The company's global distribution network, spanning over 190 countries, provides a competitive advantage in scale and operational efficiency. However, KHC (Kraft Heinz Co.) faces weaknesses in cost pressures due to inflationary trends affecting commodities and supply chain expenses, as well as a heavy reliance on key customers like Walmart, which poses risks to revenue stability.

Opportunities for growth lie in product innovation aligned with health and wellness trends, as well as expansion in emerging markets through newly created operating segments. KHC's research and development efforts could drive growth by attracting health-conscious consumers and refreshing its product lineup. However, the company faces threats from intense competition in the food and beverage industry, including challenges from national and international companies, and private label products.

With the Jell-O brand, Kraft Heinz has proven to have considerable capabilities. The brand is still very well-known and has a wide market penetration. Over the years, Jell-O's amazing position in North American households has contributed to a consistent and predictable income flow. The brand's broad product line, which includes a variety of tastes and sugar-free choices, meets the needs of a wide spectrum of consumer preferences and keeps it relevant in a cutthroat industry. Jell-O's adaptability is one of its main benefits; it can be used in various recipes and contexts, from festive desserts to everyday snacks.

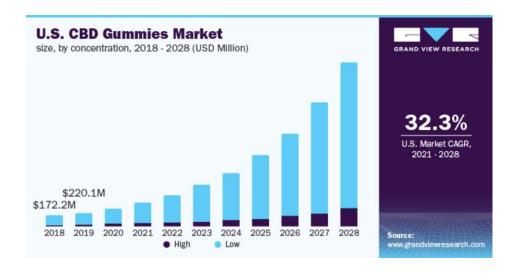
Jell-O must contend with obstacles like shifting customer tastes toward better eating practices and unpredictability in the CBD industry's regulatory landscape. Economic changes can also impact what consumers spend on desserts and other non-essential goods. Kraft Heinz can carry on the Jell-O tradition and maintain its position in the changing food sector by emphasizing its advantages and strengths, such as creative packaging and health-conscious goods.

By capitalizing on its well-known brand, Jell-O may become an important player in new industries, like the CBD sector, and maintain and grow its market share. The CBD industry is still expanding, offering chances to take market share and launch additional product lines. In addition, introducing Jell-O in healthier variants—like sugar-free or organic—might draw in health-conscious customers. To further diversify its product line, Jell-O might go beyond gelatin and produce innovative foods like gummies or powders.

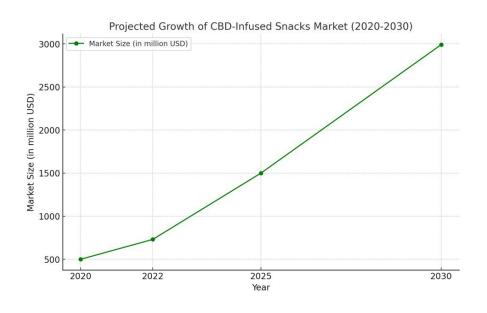


INDUSTRY ANALYSIS

Jello Fusion is an emerging market with limited data available. However, insights from related segments like CBD gummies and traditional Jello provide a promising outlook. According to a Grand View Market research report from 2020 the global CBD gummies market, valued at USD 1.6 billion in 2020, the market is projected to grow at an impressive annual rate of 30.7% from 2021 to 2028. This surge is fueled by the rising popularity of CBD products for their pain relief, anti-depressant, anti-anxiety, and neuroprotective benefits.



Similarly, the global gelatin market, valued at USD 6.51 billion in 2023, is projected to grow at an annual rate of 10.1% from 2024 to 2030. Gelatin's high demand in functional food applications is driven by its health benefits, including disease prevention and food quality enhancement. Combining the two market groups we can extrapolate a Jello Fusion market. On a broader spectrum, the global CBD infused snacks market is projected to increase at annual CAGR of about 19.62% between 2022 and 2030. Currently the global snack market is valued at about \$730.63 million in 2022 and predicted to reach \$2.99 billion by 2030.

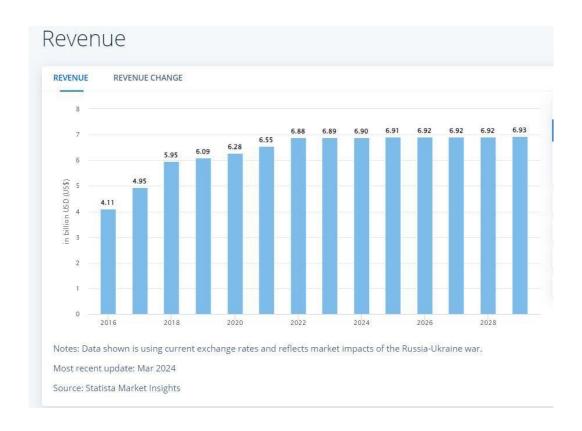




The increasing health consciousness among consumers is driving the demand for CBD products. This includes Jello Fusion, as they seek health benefits like pain relief and anxiety reduction without the psychoactive effects of THC. The market for Jello Fusion will face competition from other CBD-infused products, such as gummies, drinks, candy, and oils, but will benefit from the growth of both the CBD and Jello market. The latter already has a well-established high-quality production. The regulatory landscape for CBD products varies by region, impacting market growth and will be paced by statewide legalization efforts. With a projected annual growth rate of 30.7%, the Jello Fusion market is poised for substantial growth as these products become more widely accepted and consumed. Jello is composed of 85% to 90% protein, 8% to 12% water, and 2% to 4% mineral salts.

COMPETITOR ANALYSIS: CBD INFUSION MARKET

Revenue in the CBD Products market worldwide



The global demand for CBD and CBD infused products continue to increase, with the USA emerging as leaders in market growth and innovation. While the desert segments remain an emerging industry, there is clear dominance exerted by CBD infused beverage producers like Sprig, Recess, and CannTrust. These competitors have introduced beverages that emphasize wellness and provide functional benefits that are in line with today's fitness trends. Jello Fusion could therefore capitalize on the momentum of healthy offerings to provide a desert brand that promotes relaxation, recovery and cater to consumers seeking an indulgent experience without sacrificing the health and fitness benefits.



COMPANY ANALYSIS

The Kraft Heinz Company is a worldwide food and beverage behemoth with a diverse portfolio of iconic and emerging brands. It was founded in 2015 from the merger of Kraft Foods Group and H.J. Heinz Company. The Kraft Heinz Company is a key participant in the North American food and beverage market. With projected net sales of \$27 billion in 2023, the business is dedicated to expanding its brands internationally. billion market share and a presence in more than 40 nations worldwide. The company is positioned for long-term success by its strong portfolio of brands, which includes well-known names like Kraft, Heinz, Oscar Mayer, and Velveeta, as well as its dedication to sustainability, innovation, and operational efficiency. However, there are obstacles to be addressed, such as reliance on a limited number of well-known businesses, high debt levels, and fierce competition, and chances to take advantage of in new markets, e-commerce expansion, and healthy and sustainable product lines. Kraft Heinz plans to emphasize offering sustainable and healthful food options, funding digital marketing campaigns, and rebranding its brand portfolio to appeal to a younger demographic to achieve its marketing objectives. The organization, under the guidance of a seasoned leadership group, is dedicated to attaining growth and prosperity through inventive approaches and superior financial outcomes.

CUSTOMER ANALYSIS

CUSTOMER CHARACTERISTICS

According to research done by Jordan Reach in 2024, 14% of all U.S. adults over the age of 18 are aware of CBD products and actively use them (Reach, 2024). The most common age demographic using CBD is in the 18–29 age group, with females being the predominant gender. Individuals aged 65 and older tend to have lower awareness and are slower to adopt CBD products, with only 8% of this age group currently using them. Across all age ranges, 55% of CBD users are male, while 44% are female (Reach, 2024). Another growing demographic for CBD includes health-conscious consumers looking for alternative wellness options. Jello Fusion could appeal to individuals within these age groups interested in holistic health methods, particularly those seeking the mental health benefits associated with CBD, such as reducing anxiety and promoting relaxation.

HEALTH AND NUTRITION CONCERNS

Over the years, multiple articles have been published highlighting the health benefits of CBD, which include anxiety relief, pain management, and improved sleep. However, when combined with a product like Jello, it raises some health concerns for individuals with strict dietary restrictions. Sugar consumption can lead to multiple health issues, including obesity and diabetes. To mitigate these risks, Jello Fusion will use sugar-free options, limiting the potential health **concerns** associated with high sugar intake. Overall, Jello Fusion offers numerous health benefits that could attract a wide range of consumers.





MARKETING AND PRODUCT OBJECTIVES

Kraft Heinz aims to lead the CBD infused food segment while bolstering iconic brands globally. Here's how we plan to elevate Jell-O to new heights with CBD Jello:

Current Markets: CBD Jello will be initially marketed where Jell-O already has a strong share and brand awareness, leveraging the trust and familiarity of the Jell-O name. These efforts will start in states that have legalized recreational cannabis. Expanding the product line within these markets by integrating CBD will introduce Jell-O to wellness-conscious consumers.

New Markets: Over the next three years, CBD Jello will be introduced to wellness and health food stores—retail environments currently unexplored by Jell-O. Our goal is to secure a significant presence in stores like CBD Stores across majority of US states by the end of the calendar year 2027.

Channels: Exploring new channels, such as wellness-focused e-commerce platforms and CBD specialty shops, will be key to reaching our target audience. We aim to achieve \$10MM in net sales from these new channels within 24 months of launch.

New Products: To keep the brand fresh and exciting, we will introduce a new CBD-infused flavor every year, along with seasonal flavors. Additionally, expanding beyond traditional gelatin desserts to include CBD gummies, powders, and even drink mixes will attract a broader consumer base.

MARKETING PROGRAM

POINTS OF DIFFERENCE

The "points of difference" – characteristics that makes CBD Jello different from its competitors – fall into three important areas:

- Unique Ingredients: There are no known competitors that use full-spectrum CBD, which includes
 additional cannabinoids and terpenes. This will offer greater therapeutic gains such as improved
 stress relief and relaxation to consumers.
- Innovative Flavor Profiles: The American consumers are intrigued by variety. The offering of
 unique flavors such as cherry, apricot, chocolate fudge, and cheesecake that stand out from
 competitors can attract consumers looking for adventurous and sophisticated taste experiences.
 There would also be offerings of seasonal flavor combinations to keep customers excited and
 engaged.
- 3. **Premium Packaging:** CBD Jello would be offered in eco friendly biodegradable packages which reflects our commitment to environmental sustainability. This premium packaging will create a perception of quality and appeal to customers.
- 4. Positioning: In the past, Jello has been likened to sweetness and unhealthy desert. Our CBD-infused Jello provides the perfect blend of flavor and wellness. Made with locally sourced ingredients, full-spectrum CBD, and packaged to offer a premium experience that promotes relaxation and satisfaction.



PRODUCT STRATEGY

Product Line:

Jello Fusion will be sold in cups just 8-ounce boxes with 4 servings per package. The Initial flavors are classic and refreshing, including strawberry, blueberry, peach, and watermelon. These known fruit flavors provide a delicious and convenient treat for almost every setting and occasion. Seasonal flavors such as raspberry, mango, and orange will be introduced periodically to offer variety throughout the year.

Unique Product Quality:

Jello Fusion brings innovation to traditional Jello by infusing it with high-quality organic CBD extract in each serving. This combination not only provides delicious fruit flavor. But it also provides the calming benefits of CBD. This product uses real fruit puree. To ensure the true taste with no artificial flavors, colors, or preservatives, Jello Fusion is non-GMO. Glutenfree and made with natural sweeteners. Avoiding refined sugar and high fructose corn syrup, the CBD used is meticulously sourced from certified organic hemp sources. Delivering a consistent and balanced experience with each consumption.

Packaging:

The product will be packaged with two units on the top and two on the bottom within the cardboard box. Each Jello Fusion package will clearly display the flavor, accompanied by a hemp plant icon to indicate its CBD infusion. To help consumers avoid picking the wrong product, "Fusion" will be prominently featured in bold and larger font on the box.



PRICING STRATEGY

- Jello of Heinz will retail for \$0.89 per serving or \$3.56 for a 4-serving package
- This is a competitive pricing strategy, considering the unique quality of the product and the target market's willingness to pay a premium for organic and healthy options

BRAND	RETAIL PRICE PER SERVING	PRODUCT DESCRIPTION
KRAFT JELL-O	\$0.75	NON-ORGANIC, ARTIFICIAL FLAVORS, AND HIGH-FRUCTOSE CORN SYRUP
SNACK PACK	\$1.00	NON-ORGANIC, ARTIFICIAL FLAVORS, AND HIGH-FRUCTOSE CORN SYRUP
SIMPLY DELISH	\$1.25	ORGANIC, NON-GMO, AND NATURAL FLAVORS, BUT HIGHER SUGAR CONTENT



YUMEARTH	\$1.50	ORGANIC, NON-GMO, AND NATURAL FLAVORS, BUT HIGHER PRICE POINT
HEINZ JELLO	\$0.89	100% ORGANIC, NON-GMO, AND NATURAL FLAVORS, LOW SUGAR CONTENT

PRODUCT INFORMATION

- Product Name: Jello of Heinz
- Product Description: A line of organic, non-GMO, and natural fruit-flavored gelatin desserts
- Product Line: Jello of Heinz will be sold in 6-ounce retail cups with 4 servings per package
- Flavors: Introduced in six different flavors; strawberry, orange, grape, banana, raspberry, and mango. Seasonal flavors like peach and watermelon will be introduced annually.

MARKETING OBJECTIVES

- Target Markets: Active and Healthy food middle-aged adults between 18-35
- Points of Difference:
- Unique ingredients: 100% organic, non-GMO fruits and vegetables
- Unique packaging: Eco-friendly, recyclable, and biodegradable packaging materials
- Health trends: Low sugar, gluten-free, nut-free, vegan, protein dense and lactose intolerant friendly
- Positioning: For people looking for healthy organic treat with therapeutic addition to improve relaxation and reduces.

TARGET MARKET DEMOGRAPHICS

- Primary target market: Young adults and middle age health-conscious people from 18-35.
- Secondary target market: Adults of all ages looking to relax and enjoy an organic and natural dessert.
- Psychographics: Young and health-conscious adults who prioritize nutrition and well-being but also looking to relax without compromising on quality, convenience, and affordability.

MARKETING CHANNELS

- Online advertising (social media, Google Ads)
- In-store promotions and demos
- Partnerships with health and wellness influencers
- Sponsorship of family-friendly events and activities



FINANCIAL DATA AND PROJECTIONS FOR JELLO PRODUCT

PAST SALES REVENUE (FIVE-YEAR HISTORY)

The Jello brand, a popular dessert choice, has experienced fluctuations in revenue over the past five years. With growing interest in healthier, natural food options, the Jello product line aims to revitalize sales and capture a larger share of the market.

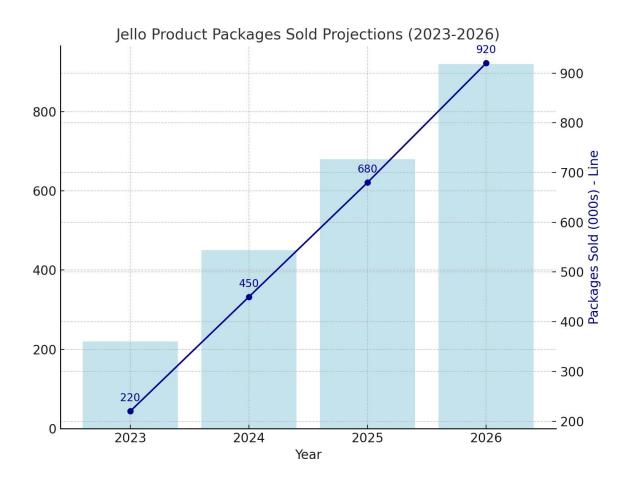
Year	Gross Sales (Millions \$)
201G	\$45.2
2020	\$46.8
2021	\$42.1
2022	\$43.6
2023	\$44.9

THREE-YEAR FINANCIAL PROJECTIONS JELLO PRODUCT

The following projections estimate the growth of Jello sales through strategic expansion into organic, healthier versions of the product, and more aggressive marketing strategies.

Financial Element	2023 (Actual)	Year 1 (2024)	Year 2 (2025)	Year 3 (2026)
Boxes Sold (000s)	220	450	680	920
Net Sales (\$000s)	\$8,500	\$14,000	\$16,500	\$19,200
Gross Profit (\$000s)	\$4,200	\$9,000	\$11,500	\$13,800
Operating Profit (\$000s)	\$2,800	\$6,200	\$7,100	\$8,300





INSIGHTS AND GOALS:

- 1. Sales Growth: Increase net sales by leveraging organic and health-conscious offerings, achieving \$19.2 million in net sales by 2026.
- 2. **Profitability:** Focus on improving margins to reach \$8.3 million in operating profit by the end of Year 3.
- 3. Market Share: Capture a significant portion of the organic dessert market, aiming for 40% of the category by the end of the projection period.



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