

**SANITARIUM CLUSTER CRISPS****MARKETING AIMS**

- To improve product recognition and promote Cluster Crisps more in the public eye so that the product becomes better known to customers and potential buyers.
- To promote Cluster Crisps and their healthy image against other cereal brands to improve Sanitarium's image which will increase their market share.
- To increase the market share by 5%.

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**MARKETING AUDIT**

Sanitarium's Cluster Crisps are found under Sanitarium's breakfast collection. It is one of the 13 products they sell under this category and comes in three flavours, vanilla almond, triple berry and Manuka honey with roasted cashew. Cluster Crisps is different from other products because it has a mix of unique ingredients that appeal to all ages. It is both healthy and delicious and the flavours on offer are unique and different from other cereals.

- *Placement*  
Sanitarium has a wide range of products that they sell and they target a wide variety of customers. By selling Cluster Crisps they target both younger and older customers. Sanitarium has factories in a number of locations across Australia and New Zealand and sell their products to supermarkets. Sanitarium's Cluster Crisps can be bought at New World and Countdown supermarkets. They are sold under breakfast cereals in the stores and on Countdown's online site.
- *Promotion*  
Sanitarium promotes its products mostly through the media in the form of advertisements on television and through posters etc. They are also actively involved in the community and sponsor events like the Weetbix Tryathlon, meaning they get a fair amount of publicity. Advertising that is relevant to my product, Cluster Crisps, are their advertisements [*detail omitted*]
- *Product*  
Cluster Crisps are wholegrain crunchy oat clusters that have been blended with crispy golden cornflakes. Cluster Crisps come in three flavours. They are available in a 475g pack and a larger 700g value pack. Sanitarium promotes the product as being delicious and nutritious.
- *Price*  
Cluster Crisps are priced at \$5.99 for a 475g pack at Countdown and \$8.49 for the 700g pack. Cluster Crisps are reasonably priced with the majority of other cereals at Countdown, in particular, selling for between \$4.99 and \$8.49. Some of Sanitarium's major competitors are Kelloggs, Hubbards, Vogels and Select.
- *People*  
Sanitarium was established by the Seventh-day Adventist Church in Australia to promote and produce plant-based health foods.

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*The firm's Market Share*

Sanitarium's slice of the breakfast cereal market fluctuates between 40 and 45 percent, its nearest rival is Kellogg's holding about 22 percent [*source cited*].

*SWOT analysis of Sanitarium Cluster Crisps*

- *Strengths have been omitted from this exemplar.*
- *Weaknesses*  
The weaknesses with Sanitarium Cluster Crisps are that they are a common cereal and many other cereal brands are selling similar types of cereals. Sanitarium need to advertise their Cluster Crisps with more enthusiasm and create an advertisement-type of promotion that sticks in people's heads and that puts Sanitarium Cluster Crisps as a first choice.
- *Threats*  
There are many threats to Sanitarium on the market and especially to Cluster Crisps. Another similar item/brand is Uncle Toby's Clusters. They too come in three different flavours and have similar prices. Kelloggs is also a threat to Sanitarium and Hubbards also sell a similar item. There is a high chance of threats from substitutes. Social threats – examples of social threats could be an increase in existing customers that become intolerant of wheat or having allergies to nuts. Sanitarium Cluster Crisps would not suit such people. Economic threats – because of the current state of the economy food prices are on the rise and competition between the cereals is high. In this context, consumers may buy cheaper cereal options such as cornflakes or generic brand alternatives.
- *Opportunities*

Some opportunities for Sanitarium Cluster Crisps are the possibility of introducing another flavour or wheat-free alternative to add to the Cluster Crisps range.

#### CONSUMER PROFILE

##### *Demographics*

Sanitarium's target market is those who enjoy a healthy breakfast that offers both nutrition and taste. The demographic of Sanitarium Cluster Crisps is all ages. The product appeals to adults and children because they are healthy and yummy. There are golden cornflakes mixed with a hint of vanilla which appeals to a younger market but there are also wholegrain crunchy oats that appeal to the older market. The ingredients of Cluster Crisps offer a healthy balance of sugars and energy, perfect for younger children going to school. It also appeals to teens or adults wanting a delicious but healthy breakfast food.

##### *Threat of new entrants*

Sanitarium has many competitors that could have a major effect on sales because they sell similar products. They are all reasonably nutritious and are well advertised.

##### *Threat of substitutes*

Because Sanitarium Cluster Crisps is in a wide market of cereals that are all reasonably similar, there is a threat of substitutes. Sanitarium has to be very careful and wise when it comes to selling their products because if they don't keep an eye on their competitors they may lose their loyal customers to another brand simply because of that brand's marketing or price. At the moment Sanitarium is doing a good job of marketing its Cluster Crisps through advertising.

*Existing competitors - omitted from this exemplar.*

#### PRIMARY RESEARCH

I asked 20 people to rank the cereal they eat or would prefer to eat in order of 1-3. They were given three cereals to choose from – Sanitarium Cluster Crisps, Hubbards cereal and Kelloggs Nutrigrain. I chose the second two products because they are reasonably well-known and they are Sanitarium's major competitors. By asking people to rank these, I was able to gain an understanding of brand image and each product's popularity.

*Result chart omitted from this exemplar.*

The main finding from my research was that Sanitarium is a well-known brand and Cluster Crisps is a very popular cereal. When I spoke to the participants in my survey I found that although Cluster Crisps is advertised on TV some people were unsure of what they were and this brought to my attention that Cluster Crisps could be advertised in a better way. So, while Sanitarium is very well-known, the Cluster Crisps product isn't.

#### TARGET MARKET

I will be concentrating on promoting and selling Sanitarium Cluster Crisps to those who enjoy eating healthy breakfast cereals that are both delicious and nutritious. The product will be targeted at health-conscious people and parents who buy cereal for themselves and their children. Because Cluster Crisps is quite a versatile breakfast it appeals to really anyone that enjoys a muesli based cereal that contains wheat and nuts.

#### PROMOTION PLAN

Promotion idea	Tools and tactics
Have contests on the back of the cereal boxes and prizes in the cereal boxes	Use colourful templates to target the younger market. Make them fun and achievable. Make the prizes small but fun so that young children want to collect the prizes and continue buying the product.
Continue advertising through the media and make advertisements with well-known athletes or famous NZers promoting Cluster Crisps.	This idea can be promoted on TV and on billboards etc. If possible, Sanitarium could ask to play their advertisements at an appropriate time when most people watch TV (do some research to find out the best time slot). This will mean the ad is getting the publicity it deserves. Promote the healthy image of Cluster Crisps.
Have promotional events at market days and tester stalls in supermarkets to promote the cereal and prove to people that Cluster Crisps are different from other cereals. They could also hand out stickers to children.	Set up stalls with promotional Tshirts and with lots of colour and hand out free testers of Cluster Crisps so customers get a taste of the product and can decide if they like it or not. It also shows customers that Sanitarium cares about its customers and is involved with the community.
Sanitarium could come up with their own unique jingle or theme song so that people get the brand in their head and will immediately think about that product when they choose their cereal.	This could be played through both the radio and on TV when the advertisement is playing.

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