

Marketing Scenario

Food Science Career Development Event – 2021

Memorandum

TO: Research and Development Group
FROM: Market Research & Opportunity Group
SUBJECT: Meeting Market Needs for a Monthly Biscuit Making Kit

TASK: Using the materials, ingredients, pricing, and nutritional information provided, create a biscuit making kit.

Bread has been described as, "a traditional mixture of flour, water, yeast, and salt combined and baked to create a nourishing food" and "a staple of many cultures...for millennia" (Benson, 2013, p. 5). During the recent COVID-19 pandemic, consumers were trapped in their homes with few options to be able to have choices for bread in their homes. Readers of *The Hustle* stated that bread making provided consumers with comfort and stress relief. One reader stated that "I work in healthcare, and baking bread has been a nice distraction from all the madness." It also allowed them to do "stuff" instead of depending upon others. They also stated that "There's something therapeutic about simplistic, repetitive tasks." Many individuals also wanted to stay away from crowded places like grocery stores in order to pick up their groceries and purchase bread. During the pandemic it was also seen as a way to pass the time while individuals were cooped up at home.

Bread has evolved over the years, "from being baked at home, to being produced by the town baker, to having an entire aisle dedicated to it in American supermarkets" (Benson, 2013, p. 5). The COVID-19 pandemic has resulted in a significant return to bread being baked at home. According to *Business Insider* "There's something so satisfying about baking bread from scratch. Maybe it's the tactile feeling of kneading the dough, or the sweet smell that fills your home as your loaf cooks in the oven. But if you ask me, it's because bread straight from the oven is fresher and tastier than anything you can buy at the store. And if you've been cooped up at home or aren't able to get fresh bread from your local bakery, now is the perfect time to try your hand at baking a loaf on your own." According to Bread and Bakery Product Manufacturing's 2020 U.S. Industry Market Research Report with COVID-19 forecasts, in 2019 industry sales were \$42.9 billion, while over the past 3 years the bread and bakery industry has grown at an annual rate of 0.6% with 9,376 companies in the industry averaging sales of \$.46 million per company.

Homemade breads have many advantages including that they pair with homemade meals, especially because more consumers are eating homemade meals during COVID-19. They are also considered to be wholesome since they do not contain the normal preservatives that most bread would need to stay fresh longer at home. Finally, even though bread does require some preparation time only minimal baking knowledge and skills are required. Baking bread allows the maker to focus on the flavor, nutrition and texture of the bread rather than the shelf life and the appearance of a consistent product. Bread machines, which were owned by 25 million Americans during the '90s before falling out of

favor, have seen a 652% bump in online sales. Now, popular brands like Cuisinart are ramping up production on a device once thought to be antiquated.

According to Bakery Products Market - Growth, Trends and Forecast “The bakery products have long been basic food products for human nutrition. The convenience, accessibility and nutrition profile associated with them are the major factors of their sustenance in the modern market. Their significance as a major portion of diet has been prevalent in middle to lower income group countries. Bread has been a staple diet of many local cuisines worldwide and has shown a remarkable growth even during the period of global economic crisis.”

Across the country, people at home are discovering or re-discovering some of their hobbies. For many people that includes baking. The Atlantic (2020) noted that during the pandemic, one of the most persistent products disappearances was linked to flour. In fact, "flour was nowhere to be found in stores, and it soon disappeared from the internet" (The Atlantic, 2020). Consumers also had options to be able to choose what types of bread products that they would prepare and consumer (ie. whole grains, gluten free, sweet, savory, etc)

To address this problem, companies are making pre-made baking kits and baking subscriptions available to consumers. Not only will they include basic dry ingredients that may be hard to come by, but they'll also portion them out in exact amounts. With clear instructions and no way of over- or under-measuring ingredients, these kits offer a great, approachable intro for anyone who may be intimidated by the world of baking.

The continued appeal of bread as a diet mainstay coupled with the increase of bread making as a family activity during the pandemic, our marketing team has identified the need to start a biscuit of the month club. You will need to have a strategic packaging and marketing plan to create the desire for a family to subscribe to the biscuit of the month club. Given the fact that the majority of these purchases for this type of service is made online or through e-commerce, a marketing plan must include the use of this online service. Our research has indicated that you should have a themed biscuit for each month. Therefore your goal is to create a biscuit that would appeal to families in one of the months from November thru April. It should create a family fun type theme for the month

Your challenge is to create a product targeting families of 3-5 yielding a final product will create a 4-6 serving size package. Your desired package weight should be 27-37 grams per serving with no more than 2-3 inclusions. Your team must also realize that any of the flour choices will come with a leavening agent already added. You must also provide for the inclusion of one of the wet ingredients that are provided in the ingredient list to be included in your preparation instructions for the consumer. You are to assume that the wet ingredient will measure 1 cup. Your cooking time will be 16-18 minutes at a temperature of 325 degrees. Your choice of packaging should allow each individual product to be

placed in the package for the consumer to mix them during preparation. You must provide directions to the consumer so that they can properly prepare the product.

In addition to calculating accurate ingredients and packaging costs, research and development teams must include \$0.50 per package to account for manufacturing, marketing and distribution costs(fixed costs) and profit margin. As a product development team, you have access to smaller portions of multiple ingredient options already in packages. You may put these as individual packages in your product so the families preparing them can mix them together. You may not portion the products into smaller components and you are required to keep them in the portioned bags provided. Your target price for the monthly product is 2.59-4.29 total cost.

Your team should be preparing a full biscuit kit preparation package. Your team should be prepared to clearly identify key processes for production, packaging and quality control within your production plan. Your team should use the nutrition information, ingredients and packaging options included and determine a brand name, design marketing display panels for your kit, develop an accurate nutrition panel and an appropriate ingredient statement. You need to include a preparation statement on the package. Your principal display panel should be affixed to whatever package option your team chooses. We recognize that, depending on your package choice, the Marketing and Communications department may need to reformat your nutrition facts panel based on federal standards. Therefore, you may prepare and present your nutrition facts panel on the blue colored paper provided, but you must still indicate where on the package the nutrition facts panel should go. Nutrition facts will be based upon the dry ingredients only. You are required to provide your formulation, nutrition, and pricing calculations when you present your product. Pink colored paper has been provided as scratch paper to show your work for the formulation, nutrition and pricing calculations.

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

GOOD LUCK!!