

ADVERTISING CAMPAIGN: HALOBARS

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Introduction

For the past two decades, Americans have been placing an increased emphasis on fitness and proper nutrition. Consequently, there has been a growing trend for health food. A particularly popular product has been the energy bar. Energy bars not only offer the nutrients necessary in a balanced diet, but they do so in a convenient and compact fashion.

Situation Analysis

Product

Halobar is a new company emerging in the energy bar market. Initially, Halobar will only offer energy bars. After seeing the success of its energy bars, however, Halobar will introduce other products such as cereal and protein shakes. A major distinguishing factor between Halobars and most other energy bars is that Halobars are made with hazelnuts. Hazelnuts, while popular in Spain and Eastern European countries, are still making inroads in the United States (Fuhrman, 2003). Manufacturers and retailers of hazelnut products are at a particular advantage because the United States is one of the world's largest producers of hazelnuts (Fuhrman).

The headquarters of Halobar is situated in Sacramento, California. We are conveniently located near Oregon, the nation's largest hazelnut growing state (Jones, 2001). After receiving shipments of hazelnuts from Oregon, Halobar will both manufacture and distribute its energy bars. We plan to distribute initially to local health food stores, and to larger retailers at a later date.

The Halobar provides many consumer benefits. First of all, it offers nourishment through its hazelnuts. Hazelnuts are rich in protein, complex carbohydrates, dietary fiber, iron, calcium,

vitamin E, and amino acids (Hazelnut Growers, 2003). Furthermore, they contain no cholesterol and over 80% of their total fat content is mono-unsaturated.

Secondly, hazelnuts provide long-term health benefits. In particular, they help to prevent cardiovascular diseases and colon cancer—two of the leading health-related killers among middle-aged and senior citizens (Hazelnut Growers, 2003). Additionally, hazelnuts contain Paclitaxel (Adding Hazelnuts, 2003). This chemical is found in Taxol, which is prescribed to patients with ovarian and breast cancer. Therefore, the hazelnuts in Halobar are therapeutic to people with these diseases.

Another benefit of Halobars is their energy boosting capability. Halobars are “balanced bars,” which provide 40% of calories come from protein, 30% from carbohydrates, and 30% from fat (Sectzer, 2001). These are the most recommended bars for non-athletes, and provide long-term endurance and muscle recovery to people “on-the-go.”

Still another benefit of Halobars is their appealing taste. Many energy bar consumers are not satisfied with the taste of the bars they consume (Howell, 2003); they purchase these bars primarily for their nutrition content. Halobar seeks to provide a competitive advantage by using fresh, buttery hazelnuts that offer great taste as well as texture. In addition, Halobar uses ingredients such as molasses and honey while keeping sugar content low.

Finally, Halobars are filling. Because of their nut content, the bars provide sufficient satiation. For this reason, Halobars can be used as meal replacements. At the same time, Halobars can lead to eventual weight loss because of their low fat and calorie content.

The average price of an energy bar in the market today is \$1.49 (Dornblaser, 2003); twelve-packs are sold for \$13.99. Halobars will be slightly more expensive than regular energy bars, because the company is a starter in its industry. We plan to offer our bars for \$1.69 each

and offer 12-packs for \$14.99. Nevertheless, the value of the Halobar far outweighs its proposed price. First of all, it is better tasting than most other energy bars. Secondly, the bar provides both short-term and long-term health benefits. Furthermore, since we only specialize in one product, we are able to devote more resources to offering a premium product.

Target Market

People ages two and over will consume our product. Our purchasers will mainly be comprised of middle to high-class women, ages 25-45. They will be college-educated, work full-time, and have children. They will be health-conscious and “on-the-go.” Most of these women will be “experiencers” (vital and enthusiastic individuals who find an outlet in exercise, sports, and recreation) or “actualizers” (successful, sophisticated, and active individuals who value richness and diversity). Our heaviest users will be married women between 35 and 45 who work full-time, have children, and value physical fitness. Our target market desires something that is quick, nutritious, filling, tasty, and cost-effective.

Competitive Atmosphere

Halobar faces a strong competitive atmosphere. The company will compete with other energy bar manufacturers, most notably Kellogg’s, Kraft, Ensure, Luna, and Atkins (Howell, 2003). Halobar will also compete with makers of other health foods including protein shakes, tofu, soy-based products, and cereal. Many consumers will be eager to experiment with new brand names, and will trust that smaller and newer companies are capable of making quality products. We are counting on such people to purchase our Halobars.

Industry Analysis

The energy bar industry has been booming in recent years. Energy bar sales showed the second largest year-to-year growth in health food products, after non-dairy beverages (Pruess,

2003). In fact, sales rose by 52% last year alone. Many Americans are finding these bars to be effective replacements for cereal, fruits, and nuts.

As previously mentioned, the United States is one of the world's leading hazelnut producers. While hazelnut products are not as prevalent in the U.S. as they are in Europe, they have gradually been gaining popularity. The major use of hazelnuts in the U.S. is in baking and confectionary (Nut Knowledge, 2000). Due to the sweet nature of our product, we feel that hazelnuts in energy bars will prove successful as well. Moreover, nuts are increasingly being used in energy bars. The popularity of peanuts and almonds pave the way for hazelnuts.

SWOT Analysis

The Halobar possesses many strengths. It is high in nutrition, provides long-term health benefits, is low in price, and is filling. In addition, it is better tasting than most other energy bars.

On the downside, it is not as satiating as a complete meal. Additionally, though hazelnuts are slowly gaining popularity, they are still not as popular as peanuts or almonds. Another weakness is the newness of the company; people have not previously heard the brand name, and some may be doubtful of its integrity. Finally, as previously mentioned, we will have to charge a slightly higher price than our competitors.

There are several opportunities present for Halobar. The energy bar industry is growing quickly, and sales have skyrocketed. People are becoming more health-conscious, and will therefore be tempted to purchase Halobars. Many small local health food chains will be willing to sell our products. Upon success, we will be able to distribute to larger retailers as well.

Like the leading energy bar manufacturers, however, we will not have strong ties with members of our supply chain. We will have a harder time acquiring the hazelnuts to use in our

products, since most hazelnut farmers ship to a few consistent customers. Furthermore, larger retailers will be unwilling to sell our product due to lack of brand familiarity. A significant threat is our limited budget. Since our finances are considerably lower than those of our competitors, we are unable to devote sufficient resources to marketing and advertising our product. As a result, our sales may suffer.

Creative Objectives and Strategy

Through communication with our audience, we hope to make them aware of Halobar's competitive advantage. We are seeking to entice them by advertising our product as the better-tasting energy bar, and as possessing both short and long-term health benefits. Our communications objectives center mainly around product awareness, since we are encouraging consumers who have never used our brand to try it. Our secondary objective is to increase the association of specific features, benefits, and advantages with our brand. We aim to create awareness among 90% of our target audience; knowledge and comprehension among 80%; liking among 40%; trial among 20%; preference among 15%; and repurchase among 5% of our target customers.

The following claims will be used in our advertising copy: "May reduce your risk of cancer and heart disease"; "Gives you that added boost"; and "Heavenly hazelnut flavor." In addition, our slogan will be "Hazelnuts for the health nut."

Halobar will be using an informational/rational appeal in its advertising. Primarily, a feature appeal will be used. We will be focusing largely on the dominant traits of the product. A news appeal will also be used, since we will mention the recently discovered health benefits of eating hazelnuts. Finally, an emotional appeal will be used since customers will be encouraged

to experience the great taste of Halobars. The emotional appeal is also used to encourage the experience of higher energy levels and physically fitness.

We will be using a mixture of various advertising execution techniques. Primarily, we will be straight selling to our audience. We will be stating facts about our product. We will also be using scientific evidence, and will mention the disease prevention capabilities of hazelnuts. Both animation and a personality symbol will be used since we are personifying the representative hazelnut and its competing nuts. Finally, humor is used because of the jocund nature of the advertisement.

The message of our advertisement will be that Halobar soars above its competition. Customers will want to try the Halobar because they are eager to see how it outperforms other energy bars. The campaign theme will center on Halobar's great taste. We will be positioning ourselves as the better tasting energy bar.

Media Objectives

Since our target market consists of women ages 25-45 who value physical fitness, we are planning to advertise in health magazines. We are also in the process of designing a website, since our audience is educated and uses the Internet frequently. Finally, we will be distributing brochures in health clubs.

Internet advertising will be in the form of our website, so time is not a factor. Magazine advertisements will run once a month for three months, and will be half-page and in color. We will be distributing 1,000 brochures weekly in the California area. The brochures will be distributed heavily during the first six months; they will continue to be distributed on an on-going basis until brand recognition is established and profits are satisfactory. We hope to fulfill

both our product awareness objectives and knowledge and comprehension objectives in a 6-month time period.

The media vehicles we are using for our magazine advertising are *Self* and *Shape* magazines. These are two of the most widely read health magazines in the U.S. and will undoubtedly enable us to reach our target audience. We chose *Self* because it provides a good match for our target audience. The magazine focuses on fashion, fitness, and nutrition and caters to women ages 18-49 with an average readership age of 34 (personal communications, December 10, 2003). Readership is 4,521,000 and the circulation is 1,332,782 (Hirshman, 2003, p. 23). *Shape* was chosen because, like *Self*, it concentrates on fashion, fitness, and nutrition. *Shape* targets women who are active and professional (Hirshman, 2003, p. 49). Readership is over 5 million and circulation is 1,635,266. The URL of our Internet site is <http://www.halobar.com>. Additionally, our brochures will be distributed in popular health clubs such as Bally's, Total Fitness, and Curves.

We will be using frequency over reach. Since our target audience is limited, we find it more effective to advertise to fewer people more often. Our target audience will be exposed to our advertisements on an average of four times a month, either through reading the same magazine multiple times or by reading multiple magazines. Many consumers will also gain frequent exposure through exploring our website and by receiving our brochures.

We will be using a pulsing method (Belch & Belch, 2004) in our media scheduling. In the early stages of product awareness, we will be implementing heavier advertising. We will also be advertising extensively during and immediately after the holiday season, since many people are conscious about their figures at these times. For the same reason, we will advertise

heavily in the summer as well. Apart from these times, we will use a consistent, continuous rate.

Budgeting

Halobar will be using a “build-up” approach toward its budgeting. In other words, the appropriate budget will be based on attaining our communications objectives (Belch & Belch, 2004). Specifically, we will be using payout planning. The investment value of advertising and promotion will determine how much to spend on subsequent advertising. We will begin with a budget of \$1 million. The cost of publishing one half-page color advertisement in *Shape* magazine for a three-month period is \$177,720 (personal communication, November 25, 2003). The cost to run the same ad in *Self* magazine for three months is \$163,806 (personal communication, November 25, 2003). Collectively, we will be paying approximately \$341,526 for our magazine advertising. The cost of developing our website and registering with search engines and affiliate sites will be approximately \$500 a month. This cost is low because the website will be developed internally by Halobar employees. Finally, we will be paying \$400 a month to publish and distribute our brochures. The total advertising expenditure for the initial six-month period will therefore be \$346,926.

In summary, Halobar is a promising new product for the middle-class health enthusiast. Through proper market planning and advertising, we will attract members of our target audience. People will cherish the great taste and nutrition offered by Halobar’s hazelnuts, magnifying the popular new trend of hazelnuts in America.

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