

Mikey's current product presents customers with several health benefits, including many guarantees that health gurus consider necessary. However, for the everyday price conscious consumer, not all of these claims will translate. The findings from this research focus on Mikey's claims in regard to price-conscious consumers, the elasticity of their claims, and how the claims resonate in the three consumer buckets outlined below. Through research provided by the International Food Information Council Foundation, as well as many other trusted sources, we have developed recommendations for Mikey's as the company looks towards the future.

Mikey's customers can be broken down into the three customer buckets: those who need Mikey's, those who want Mikey's, and those who are indifferent towards Mikey's but still would purchase their product. The "need" bucket consists of people who have specific food allergies, and require Mikey's because it does not contain their allergen. This includes people who have Celiacs disorder (3 million), soy allergies (1.5 million adults), wheat allergies (2 million), and dairy allergies (4.7 million). For this bucket, if the product contains the allergen, they cannot purchase the product, meaning their main focus is on the specific claim that fits their allergy. However, after finding a product that does not have their allergen, this customer base tends to prefer products that taste better or are cheaper, as opposed to ones that provide further health benefits. Mikey's success in this bucket is limited, as Mikey's healthy claims do not translate well to these consumers.

The second classification of Mikey's consumers is those that want Mikey's products. These consumers are health conscious individuals who either follow specific diets, such as Paleo (approximately 8 million) and Gluten-Free, or are inclined to eat products based on their multitude of health benefits. The gluten-free market is predicted to double in the next five years

(see figure 1), and the trend towards health-conscious consuming is evident in today's new products and consumer decision patterns. The IFIC released research that concluded that seven in ten consumers would be willing to give up a familiar favorite product for one that did not contain artificial ingredients and that four in ten would be willing to pay fifty percent more (see figure 2). Specific to Mikey's claims, of Americans who try to limit sugar in their diet (69%), sixteen percent of those individuals do so through reducing the grain products they intake, five percent of reduce the soy products they intake, and five percent reduce the number of dairy products. This data suggests that consumers in this bucket are more concerned about their general health instead of one specific claim, meaning Mikey's multiple claims influence these customers heavily.

The final bucket is those who are indifferent towards Mikey's but would still buy their products. This group of people consists of people who are not seeking out specific products in a healthy diet but are people who are influenced by labels suggesting healthier food, like non-GMO or gluten-free. The IFIC determined that approximately twenty-eight percent of consumers are influenced by Non-GMO label on packaging when shopping for food and beverages. Additionally, approximately twenty-nine percent of consumers are influenced by organic labelling on packaging and thirty-seven percent are influenced by natural labels on packaging (see figure 3). Although consumers are shifting towards healthier living, some are unable to afford healthy products. The number one barrier to eating more fruits and vegetables is the cost, which suggests that many customers in this group will diverge from the healthier options. Also, the more specific and less trendy claims do not resonate with these consumers, as

they have limited knowledge of niche health trends. While gluten-free and non-GMO may resonate, having no nitrates or nitrites may have no meaning to them.

To conclude our findings, the research conducted suggests that the price conscious consumer most interested in purchasing Mikey's products is one who is concerned with multiple claims, instead of one individual claim, as there are cheaper and more accessible options to fulfill their needs. To capture the maximum amount of this market, Mikey's needs to modify its distribution channels. At the moment, the accessibility of Mikey's is limited, as the \$78 price on the website does not appeal to price-conscious consumers and certain Mikey's products are not found in many grocery stores. Instead, Mikey's should transition its sales to focus more on sales that occur in stores, as this goes along with the various recipes found on the website. Customers will see, for example, a veggie pizza recipe, and want to buy the pizza crust when they buy the rest of the ingredients, as opposed to ordering it separately online. Another possible alternative is partnering with companies that sell ingredients that are used alongside Mikey's products. This can result in a mutualistic relationship, where both parties benefit because of association.

If Mikey's wants to connect with the consumers who resonate well with only one of the claims, they should differentiate their products so that some products only have one of the claims in order to decrease price. This will make them more appealing for price-conscious consumers, especially those in the "need" and "indifferent" buckets, as they compare Mikey's with other products with the one claim customers resonate with. It also allows Mikey's to decrease their costs on the products they produce, as not all of their products would have to be Paleo certified.

Appendix:

Figure 1

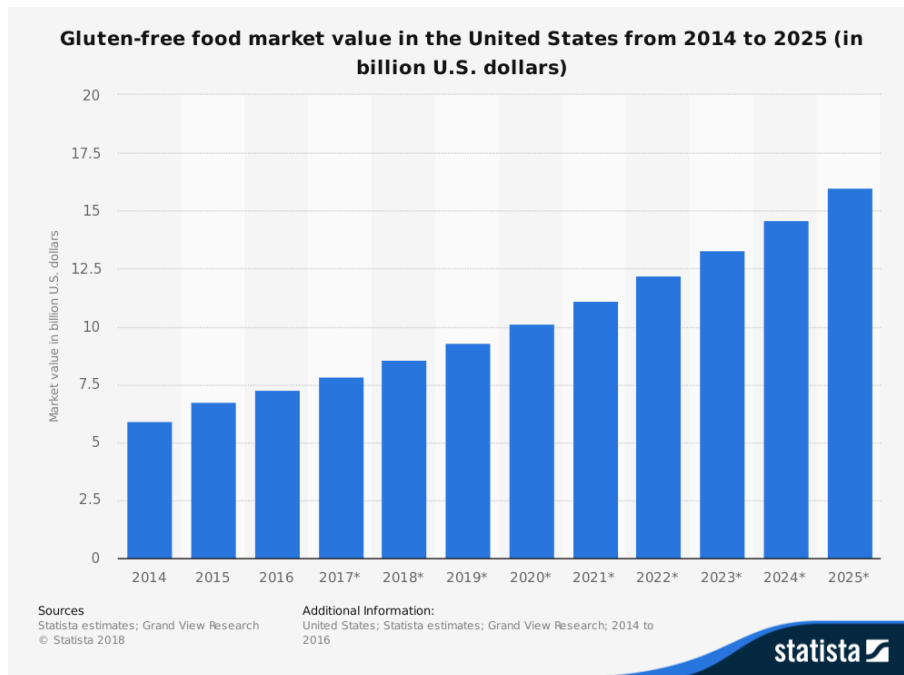


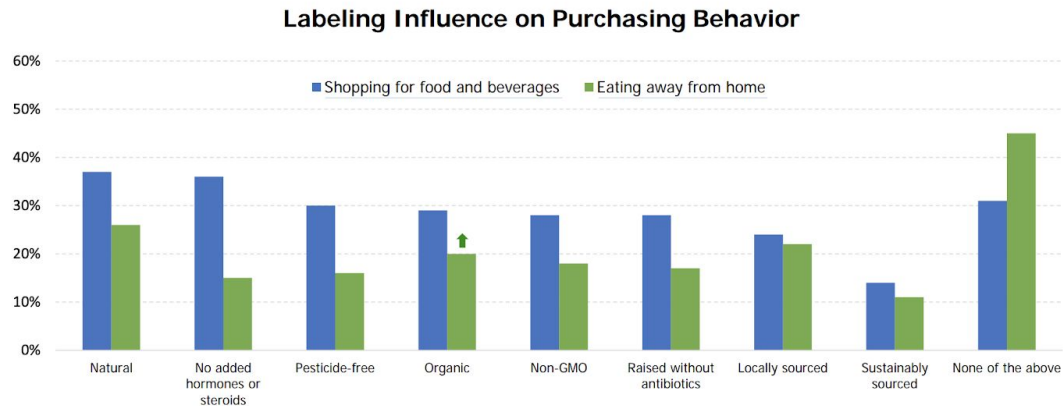
Figure 2



Figure 3

Natural, No Added Hormones Important Labels

Consumers more influenced by labels when shopping for food than when eating away from home



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