

VIDEO CASE 22**General Mills Warm Delights: Indulgent, Delicious, and Goopy!**

Vivian Milroy Callaway, vice president for the Center for Learning and Experimentation at General Mills, retells the story for the “indulgent, delicious, and goopy” Warm Delights product. She summarizes, “When you want something that is truly innovative, you have to look at the

rules you have been assuming in your category and break them all!”

Video 22-5
Warm Delights
Video Case
kerin.tv/14e/v22-5

When a new business achieves a breakthrough, it looks easy to outsiders. The creators of Betty Crocker Warm Delights stress that if the marketing decisions had been based on the traditions and history of the cake category, a smaller, struggling business would have resulted. The team chose to challenge the assumptions and expectations of accumulated cake category business experience. The team took personal and business risks, and Warm Delights became a roaring success.

PLANNING PHASE: INNOVATION, BUT A SHRINKING MARKET

"In the typical grocery store, the baking mix aisle is a quiet place," says Callaway. Shelves display many flavors, types, and brands. Prices are low, but there is little consumer traffic. Cake continues to be a tradition for birthdays and social occasions. But, consumer demand has declined. The percentage of U.S. households that bought at least one baking mix in 2000 was 80 percent. Fifteen years later the percentage was about 62 percent, a very significant decline.

Today, a promoted price of 89 cents to make a 9 x 12 inch cake is common. Many choices, but little differentiation, gradually falling sales, and low uniform prices are the hallmarks of a mature category. But it's not that consumers don't buy cake-like treats. In fact, indulgent treats are growing. The premium prices for ice cream (\$3.00 a pint) and chocolate (\$3.00 a bar) are not slowing consumer purchases.

The Betty Crocker marketing team challenged the food scientists at General Mills to create a great-tasting, easy-to-prepare, single-serve cake treat. The goal: Make it indulgent, delicious, and gooey. The team focused the scientists on a product that would have:

- Consistent great taste.
- Quick preparation.
- A single portion.
- No cleanup.

The food scientists delivered the prototype! Now, the marketing team began hammering out the four Ps. They started with the descriptive name "Betty Crocker Dessert Bowls" and a plan to shelve it in the "quiet" cake aisle. This practical approach would meet the consumer need for a "small, fast, microwave cake" for dessert. Several marketing challenges emerged:

- *The comparison problem.* The easy shelf price comparison to 9 x 12 inch cakes selling for 89 cents would make it harder to price Dessert Bowls at \$2.00.
- *The communication problem.* The product message "a small, faster-to-make cake" wasn't compelling. For example, after-school snacks should be fast and small, but "dessert" sounds too indulgent.
- *The quiet aisle problem.* The cake-aisle shopper is probably not browsing for a cake innovation.
- *The dessert problem.* Consumers' on-the-go, calorie-conscious meal plans don't generally include a planned dessert.
- *The microwave problem.* Consumers might not believe it tastes good.

In sum, the small, fast-cake product didn't resonate with a compelling consumer need. But it would be a safe bet because the Dessert Bowl positioning fit nicely with the family-friendly Betty Crocker brand.

IMPLEMENTATION PHASE: LEAVING BEHIND THE SECURITY OF FAMILY

The consumer insights team really enjoyed the hot, gooey cake product. But they feared it would languish in the cake aisle under the "Dessert Bowl" name since this didn't capture the essence of what the food delivered. They explored who the indulgent treat customers really are. The data revealed that the heaviest buyers of premium treats are women without children. This focused the team on a target consumer: "What does she want?" They enlisted an ad agency and consultants to come up with a name that would appeal to "her." Several independently suggested the "Warm Delights" name, which became the brand name.

An interesting postscript to the team's brand name research: A competitor apparently liked not only the idea of a quick, gooey, microwavable dessert but also the "Dessert Bowls" name! You may now see its competitive product on your supermarket's shelves.

Targeting on-the-go women who want a small, personal treat had marketing advantages:

- The \$2.00 Warm Delights price compared favorably to the price of many single-serve indulgent treats.
- The product food message "warm, convenient, delightful" is compelling.
- On-the-go women's meal plans do include the occasional delicious treat.

One significant problem remained: The cake-aisle shopper is probably not browsing for an indulgent, single-serve treat.

The marketing team solved this shelving issue by using advertising and product point-of-purchase displays outside the cake aisle. This would raise women's awareness of Warm Delights. Television advertising and in-store display programs are costly, so Warm Delights sales would have to be strong to pay back the investment.

Vivian Callaway and the team turned to market research to fine-tune the plan. The research put Warm Delights (and Dessert Bowls) on the shelf in real grocery stores. A few key findings emerged. First, the name "Warm Delights" beat "Dessert Bowls." Second, the Warm Delights with nuts simply wasn't easy to prepare, so nuts were removed. Third, the packaging with a disposable bowl beat the typical

cake-mix packaging involving using your own bowl. Finally, by putting the actual product on supermarket shelves and in displays in these stores, sales volumes could be analyzed.

EVALUATION PHASE: TURNING THE PLAN INTO ACTION!

The marketing plan isn't action. Sales for Warm Delights required the marketing team to (1) get the retailers to stock the product, preferably somewhere other than the cake aisle, and (2) appeal to consumers enough to have them purchase, like, and repurchase the product.

The initial acceptance of a product by retailers is important. But each store manager must experience good sales of Warm Delights to be motivated to keep its shelves stocked with the product. Also, the Warm Delights team must monitor the display activity in the store. Are the displays placed in the locations as expected? Do the sales increase when a display is present? Watching distribution and display execution on a new product is very important so that sales shortfalls can be addressed proactively.

Did the customer buy one or two Warm Delights? Did the customer return for a second purchase a few days later? The syndicated services that sell household panel purchase data can provide these answers. The Warm Delights team evaluates these reports to see if the number of people who tried the product matches with expectations and how the repeat purchases occur. Often, the "80/20 rule" applies. So, in the early months, is there a group of consumers who buy repeatedly and will fill this role?

For ongoing feedback, calls by Warm Delights consumers to the toll-free consumer information line are monitored. This is a great source of real-time feedback. If a pattern emerges and these calls are mostly about the same problem, that is bad. However, when consumers call to say "thank you" or "it's great," that is good. This is an informal quick way to identify if the product is on track or further investigation is warranted.

GOOD MARKETING MAKES A DIFFERENCE

The team took personal and business risks by choosing the Warm Delights plan over the more conservative Dessert Bowls plan. Today, General Mills has loyal Warm Delights consumers who are open to trying new flavors, new sizes, and new forms. If you were a consultant to the Warm Delights team, what



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would you do to grow this brand in terms of product line and brand extensions?⁴¹

Questions

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Waiting for approval or denial

Market Plan

product changes would you recommend sales of Warm Delights?

