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## **A Marketing Plan for the Ice Cream Brand Max Adventures in Food Service**

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## **ABSTRACT**

This project consists on developing a marketing plan in the Spanish market for the ice cream brand Max Adventures in the food service sector. The objective of the plan is to increase current level of sales and distribution. For this reason an external and internal audit is done in order to understand the context, observe what competitors are doing, discover consumer needs and wants and analyze the brand internally. The proposed marketing plan is based on my internship in Unilever, the audit results and it suggests recommendations in terms of product, price and promotion.

**Keywords:** Unilever; ice cream; Max Adventures; marketing plan.

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## 1. INTRODUCTION

Max Adventures is a Unilever ice cream brand targeting children under the umbrella brand Frigo, which is the ice cream market leader in Spain. The company is investing on a Max Adventures TV series where the main character is a lion called Max. With the TV series, the company wants to make Max become a well known character as famous and loved by children as other existing famous characters such as Spiderman, in order to allow Unilever to use Max's image to sell ice creams directed to kids.

Max Adventures ice creams are sold in two main channels: in home and out of home. In home channel is that one where customers buy products to be consumed at home, such as supermarkets or hypermarkets. Out of home channel is that one where customers buy products to be consumed outside the home for instance bars or restaurants. Out of home channel can be divided into two sub-channels: impulse and food service. Impulse refers to the points of sales where the decision to buy is unplanned. In the ice cream category impulse point of sales are considered all those bars, refreshment stalls or similar establishments that present the ice creams on a price board. On the other hand, food services are all those businesses responsible for any meal prepared outside the home, mainly restaurants.

Considering only the out of home channel, currently Max Adventures ice creams are performing well in the impulse channel. Max ice creams represent 14% of the total price board gross sales. However, its presence in food service is almost inexistent. There are only 3 references that represent 0.5% of the total gross sales value of the Frigo desserts portfolio and they reach a 4% of distribution among the existing clients. (QlickView, November 2012)

The aim of this project is to achieve a fair share for Max Adventures ice creams in the food service. In the long term the objectives are to increase distribution among the

existing clients, from 4% to 100%, and to boost the percentage of gross sales value of the total food service dessert portfolio from 0,33% to 5%.

## **2. MAX ADVENTURES AUDIT**

The brand audit aims to explain the situation of the food service market, the strategies of the main players, the needs and wants of the consumers, the current situation of the brand itself, what it is and what has been done.

### **2.1. External Audit**

#### **2.1.1. Context**

The food service sector is basically composed by hotels and restaurants. It is an important market in the Spanish economy as it represented 6.67% of the GDP in 2011 (FEHR, 2011). Currently there are around 220.000 (Nielsen, 2012) restaurants around the country. In Spain we can differentiate three different restaurant profiles: low, medium and high. Appendix 1 describes each profile.

Current economic crisis have punished very seriously this sector. The economic situation is hard, complicated and full of uncertainty. Bars and restaurants turnover has been decreasing during the last 50 months (FEHR, September 2012) and the sector forecasts to close 2012 with a decrease in sales of 4% and 5% versus 2011 (INE, 2012). Restaurants are receiving less clients and the average expenditure per client is lower. In this scenario the dessert is the most affected category.

Due to the fact that the food service channel is highly disseminated, Unilever cannot sell directly to the point of sales. The company has approximately 80 distributors in Spain who buy Frigo ice creams and desserts from Unilever and sell them to restaurants. These distributors have other suppliers for products of categories different from ice cream.

Frigo is the owner of the cabinets in the point of sales. Frigo concedes the freezers to the distributors and they are the ones in charge to allocate them to the bars and restaurants that buy Frigo products.

### **2.1.2. Competitors**

Ice cream food service sector in Spain is dominated by three main players: Frigo, Nestlé and Grupo Kalise Menorquina (GKM).

This section describes and compares the strategy, target and portfolio of the three main players in the food service market for desserts oriented to kids. The goal is to understand the gaps, the threats and opportunities for developing a Max range of products in food service.

Appendix 2 compares the three main players and its marketing strategies for the kids' product portfolio.

Frigo, Nestlé and GKM have the same positioning in the clients' mind (Salvetti&Llombart, 2012). The three players are perceived by restaurants as brands offering desserts for kids, appropriate for the food service sector, offering a wide range of good quality products, at a good price that have favorable commercial conditions. Basically, they are seen as brands offering good desserts solutions for menus, extremely linked to price.

When considering the children portfolio it is possible to distinguish different strategies where Frigo seems to have the less defined one. On one hand there is Nestlé that bets for offering ice creams related to famous characters, cups are less elaborated than Frigo or GKM ones, but the power of Nestlé products lies on the usage of licenses. On the other hand GKM believes on offering original and funny formats and a wider number of references. Many of its ice creams for kids have been present in the market since several years.

Frigo tries to mix both strategies. It offers a wide range of products where most of the products exploit the usage of licenses, something that for Frigo suppose an important fixed cost for the product. There are also few references that do not use licenses, and three products under the brand Max Adventures.

In conclusion, Nestlé is well positioned on offering ice creams with licenses and GKM on offering original and funny ice cream formats. These are their points of difference, something that Frigo lacks.

### **2.1.3. The consumers**

Children are the consumers of Max Adventures ice creams. For that reason I have conducted 12 qualitative interviews to kids from 3 to 11 years old to get detailed information of their own experiences in restaurants and especially in the dessert occasion. Consult appendix 3 and 4 for interview profiles and insights.

The objectives of the interviews have been to understand kids' behavior in the restaurant, with who do they go, who is choosing their meals and desserts, what is the decision making process for the desserts and discover whether ice cream is their favorite dessert option or not, the importance of the characters and gifts and understand the level of awareness for Max Adventures and its image.

Quantitative interviews have not been conducted as in-depth interviews conclusions coincide with other studios results.

Qualitative interviews revealed meals with children in restaurants usually take place during the weekends or during holidays in medium restaurants and the occasion is typically for lunch. Ice cream appears to be their preferred dessert option, in particular chocolate flavor, and they declare that they are the ones choosing it. Other studies corroborate it. On average there are 2 kids per table and they are 9 years old. In 79% of

the occasions parents let the kid to choose the dessert, and 1 every 2 kids ask for ice cream (Salvetti&Llombart, 2012).

Interviews also proved the importance of the visibility material situated in the restaurant and the importance of the menu. In all the occasions that kids declared to ask for ice cream they remember that they had seen it in the menu or exposed in the freezer.

Additionally, children show preference for ice cream formats that let them be entertained once they have eaten it. Gifts are important but not key. What is fundamental is to offer something that will allow the kid to play and then take it home. They want to have fun with their dessert, and have the longest dessert experience possible. It is important to highlight that kids from 6 years old do not feel attracted by certain formats that they consider to be too childish, such as Mikey Mouse cup or Noddy car – images in Appendix 2 –, as they consider these products for babies. They want “cool” toys with which they can have fun in the restaurant and at home and that allow them to create their own game.

There are not relevant differences between the most liked formats and gifts. It is real that boys show more interest for cars or gifts that are related to action games while girls like dolls and pink colored toys. However, the preferred types of toys by both are those they can collect and then play with them. A promotion post-mortem analysis conducted by Unilever compares results of two different ice cream promotions for kids in impulse channel. The analysis demonstrates that gifts that are collectable provoke a higher increase of sales than gifts that are not (Unilever Spain impulse team, 2012).

Interviews showed that the usage of famous characters is important but not a must. Children do prefer products of their loved characters; they affirm that between two products they would choose the one with the known one. However, they would also be satisfied with a non-branded ice cream as far as they can play with it and have fun.

Regarding the level of awareness it seems the brand is not well known among children, 7 over 12 kids recognized the lion and remembered his name. 5 of these kids related Max to the TV series and they remember they have seen the character fighting. The other 2 that recognized Max associated him directly to ice creams.

None of the interviewed kids recognized the rest of the characters a part from Shadow Master - Max's enemy. Appendix 6 brings more information about the TV series characters.

## **2.2. Internal Audit**

### **2.2.1. Max Adventures**

Max Adventures is a brand for children embodied by a lion and its friends that live many adventures that are explained in a TV series. Thanks to the popularity that the TV series provides, Max lion image is used to represent Frigo kids' ice creams.

Unilever is the brand creator and owner of Max Adventures; it develops all the TV content in order to build a character that kids like. The ownership of Max Adventures allows Unilever to not have the need to pay for the license of other famous characters, such as Hello Kitty, and therefore avoid fixed costs.

Max Adventures is not an independent brand. Putting apart the TV series where the brand is not linked to ice creams and neither to any other brand due to legal reasons, Max Adventures is connected to other brands - Unilever and Frigo - where each of them has a different role. Unilever acts as the endorsing brand, provides trust as it gives information about who is behind Max Adventures. Frigo is the umbrella brand for all the ice creams of the company; therefore we can say that Max Adventures is a Frigo sub-brand for children. Additional appendix 1 shows a schema of Max Adventures brand architecture.

### 2.2.1.1. Brand Identity

A brand identity explains what the brand is and what the brand stands for. It is the intangible part of the brand, the values behind every product, campaign etc. Describing Max Adventures' identity will help to define a marketing plan that is aligned with the actions taken in the other channels.

Kapferer's brand identity prism is used to build Max Adventures identity. This tool has been developed by the brand management professor Jean-Noel Kapferer. He defines brand identity as the key belief of a brand, its core values and its essence. He says that the identity of a brand can be split in 6 facets - physical, relationship, reflection, personality, culture and self-image. Each different facet will define the brand long-term singularity, uniqueness and attractiveness.

**Physical** - *The most salient features of the brand.* Delicious fun ice creams which are a permissible treat and that have moms' approval due to its nutritional values. A Max ice cream delivers adventures in every pack because it is directly related to the Max Lion and its friends. The characters open the door to fun filled worlds of adventure for kids every day.

**Relationship** - *What the brand offers to consumers.* Max brand brings two different types of benefits to its consumers:

- Functional: great taste ice creams, surprising, innovative and exciting products that do not damage kids health compared to other sweet treats.
- Emotional: Max is a cool friend and adventure partner.

**Reflection** - *The brand's perceived client type.* A 9 years-old-kid that is constantly looking for opportunities to enjoy and to have fun through exploration and discovery. In his imagination he can be anyone, go anywhere and do just anything he wants.

**Personality** - *Human personality traits that are relevant for a brand.* Max brand is embodied by the Max Lion who is funny, adventurous, plenty of imagination, brave, confident, smart, in-touch with kids, friendly, youthful, active, trustworthy and kindhearted.

**Culture** - *The set of values feeding the brand's inspiration.* A brand that is constantly engaging kids with exciting new products at accessible prices. Kids love it because is represented by Max Lion which is the ultimate companion for thrilling and exciting adventures. Moms approve its products due to their nutritional value that are ensured by Unilever Sustainable Living Plan (USLP)<sup>1</sup>.

**Self-image** – *Target own internal mirror.* Unilever wants kids to say “I feel I can live exciting adventures every day next to Max Lion”, “I am a brave and confident explorer just like Max Lion and its friends with whom I can enjoy adventures”

#### **2.2.1.2. Brand inventory**

A brand inventory consists on listing and describing the tangible part of the brand: its products, where they are sold, the prices they are sold at, the promotions, communication campaigns etc.

The purpose of this brand inventory is to provide information of where the brand is now, what has been done and what elements can be exploited to expand Max in food service.

Max Adventures has its origins in the 50's in Australia. “Streets”, the Unilever ice cream brand in the country was the creator of Paddle Pop, a cream stick ice cream represented by a lion. The brand expanded worldwide and it was launched in 2010 in Europe under the name Max Adventures.

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<sup>1</sup> Part of the USLP dictates that by 2014 all Unilever ice creams must have less than 110kcal, maximum of 3g saturated fat and less than 20g added sugar /100g,

In Spain Max adventures ice creams are sold in two main distribution channels: in home channel (IH) – products bought in supermarkets, hypermarkets or other shops and that are consumed at home - and out of home channel (OOH) – products bought in bars or restaurants and are consumed outside of the home.

**IH channel** represents 24% of the brand sales (Informe de Ventas, November 2012). Unilever sells directly the products to supermarkets and hypermarkets and negotiates with them the discounts, the position and the space dedicated to the brand in the shelves. Ice creams are sold in a multipack format of 6 or 12 units. All multipacks have the lion Max holding the ice cream. Recommended price to consumer is between 2,29€ and 3,39€ per pack. Additional appendix 2 presents images of IH products.

**OOH** is the main distribution channel of the brand, 76% of Max Adventures sales take place in OOH. These sales represent a 9% of the total ice cream gross sales value in OOH. When considering only kids ice creams, this channel can be divided into two: impulse – 99% of Max sales – and food service channel – 1% of Max sales. (QlickView, 2012)

Impulse products are stick ice creams and are sold individually. They appear in the bottom part of the price board which is dedicated exclusively to Max Adventures. In the packaging there is the drawing of Max and the logo of Max Adventures too, as well as Frigo and Unilever's logo. Impulse ice creams recommended sales price to consumer is from 0.50€ to 1.20€. Additional appendix 3 presents images of the impulse products.

There have been two promotions directed to consumers in the impulse channel. Both were in summer and have been communicated in TV. The first one was in 2011 and consisted in giving a Max Adventures' character figurine with the purchase of any Frigo ice cream. The other one was in 2012; this one consisted in giving an envelope containing Max Adventures' stickers with the purchase of any Frigo ice cream to

complete an album that was given by certain children magazines. Additional appendix 3 compares sales results for both promotions; when the gift is collectable sales are higher.

In the food service channel Frigo is selling three Max Adventures products: Frigo Diver Pinta Max, Surprise Cup and Max Raft. See appendix 5 for more details regarding the products.

As mentioned previously, the strategy is to get Max to be a known and loved character by kids. The main tool to achieve it is TV content; however other instruments as digital content, visibility material and PR events are being relevant too.

Max adventures brand was launched first in 2010 as a TV series. Appendix 6 gives more details about its characters and the plot. TV series have reached a coverage of 80% (Mindshare, 2012), which means that 80% of Spanish kids have seen Max at least once.

There have been two TV commercials. The first one in 2011 to publicize the launch of X-Pop and the second one in 2012 to communicate the innovation, Power Crystals, and a stickers promotion.

As digital is the fastest growing new media channel for kids, this pillar is a key part to create engagement. There is a Max Adventures web site<sup>2</sup> where kids can find information about the TV series' characters, watch the episodes and play online games. Due to Spanish regulation the web site cannot include any content related to Unilever, Frigo or ice creams.

Concerning the visibility material, the main instrument is the price board used in impulse channel. The bottom part is exclusively dedicated to kids' ice creams and Max Adventures. It exists also a specific price board that includes only the kids' references. Additional appendix 4 shows both price boards.

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<sup>2</sup> <http://www.max-adventures.com/es-es/>

With the objective to bring Max closer to kids, during summer 2012 there has been an event in five different fun fair parks around the country where kids could play several different games and be with the character.

### **3. SWOT ANALYSIS**

The objective of this SWOT analysis is to summarize all the information, understand and clarify what is the Max's competitive advantage, what competitors are doing better, which opportunities the market offers and what menaces the brand is exposed to.

**Strengths** - An important competitive advantage of Max Adventures is that its ice creams are sold under the umbrella brand Frigo, the ice cream market leader. Frigo is a since forever brand that has been passing through generations during the last 85 years. Consumers trust on Frigo, a brand that have been with them since they were kids. They even perceive the products have a higher quality than its main competitors (Unilever Focus Group, 2012).

The fact that Unilever has the ownership of Max's image represents an important advantage in front of the competitors. It is like this because on one hand Unilever can control and manage all the TV and digital content and PR events; something that a license contract does not allow. And on the other hand there are no licensing costs or royalties fees as, for instance, Nestlé has for its Mickey Mouse cup.

**Weaknesses** - Kids' product portfolio has low level of distribution in food service, where Max products only reach 4% of the total Frigo clients (QlickView, 2012). Competitors are more relevant in the kids segment and they have a more defined and consistent strategy. Moreover, Max's range of products in food service is small,

almost inexistent as there are only three references that only represent 1.3% of the total Max Adventures turn over (Informe de Ventas, November 2012).

Additionally, as Max Adventures was launched only three years ago in Spain, the level of awareness is lower compared to other characters used to sell ice creams such as Spiderman or Hello Kitty. As a consequence Max can be less attractive and bring lower level of satisfaction to consumers.

**Opportunities** - In food service, Frigo has commercial relationships with 58,000 clients, only 4% of them buy at least one of the Max's current products (QlickView, 2012). Therefore there is a huge opportunity to introduce Max's ice creams to the other 55,680 existing clients.

Besides the distribution potential, the gross sales value captured by each client has increased by 9% in comparison to the previous year. In other words, restaurants and bars are spending more money on Frigo.

Additionally, total Max Adventures turn over – considering sales in the in home and in the out of home channel – has increased by 10% versus 2011.

Even though the level of awareness is not as high as other kids' characters, Millward Brown's market research shows that Max's awareness is improving year after year.

**Threats** - The current crisis is having a strong negative impact in the food service sector. Bars and restaurants turnover has been decreasing during the last 50 months (FEHR, September 2012) and the sector forecasts to close 2012 with a decrease of sales of -4% and -5% versus 2011 (INE, 2012). Restaurants are receiving less clients and the average expenditure per client is lower. In this scenario the dessert is the most affected category. Additionally, economists and experts forecast that in 2013 the market will not increase.

The number of active clients in food service has decreased by 1% (QlickView, 2012) compared to 2011. Regarding Max Adventures references, distribution has been reduced by 4% (QlickView, 2012) and total kids portfolio turnover is decreasing by 22.7% (Inofrome Ventas, November 2012) versus the previous year.

Besides sales trends, there is a more intangible but relevant threat: Nestlé licenses. Nestlé works with very powerful licenses that have more awareness than Max Adventures and that may seem a better kid dessert solution for clients and more attractive for kids.

Affinity with ice cream brands start very early and is usually kept through life. In the long term this can be a threat and therefore it is important, in the long run, that Frigo is the leading brand in affinity and usage in all moments of consumption. Losing this position may imply losing the consumer in the long term.

#### **4. OBJECTIVES AND ISSUES**

With the previous external and internal audit it is possible to understand the starting point to develop a marketing plan for Max Adventures in food service that is consistent with what the brand is doing in the other channels. The present marketing aims to reach long term and short term objectives and stresses relevant issues regarding the brand and the market.

##### **4.1. Long Term Objectives**

Currently Max Adventures has 4% of distribution among Frigo food service clients. In the long term the main goal is to reach 100% of distribution between existing clients and capture 10% of new clients from competitors.

Increase Max Adventures gross sales value weight in regards of the total food service desserts portfolio from 0,33% to 5%.

## **4.2. Short Term Objectives – 1 year**

In the next two years the brand will double current level of distribution; increasing it from 4% to 8%.

Boost gross sales value by 60% - 50% of sales increase will come from distribution increase and the remaining 10% will be reached by increasing rotation in the point of sales. With the sales increase Max Adventures will reach a weight of 1% of the total gross sales value of the food service portfolio.

The plan will also contribute to increase brand awareness and engagement as products will be present in more points of sales and therefore the brand visibility in the market will be higher.

## **4.3. Relevant Issues**

Throughout the audit it is possible to identify certain issues that must be taken into account to develop a marketing plan for Max Adventures in food service.

Sales structure is the most important barrier. Frigo distributors sell other type of products from other suppliers, something that is translated into a minor focus for the ice cream category. Distributors' sales force sell to restaurants; restaurants are the ones choosing what Frigo products will be in the menu, the price to consumer and the visibility material they want to use. The consequence is a lack of control in the point of sales and therefore less influencing capacity on the consumer. This lack of control means that an extra effort to convince the client is needed.

Other important issues are the economic conditions. Supplier economic conditions are a key point in order to convince restaurants whether to choose Frigo, Nestlé or GKM. Dessert portfolios between these brands are very similar and what make the difference are the offered prices and discounts.

Cabinets play an important role as well. Producers are the owners of the freezers which are given to restaurants through the distributors when they become clients. Therefore, restaurants usually only have one ice cream supplier.

Additionally, we can distinguish three different profiles of restaurants - low, medium and high – with very different needs in terms of prices and products.

The lack of a specific strategy for Max Adventures in the food service channel is one of the causes of its low success in food service.

The awareness problem is relevant too. Not because children may not be attracted enough by Max Adventures products – interviews showed the usage of a famous character has an influence on kids, but it is not a must – but because you have to convince the client before the consumer. Clients may consider ice creams with licenses can be more powerful than other ice creams for kids.

## **5. STRATEGY**

In order to achieve the described goals a key part of the marketing plan will be to develop a new range of Max Adventures products for the food service channel. This product portfolio will have to take into consideration the different restaurants' profiles – low, medium and high – and the flavor, format and gifts preferences revealed during the interviews, at the same time that they are linked to the TV series content. Products will also increase the length of the consumption occasion by letting kids play.

The new kids' product portfolio will have to meet Max's identity by developing products that deliver fun, thrilling and exciting adventures at the same time that the product it is nutritionally responsible and that does not damage kids' health. Products will provide just the right balance of fun and energy.

Even though there are some differences between younger and older kids, there is no need to target two different age segments as younger kids feel also attracted by products for older children due to aspirational reasons. The core target will be kids from 8 to 10 years old that like to have the maximum fun in their free time. Older kids that make the decisions about the products they buy or influence those that adults buy for them. However distinctions between boys and girls will be made and the image of Leena will be exploited to target the segment girls and Sahow Mater to target boys.

As TV series is introducing every year a new theme, it will be relevant to adapt some products, the catalogues, the visibility material etc. to the content of the new TV series theme. By doing this, TV series and Max products in food service will be aligned.

As Max Adventures is a young brand, it is important to create more engagement with children and make them feel more interested for the characters and their adventures. For this reason the products and the communication tools in restaurants and bars will direct children to the digital content.

Due to the fact that convincing the point of sales is the most important barrier to reach consumers, products will be sold at a competitive price that will offer a good margin to the clients and there will be a tool to explain how Max Adventures awareness is increasing year after year.

## **6. THE MARKETING PLAN FOR MAX ADVENTURES IN FOOD SERVICE**

This section presents a marketing plan to meet the described goals. It proposes to add new references in the product range, a price segmentation, to enter in a different client profile, launch a promotion and a communication campaign.

## 6.1 Product and Brand Elements

Taking into consideration that Nestlé has 4 kids' products and GKM offers 13 different products classified into 3 families, new Max Adventures range of products will be an intermediate number that will be increased or maintained every year to adapt to the market needs. Therefore, the proposal for the next two years is to increase the product portfolio from 3 to 8 references. Existing products will be maintained and the new portfolio will be divided into two groups: affordable range, to target low profile restaurants, and premium range, to target medium and high profile restaurants. Both ranges will offer the most loved flavor by children: chocolate, vanilla and strawberry; as well as an ice cream of cola flavor to differentiate from competition and offer something surprising.

As most of the kids' dessert occasion occur in medium restaurants, premium range will be more relevant.

Affordable range will be composed by 3 different references. The products in this range are characterized by having low production costs that will allow Frigo to offer good prices to be attractive in front of the clients but at the same time will deliver fun and entertainment that will increase the length of the consumption occasion.

Two of the existing products will be included in the affordable range: Frigo Diver Pinta Max and Surprise Cup.

Affordable range will have a new reference: a 75ml cola flavor ice cream cup decorated with drawings of the TV series main characters. This ice cream will include dinosaur shaped Haribo<sup>3</sup> jellybeans that children can put as a topping on the ice cream or eat them afterwards and therefore increase consumption length. None of the

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<sup>3</sup> Unilever has a co-branding with the sweets company Haribo.

competitors have something similar; because of this it will bring differentiation in the product range.

Premium range will be composed by 5 references. In this range production costs can be higher which will allow developing more attractive and elaborated cups.

For this range it will be included the existing Max Raft, with no modifications. There will be 3 new references forming part of the same family: Max Gogos. This family will be formed by three ice cream cups with the shapes of the main characters, Max and Shadow Master to target boys and Leena to target girls. These cups will include 3 Max Gogos – small plastic figures with the shape of the TV series’ characters that kids can play with. Appendix 7 explains on what the game consists. Gogos will be collectable and the ice cream will come with instructions that will show kids how to play with them. Table 1 summarizes the new range of products.

**Table 1: New Max Adventures’ Product Portfolio for Food Service**

<b>Product</b>	<b>Description</b>
<b>AFFORDABLE RANGE</b>	
<b>Frigo Diver Pinta Max</b>	A Max Adventures’ box containing a 75ml vanilla-chocolate ice cream cup and a packet of cryons.
<b>Surprise Cup</b>	A 75ml vanilla-chocolate ice cream cup decorated with Max Adventures drawings. It includes Max Adventures’ gifts related to the new TV series theme.
<b>Haribo Cola (new)</b>	A 75ml cola flavor ice cream cup decorated with Max Adventures drawings and the Haribo logo. Haribo jellybeans are given with the cup to be put as an ice cream topping or consumed after the ice cream
<b>PREMIUM RANGE</b>	
<b>Max Raft</b>	A 75ml vanilla-strawberry ice cream cup in a motor boat driven by Leena and Max
<b>Gogo Max (new)</b>	A Max shaped cup with chocolate ice cream that includes 3 gogos
<b>Gogo Leena (new)</b>	A Leena shaped cup with chocolate ice cream that includes 3 gogos
<b>Gogo Shadow Master (new)</b>	A Shadow Master shaped cup with chocolate ice cream that includes 3 gogos

## 6.2 Price

In order to simplify the presentation of the products to the clients, tariffs will be standardized.

All products of the affordable range will be sold to restaurants at 1.50€, restaurants will set the price for consumer, however a recommended price to consumer of 3€ will be given.

Premium products will be sold at a tariff of 2.25€ and with a recommended price to consumer of 4.50€.

Production costs will have to adapt to these tariffs in order to have a gross margin for each product between 20% and 30%.

### **6.3 Placement**

These products will be sold in bars and restaurants offering lunches and dinners. They can also serve as desserts for fast food chains such as McDonalds or Burger King where Max ice creams can be included in the special menu for kids. Having Max Adventures ice creams in such important chains will increase its presence in the market, brand visibility and awareness.

### **6.4 Promotion**

It is not usual to have promotions directed to consumer in food service; however, as there is a Max Adventures promotion in the impulse channel during summer it can be interesting to use the same promotion in food service too. As Max Adventures is more relevant in impulse, this channel will be the one defining the promotion. In 2012 it consisted on giving Max Adventures stickers with the purchase of a Frigo ice cream. The suggestion for 2013 is to continue giving something that is collectable. The proposal is to give an envelope with several small pieces that kids can join to create bracelets and necklaces – appendix 8 shows it. In the food service the promotion can consist on giving an envelope of these pieces with the purchase of a Max dessert.

A part from this there will be another promotion that will consist on putting a code in the ice cream cups that children can introduce in the Max Adventures web site.

Parents will have to register their sons in the web site and then they will be able to introduce the code. Each code will give to the user a certain number of points and with the points users can win prizes such as Max Adventures T-shirts, towels etc.

### **6.5 Communication**

Communication will be done in the point of sales, with the objective to attract kids' attention and push the order of a Max ice cream, and in TV, to communicate its presence in the food service channel.

In the point of sales the brand will continue having stickers in the freezers with the images of the main characters - Max, Leena and Shadow Master - that get children's attention.

Develop a special menu for kids' desserts with a cool and attractive design. The menu will have a Max Adventures' style but will also include nutritional information directed to parents such as the number of calories, colorants or gluten free symbol.

The menu and the stickers will serve also to explain the promotions.

As the brand is announced in the TV during certain periods of the year, the publicity will be used to communicate that now kids can also find Max Adventures products in their restaurant as well as the summer promotion. Suggested messages: "Your Max Adventures ice creams now also in restaurants!" and "Ask for your pieces to form your bracelet also in your restaurant".

In order to convince the point of sales to buy Max Adventures products the sales catalogue will explain all the promotions and will give relevant numbers such as the increasing Max awareness, the good performance in impulse or the fact that kids ask for ice cream in 50% of the desserts occasions in restaurants (Salvetti & Llombart, 2012). The objective of including this information in the sales catalogue is to explain that Frigo

is investing in this brand, that is becoming famous between children and that will bring profits.

## **7. FINANCIAL VIABILITY ANALYSIS**

Appendix 9 presents a sales forecast based on the introduction of new products in the market and in an increase of the total distribution from 4 to 8%.

In order to estimate the sales of the new references it is assumed that each client will buy 35 units t in a year – the current rotation average for Max Adventures products in Food Service – and that the products will achieve a 30 - 40% of distribution among the that the brand must reach 4.560 clients. Rotation is adjusted assuming that affordable products will be more sold.

Regarding the existing products it is assumed a 70 and 80% of cannibalization and an increase of 30 - 50% due to higher distribution.

As Max Raft was launched in October 2012, it is assumed the same level of sales per month for next year.

The result is a sales increase in units of 15% and 61% increase in gross sales value.

Appendix 9 presents also the financial viability of the project considering the sales forecast calculated previously and assuming the cost of the product is 30% over the tariff. Advertising TV costs would be around 20,000€, however, as it is mainly a TV campaign for the impulse channel, it is considered that food service will only a quarter part of the total cost. Product development includes the costs of the new product design and the first prototypes. Promotion campaign comprises the development of special Max material, its communication and distribution. Finally, visibility material expenses are the design and production costs of the stickers and menus.

The result is a return on investment of 20%.

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## 9. APPENDIXES

### Appendix 1: Spanish Restaurants Profiles

	LOW (from 8 to 12€)	MEDIUM (from 12 to 30€)	HIGH (>30€)
Surface	120 m2	140 m2	190 m2
Number of employees	5	8	11
Occasion	Lunch	Lunch and dinner	Lunch and dinner
Majority of visits	From Monday to Friday	From Monday to Sunday	Weekends
Main business	The menu	A la carte menu	A la carte menu

Source: "The dessert in food service" by Salvetti & Lombart

### Appendix 2: Benchmark

			
History	Frigo was founded in Spain in 1927. The brand grew year after year and in 1976 Unilever acquired it. Frigo is currently the ice cream leader brand in the Spanish market.	Nestlé has its origins in the 40's when an entrepreneur opened a food factory. The brand suffered several changes through its history and in 2004 it was re-launched as 'Helados Nestlé'. Nowadays Nestlé is selling in IH and in OOH and it is Frigo's strongest competitor.	It was founded founded in 1940 and it positioned itself as the specialist in the food service sector. GKM is present in IH and in OOH; however its main business is the food service market.
Market Share in FS	~30%	~30%	~40%
Target	Kids from 6 to 12 years old	Kids from 6 to 12 years old	Kids from 6 to 12 years old
Current Strategy	Not very defined. It is offering a mix of products that include licenses, not branded cups and starts to introduce Max Adventures.	Use of very powerful international licenses and well known characters between kids.	It does not invest in any type of license. They seek to have ice cream cups that kids like and consider funny so they can play with them and want to take the cups home.
Products			

### Appendix 3: In-depth interviews profiles

**Gender:** 4 girls and 8 boys

**Age:** 1 kid of 3 years old; 3 kids of 5 years old; 2 kids of 6 years old; 3 kids of 7 years old; 2 kids of 9 years old; 1 kid of 11 years old

## Appendix 4: In-depth interviews quotes

<p><b>BEHAVIOR IN THE RESTAURANT</b></p> <p>Kids were asked:</p> <ul style="list-style-type: none"> <li>- With who did they go to the restaurant</li> <li>- When</li> <li>- What dessert did they order and why</li> <li>- What would they choose among several options showed (Frigo and non Frigo ice creams)</li> </ul>	<p><i>"I went with my mum, her boyfriend and my brother"</i></p> <p><i>"It was this summer"</i></p> <p><i>"The restaurant was in a street. We went for dinner"</i></p> <p><i>"Everyone chose his meal"</i></p> <p><i>"For dessert I ate chocolate ice cream"</i></p> <p><i>"There were more flavors but chocolate is my favorite one"</i></p> <p><i>"I don't remember the price because my parents are the ones paying"</i></p> <p><i>"The ice cream was in a cup and I liked it a lot"</i></p> <p><i>"I saw there was ice cream in the menu"</i></p> <p><i>"I would choose the Gogo's because I like Gogo's, I play with them every now and then"</i></p> <p><i>"The one I like less is the Hello Kitty because it's for girls"</i></p> <p><i>"I don't like the Mikey Mouse one, it's for little kids"</i></p>
<p><b>TOYS AND GIFTS</b></p> <p>Kids were asked:</p> <ul style="list-style-type: none"> <li>- If they like gifts with desserts</li> <li>- What kind of gifts do they like</li> <li>- The importance of famous characters</li> </ul>	<p><i>"If I can choose I prefer an ice cream that comes with a gift"</i></p> <p><i>"I like these guns and afterwards I can eat the sweets"</i></p> <p><i>"I like things that I can assemble and play with them afterwards"</i></p> <p><i>"If I would have two figurines I would make them fight"</i></p> <p><i>"I would like my dessert to have the drawing of Goku, but if it doesn't have it I would want it all the same"</i></p>
<p><b>MAX ADVENTURES</b></p> <p>Kids were asked:</p> <ul style="list-style-type: none"> <li>- To recognize Max and the rest of the characters</li> <li>- To show preferences among Max existing products</li> </ul>	<p><i>"I know him, I have seen him fighting in the TV but just one day"</i></p> <p><i>"I know Max because of the ice creams"</i></p> <p><i>"I have never seen this guy"</i></p> <p><i>"I like Twitch because he's funny"</i></p> <p><i>"I like Max Raft because it's a motor boat. I would bring it home with me"</i></p> <p><i>"I like Pinta Max because it has crayons and I love painting"</i></p>

## Appendix 5: Max Adventures current product range in food service



### Frigo Diver Pinta Max

A Max Adventures' box containing a 75ml vanilla-chocolate ice cream cup and a packet of crayons.



### Max Raft

A 75ml vanilla-strawberry ice cream cup in a motor boat



### Surprise Cup

A 75ml vanilla-chocolate ice cream cup. It includes Max Adventures' figurines as a gift.

## Appendix 6: TV series characters



**MAX** was a kid when he was taken from his parents because Shadow Master had invaded the kingdom. Now he has grown up and he is strong enough to fight against Shadow Master.



**LEENA** is Max's adventures companion. She is loyal and believes the Kingdom will be liberated from Shadow Master.



**SHADOW MASTER** comes from a dark world and he is Max's enemy. He will do everything is in his hands to have the control of the Kingdom.



**PROFESSOR HIGGABOTTOM** is Max's father councilor. His duty is to take care of Max and ensure Shadow Master is does not take the Kingdom's control.



**SPIKE AND TWITCH** are Max's best friends

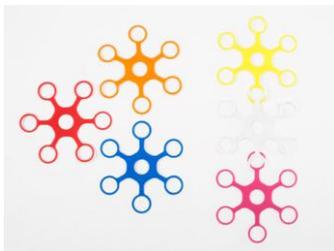
### Appendix 7: Gogos



Gogos or crazy bones are small figures made of plastic inspired in an ancient Greek game.

The game consists on putting several gogos in a line on the floor. The player or players will use another gogo to throw it and make the rest fall.

### Appendix 8: Pieces to create bracelets and necklaces



Hexagon shaped pieces that can be attached to one another to form bracelets or necklaces. They can be produced in different colors and different shapes.

### Appendix 9: Sales Forecast and Financial Viability Analysis

	2012		2013 - forecast	
	GSV	Sales Units	GSV	Sales Units
Frigo Diver	100.828,70 €	67.219	30.248,61 €	20.166
Surprise Cup	42.259,43 €	40.247	23.544,54 €	15.696
Haribo Cola			38.579,29 €	25.720
Max Raft	2.318,40 €	1.012	9.111,62 €	4.050
Gogo Max			44.305,90 €	19.692
Gogo Leena			44.305,90 €	19.692
Gogo Shadow Master			44.305,90 €	19.692
<b>TOTAL</b>	<b>145.406,53 €</b>	<b>108.479</b>	<b>234.401,76 €</b>	<b>124.706</b>
<b>Increase</b>			<b>61%</b>	<b>15%</b>

<b>Sales</b>	<b>234.401,76 €</b>
<b>Cost of goods sold</b>	<b>164.081,23 €</b>
<b>Gross Margin</b>	<b>70.320,53 €</b>
Advertising campaign	5.000 €
Promotion campaign	10.000 €
Product development	10.000 €
Visibility material	7.000 €
<b>Net Profit</b>	<b>38.320,53 €</b>

# **Additional Appendixes**

## **A marketing plan for the ice cream brand Max Adventures in Food Service**

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Student number 886

## Additional Appendix 1: Brand Architecture



## Additional Appendix 2: Max Adventures' product range in IH



**Frigo Dedo**  
6 units per box  
Recommended sales price: 2.29€



**Mini Milk**  
12 units per box  
Recommended sales price: 3.39€



**Twister 3D**  
6 units per box  
Recommended sales price: 3.25€



**X-Pop**  
6 units per box  
Recommended sales price: 3.25€

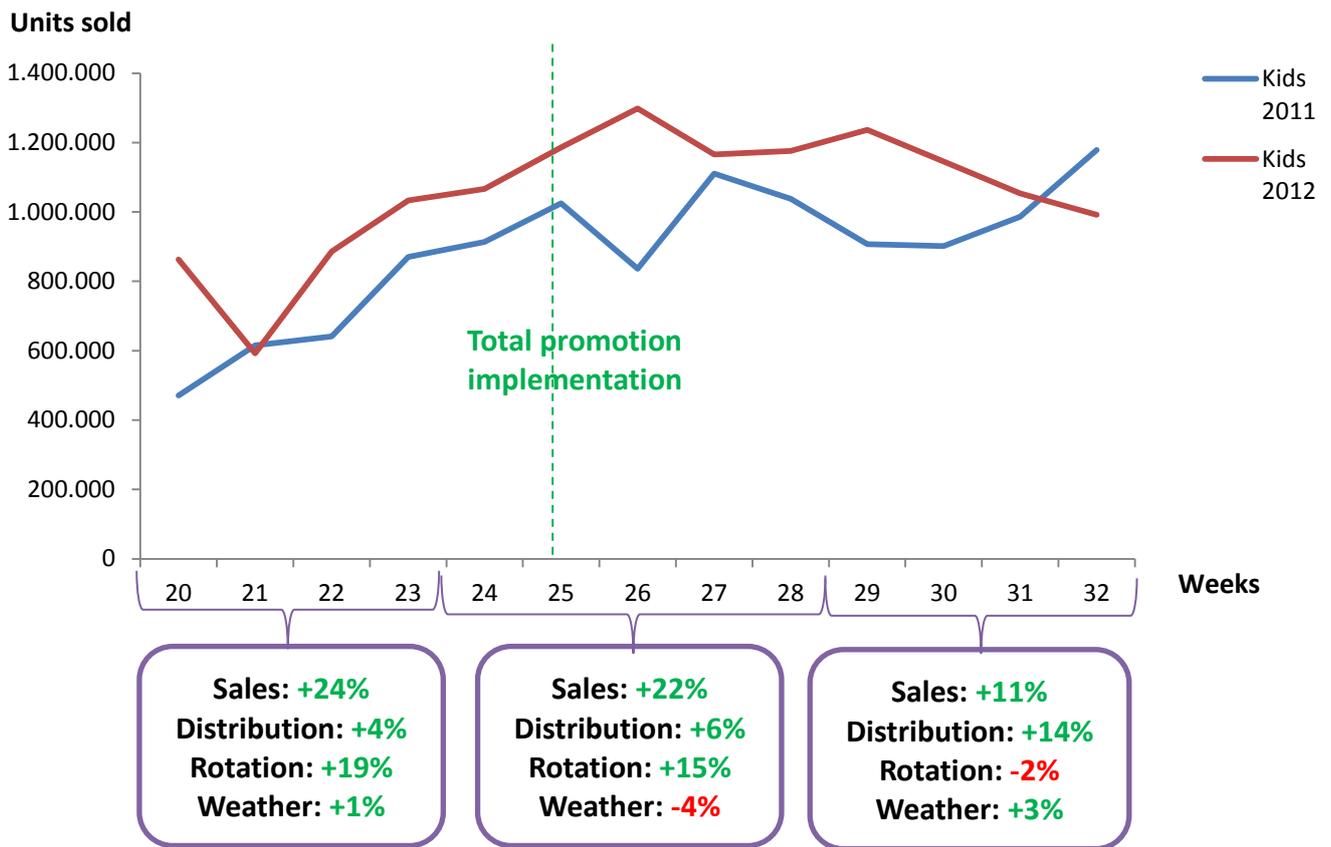


**Frigo Pie**  
6 units per box  
Recommended sales price: 3.25€

**Additional Appendix 3: Max Adventures' impulse product range corresponding to the portfolio architecture strategy**

	<b>Core</b>	<b>Affordable</b>	<b>Premium</b>
<b>Price range</b>	Index 100 (1€)	Index 50-80 (0,50€)	Index 120-200 (1,20€)
<b>Product</b>			

**Additional Appendix 4: impulse summer promotion post-mortem analysis**



**Additional Appendix 5: Price Boards 2012**



General Price Board



Kids Price Board