

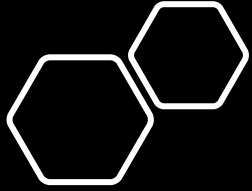


# HEALTH AND WELLNESS PROJECT

By: MAI HAN TRAN

# AGENDA OF ITEMS

1. Project Goal and Objectives
2. Methodology
3. Customer Segmentation
4. Factors Influencing Consumption Level
5. Buyer Persona
6. Marketing Recommendations



## **GOAL:**

Market A Healthy Food Product Successfully

## **OBJECTIVES:**

1. Who is most likely to buy this product?

2. How should marketers target potential buyers?

- Healthy and wellness business will be valued at \$811.82 billion by 2021 (Statista, 2018).\*
  - National poll revealed more than ever Americans wanted to have more healthy food choices.\*\*
- It is vital anticipate the needs of this potential market and gain competitive advantage.

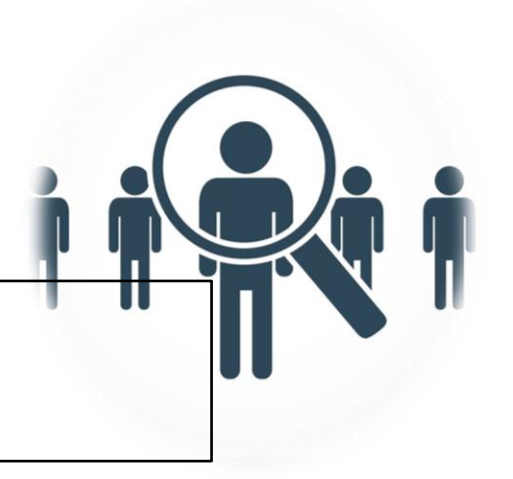
\*Statista Report 2018. Health and wellness food market value worldwide from 2006 to 2021. Source: <https://bit.ly/3ciKmd2>

\*\* National Poll by National Recreation and Park Association. Source: <https://bit.ly/35HktBl>

## METHODOLOGY

- Define healthy eating habits
- Perform customer segmentation via K-means clustering algorithm
- Understand what drives consumption via regression analysis with feature selection
- Create buyer personas via hypothesis testing
- Provide strategic marketing recommendations

# CUSTOMER SEGMENTATION



Healthy Eating Habit



High intake of produce\*  
(fruits and vegetables)

Target Audience



Americans who shop for produce items at least  
several times a month\*\*

Based on the 2 criteria:

- Performing clustering based on produce consumption results in 4 groups.
- Out of 4 groups, 3 groups are identified as potential buyers  
(which is equal to 424 out of 1003 survey responders)

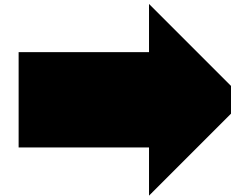
\*US Department of Health and Science. Key Elements of Healthy Eating Patterns. Source: <https://bit.ly/2WEYpTJ>

\*\* Statista Report 2019. Consumer's weekly grocery shopping trips in the United States from 2006 to 2019. Source: <https://bit.ly/2YN1cgb>

# FACTORS INFLUECING CONSUMPTION LEVEL

## Factors with positive impact on produce consumption among potential buyers

- |                      |  |
|----------------------|--|
| 1. Education         | <ul style="list-style-type: none"><li>• Advanced Degree (Masters or Ph.D.)</li><li>• Trade or Technical School</li></ul> |
| 2. Dietary Guideline | <ul style="list-style-type: none"><li>• Dairy-free</li><li>• Non-diabetic</li><li>• Non-GMO</li></ul>                    |
| 3. Store Location    | <ul style="list-style-type: none"><li>• Shop frequently at traditional store (e.g. Kroger, Safeway)</li></ul>            |



- ❖ Provide insights to form strategic recommendations for marketing mix (Product, Promotion, Price, Placement)

# BUYER PERSONA

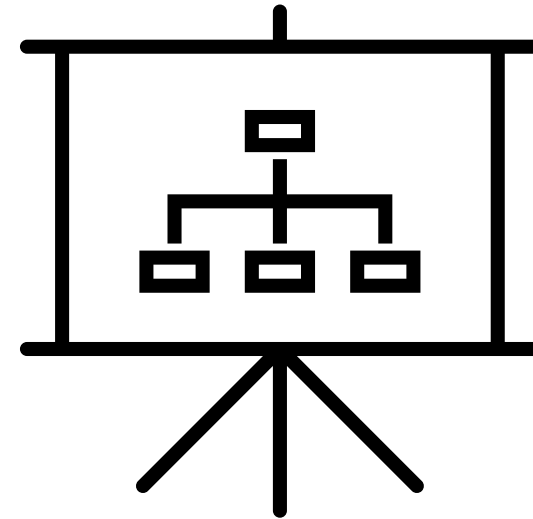


	"The Advocate"	"The Balancer"	"The Beginner"
Similarity	<ul style="list-style-type: none"><li>Majority of them are Gen X. They are married &amp; enjoy spending time with family</li><li>They are price-shoppers &amp; often shop at traditional stores.</li></ul>		
Difference	<ul style="list-style-type: none"><li>Most are males &amp; females with average age is 35</li><li>Avg income of \$100,000+</li><li>Busy, ambitious and willing to try new things.</li><li>Health is not their priority.</li><li>healthy lifestyle and knowledgeable about nutrition.</li><li>Love natural food and forgo taste and convenience for health benefits. Also recommend their favorite food to others.</li></ul>	<ul style="list-style-type: none"><li>Most are males with average age is 35</li><li>Avg income is from \$50,000 to &lt;\$75,000</li><li>Similar lifestyle and behaviors to "The Advocate"</li><li>However, they want to achieve high social status as well as prioritize their health and wellness.</li></ul>	<ul style="list-style-type: none"><li>Most are females with average age is 43</li><li>2 main income ranges:<ul style="list-style-type: none"><li>+ less than \$25,000</li><li>+ from \$75,000 to &lt;\$100,000</li></ul></li><li>Not so busy but conservative and unwilling to try new items</li><li>Health is their top priority.</li><li>Choose taste and convenience over health benefits.</li></ul>

# MARKETING RECOMMENDATIONS

Based on the findings above, some recommendations for marketing mix are proposed:

- **Product Concept:** organic food with clear non-GMO label or plant-based or nut-based food item
- **Price:** competitive pricing points compared to existing products in same category to attract price-sensitive customers
- **Placement:** ensure having distribution channels at traditional stores (e.g. Kroger, Safeway)
- **Promotion:** having product placed at eye-level, in-store display, in-store feature, or in-store giveaway at traditional stores, promote at universities with high population of Master or Ph.D. students as well as technical or trading school.



# Marketing Recommendations

## "THE ADVOCATE"



- **Product Concept:** natural food product with non-GMO label (if applicable)
- **Product Position:** grab-and-go or easy to prepare food items to accommodate their busy lifestyle.
- **Ad Message:** highlight as good source of energy to help them achieve their goals, mention of organic ingredients and their benefits, and variety of flavor options (if applicable)
- **Online Marketing Tactics:** affiliate and influential marketing (e.g. partnership with organic food sites or influencers in health and wellness)

# Marketing Recommendations

## "THE BALANCER"



- **Product Concept:** natural food product at lower price point than what is offer to "The Advocate". Non-GMO label should be feature if applicable.
- **Product Position:** grab-and-go or easy to prepare food items to accommodate their busy lifestyle.
- **Ad Message:** focus on health benefits and good source of energy
- **Online Marketing Tactics:** affiliate and influential marketing (e.g. partnership with organic food sites or influencers in health and wellness)

# Marketing Recommendations

## "THE BEGINNER"



- **Product Concept:** plant-based or nut-based food item at low price
- **Product Position:** slow-cooked meal that is highly nutritious
- **Ad Message:** focus on the tasty flavors with a CTA button driving online traffic to the closest traditional stores for their convenience
- **Online Marketing Tactics:** video ad featuring positive customer experience and testimonials to convenience "The Beginner" to try the new healthy food product

# SUMMARY

- Given competition and limited resources, upon launching healthy food campaign, it is highly suggested to focus on a group of people.
- Findings regarding to customer segmentation and factors influencing level of produce consumption are presented above.
- Strategic recommendations for marketing-mix and how to target each persona are put forward.
- However, due to constant changes in the industry landscape and customer's behavior, it is highly recommended to run experiment to test market reaction and customer response. New York is advised to be the piloting location.

**Thank You**

## Tools:



## Techniques:

- K-Means Clustering
- Feature Engineering for Variable Selection
- Regression Analysis with Forward – Backward – Stepwise Algorithm