



# PRINGLES MARKETING PLAN

Kim Kato

Rebecca Kroseberg

Michelle Long

Mariela Roman

Megan Vendette

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# NEW PRODUCT DESCRIPTION



# DESCRIPTION

- ▶ Our new product will be Pringles Savory Sauces. This easy to use, convenient, and great tasting product will be the perfect and most delicious addition to your favorite Pringle chip. You can choose from Spinach & Artichoke, Cheddar Cheese, Ranch, or French Onion flavors that accompany any preexisting Pringle chip flavor. Our Savory Sauces will have the competitive advantage of featuring an easy pour lid that serves as a no mess, no broken chip alternative to standardized glass jar dips.



# COMPETITIVE STRATEGY

- ▶ Differentiation
  - ▶ Convenience & Features (Easy Pour Nozzle)
  - ▶ Packaging
  - ▶ Quality



# SITUATIONAL ANALYSIS





# SWOT

## Strengths

- Strong brand recognition
- High market share
- Experienced management team
- Continuous R & D
- Diverse product line
- Creativity of packaging and flavors

## Weaknesses

- Large company- can loose focus or have conflicting problems
- Positioning focused on teenagers only

## Opportunities

- Growing demand for convenience food products
- Growing demand for Pringles in the international market
- Growing demand for chip accompaniments

## Threats

- Saturated market
- Easy market entry for competitors
- Strong competition
- Technology advances making current products old news



# COMPETITOR ANALYSIS



# IDENTIFYING COMPETITORS - INDUSTRY POINT OF VIEW -

- ▶ Main competition
  - ▶ Frito-Lay – Targeting same segment of consumers
- ▶ Dean's Dip
- ▶ Heluva Good Dip
- ▶ TGIF (Friday's)



# IDENTIFYING COMPETITORS - MARKET POINT OF VIEW -

- ▶ Private label brands, as well as dips/salsas found in the “produce” section
- ▶ Any snack food that satisfies the need or want of the consumer



# STRATEGIC GROUP

- ▶ Pringles will follow a similar strategy as Frito-Lay
  - ▶ Strategy used: (55% of market share)
    - ▶ Target multiple segments to ensure consumer satisfaction
    - ▶ Promise: The belief that we can all benefit from doing good. From going the extra mile today to using the highest quality ingredients and taking small steps to make food more convenient we can make a big difference tomorrow
    - ▶ We continue to innovate so we can provide tasty products that are good as well as fun. We've had a lot of good times along the way, and we'll continue that as we look to the future
  - ▶ Frito-Lay was chosen because Pringles targets the same group of consumers as Frito-Lay, and satisfies the same needs



# TWO STRENGTHS OF COMPETITORS

- ▶ Frito-Lay
  - ▶ All - have multiple product lines to target men, women, kids, teens, ethnic groups, health conscious consumers, heavy snackers, etc.
  - ▶ High market share, large budget for R&D and advertising
- ▶ Dean's Dip
  - ▶ Families, adults
  - ▶ Can be used on chips or vegetables, comes in wide variety of flavors
- ▶ Heluva Good Dip
  - ▶ All - multiple product lines/extensions, dips, hard & shredded cheese, cocktail sauce, sour cream
  - ▶ Gluten free, also have condiments and hard cheese
- ▶ TGIF
  - ▶ Customers who want the same restaurant taste in the convenience of their home. Also young adults, and families
  - ▶ Great brand - strength from restaurant and great for parties



# TWO WEAKNESSES OF COMPETITORS

- ▶ Frito-Lay
  - ▶ Internal price wars and cannibalization
- ▶ Dean's Dip
  - ▶ Not distributed in all parts of the U.S., and some states only use grocery stores in distribution channels
- ▶ Heluva Good Dip
  - ▶ Not available in all parts of the U.S., not distributed in all channels (convenience stores, mass merchants)
- ▶ TGIF
  - ▶ not ready to eat, not a large flavor variety



# CUSTOMER ANALYSIS





# TARGET MARKET

- ▶ Socioeconomic Characteristics
  - ▶ Gender – Male & Female
  - ▶ Age – Teenagers (13-19 years)
  - ▶ Occupation - Students
  - ▶ Income – N/A
  - ▶ Education – High School
- ▶ Behavioral Variables
  - ▶ Benefits Sought – good tasting & satisfies hunger
  - ▶ Usage Rates – heavy users
  - ▶ Lifestyles - hedonistic



# CHARACTERISTICS OF TARGET MARKET

- ▶ Socioeconomic Characteristics
  - ▶ Gender – Male & Female (Teenagers of both genders eat chips)
  - ▶ Age – Teenagers (like snack food, not health conscious, have purchasing power)
  - ▶ Occupation – Students (need a quick alternative for a busy lifestyle on the go)
  - ▶ Income – Low to Medium Income (Pringle's dip is cheap enough to purchase on a Teenager budget, parents can purchase it for their kids). High price vs. competition but can be purchased on a low to medium budget
  - ▶ Education – High School (attend parties, heavy users, and need a dip to go with their favorite chip)



# SEGMENT PROFITABILITY

- ▶ Myth: Traditional advertising doesn't resonate with teens
- ▶ Reality: Once an ad breaks through the clutter, teens are much more likely to "like" an advertisement than their older counterparts (Nielsen, 2009)
  
- ▶ Myth: Avid commercial skippers, teens favor the DVR
- ▶ Reality: Teens prefer their TV live (Nielsen, 2009)
  
- ▶ Myth: The silver screen is too old-fashioned and expensive for today's teens
- ▶ Reality: Teens go to the movies more than any other age group (Nielsen, 2009)



# SEGMENT PROFITABILITY

- ▶ Myth: Teens use the Internet in wildly different ways than adults
- ▶ Reality: Teens flock to many of the same categories and sites as adults (Nielsen, 2009)
  
- ▶ Myth: Teens are abandoning TV for new media
- ▶ Reality: Wrong. They're watching more TV than ever (Nielsen, 2009)
  
- ▶ Census Information
  - ▶ Population 15-19 years old – 21,524,504 Total
  - ▶ Male – 11,066,879
  - ▶ Female – 10,475,625

(U.S. Census Bureau, 2005-2009)



# TARGET MARKET MEDIA HABITS

<b>TV</b> 3 hours 20 minutes	<b>PC</b> 52 minutes including applications	<b>Mobile Voice</b> 6 minutes	<b>Video on an MP3 Player</b> 1 in 4 watched
<b>DVR</b> 20 minutes	<b>Internet</b> 23 minutes	<b>Text Messages</b> 96 sent or received	<b>Audio Only MP3 Player</b> 1 in 2 used
<b>DVD</b> 17 minutes	<b>Online Video</b> If they watched, then 6 minutes	<b>Mobile Video</b> If they watched, then 13 minutes	<b>Newspaper</b> 1 in 4 read
<b>Console Gaming</b> 25 minutes	<b>PC Games</b> 1 in 10 played, today	<b>Mobile Web</b> 1 in 3 used	<b>Movie Theater</b> Went once in the past 5 weeks

(Nielsen, 2009)



# MARKETING MIX STRATEGY



# POSITIONING STATEMENT

- ▶ For teenage high school students who want a delicious, mess-free alternative to traditional dipping sauces, Pringles Savory Sauce is a premium-priced chip dip that offers a mess-free, great-tasting experience.



# PRODUCT STRATEGY

## - UNIQUE SELLING PROPOSITION -

- ▶ A traditional dip has many inconveniences:
  - ▶ Chips often break in traditional dips
  - ▶ Large, round, and glass containers are awkward to transport and pose a possibility for leaks and shattering
  - ▶ Wide mouthed jars make dipping chips risky to germs from 'double-dippers' and contamination from other external environmental factors
- ▶ Pringles Savory Sauce has many CONVENIENCES:
  - ▶ Mess free due to its easy pour top
  - ▶ Great-tasting experience
  - ▶ High Quality





# PRODUCT STRATEGY

## - MAIN FEATURES -

- ▶ 4 Flavors: Cheese, Ranch, Spinach & Artichoke, and French Onion
  - ▶ Fresh, quality ingredients
- ▶ Family-Size Serving (9 oz.)
- ▶ Single-Size Serving (3.5 oz.)
- ▶ Bright colorful label with Pringles brand name
- ▶ Plastic bottle base with rectangular nozzle



# PRODUCT STRATEGY

## - MAIN FEATURES -



# PRODUCT STRATEGY

## - REFLECTING POSITIONING -

- ▶ Differentiation:
  - ▶ Convenience - Easy to use, no-mess, easy pour bottle
  - ▶ Quality ingredients
- ▶ 'Julius Pringles' logo will appear consistently on Pringles Savory Sauces
- ▶ Colors used on packaging: red and yellow
- ▶ “The hippest anywhere, anytime easy pour sauce that will rock your taste buds and groove with your favorite chip: Pringle’s most radical lick!”



# PRICING STRATEGY

- ▶ Skimming Pricing Strategy
  - ▶ Pringles Savory Sauces needs to be differentiated and perceived as a higher quality product in comparison to competitors because of the unique packaging and different flavors offered
  - ▶ Pringles Savory Sauces will be positioned in the market as a more convenient packaged and better tasting dip
  - ▶ Because we are following a differentiation strategy, we are charging higher prices



# PRINGLES PRICING VS. COMPETITION

Brand	Price
Lays French Onion Dip	\$3.49
Lays Smooth Ranch	\$3.49
Tostitos Smooth and Cheese	\$3.49
Tostitos Salsa Con Queso	\$3.49
Tostitos Cream Spinach Dip	\$3.49
Tostitos Chunky Salsa	\$2.99
<b>Pringles Savory Sauce</b>	<b>\$3.99</b>



# PROMOTION STRATEGY

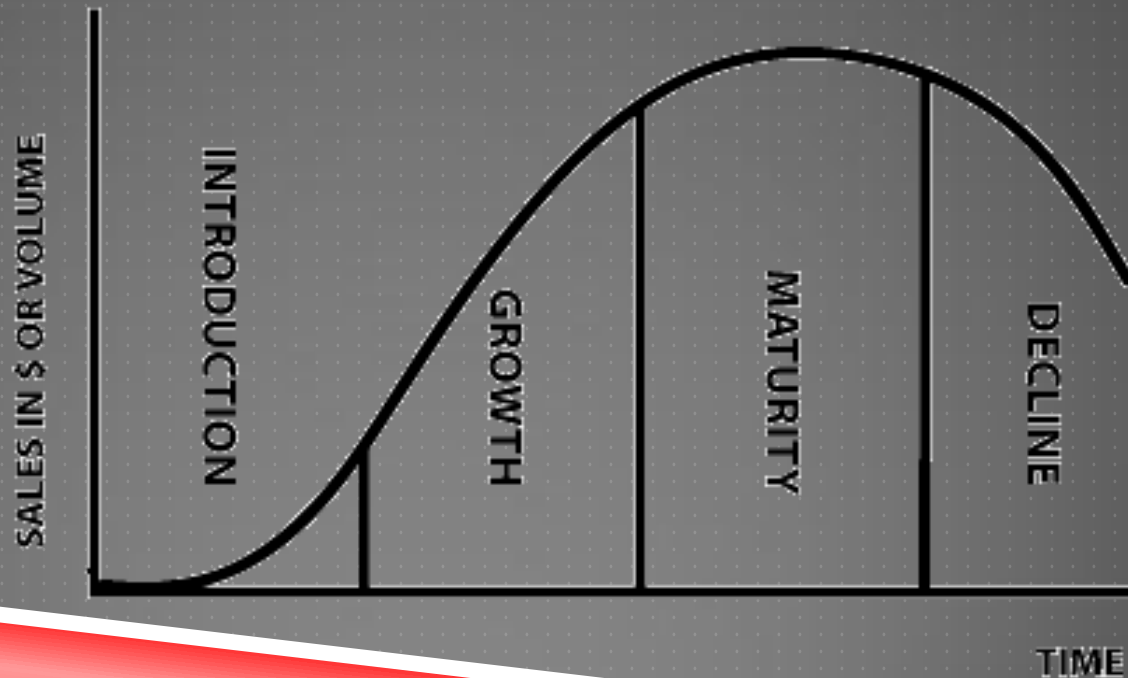
## - KEY MESSAGES/THEMES -

- ▶ Key Messages
  - ▶ Convenient Packaging
  - ▶ Great Taste
- ▶ Tone and Manner
  - ▶ Musical, fun, and upbeat
  - ▶ Pringles will use this tone because we are targeting teenagers. This will get their attention, and relates to original Pringles ads



# PROMOTION STRATEGY - CREATIVE WORK PLAN -

- ▶ Promotion Objective
  - ▶ Raise awareness of the new brand extension among current customers within a six month period
  - ▶ Encourage awareness & trial through sales promotions



# PROMOTION STRATEGY - CREATIVE WORK PLAN -

- ▶ Communication Target
  - ▶ Communicating with users (teenagers ages 13 to 19 years old)
  - ▶ Communicating with buyers (mothers)





# DIFFERENTIATING SELLING PROPOSITION

- ▶ Convenient packaging & great taste!



# PROMOTION STRATEGY

## - MEDIA TO BE USED -

	NBC	CBS	FOX	MTV	NICK
MONDAY	3PM – 6PM	3PM – 6PM	3PM – 6PM	3PM – 6PM	3PM – 6PM
TUESDAY	3PM – 6PM	3PM – 6PM	3PM – 6PM	3PM – 6PM	3PM – 6PM
WEDNESDAY	3PM – 6PM	3PM – 6PM	3PM – 6PM	3PM – 6PM	3PM – 6PM
THURSDAY	3PM – 6PM	3PM – 6PM	3PM – 6PM	3PM – 6PM	3PM – 6PM
FRIDAY	3PM – 6PM	3PM – 6PM	3PM – 6PM	3PM – 6PM	3PM – 6PM
SATURDAY	9AM – 2PM & 6PM – 9PM	9AM – 2PM & 6PM – 9PM	9AM – 2PM & 6PM – 9PM	9AM – 2PM & 6PM – 9PM	9AM – 2PM & 6PM – 9PM
SUNDAY	9AM – 2PM & 6PM – 9PM	9AM – 2PM & 6PM – 9PM	9AM – 2PM & 6PM – 9PM	9AM – 2PM & 6PM – 9PM	9AM – 2PM & 6PM – 9PM



# PROMOTION STRATEGY - MEDIA TO BE USED -

- ▶ Magazines
  - ▶ Full page ads in Us Weekly, Star, and People Magazine
- ▶ Social Media
  - ▶ Banner ads on Facebook & Twitter that reward viewers with a mini movie for clicking on the ad (linked to YouTube)
  - ▶ Mini movies posted on YouTube
- ▶ Print
  - ▶ Integration of QR code technology



# PLACE STRATEGY

## - DISTRIBUTION STRATEGY -

- ▶ Intensive Distribution will be used to deliver our product extension
  - ▶ Due to relatively short product life cycle



# PLACE STRATEGY

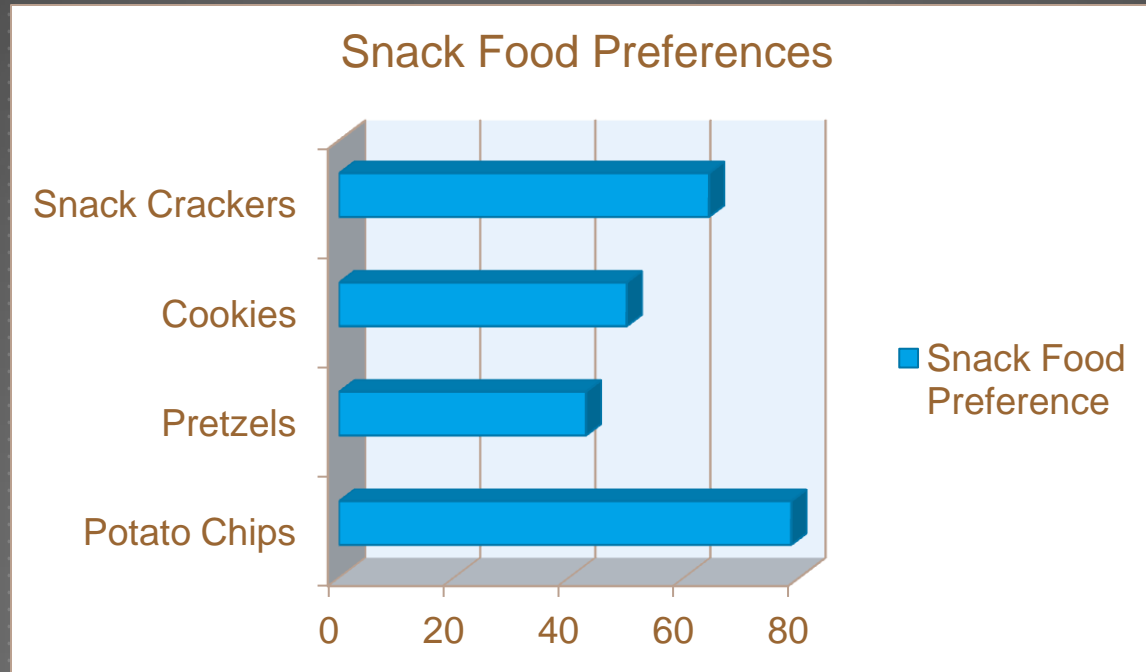
## - PRODUCT SALES -

- ▶ Pringles Savory Sauces will be distributed through grocery stores and mass merchants
- ▶ These retailers supply convenience items that consumers purchase regularly
  - ▶ Wal-Mart
  - ▶ Target



# MARKET TESTING

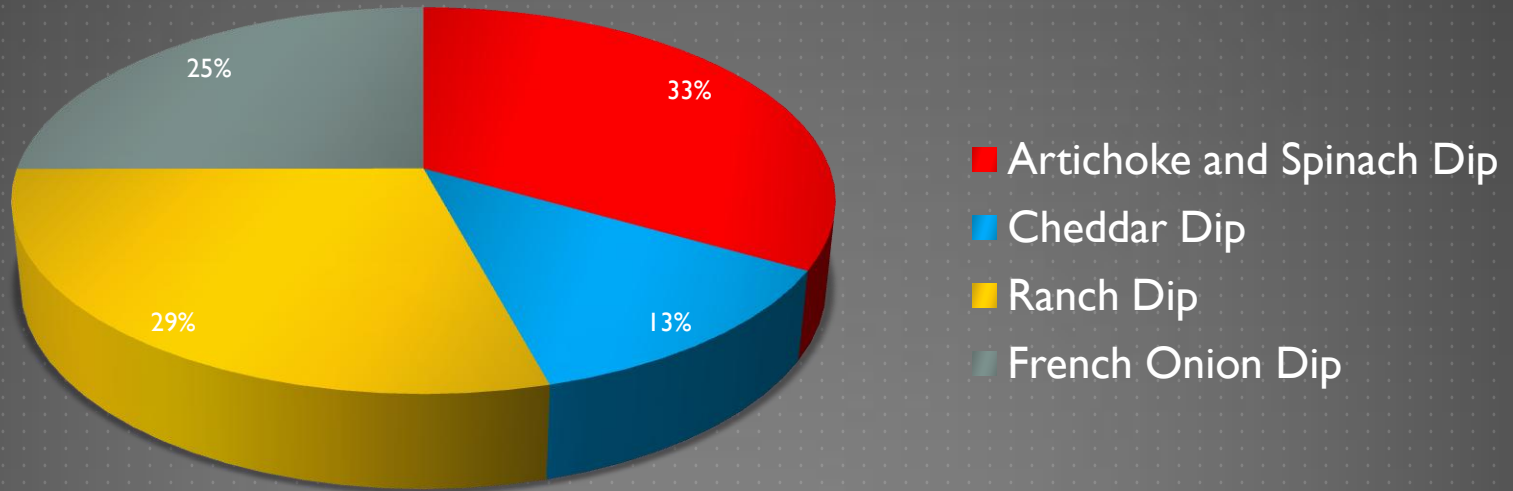
## - RESULTS -



# MARKET TESTING

## - RESULTS -

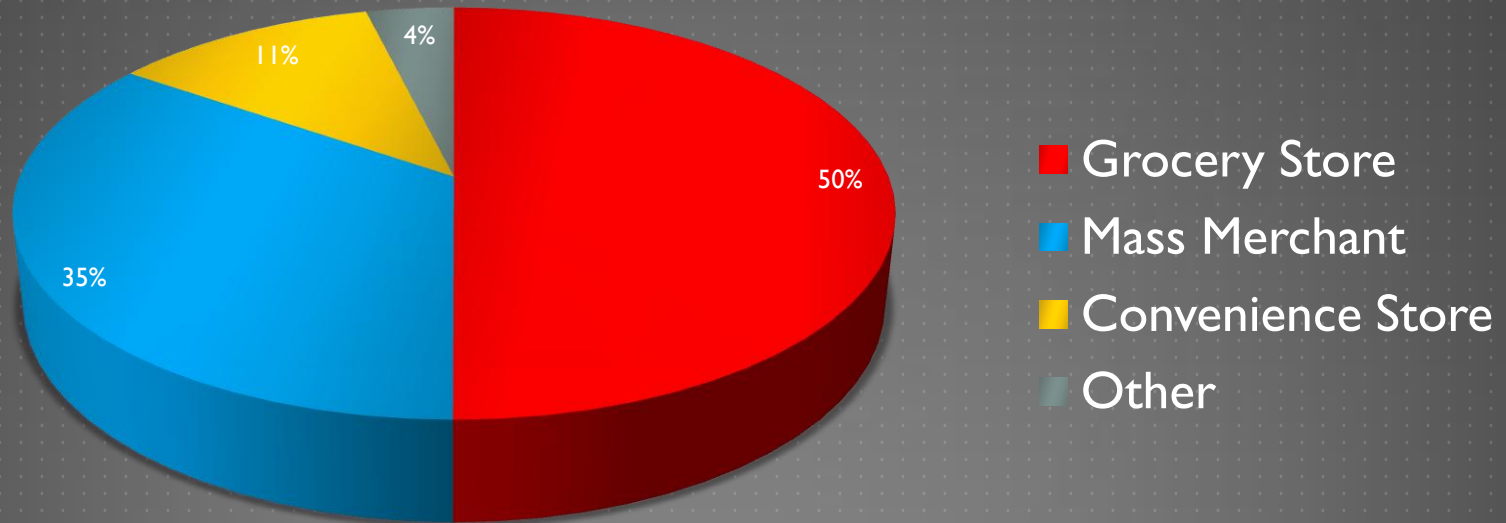
Preferred Dip Flavors



# MARKET TESTING

## - RESULTS -

Where Consumers Purchase Snack Food Items

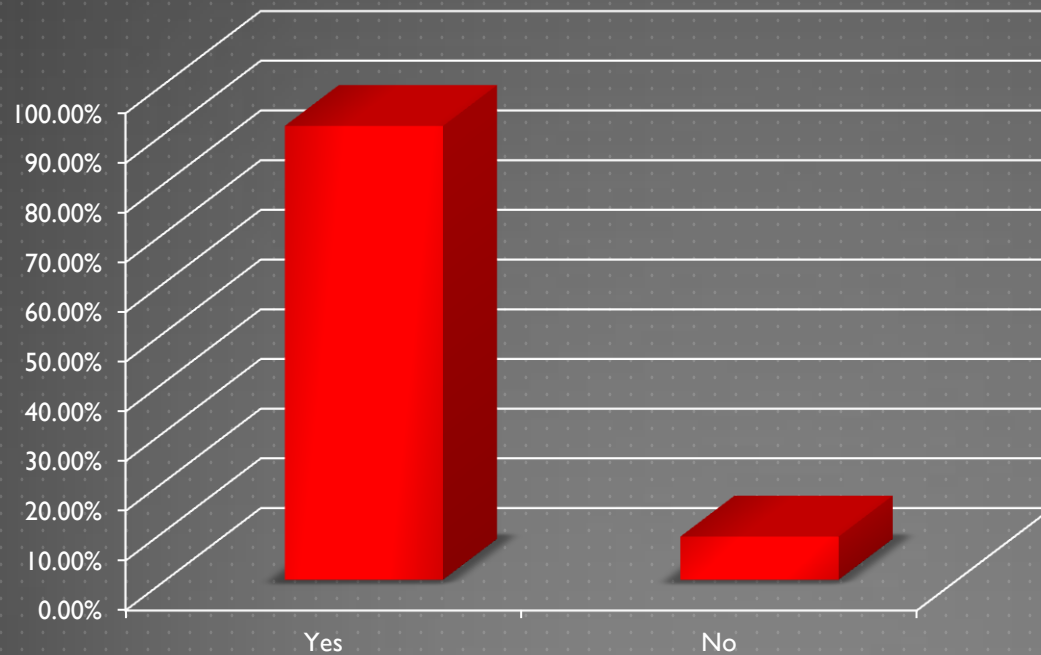




# MARKET TESTING

## - RESULTS -

Do consumers like the idea of Pringles Savory Sauce?



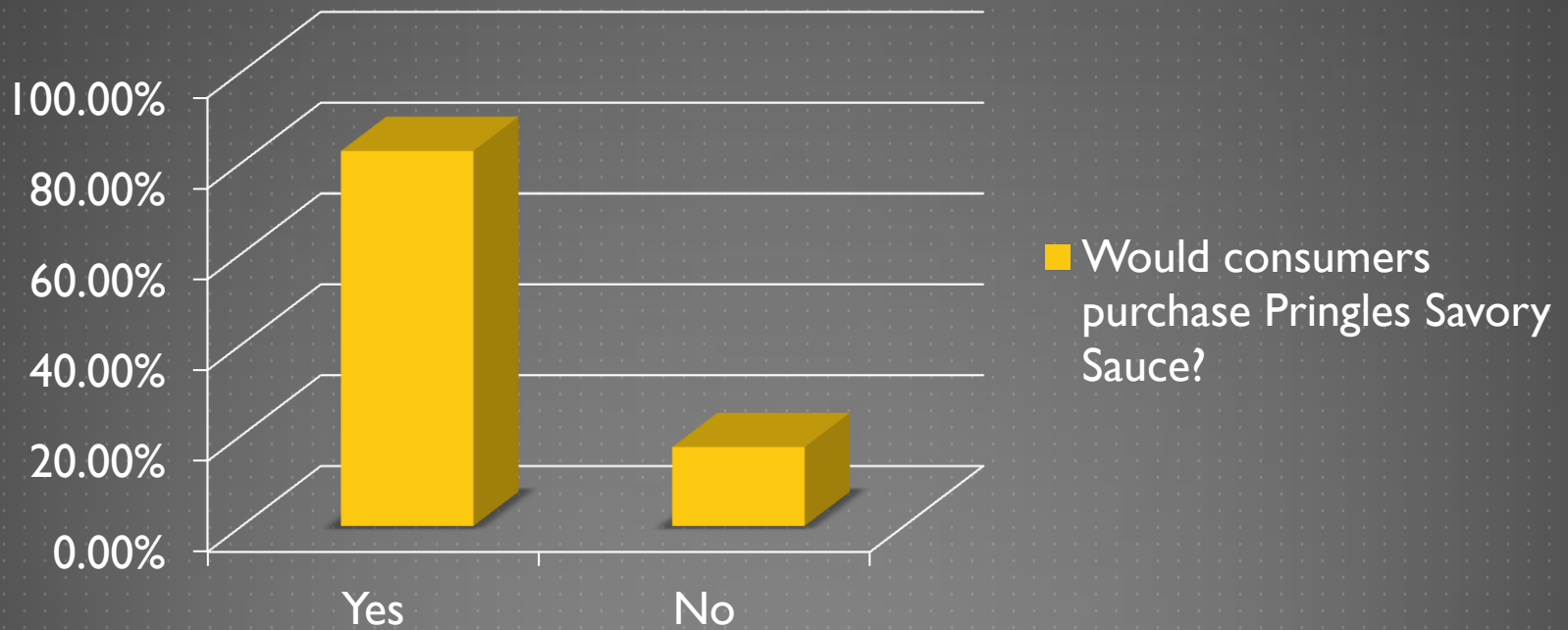
■ Do consumers like the idea of Pringles Savory Sauce?



# MARKET TESTING

## - RESULTS -

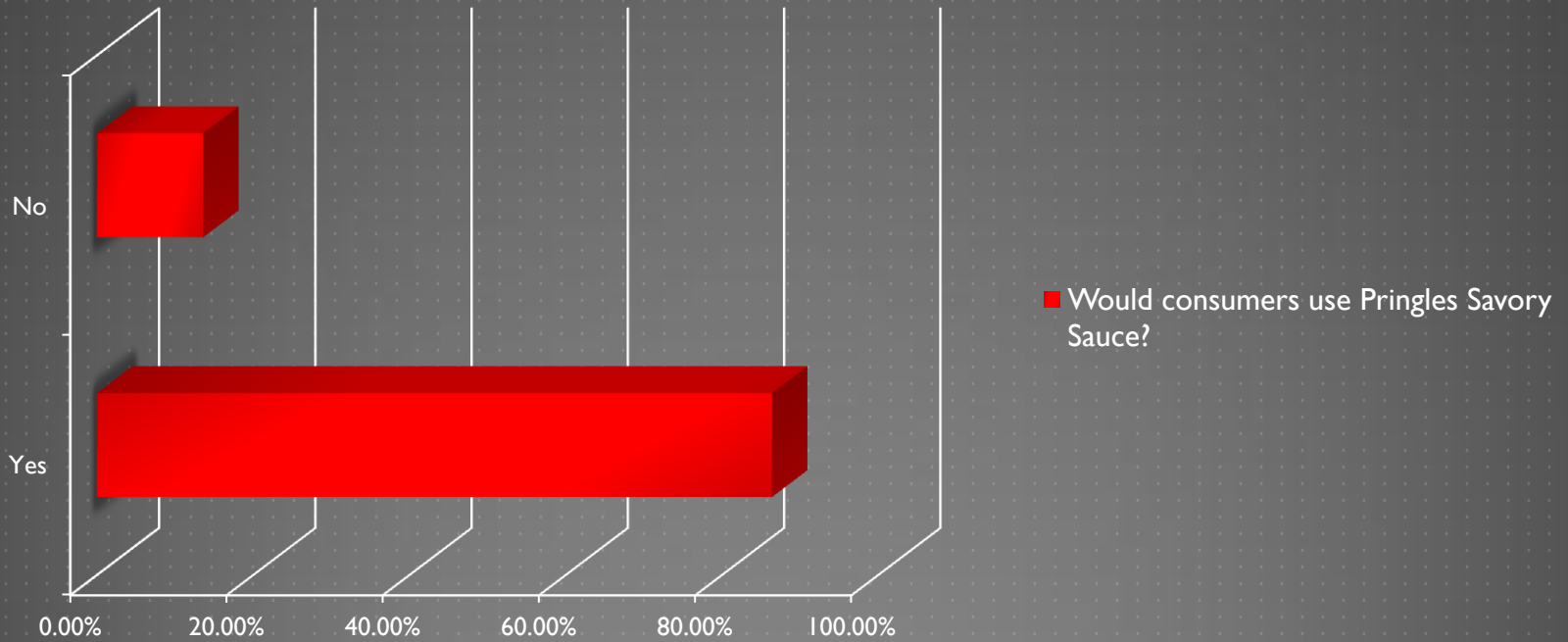
Would consumers purchase Pringles Savory Sauce?



# MARKET TESTING

## - RESULTS -

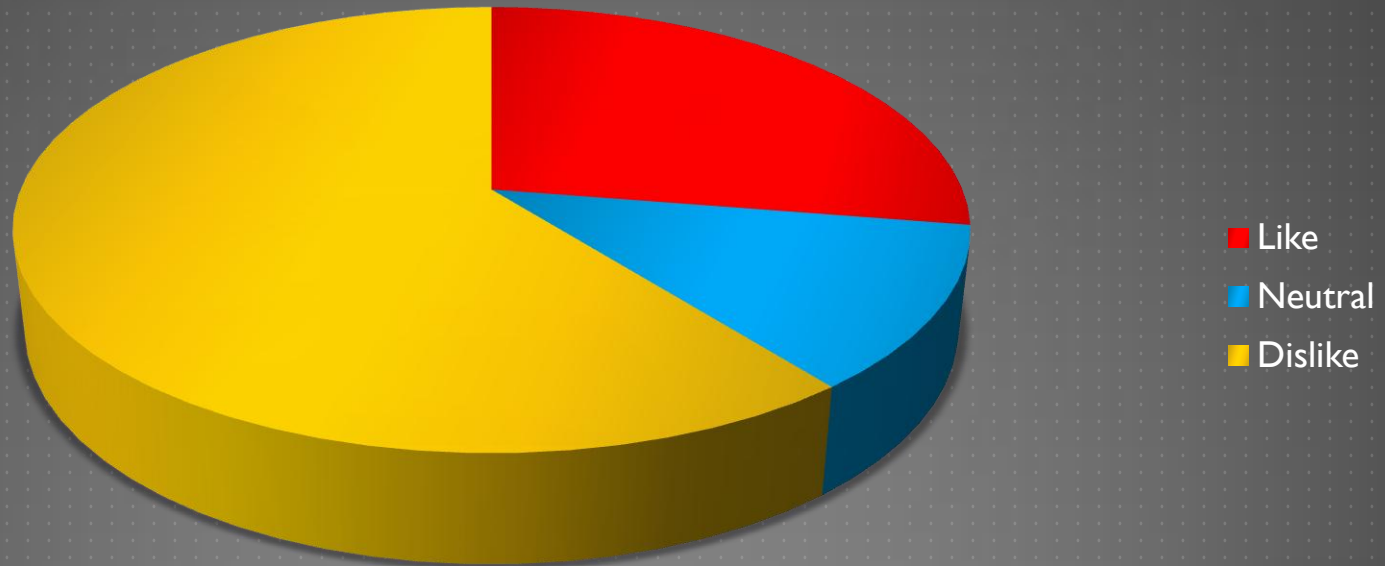
Would consumers use Pringles Savory Sauce?



# MARKET TESTING

## - RESULTS -

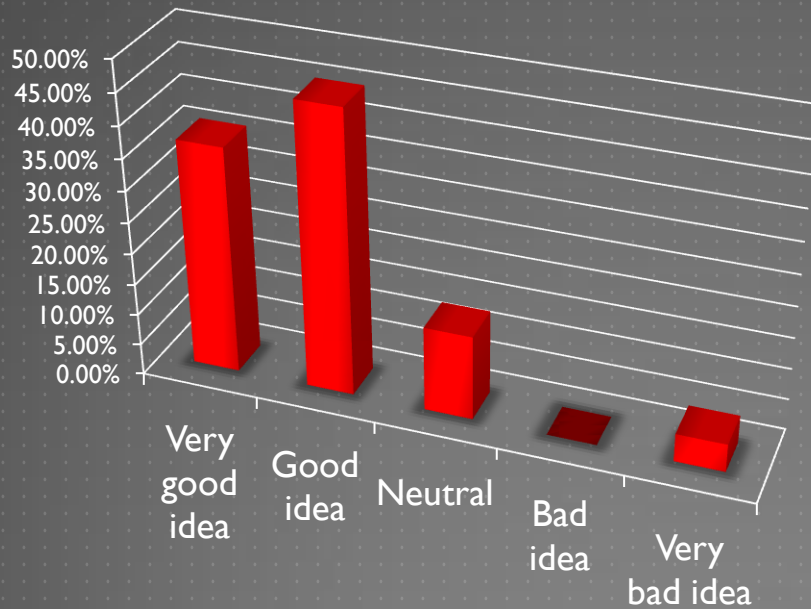
What are consumer attitudes toward Pringles Savory Sauce?



# MARKET TESTING

## - RESULTS -

What do consumers think of the new product extension?



■ What do consumers think of the new product extension?



# REFERENCES

- ▶ Nielsen. (2009). How teens use media. Retrieved from [http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=0CCcQFjAA&url=http://blog.nielsen.com/nielsenwire/reports/nielsen\\_howteensusemedia\\_june09.pdf&ei=2TfATtXDFM2ltwey8f3hCQ&usg=AFQjCNHak4VvaoL3SyHWAUBJDYzMjyyzAA](http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=0CCcQFjAA&url=http://blog.nielsen.com/nielsenwire/reports/nielsen_howteensusemedia_june09.pdf&ei=2TfATtXDFM2ltwey8f3hCQ&usg=AFQjCNHak4VvaoL3SyHWAUBJDYzMjyyzAA)
- ▶ Greenwald, J. (1996, June 10). Frito Lay Under Snack Attack. *Time Magazine*. <http://www.time.com/time/magazine/article/0,9171,984669,00.html>
- ▶ Fritolay.com
- ▶ Deansdip.com
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- ▶ Pringles.com

