

Marketing Scenario

Food Science Career Development Event – 2017

Memorandum

TO: Research and Development Group
FROM: Market Research & Opportunity Group
SUBJECT: Meeting Market Needs for a Dessert Mix

TASK: Using the materials, ingredients, pricing, and nutritional information provided, create a shelf-stable dessert mix for adults

Despite a decrease in the number of Americans who consume desserts on a weekly basis, American consumers are not ready to desert dessert (bakingbusiness.com). According to Technomic's 2017 *Dessert Consumer Trend Report*, 57% indulge in dessert at least once a week, down from 65% in 2015. This decrease can likely be attributed to the fact that American consumers are increasingly making different choices when it comes to the food and beverages they consume.

When it comes to developing and marketing desserts, single-serve desserts that can be customized to meet the flavor preferences of individual consumers are on trend and gaining popularity. These desserts provide the opportunity for consumers to “manage their calorie and sugar intake, and still allows them to have a full-fledged dessert, less the guilt” said Janet Carver, culinology group manager for Ingredion Inc. in Westchester, IL. In other words, single-serve desserts provide consumers with “permission” to indulge.

In addition to the less guilt aspect, single-serve desserts offer opportunities for a variety of appealing flavor profiles. Meghan Roddy, Assistant Professor and Certified Executive Pastry Chef, noted, “personally, I think that single-serve desserts are gaining popularity because of ever-increasing interest in flavors and different foods...The size also opens the chef up to more variety when preparing dessert items, and they can offer multiple flavor profiles and component options but still keep the offerings very similar.”

Rich McKenzie, national sales manager for Junior's Cheesecakes and Desserts, described the use of single-serve desserts to create excitement about a brand. According to Mr. McKenzie, “people can try new flavors in a smaller format, decide if they like them, then come back for more.”

The single-serve dessert trend can be applied to all varieties of sweet treats; from cakes and pies, cookies and brownies, to even doughnuts. One single-serve dessert we have found particularly appealing is the shelf-stable dessert mix or kit made from cake bases (containing white flour, non-fat dry milk, and dried whole eggs among others) that consumers can purchase at their local retail store and easily prepare at home. Mark Shiller, EVP and President of North America Retail for Pinnacle foods notes that the individual portion sizes and easy preparation of their company's dessert mix/kit for one meets the convenience needs of today's consumers and "means consumers get that just-baked, fresh-out-of-the-oven goodness whenever they want. No need to wait for the oven to preheat, no messy pans to clean and no guilt of leftovers."

The current economic situation calls for a very strategic packaging and pricing plan. In a recent article published by Food Business News (2017), smaller portions continue to rise in popularity in traditional retail locations. Developing a shelf-stable, individual sized dessert for retail sale would allow us to capitalize on this trend. Based on their research, Technomic reported these desserts resonate especially well with women who may be looking for single portions or alternate dessert options. We also recognize the need to capture the attention of the Millennial generation (aged 19-36) who seek a balance between traditional and more innovative flavor profiles.

Our preliminary research confirms that we should be developing a single-serve dessert kit for female millennials who are concerned not only with individual portions or better for you foods, but also with the convenience of these products. To help secure our place in the retail market, we recognize that we must acknowledge and adhere to guidelines related to serving size and calories so that women can include our dessert in their diets with relative ease. Therefore, we envision this dessert having a finished product size of 2-3 ounces, depending on ingredients selected, and contain no more than 400 calories.

Your research and development team has been challenged to formulate this product so that retail price costs no more than \$1.09. In addition to calculating accurate ingredients and packaging costs, research and development teams must account \$0.15 per package to account for manufacturing, marketing, and distribution costs (fixed costs). As a product development team, you have access to smaller portions of multiple ingredient

options already in packages. However, these packages are not to be used as packaging options for or within your final product. An additional 30% of the total per unit cost should be added for profit margin.

Your challenge is to develop a shelf-stable single-serve dessert for retail sale using ingredients provided in the ingredient list. Your team should determine a catchy name, design marketing panels for your selected packaging, develop an accurate nutrition panel, create an appropriate ingredients statement, and provide recommended preparation instructions. Be sure to clearly identify key processes for production and quality control within your production plan. Your team should package the product using the packaging material(s) of your choice and identify the price point for selling the item. We recognize that the nutritional label will have to be developed by the graphics design department based on the packaging option you select. So, for your initial presentation of the product you develop, you may prepare a separate nutrition label on the provided $\frac{1}{4}$ sheet of poster board instead of attaching it directly to the product. However, be sure to bring your larger nutrition label to your presentation. Your principal display panel should still be affixed to whichever packaging option you select.

We are eager to see the product you develop and are looking forward to hearing your full report.

GOOD LUCK!

Ingredients	Cost per lb	Serving Size	Calories	Fat (grams)	Saturated Fat (grams)	Trans Fat (grams)	Cholesterol (milligrams)	Sodium (milligrams)	Carbohydrates (grams)	Dietary Fiber (grams)	Sugars (grams)	Protein (grams)	Vitamin A (IU)	Vitamin C (mg)	Calcium (mg)	Iron (mg)
Yellow Cake Mix	\$ 0.89	100g	384	5	3	0	0	614	82	3	44	3	0	0	200	3
White Cake Mix	\$ 0.89	100g	384	5	3	0	0	614	79	3	38	3	0	0	210	3
Devils Food Cake Mix	\$ 0.89	100g	358	5	3	0	0	666	79	3	38	5	0	0	225	5
Graham Cracker Crumbs	\$ 4.80	100g	438	9	0	0	0	594	81	0	25	3	0	0	38	3
Raisins	\$ 6.88	100g	325	0	0	0	0	750	80	5	60	3	0	6	125	5
Caramel Bits	\$ 2.89	100g	417	12	8	0	0	167	75	0	67	0	0	0	0	0
Mini Chocolate Chips	\$ 3.31	100g	500	29	18	0	0	0	64	0	57	3	0	0	0	0
Dried Cranberries	\$ 3.57	100g	321	0	0	0	0	0	79	7	71	0	0	0	0	0
Cinnamon Chips	\$ 2.00	100g	384	36	0	0	0	8	85	8	58	2	51	5	138	1
Sprinkles	\$ 16.00	100g	480	20	18	0	0	4	75	0	40	0	0	0	1	0
Coconut	\$ 6.19	100g	467	33	30	0	0	266	40	7	33	3	0	0	0	0
Marshmallows	\$ 1.99	100g	333	0	0	0	0	100	83	0	53	1	0	0	0	0

Package and Labeling Options	Cost per item
Paperboard carton	\$0.04
Foil zippered pouch	\$0.05
Glass jar	\$0.10
Large plastic pouch (each)	\$0.03
Medium plastic pouch (each)	\$0.02
Small plastic pouch (each)	\$0.01
Large labels (each)	\$0.03
Small labels (each)	\$0.01