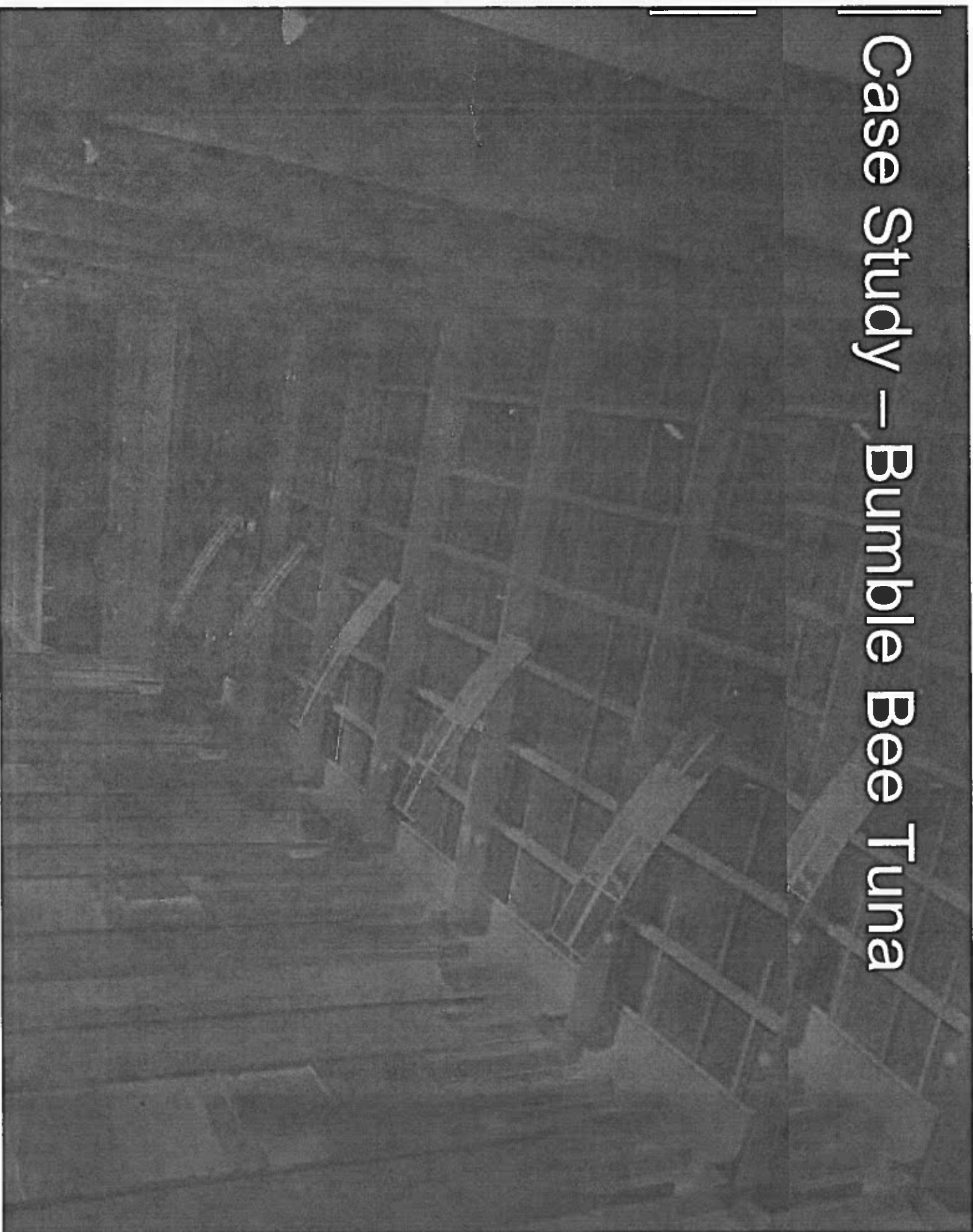


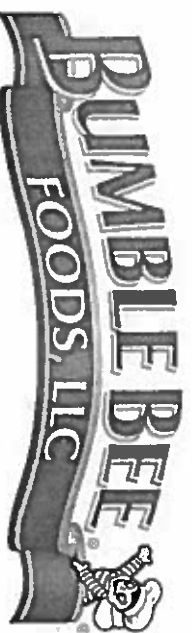
# Case Study -- Bumble Bee Tuna



# The Tuna Wars of the 1990s



Chicken&tSea



## Segmentation – Key Target Segments

- Women 18-49 years old
- Healthy eaters
- Children 10-17 years old
- Tuna preferences vary by region
  - Bumble Bee in New York City, Boston, Philadelphia, Miami
  - Chicken of the Sea in Minnesota, Wisconsin, Kansas, Okla.
  - Starkist in Midwest, Mid-Atlantic, South, California

# Marketing Research and Analysis

- Tuna consumption decline coming from heavy users
  - i.e., frequency of usage declining
- Only Starkist commanding any price premium
  - And only then in certain markets
- Bumble Bee key factors
  - Gross margin and profit driven by Whitemeat (63%) and convenience items (76%)
  - While #3 market share in Total Tuna, Bumble Bee had the #1 market share in Whitemeat Tuna
  - Bumble Bee recent winner of product quality test based on product quality improvements;
    - Until then, no statistically significant difference found between the Big 3 tuna brands

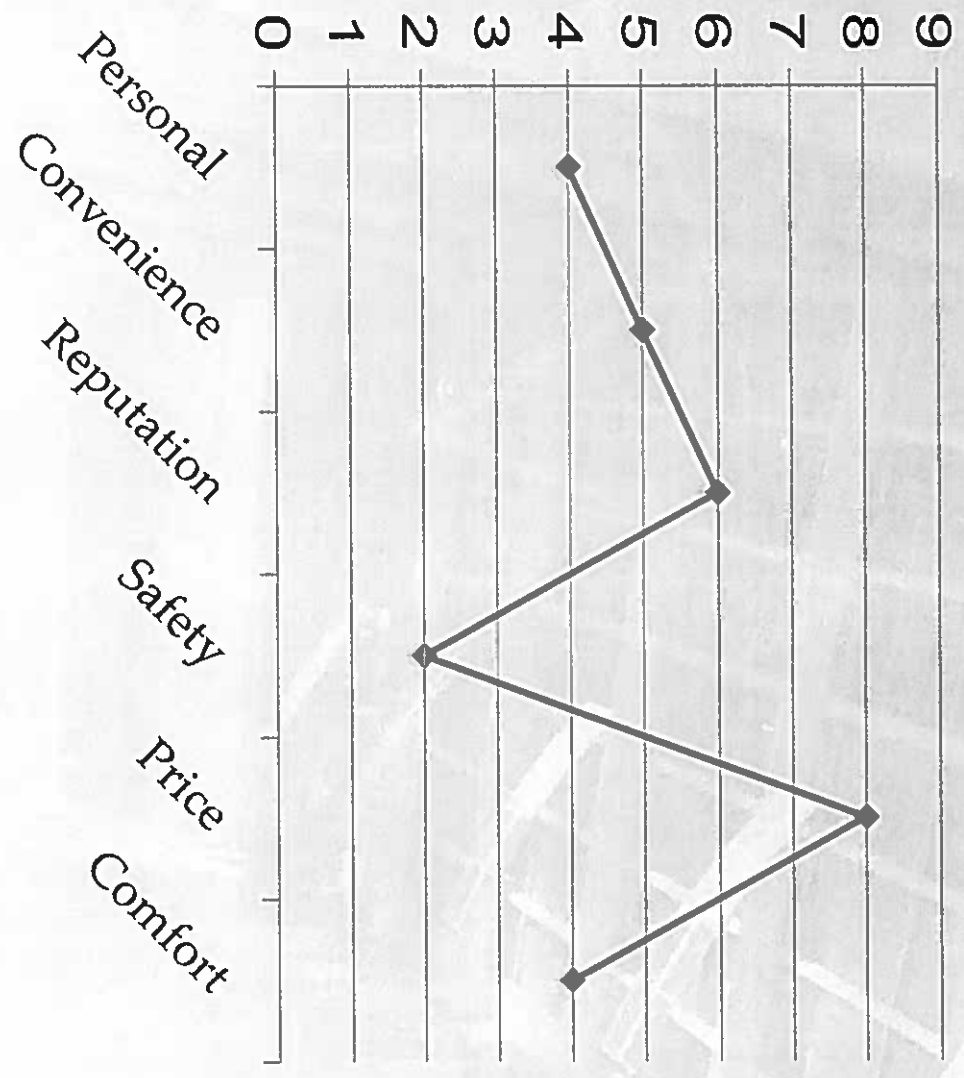
# Positioning – Crucial Words in Tuna

- “Taste”
  - Issues: All tuna brands emphasizing the same attribute:
    - “Sorry Charlie...only good-tasting tuna gets to be StarKist”
    - “Yum-Yum Bumble Bee, Bumble Bee tuna...”
    - “What’s the best tuna, Chicken of the Sea”
- “Convenient”
  - Issues: Tuna losing ground on this attribute due to:
    - The increasing number of women in the workforce
    - Reduction in leisure time across key target segments
- “Healthy”
  - Issues: Tuna losing ground on this attribute due to:
    - Concerns with tuna tuna served with mayonnaise, mercury in tuna
- “Fun”
  - Issues: Drop in in tuna consumption among children

# Perceptions

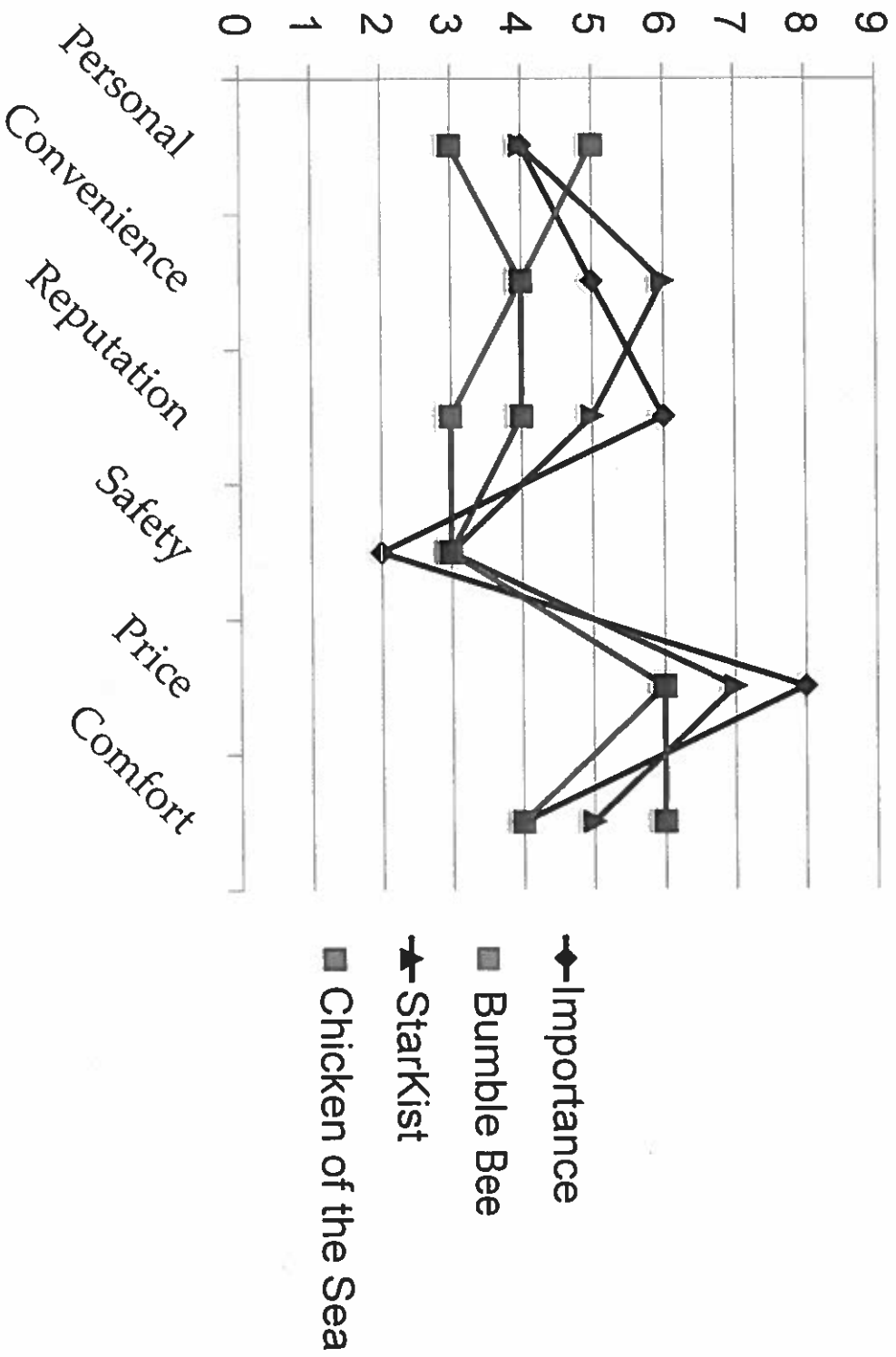
- Tuna category turning into a commodity
  - Less than 20% believe that “1 brand is best”
- Overall tuna brand awareness low and declining
  - No brand with Awareness above 50%
- Bumble Bee brand awareness in last place
  - (70%) lower than Chicken of the Sea
  - (75%) lower than Starkist
- Bumble Bee brand image (favorability) in last place
  - (40%) lower than Chicken of the Sea
  - (50%) lower than Starkist

# Value Drivers



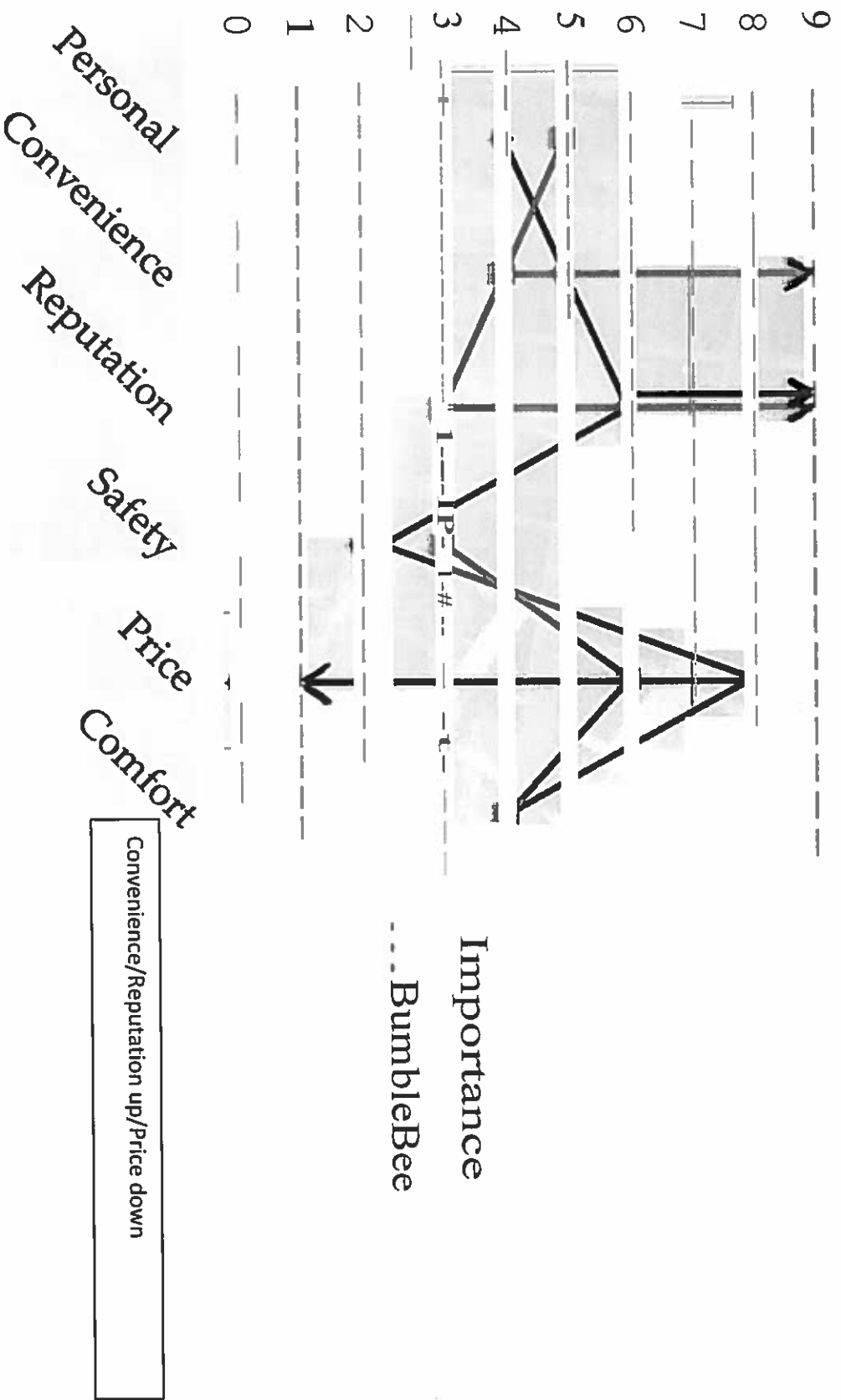
◆ Importance

# Value Drivers – With Brand Overlay

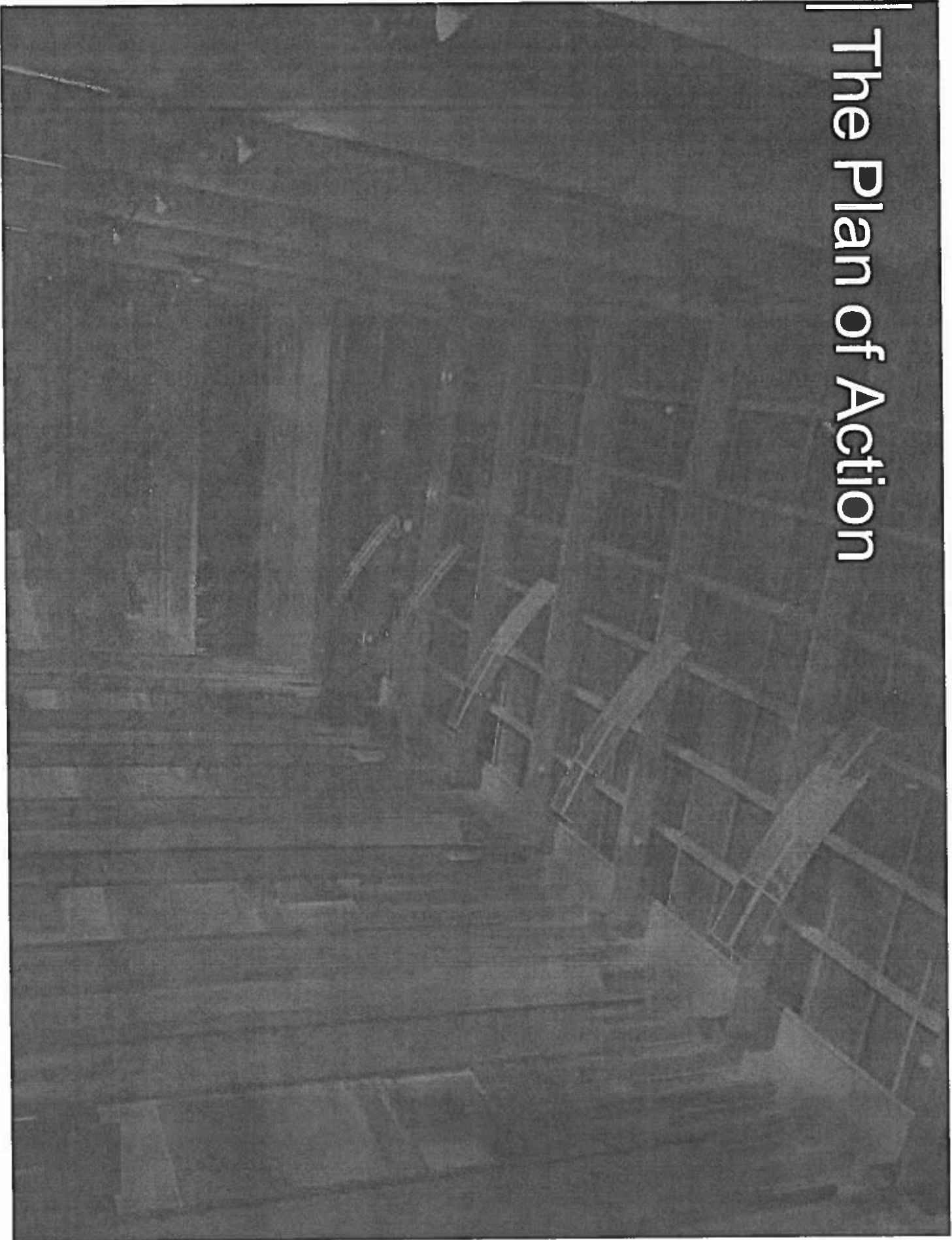




# Value Drivers – Desired Movements



# The Plan of Action



# The Overall Goal – Reposition Bumble Bee

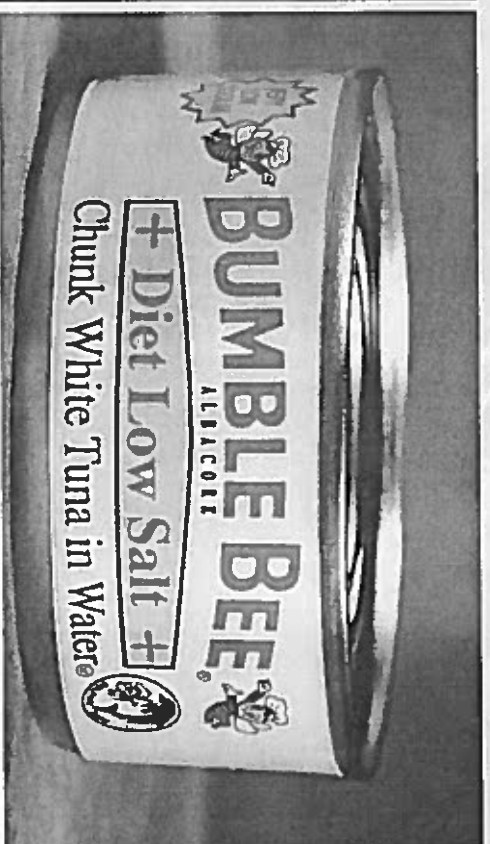
- Reposition as “Premium” – Create & Own a New Word
  - *America’s Favorite Albacore!*
    - Marketing’s Law of Leadership (#1) and Law of Category (#2)\*
  - “Albacore” vs. “Whitemeat”
    - “Albacore” sounds more sophisticated and prestigious than “Whitemeat”
  - New Packaging
    - More fun, active, modern, sophisticated



\*The 22 Immutable Laws of Marketing, Ries and Trout

# The 4 P's – Product Goal

- Product – Become leader in convenience and health
  - New Product: Ready-To-Eat Tuna Salad lunch kit
  - New Product: Diet Low Salt tuna
  - Focus on more convenient sizes (single-serve, family)

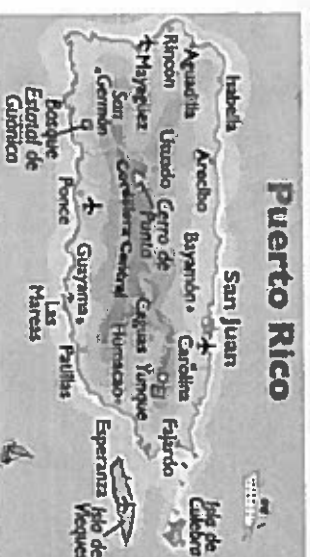
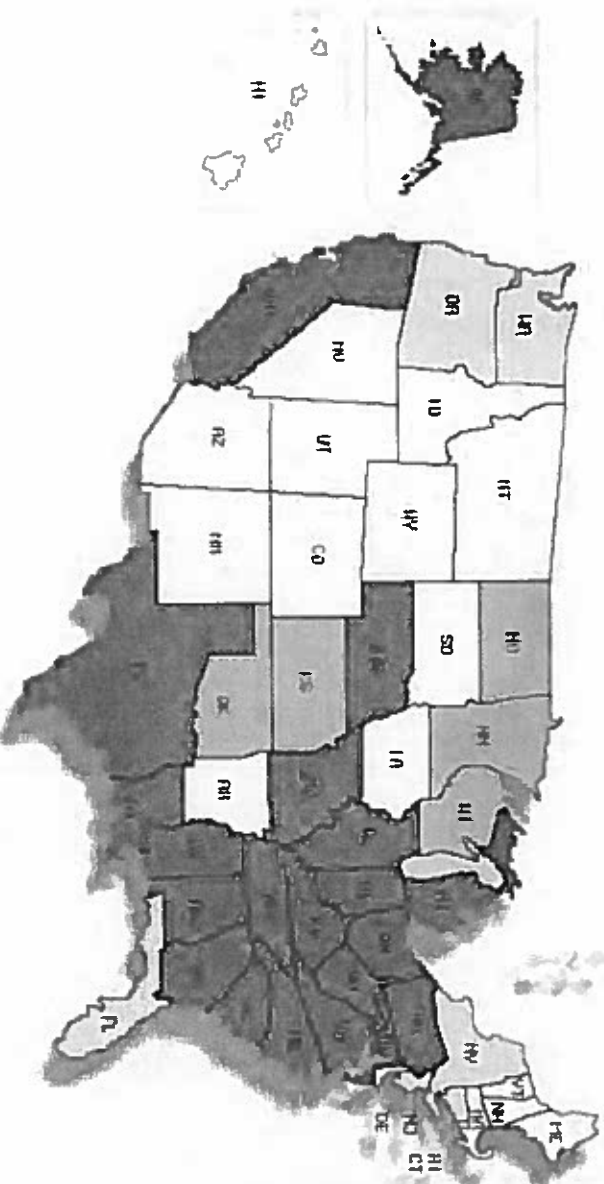


# The 4 P's – Place (Distribution) Goal

- Place – Increase distribution of high-margin products
  - Gain distribution of new products
  - Increase distribution of convenience sizes across the U.S.
  - Broaden distribution outside of the U.S.

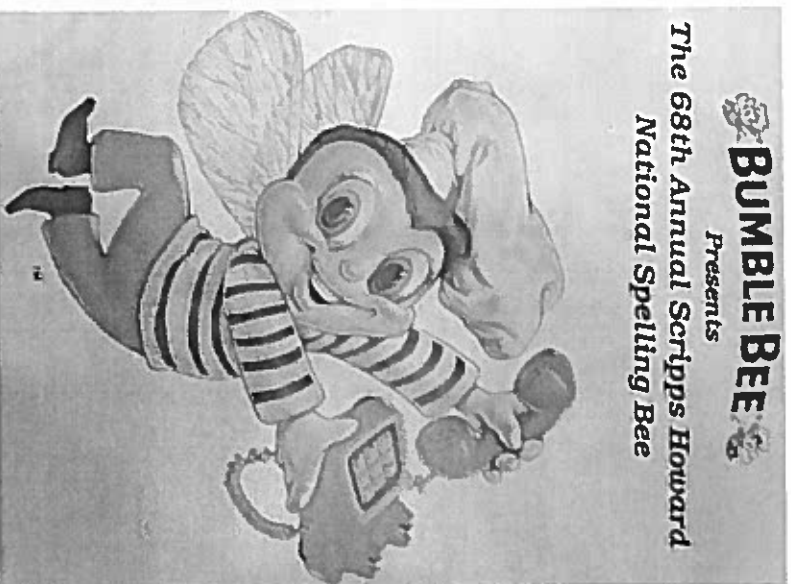
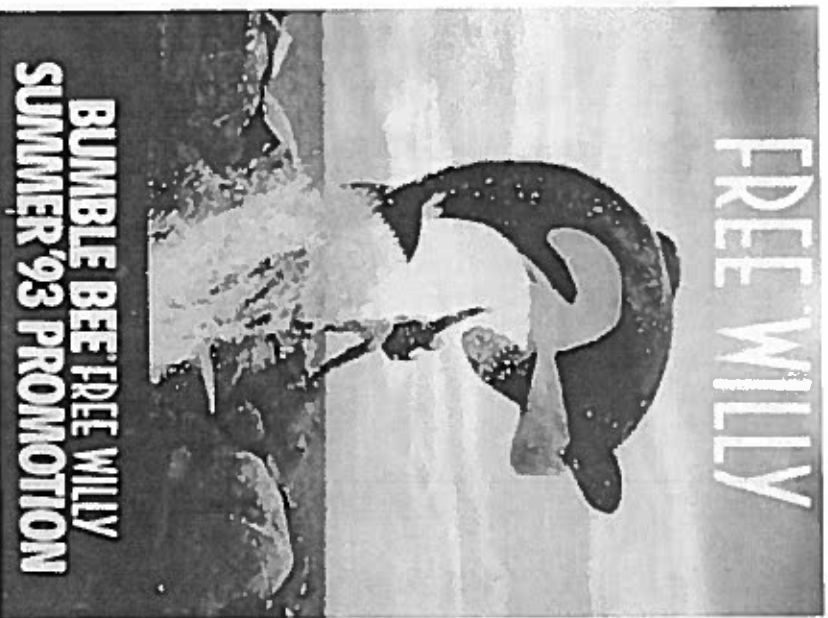
total Tuna — Market Share Dominance by Brand

- Bumble Bee
- Chicken of the Sea
- StarKist

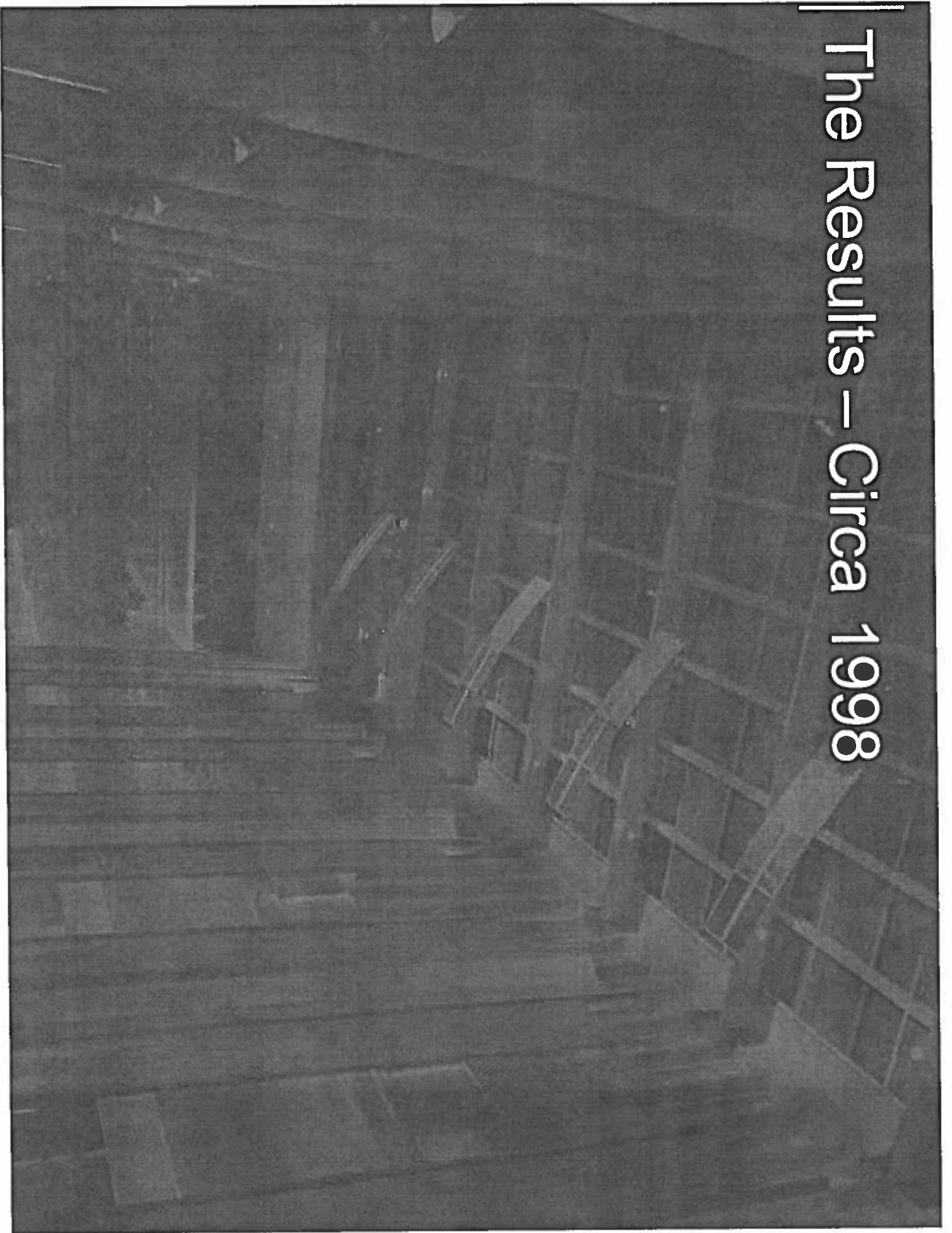


# The 4 P's – Promotion Goal

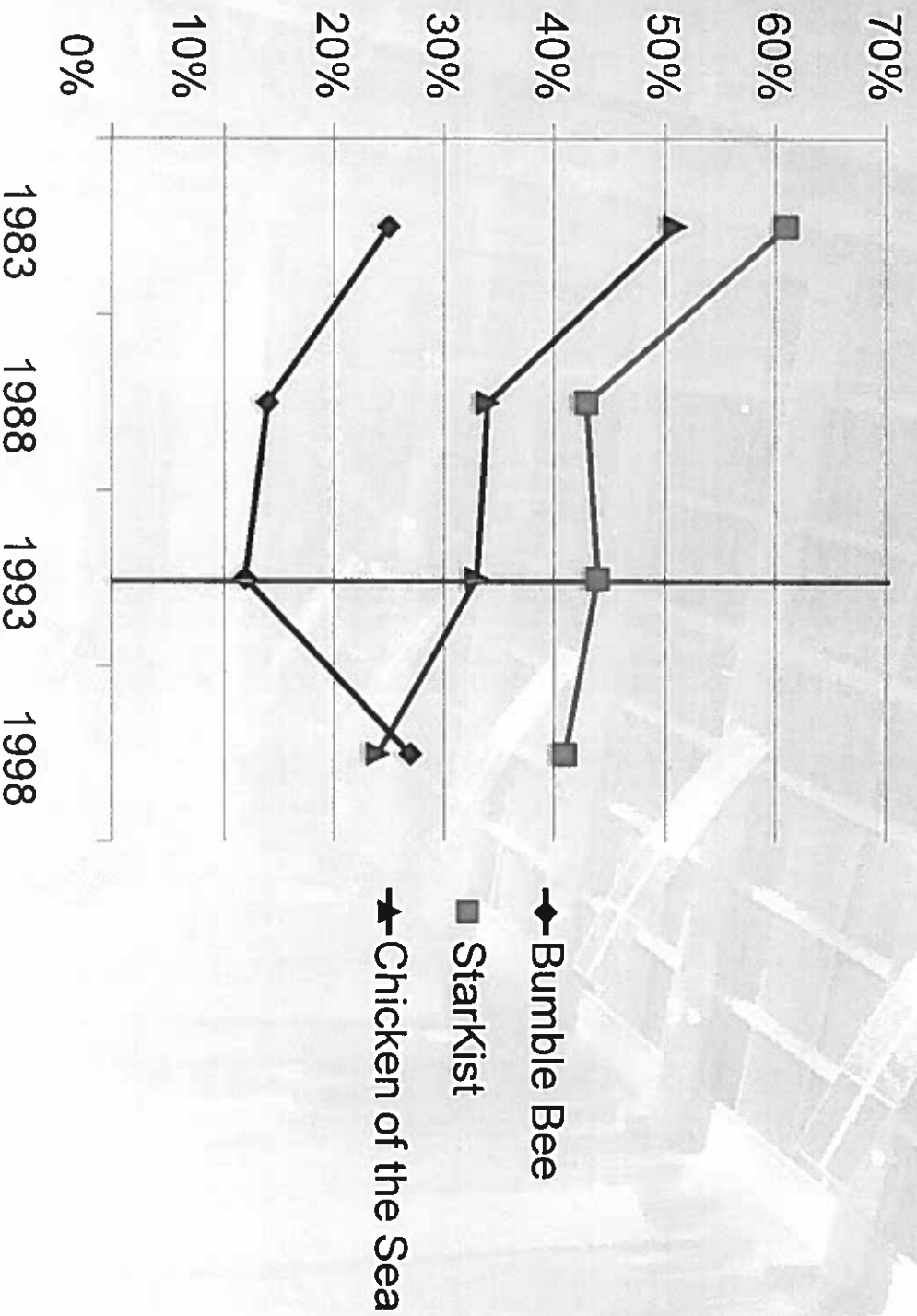
- Promotion – Appeal to children with targeted marketing
  - Co-promotion with Warner Bros.' *Free Willy* movie release
  - Sponsor of the Scripps-Howard's *National Spelling Bee*
  - Created fun and interactive “world-wide” website...in 1996!



The Results – Circa 1998

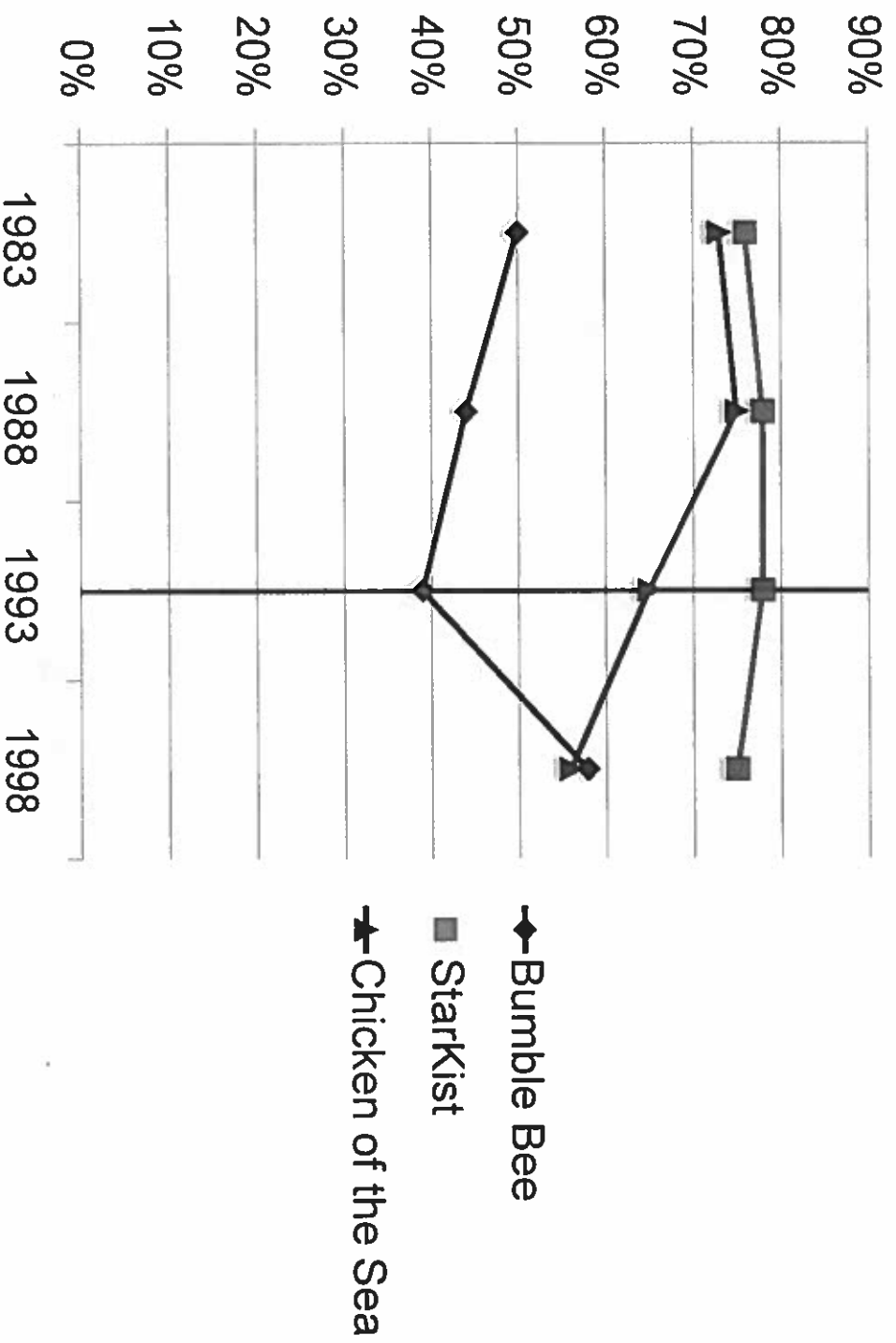


# Advertising Awareness – Aided and Unaided

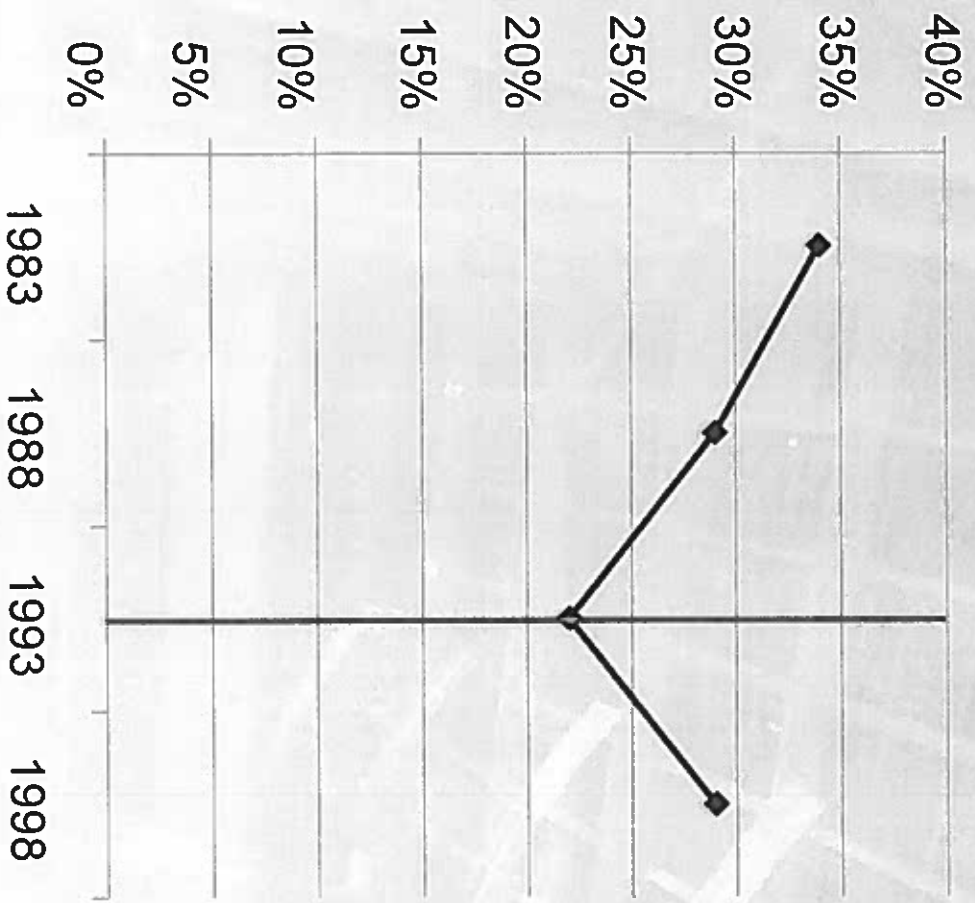




# Favorability Ratings -- Top 3-Box Rating

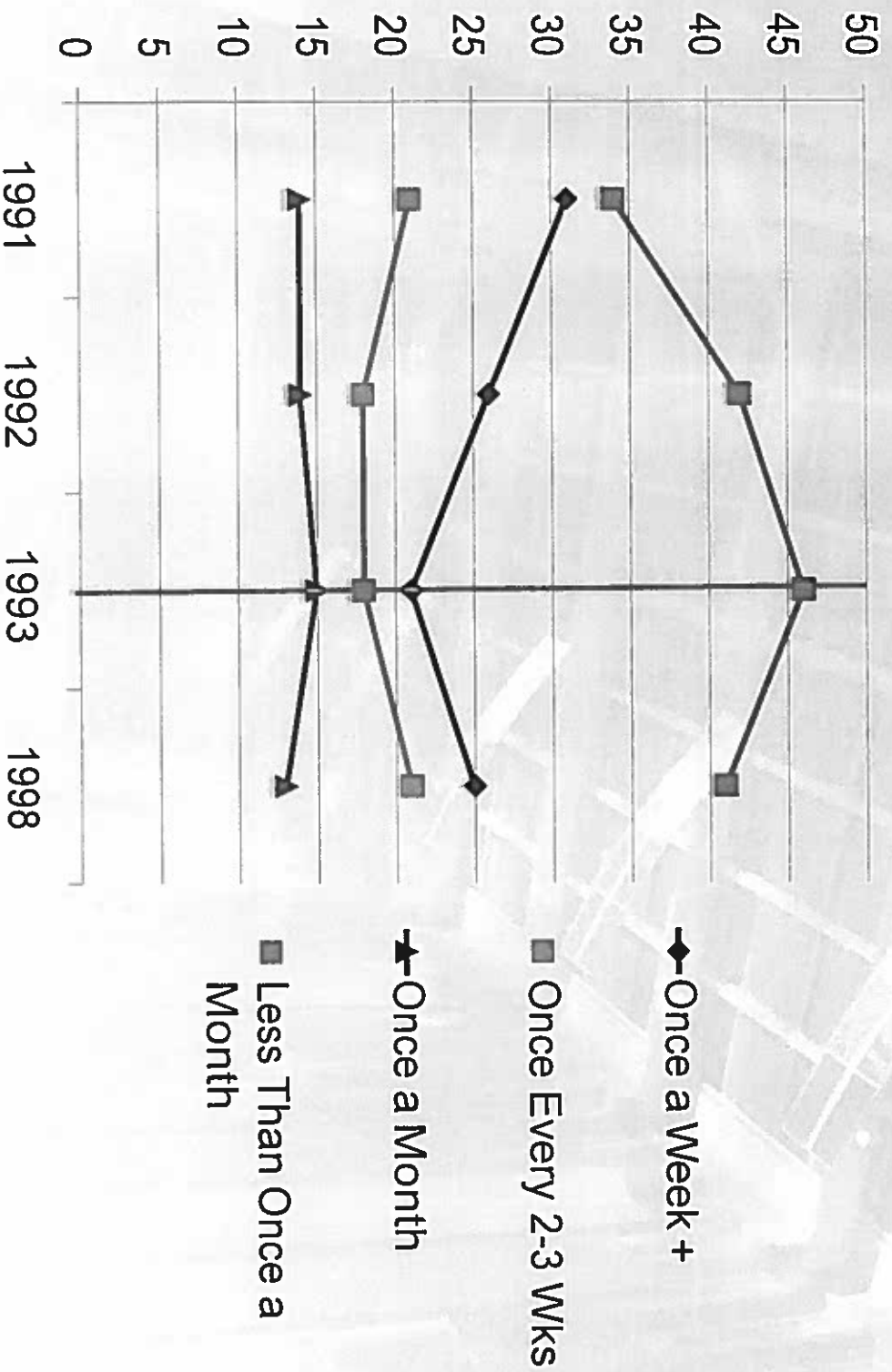


# Tuna Consumption – Among Children

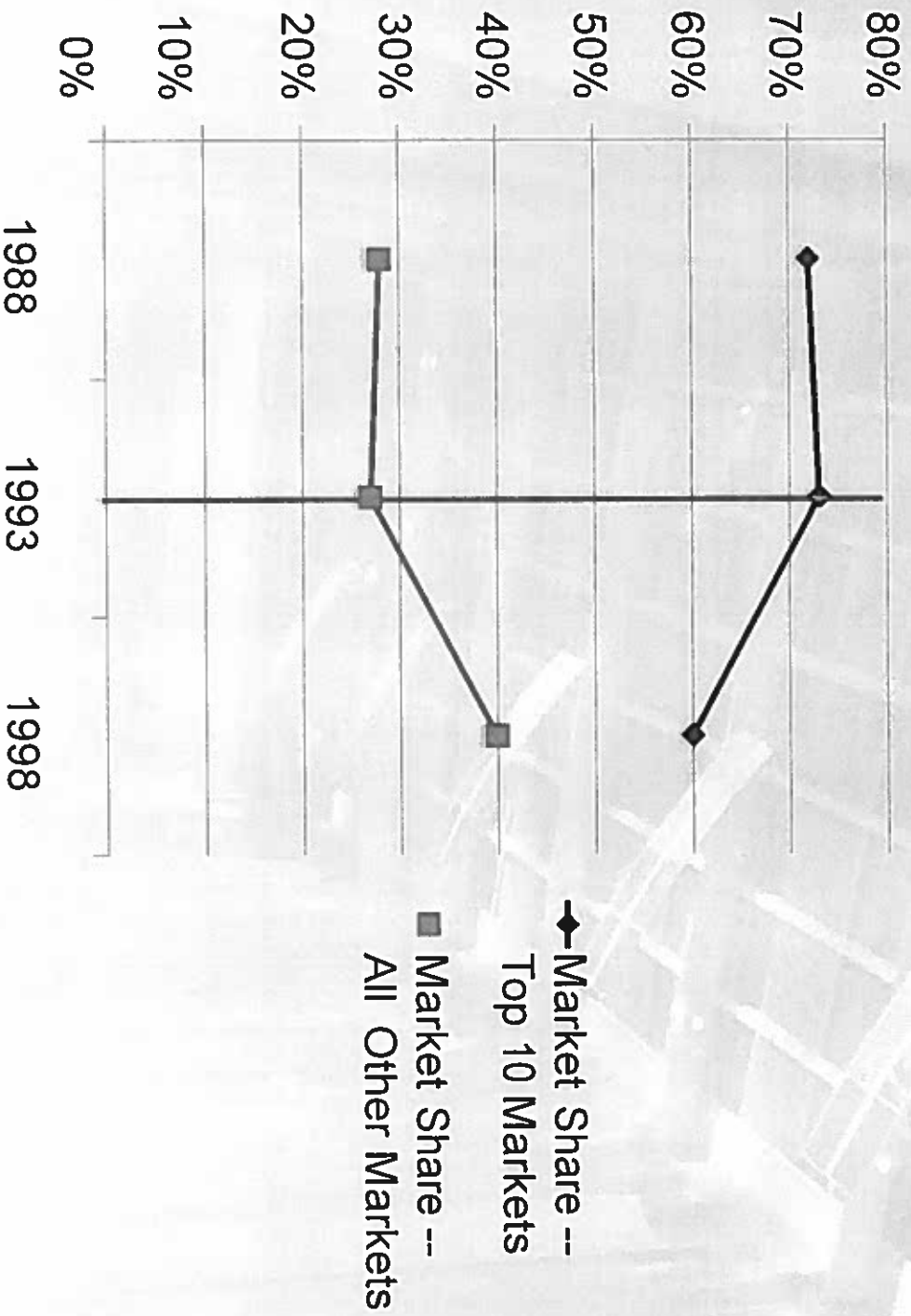


◆ Tuna Consumption  
Among 10-17 Years  
Old

# Frequency of Tuna Use -- As a Percent

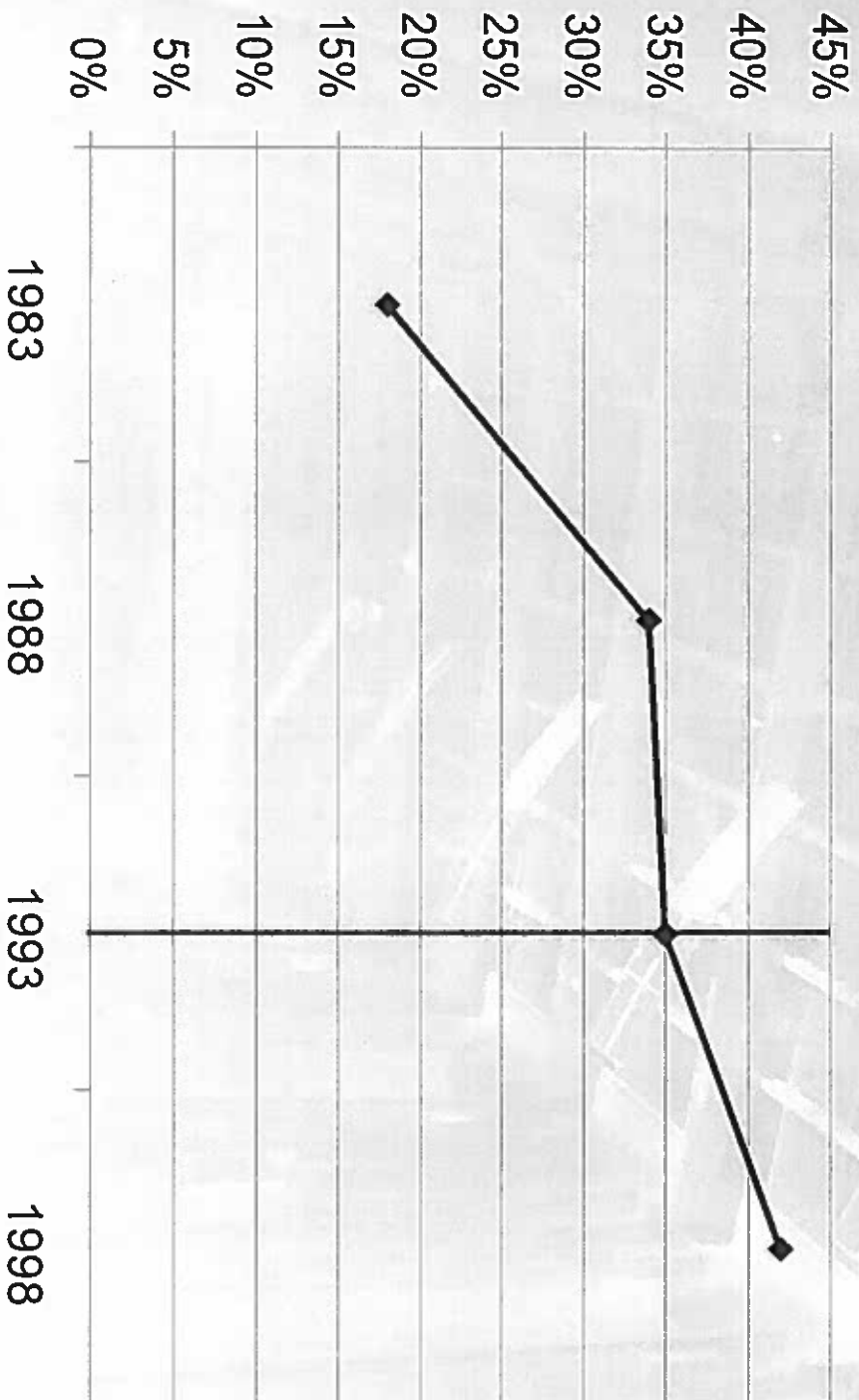


# Reduced Dependence on Few Markets



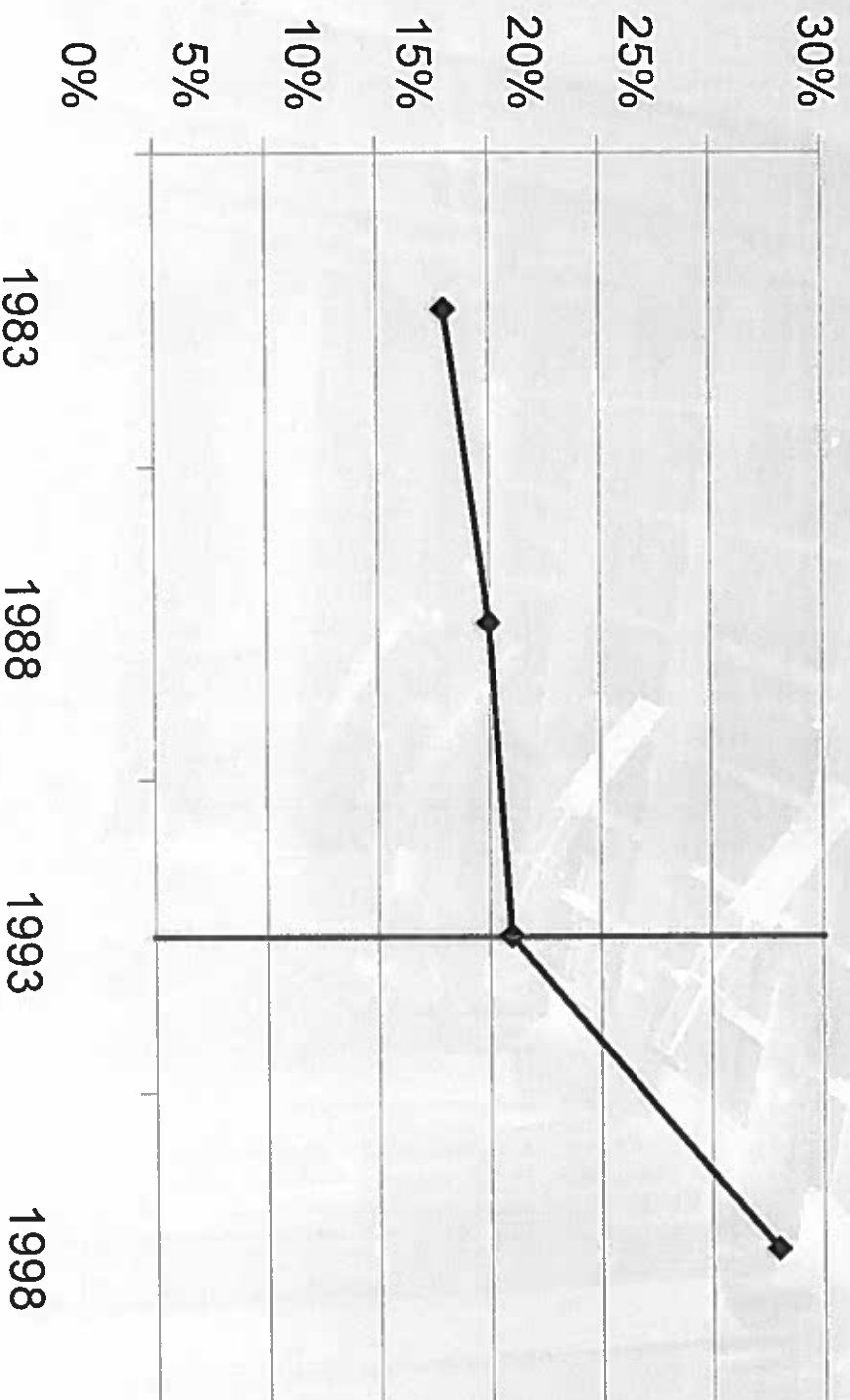
# Highest Ever Market Share – Whitemeat

## Bumble Bee Whitemeat Market Share



# Highest Ever Market Share – Convenience Items

## Bumble Bee Convenience Items Market Share



# Highest Ever Profit – Total Tuna

Bumble Bee Total Gross Margin (in M)

