



Project Report 2

Project Title: Create data-driven strategies to help Conagra unlock future growth potential in the Meat Substitutes category.

BUAN 6337 - Section S24

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Introduction

In Report 1, we explored the dynamic landscape of the meat substitutes market, emphasizing the significant shift towards sustainable food options and the corresponding growth within this segment. The findings highlighted the increasing consumer preference for plant-based diets, driven by both health and environmental considerations. This shift is supported by scientific research linking plant-based diets to lower greenhouse gas emissions and reduced land use compared to traditional meat consumption. Within this evolving market, Conagra Brands has established a notable presence through its Gardein brand, offering a range of meat substitute products that cater to the growing demand for sustainable and health-conscious food options. The analysis of Gardein's market position revealed insights into sales trends, consumer demographics, and competitive landscape, positioning Conagra as a key player ready to leverage opportunities for expansion and innovation in the meat substitutes category.

Building on the foundation laid in Report 1, the objective of Report 2 is to delve deeper into strategic questions and areas for further investigation that could empower Conagra to not only optimize its current offerings but also to accelerate growth within the meat substitutes market. This report aims to identify opportunities for product innovation, market expansion, and enhanced marketing strategies by analyzing sales data, consumer preferences, and competitive dynamics. Through a targeted exploration of these areas, Report 2 seeks to provide actionable insights that will guide Conagra in strengthening its market position, responding to consumer trends, and achieving sustained growth in the rapidly evolving meat substitutes segment.

Report 2 sets a clear direction for further investigation into Conagra's opportunities within the meat substitutes market, we transition to the core analysis and strategic exploration. The next step is to delve into specific areas of inquiry that are instrumental for Conagra to optimize and expand its offerings, especially focusing on the Gardein brand. This transition sets the stage for a series of structured questions and strategic considerations designed to leverage Conagra's current market position and address the evolving consumer preferences and market dynamics identified in Report 1.

Areas of Investigation

To build upon the insights gained, we propose to investigate a range of strategic questions that encompass regional expansion opportunities, penetration strategies across different income segments, the impact of product attributes on sales performance, digital engagement's role in consumer choice, and the enhancement of collaboration with specialized retail sectors. Each question aims to uncover deeper insights into the meat substitutes market

Strategy 1: Regional Expansion Opportunities

Which regions across the United States present expansion opportunities for Conagra's product lines?

Top selling products for all brands across all geographies



Top selling products for Gardein across all geographies



Gardein boasts a solid lineup of plant-based offerings, including high-demand items like "Gardein Frozen Regular Meat Substitute Ground," "Gardein Frozen Regular Meat Substitute Meatball," and "Gardein Frozen Seven Grain Plant-Based Chicken Substitute Tender." These products have

a strong presence across various geographies, underscoring the brand's robust market penetration. However, to amplify growth, especially considering Gardein already includes burgers and sausages in its assortment, the following strategies could be adopted to enhance sales:

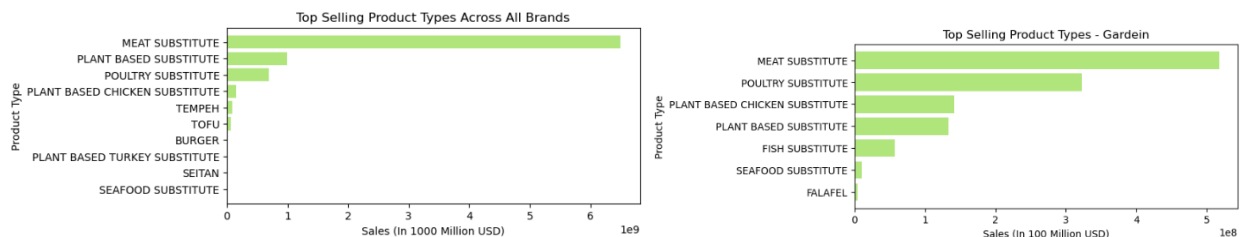
Strategies and Recommendations:

- ✓ **Optimized Product Formulations:** Considering the widespread popularity of burger patties and breakfast sausage patties, Gardein can focus on optimizing these products. This might involve enhancing flavors, textures, or nutritional profiles to stand out against competitors whose products lead in certain regions.
- ✓ **Expansion of Distribution Channels:** Increasing the availability of Gardein's burgers and sausages in high-performing regions can capture more market share. Collaborating with retailers for better shelf placement and visibility can also attract new consumers.
- ✓ **Promotional Activities:** Implement in-store promotions, discount offers, or bundle deals to encourage trial among new customers and increase repeat purchases among existing ones.
- ✓ **Product Line Extensions:** Create variations of the existing burger and sausage products to cater to regional tastes, such as limited-time flavor offerings or regionally inspired recipes.
- ✓ **Data-Driven Insights:** Leverage sales data to identify which burger and sausage varieties are performing best and double down on those SKUs with increased production and marketing focus.

Strategy 2: Correlation Between Product Attributes and Sales Performance

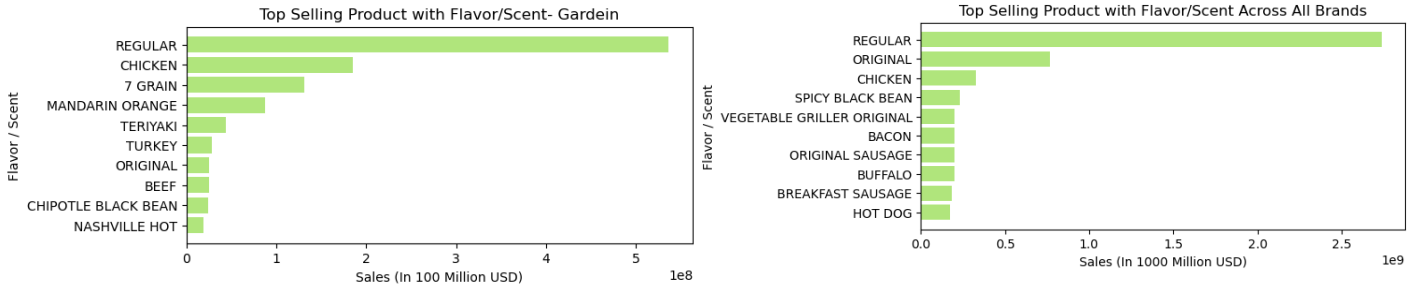
Which product attributes (form, flavor/scent, type of meat substituted) are most strongly correlated with high sales performance?

○ **Product attributes: Product type**



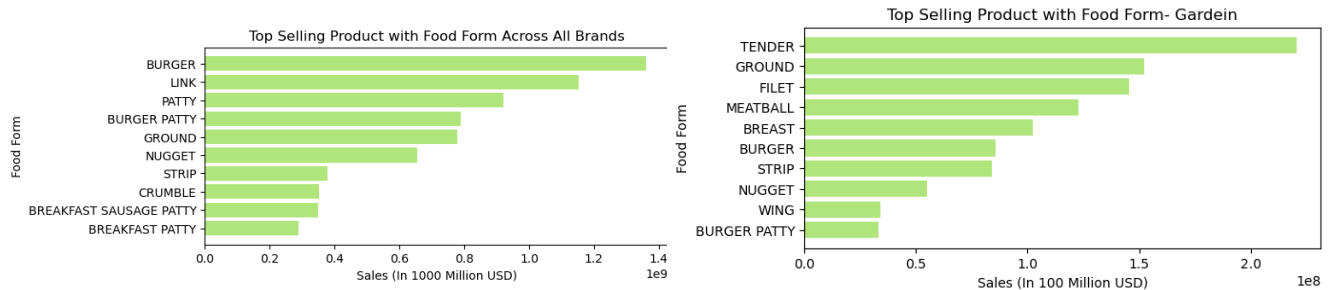
The charts indicate that 'meat substitute' is Gardein's leading product type, mirroring the broader market trend. However, Gardein's presence in the 'tempeh' and 'tofu' categories is not visible, despite these being popular among other brands. To capitalize on the market's interest, Gardein should consider expanding its product line to include tempeh and tofu offerings. This could cater to a broader consumer base, including those seeking variety in plant-based options. Strategically, aligning Gardein's product portfolio with market trends can help capture additional market share and diversify consumer choice within their brand.

○ Product attributes: Flavor/Scent



The charts show 'Regular' as the leading flavor for both all brands and Gardein, indicating a strong market preference. Gardein could expand its 'Original' product line to capitalize on this trend. 'Spicy Black Bean' and 'Vegetable Griller Original' also perform well across all brands; thus, Gardein should consider enhancing these flavors in its portfolio. Emphasizing these popular flavors could attract a wider customer base and strengthen Gardein's market position against competing brands.

○ Product attributes: Form



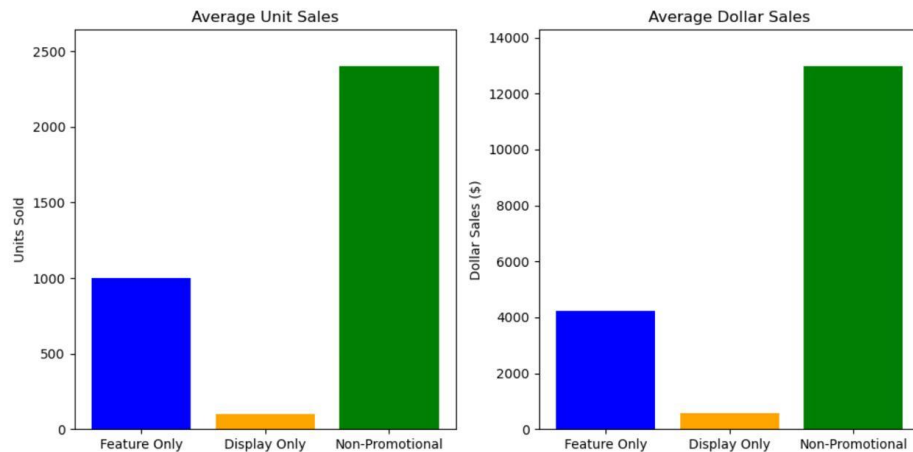
From the charts, 'Burgers' are the top-selling form for both all brands and Gardein, indicating a strong market preference. 'Links' and 'Patties' also show good performance across the market. Gardein should focus on expanding and innovating within these forms, potentially introducing new flavors or health-focused variations to capture additional market segments. Emphasizing these popular forms in marketing and product development can consolidate Gardein's presence in the meat substitute sector.

In conclusion, Gardein should extend its offerings in 'tempeh' and 'tofu,' capitalize on the demand for 'Regular' flavor by expanding its 'Original' line, and further innovate within the 'Burger', 'Link', and 'Patty' forms to enhance market share. These moves, aligned with current market trends, could attract a broader customer base and solidify Gardein's position in the competitive plant-based sector.

Strategy 3: Promotional Impact Analysis on Sales performance

How do different types of promotions impact sales performance and price sensitivity, and how can the company strategically optimize its promotional mix to maximize sales uplift while maintaining a balanced approach that minimizes over-reliance on promotions?

We Investigate how different types of promotions (feature, display, special pack) impact sales and price sensitivity. This involves comparing sales volumes and price points during promotional periods versus non-promotional periods.



Insights:

- ⇒ **Feature Promotions Drive Significant Sales Uplift:** Feature promotions result in a substantial increase in unit, volume, and dollar sales compared to display-only promotions and non-promotional periods, indicating that customers respond strongly to featured products.
- ⇒ **Limited Impact of Display-Only Promotions:** Display-only promotions show a lesser impact on sales metrics, suggesting that they may not be as effective in driving customer purchase behavior compared to feature promotions.
- ⇒ **Balanced Strategy Needed:** Non-promotional sales still account for a significant portion of overall sales, indicating the importance of adopting a balanced promotional strategy that does not overly rely on promotions.
- ⇒ **Potential for Special Pack Promotions:** The absence of data on special pack promotions suggests either a lack of such promotions or negligible impact, highlighting an area for further investigation and potential opportunity for diversification in the promotional mix.

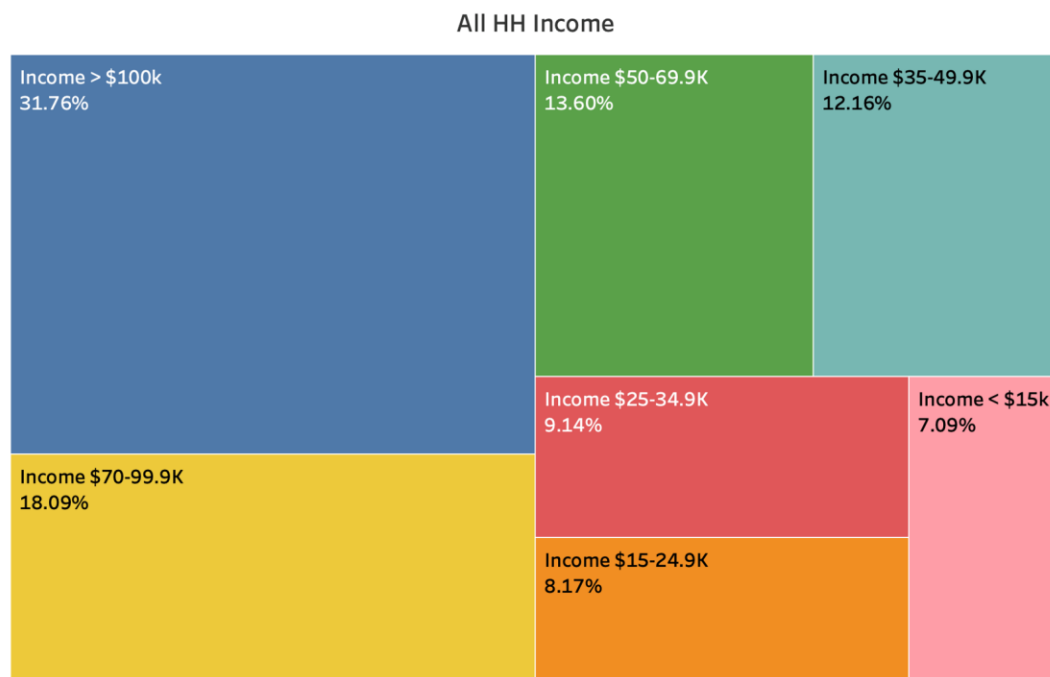
Strategies and Recommendations:

- ✓ **Diversify Promotional Strategies:** Incorporate a mix of feature, display, and potentially special pack promotions to cater to different customer preferences and behaviors.

- ✓ **Optimize Promotional Timing and Frequency:** Ensure promotions are timed to coincide with peak buying periods and avoid over-reliance on promotions by strategically integrating them with regular pricing.
- ✓ **Enhance Display Effectiveness:** Improve product visibility, placement, and signage for display-only promotions to increase their impact on sales.
- ✓ **Customer Segmentation and Targeting:** Segment customers based on preferences and purchasing behavior to tailor promotional strategies and maximize relevance and effectiveness.
- ✓ **Continuous Monitoring and Evaluation:** Implement a robust system for real-time monitoring and evaluation of promotional performance, conducting regular A/B testing and experimentation to optimize tactics and identify opportunities for improvement.

Strategy 4: Market Penetration in Different Income Segments:

How can Gardein broaden its appeal and increase consumption among lower-income households without diluting its brand value in the eyes of its core higher-income consumers?



From this data, we can infer that Gardein products have a strong appeal among higher-income households. This could be due to various factors such as pricing, product placement, consumer lifestyle choices, brand perception, and availability.

Strategies and Recommendations:

- ✓ **Price Sensitivity:** Understanding the price sensitivity of lower-income segments and considering pricing strategies that could make the products more accessible to them, such as smaller pack sizes or value offerings.

- ✓ **Distribution Channels:** Expanding into stores frequented by lower-income consumers, which might not currently stock Gardein products.
- ✓ **Marketing and Branding:** Crafting marketing campaigns that resonate with lower-income households, emphasizing the value and nutritional aspects of the products.
- ✓ **Product Development:** Introducing new products or variations tailored to the preferences and needs of lower-income consumers.
- ✓ **Promotional Offers:** Leveraging discounts, coupons, and promotions to encourage trial among lower-income consumers.

By addressing the needs and preferences of lower-income consumers while maintaining the qualities that attract higher-income consumers, Gardein could potentially increase its overall market share and strengthen its brand across the income spectrum.

Strategy 5: The Influence of Digital Engagement on Consumer Choices

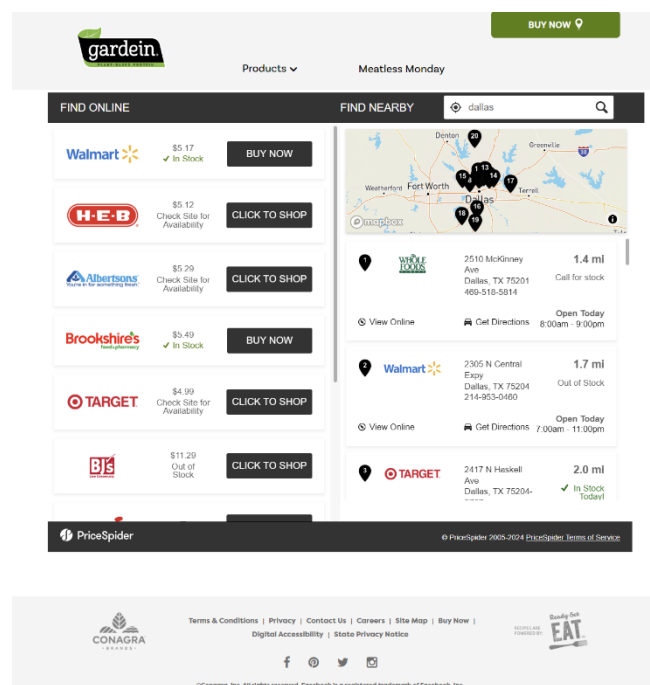
What role does digital engagement play in influencing consumer choices in the meat substitutes category, and how can Conagra enhance its online presence to drive sales?

In the rapidly evolving food industry, having a direct online sales channel can be a significant competitive advantage, particularly for brands like Gardein in the meat substitute category. While Gardein currently leverages third-party retailers like Walmart for its online distribution, the absence of its own e-commerce platform represents a missed opportunity for direct customer engagement and sales. Developing an exclusive online purchasing portal could not only streamline the customer experience but also offer valuable data insights, enhance brand loyalty, and potentially increase profit margins by cutting out intermediary costs.

To boost online sales through Gardein's own website, Conagra can implement several strategies to create a direct-to-consumer channel that offers convenience and strengthens brand loyalty.

Strategy and Recommendations:

- ✓ **Launch an E-commerce Platform:** Develop Gardein's website into a fully functional e-commerce platform, allowing consumers to purchase products directly.



- ✓ **Exclusive Online Products:** Offer special products or bundles only available through the Gardein website to entice consumers to shop directly.
- ✓ **Subscription Services:** Introduce subscription-based purchasing options for regular deliveries of favorite Gardein products.
- ✓ **Loyalty Programs:** Create a loyalty program that rewards repeat customers with discounts or exclusive content, encouraging continual direct purchases.
- ✓ **Digital Advertising:** Use targeted digital ads to drive traffic to Gardein's online store, focusing on the convenience and exclusivity of buying direct.
- ✓ **Seamless Integration:** Ensure the website offers a seamless, user-friendly purchasing experience, with high-quality product imagery, easy navigation, and fast checkout.

By prioritizing a shift towards a direct-to-consumer model, Conagra can increase Gardein's market share in the meat substitutes category and cultivate a more direct relationship with their customers.

Strategy 6: Enhancing Collaboration with Health-Focused Retailers

How can Conagra Brands enhance its collaboration with vegetarian/organic and health-focused grocery stores to bolster the market presence and visibility of Gardein's frozen meat substitutes through co-branded marketing efforts and in-store promotions?

Strategies and Recommendations:

Retail Branding Partnership: Establish branding partnerships with health-conscious grocery stores to create dedicated Gardein sections within the frozen aisle, emphasizing the brand's alignment with health and sustainability.

- ✓ **In-Store Promotions:** Launch in-store promotions such as discounts, buy-one-get-one-free offers, or bundled deals specifically in vegetarian and health-focused stores to drive sales.
- ✓ **Co-Marketing Campaigns:** Develop joint marketing campaigns with retail partners, combining online and offline advertising efforts to highlight the availability of Gardein products in these select stores.
- ✓ **Sampling Stations:** Set up branded sampling stations in partner stores, allowing customers to taste Gardein products and engage with the brand directly.
- ✓ **Loyalty Incentives:** Work with retailers to include Gardein products in their loyalty programs, offering points or rewards for repeat purchases.
- ✓ **Exclusive Retailer Products:** Introduce special product lines or limited-edition flavors exclusive to partner health-focused grocery stores to create a sense of exclusivity and buzz.

By focusing on these strategies, Conagra can capitalize on the growing demand for frozen plant-based options and forge stronger connections with consumers through health-oriented retail environments.

Summary and Strategy:

In conclusion, the findings presented in this report underscore the significant opportunities for Conagra Brands, particularly through its Gardein line, within the burgeoning meat substitutes market. By leveraging data-driven insights and strategic considerations, Conagra can effectively navigate the evolving landscape, optimize its offerings, and capitalize on emerging trends to unlock future growth potential.

The analysis has highlighted several key strategies for Conagra to consider:

- **Regional Expansion:** Identifying and capitalizing on growth opportunities in different regions across the United States through optimized product formulations, expanded distribution channels, and strategic promotional activities.
- **Product Innovation:** Aligning Gardein's product portfolio with consumer preferences by expanding into popular categories such as tempeh and tofu, enhancing flavors, and innovating within top-selling forms like burgers.
- **Promotional Optimization:** Developing a balanced promotional mix that maximizes sales uplift while maintaining a strategic approach to pricing and timing, thereby avoiding over-reliance on promotions.
- **Market Penetration:** Broadening Gardein's appeal across income segments through pricing strategies, distribution channel expansion, targeted marketing campaigns, product diversification, and promotional offers.
- **Digital Engagement:** Harnessing the power of digital platforms to drive online sales, enhance customer engagement, and cultivate brand loyalty through the launch of an e-commerce platform, exclusive offerings, subscription services, targeted advertising, and seamless integration.
- **Collaborative Partnerships:** Strengthening collaborations with health-focused retailers to increase visibility and market presence through co-branded marketing efforts, in-store promotions, sampling initiatives, loyalty incentives, and exclusive product offerings.

By implementing these strategies, Conagra can position itself as a leader in the meat substitutes category, meeting the evolving needs and preferences of consumers while driving sustained growth and profitability. With a proactive and data-driven approach, Conagra is well-equipped to navigate the complexities of the market and emerge as a key player in the plant-based food revolution.