

## PILLSBURY COOKIE CHALLENGE

### 1) Possible business problem, and marketing problems/hypotheses for the case study:

The underperformance of the refrigerated baked goods (RBG) industry, particularly in the refrigerated cookie product line, the most lucrative subset within the category, is the company's main issue. Particularly, volume growth over the last years has been stagnant, and home penetration has decreased to a five-year low.

To address this business problem, the marketing team might consider using the primary research framework to develop insights into the underlying marketing problems and hypotheses that might be responsible for the performance issues in the cookie segment. Some possible marketing problems/hypotheses that could be investigated through primary research might include:

1. **Problems with taste or formula:** It's possible that buyers are dissatisfied with the cookies' taste or composition. The marketing team could run taste tests or surveys to get feedback from present and potential customers in order to test this theory.
2. **Brand messaging problems:** Another conceivable explanation is that customers are not responding favorably to the Pillsbury brand message. The marketing team could run focus groups or surveys to learn more about how customers view the Pillsbury brand and what they link it with in order to test this theory.
3. **Advertising challenges with consumer targeting:** It's possible that the current cookie advertising effort isn't successfully reaching the correct audience. To learn more about how customers are reacting to the present advertising campaign and what kinds of messaging and media channels would be more successful in reaching the target population, the marketing team could conduct surveys or focus groups.

The marketing team may better understand the underlying difficulties and create targeted plans to boost the performance of the cookie segment and the broader RBG business by using the primary research framework to look into these and other potential marketing problems/hypotheses.

### 2) Using case facts, validation of the hypotheses 4-P, STP, and 3-C analyses:

The 4-P analysis includes four key components: Product, Price, Place, and Promotion.

1. **Product:** The product being analyzed is refrigerated cookie dough. It is a ready-to-bake dough that comes in various flavors and sizes. The product is convenient for consumers who want to bake fresh cookies without the hassle of measuring and mixing ingredients. The product has a long shelf life and can be easily stored in the refrigerator.
2. **Price:** The price of refrigerated cookie dough varies depending on the brand, flavor, and size of the product. It is generally priced higher than traditional dry cookie mixes but lower than gourmet baked goods. The price point of refrigerated cookie dough is a key factor that affects consumer purchase decisions.
3. **Place:** Refrigerated cookie dough is sold in grocery stores and supermarkets, both offline and online. The product is usually placed in the refrigerated section of the store near other baking items, such as eggs and butter. The placement of the product is crucial for visibility and accessibility.
4. **Promotion:** Promotion for refrigerated cookie dough includes advertising, in-store displays, and coupons. Advertising usually highlights the convenience and quality of the product. The in-store displays showcase the product's various flavors and sizes, while coupons offer discounts to entice consumers to purchase the product. Social media and influencer marketing can also be effective promotional strategies.

Overall, the 4-P analysis helps to identify key factors that affect the success of refrigerated cookie dough in the market.

**STP Analysis:**

**Segmentation:** The case mentions that the RBG team conducted in-home visits with both brand champions and lapsed users and found that they had a lot in common. The team also conducted a discovery workshop with current and lapsed users, which provided further insights into the lives of cookie bakers. Based on this information, it can be inferred that Pillsbury RB cookies could be targeted towards both brand champions and lapsed users, who are both devoted mothers concerned about their children's well-being.

**Targeting:** Given that both brand champions and lapsed users have similar concerns, Pillsbury RB cookies could be positioned as a convenient way to create special moments with family and friends.

**Positioning:** The case suggests that baking Pillsbury RB cookies creates emotional warmth and well-being, and that using a Pillsbury product can transform an ordinary meal into something special. Based on these insights, Pillsbury RB cookies could be positioned as a way to make special moments and create emotional connections with loved ones.

Overall, based on the STP analysis, there are clear opportunities to target Pillsbury RB cookies towards both brand champions and lapsed users, positioning it as a way to create special moments with loved ones.

**3-C Analysis:**

1. **Customers:** Based on the in-home immersions and discovery workshop, it can be inferred that customers who purchase Pillsbury RB cookies are primarily mothers who are concerned about their children's well-being and want to create special moments with family and friends.
2. **Competition:** The case does not provide explicit information about Pillsbury's competition, but it can be assumed that there are other brands of cookie dough and pre-made cookies available in grocery stores and supermarkets.
3. **Company:** Pillsbury RB cookies are a product of General Mills, a large multinational food company. Based on the case, it appears that the RBG team is invested in improving the marketing strategy for Pillsbury RB cookies.

Overall, based on the 3-C analysis, there is an opportunity to leverage the emotional connections that customers have with Pillsbury RB cookies to differentiate the product from competitors and increase market penetration.

### **3) The key perceived benefits of Refrigerated Cookie Dough products among consumers and that are NOT being used/leveraged/appropriately highlighted in the current communication:**

The key perceived benefits of refrigerated cookie dough products among consumers include:

1. Convenience: Refrigerated cookie dough is seen as a convenient option for consumers who don't have the time or expertise to bake cookies from scratch. It saves time and effort and allows consumers to have fresh cookies in a matter of minutes.
2. Quality: Refrigerated cookie dough is perceived to offer the same quality as homemade cookies. Consumers trust the brand and believe that the dough is made with high-quality ingredients and recipes.
3. Versatility: Refrigerated cookie dough can be used to make a variety of cookie types, such as chocolate chip, oatmeal, and peanut butter. This offers consumers a range of options and allows them to customize their cookies according to their preferences.
4. Portion Control: Refrigerated cookie dough offers portion control to consumers. They can bake as many cookies as they need and store the remaining dough for later use.
5. Freshness: Refrigerated cookie dough offers a fresher alternative to pre-packaged cookies. Consumers can enjoy warm, fresh-baked cookies straight from the oven.

Of these benefits, it appears that the convenience and versatility of refrigerated cookie dough products are currently being highlighted in the communication. However, the benefits of portion control and freshness could be leveraged more effectively in marketing efforts. Additionally, if the product is made with high-quality ingredients, this benefit could also be emphasized to differentiate the product from competitors.

### **4) Appropriate research kind adopted for research questions and hypotheses generated earlier:**

Guillen and Pasato agreed to conduct Canadian-specific research, to gain a better understanding of Canadian consumers. They came up with a usage and attitude study on cookie consumers as the best option to evaluate consumer results. In the process of usage and attitude study, factors such as frequency of product purchase and use, desirable attributes in products, and product strengths and weaknesses were considered. Also, insights and highlights about the brand strength in the marketplace, potential new product ideas, and areas where a product can be improved or repositioned can be taken. However, the specific objective of the study was to leverage and unlock the growth of the Canadian consumer market.

The MarketTools research company used Screeners as a medium for identifying participants, surveyed, and got results by categorizing them into “Users”, “Non-users”, and “Lapsed users”.

The Usage and Attitude study results in the report confirmed the earlier hypothesis of product offerings, family structure, and consumer demographics in the United States that were similar to Canada as well. Through this study, results about impulsive cookie dough purchases~ increased usage of refrigerated cookie dough, specifically among households and kids, and the frequency of RGB cookie baking in the United States and Canada were also found to be similar. Additionally, insights mentioning a larger preference for scratch baking in Canada were also discovered.

Overall, the market research study planned by Guillen and Pasato turned out to be a better initiative for clearing earlier assumed questions and justifying hypotheses such as user demographics in the United States and Canada.

## **5) Actionable recommendations for the company based on the findings of quantitative study:**

1. [Source: Exhibit 6]: We see that Scratch users are the most common category for baking methodology among the selected sample in Canada. To make the purchase intent increase specific to Scratch users, offering a free trial or sample of the cookie dough and providing social proof of good comments could lead to a hike in the driving purchase for the company. Scratch users are users who have no prior experience with the product and creating targeted marketing campaigns such as social media marketing based on demographics and interest is well-suitable.
2. [Source: Exhibit 7]: We see that Refrigerated users is the most common category for baking methodology among the selected sample in the United States. Refrigerated users are users who have bought the company's product at least once but have not continued to do so. To make the customers keep engaged with the company, providing personalized recommendations for each customer based on purchase history and incentivizing discounts and rewards could boost the purchasing performance.
3. To make the baking mix users score higher, who are neutral with the purchasing intent in both Canada and the United States, establishing product versatility and collaborating with influencers will lead to a better output. Since the taste and pace metrics of the cookie perform almost similarly and yield better output in Canada and the United States (Exhibit 7), there is no need for change in internal formulation or ingredients.
4. As the kids' involvement and activity with Pillsbury are more interactive, more promotional gifts and toys can be supplied to increase the purchasing drive.
5. To make the quality of cookie dough more valuable in Canada, ads representing more reliable and real ingredients can be shown to grasp consumers' attention and make them believe in the quality.

## **6) Qualitative research, insights, and research findings:**

The company did two qualitative research to gain a better understanding of consumer perceptions, beliefs, and feelings toward Pillsbury RBG cookies. They are mentioned as In-Home Immersion Visits (ethnography studies) and discovery workshops. [Source: P7.2, P7.3]

Yes, as marketing research students, we were able to find some good aspects of the qualitative study design. The notable one is carrying out four two-hour in-home visits with two lapsed users and two brand champions. This focused group discussion study with four separate sessions and two guidelines is a sign of a good qualitative research design. Also, the discovery workshop taking place in a comfortable naturalistic setting to allow participants to share accurate representations of their experiences is an appreciable one. The in-depth exploration and flexibility of researchers and participants make the qualitative study valuable.

Of all the insights generated from qualitative research, the two research findings that are considered important for the case are:

1. The baking experience fed the senses and memories with happy moments: The sensory experiences and emotional connections associated with baking can create powerful memories that are often associated with happy moments. It helps with a better reach and as a non-paid marketing.
2. Cookies that are made especially for sharing and giving: Overall, cookies are particularly special because they have a unique ability to bring people together. Whether they are made for sharing or given as a gift, cookies are a delicious and meaningful way to show appreciation, create connections, and spread joy. Through this, consumer satisfaction is achieved.

## **7) Non-users and responses:**

Exhibit 8 of the case shows that non-users of refrigerated dough respond differently from users and heavy users. Particularly, non-users rate less favorably than users and heavy users in terms of perceived quality, taste, and usability. Additionally, they perceive the difficulty of preparing cookies from scratch more highly.

Non-users' varied replies could be due to a number of factors. It's probable that non-users have no experience with the Pillsbury refrigerated dough and may have never tried it is one explanation. They might therefore place more emphasis on perceptions and beliefs, which things like brand reputation, advertising, and word-of-mouth may influence. Furthermore, non-users could have various requirements, interests, and attitudes as compared to Users and Lapsed Users

## **8) Three options to increase cookie performance are: increase frequency of purchase, increase penetration (i.e., get new users), or increase both. Comparisons.**

We understand the below from the data from the case study-

- i) We realize that a higher percentage of Canadians (56%) bake from scratch and only 36% from refrigerated goods.
- ii) In Canada, Kid requests for refrigerated cookies was lower than the US
- iii) Quality was also perceived to be lower than in the US
- iv) Household penetration has fallen by 24%
- v) Annual Volume growth increased by just 1% over the past few year
- vi) Pillsbury has 85% market share in Refrigerated baked goods in Canada
- vii) 79% respondents believe that the RBG cookies are easy to make

Let us compare the different options

1. Increasing Frequency of Purchases- Ie. Increasing number of times users purchase from Pillsbury  
From the above information, we understand that Pillsbury has 85% market share which is very high. Which means people buying RBGs are mostly buying pillsbury and it will be harder to increase this percentage. Therefore, there may be limited room for further increasing purchase frequency among existing users.
2. Increasing Penetration - We see that only 36% of users bake from RBGs. We see a large potential of 74% of people who we can influence to start using RBGs. We also see that non-users have a higher perception of the hassle involved in making cookies from scratch, suggesting that they may be more receptive to trying refrigerated dough if they are made aware of its benefits. And as we know that Pillsbury has 85% market share, we can be sure that a majority of new users will definitely stick with Pillsbury.
3. Increasing Both - This could be an option but, it could require a substantial expenditure in advertising and promotion. Increase in frequency of purchase might not see a huge change but the increasing user penetration might.

As a result, given the case facts, it appears that expanding penetration is the most practical way to improve cookie performance because it has the potential to generate large growth while not necessarily requiring a sizable investment.

**9) Highlights for a new TV advertisement for Pillsbury Refrigerated Cookies Canadian target group.**

1. Easy to Use and Saves a ton of Time: Because we are mainly targeting new users, we want to differentiate between cookie baking from scratch and RBG. RBGs are extremely time-saving. We want to stress on, the taste as well. The cookie always tastes fantastic,, cause it has been measured and added in the mix, saving you so much time as well as stress going into purchasing different ingredients as well as measuring and adding the right amount
2. Healthy and Tasty: Emphasize that it's made with the best ingredients, as our major consumers are mothers and they are very keen on providing the best ingredients for children. They are not only healthy, they are very tasty, crunchy, buttery and loved by kids
3. Customizable: Each cookie can be in different shapes and forms, making it fun for the children as well as to bake it. They are also in different types such as chocolate chip, oatmeal, and peanut butter