UCD Michael Smurfit Graduate Business School

KARMA- Research Report

SHAINEY KHANNA
19203454
M.SC. FOOD BUSINESS STRATEGY

Table of Content

1. Executive Summary

The main objective of this research report is to analyze the data gathered through primary and secondary research conducted to frame a competitive marketing strategy for Karma.

Market analysis methods, such as Pestle and SWOT analysis, were conducted to investigate the macro-environmental factors in the segment, to understand Karma's current market position and identify market opportunities.

The secondary research involves Karma brand Analysis, competitor analysis, market analysis and performance of the product segment under study. The secondary research also includes investigation of new untapped markets with huge potential, and the Indian market was identified as an ideal market based on the analysis of data obtained from primary and secondary research. The report contains an overview of the Indian health bar market landscape and scope for energy bars in the market.

As part of the primary research, an online survey was conducted, and individual interviews were conducted with mothers to receive consumers' insights.

Some findings regarding the sustainability from primary research contradicted with the information obtained through secondary research. While secondary research shows that consumers are willing to pay a premium price for a sustainable product, while this did not come through in the survey, as sustainability was ranked as the last factor during purchasing and respondents, state they that would readily switch to an alternative less sustainable brand that offers a similar bar at a lower price. Individual interviews with convenience store managers were conducted to get the retailer's insights and analyze the local market.

The findings of the market analysis indicate that there is a massive potential in Karma brand in domestic market as well as in international market through online retail. However, there is a need to focus on brand awareness strongly and to engineer new marketing strategies.

2. Introduction

Research is a methodology that involves a systematic collection, analysis, and interpretation of data to determine the viability of a brand or product through quantitative and qualitative research methods.

This study involves data gathering from various primary as well as secondary sources of information. Insights enable a brand for a specific product category to rediscover its target audience, to improve the experience the brand intends to impart and boost sales.

This report is based on the findings of primary and secondary research and an extensive internal as well as external market research.

The secondary research is based on existing data available in scientific papers and publications, such as ResearchGate and Mintel. The primary research supports invalidating data obtained through secondary research and bridge the gaps after the information gaps.

Primary research includes an online survey (mainly targeting generation X and generation Y to stimulate insights from younger generations, since secondary study demonstrated these age group to form a significant consumer section for this product category), interviews of 15 moms, and interview of retail managers of two major convenience store retailers located in my home town (Jammu). (These two retail stores are popular in town and are known for selling global products like gourmet foods and snacks from Europe and some Asian countries, like Thailand and South Korea).

Developing markets, such as the Indian bar market, are found to have massive scope for this segment, hence the growth potential will be explored in this report through both primary (interview of managers at two major snack retailers) as well as secondary research (statistics from online sources).

2.1. Primary Objectives

The primary objectives of this report are as follows:

- To understand consumers and re-evaluate market opportunities.
- To analyze Karma's position in the market as well as the Irish and global market environment of nutrition bars to design a marketing strategy.
- To explore broader audiences that can be targeted for health snacking category in Ireland, with a major emphasis on generation X, Generation Y, mothers and elderly.
- To explore new market destinations for bar category products.
- To analyze the collected data to establish actionable business insights.
- To investigate the nutrition bars segment as a whole and identify
  - consumer behavior and trends;
  - mother's insights;

- ➢ competitor's strategy;

- The ultimate objective is to develop a strategy based on research to boost the sales of Karma bars.

3. RESEARCH METHODS

Research Methods		
MARKET ANALYSIS -Retailers Interview. **INTERNAL ANALYSIS** SWOT **EXTERNAL ANALYSIS** - PESTLE -Market segmentation	**PRIMARY RESEARCH** -Online Survey -Mothers' Intreviews - Retailers Interview	**SECONDARY RESEARCH** - Karma brand Analysis - Competitor Analysis - Market Analysis -Statistics from online sources

4. ANALYSIS OF MACRO ENVIRONMENTAL FACTORS.

4.1. Internal Analysis- SWOT Analysis

STRENGTH

- The brand's philosophy 'Eat Right, Live Right' nicely aligns with its fully compostable and flexible TIPA packaging, which decomposes entirely within 180 days (Henderson, 2017).
- The brand has earned Origin Green accreditation for its sustainable practices and is backed by the Bord Bia.
- Besides being sustainable, Karma also offers a product that is gluten-free, dairy-free, vegan, and with no added sugar.
- Karma brand is highly competitive in the market at many levels due to its clean green image. It reflects through its packaging material, style, healthy ingredients, and message.
- Fast-growing segment in the snack category.

WEAKNESS

- The brand message of sustainable, clean, and healthy all come at a high cost for Karma, making the final product costlier. This raises challenges for the brand, as there are competitor brands that offer cheaper alternatives.
- Poor marketing of the product.

- On asking employees at retail stores, such as Tesco, it was found that shockingly not many customer assistants working at the stores knew if there was any such product named Karma at the store. A similar thing was seen in the survey. As per my survey report, only 15% of the respondents knew about Karma bars, which indicates the low brand awareness and evident lack of good marketing. This is one of the biggest set-back for one such brand with huge potential.
- Issues such as Brexit and Covid-19 can hamper the business for Karma in terms of restrictions to trade and openness to global markets.
- Granola bars impacted by sugary image.

OPPORTUNITIES

- Market Research Future published a Research Report on the Global Nutritional Bars Market, which is estimated to grow at a CAGR of 4.9% during the forecast period 2017-2023 (Market Research Future, 2017).
- Huge potential for protein category in the bars segment (The Journal, 2020).
- The growing demand for nutrition bars in developing countries (Research and Markets, 2019).
- Breakfast bars have accounted for the largest market share as they can be taken as the first meal of the day and are being increasingly consumed as a protein supplement majorly by athletes and sportspersons.
- Protein bar segment is anticipated to witness the fastest CAGR among all other product categories during the forecast period, i.e., 2020-2025 (Research and Markets, 2020).
- The rising number of health-conscious populations along with increasing disposable income, is adding fuel to the market growth of nutritional bars. Moreover, dietary bars are gaining popularity among athletes, which is boosting the growth of the market (Market Research Future, 2020).
- Other consumer profiles can be explored.

THREATS

- Poor marketing of the brand can be potentially the biggest threat to Karma within the domestic domain.
- Referring to the export market, trade policies, and trade disputes with export nations could present a significant setback.
- Presence of alternatives.
- Stiff competition from protein bars brand leaders, such as Fulfil, Naked bars, in terms of brand recognition and price.

4.2. EXTERNAL ANALYSIS- PESTEL.

Pestel analysis helps identify critical drivers of the external business environment and plan strategies in terms of marketing, new product development, explore new markets and new audiences (Thiele, 2018).

Political. Public health policies are encouraging food consumption with lower sodium and sugar content. Policymakers have also created instrumental policies to redirect the food manufacturers to reformulate their products and consumers to opt the less sugary foods. This has created an encouraging political environment for companies, such as Karma, that are already offering products with no added sugar (World Health Organization, 2017).
Brexit is likely to affect Karma as any other Irish brand since the UK market is strategical for Karma; however, with the UK leaving the EU there will be high tariffs on the Irish goods.

Economic. Irish snack bar market stood at a CAGR of 1.61% for the period between 2012 to 2017, with sales value at € 14.59 million in 2017 (Market research, 2018). The snack bar market has witnessed a steady growth rate in recent years, growing from €1.2 million in 2014 to €13.7 million in 2018 (Angus and Westbrook, 2019). In the bar category, protein bars are seen as the fastest-growing segment
However, the convenience of unhealthy and cheap fast-food meals can outweigh the healthy and sustainable snacks market. Consequently, the fast-food service industry has rapidly boomed globally. Besides, health bars are generally pricier, thus making it challenging to attract the fast-food market share. It is essential to win over the consumers on price factor; hence a health snack brand such as Karma must offer attractive offers to beat on both aspects, i.e., nutritional value and price.

Social. Consumer perceptions and behaviors are substantially changing when it comes to sugar content in their food (The Journal, 2020). Sales have strengthened for snacks that are low in sugar, high in natural ingredients, and high in proteins and fiber (Angus and Westbrook, 2019).
Packaging and environmental awareness is not the only sustainability-driven habit of Irish consumers. In a report, 68% of respondents said they would pay a premium for locally produced food, and 58% said the same for organic food (O'Sullivan, 2019).
Convenience and health are major drivers of healthy snack market segment, while indulgence for sweet snacks also has kept the sales growth steady (Angus and Westbrook, 2019).

Technological. Research shows that the number of people shopping via their mobile in Ireland has doubled compared to last year. This trend is driven by social media influencing buying patterns; however, it noted that in-store shopping remains critical for many who wish to see and interact with products before making decisions (O'Sullivan, 2019). The possession of mobile phones has increased tremendously worldwide (**Fig. 1**). The desire for convenience is driving two new trends in the Irish market, with Click and Collect services and 'The Micro-Trip', both seeing positive gains in recent years (O'Sullivan, 2019).

Environmental. According to the Irish Retail and Consumer Report for 2019, 41% of Irish consumers are willing to pay a premium price for sustainable products (PWC, 2019). As per the report, Irish consumer's concerns for sustainability will continue to grow alongside greater awareness of climate change, resource depletion and the implementation of carbon taxes (PWC, 2019). 32% of respondents said they choose sustainable products to help protect the environment; 49% look for products with environmental-friendly packaging, compared to 37% globally, while 52% avoid the use of plastic when they can, compared to 41% globally (O'Sullivan, 2019). Since Ireland is a top plastic waste producer in the EU, it is high time that people start to keep sustainability on priority in their weekly grocery shopping (O'Sullivan, 2019).

5. MARKET SEGMENTATION

Market segmentation is a crucial part of the research as it helps a company identify and classify its consumer-based on parameters, such as age, income and behavior. This process helps to understand each category of consumers and improve the product to serve them with an adequate product (Qualtrics, 2019). Types of market segmentation done in this study include demographic segmentation, psychographic segmentation, geographic segmentation and behavioral segmentation (Chand, n.d.).

5.1. Demographic segmentation

It is a trend to create commodities common for older generations as well as younger generations and create a brand message that aligns with promoting a healthy, active lifestyle while also curbing indulgence (Hartman, 2016). Protein is generally something boomers and older adults can eat less of, especially in terms of meat; hence they need more protein in concentrated form from other sources (Hartman, 2016).

Nutritional bars are the best substitute for meals for individuals who require quick energy and have become a better alternative for the working population who find it challenging to get some time for meals. The rising number of health-conscious population along with increasing disposable income, is adding fuel to the market growth of nutritional bars. Moreover, dietary bars are gaining popularity among sportspersons is boosting growth (Market Research Future, 2020). Karma should try to get noticed by the fitness-loving audience and target them by occupying shelves of the places most visited by this target audience. Karma should sell bars through vending machines in significant fitness institutions in Dublin, such as Yoga schools, dance institutes, gyms and stadiums.

There is more Karma could do to target these audiences. Karma can create events that these audiences are interested in. Since this type of audience is mostly into sports, Karma should organize sports events, such as hiking or a rugby match or tennis match held by Karma. The brand can also organize musical festivals and publish video and blogs about such events so that the online consumers also watch their online content out of interest

Consumers are as conscious of their peers' recommendations. This consumer trend is more prevalent among those with a mid/high-range income. In Western countries, even wealthier consumers demand value for their money—and are just as vocal online about any bad experiences. Lower-income consumers will participate less in this digital trend on a global level. This demographic is less likely to have internet access nor the time to research each purchase extensively (Angus and Westbrook, 2019). Also, shoppers highly rely on peer review (**Fig. 2**).

5.2. Psychographic segmentation

Consumers want nutrients and functionality of ingredients in a tasty and convenient format that fits their lifestyle (Hartman, 2016). Marketers need to be cautious about assuming that the only foodies who count are millennials," points out research director David Sprinkle (Hartman, 2016). Boomers spend more of their grocery budget on health and wellness products than other generations. They generally plan to add more fiber, pre- and probiotics, protein, calcium, whole grains and vitamins to their diet and reduce consumption of red meat. They prefer products reducing 'unhealthy' items, such as those making low carb, trans-fat-free, sugar-free and non-GMO. Convenient, portion-controlled, and ready-to-eat items tops on boomers' shopping lists. (Hartman, 2016).

5.3. Geographic segmentation

The global nutritional bar market is segmented into North America, Europe, Asia Pacific, and the rest of the world (RoW). The Asia Pacific emerges as a prominent market for nutritional bars and is expected to grow at a substantial rate on account of the rapid urbanization along with rising disposable income in countries like India and China, and likely to become the fastest-growing market over the forecast period. India and China are the major contributors to the nutritional bars market in the Asia-Pacific. The growing population and the increasing number of health-conscious individuals drive the demand in this region (Research and Markets, 2019).
Growing health awareness will drive the nutritional bars market in the European market as well (Market Research Future, 2020).

5.4. Behavioral segmentation

Behavior segmentation analyses consumers' purchasing behavior, their interaction with different brands in a specific product category and understands brand loyalty for bars. This analysis will be elaborated more in primary research. My primary research findings reveal that consumers are typically less brand loyal to the bars they pick in the convenience stores and readily switch to another brand that offers promotions. The target audience mostly comprises

of generation X, millennials and Generation Z, which are primarily students or young professionals.
Target is the health-conscious consumer segment that wants healthy without sacrificing taste.

6. Secondary Research

Secondary research involves the synthesis of existing data in publications available across the web. Through this data aims to evaluate the current situation of the market, consumer demand, new trends, and similar information.

6.1. CONSUMER BEHAVIOUR

Today's convenience and efficiency-driven lifestyle is a significant demand driver for products, such as nutrition bars (Hartman, 2016).
Consumers are becoming increasingly sensitive to issues of plastic waste and this is impacting their shopping habits. The proportion of those willing to pay more for packaged food and fresh food, which is environmentally conscious or eco-friendly, has risen over the past two years. Similarly, the proportion of those who feel that recyclable packaging is an essential feature in beverage products has also grown (Angus and Westbrook, 2019). (**Fig 3a and 3b**).
Consumers demand health, taste, affordability and convenience in a single package.

6.2. CONSUMER TRENDS

Consumers are searching for authentic, differentiated products and experiences which allow them to express their individuality. Consumers in developed economies are re-evaluating their spending habits, moving away from materialism to simplicity, authenticity and uniqueness (Angus and Westbrook, 2019).
Consumers stand against irresponsible use of plastic and expect companies to incorporate sustainable practices (Angus and Westbrook, 2019).

The Age Agnostic trend among older generations strongly reflects in among 35% of baby boomers currently between 54–74 years old who agree or strongly agree with the statement that they want to enjoy their lives and do not want to feel old. This proportion is surprisingly even higher than generation Z and close to millennials 38%. We are moving towards an age agnostic era for consumers and manufacturers, and service providers must acknowledge it by making their products more universal and welcoming (Angus and Westbrook, 2019). This suggests that Karma bars can be sold at various workplaces and institutions, such as at canteens and vending machines at schools, universities, offices and even hospitals.

Karma needs to think of the places where it can find its target audience. To target the baby boomers, Karma could think of a place mostly visited by such an audience or think of their consumers' interest. For example, coffee culture. So, Karma should place the products in coffee shops, so that the target audience can quickly notice the product and become familiar with it.

Veganism, which was once regarded as confined to extremists, is increasingly being adopted by a wide range of people. Social media has brought veganism to the forefront of consumers' minds (Angus and Westbrook, 2019). A plant-based diet and concern for animal welfare is part of the greater healthy and ethical living trend shaping Conscious Consumers' choices nowadays (Angus and Westbrook, 2019).

6.3. SOCIAL MEDIA

Social media has redefined 'word of mouth', with consumers increasingly using Twitter, WhatsApp, and other social media platforms to share research, offer discount codes and help to always get the best deal. Instagram recently revealed that over 400 million users use the Stories function every day, with many (Angus and Westbrook, 2019).

6.4. RETAILERS' INSIGHTS

Online retail has grown in all major markets as compared to store-based retail (**Fig. 4**) (Angus and Westbrook, 2019).

As consumers continue to explore, discover, and leverage the vast amount of resources, information, and shops online, the amount they spend online continues to increase. Consumers keep themselves updated through reviews and ratings, while their purchases are still influenced by their peers and online influencers (Angus and Westbrook, 2019).

6.5. MARKET OVERVIEW

The high nutritional value of the product is driving the bars market (Market Research Future, 2017). The bar segment is projected to grow at a CAGR of 4.9% during the forecast period 2017-2023 (Market Research Future, 2017). The market has been segmented based on type, nature, packaging and distribution network. In the type segment, the protein bar segment is expected to hold a significant share in the market during the forecast period owing to the increasing awareness regarding protein needs of the body along with other benefits associated with protein (Research and Markets, 2019).

Nutrition bar contains most of the carbohydrates such as fructose, sucrose, dextrose, and others in appropriate ratios. The commonly known nutritional bars include protein bars, meal-replacement bars, snack bars, whole food bars, and others. Moreover, these bars come in various new exciting flavors, including chocolates, fruits, peanut butter, etc.

6.6. COMPETITOR ANALYSIS

Major brands that dominate the global nutrition bar market are Atkins Nutritionals, Inc. (U.S.), Clif Bar & Company. (U.S.), General Mills Inc. (U.S.), Kellogg Co. (U.S.), Kashi Company (U.S.), Quaker Oats Company (U.S.), Mars Incorporated (U.S.), Fulfil, Naked (Market Research Future, 2020). The Hershey Company has made a minority investment in Irish protein bar manufacturer Fulfil to expand its business in Europe. Fulfill sells 11 snack bar flavors and claims to have close to 100% distribution within retail, convenience, petrol and sports nutrition channels in Ireland. Chocolate-salted caramel, white chocolate, and cookie dough, and peanut and caramel (Foodbev, 2019).

Fulfill is leading the protein and energy bar market, and its top strategies include aggressive marketing, extensive advertising campaigns at supermarkets, sports centers and gyms, creative flavors, and extensive distribution network (Angus and Westbrook, 2019).

While Naked Bar and Yes! also contribute tremendously in the fruit and nut bar segment in Ireland. Fruit and nut bars are expected to achieve the fastest growth among all sweet biscuits, snack bars and fruit snacks, primarily due to consumers continuing to opt for healthier snacks.

6.7. PRODUCT SEGMENTATION

The nutrition bar market has been analyzed through the following segments: (Research and Markets, 2019).

By Product	By Nature
• Protein Bar • Energy Bar • Fruit & Nut Bar	Conventional Organic
By Packaging	**By Distribution Channel**
• Wrapper • Boxes	• Online • Offline

6.8. NEW PRODUCT DEVELOPMENT

The target for the company should be to bring out Karma as an offering for all age groups and demographics. The product is quite fulfilling in itself in terms of ingredients, nutritional content, taste and packaging. Hence the game is more about making it appealing to different age groups. Therefore, the real game player here would be decent marketing that makes the product look like a snack for all age groups and not just a 'teenage-snack' or an energy boost for athletes. Having that in mind, Karma will need to differentiate the product slightly when trying to attract a lower age group, such as kids and boomers. Bringing a new 'healthy candy' like concept associated with a Disney character is a good marketing strategy that works well for brands that aim to target 6-12 years age group. Karma has a 'Buddha theme' on some of its packaging, which is a good theme for baby boomers and millennials, however not as attractive as a snack for kids. It will be great to make slight variations to the product and associate it with an animated character. The packaging and labels can be used by marketers to encourage potential buyers to purchase the product. Package graphic design and physical design have been outstanding and constantly evolving phenomenon for several decades (Lumen, n.d.)

This will be a parallel line launched for kids and can be called "Karma Kidzy". The findings of the research suggest that new packaging solutions offer the prospect of improved functions in the supply chain, delivering protection and preservation before reaching the ultimate customer. It also offers improved opportunities for better information and communication with consumers (Rundh, 2013).
A brand's image and personality are highly characterized by its extrinsic attributes, such as packaging, pricing, and marketing tactics (Lumen, n.d.). Karma brand's intrinsic characteristics, such as the design and shape of the product, are well-grounded; however, there is more need to focus on the extrinsic attributes.

6.9. ANALYSIS OF THE INDIAN SNACK BAR MARKET

India is a developing market with high potential for such a product category, dominated by a few players (**Fig. 5**). The market is forecasted to grow at a CAGR of 5% by the year 2025 (Mordor Intelligence, 2019a). Major market drivers in this region are convenience, on-the-go healthy meal, ever-increasing health awareness and outlook for an active lifestyle, busier lifestyle and higher disposable income (Mordor Intelligence, 2019a).

The sales value of snacks in India has increased from USD 2.14 billion in 2012 to USD 3.82 billion in 2016. Indian consumers are looking up for healthier options, causing a rise in demand for snacks, such as energy bars fortified with high protein content.

Major players in the Indian Bar market include Unibic, Yoga Bar, General Mills, HealthKart, and Eat Anytime. These players strive to increase their product visibility by expanding their distribution channels and adapting target-oriented product differentiation. For example, some players have positioned and marketed specific bars targeted towards a specific gender (Mordor Intelligence, 2019a). Indian market is also very open to online purchasing of the bars, as most of these players are successfully selling through their e-retailers, such as Amazon India, Bigbasket, Flipkart, and Healthkart, while some also sell through their web portal (Mortar Intelligence pdf).

Targeting emerging countries with a bigger young population, such as China, India, is the potential energy bar market opportunity (Mordor Intelligence, 2019b).

7. Primary Research

Primary research is a methodology of gathering data directly from potential consumers or primary sources of information. This method allows the researcher to collect data at the grass-root level of a business. The researcher may adopt various techniques, such as surveys through questionnaires, focus groups, interviews, observational research methods, etc. (Research Optimus, 2020).

The main objective of the primary research is to gather demographic data about potential consumers regarding their purchasing behavior, brand interaction, and other aspects such as the social, educational, cultural and economic background.

7.1. ONLINE SURVEY

My survey consisted of a questionnaire (**Fig. 6**) run on Qualtrics and had in total of 53 respondents. Maximum respondents (52%) fall in the age bracket between 25 to 34 years, while the second more prevalent age group was of age between 18-24 years comprising of 32.50%, followed by the age group35-44 years.

The gender of the respondents comprises 64.10% of males and 35.90% of females; hence the analysis of the research will be strongly inclined towards a young male persona.

Most of the respondents are either students (35%) or full-time working professionals (45%), while a small fraction of respondents works part-time. This is indicative of the persona with an average to adequate disposable income.

On asking about their dietary habit, maximum of the respondents (47.6%) report following a flexitarian diet, while still a good percentage report following a vegetarian diet (38.10). A small fraction also said following a vegan diet (4.7%). This indicates towards a greater inclination for plant-based products.

The frequency at which the respondents buy healthy snack bars is quite low in the finding of this research. 52% reported buying health snack bars rarely in a month, while 35% reported buying once or twice a month. Only 12% of buyers consider purchasing a health bar 3-4 times a week.

Most of the respondents report buying health snack bars on-the-go and while traveling. A smaller number also reported buying these snacks as an evening snack or as a post-workout snack.

I asked respondents to rank various aspects (taste, nutritional value, sustainability, ingredients, value for price) in terms of what they would prioritize in their purchasing the most. As per the findings, Nutritional value and value for money were ranked at high priority, followed by ingredients and taste, while sustainability ranked last. This contradicts the outcome of the secondary research that states sustainability to be an increasingly important factor, especially for millennials that also were willing to pay a premium price for sustainable commodities. 26% of the respondents state that they would easily switch to an alternative less sustainable brand that offers a similar bar (similar in terms so nutritional value and ingredients) at a lower price, while 28% state that they would not switch to a less sustainable and cheaper brand.

On enquiring about the most looked for ingredients, respondents indicate that nuts and dry fruits are the most sought-after ingredients in healthy snack bars, followed by cereals, seeds and chocolate.

My findings show that protein is the most looked after nutrient in health bars. This also aligns with the outcome of the secondary research that clearly states the protein bar category leads the health snack bar market. Fiber content is also found to be important in the bar.

On asking about the Karma brand, a whopping 85% of the respondents report not being aware of the brand, while only 15% had heard of the brand. This indicates towards the low brand awareness and need to build an aggressive marketing strategy.

15% of the respondents that state knowing about the Karma brand were asked to rate the Karma bars on a scale of 10 for various parameters (taste, nutritional value, packaging, sustainability, value for the price, availability at stores). The average of scores Karma bars received is given as follows:

PARAMETER	RATING
Sustainability	7.2/10
Nutritional value	7.0/10
Packaging	6.6/10
Value for price	6.4/10
Taste	6.2/10
Availability at stores	5.4/10

On enquiring about online retail, 33.33% of respondents state that they preferred online health bars retail, while 51.28% state they are not sure whether they preferred online or offline. 15.38%.38 clearly say that they do not prefer online mode of snack bars purchasing because they still prefer buying the snack bars on the go. Convincing the unsure 51,28% to think that bars can also be purchased online will be one of the essential aspects of this strategy.

The last question of my questionnaire was reserved for parents, while non-parents were asked to answer this question assuming that they are parents. Question is given as follows: “If you were a parent, and knowing about the health aspects (natural cold-pressed fruit and nut bars) and sustainability aspect of the Karma Brand, would you replace (or attempt to replace) your child's favorite unhealthy sugar-loaded chocolate bar with Karma bars?” 60% of respondents state that they would attempt to replace their child’s favorite chocolate-sugar bar with the Karma bar, while 23.81% were not sure. This analysis shows that there is an excellent scope to encourage the parents to get their (6-12 years) child a fruit and nut bar instead of a chocolate bar as in a snack for the evening, or after school or even along with the school lunch box. Secondary research also found that parents in India were highly attracted to this alternative bar (instead of the chocolate and sugary snacks) owing to various health issues among kids,

including obesity among kids and dental problems. There are 'baby diet and baby care' websites for parental guidance, that suggest replacing sugar candies with bars (My Little Moppet, 2018).
To get deeper into this aspect, I extended my primary research to individual interviews of 15 mothers who have kids aging between 6 and 14 years of age.

7.2. INTERVIEW WITH MOMS

Moms' demographic profiles.

EDUCATION. Mothers interviewed are all undergraduate or have higher qualifications.
LOCATION. They live mostly in urban regions of India, like Delhi or tier-2 cities, like Jammu.
EDUCATION. Professionally 8 of the others interviewed are working, while two work from home and 5 are housewives.
ECONOMIC BACKGROUND. Their economic backgrounds are more or less similar, as all belong to middle-class families and their household income is moderate.
DIET. Out of 15, 9 mothers state that their families follow a strict vegetarian diet.
RELIGION. All mothers belong to religion Hinduism (important from the perspective that the brand message aligns with one of the most important concepts of Hinduism- 'Karma').

7.3. INSIGHTS FROM THE INTERVIEW

1- What is your child's favorite evening snack?

Indian traditional savory snacks, mostly the one sold by Haldirams and Bikanervala, were found to top the list among the respondents.

Among foreign brands, snacks sold by PepsiCo (Lays, Kurkure, Pepsi drinks) and instant noodles Maggie (by Nestle) top the list.

Second on the list was found to be cookies and cakes sold by companies like Parle and Brittania.

2- What is your favorite snack for your child?

Fruit salad, corn flakes, traditional home-made sweets and savory snacks. From the interview, it was clear that all mothers preferred giving their kids fruit salad or even corn flakes in the evening as an after-school snack. Mothers explained that they were more concerned about their kids' weight gain and dental problems, due to processed snacks that contain high sugar levels. Also, the mothers state that they worry when their kids consume local smaller brands' snacks as they fear adulteration, hence trust more global and foreign brands.

Mothers also like to give their children milk with chocolate powders, like Bournvita (Cadbury) and Horlicks (Hindustan Unilever Ltd.). Mothers explained that they liked to add such products to add nutrients, such as protein and Iron to the milk and flavor. Corn flakes are particularly found to be working mother's favorite because they find it quick, convenient and healthy. Mothers said that corn flakes are not a morning thing for them, as traditional home-made bread occupies the morning meals, and they perceive corn flakes as the solution for children's evening hunger pangs.

3- What ingredients do you prefer your child's snack to contain?

Mothers state they prefer natural ingredients, like fruits and cereals. Snacks that rich in fiber and micronutrients such as Iron, Proteins and Calcium.

4- What do you think about bars?

On asking questions about health snack bars, mothers state that they do like the concept of health bars interesting and innovative. One mother even said these bars are potentially the future of the breakfast market. On asking to name any energy or health bars they consume, they named few bars, such as the Patanjali Energy Bar, NourishVitals Granola Healthy Fruit Mix Bars, Eat Anytime health energy bars and the Yoga Bar (Breakfast protein bar and Multigrain energy bar).

Mothers admit that their kids do love these bars as they come in different color packing and exciting flavors and consider giving their kids such a bar as an indulgent treat rather than an everyday snack.

None of the respondents was familiar with Karma bars, but on introducing them with the brand and what it offers, they immediately understood the brand concept and the brand message. It was easy for them to perceive Karma, through the brand name "Karma" itself, which is a concept of Hinduism. The word "Karma" (□□□□), means "action" and is a core concept of Hindu philosophy that denotes the cycle of cause and effect- what goes around come around! (https://www.livescience.com/41462-what-is-karma.html). All mothers highly appreciated the brand's values and regard it as respectable and sustainable towards the environment and consumers and state that they would like to try these bars for themselves and kids, if they were available in the market.

It is also observed from these interviews that in general, moms sub-consciously associated bar consumption with the younger generation, particularly their kids' generation.

5- Sustainability?

Only 8 of the mothers state that sustainability was “one of the important” parameters when purchasing food, as they state pollution and environmental degradation as significant reasons to back their approach to sustainability. During the interviews, it was noted that most mothers that live in Delhi regarded sustainability as moderately important or highly important. However, mothers from tier-ll cities, such as Jammu, do not see sustainability in a similar fashion. For these moms, ingredients, taste and value for money are more important. One mother explained in detail that if a product does not taste good, her children would not happily consume the product, no matter how much sustainable the product is, hence taste and ingredients are more important parameters.

6- Functionality?

The functionality/ reason to buy and consume bars is indicated below as per how the moms ranked it in the interview: The functionality is convenience-driven.

i- A convenient way to keep children away from surplus sugar snacks.

ii- A convenient snack for school breaks, so to be given along with packed school-lunch, so that kids do not eat fast food served in school canteens.

iii- Indulgence/ Treat after playtime.

iv- Sustenance, only for occasions when skipped breakfast or in a hurry, otherwise prefer homemade breakfast.

7- How often do you purchase snacks online?

Moms explained that they generally buy bars during their grocery shopping along with other snacks, such as biscuits, instant noodles, etc. They typically pick the bars from the convenience stores when they walk in for other purchases, but not specifically for the bar. 7 Moms state that though they are avid online shoppers, but do not prefer to buy snacks online unless there is some offer going on. A mother explained that sometimes she could find a deal online “Buy 2 Get 1 free” or 20% discount, then in such cases, she buys snacks through an online portal in bulk. Other moms’ statement also aligned with this. They also report to buy bars in bulk through online mode when they can find attractive deals, or otherwise, they prefer to purchase on-the-go or with grocery.

8- Origin?

All respondents, surprisingly, have shown a positive response towards the idea of an Irish brand selling bars in India. Moms explain that food safety standards are strict in EU countries, so they would readily trust an Irish brand that sells a vegan product. They appreciated the concept of vegan bars, more from a vegetarian dietary perspective than a sustainability perspective.

7.4. Retailers Interview (combined insight from the two retailers)

I chose two convenience stores that are popular for selling fancy foreign products in the snacks category, like savory seeds snacks and some fancy drinks from Thailand, roasted nuts and chocolate-coated dates from Middle east, and some healthy snack bars from brands like General Mills India Private Limited, Naturell, Kellogs Nutri-grain bars, Clif Bars and Company and Eat Anytime. On interviewing the store managers, I came to know that they have a specific health snacks section where they display different products, such as energy bars, protein cookies, millets and oat bars, fruits bars (mango and ginger bar being the most popular in fruit bar section), and other savory nibbles such as wasabi peas, roasted peanuts, etc. The managers informed that since there are not many retailers in town that sell this range of exciting products, so they do not face much competition for this segment from local retailers. Maximum customers visit their store for these types of new foreign products. Both managers said that the most selling bar in all the categories in the protein bar. One manager said that he assumes that they face most of the competition from online retailers for this specific segment, but they have the offline market share.

On asking what kind of customers generally buy these health bars, they said that there is no fixed age category, and all persons from all age groups pick typically a bar or two while shopping at the store. However, one store manager added that it is mostly young boys that pick such bars in bulk. They have dance clubs, gyms, and other fitness places in proximity, and young boys and girls do walk-in at the stores before or after when they come for practice. The manager added that if generally an aged lady or a gentleman is purchasing, they will typically pick a single bar or two, and never a full pack of 6 bars. But young boys and even girls buy the whole box and ask for bigger packages sometimes.

On introducing the managers with Karma bars (demonstrated them pictures and website), I asked them how would he think such a product perform at their store he said the product looks fresh in the snack category and has a nice colorful packaging message and such products do well at their store, however, they said that the price could be an obstacle. They explained that most of the health bars they sell range between Rs. 40 and Rs. 100. If one Karma bar costs EUR 2 (approx. Rs. 160), then price could be a challenge, but otherwise, their customers tend to open to try new products of European provenance. One manager added that an Irish product would garner attention at his store.

8. Conclusion

This research report contains a holistic market analysis of the health bar snack segment and re-evaluates its potential in the domestic as well in international markets.
The research shows that it is not just younger generations, but even older generations that look for products that promise a healthy lifestyle and tastes good. In fact, it is found that since boomers have higher disposable incomes, they spend more money on health-related products, such as organic foods, supplements, and healthy snacks. To target these consumers, Karma should sell its bars at venues, such as offices, universities, hospitals, and coffee shops.
Another attractive consumer segment is the 'fitness-lover' that are active in sports and games. Karma should sponsor sports and musical events to gather target consumers. The bar segment is driven by health and convenience.

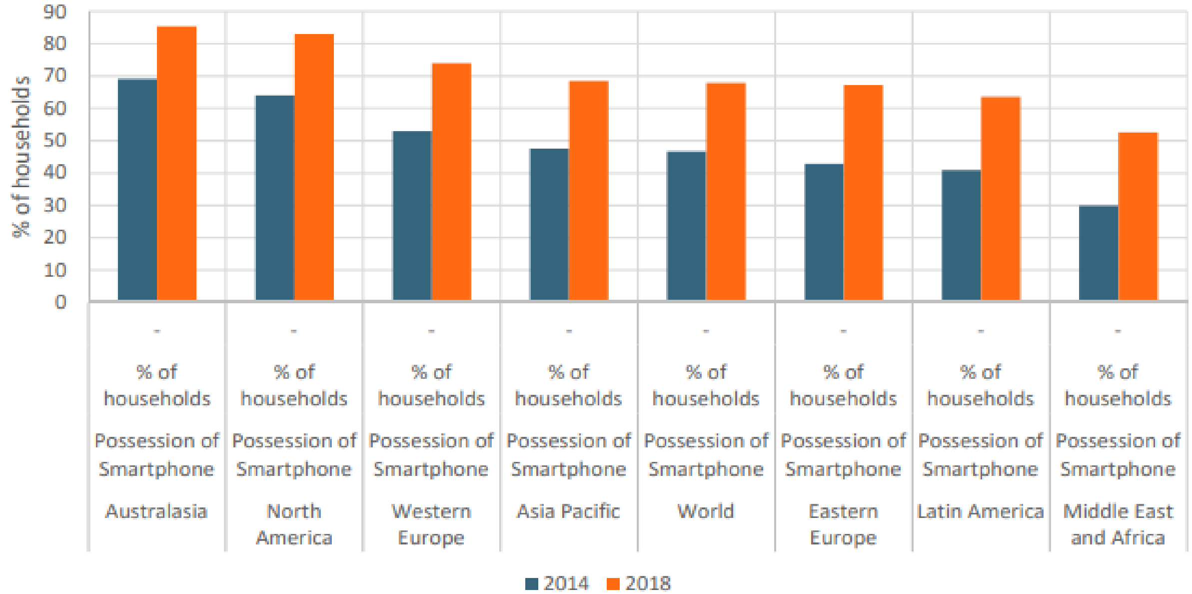
The outlook on sustainability in secondary research is quite different from the finding of my primary research. While secondary research highlighted the importance of sustainability for consumers, primary research revealed that consumers did not prioritize sustainability in their purchasing. Other findings in my primary research show that protein was the most important nutrient for consumers in a health bar, which aligns with the findings of the secondary research. Hence, it indicates the need for Karma to focus on its protein bars line.

Since the secondary research indicated India and China as ideal destination with untapped potential, I decided to investigate more in-depth about the Indian bar market and found that the segment is projected to grow in the market. The primary research with retailers also gave a positive outlook of the Indian market for the online retail of Karma bars. The interviews with one of the potential consumers, mothers, indicated that these mothers always look for healthier snacking alternatives for their children and replace their sugar candies with fruits and cereals. This presents an opportunity for Karma to explore a market that does not have significant competition and is occupied by a few brands.

9. Appendix

Fig. 1

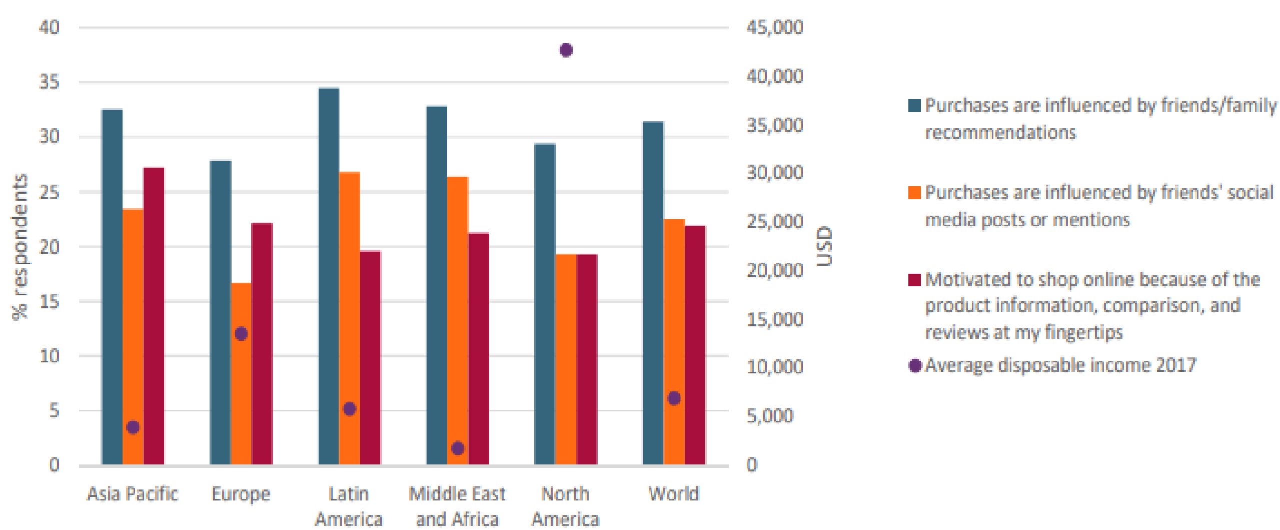
Household Posession of Smartphones 2014 / 2018



Source: Euromonitor International

Fig. 2

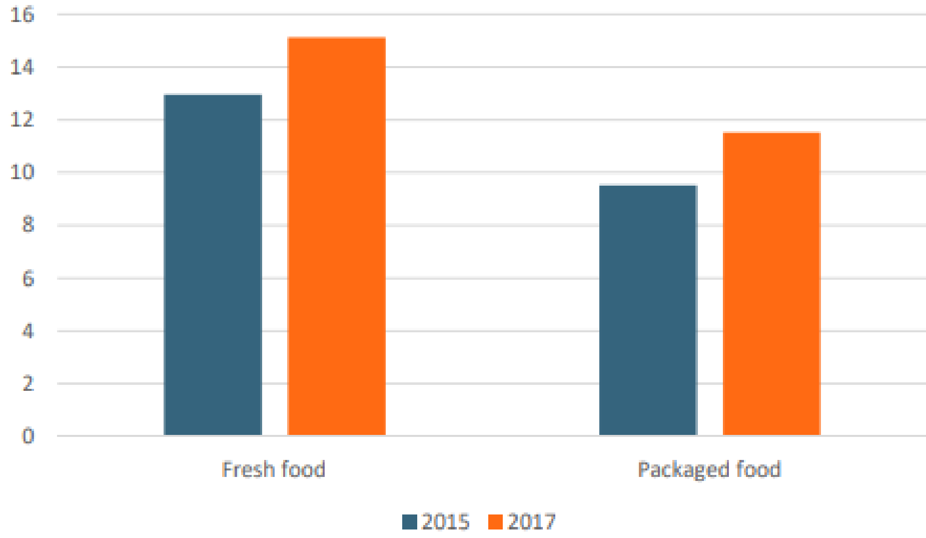
Consumers Turn to Their Peers to Inform Purchase Decisions



Source: Euromonitor International's Lifestyles Survey (2017)

Fig. 3a

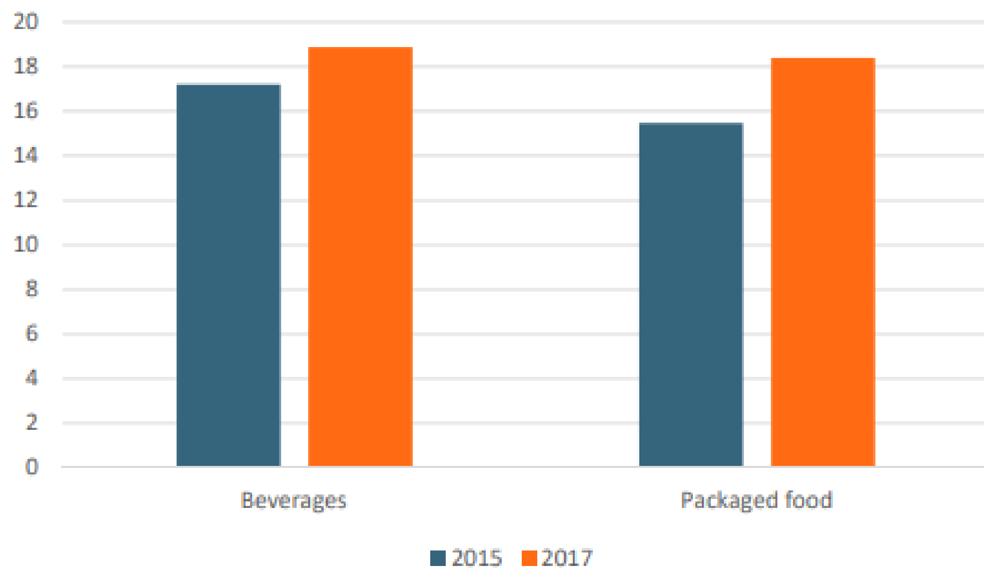
% Willing to Pay More for 'Environmentally Conscious or Eco-Friendly' Products



Source: Euromonitor International's Lifestyles Survey (2015, 2017)

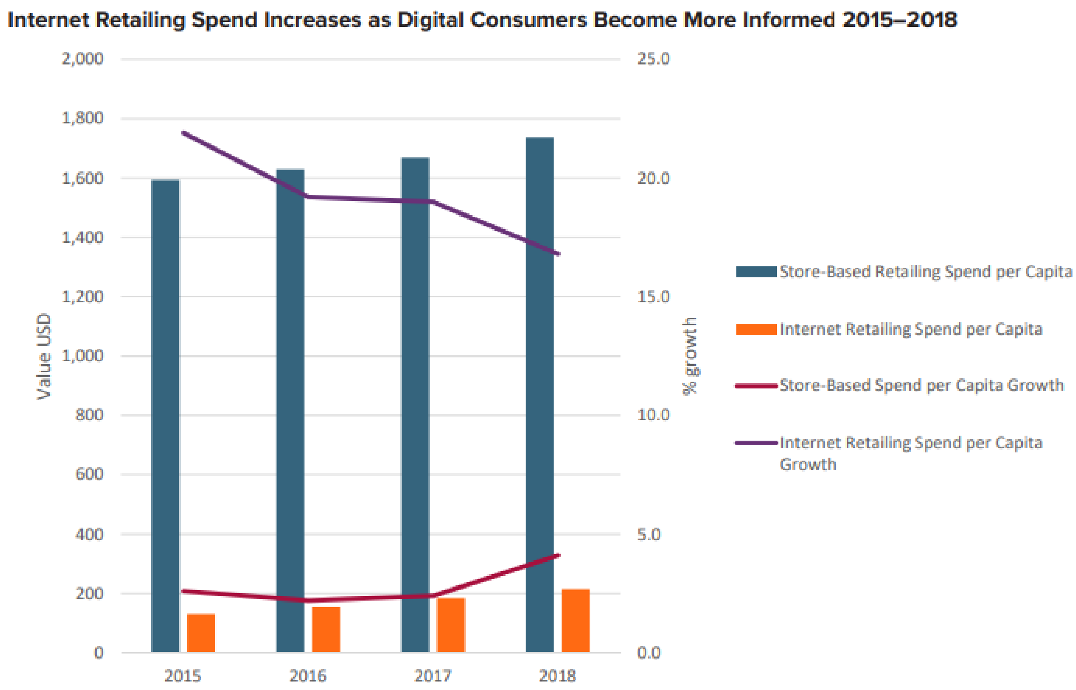
Fig. 3b

% Willing to Pay More for Products with 'Recyclable Packaging'



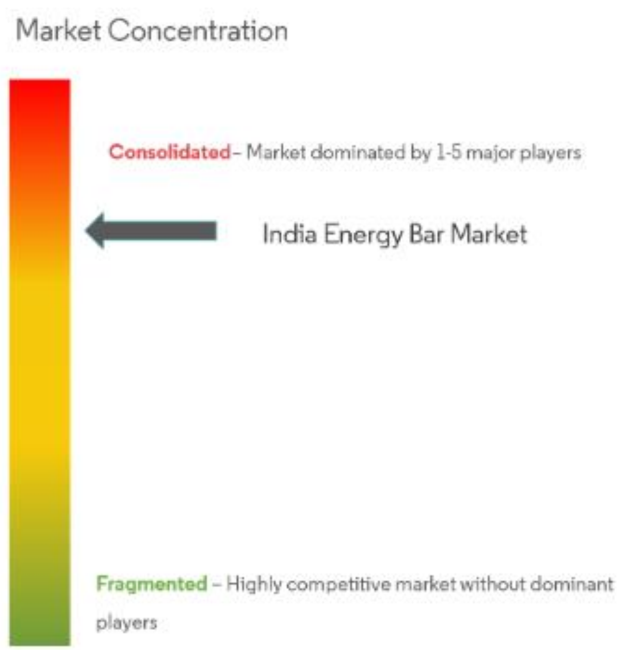
Source: Euromonitor International's Lifestyles Survey (2015, 2017)

Fig. 4.



Source: Euromonitor International

Fig. 5



Source: Mordor Intelligence

Fig. 6.

QUESTIONNAIRE FOR ONLINE SURVEY

1. What age bracket do you fall into?
2. What is your gender?
3. What is your occupation?
4. Do you follow any of the below mentioned diets?
5. How often do you purchase and consume health bars (fruit & nut bars/ protein bars/ cereal bars)?
6. At what occasions do you generally consumer snack bars? You may choose multiple options.
7. Rank the aspects, such as **Taste**, **Nutritional Value**, **Sustainability**, **Value for price** and **Ingredients** from 1 to 5, in terms of what you prioritize the most while purchasing health bars to the least considered aspect. (where 1 stands for the factor you consider the most important and 5 for the least imp, while you buy)
8. What are the primary ingredients that you look for in your bars?
9. What nutritional value do you look for in your bars?
10. Are you familiar with the brand Karma- eat right, live right?
11. If you answered Yes for the previous question, then kindly rate Karma bars on a scale out of 10 for the given parameters.
12. Would you buy health bars through online retail?
13. If you answered No for the previous question, then what could be the possible reasons? You may choose multiple options
14. Would you replace your energy/protein bar brand, if another brand offers a similar product at a cheaper price, but is not as sustainable in terms of sourcing and of packaging?
15. If you were a parent, and knowing about the health aspects (natural cold pressed fruit and nut bars) and sustainability aspect of the Karma Brand, would you replace (or attempt) your child's favorite unhealthy sugar-loaded chocolate bar with Karma bars?

10. References

Angus, A. and Westbrook, G. (2019) ‘Top 10 Global Consumer Trends 2019’ Euromonitor International. Available at: https://go.euromonitor.com/white-paper-EC-2019-Top-10-Global-Consumer-Trends.html (Accessed 18 June 2020).

Chand, S. (n.d.) ‘Top 4 Bases for Segmenting Consumer Market’. Available at: https://www.yourarticlelibrary.com/marketing/market-segmentation/top-4-bases-for-segmenting-consumer-market/32293 (Accessed 20 June 2020).

Euromonitor International (2019). ‘Sweet Biscuits, Snack Bars and fruit Snack in Ireland’ Available at: https://www.euromonitor.com/sweet-biscuits-snack-bars-and-fruit-snacks-in-ireland/report (Accessed 3 July 2020).

Foodbev (2019) ‘The Hershey Company invests in Irish protein bar maker Fulfil’ Available at: https://www.foodbev.com/news/the-hershey-company-invests-in-irish-protein-bar-maker-fulfil/?__cf_chl_jschl_tk__=6d811307fb56d4501358db3388b180c326895e07-1594614724-0-AbTmVEIPT5pz_0anmdxR5NXMzCbt--sB9Ls9WrB7Eq0FLQtdzb9BpB7tD_fvmSdVRVdzX_U5rv2Itzs7satZ_lPx7XhpbcT36sOmvuHoiVTtuFA3zsnj7NJmvSF5PB02SCmnZQhxPMkasuDiN9sASCjsczAs2D5ME5XA9uhLVIWlR_sc6djxkWk71RqXKCWUp-_r7NwiA41HvDOKV5S7NZz4drDu9zw2vsLPOhaBuuSu5jcWM1MaJBjOSbT4xpP4ZHsNzQLXXxg01kPt3XTF9_7yTlZA98giidGCR8y_sYAbCZp1zwe61lTuUAjIoX_GnqDqMc5ITWDYZ7-ll1zVVVQUiqyTvBL412EUPTU6QGCw (Accessed 20 June 2020).

Hartman, L. (2016) ‘Foods for Aging Baby Boomers’. *Food Processing*. 25 January. Available at: https://www.foodprocessing.com/articles/2016/foods-for-aging-baby-boomers/ (Accessed 16 June 2020).

Henderson, T. (2017). ‘New Karma Free snack bar launches in fully compostable packaging’. *Packaging Strategies.* 20 September. Available at: https://www.packagingstrategies.com/articles/89944-new-karma-free-snack-bar-launches-in-fully-compostable-packaging?oly_enc_id=1850I1913423E1F (Accessed 20 July 2020).

Lumen (n.d.) ‘Product Packaging and Branding’. Available at: https://courses.lumenlearning.com/boundless-business/chapter/product-packaging-and-branding/ (Accessed 5 July 2020).

Market research (2018). ‘Energy Bars (Bakery & Cereals) Market in Republic of Ireland- Outlook to 2022: Market Size Growth and Forecast Analysis’. Available at: https://www.marketresearch.com/GlobalData-v3648/Energy-Bars-Bakery-Cereals-Republic-11737761/ (Accessed 2 July 2020).

Market Research Future (2020). ‘Global Nutritional Bar Market Research Report Information by Type (Protein Bars, Meal-Replacement Bars, Snacks Bars, Whole Food Bars), Flavor (Chocolates, Fruits, Peanut Butter, Savory, Spices), Distribution Channel and Region - Forecast till 2023’. Available at: https://www.marketresearchfuture.com/reports/nutritional-bar-market-4867 (Accessed 18 June 2020).

Market Research Future (2017). ‘Nutritional bar market is expected to grow at CAGR of 4.9% from 2017 to 2023’. 30 November. Available at: https://www.marketresearchfuture.com/press-release/nutritional-bar-market (Accessed 20 June 2020).

Mordor Intelligence (2019a) ‘India Energy Bar Market Growth, Trends and Forecasts (2020-2025)’. Available at: https://www.mordorintelligence.com/industry-reports/india-energy-bar-market (Accessed 6 July 2020).

Mordor Intelligence (2019b) ‘Energy Bar Market Growth, Trends and Forecasts (2020-2025)’. Available at: https://www.mordorintelligence.com/industry-reports/energy-bar-market (Accessed 6 July 2020).

My Little Moppet (2018) ’20 Healthy Energy Bars for Kids’ 19 January. Available at: https://www.mylittlemoppet.com/healthy-energy-bars-for-kids/ (Accessed 25 June 2020).

O’Sullivan, A. (2019). ‘Irish Consumers Willing to Pay More for Sustainable Products and Packaging’. *Checkout*. 13 March. Available at: https://www.checkout.ie/retail/irish-consumers-willing-pay-sustainable-products-packaging-72278#:~:text=Packaging%20and%20environmental%20awareness%20is,the%20same%20for%20organic%20food (Accessed 25 June 2020).

PWC (2019). ‘Irish retail and consumer report’. *PW*C. Available at: https://www.pwc.ie/reports/irish-retail-consumer-report-2019.html (Accessed 5 July 2020).

Qualtrics (2019). ‘What is Market Segmentation? Different Types explained’. *Qualtrics*. Available at: https://www.qualtrics.com/au/experience-management/brand/what-is-market-segmentation/?rid=ip&prevsite=en&newsite=au&geo=IN&geomatch=au (Accessed 25 June 2020).

Research and Markets (2019). ‘Nutrition bars Market: Global Industry Analysis, Trends, Market Size, and Forecasts up to 2025’. Available at: https://www.researchandmarkets.com/reports/4825548/nutrition-bars-market-global-industry-analysis#rela1-4856746 (Accessed 20 June 2020).

Research and Markets (2020). ‘United Kingdom Nutritional Bar Market by Product type, Distribution, Channel, Company and Region- Forecast to 2025’. *Globe News Wire*. 31 March. Available at: https://www.globenewswire.com/news-release/2020/03/31/2008981/0/en/United-Kingdom-Nutritional-Bar-Market-by-Product-Type-Distribution-Channel-Company-and-Region-Forecast-to-2025.html (Accessed 20 June 2020).

Research Optimus (2020) ‘Primary market research Methods’. Available at: https://www.researchoptimus.com/article/primary-research-methods.php (Accessed 20 June 2020).

Rundh, N. (2013) ‘Linking packaging to Marketing: How packaging is influencing the Market Strategy’. British Food Journal 115(11). Research Gate. Available at: https://www.researchgate.net/publication/263683659_Linking_packaging_to_marketing_How_packaging_is_influencing_the_marketing_strategy (Accessed 20 June 2020).

The Journal (2020). ‘How protein bars and healthy snacks have muscled their way into sweet counters’. 12 July. Available at: https://www.thejournal.ie/supermarket-sweet-counters-protein-bars-3-4530848-Mar2019/ (Accessed 20 June 2020).

Thiele, A. (2018). ‘PESTEL Analysis- What is it and why do we use it?’ *Andet5*. 15 February. Available at: https://andet5.com/2018/02/pestel-analysis-what-is-it-and-why-do-we-use-it/. (Accessed 20 June 2020).

World Health Organization (2017) ‘Taxes on Sugar Drinks: Why Do It?’ World Health Organization. Available at: https://apps.who.int/iris/bitstream/handle/10665/260253/WHO-NMH-PND-16.5Rev.1-eng.pdf;jsessionid=798C9CEC4A7794C92F6BDF2A24BD4150?sequence=1. (Accessed 20 March 2020).