

Beyond Meat's Marketing Challenges and Strategic Opportunities

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Table of contents

| | |
|--|----|
| <u>1. Introduction</u> | 1 |
| <u>1.1. The Plant-Based Food Market</u> | 1 |
| <u>1.2. The Challenge for Beyond Meat</u> | 1 |
| <u>2. Marketing Situation Analysis</u> | 1 |
| <u>2.1. Overall Plant-based meat Market Situation and Future Expectations</u> | 1 |
| <u>2.2. Sales Channel</u> | 2 |
| <u>2.3. Consumer Insights</u> | 3 |
| <u>2.3.1. Overview</u> | 3 |
| <u>2.3.2. Lapsed consumers</u> | 4 |
| <u>2.4. Beyond Meat Analysis</u> | 4 |
| <u>2.4.1. Financial Statement</u> | 4 |
| <u>2.4.2. Segmentation, Targeting, Positioning</u> | 6 |
| <u>2.4.3. SWOT Analysis</u> | 6 |
| <u>2.5. Comparison between Beyond and Impossible Foods</u> | 7 |
| <u>2.5.1. Market Share</u> | 7 |
| <u>2.5.2. Product (Nutrition, Packaging and Taste)</u> | 8 |
| <u>2.5.3. Food Service Channel</u> | 9 |
| <u>2.5.4. In-Store Survey</u> | 10 |
| <u>2.6. Short summary of the Challenges</u> | 12 |
| <u>3. Marketing Issue Identification</u> | 12 |
| <u>3.1. Description of Different Issues</u> | 12 |
| <u>3.2. Identification of Root Causes</u> | 13 |
| <u>3.3. Selection of the Most Important Issue to Address First</u> | 13 |
| <u>4. Identification of Possible Solutions</u> | 15 |
| <u>4.1. Short-term Goal: Expanding Sales Channels through New Partnership</u> | 15 |
| <u>4.1.1. Leveraging Strategic Frameworks to Strengthen Institutional Partnerships</u> | 18 |
| <u>4.2. Long-term Goal: Product Optimization - Enhancing Taste and Packaging</u> | 18 |
| <u>4.2.1. Integrating Product Differentiation with Strategic Frameworks</u> | 22 |
| <u>4.3. Integrating the Strategies for Maximum Impact</u> | 23 |
| <u>5. Evaluation and Choice of Solution</u> | 23 |
| <u>5.1. Evaluation of Solutions</u> | 24 |
| <u>5.1.1. Sales Channel Expansion</u> | 24 |
| <u>5.1.2. Product Optimization</u> | 24 |
| <u>5.2. Recommended Solution: Integrated Approach</u> | 25 |
| <u>5.3. Expected Outcomes</u> | 25 |
| <u>6. Outline of Action Plan to Implement a Solution</u> | 26 |
| <u>6.1. First Six Months</u> | 26 |
| <u>6.2. Second Phase (6–18 months)</u> | 27 |
| <u>6.3. Long-Term Strategy (18 months and beyond)</u> | 27 |
| <u>6.4. Summary</u> | 27 |
| <u>7. Attachments</u> | 28 |

1. Introduction

1.1. The Plant-Based Food Market

In an era where consumer preferences increasingly align with health consciousness, environmental sustainability, and animal welfare, the plant-based food industry has emerged as a rapidly growing market. Beyond Meat, founded in 2009, has positioned itself as a pioneer in this space, offering innovative products designed to mimic the taste and texture of traditional meat. The company's value proposition lies in providing a sustainable alternative to meat without compromising on flavor or texture, catering to both vegans and meat enthusiasts. By addressing the global demand for environmentally friendly food options, Beyond Meat strives to revolutionize eating habits and promote sustainable food systems.

1.2. The Challenge for Beyond Meat

Despite its early success, Beyond Meat faces significant challenges that threaten its market position and long-term viability. Chief among these is the urgent need to innovate its product offerings and sales channel strategies to regain competitive advantage. These challenges were selected for analysis due to their critical impact on the company's profitability, market share, and ability to sustain operations in a dynamic and competitive industry. In recent years, Beyond Meat has experienced declining revenues, financial instability, and a loss of key partnerships in its sales channels. External factors, such as inflation, have further strained its performance as consumers have become more price-sensitive, reducing demand for premium plant-based products. Additionally, competitors like Impossible Foods have gained an edge by offering products perceived as superior in replicating the taste and texture of traditional meat and by fostering stable partnerships with prominent food service providers.

To address these challenges, this report focuses on Beyond Meat's marketing priorities of product improvement and sales channel expansion. By strengthening these areas, the company can rebuild its competitive edge, recapture market share, and fulfill its value proposition to key stakeholders, including environmentally conscious consumers, food service partners, and investors.

2. Marketing Situation Analysis

2.1. Overall Plant-based meat Market Situation and Future Expectations

Between 2019 and 2021, the plant-based meat market experienced rapid expansion, driven by increasing consumer adoption and innovation in product offerings. However, starting in 2022, growth began to slow, as illustrated in Figure 1. Inflation has significantly impacted the plant-based meat sector, which typically offers products at a premium price compared to traditional meats. As daily expenses have risen, consumers are prioritizing value-for-money options, often opting for less expensive plant-based brands or traditional meat products.

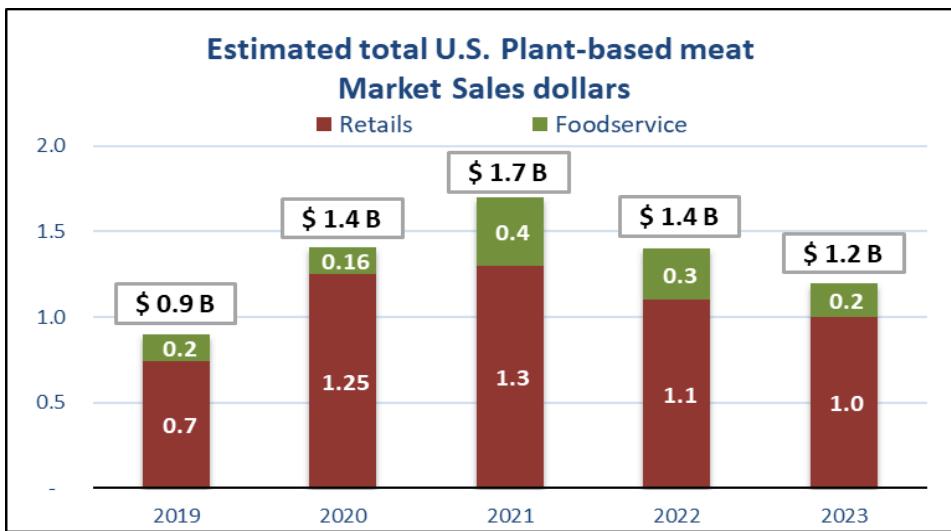


Figure 1: Estimated total U.S. Plant-based meat Market Sales dollars 2019-2023 from Good Food Institute®[\[1\]](#)

According to a report by Arizton, the U.S. plant-based meat market is projected to grow at a CAGR of 15.18% by 2029 [\[2\]](#). Despite recent slowdowns, the sector is expected to rebound as inflation stabilizes, production costs decrease, and product quality improves. Strong consumer demand for healthier, more sustainable diets remains a key growth driver.

2.2. Sales Channel

As shown in Figure 1, the retail channel, including supermarkets, makes up 80% of the market, followed by food service channels like quick-service restaurants at 36%. Full-service restaurants and educational institutions each contribute 18%, with healthcare accounting for 8% (refer to Figure 2). After a 46% decline in 2020, plant-based protein sales in educational institutions have grown 36% since 2019, now comprising 18% of total sales. Some foodservice management companies, universities, and healthcare organizations have made robust commitments to increasing plant-based menu offerings:

- Major distributors like Sodexo and Aramark have pledged to increase plant-based menu items to 50% and 44%, respectively, by 2025 [\[3\]](#).
- Columbia University has committed to reducing food-based emissions by 25% by 2030 through the Plant-Powered Carbon Challenge, while UC Berkeley aims to have at least 50% of entrees plant-based by 2027 [\[3\]](#).
- NYC Health + Hospitals announced that primary dinner options would now be plant-based at all 11 public locations [\[3\]](#).

These commitments from industry leaders and institutions set an example for other foodservice management companies to prioritize plant-based options, which can help them meet their sustainability goals and appeal to a consumer base with a marked interest in plant-based foods. Significant opportunities exist for manufacturers to expand their plant-based protein offerings in emerging segments like education and healthcare.

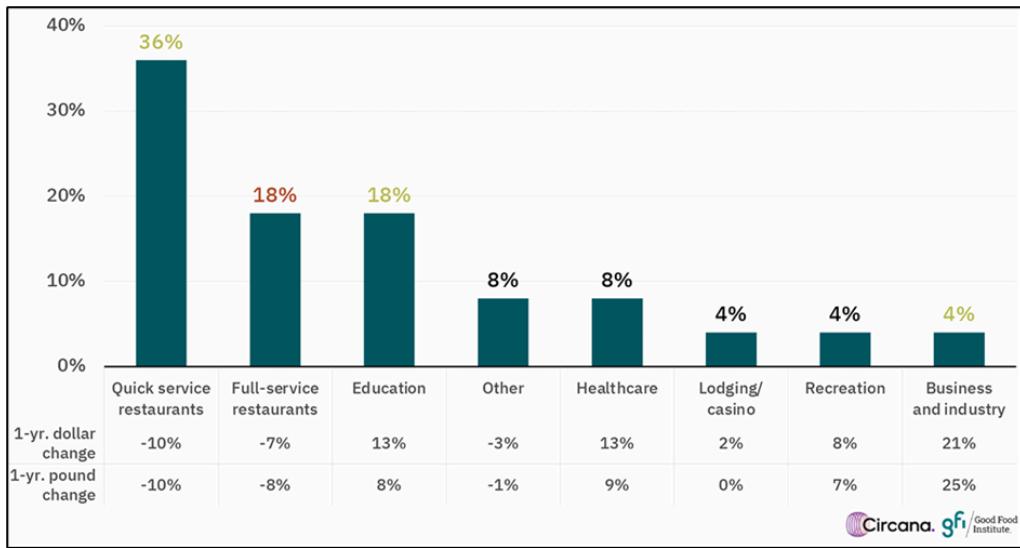


Figure 2: Operator segment share of total plant-based protein pound sales [3]

Source: Circana/SupplyTrack, Product Class: Plant-based proteins. Dollar and pound sales are 12 months ending December 2023 vs 4 prior years. “Other” includes Other non-commercial, Government, Other retail, Food stores, C-stores, and Not specified.

2.3. Consumer Insights

2.3.1. Overview

In the United States, 58 percent of consumers are aware of plant-based meat products, and 36 percent reported eating plant-based meat in 2023, with 25 percent eating it monthly or more frequently, according to research conducted by Morning Consult in December 2023[3]. This research also showed that 95 percent of plant-based meat eaters also reported eating conventional meat. This underscores that omnivore shoppers are a significant market for plant-based proteins. However, based on the funnel shown in Figure 3, the conversion rate from “Trial” to “Buy Regularly” is lower compared to other stages, suggesting some level of dissatisfaction among consumers. Those reasons will be discussed in the following section.

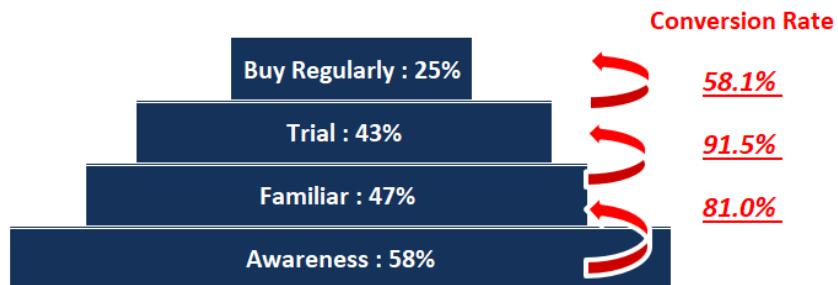


Figure 3: Awareness to Purchase Funnel for Beyond Meat [4]

Despite Americans’ high meat consumption, many are reducing intake due to health concerns. A 2023 AP-NORC survey found that 43% of consumers eat less meat, with 57% citing health as a key reason (GFI/Morning Consult, Dec. 2023) [4]. The COVID-19 pandemic heightened awareness of meat-related health risks, including heart disease, cancer, and diabetes. Additionally, plant-based meat offers environmental benefits, such as reduced water and land use and lower greenhouse gas emissions. Effectively

communicating these advantages while addressing consumer preferences for taste, texture, and price parity presents opportunities to grow the category.

2.3.2. Lapsed consumers

As shown in Figure 3, increasing the conversion rate from trial to regular purchase will be crucial for boosting sales volume. This is further supported by a study conducted by Morning Consult (see Figure 4), the top two factors that would encourage consumers to try new plant-based meat products are “improved taste/textured” and “lower cost.” This presents significant opportunities for manufacturers. By investing in research and development to enhance the taste and texture of their products, companies can address one of the most common barriers to adoption.

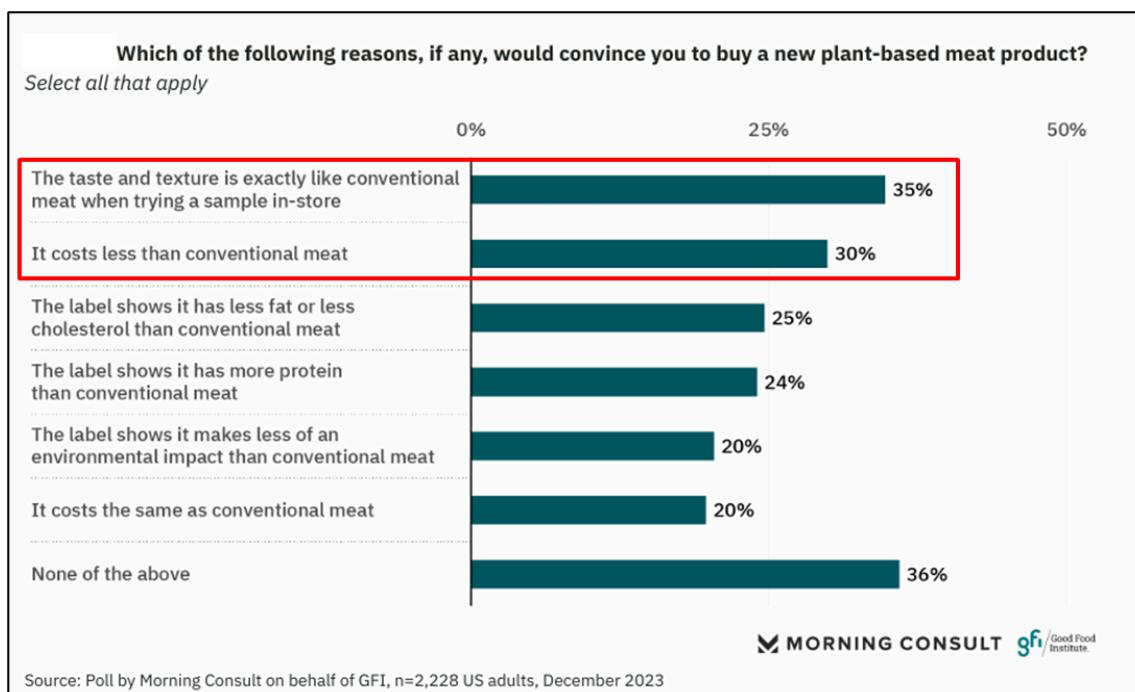


Figure 4: Consumer Research Results for Lapsed Consumers “Which of the following reasons, if any, would convince you to buy a new plant-based meat product?” [4]

2.4. Beyond Meat Analysis

2.4.1. Financial Statement

Beyond Meat experienced rapid growth until 2021 but has struggled financially since then. In 2021, the company achieved significant growth, with sales rising to \$464 million, reflecting an impressive 56% growth compared to 2019, which had revenues of \$297 million. However, this rapid expansion has not been sustainable, and from 2022 onward, the company's sales growth has slowed while losses have continued to widen. Despite maintaining high revenue figures in 2022 and 2023, Beyond Meat has faced increasing difficulties with profitability, and the losses have deepened over this period.

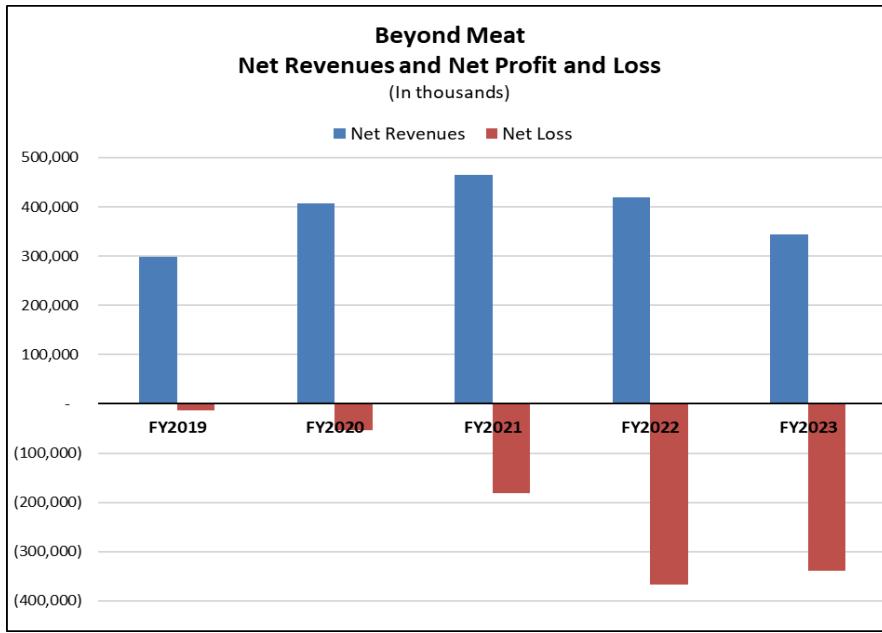


Figure 5: Beyond Meat Net Revenues and Net Loss from FY2019 to FY2023 [5]
(Source:Beyond Meat Financial Statement)

One of the major financial issues Beyond Meat is facing is the decline in its equity ratio. From 2021, when its equity ratio was 10%, it dropped to -66% by 2023. This negative equity highlights the company's struggle to maintain a solid financial foundation as liabilities have increased, particularly long-term liabilities, which surged to over \$1.2 billion by 2023. Another critical issue is the sharp decline in cash and cash equivalents, which decreased from \$733 million in 2021 to just \$190 million by 2023. This reduction in liquidity has placed considerable pressure on the company's cash flow, as seen in its struggles with both short-term and long-term liabilities. The negative equity ratio, coupled with reduced cash reserves, signals an ongoing cash flow crisis, impacting the company's ability to invest in operations, including marketing promotions and product innovations, which are crucial for future growth.

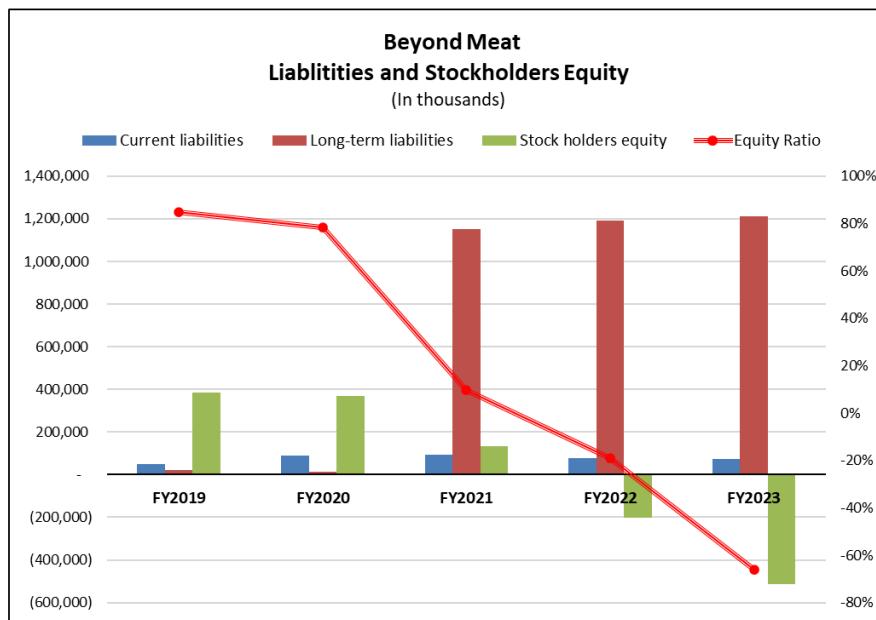


Figure 6: Beyond Meat Liabilities and Stockholders Equity [5] (Source:Beyond Meat Financial Statement)

2.4.2. Segmentation, Targeting, Positioning

By defining Beyond Meat's segmentation, targeting, and positioning, we aim to identify their current target market and audience, which will serve as the foundation for further analysis.

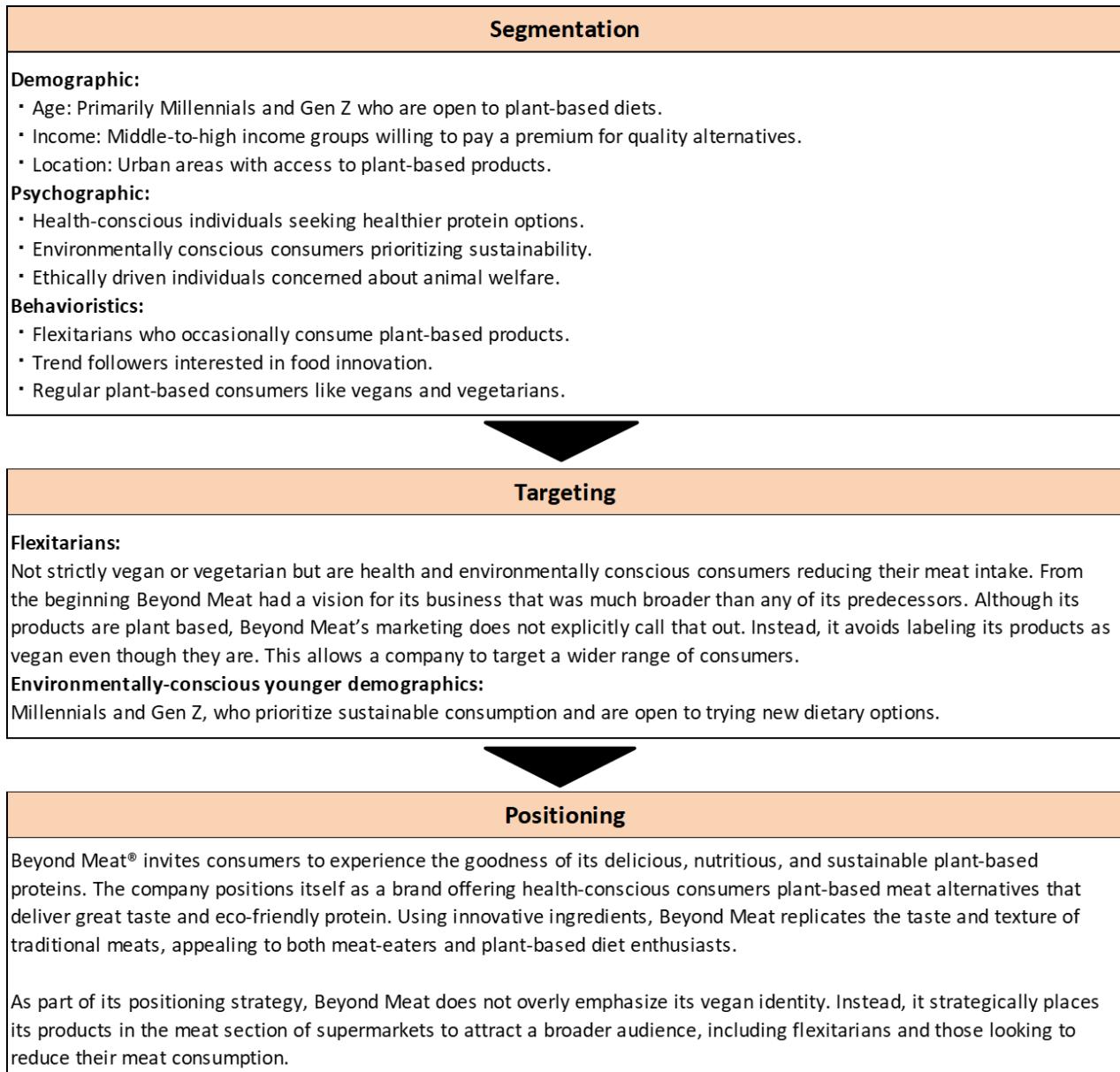


Figure 7: STP Analysis of Beyond Meat

2.4.3. SWOT Analysis

The company has experienced both growth and challenges, as mentioned in the earlier section. The following SWOT analysis highlights the key strengths, weaknesses, opportunities, and threats that Beyond Meat faces in the current business landscape.

| Strengths | Weaknesses |
|--|---|
| <p>Strong Brand Recognition: Beyond Meat is a well-known brand in the plant-based meat industry, providing a broad customer base.</p> <p>Innovative Products: The company offers plant-based products like burgers and sausages that resemble real meat, attracting both vegetarians and meat-eaters.</p> | <p>High Production Costs: Plant-based meats are more expensive to produce, leading to higher retail prices, which may limit accessibility, especially in emerging markets.</p> <p>Profitability Challenges: Beyond Meat has struggled with profitability and underperforming stock prices, raising concerns about its long-term viability.</p> <p>Product Acceptance: Some customers have moved away due to taste or packaging issues, affecting consumer loyalty.</p> |
| Opportunities | Threats |
| <p>Expansion in Food Service: More schools and hospitals are adding plant-based options to their menus.</p> <p>Growing Demand for Plant-Based Foods: Increasing consumer interest in health, environmental impact, and animal rights supports growth potential.</p> <p>Broad Retail Partnerships: Partnerships with major chains like Panda Express, Costco, and Target boost visibility and sales.</p> | <p>Intense Competition: Strong competition from Impossible Foods and other traditional companies may impact market share.</p> <p>Reduced Restaurant Partnerships: Some key chains have ended partnerships, which negatively affects distribution and profitability.</p> <p>Fluctuating Raw Material Prices: Changes in ingredient costs could harm profit margins.</p> |

Figure 8: SWOT Analysis of Beyond Meat

Based on the analysis, Beyond Meat holds strong brand recognition and innovative products but faces challenges like high production costs, profitability issues, and inconsistent customer loyalty. While growing demand for plant-based foods and opportunities in food service and retail channels offer growth potential, intense competition and lost partnerships pose threats. Addressing product improvement while leveraging market opportunities will be critical for sustaining growth and enhancing market position.

2.5. Comparison between Beyond and Impossible Foods

In this section, we compared Beyond Meat with its direct competitor, Impossible Foods, from five perspectives, including Market Share, Product, Customer Review about their taste, Food Service Channel and in-store situation.

2.5.1. Market Share

Regarding market share, we compared Beyond Meat with its direct competitor, Impossible Foods. While Beyond Meat gained momentum in 2020, reaching its highest market share at 20% of the total market, Impossible Foods has steadily increased its share since then [6]. By 2023, the market shares of the two companies had become nearly identical.

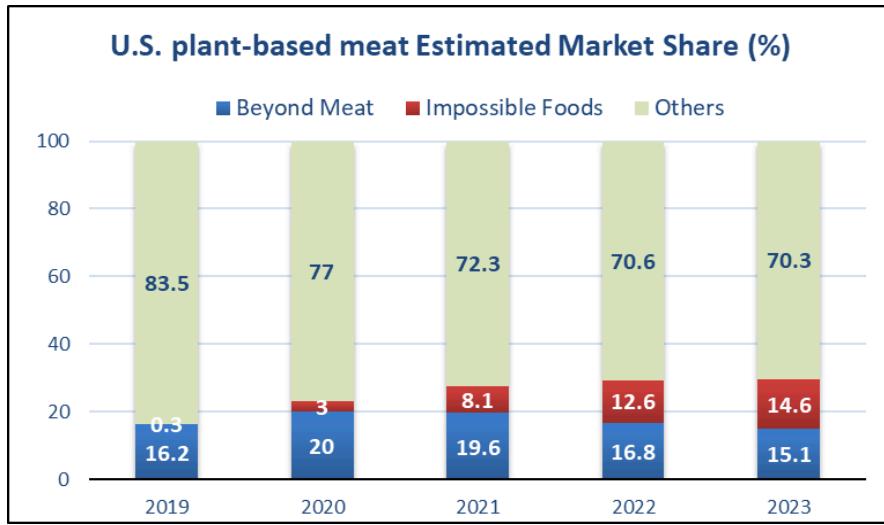


Figure 9: U.S. plant-based meat Estimated Market Share at retail (%)
(Source: AgFunderNews, TD Cowen, Nielsen IQ data [6])

2.5.2. Product (Nutrition, Packaging and Taste)

Here is a comparison of the nutritional content of Beyond Meat and Impossible Mea. This visualization in Figure 10 highlights the similarities and differences among these protein sources, offering insights into their health implications.

(Each 113g of 1 patty serving)

| | Beyond Meat | Impossible Foods |
|---------------|---------------------------|-------------------------|
| | | |
| Calories | 290 kcal | 230 kcal |
| Fat | 22 grams | 13 grams |
| Saturated fat | 7 grams | 6 grams |
| Trans fat | 0 grams | 0 grams |
| Carbs | 4 grams | 9 grams |
| Sugar | 0 grams | less than 1 gram |
| Fiber | 1 grams | 5 grams |
| Protein | 18 grams | 19 grams |
| Sodium | 340 mg | 370 mg |
| Vegan | ✓ | ✓ |
| Non-GMO | ✓ | None |
| Soy-Free | ✓ | None |
| Gluten-Free | ✓ | ✓ |
| Ingredients | Pea Protein, Rice Protein | Soy Protein Concentrate |

Figure 10: Nutrition Comparison between Beyond Meat and Impossible Foods

Nutritionally, both are viable alternatives to beef, offering protein and fiber with less saturated fat. Beyond Burger is suitable for consumers avoiding soy or GMOs with less sodium, while

Impossible Burger appeals to those prioritizing fewer calories and fat.

Regarding the packaging, the current package Beyond Meat uses green packaging to emphasize its focus on sustainability, health, and plant-based eating, while Impossible Foods adopts bold red packaging to evoke energy and excitement, positioning itself as a direct alternative to traditional meat. These color choices reflect their distinct branding strategies, with Beyond highlighting eco-friendliness and Impossible appealing to meat-lovers seeking innovation.

As for the taste, we analyzed consumer reviews on major retailers' websites, including Amazon Fresh, Walmart, and Target. Impossible Foods is gaining better star reviews on platforms like Amazon Fresh, Target, and Walmart compared to Beyond Meat. Those who rated lower reviews on Beyond Meat highlighted recurring issues with Beyond Meat's taste and texture, with 60% of those reviews mentioning that its products fail to convincingly replicate real meat. Additionally, approximately 25% of those reviews point to packaging issues, such as damaged or poorly sealed items, further diminishing customer satisfaction. In contrast, Impossible Foods consistently receives more favorable reviews on the same platforms. Out of 85% of those who rated good reviews on Impossible Foods mentioned its superior taste and texture being closer to real meat, offering a significant advantage over Beyond Meat. Packaging issues are mentioned in only 10% of reviews for Impossible Foods, showcasing better consistency and quality control. While both brands face criticism over pricing, 75% of Impossible Foods' customers consider its products worth the premium, compared to just 50% for Beyond Meat. These statistics underscore a significant gap in customer satisfaction, with Impossible Foods outperforming Beyond Meat in key areas like taste authenticity and packaging reliability.

2.5.3. Food Service Channel

Beyond Meat and Impossible Foods collaborated with fast-food chains like McDonald's and Burger King to meet the demand for sustainable eating. However, McDonald's and some other chains that partnered with Beyond Meat ended their partnership due to disappointing sales during testing (as shown in Figure 11). Despite these challenges, the foodservice channel remains a key growth area. Burger King continues to invest in plant-based options, and both companies are expanding into institutional foodservice, such as hospitals and schools. Beyond Meat works with Aramark to provide plant-based meals in schools, while Impossible Foods partners with Sodexo to grow its presence in healthcare and education, focusing on taste and nutrition.

| Name | Supplier | Menu name | Launch | Current situation |
|----------------|------------------|-------------------------------|--------|----------------------|
| McDonald's | Beyond Meat | McPlant | 2021 | Discontinued in 2022 |
| Burger King | Impossible Foods | Impossible Whopper | 2019 | Ongoing |
| Wendy's | Beyond Meat | Plant-based burger | 2021 | Ongoing |
| Carl's Jr. | Beyond Meat | Beyond Burger | 2020 | Discontinued in 2022 |
| KFC | Beyond Meat | Beyond Fried Chicken trial | 2019 | Ongoing |
| Pizza Hut | Impossible Foods | Impossible Sausage topping | 2020 | Ongoing |
| Del Taco | Beyond Meat | Beyond Taco | 2020 | Discontinued in 2022 |
| Starbucks | Impossible Foods | Impossible Breakfast Sandwich | 2020 | Ongoing |
| Dunkin' Donuts | Beyond Meat | Beyond Sausage® Sandwich | 2019 | Discontinued in 2021 |

Figure 11: Plant-based meat menu in major fast food chain restaurants

2.5.4. In-Store Survey

We conducted an in-store survey to compare the shelf placement and number of shelves for Beyond Meat and Impossible Foods in some of the major retailers, including Walmart, Target, Ralphs, and Albertsons located in the Southern California region. Below is a detailed summary of the findings:

1. Walmart (3 stores):

- Across all surveyed Walmart locations, Impossible Foods consistently occupied more shelf space compared to Beyond Meat.
- Impossible Foods was prominently placed at eye level, a strategic location that enhances visibility and accessibility for customers. Beyond Meat was often found on lower or higher shelves, potentially impacting its sales.

2. Target (3 stores):

- One store did not carry either brand.
- Another store carried only Impossible Foods.
- In the third store, both brands were available with the same number of shelves. However, Impossible Foods had a more advantageous shelf placement closer to eye level compared to Beyond Meat.

3. Ralphs (2 stores):

- In both Ralphs locations surveyed, Beyond Meat and Impossible Foods were allocated an equal number of shelves.
- Both brands enjoyed favorable shelf placements, with products positioned at eye level or in similarly accessible spots.

4. Albertsons (2 stores):

- Both surveyed Albertsons locations had limited shelf space for plant-based products.
- However, one store featured an additional display for both Beyond Meat and Impossible Foods, providing extra visibility for both brands.
- Overall, Impossible Foods had a slight edge in shelf space allocation compared to Beyond Meat.

In terms of pricing, both brands are similarly priced and frequently offer discount promotions in some stores. However, the most notable difference lies in their packaging. Impossible Foods' red-colored packaging is more visually striking and easier to locate, giving it an edge in attracting customers.

The survey findings indicate that Impossible Foods tends to have more shelf space and better shelf placement than Beyond Meat across the surveyed stores. While the overall market share for plant-based meat products is comparable between the two brands, the survey suggests that Impossible Foods may achieve higher sales at the specific locations surveyed. This advantage is likely influenced by several factors. With pricing being nearly identical for both brands, these non-price factors—such as taste and appealing packaging—play a significant role in influencing customer purchasing decisions.

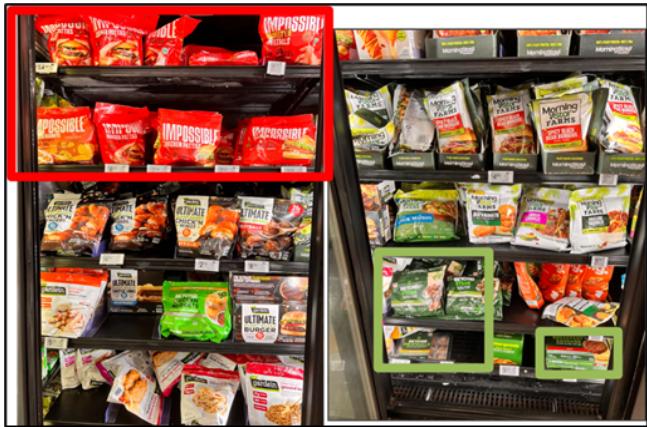


Figure 12*



Figure 13*

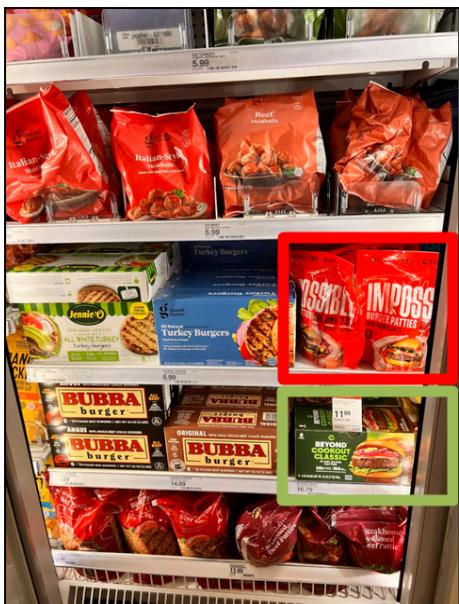


Figure 14*



Figure 15*



Figure 16*



*Figure 12: One of the Walmart Stores

Figure 13: Another Walmart Store

Figure 14: One of the Target Stores

Figure 15: One of the Ralphs Stores

Figure 16: One of the Albertsons stores and its additional display

2.6. Short summary of the Challenges

1. Product: Taste and texture remain a critical factor in consumer adoption. Brands that replicate the taste and texture of real meat more effectively, such as Impossible Foods, are gaining an edge, making product innovation a top priority for improving customer retention. In addition, the packaging improvement to grab consumer's attention at a store is also necessary.
2. Distribution in the foodservice channel: With the anticipated growth in plant-based meat adoption in hospitals, schools, and other institutions, expanding and strengthening these channels is crucial for driving sales growth.

The plant-based meat market continues to face challenges such as price sensitivity, competition, and product differentiation. However, by addressing these marketing challenges, Beyond Meat has the potential to drive revenue growth and expand its market share.

3. Marketing Issue Identification

3.1. Description of Different Issues

Building on the Situation Analysis, the two main marketing challenges identified are product improvement (with a focus on taste enhancement and package improvement) and channel expansion (with a focus on the hospital and education sectors). These challenges directly impact the company's performance and growth potential, and addressing them will form the foundation for both short-term gains and long-term success. Below, we break down each issue:

- **Product Optimization (Taste Enhancement and Package Improvement):** Despite the inherent promise of the product, customer dissatisfaction with taste has been a significant barrier to consumer loyalty and market penetration. Customers often perceive Impossible Foods as having an edge in taste compared to Beyond Meat, leading to reduced repeat purchases and loss of market share. Taste remains the decisive factor for consumer choices, particularly in the food and beverage industry. If this issue is not resolved, it could severely limit the product's growth potential and its ability to capture and retain key segments in an increasingly competitive market. Additionally, appealing packaging is essential to attract customers at the store level.
- **Channel Expansion:** The company's current foodservice distribution channels have been declining, yet substantial growth opportunities remain. The hospital and education sectors in particular offer the potential for Beyond Meat to tap into institutional buyers and meet the rising demand for health-conscious products in these environments. However, the challenge lies not only in reaching these markets but also in establishing strategic partnerships, understanding institutional buying cycles, and tailoring marketing approaches for these sectors. If Beyond Meat can successfully penetrate these channels, it would significantly boost its market share and visibility, paving the way for sustained growth.

3.2. Identification of Root Causes

Understanding the root causes behind these issues is essential to developing effective solutions. The underlying factors for both challenges are as follows:

- **Root Causes of Product Improvement Challenges:**
 - **Competitive Market Pressure:** The plant-based meat industry is highly competitive, with companies like Impossible Foods and others refining their products to meet consumer tastes more effectively. These competitors have invested in research and development to improve their flavor profiles, textures, and nutritional benefits, which have directly contributed to their increasing market share. Beyond Meat, by contrast, has been slower to innovate in response to changing consumer preferences, leaving it vulnerable to losing ground to competitors that offer superior taste experiences and stronger brand loyalty. This competitive pressure creates a barrier to entry for Beyond Meat in attracting new customers and retaining existing ones.
- **Root Causes of Channel Expansion Challenges:**
 - **Limited Distribution Networks:** Beyond Meat has primarily focused on traditional retail and foodservice channels, yet the institutional market, such as hospitals, schools, and universities, remains large room for growth. These sectors represent substantial opportunities for growth, particularly as demand for plant-based, health-conscious products in institutional settings increases. Without the establishment of key strategic partnerships in these areas, Beyond Meat risks missing out on long-term revenue streams and deeper market penetration.
 - **Lack of Sector-Specific Marketing Expertise:** Although Beyond Meat has partnered with Aramark to distribute its products into foodservice channels, engaging with sectors like healthcare and education requires tailored marketing strategies. The company may lack the necessary strategic partnerships and insights to effectively reach these audiences. For instance, hospitals may prioritize nutritional benefits and bulk purchasing, while schools may focus on cost-effectiveness and products that appeal to children.
 - **Inadequate Resource Allocation for Expansion:** The company's current resource allocation may not prioritize channel development, resulting in a missed opportunity to expand into lucrative markets. Without a structured plan to establish relationships with key institutions, the company remains limited in its distribution.

3.3. Selection of the Most Important Issue to Address First

Among the two issues, channel expansion and product improvement should be prioritized as the most pressing issue. The reasons for this are:

- **Immediate Revenue Generation:** Channel expansion, particularly into institutional markets like hospitals and educational institutions, offers immediate, large-scale sales opportunities. Given Beyond Meat's cash flow challenges, it is crucial for the company to generate revenue in the short term with lower risk (refer to Figure 17). As Beyond Meat already has some sales in these sectors, and institutions are planning

to expand their plant-based meal offerings, this provides an opportunity to secure bulk orders, which can create a stable revenue stream. This influx of cash can then be reinvested into product improvement. This approach allows the company to capitalize on existing demand without waiting for lengthy taste refinement processes. It also establishes a foundation of financial stability, enabling further investments in product development and innovation.

- **Strategic Use of Resources:** By generating revenue through expanded channels, the company can allocate financial resources toward addressing the product's taste and quality issues. Channel expansion, therefore, serves as a funding mechanism for future improvements, making it a more immediate and effective use of resources than waiting for product improvements to first drive sales.
- **Product Improvement as a Critical Issue for Long-term Growth :** Improving the product's taste will ultimately play a significant role in customer acquisition and revenue expansion. By addressing this key factor, Beyond Meat can increase consumer loyalty and drive repeat purchases, positioning itself for long-term success. The funds generated from channel expansion, particularly in institutional markets, should be reinvested into product development. This would enable the company to focus on refining taste, ensuring that Beyond Meat remains competitive with rivals such as Impossible Foods, which have already succeeded in offering products that better replicate the taste of real meat. In addition to taste, packaging must also be considered as a crucial factor in attracting consumer attention. Impossible Foods, for instance, use bold colors like red to create a sense of excitement and appeal, and Beyond Meat should look to update its packaging to better capture the eye of customers on the shelf. A strategic blend of taste improvements and packaging innovation will create a stronger competitive advantage and set the stage for sustained growth.

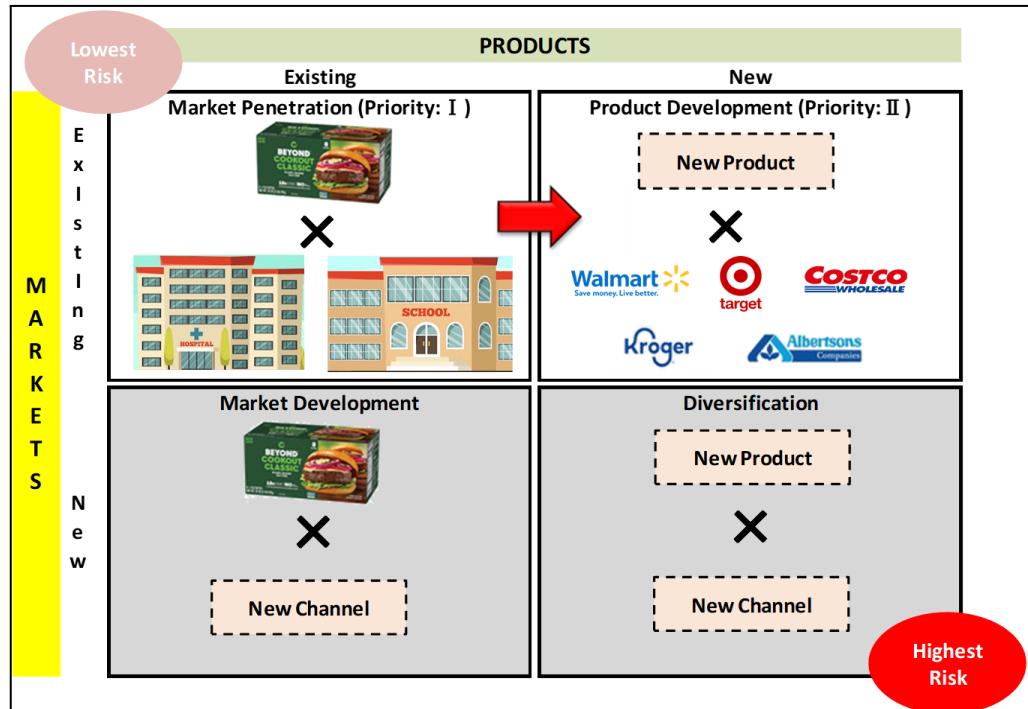


Figure 17: Ansoff matrix for the growth strategy of Beyond Meat

In conclusion, while product optimization, particularly in taste and packaging, is the most critical issue for Beyond Meat's long-term success, channel expansion should be prioritized first given the company's current financial challenges. Expanding into institutional markets will generate immediate revenue, which can then be reinvested into refining the product. Taste enhancement is essential for increasing consumer retention and expanding the customer base, while improved packaging can help capture attention in a competitive market. Addressing channel expansion now will not only secure short-term financial stability but also provide the necessary resources to focus on product development, ensuring a more competitive and sustainable position in the long run.

4. Identification of Possible Solutions

To address the challenges Beyond Meat is currently facing, we propose two key solutions: sales channel expansion and product optimization. Specifically, this involves expanding partnerships with current and new foodservice outlets—including hospitals and schools—as a short-term goal to rapidly increase brand visibility and access to new consumer segments. In the long term, the focus will shift to improving the product itself, including enhancing product taste profiles through research and development (R&D) and making changes to product packaging, ensuring sustained customer satisfaction and loyalty.

These strategies aim to tackle the brand's existing issues in consumer perception and market penetration. By leveraging strategic marketing frameworks, these solutions are designed to address Beyond Meat's limitations while strengthening its brand equity and competitive position in the plant-based food market.

4.1. Short-term Goal: Expanding Sales Channels through New Partnership

As mentioned in a previous section, recent trends reveal a rising interest in incorporating plant-based meat alternatives into U.S. schools and hospitals, driven by increasing awareness of health and sustainability benefits. According to recent USDA guidelines effective July 2024, schools are now required to provide plant-based proteins like beans, lentils, and peas in meal programs [7]. Institutions like Oakland Unified School District have already transitioned to plant-based menus, achieving significant reductions in their carbon footprint and water usage. This shift reflects the rising demand for nutritious, sustainable, and health-conscious diets, particularly among younger generations.

Also, based on the report that was made by Friends of the Earth's International (FoEI), the world's largest grassroots environmental federation across 73 countries, in August 2024, there are remarkable improvements on school menus in California's largest 25 school districts [8]. This analysis found that availability of healthy, plant-based lunches increased 60% from just 7% of menu options in 2019 to 11% in 2023. High schools and middle schools have taken the lead, with 56% offering plant-based options daily in 2023, compared to 36% in 2019. Similarly, elementary schools providing weekly plant-based options grew more than threefold, from 16% in 2019 to 60% in 2023. Plant-based vegan bowls and specialty entrées are now among the top 10 most frequently served dishes on school menus.

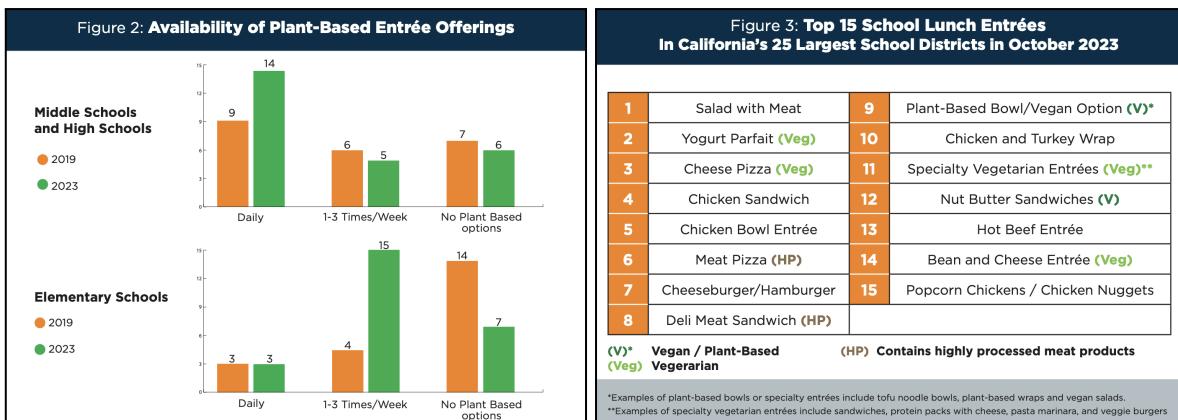


Figure 18: Plant-Based Trends in California's School Lunches [8]

Despite these advancements, challenges remain, as one-quarter of districts still do not offer plant-based entrees, and another quarter limits options to nut butter and jelly sandwiches. Additionally, highly processed meat items still account for 14% of all menu offerings, indicating room for further improvement. Therefore, the opportunity in California is immense. With U.S. schools serving approximately 7 billion meals annually, we recommend that Beyond Meat strategically enter this market by offering cost-effective and scalable solutions that align with both environmental and health objectives. This approach not only helps diversify school menus and cater to a wide range of dietary preferences but also positions Beyond Meat to secure significant short-term profits.

Moreover, partnering with schools provides an avenue to build long-term brand loyalty among younger generations who are increasingly conscious of sustainable food choices. By addressing budget constraints and nutritional standards, Beyond Meat can position itself as a reliable and innovative partner for institutions, setting a benchmark for plant-based solutions in the educational sector. This strategy achieves immediate profitability targets while highlighting Beyond Meat's commitment to creating a healthier and more sustainable food ecosystem. By engaging with schools, Beyond Meat has the potential to drive lasting changes in dietary choices and environmental responsibility, strengthening its position as a key player in the plant-based food industry.

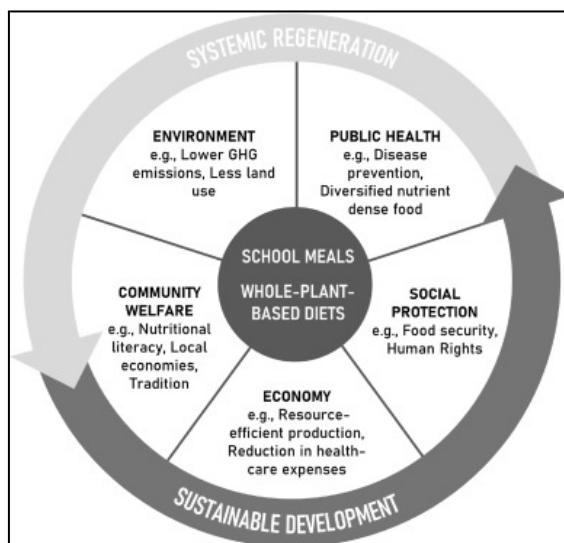


Figure 19: Plant-based school meals as levers of sustainable food transitions [9]

In parallel, hospitals are integrating plant-based options into their foodservice programs, recognizing the significant health benefits associated with these diets. Research shows that plant-based meals can reduce the risks of chronic illnesses such as cardiovascular diseases and diabetes, a focus that aligns closely with hospitals' missions to promote long-term patient health [10]. In 2022, the largest municipal healthcare system in the U.S., NYC Health + Hospitals, launched default plant-based meals for inpatients, garnering significant attention for this bold initiative. Following the introduction of these meals, patient acceptance and satisfaction rates exceeded 90% in 2023, with plant-based meals being credited for improving recovery times and overall well-being. Prior to the initiative, only 1% of patients opted for plant-based hospital meals. However, with the new default system in place, this figure has risen dramatically to 50%. The impact of this initiative extends beyond patient satisfaction. NYC Health + Hospitals reported a 36% reduction in food-related emissions, cost savings of approximately 59 cents per meal, and a patient satisfaction rate around 95%. Additionally, roughly 1.2 million plant-based meals have been served to patients, showcasing the scale of this program [11].

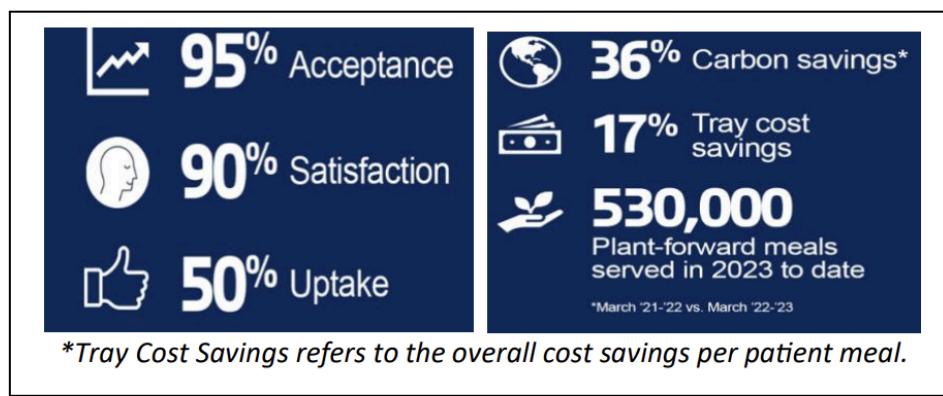


Figure 20: Implementing Plant-Based Meals as the Default Choice at NYC Health + Hospitals [11]

This success highlights the value of implementing plant-based defaults in hospitals. Not only do these initiatives deliver significant environmental benefits by cutting carbon emissions, but they also achieve substantial economic savings, with projected food cost reductions of \$500,000. At the same time, they maintain high levels of patient satisfaction, demonstrating how plant-based options can align with broader sustainability and healthcare goals.

Thus, we recommend that Beyond Meat collaborate with hospitals and healthcare institutions in New York City to tap into this promising market. With NYC Health + Hospitals leading the way in making plant-based meals the default choice for inpatients—and achieving outstanding results in patient satisfaction, cost savings, and environmental impact—there is a clear opportunity for Beyond Meat to position itself as a key partner in this movement. By offering high-quality plant-based meals, Beyond Meat could further enhance the success of such programs while solidifying its reputation as a leader in sustainability and health-conscious innovation. This collaboration aligns seamlessly with the broader vision of New York City's mayor, who has expressed ambitions to transform NYC into a "plant-based city" [12]. Partnering with healthcare institutions would not only provide Beyond Meat with a significant entry point into a rapidly growing sector but also contribute to the city's sustainability goals, including reducing carbon emissions and improving public health

outcomes. Additionally, expanding partnerships with NYC hospitals could serve as a blueprint for broader initiatives, enabling Beyond Meat to replicate this success in healthcare systems across the U.S. and beyond. Such partnerships would position the brand as a frontrunner in revolutionizing hospital foodservice, helping to shape a future where plant-based diets are a central part of institutional dining programs. This would not only drive profitability for Beyond Meat in the short term but also reinforce its commitment to promoting a healthier, more sustainable food ecosystem on a larger scale.

The following discussion examines how Beyond Meat can capitalize on these opportunities through various marketing strategic frameworks and different models.

4.1.1. Leveraging Strategic Frameworks to Strengthen Institutional Partnerships

Expanding into schools and hospitals allows Beyond Meat to strategically extend its brand and diversify its market presence, aligning with its mission to provide sustainable and health-conscious food options. By leveraging its reputation for innovation and sustainability, this initiative serves as both a brand extension into new demographics and a category extension into institutional dining, addressing the increasing demand for plant-based options in education and healthcare sectors [13].

Through the Brand Value Chain Model, these partnerships create value at multiple levels, enhancing market reach, boosting consumer response by emphasizing health and environmental benefits, and improving market performance with greater relevance and visibility. Furthermore, Beyond Meat strengthens its brand differentiation by co-developing plant-based programs with institutions, showcasing its adaptability and leadership in offering sustainable solutions [13].

Leveraging the Brand Asset Valuator (BAV) framework, these efforts reinforce Beyond Meat's uniqueness as a pioneer in plant-based dining, improve its relevance to consumer priorities like health and sustainability, and enhance its esteem among diverse audiences. These collaborations position Beyond Meat as a trusted partner in both retail and non-retail markets while driving long-term loyalty and growth [14].

4.2. Long-term Goal: Product Optimization - Enhancing Taste and Packaging

Consumer feedback consistently highlights taste as a critical factor influencing the adoption of plant-based meat products. Insights from food-buying platforms such as Amazon Fresh, Target, and Walmart reveal recurring dissatisfaction with Beyond Meat's flavor profile and texture. Customers often report that Beyond Meat products fail to replicate the complexity of real meat when compared to competitors like Impossible Foods, which has established a reputation for delivering a more authentic taste experience.

| | |
|--|---|
|  Lita ★★★★★ Ok Reviewed in the United States on June 23, 2022 Verified Purchase Not as good as the impossible burger 2 people found this helpful | Gross ★ ★ ★ ★ Would not recommend K - 3 months ago, Verified purchaser Tastes strange! Very nasty! Smells like dog food |
|--|---|

Figure 21: Collected comments of Beyond Meat's products on Amazon Fresh and Walmart

These concerns echo findings from broader consumer studies. Research from Rethink Priorities indicates that taste remains the top barrier to increasing market share for plant-based substitutes, with 73% of respondents saying alternatives should mimic the taste of meat [15]. Even as products achieve parity in price and convenience, taste continues to drive or deter consumer loyalty. The importance of addressing taste is further underscored by findings from Food Dive, which report that consumers prioritize flavor above all else when choosing plant-based foods [16]. Approximately 75% of respondents stated that taste trumps health benefits, environmental concerns, or brand recognition in their purchase decisions.

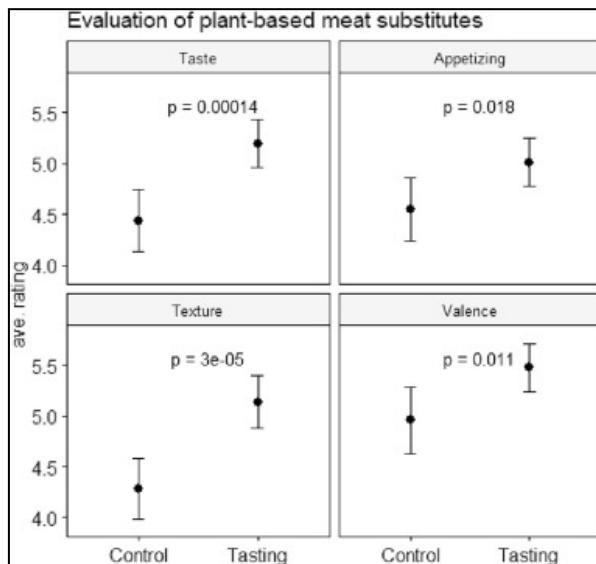


Figure 22: Evaluation of plant-based meat substitutes [17]

In the largest blind taste test of plant-based meats, conducted by ProVeg International in 2023, Beyond Meat's products ranked lower than Impossible Foods, particularly on texture and aftertaste [18]. Moreover, this is also reflected in consumer reviews of Beyond Meat and Impossible Foods across multiple grocery platforms such as Amazon Fresh, Walmart, and Target. Impossible Foods has fewer low-star reviews related to taste, while Beyond Meat receives significantly more criticism for its flavor. This indicates that Beyond Meat needs targeted innovation and improvement in product taste.

To maintain its competitive edge, Beyond Meat must prioritize the refinement of its product formulations. This includes employing cutting-edge food science technologies to replicate the complex umami flavors, meaty aroma, and juiciness of traditional meat more effectively. Drawing from competitors like Impossible Foods, Beyond Meat could explore developing or

incorporating innovative flavor-enhancing compounds, such as heme-like molecules, and optimizing Maillard reaction chemistry to enhance the aroma and taste of its products during cooking. Additionally, improving the textural integrity of its offerings—making plant-based burgers and sausages less “rubbery” and more fibrous—should be a key focus. By exploring alternative protein sources or blending multiple plant proteins, Beyond Meat can better mimic the fibrous, chewy texture of real meat. Incorporating advanced fat distribution techniques could further enhance the mouthfeel and juiciness of its products, addressing key consumer concerns.

While Beyond Meat’s existing efforts to market sustainability resonate with eco-conscious consumers, the company must recognize that taste remains the primary driver of repeat purchases. By addressing flavor, aroma, and texture challenges, Beyond Meat has the potential to not only win back dissatisfied customers but also attract new ones. These efforts could solidify its position as a leader in the competitive and rapidly growing plant-based food sector, creating a product that appeals to both environmentally conscious consumers and those seeking a sensory experience that closely mirrors traditional meat.

Beyond taste and texture, product packaging is a critical factor influencing consumer purchase decisions. According to a 2017 report by PLPS, a premium label and packaging solutions company, over 50% of American consumers indicated that packaging design with bright and attractive colors often influences their purchasing decisions, highlighting its importance in the overall shopping experience [19]. Packaging not only conveys essential product information but also elicits emotional responses and shapes perceptions of product quality and taste. Moreover, a 2023 study conducted by three Malaysian researchers suggests that well-designed food packaging can increase purchase rates by as much as 30% [20].

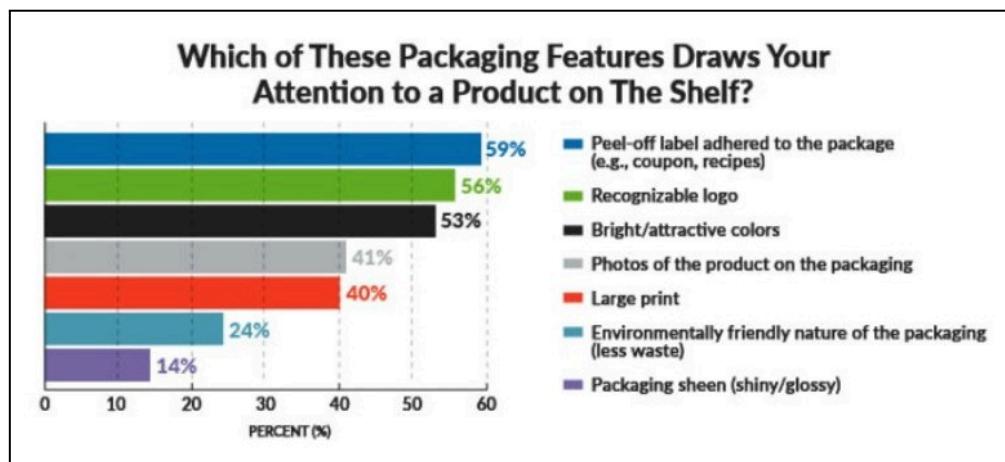


Figure 23: Which of these packaging-features draws your attention to a product on the shelf? [19]

Packaging colors, materials, and design elements are particularly impactful in the food industry, where consumer perceptions are closely tied to a product's flavor and perceived tastiness. A recent report from ProVeg, a food awareness organization, shows that meat eaters are more willing to try plant-based meat alternatives when they are packaged in red [21]. In fact, 54% of U.S. consumers associate the color red with superior taste for plant-based meat. This is because red is a stimulating color that evokes excitement and passion, closely linked to the sensory experience of eating flavorful foods such as meat,

tomatoes, and berries. While the impact of red may differ slightly between meat-eaters and vegans, the association of red with tastiness remains strong across all consumer groups. For meat-eaters, red is associated with the traditional color of meat, whereas vegans may perceive red as signaling bold flavors and satisfying taste in plant-based foods.



Figure 24: Impossible Food and Beyond Meat on the shelf in Ralphs

This insight aligns with the actions of Impossible Foods, Beyond Meat's largest competitor, which unveiled a new branding and packaging identity in May 2023 to refresh its image and appeal to a broader audience [22]. The redesign featured clean, modern visuals and a bold color scheme, with red prominently used to improve shelf visibility and convey a "meatier" message while maintaining the brand's commitment to sustainability. The new red packaging stood out on the shelf and better resonated with consumer perceptions of taste compared to the old green packaging, which primarily emphasized sustainability. Following this update, Impossible Foods reportedly experienced a noticeable increase in consumer engagement and brand awareness, though specific post-redesign sales data remains limited.

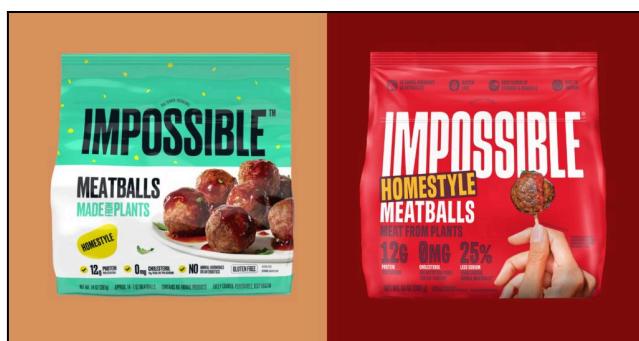


Figure 25: Impossible Food redesigns their packaging in 2023 [22]

While red packaging more reliably drives consumer interest in plant-based meat, green remains the color most associated with eco-friendliness and safety. Findings in ProVeg also reveal that green packaging evokes associations with health, naturalness, and sustainability, which strongly resonate with plant-based consumers [21]. Additionally, in a 2020 McKinsey U.S. consumer sentiment survey, more than 60% of respondents said they were willing to pay more for products with eco-friendly packaging, further linking sustainability to brand loyalty and increased sales [23]. These findings underscore the opportunity for Beyond Meat

to strike a balance between red and green visual cues, which is crucial, as it allows them to appeal to a broader audience while maintaining their sustainability-focused messaging.

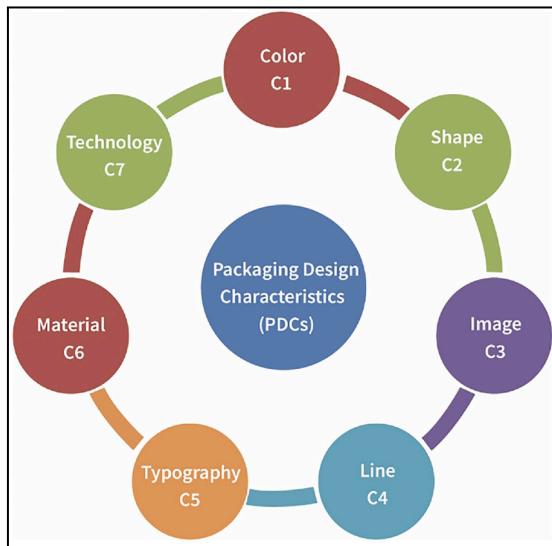


Figure 26: Packaging Design Characteristics (PDCs) [24]

Therefore, we recommend that Beyond Meat redesign its packaging to incorporate a strategic combination of red and green elements. By doing so, Beyond Meat can leverage the powerful appeal of red to highlight flavor and tastiness, ensuring it remains competitive against Impossible Foods' bold packaging, which commands consumer attention on shelves. This dual-color approach not only ensures that Beyond Meat stands out in retail settings but also communicates a comprehensive brand identity that resonates with both taste-driven and sustainability-conscious shoppers. By balancing these visual cues effectively, Beyond Meat can position itself as the leading choice in the plant-based meat market, driving both immediate purchases and long-term customer loyalty.

4.2.1. Integrating Product Differentiation with Strategic Frameworks

To address critical consumer concerns about taste and texture, Beyond Meat must focus on product differentiation through advanced food science technologies. By employing innovations such as heme-like compounds and improved Maillard reaction chemistry, the company can replicate the umami flavors, meaty aroma, and fibrous texture of real meat, addressing the primary barriers to adoption [25]. These enhancements align with the 5 Product Levels framework by delivering a satisfying core benefit and elevating the augmented product to meet and exceed customer expectations. Consumer platforms such as Amazon Fresh, Walmart, and Target highlight that over 60% of negative reviews for Beyond Meat revolve around taste and texture, emphasizing the urgency of these improvements [26].

Equally important are packaging improvements, which play a vital role in enhancing brand perception and market competitiveness. Incorporating elements of the Brand Resonance Model, Beyond Meat can design packaging that communicates both appetizing taste and eco-conscious messaging, appealing to diverse consumer segments. A strategic combination of red for taste and green for sustainability would create a balanced visual

identity that fosters trust and emotional connection with customers. Addressing packaging-related complaints, such as sealing issues, can further reinforce reliability and enhance customer loyalty.

From a Product Life Cycle perspective, these updates are essential as Beyond Meat competes in a mature and crowded market. Durable, resealable packaging and designs that emphasize freshness can extend product usability and shelf appeal, supporting long-term brand equity. Collectively, these improvements ensure that Beyond Meat strengthens its position as a market leader by addressing core consumer needs while driving innovation in taste, texture, and presentation [27].

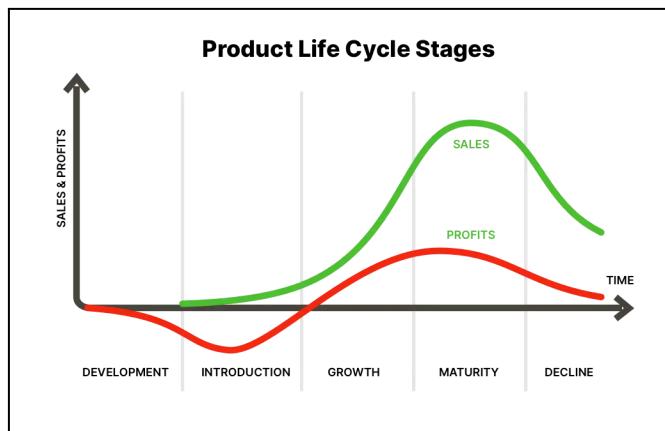


Figure 27: Product Life Cycle Stages [28]

4.3. Integrating the Strategies for Maximum Impact

By addressing short-term goals such as expanding partnerships with schools and hospitals and pursuing long-term objectives like improving taste profiles and packaging, Beyond Meat can overcome its current challenges and seize new market opportunities. Collaborating with institutions enables the brand to reach untapped demographics while reinforcing its commitment to health and sustainability.

Concurrently, investing in R&D for product optimization and packaging redesign ensures Beyond Meat remains competitive in taste-driven markets. Together, these strategies position Beyond Meat for sustained growth, strengthened brand equity, and leadership in the plant-based food industry.

5. Evaluation and Choice of Solution

To address Beyond Meat's challenges, we evaluate the two key solutions—sales channel expansion and product optimization—based on their potential outcomes, feasibility, and alignment with strategic goals. A comprehensive analysis supports our recommendation for the best course of action.

5.1. Evaluation of Solutions

5.1.1. Sales Channel Expansion

- **Impact:**
 - Schools in the U.S. serve 7 billion meals annually [61][35], with a growing emphasis on plant-based options with 30% of protein. Beyond Meat will collaborate with 30% of elementary schools, middle schools, and high schools in California, which is 7.7% of all the schools in the U.S[62]. It will earn approximately \$2 per meal, leading to annual revenues of approximately \$97M.
*(Formula: 7B * 30% * \$2 * 7.7% * 30% = \$97M)*
 - Hospitals adopting plant-based meals report significant cost savings and high patient satisfaction. If Beyond Meat partners with 15 hospitals in New York and each hospital needs 500K meals per year (30% of protein), this could yield \$22.5M in additional revenue annually (3\$ per meal).
*(Formula: 500,000 * 30% * 15 * 3 = \$6.75M)*
 - Strengthens brand visibility and loyalty among younger generations and health-conscious consumers.
- **Feasibility:**
 - Requires an estimated \$5M–\$10M upfront investment in scaling supply chain capabilities, meeting institutional standards (certification progress), paying nutritional partnership, and so on.
 - Strong alignment with existing trends in public health and sustainability provides a supportive policy and social environment.
- **Challenges:**
 - Institutional partnerships may involve long lead times due to bureaucratic processes.
 - Price sensitivity in schools and hospitals necessitates cost-efficient production strategies.

5.1.2. Product Optimization

- **Impact:**
 - Addressing taste issues, a key complaint in 60% of consumer reviews, could improve customer retention by 15%-20%, translating to \$51.1M–\$68.8M in the first year net revenues based on current net revenues (\$343.4M in 2023 [5]).
*(Formula: 343.4 * 15% = \$51.1M 343.4 * 20% = \$68.8M)*
 - Packaging redesign could boost brand differentiation and appeal to eco-conscious consumers, getting 7% more sales, unlocking an estimated \$24M annually from this segment based on net revenues (\$343.4M in 2023 [5]).
*(Formula: 343.4 * 7% = 24M)*
 - Enhances competitiveness against market leaders by meeting evolving consumer preferences. For the long-term goal, the annual net revenue will be higher.

- **Feasibility:**
 - R&D costs for taste improvement are estimated at \$20M over two years, with packaging redesign adding \$5M–\$7M, including Consumer Taste Testing, payment for Design Team, Risk reserve and so on.
 - Implementation timeline is 12–18 months, with measurable results expected within two years.
- **Challenges:**
 - Competing with established players with superior taste ratings requires significant innovation.
 - Ensuring production scalability while maintaining cost-effectiveness could be complex.

| Performance Criteria | Key Performance Indicator | Importance level (weight) | Score definitions | | | Solution1 (Score) | Solution2 (Score) | Integrated Approach |
|----------------------|-------------------------------------|---------------------------|-------------------|---------------------|----------------|-------------------|-------------------|---------------------|
| | | | Worst 1 | Medium 3 | Best 5 | | | |
| Revenue (\$)(1Y) | Short term growth in Revenue(1Y) | Pretty high 35% | Low (<\$95M) | Medium (\$95-110M) | High (>\$110M) | Medium 3 | Low 1 | High 5 |
| Time Cost (Month) | | Low 15% | Low (>12Mon) | Medium (\$10-12Mon) | High (<10Mon) | High 5 | Low 1 | High 4 |
| Potential Cost (\$) | Cost in R&D, Supply Chain Expand... | Medium 15% | Low (>\$15M) | Medium (\$10-15M) | High (<\$10M) | High 5 | Low 1 | Low 1 |
| Customer Retention | | High 35% | Low (<15%) | Medium (15-30%) | High (>30%) | High 4 | Medium 3 | High 5 |
| | | 100% | | | | 3.95 | 1.7 | 4.25 |

Figure 28: Evaluation Matrix for Decision Selection

5.2. Recommended Solution: Integrated Approach

An integrated strategy combining sales channel expansion and product optimization is the most robust approach. Here are the reasons.

- Sales channel expansion offers immediate revenue opportunities and establishes Beyond Meat as a trusted partner in institutional dining.
- Product optimization ensures long-term consumer retention and competitiveness, addressing core issues like taste and packaging.

5.3. Expected Outcomes

Short-Term Gains (Sales Channel Expansion):

- **Revenue:** Capture \$103.75M in the first year by penetrating a portion of school districts and healthcare systems.
- **Brand Equity:** Build loyalty among institutional partners and consumers, increasing visibility in key demographics.
- **Market Reach:** Expand to an additional 10 million consumers annually through institutional channels.

Long-Term Impact (Product Optimization):

- **Consumer Retention:** Increase customer retention by 15%-20% within two years by addressing taste and packaging concerns.
- **Revenue Growth:** Add about \$92.8M annually in recurring revenues through enhanced product satisfaction.
- **Sustainability Leadership:** Position Beyond Meat as a leader in eco-friendly food innovation, appealing to environmentally conscious consumers.

Integrated Strategy Value:

- Combined annual revenue potential: \$750M-900M by 2027.
- Total investment: \$35M-\$40M over 3-5 years.
- ROI: exceeding 275% within five years.

By integrating sales channel expansion with product optimization, Beyond Meat can achieve a balanced strategy that addresses immediate market challenges while fostering long-term growth. This approach capitalizes on both emerging institutional opportunities and evolving consumer preferences, ensuring profitability and market leadership in the competitive plant-based food industry.

6. Outline of Action Plan to Implement a Solution

| Phase | Strategy | Action | Budget Needed | Month | | | | | | | | | | Expected Revenue |
|-------|-------------------------|-----------------------------------|---------------|-------|---|---|---|---|----|---|---|---|---|------------------|
| | | | | 1 | 3 | 5 | 7 | 9 | 12 | 1 | 3 | 5 | 7 | |
| 1 | Sales Channel Expansion | Partnership with school in CA | \$5M - \$10M | | | | | | | | | | | \$103.75M |
| | | Collaboration with hospital in NY | | | | | | | | | | | | |
| 2 | Product Optimization | Taste Improvement | \$20M | | | | | | | | | | | \$92.8M |
| | | Packaging Redesign | \$5M - \$7M | | | | | | | | | | | |

Figure 29: Implementation Plan

6.1. First Six Months

The first six months should focus on expanding sales channels by strategically partnering with schools and hospitals in key states like California and New York. California schools have reported a significant 56% growth in daily plant-based meals over the past five years, and across the U.S., schools serve approximately 7 billion meals annually, with the USDA increasingly emphasizing plant-based proteins. Similarly, hospitals in New York have successfully introduced plant-based options, serving over 530,000 meals while reducing carbon emissions by an impressive 36%. By targeting these sectors, Beyond Meat can tap into substantial, mission-aligned markets, generating immediate revenue streams while building long-term customer loyalty and reinforcing its sustainability commitment.

Key actions:

- Partner with 10–15 school districts and 5–10 hospitals.
- Emphasize health benefits and sustainability in negotiations.
- Implement pilot programs with sampling, promotions, and constant support.
- Allocate \$5M–\$10M to scale production, negotiate partnerships, and launch marketing campaigns.
- Hire a team of sales managers, marketing strategists, and supply chain specialists.

6.2. Second Phase (6–18 months)

The second phase focuses on enhancing product taste and packaging. Surveys and focus groups should identify consumer preferences to guide product improvements. The R&D team will refine flavors and textures to compete with Impossible Foods. Packaging will be redesigned with consumer feedback, prioritizing sustainability. This phase also includes marketing campaigns highlighting the improved taste and packaging.

Key actions:

- Conduct market research and test new flavor profiles.
- Redesign packaging with recyclable materials.
- Run digital, print, and in-store promotions.
- Allocate \$20M for R&D and \$5M–\$7M for packaging redesign.
- Hire R&D scientists, packaging designers, and marketing specialists.

6.3. Long-Term Strategy (18 months and beyond)

The long-term goal is to align product optimization with school and hospital partnerships. Enhanced products will be introduced in these sectors, with eco-friendly packaging for institutional use. Feedback from institutional partners will guide further product refinement and scaling efforts. As operations scale, Beyond Meat will expand partnerships and continue consumer education on plant-based diets.

Key actions:

- Scale production and distribution for retail and foodservice.
- Expand school and hospital partnerships.
- Educate consumers on sustainability and health benefits.
- Allocate a larger budget to meet growing demand.

6.4. Summary

Beyond Meat's strategic plan emphasizes short-term market expansion and long-term product refinement to strengthen its position in the plant-based food industry. By focusing on high-potential sectors such as schools and hospitals, enhancing product appeal, and adopting eco-friendly practices, the company is well-positioned to meet growing consumer demand for healthier and more sustainable food options. Reinvesting the cash flow generated from channel expansion into product optimization will address core challenges, particularly taste. This comprehensive approach not only ensures immediate revenue growth but also builds long-term brand loyalty and reinforces industry leadership.

7. Attachments

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