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**Mikey's Problems**

**01**

**Elasticity of Claims**

**02**

**Market Research  
and Analysis**

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**Recommendations**

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# **Mikey's Problems**

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# What is a Price Conscious Consumer?

A price conscious consumer knows how the value of an item and avoids buying products that are too expensive for them





# Need Bucket

- Customers who are allergic to specific allergens and have specific dietary restrictions
  - Celiac Disease
  - Dairy Allergy
  - Soy Allergy
  - Wheat Allergy





# Want Bucket

- Customers who are interested in Mikey's based on its health benefits
- Customers on specific diets
  - Gluten-Free
  - Paleo







# Indifferent Bucket

- Customers who are indifferent towards specific claims but may be influenced by them





# Problem Statement

Our Research will cover:

- Mikey's claims in regard to price-conscious consumers
- The elasticity of their claims
- How the claims change in resonance in the three consumer buckets



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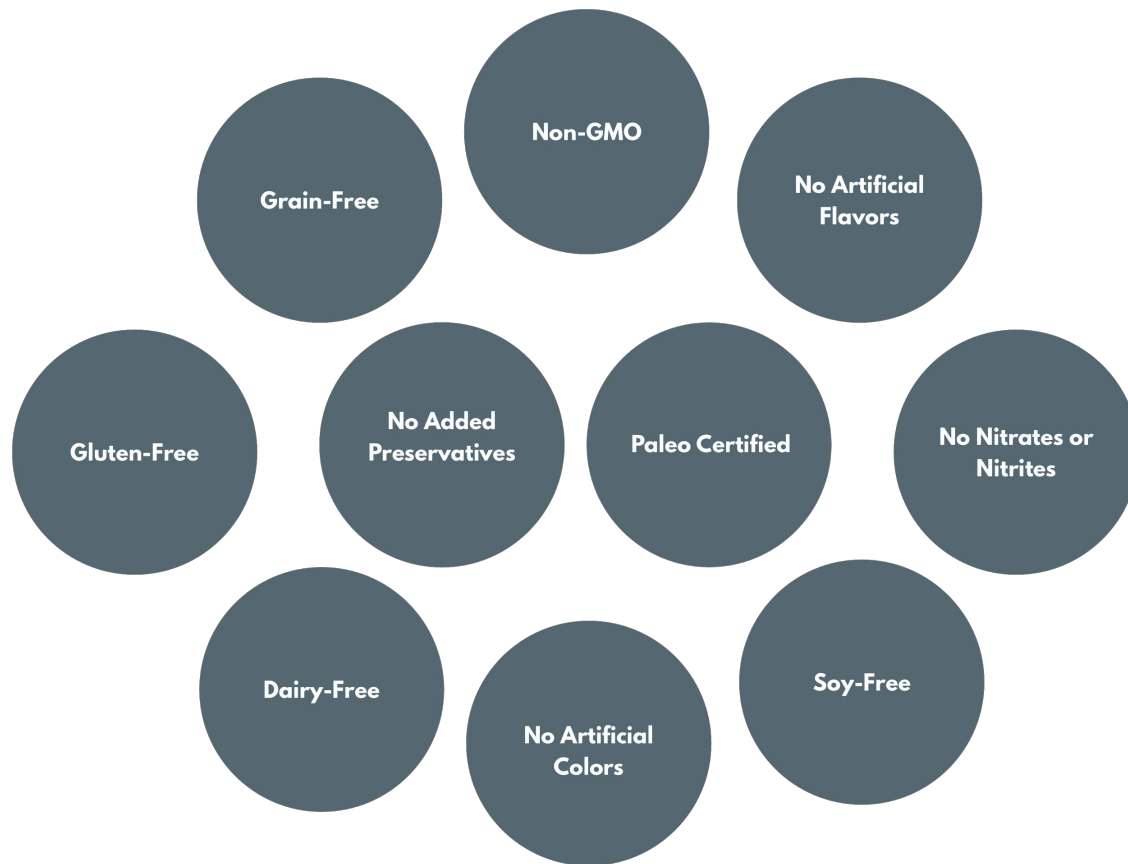
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## Claims





## Inelastic Claims

Gluten-Free

Paleo Certified

Non-GMO

No Added  
Preservatives

No Artificial  
Colors

No Artificial  
Flavors

## Elastic Claims

Dairy-Free

Grain-Free

Soy-Free

No Nitrates or  
Nitrites

Gluten-Free

Paleo Certified



## Inelastic Claims

Gluten-Free

Paleo Certified

Non-GMO

No Added  
Preservatives

No Artificial  
Colors

No Artificial  
Flavors

- Claims that influence buyers but are not deciding factors
  - Without these claims the consumers would still consider the product, but they are *less inclined* to purchase it



## Elastic Claims

- Claims that are deciding factors in whether or not consumers will buy a product
  - If the product does not have this claim then people with specific dietary restrictions *will not be able to consume it*



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# Market Research - Needs Bucket

- **Market Size**
  - Celiac Disease (3 Million estimated)
  - Dairy Allergies (4.7 Million estimated)
  - Soy Allergy (1.5 Million estimated)
  - Grain Allergy (2 Million estimated)
- **Market Needs**
  - Driven by dietary restrictions
  - Recommendations often acted on, loyal customers
  - Other claims are bonus, but many consumers focus secondarily price and taste





*I was just checking out Mikey's pizza pockets. I like that they are low carb. They are pricier (\$5.99 for a box of 2) than the gluten-filled competitors but not out of the ballpark for the genre.*

--

*Ella D.*



# Celiac Disease

## Gluten-Free Lifestyle

★	Gluten-Free Foods, Products, Shopping & Medications Share info on about GF products, medications, cosmetics, etc., or warn others about dangerous ones.	104,203 posts 15,178 topics
★	Gluten-Free Recipes & Cooking Tips Share your favorite recipes and cooking / baking techniques with others.	71,725 posts 7,725 topics
★	Gluten-Free Restaurants Looking for a safe place to eat? Know of a great GF restaurant? Share it!	28,646 posts 4,326 topics
★	Ingredients & Food Labeling Issues Which ingredients are safe and which are not? Food labeling issues and legislation.	16,985 posts 2,271 topics
★	Traveling with Celiac Disease There are many things you need to know before travelling. Post your favorite GF vacation stories here.	10,586 posts 1,977 topics
★	Weight Issues & Celiac Disease Overweight? Underweight? Get help here.	10,990 posts 859 topics

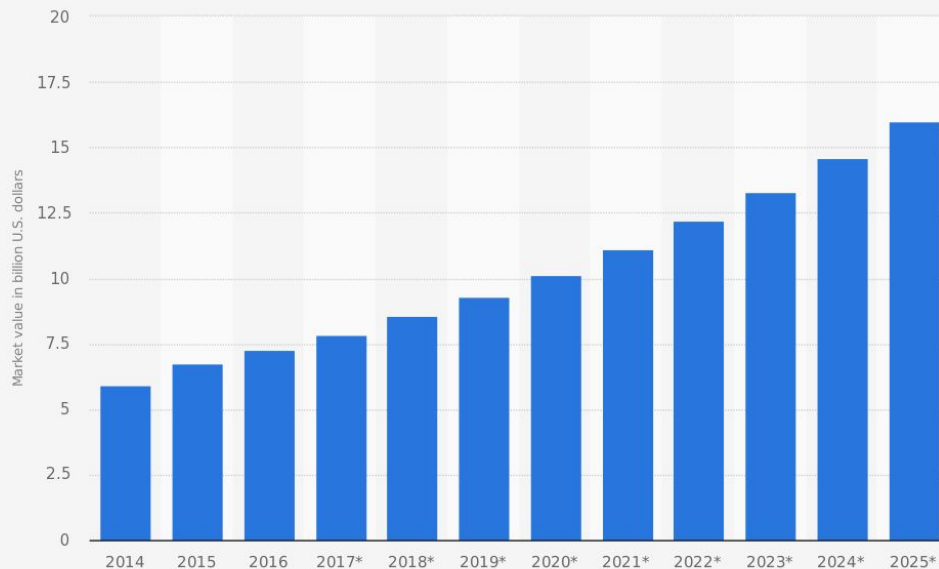


# Market Research - Wants Bucket

- **Market Size**
  - Paleo
    - Approximately 8 million people subscribe to this diet
    - Emerging into critical mass -- will hit \$4 billion dollar market
  - Gluten-Free
    - Gluten free market projected to reach about \$16 billion in 2025
  - Health Conscious Consumers
- **Market Needs**
  - Focused on their active and healthy lifestyles that impact themselves AND those around them
  - Want nutritious food at an affordable price, however they are willing to spend additional money to receive healthier products



**Gluten-free food market value in the United States from 2014 to 2025 (in billion U.S. dollars)**



**Sources**

Statista estimates; Grand View Research  
© Statista 2018

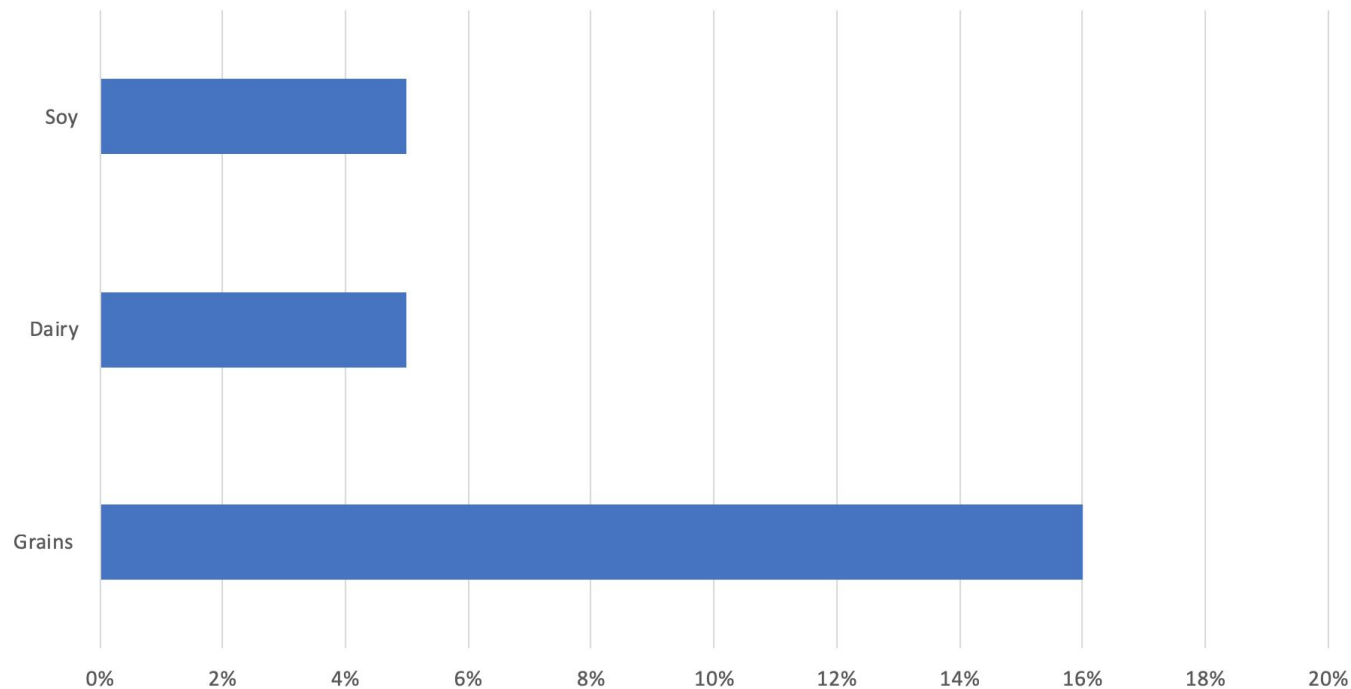
**Additional Information:**

United States; Statista estimates; Grand View Research; 2014 to 2016

statista

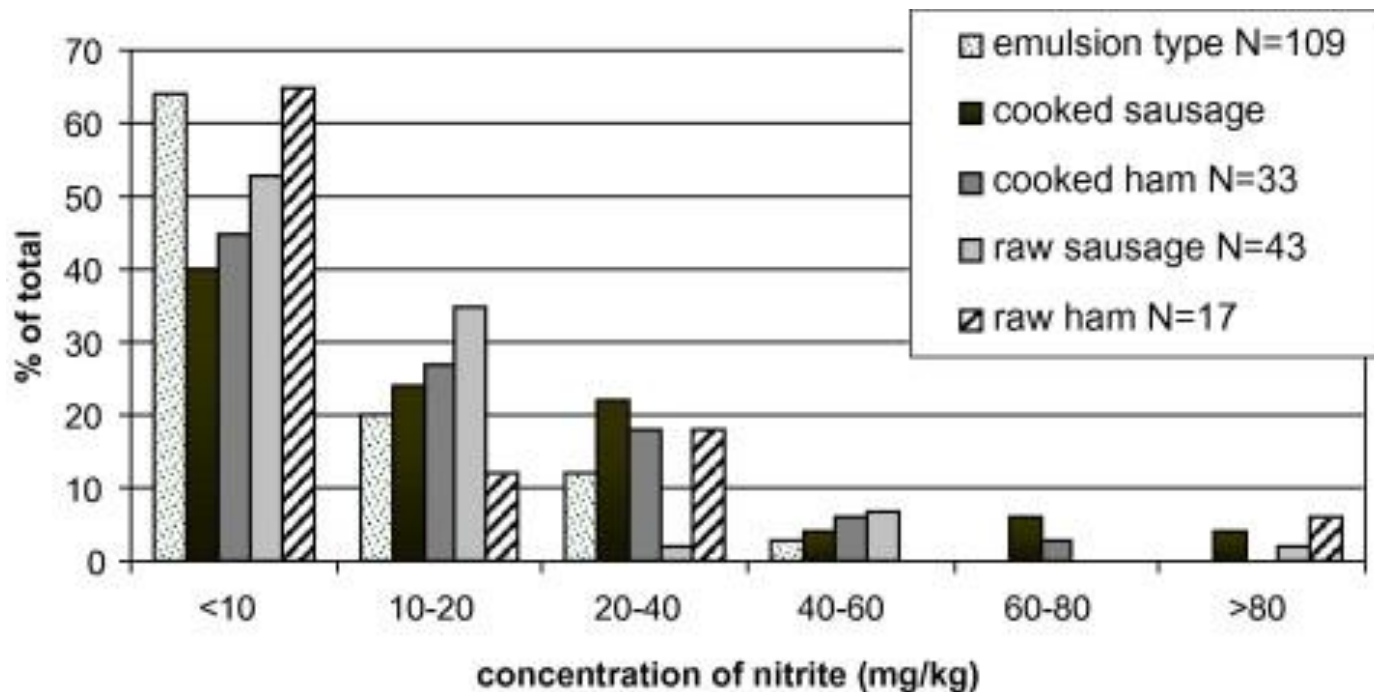


Types of Foods and Beverages Eliminated to Reduce Sugar Consumption  
*(Of those eliminating foods and beverages to limit/avoid sugar)*





# No Nitrates and Nitrites





# Market Research - Indifferent Bucket

- **Market Size**
  - Non-GMO
  - Organic/Natural
  - General Public
- **Market Needs**
  - Driven largely by taste and price
  - People are influenced by certain claims, even if they are not health conscious - meaning they don't go out of their way to purposely find products that have these claims
  - Indifferent consumers are most elastic in the sense that they are not seeking a specific dietary restricted food

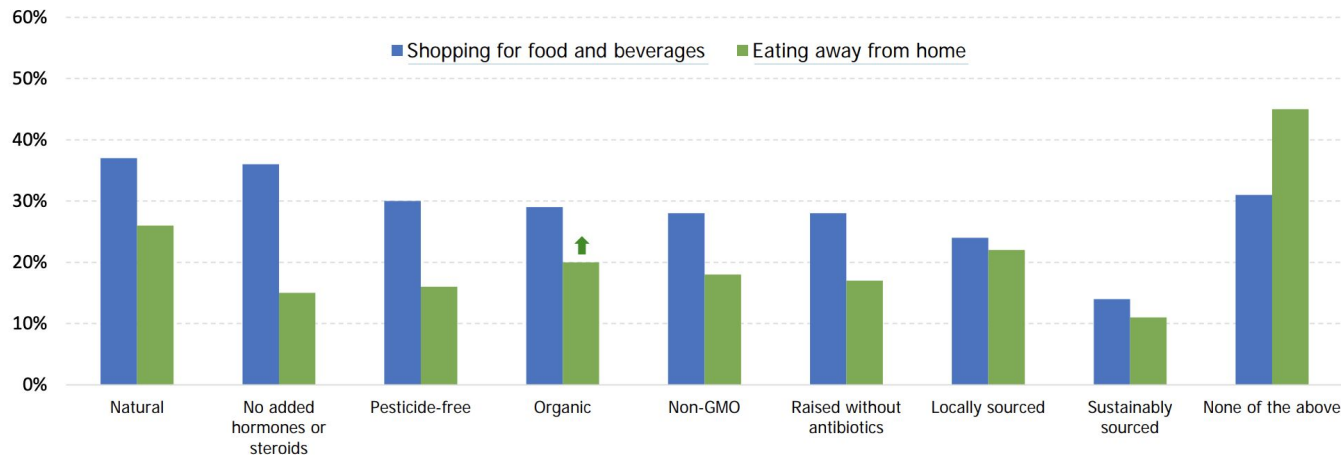




# Natural, No Added Hormones Important Labels

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

**Labeling Influence on Purchasing Behavior**





# How much more would you pay for a product with no artificial ingredients?





# Resonance Analysis - Segmenting the Market (Want, Need, Indifferent)

- **Critical Factors Influencing Consumers**
  - **Need Bucket**
    - They focus on their dietary restriction, then compare other variables (price, taste, etc)
  - **Want Bucket**
    - Are willing to pay extra to get better quality food
    - More elastic to Mikey's claims than Need Bucket
  - **Indifferent Bucket**
    - Driven by taste and price, but potentially influenced by certain claims on packaging
    - Most elastic group to Mikey's claims

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# Drive Up in Store Purchases

- Continue to connect consumers to recipes
  - Social Media (Facebook, Instagram, etc.)
- Gain shelf space
  - Increase visibility of your products
  - Transition dependent products into more stores (bread, pizza crust)





# Differentiate Products

- Introduce products with fewer claims, more targeted at certain communities
  - More breathing room, allows for the prices to drop
  - A better idea of the customer allows Mikey's to better utilize word-of-mouth



**GLUTEN  
FREE**

# Find Partnership

- Partner with companies that have products in recipes on website
  - Cross-promoting with larger companies with good reputations will be a win-win scenario
  - Partnering with smaller companies with strong followings will have high conversion rates





## Sources

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## Questions?



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