



Review Paper

Oscar Mayer: Strategic Marketing Planning

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Available online at: www.isca.in, www.isca.me

Received 5th November 2015, revised 10th December 2015, accepted 3rd January 2016

Abstract

This Review Paper is aimed to explain the change in customer preferences and their demands. This paper will explain how company cater this particular situation to satisfy and retain its customers because as customer wasn't happy from company marketing planning, which was effecting company sales in different segments. Oscar Mayer started business as sausages and Westphalian hams specialized retail market, in 1883. In 1911, business was incorporated as Oscar F. Mayer and Bro and further expanded its operations by acquiring other food companies. Oscar Mayer and Co. was most attractive medium sized food company and acquired by General Foods Corporation, which was then acquired by Kraft Foods (Parent Company: Philip Morris Inc) in 1985, Oscar Mayer is still leading brand in US, famous for consumer ready hot dogs, hams, bacon and much more.

Keywords: Customer Satisfaction, Customer Habit, Demands, Convenience, Promotion, Perception.

Introduction

Problem Identification: According to the case, Oscar Mayer (OM) acquired Louis Rich (LR), a brand of white meat. At that time, consumers preferences were changing and they were becoming more nutrition conscious and demanding more convenient products. The other problem in this case is the decrease in the sales volume of red meat segment, whereas white meat segment was growing.

Oscar Mayer (OM) Foods Corporation is most liked and growing food brand in many countries. The company is working majorly in North America as well as in some regions of South America and Asia. OM Foods is selling different variety of processed food which includes bacons, sliced meats, lunch combinations, hot dogs and many. Following its growth strategy, OM foods also integrated into restaurant business in early 1990s. Started as family business, OM foods were acquired by Kraft General Foods, having a good brand reputation in America^{1,2}.

In 1988, OM foods faced many product failures which resulted in decline of its sales. Company continued its journey in finding better ways to cater the processed meat industry in America. Despite its decline, OM foods was enjoying market leader position in its product line through Packaging and Marketing innovation, from over a period of ten decades in meat business. In the mid 1990s, Entire Meat industry faced massive confronts but OM foods has an outstanding testimony to came up with exceptional solutions at critical times. Apart from above

mentioned issues in packaged industry, OM foods remain market leader in its products category^{3,4}.

Case Analysis

McGraw found a bunch of terrific ideas to choose from and the same folks who always get them done. All the sources of the ideas were important, as all of them were set of diversified ideas, so it made his decision process more complex. The strategic decision making process is given in Figure-1.

If McGraw favors one department over other, it will be a great risk to lose the customers of the other department. For instance, if McGraw Favors red meat over white meat, it will be against the emerging trends and preferences of white meat customers while if he prefers the white meat, it will lose the main product for which OM was known. So the best way to mitigate the damage is to keep a proper mix of both the products.

The strength of the competition is the changing preference of the customers and it will affect division (OM/LR) as they will have to reshape their products and strategies as well^{4,5}.

The weakness of the competition is the closure of small businesses dealing in fresh red meat which led division (OM/LR) to more consolidated meat industry with sophisticated manufacturing and marketing skills with greater market share⁶.

In the absence of any resource constraint, the most viable direction is by Jane Morely as it will provide Oscar Mayer with the opportunities to expand its product line to cop up with the

changing customer preference, which is required in the current scenario. Furthermore, this inorganic growth strategy will enable OM to run an established business which can save the time. The second best strategy is the one proposed by Jim Longstreet because it is focusing on introducing new product lines, but, it would be through R and D which will consume more time. Due to the time consuming factor, this direction is at second rank in decision alternatives. The least viable is the direction recommended by Eric Stangar because according to it, the company has to evaluate its complete plant again for the better utilization of its resources.

The company needs the Growth Strategy either by adding variety to the existing products to capture more share in existing market, or by selling existing product into the new market. Company can also grow through acquisition of small companies like Chicken Rite inc., Turkey Time Ltd, and Carabbles Inc.

Zappetites are less likely to succeed because of various reasons: i. It requires more R and D cost. ii. OM has already failed in a particular 'frozen food channel' that was Stuff and Burgers which left negative impact on consumers mind. iii. The other option 'Lunchables' is more convenient option for working women and kids, as they are targeted through this product category.

Recommendations

OM have passed through the steps of growth and created a best brand image among the readymade food industry. Having complete understanding of its past, present and future position

will led OM to the successful market strategies. But still there is some room for improvement: (Recommending according to the updated information of OM (Table-1). i. They should upsurge the OM Brand to increase the market share and should promote LR as flanker brand of OM. It will assist them to introduce better ideas for packaging and positioning their product lines. It will also strengthen the distribution of their products and will create a superior brand image. ii. OM must reduce the prices because of the increasing threats from US imports of consumer ready food products and also given their product details (Table-3 and Figure-2). iii. OM should reduce communication gap to be covered to overcome the problems such as failure of chicken dunks due to the wrong labeling. iv. They should do the emotional attachment, targeting the mothers and children in their ads. They should develop ad showing working mothers choosing OM Brand for their healthy children. v. OM should have view of their ethical and legal concerns which are going to affect the market of their particular product specifically for hotdogs. OM can modify their hotdogs product line in align with health issues as referred in Table-2.

Conclusion

Hence it is concluded that Consumer Preferences is most crucial element for a company while execution of strategies. As Oscar Mayer expand its product line by launching different new items in meat category later on to cater the customer demand and priorities. OM couldn't communicate with customer about nutrition therefore company face decline in red meat category. Marketing is most crucial after product development otherwise company could led towards wrong direction.

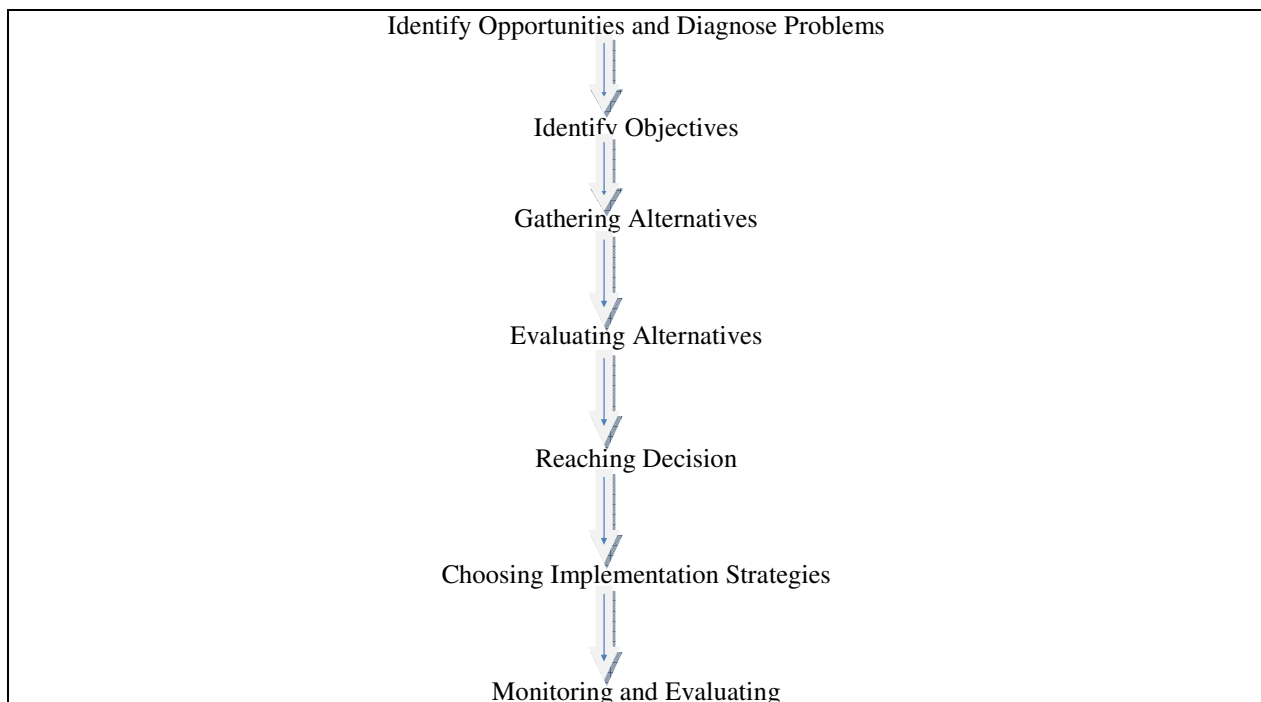


Figure-1
Decision Making Process⁷

Table-1
Oscar Mayer Strategic Time Line

2002	At the year end, company declared a 4.7 percent profit, mostly from its lunch combination product line
2003	Company reported \$300M of Sales in the Next 3 to 4 years and Launched Oscar Mayer Deli Shaved Meats
2004	Oscar Mayer Foods faced positioning problem in its new product of Chicken Dunks, due to lack in Communication
2004	Promotional campaign of Wienermobile (automobile used to promote Oscar Mayer products) was launched. Through contests, customers win to use Wienermobile for a day. 15,000 entries were executed within a month.
2006	Oscar Mayer Fast Franks was introduced in this year
2006	Launched promotional campaign named ‘Sing the Jingle, be the Star’ in which OM fans were invited to participate in a singing competition to have a chance of going Hollywood ⁸ .
2008	To participate in Babe Ruth World Series OM Wienermobile traveled to Jamestown
2009	Kraft Foods Global, as a long time partner supplier, received 2008 Retailer Initiative Award from 7-Eleven Inc. 7-Eleven appreciated different product lines of Kraft Foods, in which Oscar Mayer all-beef hot dog was included as a constant top-seller ⁹ .
2009	Introduced new lunchable line (including sub sandwiches and applesauce) ¹⁰ .

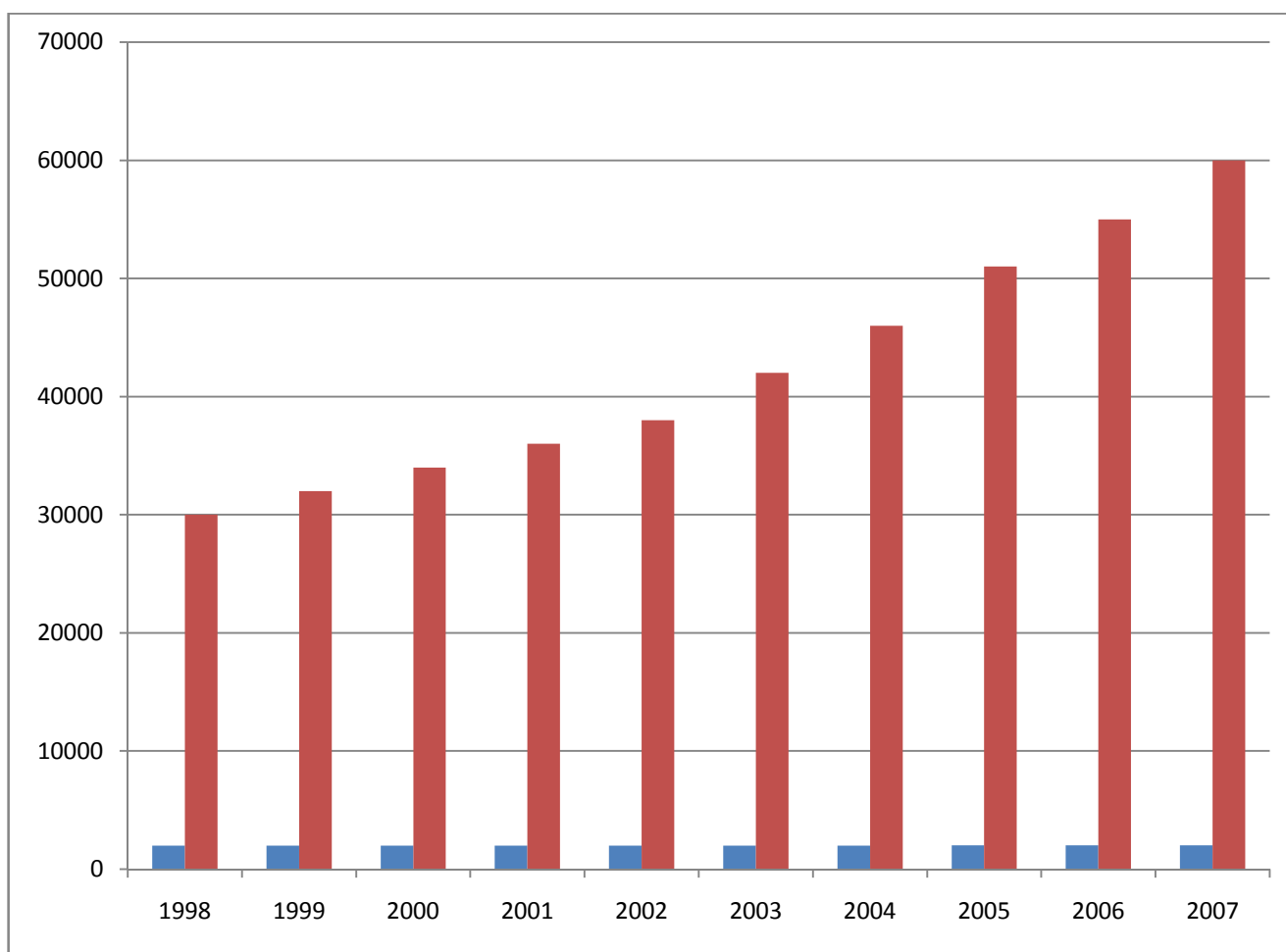


Figure-2
 US Imports Consumer Ready food 1998-2007¹⁶

Table-2
Social Responsibility and Ethical Concern

2007	Oscar Mayer Recall Expanded to 2.8 Million Pounds of Product. One of the service providers (Carolina Culinary Foods) of OM chicken ready to eat product e.g. Cutlets and strips has recalled because it was facing food toxic issues ¹¹ .
2009	Kraft Foods faced legal notice by its competitor (Sara Lee Corporation) due to the hot dog product. As Sara Lee Corporation was in court against Kraft Foods because of miscommunication to consumer about the quality of hot dogs. As Kraft Foods stating their hot dogs are better than its competitor product ¹² .
2009	Vegan, Non Government Organization (NGO) which was working to fight with Cancer. Filed lawsuit against every major company of meat including Kraft Foods and many. In which it was plead that a warned quotation of Lungs Cancer like Tobacco should be tagged on every product. It should also put on hot dogs products ¹³ .

Table-3
OM Product line until 2000^{14,15}.

Bacon	Ham	Big and Juicy Brand	Meat Spreads	Pork Sausage
Bacon, regular Bacon, 1/8" Thick Cut Bacon, Center Cut Bacon, Lower Sodium Bacon, Ready to Serve Bacon, Bits, Real Bacon, Pieces, Real	Ham Slice, Dinner, water added	Beef Franks, Deli Style Hot 'n Spicy Weiners Weiners Smokie Style Weiners	Braunschweiger Liver sausage	Pork Sausage Links
Miscellaneous	Links	Free Brand (Fat Free) Products	Sliced Cold Meats	
Sweet Morsel (Pork shoulder)	Beef Franks Beef Franks, Bun Length Brand Beef Franks, Jumbo Beef Franks, Light Brand Cheese Hot Dogs made with turkey, pork, beef Ring Bologna, Wisconsin Made Smokie Sausage Smokies, Beef Smokies, Little Cheese, a pork, turkey and cheese product Smokies, Sausage, Little made with pork and turkey Weiners, made with turkey and pork Weiners, Bun Length brand made with turkey and pork Weiners, Jumbo made with turkey and pork Weiners, Light brand made with turkey, pork and beef Weiners, little made with turkey and pork	Chicken Breast, oven roasted Ham and Water Product, Baked Cooked Ham and Water Product, Honey Ham and Water Product, Smoked Turkey Breast, Smoked	Bologna, made with chicken and pork Bologna, Light Brand made with chicken, pork, and beef Bologna, Beef Bologna, Beef Light Brand Bologna, Garlic, made with Chicken, pork Braunschweiger Liver Sausage Canadian Style Bacon made from pork sirloin hips Ham and Cheese Loaf Ham, Baked Cooked, water added Ham, Boiled, water added Ham, Chopped, water added Ham, Honey, water added Ham, Smoked Cooked, water added Liver cheese, pork fat wrapped	Old fashioned Loaf Salami, Cotto, made with chicken, beef, pork Salami, Beef Cotto Salami, Beef Machiaeh Brand Salami, Genoa Salami, Hard Salami, for Beer Summer Sausage Summer Sausage, Beef Turkey, White, Oven Roasted Turkey, White, Smoked

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