Somersault Life Co.

Executive Summary

Somersault Life Company, previously known as Somersault Snack Co., produces a snack in multiple flavors called Somersaults. The company’s main goal is to promote a healthy lifestyle through the healthy snacks and educational website that it has produced. It is a sunflower seed based snack that is high in protein, and is vegan and non-GMO. The product is sold in stores with large all natural and organic sections. The marketing plan’s goal is to increase the company’s revenue by increasing the amount of promotional and distribution activities that the company undertakes. Improving the flavors will also be important to increase the amount of customers that are loyal to the brand.

Situation Analysis

Internal Environment

Review of Marketing Goals and Objectives

Somersault Life Company’s main goal is to create and market “healthy, tasty snacks for people who crave a nutritionally-impactful yet low calorie way to fuel their high energy lives.” This goal includes making the products in a way that is as sustainable as possible, with the highest quality ingredients, and no preservatives. The company’s founders created a nut-free and vegan snack that is high in protein, vitamin E, fiber, and potassium with a simple list of all natural ingredients, including sunflower seeds and wheat. This snack is called Somersaults. Although the company’s product offerings are limited, the four flavors provide consumers with the choice of a savory or sweet snack: Cinnamon Crunch, Sea Salt,
Dutch Cocoa, and Salt and Pepper. Being nut-free, soy free and certified vegan, one can see that the company strives to market the product to those that have special dietary needs, such as sufferers of food allergies or vegans. Additionally, the product is non-GMO certified. This will attract consumers interested in all natural, organic diets, who are concerned that genetically modified food could be harmful.

In addition to their product offerings the company, is dedicated to educating consumers and nutritionists about the health benefits of sunflower seeds and an all-natural diet. The website provides plenty of nutritional information for consumers and nutritionists about the health benefits of the company’s products by displaying facts about sunflower seed nutrition and comparisons with other products. This includes continuing education presentations that allow nutritionists to earn 1 CEU credit for passing the class. These classes are about high protein plants, sunflower seeds, and healthy snacking. A packet of information is also available for registered dieticians.

The company’s goals and objectives that they have met are consistent with the overall mission to market a healthy and tasty all-natural snack. The company’s products are certified Vegan, Kosher, and Non-GMO. This certification along with the nutritional facts, and simple list of ingredients, provide credibility for a new company that is attractive to those interested in a healthy life style or those with dietary needs. By focusing on marketing the product to nutritionists, the company is consistently focusing on marketing a healthy snack for a healthy life style.

Review of Current Marketing Strategy and Performance

Somersault Life Co. produces a small variety of sunflower and wheat based snacks. They are bite-sized snacks that are sold in foil snack bags of three different sizes: 1 oz., 6 oz.
and 20 oz. The main ingredients are molasses, sunflower seeds, whole wheat flour, sesame seeds, and sunflower oil. It is available in four flavors: sea salt, cinnamon, salt & pepper, and Dutch Cocoa. Cinnamon and Dutch Cocoa are meant to be a sweet dessert like snack, like cinnamon rolls or chocolate chip cookies. Sea salt and salt and pepper are potato chip like flavors. The Santa Fe Salsa flavor has recently been discontinued. The product is certified vegan, Non-GMO, and Kosher. It is free of major allergens, including soy, dairy, and nuts.

The company has done an excellent job in crafting a healthy and all natural snack that meets its objectives of nutrition and sustainability. Not only is it an all-natural product, but the packaging was made from recycled material.

On tasting the product, one can tell that the savory flavors still need to be improved on. The cinnamon flavor was excellent. However, the sea salt flavor was overwhelmingly too salty. The flavor is not like eating a pretzel or pita chips, but like putting a hunk of salt in ones mouth. Eating this much salt at one time tastes unhealthy. It is surprising that such a health conscious company would allow their snack to have such a high salt content. The Dutch Cocoa flavor could also be improved. It tastes like bittersweet chocolate, and is very plain, like an Oreo cookie without the cream. If the company is to improve sales, they need to improve the flavors by lowering the salt content of the savory products to that of pretzels and increasing the sugar content of the cocoa flavor. Although some people may like the taste of bittersweet chocolate, it will not be popular until it is more sugary.

The company’s website sells the 1 oz. bags for $1.09, the 6 oz. bags for $4.29, and the 20 oz. bags for $12.49. The product can also be purchased online in cases for a special deal. This lowers the price of the individual package. These deals include variety pack options like a 15-pack of 1 oz. packages, a 12-pack of 6 oz. packages, and a 6-pack or 9-pack of 20
oz. packages. Free shipping is available for purchases of $49 or more. However, the price per ounce of a 6 oz. pack is no different than buying a single flavor 24-count box of 1 oz. bags. This is $0.71, which is comparable to buying an item from a vending machine. This is a very acceptable price for those that regularly do buy products from vending machines. However, given that it is a product sold in the higher priced, all natural and organic section of grocery stores, it is a higher price than its competitors. For example, a 16 oz. bag of Rold Gold tiny twist pretzels sells for $3.29, which is only $0.21 per oz. Nabisco’s Chips Ahoy cookies are $3.74 for an 18 oz. package. This is also $0.21 per oz.

Somersault Life Co. sells its products in stores and online. Being certified vegan and non-GMO, the product is sold in stores that sell large amounts of organic and higher priced snack products. This would mean that the product is more likely to be found in larger cities than smaller towns. The website lists the following stores that may have the product available for sale: Target, Costco, Whole Foods Markets, CostPlus World Market, Albertson’s, Seattle’s Best Coffee, Peet’s Coffee & Tea, Caribou Coffee and regionally at Safeway, Fresh and Easy, Ralph’s, Byerly’s, Wegman’s, Fred Meyer, Rite Aid, Stop & Shop, Central Markets, Bashas, Lunds & Byerly’s, Bristol Farms, Earth Fare, Pharmacas, Raley’s/Nob Hill/Bel Air, Gelson’s, New Seasons, PCC, Metropolitan Markets and other fine retailers. However, the store locator is not up to date. The product was not available at stores that the author visited based on the store locator, but was available at other stores not listed in the locator. This can make it difficult for potential customers to find the product. The online website does make it convenient for fans to buy the product by offering special deals for bulk purchases, like free delivery for a purchase of $49 or more and the option to sign up for a recurring delivery.
The main source for promoting the product to customers for retail and wholesale purchases appears to be the company's website. This promotes the product and a healthy lifestyle to consumers and nutritionists. The website includes a store locator, an online shop for retail sales, and a section for wholesale purchases. Potential customers can also sign up for a newsletter, which provides information about special deals. A large section of the website is devoted to promoting the nutritional quality of sunflower seeds to dieticians through an educational program that offers CEU credits.

A significant amount of stories have been published in magazines and broadcast on the news about this company and product. This has significantly helped to promote the product. The list of magazines and news channels that have publicized the product include: Yoga Journal, KUSI News, San Diego Ch. 6, Glamour, All You, Shape, ABC 7, The Oprah Magazine, Los Angeles Splash Magazines, Bay Area Parent, Every Day with Rachael Ray, Gourmet, Baby & Toddler, KOINlocal6.com, PCC Natural Markets, Woman's Day, First for Women, San Francisco Business Times, Kiwi, Marin Magazine, Veg News, Parenting, Health, and Daily Candy. This amount of media coverage is very important for the promotion of such a young company.

Additionally, special sales and store displays are an important source of promotion. Many customers will pass by these products and try them out of curiosity if they notice a special sale if the display is in the aisle when they would not normally notice the product on the top shelf of the organic section of a grocery store. Given that this is a private company, performance data is not available for this company in order to analyze how successful its promotional strategies have been. Given the company's struggle with the taste of the product, one can understand that it might not sell well. The author noticed that
more than one store had too many sea salt and salt and pepper packages on the shelves, but hardly any cinnamon one. When examining the product, the packages were past the “best by date”. This is a bad sign for the company.

Whether or not the higher priced organic or non-GMO snacks are big sellers in grocery stores or not is important for this company to understand in order to better target its market. Although the product is not organic, increased sale of organic goods is a good sign for a company that sells non-GMO certified products. It is good news that the Organic Trade Association states that the sale of organic food has increased from $3.6 billion in 1997 to over $39 billion in 2014. A Consumer Reports survey stated that 84% of Americans purchase organic products. However, the amount of organic food purchased in this country only amounts for 4% of all food sales (Organic Trade Association, 2014).

Review of current and anticipated organizational resources

Because the company is a private company, information about the company’s organizational structure is not freely available on the Internet. The website does not provide much information about the owners of the company, or who founded it, except a first name of the employee along with a casual photo and job description. The Press Kit states that the snack was created by a group of people from Sausalito, CA. The employees that have become the face of the company are the nutritionists that have been hired as consultants to design the section of the websites on nutrition in order to educate the public and other nutritionists about the health benefits of sunflower seeds and healthy snacking. Their role as educators is a publicity and public relations strategy. They can be contacted to provide statements to the press. The company has outsourced the design of its website and e-commerce operation, including customer service and shipping, to a company called
WorldPantry.com. This includes the distribution of the product to individual consumers and managing the supply chain of wholesale distribution to retail stores.

WorldPantry.com’s clients include a few well-known companies like Plum Organics and PowerBar. Given how difficult it can be to locate such a new product in grocery stores, one can guess that such a new company has a lack of financial resources to pay slotting fees in grocery stores. However, without making the product available along with a promotional campaign, the company will not be able to successfully compete with competitors. WorldPantry.com’s partnership has the potential to improve Somersault Life Company’s ability to distribute products in grocery stores. This could greatly increase the number of retail partners and loyal customers. However, due to the lack of distribution of the product, WorldPantry.com may not be the best distributor. The relationship and performance with this company needs to be reevaluated.

If the company does not find a way to increase the amount of retail stores that distribute the product and does not make the public aware of it through advertising it, it may not succeed as a company without selling its operations to a larger company who can invest in improving its marketing program. However, selling the company is not a bad option. Enjoy Life recently was bought by Mondelez. Selling the company will increase amount of money available for improving the company’s marketing program.

*Review of Current and Anticipated Cultural and Structural Issues*

Somersault Life Co. has made their cultural and political views very apparent on their website. These views have affected their choice of suppliers and how they market the product to consumers. The company is so focused on its mission of selling a healthy snack to promote a healthy lifestyle, that it has made two nutritionists the face of the company.
Given that the product is certified Vegan, verified Non-GMO, and certified Kosher, the company is concerned for the safety of genetically modified food, the health benefits of not eating meat products, and those that have special diets for health or religious reasons.

The company is clearly concerned about corporate responsibility in relation to all aspects of ingredients. The company has stated that none of the ingredients come from China or is genetically modified, because they are concerned about food safety. They support the American economy by purchasing ingredients from farmers within the country. According to the company’s Press Kit, they are very concerned about environmental sustainability. They make sure that their business partners are likewise concerned about the environment. All of the packages that contain their product are made from recyclable materials. Even their office supplies are made from green materials. The company is very thorough in explaining its views in relation to its manufacturing choices that the only anticipated issue is that the product is not made with 100% organic ingredients and not certified organic. If they did choose to switch to organic ingredients, this will greatly increase the cost of the products for them and the consumer.

**Customer Environment**

Given that the product is priced higher than other snack foods, and is available in the all-natural section of grocery stores, one can assume that the customers who purchase the product are very well-off. They would be from the middle and upper income brackets, live in cities with a larger grocery store that has a large amount of all natural and organic food. The customers also fit into the categories of having special health conscious diets. These diets include those that are vegan or vegetarian, concerned about the safety of genetically modified food, Jews that keep Kosher, or those that have food allergies to nuts.
or soy. The individual who would purchase the item would be the adult who purchases it for themselves or their children. The company should focus on promoting this product to the college age students and millennial generation due to their growing interests in all natural and organic food, and their growing incomes as they age.

The product that Somersault Life Co. produces is meant to be a snack. It cannot be eaten as a full meal. This snack is good to grab on the run, or to bring along to work or school in a lunch box. The savory and sweet options can be substituted for snack of chips or a desert of cookies.

The product can be either purchased in a store or online. It can be found in some of the following retail stores, but is not available at all locations: Target, Costco, Whole Foods Markets, CostPlus World Market, Albertson’s, Seattle’s Best Coffee, Peet’s Coffee & Tea, Caribou Coffee and regionally at Safeway, Fresh and Easy, Ralph’s, Byerly’s, Wegman’s, Fred Meyer, Rite Aid, Stop & Shop, Central Markets, Bashas, Lunds & Byerly’s, Bristol Farms, Earth Fare, Pharmaca, Raley’s/Nob Hill/Bel Air, Gelson’s, New Seasons, PCC, Metropolitan Markets and other locations.

Many customers purchase the product, because they have stumbled on a display in a store or read an article that mentions the product. Customers can be interested in purchasing this product all year round. It is a snack that goes with any season. However, there may be peak seasons that would draw the customer to purchase it more than others, such as during the school year.

The main reason that customers choose to purchase this food is an interest in nutritional reasons, such as a healthier snack. As mentioned before, it would interest those who are vegan, want to eat non-gmo ingredients, keep Kosher, have food allergies, or
interested in a healthy high protein snack. It will interest individuals that want to ingest the highest quality of ingredients available to them. The flavors of the snack will interest those that like salty or sweet snacks. Due to the high price, a customer may choose to buy it only when it is on sale, or because they can save money by buying it in bulk on the Internet.

Many customers will choose other products over this one due to the high price. As mentioned before, pretzels can be sold for about $0.21 per oz., while Somersaults are sold for about $0.71 per oz. Buying other products can save one a lot of money. Many customers may not even know that this product exists. All natural and organic sections of grocery stores carry the stigma of high prices, so many people avoid the products in the section. If one has not stumbled upon an article about the company, then one may also not know that it exists. Other customers may choose not to continue to buy it after initially trying it if they find the product too salty or too crunchy. Due to the appeal of the quality of ingredients the greatest potential for converting customers to this product is through a stronger promotional campaign that will interest retail stores to sell the product, and would attract consumers to try it.

**External Environment**

**Competition**

Since Somersault Life Co. produces a small product line of snacks, the company's competitors consist of numerous products and brands within the entire snack industry of non-organic, all-natural, and organic snacks. This includes nuts and seeds that have not been baked into a product, such as packages of roasted sunflower seeds that are sold by Planter’s. The products are similar to cookies and chips, like Stacy’s Pita Chips or Newman’s cookies, as well as more popular and less expensive brands like Rold Gold Pretzels,
Snyders, Nabisco, and generic brands. The ingredients are similar to granola bars, without oats in them. So Kashi and Enjoy Life can also be considered competitors. Enjoy life is a competitor that presents itself as a healthy snack with the similar goal of selling a product made from similar ingredients. Enjoy Life similarly markets itself as vegan, no nuts, and no soy, but makes a larger product line of cookies, chocolates and rice based energy bars. One of their products is a snack bar made with sunflower butter.

The competitors’ key strengths are that they are distributed to stores more widely throughout the country, and cost less. Many competitors have become household names because they have promoted the product through coupons in newspapers. These companies have crafted much stronger marketing programs than Somersault Life Company. For those interested in purely organic snacks, they may choose to purchase a product that is certified organic, like Whole Foods 365 Organic, instead of one that is only non-GMO verified.

A weakness for the competitors is how commoditized the snack industry has become. Because the snack industry has become very commoditized, consumers have become interested in purchasing foods for the cheapest price. Rold Gold and Snyder Pretzels or Nabisco Cookies and Crackers, or Granola bars can all be substituted for cheaper generic versions. While the organic snacks can be substituted with cheaper versions of organic snacks by purchasing Whole Foods 365 Organic or Wild Oats Organic. Do to the commoditization of the snack market, we can only expect that prices will fluctuate as environmental or economic conditions effect the prices of supplies. The market is already so saturated with snack companies that it can be difficult for new entrants to distribute itself widely like Somersault Life Co.
Economic Growth and Stability

Since the recession in 2008, the American economy appears to have improved and then sunk into another recession. Jobless reports are down, while the amount of jobs being created is up. Although the stock market has hit a recession due to a drop in the oil price, consumer pockets are not empty. The price of gas at the gas pump has dropped so much that consumers may have extra money on hand for purchasing extra items they want, like better quality snacks. Despite the recession, there is evidence that consumers are spending more money (Bartash, 2016). This is a good sign for the snack market.

Political Trends

The Non-GMO Project, which certifies that food has not been genetically modified, is currently actively working on lobbying Representatives and Senators to pass bills that require genetically modified food to be labeled. Genetically modified food is a very important political issue for Somersault Life Co. Their product is verified non-GMO by the non-GMO Project. The safety of genetically modified organisms has been questioned but never verified. Currently Congress is working on a bill called the Genetically Engineered Food Right-to-Know Act (H.R. 913 and S. 511). This bill is sponsored by Rep. Peter de Fazio (R-OR) and Senator Barbara Boxer (D-CA). The purpose of this bill is to “amend the Federal Food, Drug, and Cosmetic Act to require that genetically engineered food and foods that contain genetically engineered ingredients be labeled accordingly (2015)” The bill was referred to the House of Representatives’ Committee on Energy and Commerce and the Senate Committee on Health, Education, Labor, and Pensions on February 12, 2015. A similar act titled the Safe and Accurate Food Labeling Act of 2015 (H.R. 1599) was introduced by R. Mike Pompeo (R-KS). This act has been referred to the Senate Committee...
on Agriculture, Nutrition, and Forestry as of July 24, 2015. No further information has been made available on GovTrack.us about the state of these bills.

A similar bill focused only on Salmon was introduced on March 3, 2016, to the House and Senate by Rep. Don Young (R-AK) and Senator Lisa Murkowski (R-AK), titled the Genetically Engineered Salmon Labeling Act (S. 2640 and HR. 4713). Hopefully, the movement from this new bill will spark interest in the previous bill that would require all genetically modified food to be labeled. It is odd that they only want to label Salmon, instead of working on a previously introduced bill.

**Legal and Regulatory Issues**

Given the length of time since the first bill was introduced to a committee, one can understand that there is not a significant amount of interest in passing the regulation immediately. Although this bill is a bipartisan effort, many lawmakers still probably will not be concerned about this issue until genetically modified food has been scientifically verified as unsafe.

However, if the labeling acts do pass, this could provide Somersault Life Co. with a marketing opportunity that could greatly increase sales. If Congress passes a law that labels genetically modified food, an increasing number of consumers will believe that it is unsafe to consume. They will become loyal customers of non-GMO verified brands. Somersault Life Co. should capitalize on the momentum of the bills that would require genetically modified food by crafting an advertising campaign around the fact that the bills exist but have not been passed. This could help to convert customers to its brand. The Non-GMO Project could also work with all of its certified brands to promote them as public service announcement about what the certification means.
Technological Achievements

The most important technological achievement that interests this company’s customers, is the Internet for e-commerce and advertising. The Internet has allowed many companies to expand its customer base globally through online sales and advertising in a way that was not possible before the invention of the Internet. Somersault Life Co. has an excellent website that can allow customers to purchase their products over the Internet. The Internet has allowed them to send a newsletter to its customers via e-mail that offer the customer special discounts to promote the product.

Online social networking and consumer tracking technology have made it easier to advertise products to a wider target audience. Facebook has over 850 million users that see the advertisements on the site and can receive promotional messages via company Facebook pages. Somersault Life Co. currently does not have a Facebook page. Having a Facebook page and placing advertisements on social networking sites like Facebook is an important marketing tool that the company needs to consider.

Consumer tracking of websites that people visit is an important development of Internet technology that opens up possibilities for promoting companies and product on the Internet. The underlying programming connected to the Internet advertisements records websites that individuals visit and displays the advertisements of the companies that are in an individuals browsing history on other webpages that use this service such as Facebook, browsers, and newspaper websites. If a customer is considering purchasing a product from that company, an advertisement promoting a sale related to the person’s browsing history may convince them to purchase this item. Somersault Life Co. is not currently using this service and should consider this mode of promotion to increase sales.
Sociocultural Trends

According to a recent Pew Research Center study, the amount of middle income individuals in the United States has decreased, while the amount of upper income and lower income individuals has increased. This increase in upper income individuals represents growth for the American economy (Dec. 9, 2015). Given that the price is higher for Somersault Life Company’s products than many middle income individuals would want to spend on a daily basis, this increase in upper income individuals is a good sign. The company should plan to target individuals in the upper income bracket through its promotional campaigns in order to attract new customers.

According to another recent Pew Research Center study, the Hispanic population in the United States had reached a new high of 55.4 million people in 2014. That is 17.4% of the total population (Krogstad, J. M. & Lopez, M. H., June 25, 2015). This represents the possibility of the increasingly diverse customer base that the Somersault Life Co. could develop as the income of the minorities in this country grow. The company had previously sold a Santa Fe Salsa flavor to target the Hispanic market and those that love Mexican food. However, the company has recently discontinued this flavor. One can imagine that this is due to lack of sales, given how difficult it is to find the company’s products in stores.

In previous sections, social and ethical issues that interest Somersault Life Co. have already been addressed. The company is dedicated towards supporting local farmers and environmental sustainability. The company is very concerned about promoting its snack as a healthier alternative to junk food. The product is marketed as Vegan and Non-GMO certified, which will interest the growing number of individuals that are interested in all natural and genetically modified food.
## SWOT Analysis

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<tr>
<th>Strengths</th>
<th>Weaknesses</th>
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<tr>
<td>• The company is focused on producing a nutritious snack for a healthy lifestyle.</td>
<td>• The flavors need improvement.</td>
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<tr>
<td>• The products are made from high quality ingredients, and certified Vegan, Non-GMO and Kosher.</td>
<td>• The product is not available in enough stores to produce a strong profit.</td>
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<tr>
<td>• The company has a strong sense of corporate responsibility that is visible in the company’s interest in environmental sustainability.</td>
<td>• The company is not promoting the product widely enough to interest consumers or retail stores to become loyal to the brand.</td>
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<td>• New companies lack funds for slotting fees and promotional campaigns.</td>
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<th>Opportunities</th>
<th>Threats</th>
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<td>• A partnership with a good distributor could increase the amount of stores that sell the product.</td>
<td>• The snack industry is saturated with competitors that are more well known than this company.</td>
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<td>• Increasing the amount of Internet advertising and promotional samples will influence consumers to purchase the product.</td>
<td>• Customers are interested in lower priced snacks.</td>
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<td>• Partnering with organizations that promote special diets could increase sales.</td>
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<td>• The company could increase funds for promotion and distribution by selling the brand to another company.</td>
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### Strengths

The three greatest strengths of the company include: its focus on a nutritious snack for a healthy lifestyle, high quality ingredients and certifications, and its commitment to corporate responsibility and sustainability. These qualities differentiate the company from the competition because most snack food companies are not concerned about health or genetically modified food. Nor are many snack foods like cookies, vegan. The company has an image of credibility, health, nutrition, and safety that customers are drawn to. They can
help customers meet nutritional needs related to healthier snacking, increasing the quality of protein in ones diet, and meeting specialty dietary needs for people who are vegan or have food allergies.

Weaknesses

The company’s four greatest weaknesses include: poorly tasting products, lack of distribution and promotional activities, and a potential lack of finances for slotting fees. When it comes to snacking taste is not a need that can be taken for granted. People who are interested in a snack, mostly choose a product for its taste. If it does not taste better than the competition the company will lose sales. Without increasing promotional and distribution activities, customers will not even know that the products exist. Customers will choose products that have become household names or generic products that are cheaper. Without the financing for slotting fees, the product will not be available in stores for customers to find. Competitors have become household names because they can afford to distribute the product more widely.

Opportunities

The main opportunities that the company has include: improving the partnership with distributors to increase visibility in stores, increasing internet based advertising, partnering with organizations that support dietary needs, and selling the company to a more wealthy company. By improving on each of these activities, the company will be able to make the product known to a wider audience. By doing so it can help to meet the nutritional needs of its customers. The time horizon for these opportunities is as endless as the company can afford. However, if the company does not consider taking on promotional activities, it may not make enough profit for this company to continue.
**Threats**

The company’s main threats include the amount of competitors, and its competitors’ ability to price their products lower. This helps to meet customer needs because most customers are interested in saving as much money as possible when it comes to snacks. They will choose the cheaper snack products than Somersaults because there are other options available. These threats will continue for the entire life of Somersault Life Co.

**Developing its Competitive Advantages**

In order to develop a competitive advantage the company will need to increase its promotional activities by advertising over the Internet and providing free product samples. The most important strengths that Somersault Life Co. possesses are the nutritional value of the product and the healthy lifestyle that the company promotes. This is reflected in the high quality ingredients, the proteins found in sunflower seeds, lack of nuts and soy, and its vegan, non-GMO, and Kosher certification. The company can use these strengths to craft a promotional campaign that explains these qualities to consumers. There are numerous opportunities on the Internet, like advertising on social networking websites and partnering with organizations that promote special diets that could attract customers to try the product. The company could improve its relationship with distributors that specialize in organic and non-GMO products in order to expand the amount of stores that sell the product. The product should be available in all Trader Joe’s and local food co-ops, as well as all locations of stores listed on their current website. A stronger promotional campaign via the Internet will increase the company’s revenue by attracting new customers to purchase the product via the Internet if it is not at the local grocery stores.
The company can convert its weaknesses into strengths by improving its weaknesses. It could improve its flavors by making the salty flavor taste more like pretzels, adding sugar to the Dutch Cocoa flavor, or add a new flavor like non-dairy cheddar to compete with popcorn. Increasing its promotional and distribution related activities as previously mentioned will help to diminish the weaknesses related to the inability to find the product in stores and a lack of general interest in the product. As a new company, it may be lacking the funds for promotional activities and slotting fees. This weakness may be overcome if the company sells the brand to a larger company who can invest in advertising and distribution. Increasing the company’s promotional activities along with providing coupons and discounts will help to make this company a well-known brand that is not ignored because it is not a household name. Internet advertising of coupons and free samples can help to influence customers to purchase the product even if the product is too expensive.

**Developing a Strategic Focus**

The company's strategic focus must be to increase the amount of customers that are loyal to the brand and the amount of retail stores that sell the brand in order to increase the company's revenue. The company needs to choose an aggressive approach by expanding its business through promotional and distribution activities and improving its product line in order to be successful at increasing its revenue. However, focusing on certain niches can be beneficial due to the specialized target markets that the customer can focus on.

The strategy canvas can help a company create a marketing strategy by answering four key questions. Which factors should be reduced well below the industry’s standard?
Which of the factors that the industry takes for granted should be eliminated? Which factors should be raised well above the industry’s standard? Which factors should be created that the industry has never offered? Answering all of these questions can be very difficult for the snack industry due to how commoditized it is as a mature industry.

Somersault Life Co. could reduce the educational focus of its website, by eliminating the nutritional courses that are offered to focus on advertising to consumers more than nutritionists. While the company has been focused on nutritional qualities of the product, it has taken for granted the need for the perfect tasting food that customers desire. Now that the product has been developed, it could reduce its staff of registered dietician to focus on developing flavors that interest consumers. The taste of the food is not only taken for granted, but also should be raised above the industry standard to interest consumers. The industry has never truly offered low priced food that is characterized as all-natural, non-GMO, and organic. If the company can lower the price of the product, it can compete more easily with products that have become a household name. The company’s focus to increase promotional activities at the same time as improving the product may be sufficient enough to divert customer’s interest from other companies.

**Marketing Goals**

*Marketing Goal A:* Increase the amount of retail stores that sell Somersaults.

*Objective 1:* Establish a relationship with a new distributor who can help to increase the presence of the product in stores within the next 6 months.

*Objective 2:* Increase the amount of stores that sell the product, to include all locations throughout the country of the stores that are currently willing to sell the
products according to the list on the website, and add new stores to the list within 12 months.

Objective 3: Because not all stores that sell Somersaults sell all of its flavors, the company should create a plan to ensure that all stores sell all of the flavors within 3 months.

Marketing Goal B: Increase the revenue generated by sales of Somersaults to consumers.

Objective 1: Improve the current tastes of the flavors and create one new flavor within 12 months. Test the flavors in a marketing research program that includes adults and children in order to ensure that everyone likes the flavors.

Objective 2: To increase the amount of customers who purchase the product within 12 months, promotional activities will be increased that include increasing the amount of advertising on the Internet and sending free samples of the product via websites that send free samples to consumers.

Marketing Strategy

Primary and Secondary Target Markets

The target markets are consumers in the United States of America with incomes that fall in the middle and upper income brackets. They are individuals that are interested in a healthy lifestyle that includes eating healthy snacks and exercising. Due to an interest in eating all natural food, which is free of chemicals and genetically modified food, they like to shop for products made of high quality ingredients like non-GMO certified products. For those that have children, they would also prefer to provide them with a healthier snack than popular junk food like chips and cookies. They are the type of people who do not
consume overt amounts of junk food, but prefer healthier options like granola bars as snacks.

Secondary target markets consist of consumers with special dietary restrictions. These dietary restrictions can fit into separate target markets for each dietary restriction. Vegans do not eat any animal products, including meat, egg, and dairy products. Many of them choose this diet due to ethical reasons. However, many people are also allergic to dairy products. Somersaults are also soy and nut free. This means that people who are allergic to nuts and soy should also be considered a separate target market. Due to the product being Kosher, Jews who keep Kosher are also a separate target market. Although each of these groups can be a part of a separate target market, they are all deeply concerned for the quality of the ingredients and their own health as the primary target market is. Due to their normal feelings of health consciousness, they are not big snack eaters, but prefer healthier snacks. Due to the price of the product, the secondary target markets would likewise be in the middle and upper income brackets.

*Product Strategy*

The current brand name, packaging, and logo design of Somersaults recognizable enough that it does not need to be changed. It pictures the product next to the main ingredients in a way that will attract someone’s attention to it because of a recognizable flavor. The packaging has been made of recycled material in order to limit the company’s impact on the environment. The packages come in different sizes, so that consumers can purchase 1 oz, 6 oz, or 20 oz bags.

The main benefits of Somersaults include the nutritious aspects of sunflower seeds, such as high protein, fiber, and vitamin E content. The ingredients are very high in quality,
and not genetically modified. No nuts, soy or dairy are used in manufacturing the product, which means that most people with food allergies can eat it. The flavors include sea salt, salt and pepper, cinnamon, and Dutch cocoa. In order to increase sales, these flavors will need to be improved on. The salty flavors need to be improved by enhancing the sweetness of the dough, while lowering the salt content. The cocoa flavor also needs to be improved by increasing the level of sugar.  

Due to the lack of differentiation in the company’s products, the company should add an additional non-dairy cheddar flavor to compete with popcorn. It could differentiate its products by producing bar shaped products, packaged like granola bars and not just nugget-sized pieces. Due to the lack of differentiation in products, the company will need to position itself in its advertisements as being a snack that is more nutritious than alternatives in order to compete with more popular brands.  

The website already includes supplementary services that include the ability to order online. This website allows customers to purchase products in bulk with an auto-ship option for a discount. This encourages customers to become loyal to the brand and choose it as their sole snack. The website already describes the product as fitting into the company’s mission of providing consumers with a healthy snack for a high-energy lifestyle. It educates the public and dieticians on the nutritious aspects of the product and sunflower seeds, and explains how the company is concerned with supporting local farmers and environmental sustainability. The description of the website is thorough enough to attract all of its target markets.  

*Pricing Strategy*
Because the company is a private company, there is a lack of public information related to sales and pricing strategy. The overall pricing strategy has been to maintain a price that can be considered in the affordable range for all natural products. This will allow it to compete with other all-natural products for customer loyalty. It is important to mark up the price enough to cover the cost of manufacturing and distributing the product, and to make a decent profit, while keeping the price low enough that customers will become brand loyal.

As previously mentioned, the price of the product is about $0.71 per ounce. This is a reasonable price compared to the price of similar items that can be found in vending machines for $0.50 - $1.00. However, it is more expensive than popular name brand items that can be bought for $0.21 per ounce in grocery stores. Due to the price being manageable for many consumers, the price should not be increased unless the cost of raw materials and labor significantly increases. Keeping this price low enough that it is comparable to a vending machine item will position the company in a place that it can compete as a viable snack instead of purchasing an item from a vending machine. Without much differentiation in products to choose from, customers will choose the lowest price in such a commoditized market.

Discounts and coupons are important incentives to attract customers to try a product and become a loyal customer. Currently the website sends a newsletter out with discounts on bulk orders. Discounts include free shipping on order over $49 and a discount for auto-ship customers. However, these are not enough options for discounts to attract customers who do not want to purchase the product in large amounts at one time. A coupon should be made available via a social networking ad, which can be used in stores, in
order to attract new customers to purchase the product in the stores. It should be for $1.00 off in order to significantly attract customers to try the product.

**Distribution/Supply Chain Strategy**

Being such a new company, one can guess that if the product is not available in the stores that it says it is and some stores do not carry all of the flavors, that Somersault Life Company may be having trouble paying its slotting fee to keep the products on the shelves. This would be caused by a lack of revenue. To remedy this, the company must increase interest in trying the product via a promotional campaign. However, the company may need to partner with a new distributor as well. Perhaps the right distributor is a company that can also help to improve the promotional campaign in order to increase revenue. The current outsourced relationship for the website may not be enough.

The company has outsourced the design of its website and e-commerce operation, including customer service and shipping, to a company called WorldPantry.com. This includes the distribution of the product to individual consumers and managing the supply chain of wholesale distribution to retail stores. With an impressive list of clients, one would think that Somersaults could be in stores as prolifically as Power Bar, but it is not. Since this is not the case Somersault Life company may need to establish a new partnership with a distributor that will help them to increase the availability of the product in the stores and will improve their promotional campaign as well. If the customer can increase revenue by increasing the interest in the product and increasing the amount of brand loyal customers, Somersault Life Company should have more money for distribution activities.

If finding a new distributor is not feasible, then the next step would be to search for a new owner that can invest in distribution and promotion activities. Larger companies
have revenue from popular products that can be used to invest promotional activities for less popular products. These types of companies have already established relationships in which they can afford the slotting fees across the country. It may be able to create special deals with grocery stores to stock the shelves with a new product because it has already been successful with more popular products.

*Integrated Marketing Communication (Promotion) Strategy*

The overall promotional strategy needs to be focused on increasing the amount of customers who try the product and become loyal to the product. In order for this to be successful, Somersault Life Company needs to increase the amount of promotional activities that include store coupons, and increase the amount of stores that sell the product. The main promotional objective is to increase the amount of customers that are brand loyal so that the revenue increases over the next 12 months. This will require an increase in the current promotional budget than is currently being used due to the lack of current. However, the amount of the budget is currently unknown.

The consumer promotional activities must include an increase in online advertisements, coupons that can be used in the stores, and free samples. The advertisement strategy will utilize online social networks to advertise the product. These advertisements will reach millions of people. The copy of the advertisement will focus on how the product is a nutritious, vegan, nut free snack. The text of the advertisement can be expanded on after clicking on it to go to the website. This page will provide further information on the nutritious qualities and certifications that provide the company with the publicity it needs to attract customers from the different target markets. Clicking on the
advertisement will provide the visitor with a coupon for $1.00 off of the product in store, or a special sale price for purchasing it online.

In addition to the advertisement for a coupon, the company will work with a website that provides free samples to ship samples to customers with other products. In order to target the market of athletic individuals that the company would like to target, it will also provide free samples at races for charities. People that frequently run in charity races are part of the demographic target market that the company is hoping will become customers.

Once the company has spent a significant amount of time measuring the increase of revenue after it has improved flavors and increased promotional activities, the company will be able to calculate the increase in profit that these activities have created. The company will then be able to create reports to prove that the product will be profitable for retail stores. Working with a new distributor to present this information to retail stores will be a more successful push strategy than the company is currently using. If the company can prove that the customers have become loyal and that advertisements and coupons will bring customers to the stores, more stores will be interested in selling this product. Proving that this product will not be a risk to have on retail shelves, could help the company to negotiate a lower slotting fee.

**Marketing Implementation**

Given the lack of information available about this company, it is difficult to predict all of the structural changes the company may need to make. The relationship with the current distributor needs to be evaluated. If the distribution of the product can be improved by switching to a new distributor, the company should do so. However, the
company’s lack of funds for promotion and distribution may be due to the fact that it is a young company. Selling the company to a well established company may solve problems related to money needed to invest in promotional and distribution activities. The current management team will need to conduct research into these options in great deal. They may decide that one will be a better option than the other, or that neither will be a good option.

Due to the current lack of promotional activities, the employees may need to overcome resistance to investing additional funds in advertising. It is surprising to see that the company does not have a Facebook page, nor is it advertising widely on the Internet. Perhaps they are afraid to spend more money than they think is necessary. However, the revenue will not increase unless they increase their online advertising. In order to overcome this issue, the marketing team will need to create a report and a presentation for the current owners about expanding their promotional activities. This presentation will include partnerships that they can form to expand their online advertising, as well as sending promotional samples. The presentation will list multiple options and the cost. Then they will choose the best options for the company. The marketing team will need to work with the management team to coordinate their promotional activities with retail stores, when store coupons are offered via the Internet advertisements.

<table>
<thead>
<tr>
<th>Specific Tactical Activities</th>
<th>Person/Department Responsible</th>
<th>Required Budget</th>
<th>Completion date</th>
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<tbody>
<tr>
<td><strong>Product Activities</strong></td>
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<tr>
<td>1. Improve flavors</td>
<td>Dieticians</td>
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<td><strong>Pricing Activities</strong></td>
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<tr>
<td>1. Create a store coupon as a discount for retail purchases in</td>
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<td>stores</td>
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<tr>
<td>1. Create a report proving profitability of product.</td>
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<td>1. 6 months 2. 6 months 3. 12 months</td>
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<td>2. Find a new distributor</td>
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<td>3. Ensure that product is in all locations of all stores.</td>
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<td>IMC (Promotion Activities)</td>
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<td>1. 3 months 2. 4 months 3. 4 months</td>
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<td>1. Advertise product with a store coupon on social networking sites.</td>
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<td>2. Provide free samples via free sample websites.</td>
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<td>3. Provide free samples at charity runs.</td>
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**Evaluation and Control**

*Formal Controls*

Due to the fact that this company’s internal problems include a lack of distribution, poorly tasting products, finances and promotion, Somersault Life Co. will need to seriously consider making several changes that will require evaluation. In order to improve the taste of the product, the company should review customer comments for any complaints.
regarding the taste of the products. The company will need to seriously listen to its
customer’s opinions by testing the product through a marketing research study. This study
should include adults and children due to the differences in preferences for tastes that
adults develop which children have not developed. Taste is an important need that
influences consumers to buy products. If the test panel does not like the taste of the
products they know they will need to continue to improve the flavor in order to increase
profit.

The relationship and success of the company’s current distributor will need to be
evaluated. Research will need to be conducted into new distributors, in order to decide on
the best distributor. In order to allocate new financial resources for slotting fees, paying a
better distributor, and increasing promotional activities, the company may need to
establish a new line of credit. If this company has become too indebted to establish a new
line of credit, selling it to a more established company may be possible. Serious research
will need to be conducted into possible buyers and how the sale can be done successfully
for the benefit of the owners and the company so that the quality of the product is not
compromised.

Due to the company’s failure at promoting the product, in order to increase retail
sales and distribution, a serious employee evaluation of the marketing team will need to
take place. It is important to understand who is to blame for the lack of promotion and
distribution, and why this occurred in order to solve the problem. This will include
measuring the success of previous promotional and distribution activities in relation the
amount of sales revenue that is generated. This evaluation may reveal that members of the
management, marketing, and sales teams should be fired and new employees, who have proven track records of increasing sales should be hired.

The management team will need to work with all employees to commit to this new plan and work together for its success. Once the management team has begun to implement the new marketing plan, an employee evaluation will need to continue. This evaluation will keep track of the employees’ assignments in relation to the increase of distribution and sales that will occur as a result of promotional activities. It is important to ensure that the company increases its profit over time. As promotion and distribution increases the amount of profit should increase.

*Informal Controls*

Through the company's statements on the website and in the press kit, one can see that they have created a company culture that promotes shared organizational culture, cultural change, and certain social and behavioral norms related to the commitment to promoting a healthy lifestyle, high quality ingredients, support of local farmers, and environmental sustainability. Yet, perhaps they are taking their need for profit for granted. Without a sustainable profit the company will not succeed with maintaining job satisfaction. The company will need its employees to mentally choose to commit to improve their marketing plan in order to succeed. In order to do so, the new employee evaluations will help the employees keep their own goals for measuring their own success. The need to keep the goals related to improving sales and profit will help the employees commit to making their own effort a success.

*Marketing Audits*
In order to ensure that the marketing plan is implemented properly and ends with a successful result, the marketing manager and owners of the company will need to work together to ensure that procedures are documented properly and followed. They will create written procedures for each marketing activity that will include their goals and objectives to motivate the employees. The management team will audit the activities by conducting employee evaluations at regular intervals. This will include making sure that procedures are followed properly, by monitoring performance standards for each marketing activity and each of the personnel involved in marketing activities. This will help them predict if the quality of the staff will need to be improved, if training is necessary, or if new staff needs to be hired. The standards will include the amount of tasks successfully completed and the resulting sales and distribution increases that occur. By auditing the staff in a way that they compare the activities to the increase in sales and distribution efforts, they will be able to understand how successful the marketing activities have been. If sales do not increase, they will need to do a thorough audit of the staff and conduct a survey about what could be causing internal problems. If the marketing plan needs to be improved, the company should reconsider how to improve the product line and how to improve the quality of the marketing staff. The current lack of marketing activities could mean that the current staff needs to be improved on, if the company continues to fail at following the marketing plan, new staff may need to be hired.
Implementation Schedule and Timeline

The following schedule is an example of how a timeline could be set up for the marketing plan.

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<td>Activities</td>
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<td>4. Create a report proving profitability of product.</td>
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Resources


