Pillsbury Case

MBA 6210 - Section 070

Danny Moncada

1. What are the challenges that Ivan Guillen faces in his role as the marketing manager of the RBG business?

Here are Guillen's main challenges as the marketing manager of refrigerated baked goods:

- The RBG category (GMCC's fourth largest) experienced flat volume growth from 2004 to 2006 with household penetration at a five-year low. [Nora, pg. 1]
- The cookie product line (62% of unit sales and 75% category profit) had 24% household penetration in Canada compared to 54% in U.S. households. [Nora, pg. 4]
- The marketing strategies implemented for the Canadian markets varied in success and none resulted in 5-7% annual growth that was the target (despite consumer familiarity with the Pillsbury brand). [Nora, pg. 3]
- A limited advertising budget combined with the high cost to develop new advertising forced his team to adapt U.S. ads for the Canadian market (this was common practice for the company). [Nora, pg. 4]

Guillen and his team were not successful in marketing one of their main drivers of a major product category because they did not understand their target market, and how/when consumers decide to use refrigerated cookie dough when shopping for an after dinner treat (the *pre-purchase* phase [Gourville & Norton, pg. 17]). Marketing is about creating and communicating *value*, and a good marketer understands the needs of consumers so that they design the product to fulfill that need. Organizations often fail with products because they haven't invested time and energy to understand consumer behavior and the buying process [Gourville & Norton, pg. 1].

Guillen and his team are also dealing with a limited marketing budget; TV advertising is the main consumer vehicle for cookies and new advertising cost them $200,000 to $500,000 to develop [Nora, pg. 3]. These limitations forced his team to recycle advertising created for a mostly U.S. audience and repurpose them for Canadian consumers; however, there is an incredibly low transferability rate between ads created in the U.S. and exported to Canada - one study showed 60% of effective U.S. ads resulted in much lower sales effectiveness in Canada ["American & Canadian Consumers", n.d.]. The main obstacle that Guillen has to address is gathering some insights from his target consumers (mothers in mid-30s to 40s who led active lifestyles [Nora, pg. 3]) in both markets and tailor their marketing efforts to better match consumer's buying processes [Gourville & Norton, pg. 2].

2. Given the key learnings from the usage and attitude study on pp. 6-7 of the case, what are the corresponding implications and what actions the team should take?

Here were the key learnings from the usage and attitude study that MarketTools and the RBG conducted in the fall of 2006 [Nora, pgs. 6-7]:

- The dominant method of baking cookies in Canada is from scratch (56% of total households *only* bake from scratch).
- The top four purchase drivers for refrigerated cookie dough for consumers in Canada and the U.S. were the same.
- The “lapsed” users of refrigerated cookie dough still viewed it as convenient, even if they were no longer purchasing the product.
- The use of refrigerated cookie dough was increasing, especially in households with kids, and cookie dough purchases were *impulsive*.

There are a lot of useful insights from the study that can be leveraged. One of the actions that the team can take, with the discovery that cookie dough purchases were impulsive, would be to change their product placement of these items in stores, and place the product where it will feed into and encourage impulse buying [Gourville & Norton, pg. 7] - like an end-of-aisle display in the frozen food or refrigerated items section.

They could also change their branding or marketing strategy to lean more heavily into the convenience of the product itself. Guillen and his team uncovered that consumers in both the U.S. and Canada were purchasing refrigerated cookie dough mainly for its ease of use, its convenience, and that it tasted good. For this type of campaign, they could go after the consumers who would settle for a product that is “good enough”, and who were not inclined to spend any additional time and energy to make the “best” choice [Gourville & Norton, pg. 13-14]; they should make the product easy to find, modify the packaging to make it stand out from other offerings around it, and ensure it is at affordable price point for working moms [Gourville & Norton, pg. 14].

Finally, they should focus their efforts solely on the mothers who are too pressed for time to bake from scratch; 54% of households were only baking from scratch which leaves 46% of the remaining households polled using only refrigerated cookie dough or a mix of the two methods. If their budget allows, a follow-up research method would be helpful in determining *why* these moms preferred a quicker method of baking cookies - are they working full/part time, are they raising more than one child, are they a single mom? Uncovering what other factors take their time away from preparing meals for their household could benefit Guillen's team by uncovering what "triggers" the pre-purchase need [Gourville & Norton, pg. 17] for refrigerated cookie dough.

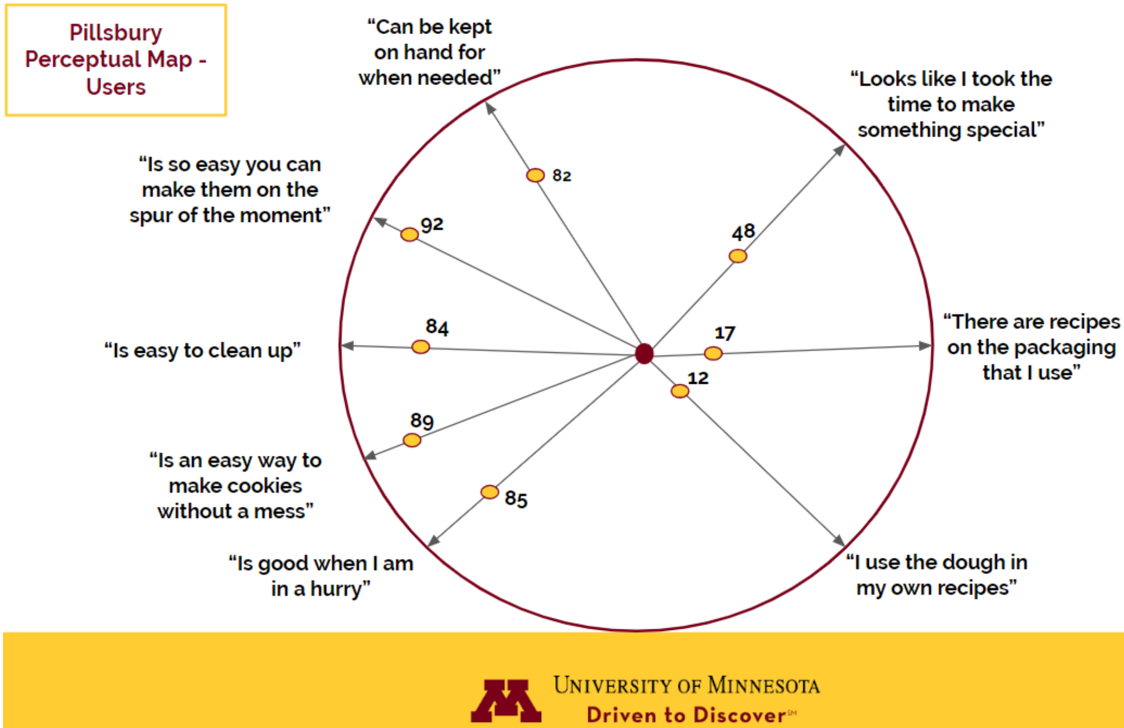
3. Why did Guillen and his team conduct the in-home and discovery workshops?

Guillen and his team needed to develop a more effective marketing strategy to improve cookie performance. His team was borrowing heavily from U.S. advertising, so market research was <u>critical</u> to understanding and *leveraging the differences* in Canadian consumers to improve cookie performance. They consulted with the consumer insights team to gain a better understanding of preferences, attitudes, and behaviors of Canadian consumers [Nora, pg. 5]; understanding consumer behavior is important because the same product in the exact same context can elicit different decision processes based on the individual consumer [Gourville & Norton, pgs. 6-7].

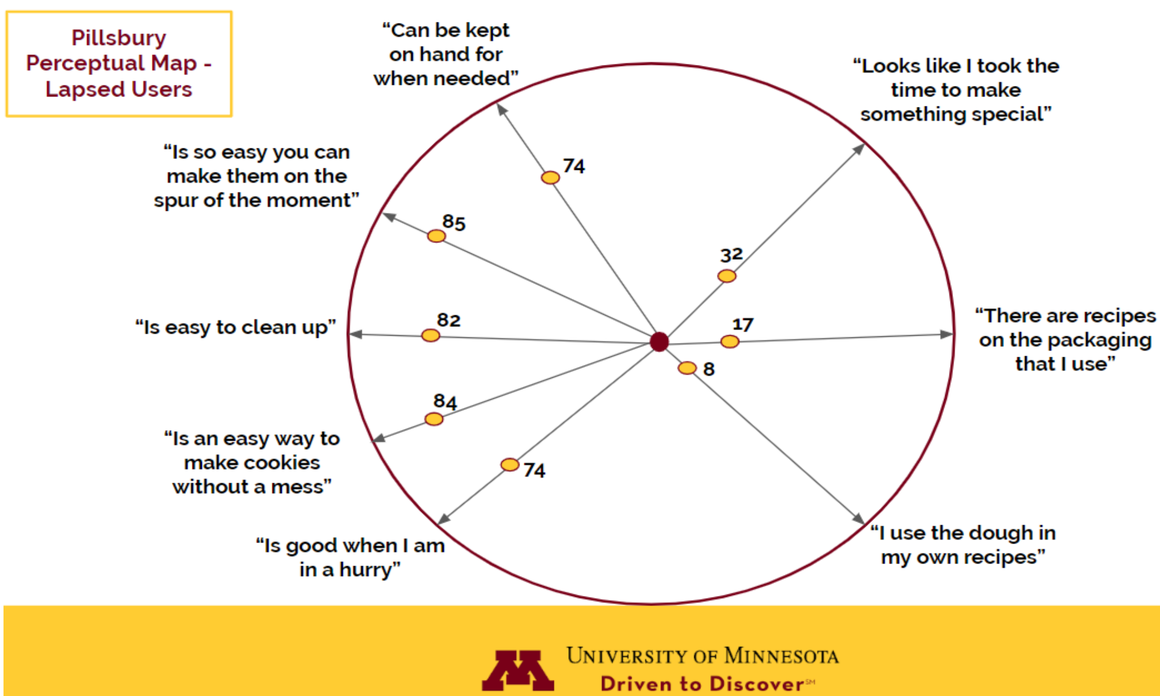
Guillen and his team also conducted in-home and discovery workshops to determine how consumers felt about the product to build a more **refined** profile of the product user; this gave his team insight into potential new product ideas and areas where a product could be improved or repositioned [Nora, pg.5]. Their target consumer was working moms, who were (likely) the sole *buyer* in the decision-making unit (although their children were likely *influencers* in the purchasing decisions). The in-home visits also presented Guillen and his team the opportunity to work directly with lapsed and non-users to uncover hindrances and challenge any preconceived notions they had about their consumer base and how they made purchasing decisions. For example, Guillen was surprised by the large preference for scratch baking in Canada and had always assumed the split between scratch, refrigerated, and mix baking was the same for both countries [Nora, pg. 6]. Guillen and his team can translate this information into a more effective *value proposition*, concentrating on one or two points of difference that deliver the greatest value to their target consumers [Gourville & Norton, pg. 17].

4. Develop estimated perceptual maps for the potential targets (users, lapsed users and non-users). What are the implications from these maps?

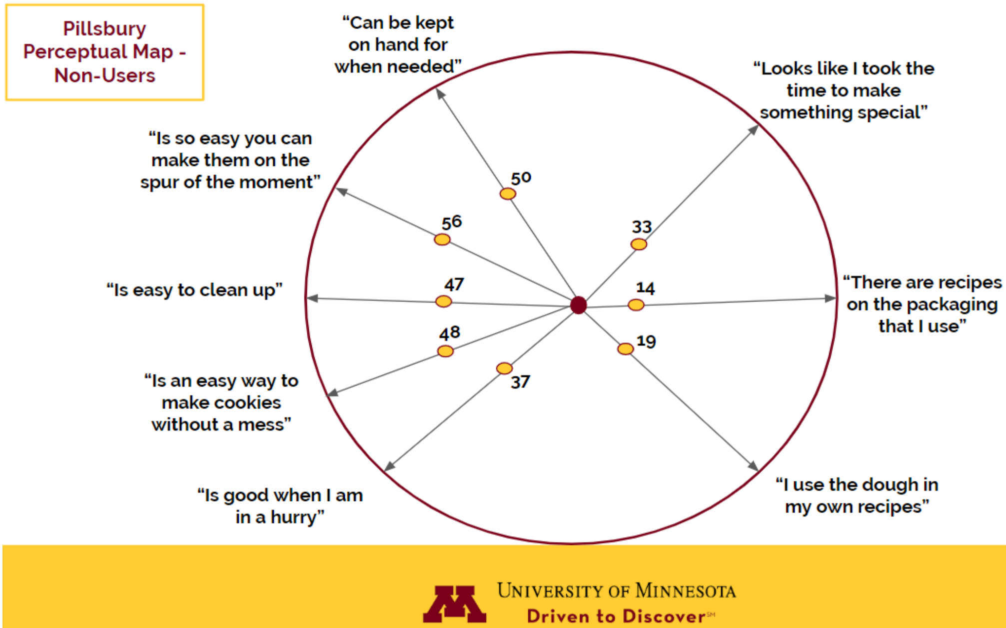
A. **Pillsbury Perceptual Map - Users*:**



B. **Pillsbury Perceptual Map - Lapsed Users*:**



C. **Pillsbury Perceptual Map - Non-Users*:**



** Each arrow is a number line from 0 to 100; this represents the percent of the particular segment that endorsed the statement.*

Perceptual mapping develops an informative picture of how consumers perceive a brand and its competitors. Extrapolating the information from Exhibit 8 [see Appendix] of the case, we can produce visual representations that capture what percentage of each customer segment endorsed the branding statements presented to them. The **non**-users perceptual map makes it clear that they don't endorse any of the brand statements with the highest score coming in at 56%. However, all three segments score similarly for the "looks like I took the time to make something special" and "there are recipes on the packaging that I use" statements. A possible conclusion is packaging containing recipes and how long it took to make the cookies (or the perception of time taken) is not important to any of the groups. This could offer Guillen and his team a clue to remove recipe information from their packaging and make it less cluttered, or instead use that space to highlight the ease of use - playing into the "Is an easy way to make cookies without a mess" brand statement.

What is also evident is that there is not much differentiating users and lapsed users of the product. The implication here is that there is nothing significant keeping lapsed users from becoming users of the product again; Guillen could focus on the two brand statements that scored significantly worse for lapsed users: "can be kept on hand when needed" and "is good when I am in a hurry", and highlight the "Ready to Bake" varieties to these consumers as a quick and effective method for getting cookies ready for a family meal.

5. What actions should Guillen and his team take?

If Guillen and his team are limited with their advertising budget and have to refine marketing materials developed in the U.S. for the Canadian market, they should take the lessons learned from the usage study (and the in-home and discovery workshops) to hone in on their target consumers. The target consumers for the Pillsbury brand were mothers in their mid-30s to 40s who lead an active and busy lifestyle, looking for easy production solutions that their family could enjoy together [Nora, pg. 3]. His team could publish and highlight the results of the home immersion experience, specifically these key findings [Nora, pg. 7]:

- Highlight that practical ingenuity is important for feeding families on the go, and with Pillsbury refrigerated cookie dough, solutions were quick, easy and practical.
- Highlight that the baking experience is special because of sharing them with loved ones; maybe some kind of commercial showing a family together enjoying the cookies.
- Highlight the integral sense of magic and how it transforms an ordinary meal into something much more special and enjoyable.

Based on these findings, Guillen and his team should focus on the post-purchase phase of the consumer decision making process [Gourville & Norton, pg. 20], which is actually enjoying the baking and sharing of treats with loved ones. They could again highlight findings from the immersion study, specifically the emotional warmth that comes with baking, and how it made busy moms feel good because they were making a difference [Nora, pg. 7].

Guillen and his team could focus on two sets of consumers discussed in *Consumer Behavior and the Buying Process*: "Habitual Shoppers" and "Variety Lover" [see Appendix]. Habitual shoppers only use information that is provided or readily available; discounting refrigerated cookies and highlighting them in weekly grocery ads is a great mechanism to highlight this to possible consumers. Variety lovers choose alternatives spontaneously, as long as their *minimum* requirements are met, and more importantly, buy on impulse or by suggestion.

Appendix

EXHIBIT 6 Dynamics by Buyer Type Across Phases in the Purchase Process

Buyer Type	Purchase Process Phases				
	PHASE 1 Pre-Purchase			PHASE 2 Purchase	PHASE 3 Post-Purchase
	Trigger	Search and Consideration	Evaluation of Alternatives		
HABITUAL SHOPPER	Runs out of a product	Uses only information provided or easily available Discovers new products in passing	Falls back on long-held preferences Is brand loyal but susceptible to change	Is reminded Is both planned and unplanned Is inertia driven	Performs only moderate reevaluations, unless switching brands
HIGH VALUE DEAL SEEKER	Recognizes need based on life event (e.g., pay raise)	Trusts retailers Relies on sales help	Seeks friends' advice Uses brands to form judgments	Waits for the "right" time (e.g., limited-time sale) Is often driven by need	Performs significant reevaluations Is likely to have buyer's remorse
VARIETY LOVER	Shops as entertainment	Performs on-the-spot comparisons Looks for sales	Chooses spontaneously Must have minimum standards met Is willing to try product	Buys on impulse or suggestion	Evaluates self as astounded or disappointed
HIGH-INVOLVEMENT SHOPPER	Driven by life goals, longtime interests Motivated by events or influence	Evaluates search versus needs Considers many product attributes	Seeks expert advice	Thoughtfully selects time and location	Performs little immediate reevaluation

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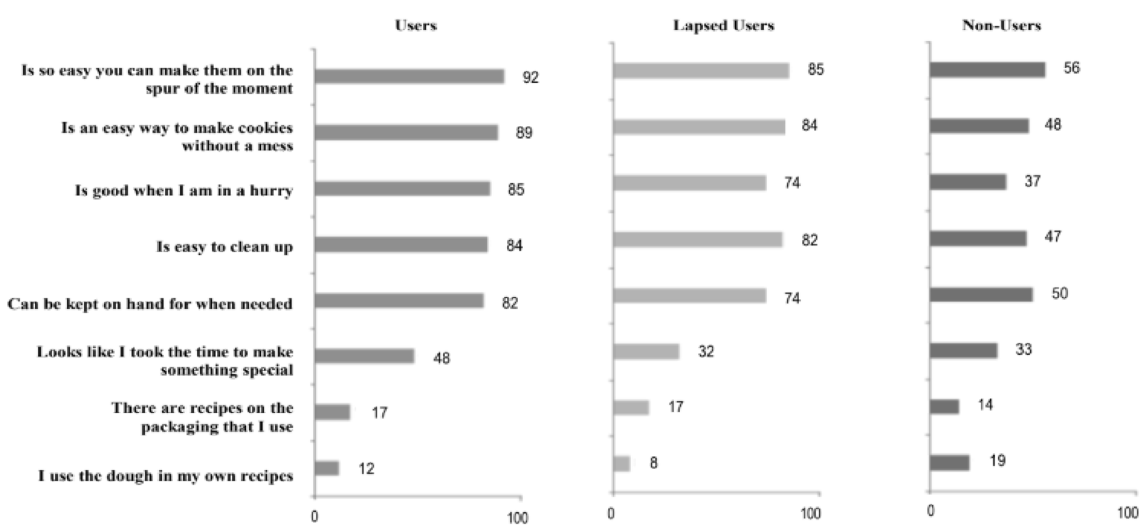
Exhibit 8

PERCEPTIONS OF DIFFERENT TYPES OF USERS IN CANADA*



** per cent of that segment endorsing statement*

References

[1] Mauro, N. (2018, March). *Pillsbury Cookie Challenge*. London, Ontario, Canada: Ivey Publishing.

[2] Gourville, J.T. & Norton, M. (2019, December). *Consumer Behavior and the Buying Process*. Boston, MA: Harvard Business School Publishing.

[3] Dolan, R. & John, L.K. (2019, December). *Marketing Intelligence*. Boston, MA: Harvard Business School Publishing.

[4] American & Canadian Consumers: Not As Similar As You Think. (n.d.). Retrieved from https://www.buxtonco.com/blog/american-canadian-consumers-not-as-similar-as-you-think