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Marketing 438-555, Marketing Strategy

Hershey's Take 5

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Bowie State University.

We have adhered to the University's policy regarding academic honesty in completing
this assignment.

This assignment is submitted to Dr. Ella Carter on behalf of the faculty of the School of
Business and Graduate Studies in fulfillment of the degree requirements for the
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Executive Summary

This project deliberates the correlation between Hershey's Take 5 candy bar, and its lack of performance in the Candy, Mint, and Gum CMG Industry. The Hershey Company launched the Hershey chocolate bar in 2005. A 5-ingredient snack that contains peanuts, caramel, milk chocolate, pretzels, and peanut butter. The Hershey Take 5 chocolate bars were taken from convenience stores due to lack of sales although it maintained popularity amongst its core consumers. This led to the Hershey Company to remove funding into the marketing of the Hershey Take 5 chocolate bar as they had other chocolate products performing well in sales.

This project looks into different avenues in which the Hershey Company can rejuvenate their Hershey Take 5. The project dives into strategies that could support the growth and success of the take 5 chocolate bar. These strategies include an extra target market, a new product strategy, new positioning in the CMG market, a different approach at pricing, a different approach at promoting, and better distribution channels. We assess the strengths, weaknesses, Opportunities, and Threats of the Hershey Take 5 chocolate bar and set new market goals and objectives to be followed.

We strongly believe the implementation of this plan, in which we show the timeline also in the project helps rejuvenate the Hershey Take 5 chocolate bar in the CMG market. We also strongly believe this plan as well gives the Take 5 chocolate bar a longer life expectancy in the market than previously.

Market Analysis

The Hershey Take 5 chocolate bar operates in the confectionary marketplace. This market place as stated above is referred to as the Candy, Mint, and Gum CMG market. In this market the Hershey Take 5 Chocolate bar falls under the snacks category, which pulls in about \$21 Billion a year and deals with 34% in return for investors and owners alike. The Hershey Company is also the market leader in the U.S for chocolate sales with a controlling percentage of 43% other close market controllers are Mars whom have 29.8%, Nestle at 5.8%, Russell Stover at 4.4% etc. The marketing plan we are putting together we would expect to increase the sales of the Take 5 chocolate bar by 3%-6%. In turn we would want it to take the sales of overall Hershey products in the snacks category to highs of \$28 Billion a year. These numbers are attainable as recent figures from their total net sales increasing 2%-3% and their earnings per share increasing 7%-9% this is in the fourth quarter of 2016. Furthermore, from the look of these figures, sales in 2017 are going to remain at a high or even further increase with the reintroduction of the Hershey Take 5 chocolate bar.

Target Market Analysis.

There are three targeted groups of consumers that the Hershey Take 5 chocolate bar adheres to. The first being of course children ages 10-17, this target market is going to get their parents to purchase the Hershey Take 5 chocolate bar. This is because they don't have any purchasing power, as they aren't earning any income yet. The second target group are young adults ages 18-34. This is the original target audience of the Hershey Take 5 chocolate bar. This target audience consists of trend followers; they usually are in demand of what's in trend in society. It's easy to persuade this target audience, but is also

hard to keep them loyal to your product. Keeping them loyal to your product involves continually updating or upgrading your product whether it comes to a products packaging, new ingredients to the products or even adding variety to existing products. This target audience earns between \$25,000-\$60,000 a year, therefore can afford to buy the Hershey Take 5 depending on the individuals budget. The final target audience would be the grouped ages 35-50 +. This target audience on average earns about \$80,000-\$150,000. This target audience we could target vigorously because they are the earn enough income to budget for the Hershey Take 5 product every time they are in need. This target audience is also one that buys the chocolate bars for their children; they also could buy the chocolate in bulk.

External Environment

Hershey's Take 5 is in competition with a few other chocolate brands. Hershey's Take 5 chocolate bar's contains a blend of peanuts, caramel, milk chocolate, pretzels, and peanut butter. Hershey's take 5 main competitors are 'Snickers' whose parent company is Mars, 'Kit Kat' whose parent company is Nestle, and 'Twix' whose parent company is Mars. A breakdown in tabular form of Hershey's Take 5 Direct Competitors in Chart 1.

Chart 1.

Competing Product.	Ingredients.	Parent Company.	Percentage of Market Share.	Company's Sales Revenue.
Snickers	Nougat, Caramel, Peanuts, Milk Chocolate.	Mars	28.9%	\$35 Billion
Kit Kat	Wafers, Cocoa Butter, Chocolate Milk, Palm Kernel Oil, Yeast.	Nestle	4.3%	\$89.5 Billion
Twix	Milk Chocolate, Wheat, Cocoa Powder, Vegetable oil, and Cocoa Butter.	Mars	28.9%	\$35 Billion

Economic Trends

In their article 'Future Of The Chocolate Industry Looks Sticky' Katy Benato and Luke Graham have stated a few details on the state of the chocolate industry. They speak on the demand for chocolate saying, "Global demand continues to rise, in part due to increasing demand from emerging markets for confectionery. The overall chocolate market rose 13 percent between 2010 and 2015 to hit \$101 billion, according to Euro monitor, a market research firm". Prices for cocoa are high right now but Katy and Luke state, "BMI Research forecasts prices will start to trend lower until 2019, as supply grows faster than demand. That's due to a rebound in production in West Africa, especially in Ghana, the second-biggest producer of cocoa beans after Ivory Coast". Katy and Luke

state that the raw material costs are a small part of overall business costs for producing chocolate by saying, “While lower prices can be expected to benefit producers in terms of cheaper production costs, raw commodity costs tend to be a relatively small share of overall costs of goods such as chocolate (other costs include labor, transport, packaging and marketing)”.

Technological Trends

A study conducted in Dec of 2016 by Pew Research found that nearly 8 in 10 Americans now shop online. That’s 79 percent of U.S. consumers who shop on the web or on their phones, up from 22 percent back in 2004. Out of the 79 percent 51 percent have made purchases using their phones, the study also found that 15 percent made a purchase after clicking a link shared on social media. Shopping online also gives the consumer the ability to research and compare products before they purchase, the everyday consumer has a wealth of knowledge at their fingertips.

Sociocultural Trends

One Sociocultural trend is the growth of social media. At the end of 2016 83 percent of Americans had a social media account, 2.8 billion people were using social media which was up 21 percent from 2015. The growth of social media has brought about influencers. Influencers are people like celebrities, opinion leaders which are people who may not have a huge following but have a huge impact on their follower’s opinions and choices, and advocates which are people who frequently and publicly share a genuine passion for a brand.

SWOT Analysis

<p>Strengths:</p> <ol style="list-style-type: none"> 1. The Hershey's Take 5 candy bar from Hershey is trusted by its core consumer base. Which could always be built off. 2. Hershey has a mass distribution channel especially with vending to companies and businesses such as Target, Giant, and convenient stores such as the dollar store. 3. Distribution channels by dividing their products by chocolate and sweets and refreshments. 	<p>Weaknesses:</p> <ol style="list-style-type: none"> 1. Hershey discontinued support in 2008 since Hershey's Take 5 didn't match the sales volume that other Hershey products made. Bringing it back would be an uphill task. 2. They targeted the age group of 18-34 to catch the eye of thrill seekers and those into pop culture. But they should've targeted people the age of 35-50+ that could afford to buy for their children and families. 3. Gaining a new following and building trust with new consumers would take a lot of marketing efforts. 4. It is a new product therefor will take time to grow like other Hershey products.
<p>Opportunities:</p> <ol style="list-style-type: none"> 1. Since Hershey's Take 5 is under the Hershey brand they have a great opportunity to do very well. If Hershey can direct more of it marketing towards this product instead of all its attention on Kisses. 2. Adhering to social media because of the day and age we're in is always a good opportunistic route to go for any business. Current consumers could share your ads and you can advertise to the Take 5 customer base as well as try to gain new ones. Its also a new way to see what's trending in the market you're 3. Hershey's Take 5 consumers are obsessive about the product, which makes for loyal customers to spread its popularity product as a way of marketing. 	<p>Threats:</p> <ol style="list-style-type: none"> 1. Hershey's Take 5 has a target market of 18-34, and older, which is a bad decision because the new generations are more worried about the things they eat because they are more aware of their personal health. Take 5 includes snacks high in carbohydrates, when combined it is a great snack but is also could be very unhealthy. 2. Hershey uses older more expensive forms for their marketing campaigns. Which is not the way to market to their target audience. Social media would reach their target market better. If they fail to use social media, it may be a threat to the growth of the product. 3. Hershey must be careful with how they market their products because Mars/Wrigley is right behind them in the Candy, Gum, and Mint market. Hershey is at 30.8% where Mars/Wrigley is at 30.0%.

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MARKETING GOALS AND OBJECTIVES

One of our main goals is to increase Hershey's Take 5 sales by 7 million units than that of the last fiscal year. In order to increase sales by 7 million units, we will use social media to reach a wider range of consumers and gain new customers. Since 58% of Hershey's net sales comes from super markets and mass merchandisers we will create special displays to place on end caps in these supermarkets and mass merchandisers this will draw attention to the product a help us achieve our goal of selling additional units. To make the product more appealing, we will create new packaging, the packing will have a revamped design and come in a gold color scheme, we will also have special seasonal packaging for holidays this will make the candy bar continuously appear new tasty and fresh.

Primary Target Market

The primary target market for the product Take 5 candy bar will be both men and women. The age range of these individuals will be teens from 10-17. Young adults ages 18-34 to be exact. This targeted market are the individuals that are constantly on the go but in need of a quick pick me up or meal satisfier. These individuals fall in the category of being impulsive buyers, seeing planograms and items on display and being easily persuaded to purchase the item. We will be able to retain their business by the satisfying taste of Take 5 and gain new consumers with consistent and attractive advertisements and promotions.

Product Strategy

The Take 5 candy bar is a one-stop shop. This candy bar offers every component that people crave from a sweet, snack, or better known as an overall satisfier. The ingredients include peanut butter, caramel, peanuts, chocolate, and pretzels. The overall design of the candy bar is to satisfy every craving component the consumer might have. The Take 5 bar consists of sweet and savory components as well as a crunchy textural factor. The candy bar fulfills the needs of consumers because it consists of high quality ingredients that deliver a taste that has never been delivered, nor combined before. Take 5 will offer the same sized candy bars that were offered in the re-launch of the product. The packaging options consist of the standard bar, king size, and the take home, which includes small individual size bars that can be shared. The standard size snack is ideal “on the go” snack size. Consumers can devour this snack in just a couple bites. The king size is bigger than the standard size and offers more product. Lastly the take home snack is a larger sized 12 oz. bag that comes packed with .75 oz. snack sized bars. The standard size will be the most products and purchased size because it offers the right amount of product for individuals looking for a quick snack to digest in a single bite.

The shape of the candy bar should stay classic and simple. It should keep the shape of a traditional rectangular candy bar. The snack size option that is found in the take home package will mirror the standard size snack, just a miniature version. All of packaged bars will maintain the original 5 layers. Starting with the pretzel at the bottom, followed with peanut butter, caramel, the very top, topped with peanuts to showcase the textural element and coated in milk chocolate.

The name Take 5 will stay the same; because once the product re-launches it will be important for past consumers to identify with the product. The name staying consistent will let loyal past customers know the same product is being released. Past consumers as well as new consumers will be more comfortable and confident knowing the product is something individuals have tried and trusted and there is history behind the brand. Customers being able to identify with the product will make it more accepted by the market.

Packaging of the candy bar will be changed for the re-launch to show it being new and improved while staying original with the same ingredients. The new packaging will have more vibrant colors to attract new potential consumers. The original colors of the Take 5 bar were dull and easy to overlook. The original colors were yellow, red, and white because these colors were not vibrant enough they were easily blended with the other products. The packaging colors will incorporate the same colors just positioned differently. The new packaging will have a Gold background. The Take 5 logo will be printed in BOLD font. The outside perimeter will be a bright yellow. This will make the product stand out and will easily catch the eyes of shoppers. The image of the Take 5 bar will still be visible but a description directly at the Top of the candy image stating ‘5 Layers Of Goodness’

Here's a look at a sample of the new Packaging:



Positioning Strategy & Pricing

“The craving satisfier in just one bite, Take 5!” This phrase will reintroduce the candy bar to the market. It will get people talking and curious to try the “newly” released candy bar. The positioning strategy of the Take 5 bar is the fact that it is being portrayed as the perfect product. The perfect product that offers every and anything your craving in one product, instead of consumers buying a number of products and snacks the Take 5 offers what you need and more.

The Hershey Take 5 bar is going to go against its close competitors Snickers, Kit Kat and Twix. The re-launch is going to see the brand act in competitive pricing this way to stack up against its close competitors. The average retail price of a Snicker worldwide is \$0.75, the average retail price of a Kit Kat worldwide is \$0.89, and the average retail price of a Twix bar is \$0.89. All of those prices are listed before tax. Furthermore, because we are pursuing competitive pricing we would charge the Hershey Take 5 bar at \$0.85 before tax.

Distribution Strategy

Distribution of the Hershey's Take 5 bar wasn't as prevalent as it should have been. While other competitors had made themselves known in the candy market, Hershey's Take 5 bar was not getting the same amount of backing other Hershey's products like Reese's Peanut Butter Cups and Hershey's Milk Chocolate Bar were getting. Hershey's limited distribution of the Candy to convenience stores instead of having Take 5 bars in Supermarkets, Mass Merchandisers, Drug Stores and Wholesale clubs. What this did was hinder the growth of the product.

With the re-launch of the candy bar, we aim to have our product sold in stores like Wal-Mart and Target, and also in Supermarkets like Shoprite, Giant, and Shoppers. Expanding the distribution of Take 5 bar to convenience stores, drug stores, supermarkets and Wholesale clubs like Costco, and BJ's would definitely lead to more exposure for the product.

Distribution could be a competitive advantage to any company in today's market. For the re-launch of the Take 5 bar, we will be using an indirect distribution channel. With this channel of distribution, the product goes from the Manufacturer to the Wholesaler to Retailer and then to the Consumer. We also created a Persona, which is a semi-fictional, generalized representation of real people. This makes it a lot easier for our product designers, salespeople and also our service people to tailor the Take 5 bar to different groups of people. This will help to identify the customer's needs and wants, understand how customers make purchasing decisions, and also get everyone on the same page about our marketing and distribution goals

Promotion/ IMC Strategy & Budget

Our promotion strategy will consist of the use of different media outlets. Right now, Hershey's is one of the biggest candy brands in the U.S. It should be easy to capitalize on the popularity the Hershey's brand already has. We could start off by posting images of the new Take 5 bar on different social media platforms, like Instagram, Snapchat and Twitter. Social media is the most used form of media by millennials, so having them involved and getting the buzz about the product going should be the first step. We can then branch off to other forms of media like Newspapers and Magazines, television, Radio, and even movies with product placement.

Our social media campaign would involve the showing of our updated wrapper on all social media platform. These social media platforms have made it easier for companies to showcase their product to a large number of people for free.

Our television ad would involve two young adults. A male, and a female. It would start off with the female act waiting in line for the opening of a new Burger Shop in Brooklyn. Then the male act walks by and gives her a Take 5 bar, while saying the new slogan, "A balanced diet is a Take 5 bar in each hand".

With product placement, we would incorporate the Take 5 bar in an upcoming blockbuster that most millennials would want to see. Having the Take 5 bar in a scene of the new Marvel Avengers movie will certainly increase our popularity with our target audience.

As for print media outlets like newspapers and magazines, all we would need to showcase is a picture of the new wrapper with the slogan "A balanced diet is a Take 5 bar in each hand" written in bold letters. Seeing as this is a re-launch of a product, we would

also be doing sales promotion for the Take 5 bar to acclimatize our target audience with the product. We could start off by offering vouchers and coupons in magazines to be used at some stores carrying the product. This will help to draw attention to our campaign. We could also start customer loyalty programs. For example, just like how some coffee shops gives a stamp for every drink a customer might buy, and after the 5th stamp, the customer gets a free drink, we will be doing something similar to reward customers for the continuous purchase of our product.

Senior management has given a budget of \$10,000,000. Below is the breakdown of how we spread the budget amongst the different promotional strategies,

Budget Break Down-

TV & Movie Commercials- \$5,000,000

Packaging- \$500,000

Print Media- \$600,000

Distribution- \$800,000

Deals & Rewards- \$200,000

Billboards- \$1,150,000

Online Presence: Social Media Ads/ Email Ads- \$1,250,000

Public Service- \$500,000

Implementation

Structural Issues-

To complete these promotional schemes with full effectiveness and execution, we have to state clearly which personnel is responsible for overlooking over each activity. These

Promotional schemes are to be completed on due time and process to yield the best results for what we plan to achieve with the re-launch of the Hershey Take 5 chocolate bar. Each of the personnel assigned to overlook each promotional scheme are responsible to overlook the research involved in executing each promotional scheme.

Below is a table that breaks down Tactical Marketing Activities for the promotional schemes to be followed for the re-launch of Hershey’s Take 5.

Tactical Activities	Person Responsible	Required Budget	Completion Time
Product Activity <ul style="list-style-type: none"> • New Golden Packaging. • Variation in size of product. • New Slogan for product. 	Senior Product Manager.	\$500,000	December 2017
Pricing Activity <ul style="list-style-type: none"> • Deals Made on Products. • Discounts on bulk bought goods 	Sales Manager, Sales Analysts, Sales Team.	N/A	December 2017
Distribution Activity <ul style="list-style-type: none"> • Transportation of raw materials (Cocoa) to and from Factories. • Inventory Control. 	Distribution Management.	\$800,000	December 2017- February 2018
Promotion Activity <ul style="list-style-type: none"> • Website & Social Media Updates. • Billboard Ads • Print Marketing. 	Director of Marketing, Marketing Team.	\$3,800,000	January 2018- December 2018

Evaluation and Control

Formal Controls-

For the implementation of this marketing plan to be fruitful we must make sure the Hershey Company has the proper tools in place to see that the re-launch of the Hershey

Take 5 Chocolate bar comes out as successful as planned. We as a team need to recruit top marketing graduates to represent the brand. With every batch of employees we need to take them through a brief one-week training program so that new ambassadors representing the Hershey's Take 5 Chocolate brand can engulf what the product is about and represent it to potential distributors in an exemplary manner. In allocating resources for this re-launch as stated earlier The Hershey Company assigned \$10,000,000 to divide amongst the different marketing schemes and activities we want to set in place. In measuring the success of the re-launch, at the end of 2018 we have to view the actual sales performance of the Hershey Take 5 Chocolate bar. We also have to view consumer feedback, whether we met up to their expectation of the Take 5 bar. Our growth in market share as well has to be a form performance review from this re-launch. From the review the brand The Hershey Company should be viewed to clearly have an additional product to offer to its consumers.

Informal Controls-

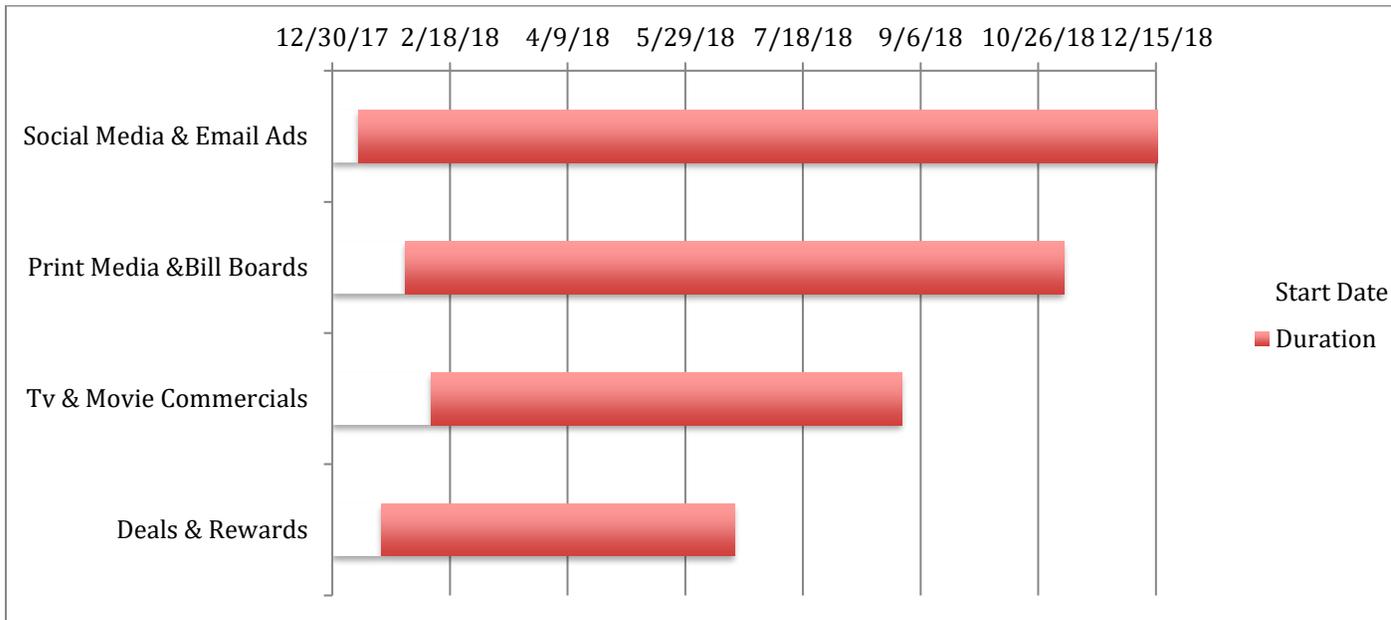
In addition to the implementation plans above we have to employ employees that have good moral backgrounds and wouldn't take part in any immoral acts during their time as a Hershey Take 5 representative. Upon employment we have to state ethical rules we follow at Hershey and hope not to be broken. This way we have a brand that attracts top professionals in our field of work.

Marketing Audits & Timeline-

To perform the promotional schemes in due time and with quality we must track the processes that are coming up with the re-launch, we must supervise the implementation

of this promotional activities. We should call for Audits twice every financial quarter to through out the re-launch process to keep an eye on the progress we are making.

Implementation Schedule and Timeline of the different Marketing schemes-



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