

# **Business Plan for Sugar Free Power Bars**



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## **Executive Summary.....**

Power Bar is thinking of expanding their product line based on a diversification strategy that approaches the sport world more deeply. One way they plan to do this is by adding a new line of sugar-free sports bars that are targeted towards diabetic athletes and people trying to lose weight through exercise. This is a sugar-free and low-fat organic bar made with whole oats, containing 15 vitamins and minerals, and 50 g of carbohydrates to help athletes perform well. This new PowerBar will come in different flavors and will be sold in many different stores in individual packages and boxes of seven, fifteen or thirty bars.

## **Description of Organization/Business.....**

### **History of Organization**

- 1983 PowerBars were first developed
- 1986 PowerBar was founded by Brian Maxwell for \$55,000
- 1992 PowerBar becomes the 22<sup>nd</sup> fastest growing private company
- 1994 PowerBar opens manufacturing facility in Boise, Idaho
- 1999 Nestle purchases PowerBar for \$ 375 Million
- 2000 PowerBar sponsors the 2000 Olympics

### **Core Products**

#### Bars

- Performance
- ProteinPlus
- Recovery
- Triple Threat
- Nut Naturals

#### Sports Drinks

- Ironman PERFORM Ironman sports drinks
- ProteinPlus protein powder drink mix
- Ironman RESTORE Ironman sports drinks

#### Miscellaneous

- Bites
- Power Gel
- Energy Blast
- Dietary Supplement

### **Major Milestones/Turning Points**

- 1983 created first PowerBar
- 1986 PowerBar Inc. becomes a company

- 1999 PowerBar is bought by Nestle
- This brought stability to the company because it was now owned by a multinational corporation

**Executives**

The key executives for the new PowerBar Zero line will be Teresa Puga, Megan Smith, David Haley, Trip Schultz, Torrey Line, and Andy Henkemeyer.

**SWOT Analysis.....**

**Strengths of the Organization Internally**

There are three main strengths:

1. Prominent brand recognition among the US health market
2. Financial resources and knowledgeable staff already present
3. International presence

Prominent brand recognition

Power Bar already has a high level of brand recognition in the market place. For this reason, consumers are already familiar with this brand and generally have positive feelings associated with it which will help when introducing a new product to the market.

Financial resources and knowledgeable staff already present

Since PowerBar is a large, international, and well established company, we already have the resources to produce a new product line without it being a large financial risk. We also already have staff that are knowledgeable and experienced in the area of making and marketing sports bars.

International presence

PowerBar already has an international presence which will allow a broader audience to market and sell our new product to.

**Weaknesses of the Organization Internally**

Our one main weakness of PowerBar is the lack of experience producing and marketing products designed for diabetics and people trying to lose weight since PowerBar currently does not produce any products designed for either of these things.

**Opportunities of the Organization Externally**

There are four main opportunities:

1. US consumers' health consciousness has become a popular trend
2. High consumer demand for low-fat, low sugar, and healthy snacks
3. Increasing demand of athlete-specific foods
4. No other companies currently make a product designed specifically for diabetic athletes or athletes trying to lose weight

US consumers' health consciousness has become a popular trend

The high levels of obesity in the United States and increasing attention being brought to this topic along with how unhealthy processed food is has led to increased levels of health consciousness among consumers. Health conscious buyers may be interested in an organic PowerBar with no sugar or preservatives.

#### Consumer demand for low-fat, low sugar, and healthy snacks

Many Americans are currently over-weight and view sugar-free products as a way to help lose weight. It has become a fad to buy products low in or made without sugar or fat.

#### Increasing demand for sport specific foods

Nowadays, it is no longer expectable to simply have a generic granola bar for athletes. People want foods scientifically researched and designed to meet the specific needs of their sports to help them perform at the highest possible level.

#### No other companies make a product designed specifically for diabetic athletes

While several products exist that have low or no sugar in them, none of these are designed to meet the needs of athletes competing that may have sugar restricting needs. Most of these products are designed to meet the needs of people trying to lose weight off of diet alone. There are many people trying to lose weight by working out, so our product can also benefit these people by providing the fuel they need during and after exercise to keep going and to recover afterwards without the extra calories from sugar since these people do not want to take in more calories than they burned, since they are trying to lose weight. This product would benefit diabetics by giving them the nutrients they need during and after competition without the sugar that could spike their insulin levels too high. Having no other competitors specializing in this area is a benefit for PowerBar.

### **Threats of the Organization Externally**

There are three main threats:

1. High well-known competition such as CLIFF and Nature Valley
2. Lack of consumer knowledge about the new product
3. Consumer concern about product efficiency and quality

#### High well-known competition such as CLIFF and Nature Valley

Power Bar will be facing very successful competitors in the market place, which might come up with new products as well. In our survey, more people used Cliff Bars and Nature Valley bars than PowerBars, so we will still be competing with them to win over customers.

#### Lack of consumer knowledge about the new product

Since this is a new market segment for PowerBar we will have to find a way to reach the diabetic athletes and people trying to lose weight through exercise to make them aware of our new product, because many of our current users are athletes who are not necessarily diabetic or trying to lose weight.

#### Consumer concern about product efficiency and quality

Because there is not a similar product on the market customers currently do not value the product, which would be a challenge for PowerBar.

## **Mission and Objectives.....**

### **Mission of the Organization**

“To excel in your sport or fitness endeavor, you have to set goals and be driven. You push hard. You strengthen your commitment.

We play by the same rules. Commitment. Passion. And the push to help you succeed.

We’re passionate about sports and fitness, health and wellness. That’s why we started POWERBAR — to help athletes like you reach your goals by providing convenient nutritional products. All of our products are backed by decades of sports nutrition science and must live up to our high standards to meet the nutrition and energy needs of all athletes — from world-class champions and dedicated amateurs to beginners.”

### **Marketing Strategies**

There are four main strategies that Power Bar will apply:

1. Stimulation of primary demand and uniqueness
2. Sub-branding
3. Create customer value and competitive advantage
4. Skimming & odd-even pricing

#### Stimulation of primary demand and uniqueness

Because the company is primarily approaching a niche market, the diabetic and weight-loss market, we will look to stimulate the primary demand based on product uniqueness to add value for the customer.

#### Sub-branding

PowerBar will attempt this new market by sub-branding an existing one. This will produce a new product line within the already well-known brand

#### Create customer value and competitive advantage through package design

PowerBar will focus on a successful package design to add customer value. Based on the idea of health, nutrition, and safety, the company will commercialize the product on a simple and visible attention-calling package. The package is easy to read and emphasizes the product’s main features on the front, and also adds a simple specific product description on the back followed by the appropriate nutrition facts table. Currently, the environment along with ecology has become a megatrend in the market. PowerBar wants to take advantage of it; for this reason, we will commercialize the bars in individual, biodegradable, organic packages that can be thrown away anywhere, giving convenience to the customer and benefits to the environment as well.

#### Skimming & odd-even pricing

Based on previous PowerBar's product recognition in the sport market, the company is using a skimming price, setting the highest initial price consumers are willing to pay compared to their competitors. This pricing strategy is also combined with odd-even pricing, which helps to attract consumers' attention while making a purchase decision and making comparisons with other products on the marketplace. Using these two strategies combined, the product will represent high quality demonstrating efficiency while attracting consumers' eyes.

### **Marketing Objectives**

PowerBar looks forward to achieve three main objectives:

1. Increase profits
2. Achieve short-run goals
3. Achieve Long-run goals

#### Increase profits

PowerBar has the primary objective of increasing company profits by adding this new product line and expanding our market to a new group of people.

#### Short-run goals

Make a profitable awareness program, create brand equity with the product, and go over the expected break-even analysis in profits during the first year.

#### Long-run

The company is looking for an 80/20 rule of loyal customers, high customer value and satisfaction, and increasing competitive advantages of the product creating product differentiation.

### **Competitive advantage**

The main competitive advantage regarding other athletic bars is the no-sugar feature. There are many athletes who consume sports bars while performing a sport activity, but although all these products are high in nutrients and carbohydrates they contain a high amount of sugar. Diabetic people may not be able to take these bars so the new PowerBar Zero bars will satisfy their need. Also, there are many other athletes that may have to follow low-sugar diets such as gymnasts or wrestlers who have to control their weight and fat percentages for performance. Many people exercise to lose weight and still need to refuel after exercise, but do not need the extra sugar that will add all the calories back they just burned.

The main problem that this product satisfies is it provides the energy needed while performing any type of sport. In order to perform at their best, athletes must eat properly before, during, and after competition to keep their bodies adequately fueled. PowerBar Zero bars give people the energy they need to keep up with their activity without the extra sugar and tastes good at the same time, coming in several different flavors.

## **Tactical Plans of Implementation (Marketing Plan).....**

### **Product Design/Packaging**

#### Product

PowerBar wants to produce a new sport snack called PowerBar Zero. This is a sugar-free, low-fat, organic bar made with whole oats, containing 15 vitamins and minerals, and 50 g of carbohydrates designed to help athletes perform well during athletic activity. It is specifically recommended for diabetic people or people trying to lose weight through exercise. This new PowerBar is available in different stores and comes in many different flavors.

#### Packaging

PowerBar Zero bars will come in individual packages and boxes of seven, fifteen or thirty bars. The package will be easy to read and emphasizes the product's main features on the front, and also adds a simple specific product description on the back followed by the appropriate nutrition facts table. Currently, the environment along with ecology has become a megatrend in the market. PowerBar wants to take advantage of it, for this reason, we will commercialize the bars in individual, degradable, organic packages that can be thrown away anywhere, giving convenience to the customer and benefits to the environment as well.

### **Pricing**

The price of PowerBar Zero bars is based on three principles combined together:

1. Skimming strategy
2. Odd-even strategy
3. Inelastic demand

#### Skimming strategy

Based on the company's brand recognition in the health and sport market already, PowerBar wants to demonstrate that PowerBar Zero bars are a credible product. For this reason, we are entering the market with a skimming strategy. In this case, the company is introducing a common product like any other type of bars offering innovative features for the athletic market. Since in the athletic market there are enough prospective customers willing to purchase the product at a high initial price, a skimming strategy will help the new product line to be more profitable as soon as it enters the market. The reason is that in this focus market, people, specifically athletes, look for a high quality product that helps performance rather than focusing on the actual price of the product. Furthermore, having a high initial price will not attract other competitors such as Cliff Bars. Also, a high price encourages high quality building value and meaning to the actual customer. Indeed, since PowerBar has already developed major brand recognition in the health and sports market, the company has built its knowledge and brand recognition towards the customer already reflecting on PowerBar Zero's future success.

#### Odd-even strategy

To stick with PowerBar's current strategies, we will use the odd-even pricing strategy to price our new product line. This strategy helps to attract consumers' attention while



making a purchase decision and making comparisons with other products on the marketplace.

### Inelastic demand

PowerBar Zero in the specific athletic market will be recognized as a normal product with an inelastic demand. According to the Maslow Pyramid of Needs, physiological needs are placed on the first stage. Although PowerBars are not exactly primary needs to survive, they play an important role of significance for an athlete while performing an athletic activity. While playing a sport such as golf for a long period of time, it is essential to maintain energy levels in order to perform well and stay comfortable. The convenience of bars and ability to eat them quickly is why athletes demand bars rather than other types of foods. Nutritious bars like PowerBar Zero bars are specifically designed to provide the athlete with the appropriate amount of nutrients. Because, of this inelastic demand and high need for this product, people will be willing to pay more money for it than they would for regular granola bars. Because of this, we can price this product more than regular granolas bars at a price competitive with our current PowerBar product lines and other companies making similar products right away from the get go. The need for this product along with its high quality, give this product a profitable future visionary sale for PowerBar.

### Sale price

Based on the two strategies defined before the price of this product will be:

Individual unit.....	\$ 1.99
Six bar box .....	\$ 9.99
Twelve bar box .....	\$ 19.50
Twenty-four bar box...	\$ 37.99

### **Promotion**

PowerBar will use a brand management strategy and corporate identity combined with mass communication to promote the product. Our brand recognition will definitely help during the introductory stage of the product since consumers are aware already about this brand success in another market.

The first promotional element according to the product stage is advertising where PowerBar pays for non-personal mass communication about our new product, PowerBar Zero. We plan to use several advertising mediums in order to promote our new product line. These will include television ads, social media, internet ads, billboards, radio ads, and magazine ads. The main advantages of using advertising are it is attention getting communication of a specific product to prospective buyers, and the company can control when, to whom, and what it wants to say. Also the non-personal aspect has advantages because once the message is created it is sent to all receivers in a market segment. Overall, the strength of advertising is efficiency for reaching a large number of people on the market.

The second promotional element PowerBar will use is direct marketing- a customized form of communication with advantages of quick message preparation and quick facilitation of relationships with customers. We plan to use direct marketing by sending out emails advertising our new product to people on our email list. People can either sign up for the email list online or will be added to it when they purchase something from PowerBar's online store or when they enter a promotional prize drawing at an event and fill out a card with their information. Another way we plan to use direct marketing is by putting coupons for our new product in those coupon flyers that get mailed out with the paper daily. Our survey indicated that most PowerBar consumers are highly educated, so these mailings will be sent to neighborhoods where educated people are likely to live. Overall, since PowerBar is a powerful company that reaches high profits every year, the company is totally able to assume high costs like advertising and use of databases which helps to improve PowerBar Zero's promotion.

PowerBar plans to introduce this product in the market by developing a big promotional word of mouth project that consists of placing a big attention getting billboards with only the word PowerBar Zero in specific places such as roads, college campuses, and big cities for a specific period of time. The hope is that people get intrigued and start talking and wondering what and where PowerBar Zero comes from. After they generated buzz on the market the company will come up with a big advertising campaign giving the solution to the customer and creating a competitive product advantage.

A final major way PowerBar plans to promote our new product line is through sports marketing. PowerBar currently sponsors many athletic events, teams, and athletes. We plan to give out free product samples at these events as well as having promotional giveaways and drawings. The drawings will give us people's information to help target our direct marketing. We will use our sponsored athletes and teams to help promote our new product line. We also plan to sponsor some new athletes and events related to diabetes and have samples and giveaways at these events as well. In addition to doing promotions at events we sponsor, we also plan to have stations with free product samples and information at various health and fitness expos around the country that frequently coincide with major marathons and other sporting events as well as at expos related to diabetes. It is not very expensive to get a booth at these expos and it gives our company a chance to get a lot of exposure by having people sample our product as well as giving us a chance to interact directly with customers and get feedback.

### **Product Placement**

Power Bar's main channel of distribution is indirect sales from the manufacturer to the retailer and from retailers to consumers. This new product line will be sold in all stores that currently carry other PowerBar products including Target, Walmart, GNC, Dicks Sporting Goods, Sports Authority, supermarkets, gyms and specialty sports stores to name a few. Many of these retailers also sell PowerBar products through their websites online. We will also be selling directly through our online store ([www.powerbarstore.com](http://www.powerbarstore.com)) Selling through the online store will allow the company to save money though distribution and stay more precise on quantities of products produced

while allowing customers to access to all PowerBar products they may want and the ability to order the desired quantities of their favorite products.

### **Product Distribution**

PowerBar Zero will be distributed at the same distribution warehouses as all other PowerBar products. Nestle has twenty-two distribution warehouses in the United States alone as well as some internationally as well. PowerBar is owned by Nestle and thus is distributed in these same locations. The Nestle headquarters are in Glendale, CA.

### **Public Relations & Media**

In order to benefit the community and help get the word out about our new product line to the diabetic community, PowerBar plans to sponsor some events related to Diabetes. Just as an example, one of these we plan to sponsor is “Christopher’s 5k Run and Walk for Diabetes.” This event is put on by the American Diabetic Association in conjunction with Colonial Road Runners in Massachusetts to raise money for research on Type 1 diabetes. PowerBar would sponsor this event and other sporting events related to diabetes and will give out free PowerBar Zero bars to all event participants. Since PowerBar is planning to sponsor some diabetic professional athletes, we will have some of these athletes present at some charity events we sponsor there to sign autographs and take pictures with participants. We believe sponsoring these events will give back to the community and give us positive media exposure.

PowerBar Team Elite is another way PowerBar currently gives back to the community. Promising athletes and health and fitness professionals can apply to join Team Elite and chosen individuals receive free and discounted PowerBar products and gear to help them achieve their goals. To add to this current campaign in an effort to promote PowerBar Zero, we will be adding at least two diabetic athletes and/or health and fitness professionals as well as at least two individuals who have lost a significant amount of weight from exercise while using PowerBar products. As part of PowerBar Team Elite, team members can earn more free products by giving media exposure to PowerBar. This benefits both the company and the community.

### **Merchandising/Licensing**

As far as merchandising and licensing goes, we plan to do several promotional giveaways with the PowerBar Zero logo printed on stuff at many of the events that PowerBar already sponsors. Since PowerBar already sponsors the Minnesota Twins, we plan to use their logo on our packages for a limited edition Twins bar as a promotion. We also plan to hand out free t-shirts at a Twins’ game with the Twins logo on the front and the PowerBar Zero logo on the back. Since PowerBar is an official sponsor of the Dew Tour, we plan to have our logo printed on the competition bibs for the tour and also plan to give out free hats with the PowerBar Zero logo printed on them to fans at each Dew Tour stop. As an official sponsor of both the Iron Man and the Subaru Triathlon series, we plan to give out free towels to participants with our logo printed on them. As sponsor of the Ottawa Marathon and Vancouver Sun Run in Canada, we plan to have our logo on the

back of the participant t-shirts for these races as well as at the triathlons previously mentioned. Nike Sports Camps are also sponsored by PowerBar, so as part of that we will have our logo printed on the back of the camp t-shirts. In addition to giveaways at these events PowerBar already sponsors, we plan to do similar giveaways at some of the diabetic events we are planning to sponsor.

### **Electronic Media**

We plan to take full advantage of electronic media to help promote our new product line. PowerBar already has a very comprehensive website as well as an online store which we will continue to take advantage of. There are five different versions of our website set up for eight different countries (the German version of the site is for three different countries.) Our website is very interactive, giving users a reason to continually return to visit the site and thus be further exposed to the PowerBar product. Our website features several training tools such as a thing you can map your routes on, workout plans, sweat calculator, nutrition guides, and a social networks community where users can join and connect with other fitness enthusiasts. You can also view information about all the athletes and events we sponsor and basically find anything related to PowerBar on this site. We also have a separate website that is an online store.

Social media is an important tool to use to market our new product line, so we plan to make a new Facebook fan page just for PowerBar Zero as well as marketing it on the PowerBar Facebook page. We will do the same thing using Twitter. We plan to offer some coupons for PowerBar Zero and announce special promotions first online using Facebook and Twitter. This way our fans and followers will benefit from their loyalty to us by being the first, and sometimes only ones, to receive these special offers. We also plan to write good reviews of our new product line on Yelp so curious people who look us up on their will see the good reviews and want to try our new product.

Our research survey found that people spend a lot of time on Facebook, so we want to take full advantage of the medium and also advertise on Facebook. We feel that Facebook is a good website to advertise on, because people spend a lot of time on it and it allows us to target the ad to a specific audience. Our survey also indicated that people spend a lot of time on academic websites, so we plan to place ads on those types of sites such as [www.wikipedia.com](http://www.wikipedia.com) and [www.sparknotes.com](http://www.sparknotes.com). To target diabetic athletes more specifically, we plan to advertise on some websites for diabetic athletes such as [www.dlife.com](http://www.dlife.com), [www.diabetesdigest.com](http://www.diabetesdigest.com) and [www.diabetes-exercise.org](http://www.diabetes-exercise.org). Since we also think people trying to lose weight might be interested in our new product line we also want to place ads on weight loss websites such as <http://www.webmd.com/diet/default.htm>. Finally, we also are planning to place ads on some popular sports websites such as [www.ESPN.com](http://www.ESPN.com).

### **Advertising**

We plan to use many different mediums to advertise our new product line. The internet is one of them which was already discussed above. Before we introduce this product, we want to create lots of buzz about it. To do this, the company will introduce this product in the market by developing a big promotional word of mouth project that consists of

placing a big attention getting billboards with only the word PowerBar Zero in specific places such as roads, college campuses, and big cities for a specific period of time. The hope is that people get intrigued and start talking and wondering what and what PowerBar Zero is. After buzz has been generated on the market, the company will start a big advertising campaign giving the solution to the customer and creating a competitive product advantage. Our survey indicated that people spend a fair amount of time driving each day and that they rated billboards to be somewhat effective, so we feel this is a good place to start. We particularly want to place a lot of billboards in London near the site of the 2012 Olympic Games in order to benefit from the international exposure of the event and to make London familiar with our product before the Olympics, so we can benefit from sales to all the visitors there for the Olympic Games.

Our research indicated that people spend a lot of time watching television each week and perceive television ads to be the most effective type of advertising besides onsite giveaways. Because of this, we believe television ads will give us the best exposure and lead to sales, so we plan to use some television ads to market our new product line. We plan to advertise during popular television shows shown during primetime since our survey indicated people spend more time watching television shows than watching the news or sports. Since our product is designed for athletes, we still want to do some advertising during major sporting events on television such as during NFL, NBA, and NHL games as well as major auto races such as NASCAR. We chose these sports, because these are the sports watched most often on television by people taking our survey who indicated some level of likelihood, had neutral feelings, or were only somewhat unlikely to buy PowerBar Zero.

In our survey, magazine ads were rated as one of the most effective advertising means, although it also indicated that people do not spend a whole lot of time reading magazines each week. Since people believe magazines ads to be effective ways of advertising, we want to place some ads in magazines such as Diabetic Living, Women's Health, Men's Health, and Sports Illustrated. Even though people do not spend a significant amount of time reading magazines each week, we think ads will still be effective when they are read since we are better able to target specific segments of the market by placing ads in magazines.

Our survey indicated that people spend a fairly significant amount of time listening to the radio each week and radio ads were rated to be effective to some degree by most people. Because of this and the large exposure radio ads deliver for a relatively low cost compared to television, we plan to place ads for PowerBar Zero on popular radio stations across the country.

Our final way we plan to advertise this product is by sponsoring and advertising at major sporting events since this is a sports related product. PowerBar already sponsors several major sporting events, so we will continue to advertise at those events for our new product line. The people taking our survey excluding those who were unlikely or highly unlikely to buy our new product most frequently attend baseball and then hockey live as spectators, so we want to make sure to have ads present at baseball games such as the Minnesota Twins who we already sponsor and at hockey games such as the Canadian

National games which we also sponsor already. These are also the sports we want to put the most emphasis on doing promotions at as well. PowerBar sponsors several Canadian universities so we also plan to place ads and do promotions at sporting events at those universities particularly at baseball and hockey games.

### **Sales**

As mentioned earlier, PowerBar's main channel of distribution is indirect sales sold through retailers. This new product line will be sold in all stores that currently carry other PowerBar products including Target, Walmart, GNC, Dicks Sporting Goods, Sports Authority, supermarkets, gyms, and specialty sports stores to name a few. Some retailers carrying our products also sell them online which would be indirect sales. We will also be selling directly through our online store ([www.powerbarstore.com](http://www.powerbarstore.com)) Selling through the online store will allow the company to save money through distribution and stay more precise on quantities of products produced while allowing customers to access to all PowerBar products they may want and the ability to order the desired quantities of their favorite products.

### **Sponsorship**

PowerBar currently sponsors many events and athletes which we will continue to sponsor and use to market our new product line. We also plan on sponsoring some new events for diabetic athletes as well as sponsoring some diabetic athletes. Some of the major events currently sponsored by PowerBar are the Iron Man Triathlon Series (globally), the Subaru Triathlon Series in Canada, the Dew Tour, the ING Ottawa Marathon in Canada, the Vancouver Sun Run, Tour De France, and the BUPA Great North Run in Great Britain. PowerBar has also partnered with many other teams, sporting organizations, and other companies including: the Minnesota Twins, the English Institute of Sport, England Netball, Perform Sports, International Power Lifting Federation, Team Alpecin, Team Columbia, Lifestyle Cycling, Team in Training, Perform Sports, Nike Sports Camps, United Nations Environmental Program, Fuel Belt, Global Fitness Online Fitness Program, Professional Hockey Athletic Trainers Association, Hockey Canada, and six different universities in Canada. PowerBar also already sponsors several athletes in various sports.

In addition to the athletes and event currently sponsored by PowerBar, we also would like to sponsor some diabetic athletes and events. Some elite diabetic athletes PowerBar would like to sponsor are: Toby Peterson- Dallas Stars, Brandon Marrow- Seattle Mariners Pitcher, Michelle McGann- LPGA, Jay Hewitt-Ironman Triathlete, Chris Freeman- Olympic and National Champion CC Skier, Scott Dunton-pro surfer, Jay Cutler-Chicago Bears, Sean Busby- Olympic Snowboarder, Nick Boynton – Boston Wings, and Ayden Byle-1<sup>st</sup> insulin dependent to run across North America. We are estimating it will cost around \$50,000 annually per athlete here and about \$1 million annually to sponsor Jay Cutler. Some diabetic events we would like to sponsor include: P.A.C.E.D 3rd Annual Living with Diabetes Expo in Redding, CA, American Diabetes Expo (various locations across the US), LAMDiabetes 1st Annual Wiffle Ball Tournament at Little Fenway in Essex, VT, The Diabetes Scholars Foundation's Golf Fore Education at Walt Disney World's Osprey Ridge Golf Course,

and Christopher's 5k Run and Walk for Diabetes in Massachusetts. We believe it will cost only around \$10,000 per event here to sponsor since these are not super large scale events. We would like to use this new group of PowerBar athletes to promote PowerBar Zero and these new events as well as others PowerBar already sponsors.

In addition to the events PowerBar already sponsors and these new diabetic related events, we feel PowerBar should consider sponsoring some other major marathons such as Twin Cities, Chicago, Boston, and London as well as NCAA and Big Ten tournaments, and possibly the Olympic Games. We feel sponsoring these events would give our new product a lot of exposure, particularly if all participants in these events were giving free samples, because if they like the product they will likely continue to buy it and spread the word to promote the product. While the Olympic Games may be too expensive to sponsor (although we were a sponsor in 2000), we feel it would be beneficial to at least be a sponsor for the 2012 London Marathon in order to gain exposure in London where the 2012 Olympic Games will be held. We would like to get our product in stores all over London before the games so we can profit from that event even if we are not an official sponsor. The London Marathon is also an event with international exposure that we feel we could benefit from sponsoring.

All athletes and teams sponsored by PowerBar receive free PowerBar products in exchange for promoting the company and in many cases wearing the company logo. We will be giving out free product samples at all the events we sponsor as well as displaying our logo at these events. People buying products from our partners will receive discounts on PowerBar products. While these sponsorships are expensive, we believe that Nestle can afford these sponsorships because they are a big company, and that in the long run these sponsorships will pay off for us because we will be getting exposure to different aspects of the sports world and more publicity across the world.

**Calendar of Marketing Events.....**

**March 2012:** Start billboard campaign and post product info on PowerBar website. Product only available to order on powerbarstore.com. Create Facebook and Twitter pages for PowerBar Zero. PowerBar Zero bars given out to our sponsored athletes to try and give feedback to us.

**April 2012:** Begin major ad campaign in magazines, online, television, and radio. Coupons available to our fans on Facebook and followers on Twitter. Announce new sponsorships of diabetic athletes and events. Product samples at P.A.C.E.D 3rd Annual Living with Diabetes Expo and other events including shirt promo at Twins games. Samples at booth at London Marathon and Expo.

**May 2012:** Product released in retail stores with nationwide launch campaign with our sponsored athletes signing autographs and giving product samples at sporting good stores all over the country. Product samples at colleges and sporting events across the country. Towel giveaway promo and product sampling at Iron Man events begins.

**June 2012:** Sponsor LAMDiabetes 1st Annual Wiffle Ball Tournament with giveaways and product samples there. Continue Towel giveaway promo and product sampling at Iron Man events

**July 2012:** Samples and giveaways at Dew Tour Maryland Stop, Tour De France, and Diabetes Scholars Foundation's Golf Fore Education. Continue Towel giveaway promo and product sampling at Iron Man events

**August 2012:** Samples and giveaways at Dew Tour Oregon Stop. Ambush marketing at Olympic Games. Continue Towel giveaway promo and product sampling at Iron Man events. Booths at State Fairs nationwide in the United States.

### **Feedback and Evaluation.....**

There are several methods we are planning to use to get feedback on our product. First of all, the internet is a strong tool for gathering feedback, so we plan to take advantage of that. We will be able to track hits on our website and Facebook fan pages as well as our ads on websites to see how successful they are. This will help us measure how much exposure we are getting from these different things and to see which ads are working the best. We can use this feedback to decide which sites to keep our ads on and which ones to discontinue advertising on. We can also have a survey on our website, Facebook fan page, and a link on our Twitter page to get feedback on customer views of our new product line. The incentive to take the survey could be a coupon for a free PowerBar Zero and an entry into a drawing to win prizes. This not only gives us feedback, but also gets people to try our new PowerBars if they redeem the coupon and also give us their contact info so we can contact them directly with new promotions and product info. We will also distribute surveys with the same incentives at any events we sponsor and have booths at. To measure exposure from television and radio ads we can look at the ratings for the stations and shows we advertised with. With magazine ads we can measure exposure by seeing how many magazines are sold each month. We can also measure our sales directly by the number of bars we sell each month. We value the opinions of our sponsored athletes, so we will be having them try our new product first and give us feedback before it is released to the public. We will use feedback from our sponsored athletes and from the surveys to make any necessary changes to better the product.

### **Bibliography.....**

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