

HAPPY PLANET
UBC Campus Analysis and Marketing Plan
Beverly Chung, Ezgi Emiroglu, Gurleen Bhatia, Todd Al, Tyler Bowles
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Todd J. Al
Tyler Bowles
Ezgi Emiroglu
Beverly Chung
Gurleen Bhatia

TABLE OF CONTENTS

Executive Summary	3-4
Situational Analysis	5-6
Initial Managerial Questions	5
Project Scope	5
Market and Consumer Behaviour Overview	5
Student Demographic	6
Research Methodology and Results	7-13
Survey and Audit Purpose	7
Consumer Survey	7
Survey Methodology	7
Survey Results	7-11
Store Audit	11
Audit Methodology	11-12
Audit Results	12-13
Recommendations	14-16
Point of Sale	14
Consumer	15-16
Operations	16
Implementation Timeline and Costs	17
References	18
Appendices	19-25

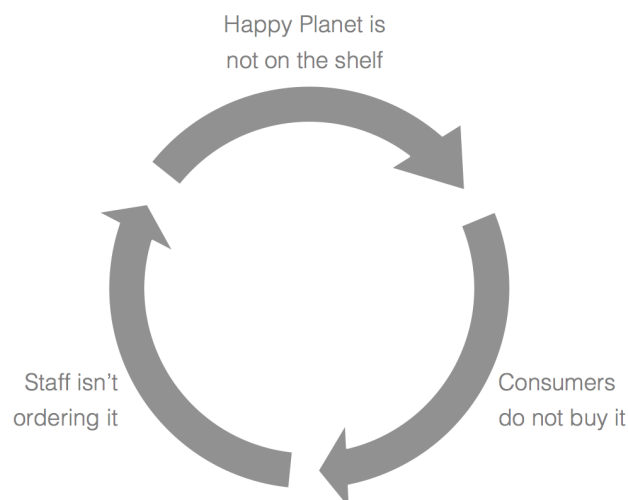
EXECUTIVE SUMMARY

According to our client, Cooper Simmonds–Business Development Manager at Happy Planet Foods Inc., sales of their smoothie products have been experiencing double digit sales growth across Canada over the last three years. The company is winning in this category due to its focus on healthy products, natural ingredients, and Canadian production with primarily local ingredients.

During that same period of time on the UBC campus, sales of Happy Planet smoothies have been steeply decreasing over the last 3 years rather than following the same trend as the rest of the country. What is particularly interesting is that UBC tends to attract individuals that are drawn to health and sustainability due to it's own sustainability objectives. It is one of the most sustainable campuses in the world and currently has the most sustainable building in North America, and on the topic of food its a fair trade campus with 53% of food intended to be locally grown, processed within 150 miles, or certified organic. So the values of the student population and Happy Planet should be aligned. Our key problem is to determine what is primary reason behind this disconnect.

Our research was broken into two key areas of study in order to understand this problem. First consumer related questions to see if the problem is in demand or brand connection with the audience. The second was supply chain related questions to understand if there was a problem with stocking, ordering, or the competitive aspects of the business.

We determined from this analysis that the problem is a vicious circle. First, at the point of sale (POS) the product is not on the shelf. Second, customers are not finding the product and so demand slumps. Third, operations see the slumping sales as a signal not to order it, and so it doesn't get put on the shelf. This three-stage problem will require all three branches to be solved in order to get sales up to an appropriate level that is both reflective of sales off campus, as well as being in line with the sustainability interests of UBC Food Services.



Recommendations in these three categories can be summarized as follows:

POINT OF SALE: Happy Planet at the Shelf

- Establish pre-defined product spaces and encourage staff to monitor and enforce this
- Develop end-cap labels that can display price, define this space, and present our communication objectives

CONSUMER: Ensuring Demand for Happy Planet

- Consumers tend to have a preference for Happy Planet
- Communication objectives should focus on price, health, and the fact that it's a local product
- Due to estimated prices being high for Happy Planet and low for Odwalla, despite actual prices being the opposite, it is therefore in the interest of Happy Planet to display price, and in the interest of Odwalla to not display it.
- Hire a brand ambassador to promote the brand with clubs and events on campus
- Host sampling events at the beginning of each term and during midterms. Highlight the communication that they can "Energize their way through midterms with nutrition rather than stimulants" in order to encourage switching from coffee to smoothies
- Optionally, consider using digital strategies such as Google Adwords to hyper target UBC students and remind them of the 3 communication goals, and that it's available at cafes on campus.

OPERATIONAL: Making Sure Happy Planet is Ordered

- Host meeting with supervisors at the beginning of each term to discuss how they can impact UBC Food Services high-level sustainability objectives at the store level. Use it as an opportunity to:
 - Review high-level UBC Food Services goals
 - Highlight how staff can contribute to them
 - Encourage and reward upwards communication
 - Review ordering procedures
 - Ensure order codes are up to date
 - Mention equal facing fairness goals and how the staff should be responsible for ensuring this
 - Discuss the potential of audits during the year to ensure that these goals are being met
- Audit the GFS order code sheet to ensure that they are up to date.
- Develop a 1-page sell sheet to educate the store staff about the benefits of Happy Planet and make ordering and supporting the product more appealing. Have the brand ambassadors deliver it around campus and have discussions with staff. Include information such as:
 - GFS order codes
 - MSRP
 - Price per mL relative to the competition
 - Local production in line with UBC Food Service's sustainability goals
 - Cheaper for the consumer, better margin for UBC
 - UBC students prefer Happy Planet to Odwalla, 40% to 14% (almost 3x)

SITUATIONAL ANALYSIS

INITIAL MANAGERIAL QUESTIONS

To guide our research hypothesis, survey formation, and analysis, our team considered a range of initial key management questions that were pertinent to the problem at hand. These initial management questions fell under two main categories: 1) product awareness and attitudes, and 2) pricing behaviour. Some of the deeper insights we aimed to uncover came from asking key questions concerning pricing with demographics as well as discovering how local students perceived local beverages.

The initial management questions included the following:

Product Awareness and Attitudes:

- Would awareness about the fact that Happy Planet is local affect attitudes towards the brand? Does this importance vary across groups (eg. country of origin/gender)?
- Do students value local products?
- Do students value organic products?

Pricing Behaviour:

- Does price awareness for students need to be increased? In other words, are students hesitating to purchase because they are unaware of price?
- Do students believe that Odwalla is a relatively cheaper product?
- Would changes in price lead to a change in demand behaviour?
- Are students willing to pay a premium for local products or organic products?

PROJECT SCOPE

As the primary goal of this project is to determine specific reasons for Happy Planet's declining sales on UBC campus, the scope of our research exclusively spanned a reach of UBC campus. With this in mind, data collection relating to student purchasing behaviour, pricing, and competitive distribution challenges were represented inside a UBC setting. It is also important to note that a core part of our research approach was to pinpoint stopgap solutions to Happy Planet's problems as opposed to focusing on marketing weaknesses in our client's current practices. Finally, when it came to building an implementation plan for our client, we had to be sensitive to the fact that our team had no authority to change the packaging or price of our client's products.

MARKET AND CONSUMER BEHAVIOR OVERVIEW

There is strong support for organic food and beverages in British Columbia with 66% of the population consuming organic products on a weekly basis. The population can be further divided into "Natural Believers" and "Usual Suspects" (MacKinnon, 2013, p.15). Consumers in both of these groups value organic product offering but the later are more price-sensitive and overwhelmed by choices. Based on the above information we will assume that most of the university students fall under the classification of "Usual Suspects".

Pricing plays an important role in the smoothie category. Consumers who have a high disposable income along with strong health-conscious behaviours are willing to pay a premium for a superior product with superior ingredients. On the other end of the spectrum, the consumers with less disposable income are going for lower quality “smoothie” products offered by fast-food establishments such as McDonalds and Tim Hortons. Despite being fundamentally different in terms of health benefits, these products may incur the same health associations in the eyes of the mainstream consumer as they bear the same “smoothie” title (Euromonitor, 2012, p.3). That being said, consumers in BC are still willing to pay a premium for organic products, including fruit juice and smoothie beverages, at a rate of approximately 2-4.6 :1 (MacKinnon, 2013, p.25). High-end consumers, however, are unlikely to be swayed by the fast food operators and mainstream brand options, as they do not see these products as “real smoothies” (Euromonitor, 2012, p.3) with the inherent health benefits they desire.

STUDENT DEMOGRAPHIC

The UBC Vancouver campus has a total population of 67,319, which can further be divided into specific subgroups of undergraduates (59%), graduates (15%) and Faculty/Staff (26%) (UBC PAIR, 2013). Based on a 2010 study of over 5,000 Canadian students, the average monthly spend was around \$1000, increasing to \$1200 in the upper years of university enrollment (Studentawards, 2010, p.9). Food and non-alcoholic beverages were their second highest monthly purchases, with those living on campus spending over \$58 more than the average student living off campus (\$317 versus \$259.10) (Studentawards, 2010, p.8). Of the sample, 56% of the students who claimed to spend money in the juice and soft drink category spent \$18.30 (7% of their monthly spend) on these purchases.

UBC has a record of maintaining a strong international attendance, with nearly 1 in 3 undergraduate students (31%) hailing from outside of Canada, and 1 in 4 graduate students. The group can be further broken down by region, with 39% originating from Eastern Asia, primarily China at 28% and South Korea 7%, followed by 12% from the USA. All told, 139 different countries are represented on campus (UBC PAIR, 2013, p.2). Happy Planet’s greatest competitors are currently Boathouse Farms and Odwalla. Owned by Coca-Cola, Odwalla is their primary competitor on campus. Having positioned its Odwalla smoothie brand to suggest higher quality than its other brands like Simply and Minute Maid, Coke competes with Happy Planet in the category of natural health beverages (Fuhrman, 2010). Odwalla offers a large portfolio of smoothies that deliver on the needs of the segment, offering ingredients such as protein, antioxidants and vitamins (Fuhrman, 2010). Thus Odwalla poses a major threat to Happy Planet in its ability to sustain a competitive advantage through continuous innovation and marketing expertise. In addition to this, Coca-Cola’s powerful competitive strategies ensure that its great economies of scale secure distributive advantages.

RESEARCH METHODOLOGY & RESULTS

SURVEY AND AUDIT PURPOSE

After initial consultation with our client and affiliated parties, it became apparent that there were two major areas of concern in determining the cause of Happy Planet's declining campus sales:

- 1) Consumer perception and opinions
- 2) Distribution and point of sale concerns

As such, our team devised a two-prong approach. Our research was split into separate endeavors to reveal insight into our two major areas of investigation. We addressed these in 1) a consumer behaviour survey and 2) a distribution audit of Happy Planet sales locations. These projects were carried out in parallel and yielded key insights regarding our consumer and channel issues respectively.

CONSUMER SURVEY

Survey Methodology

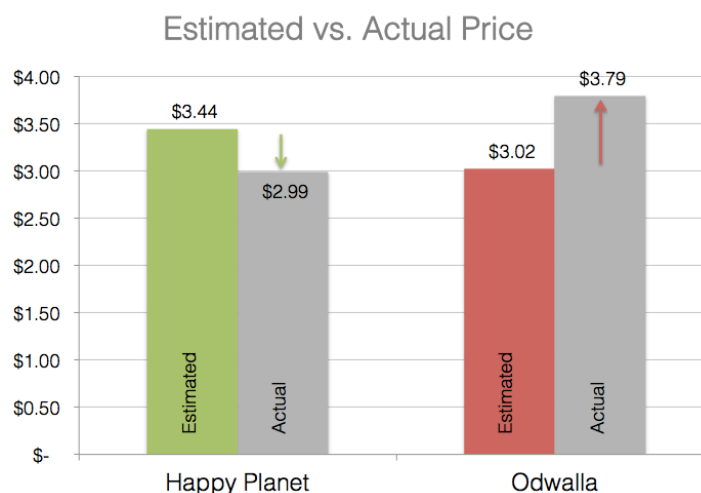
The consumer survey was created and administered online through Qualtrics to 108 UBC students who live either on or off campus. The main purpose of the survey was to gain further insight into the UBC consumer segment and to answer the initial managerial questions outlined earlier. The survey, which can be found in Appendix 3, specifically investigated attitudes toward Happy Planet's products as well as its main competitor, Odwalla, on the topics of consumers' perceived prices, willingness to pay, and individual beverage purchase habits.

Survey Results

1. Price Perception

One of the primary areas that we wanted to analyze within our study was price perception and willingness to pay for both Happy Planet and Odwalla smoothie products. We used a ratio measurement scale for price related data points so that we would be able to compare these numbers to other potentially descriptive factors, such as interest in purchasing local products, or their regional student status.

The first statistically significant test was to determine if there was a difference between the estimated price of the product and the actual price. We felt that this was especially important because the majority of the locations did not list price of smoothie products in clear view.



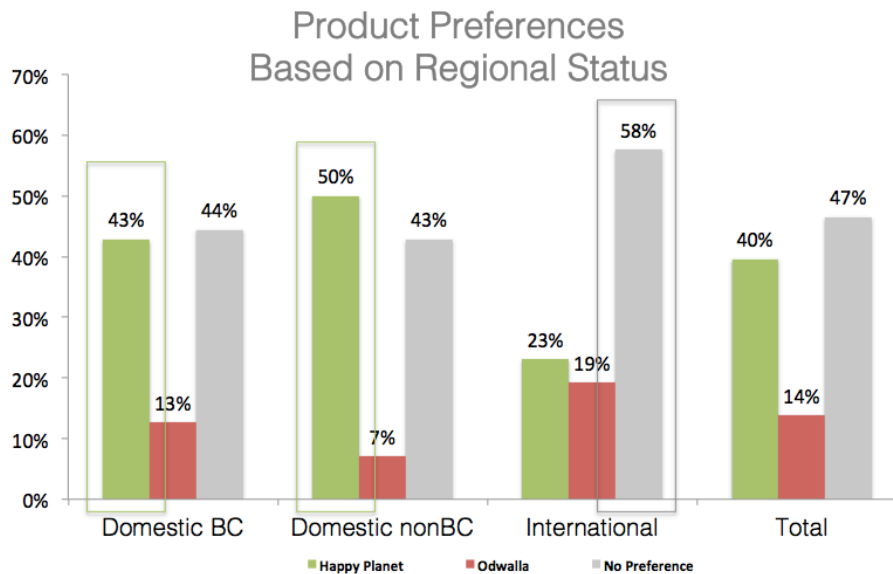
Averages of the sample showed that the estimated price for Happy Planet was a mean of \$3.44 (median \$3.52), and the estimated price for Odwalla was a mean of \$3.02 (median \$3.05). This difference was statistically significant at a 95% confidence interval with a p-value of 0.000250781, which means there is a tremendously high likelihood that the average price perception difference demonstrated here, would be also demonstrated by the entire UBC population, 19 times out of 20.

What is particularly important to note here is that on average, Happy Planet is expected to cost more than it actually does, while Odwalla is expected to cost less than it actually does. Clearly this would have a dramatic impact on which product a price sensitive student market would reach for in an unmarked price situation, and holding all other factors as equal. We can therefore infer that it is in the interest of Happy Planet to ensure that prices are marked, and in the interest of Odwalla to ensure that prices are not marked.

2. Regional Preferences

When we began to compare what consumers claimed was their product preference, we noticed that Happy Planet was preferred more often than Odwalla (40% versus 14%), but that the level of indifference was still higher (47%). We wanted to see if there was any other demographic or psychographic factors that may help us to further subdivide these preferences. We found significance when we leveraged one of our original managerial questions, whether the large population of international students would have an impact on a preference for local products.

The results showed that both domestic Canadian students from BC, and domestic Canadian students from outside BC, had a dramatic preference for Happy Planet than that of international students. This result was statistically significant for both groups at a 95% confidence interval with p-values of 0.0022 and 0.0385 respectively. Further tests to explain this difference showed no significance between the amounts of effort the three groups put in to buy local products. We therefore believe that the difference can most likely be attributed to a lower exposure to the brand, and a lack of knowledge about its local Canadian production. As around 31% of students hail from outside of Canada, a lack of knowledge about Happy Planet's local production may be another attribute to slower sales than are the potential (UBC PAIR, 2013, p.2).

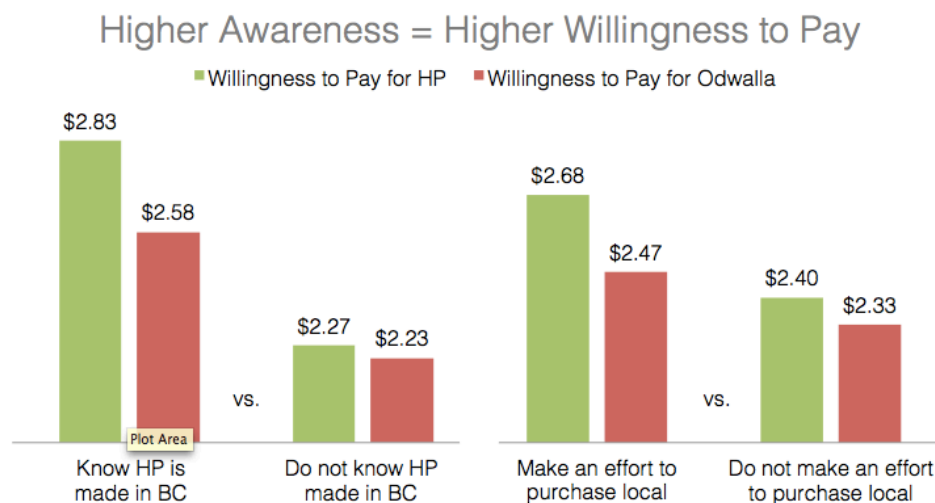


3. Willingness to Pay Based on Local Awareness

In order to better understand the impact that attribute awareness has on sales of Happy Planet, we continued by comparing knowledge of it's BC production, and the effort that respondents put towards buying local, against their willingness to pay. The results were quite remarkable.

The graph below shows that knowledge of Happy Planet being a locally produced product had a dramatic impact on the average willingness to pay. The 41% of the sample that were aware of the local production were willing to pay an average of \$0.56 more for the product. This result was also statistically significant, with p-value of 0.000047.

Furthermore, the 36% of the sample that make an effort to buy local also have a statistically significant higher willingness to pay of \$0.28, with a p-value of 0.02843.



We can therefore suggest that the most desirable markets would be those that both make an effort to purchase local AND know that Happy Planet is produced locally. However, as the matrix below displays in green, this particular group makes up only 21% of the respondents. This means that there is easily room for growth in the average willingness to pay simply by increasing communication of the locally produced attribute, especially to

those which already make an effort to buy local and are not currently aware that Happy Planet is among those products (the area in red).

It should also be noted that Happy Planet has attribute awareness in this category above that which would be expected from evaluating the distribution on an expected-value matrix (21.4% versus an expected 14.6%). This suggests that marketing efforts to support the brand image have been very effective to date at promoting the local production attribute. Chi-squared analysis shows this to be statistically significant with a p-value of 0.0039.

Actual Results				Expected Values			
Make an Effort to Buy Local	Know HP is Locally Produced			Make an Effort to Buy Local	Know HP is Locally Produced		
	Y	N			Y	N	
	Y 21%	N 15%	36%		Y 15%	N 21%	36%
N	19%	45%	64%	N	26%	38%	64%
	41%	59%	100%		41%	59%	100%

Chi-Squared: 0.0039

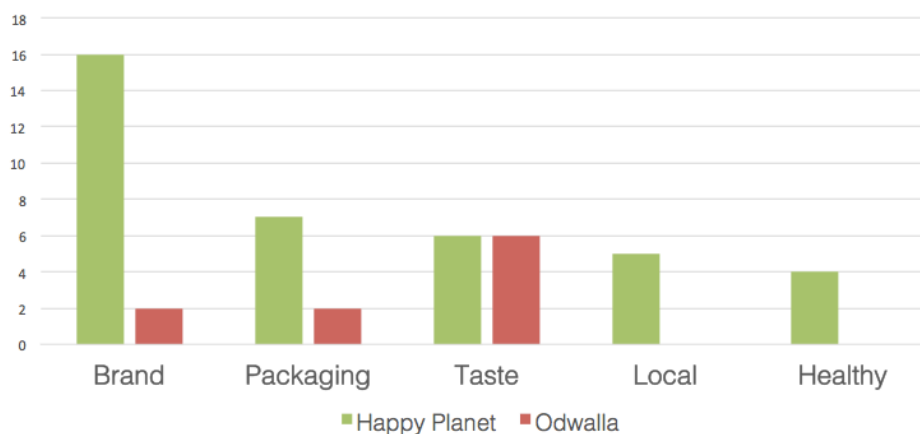
Expected values are determined by multiplying the column and row totals, then dividing by the overall sample total.

4. Explaining Product Preferences

In an effort to understand the product preferences that were listed by survey respondents, we turned to the qualitative results that were given as explanations for their previous product choice. Categorizing the general theme of the comments into five primary areas highlighted some interesting differences between preferences regarding the products.

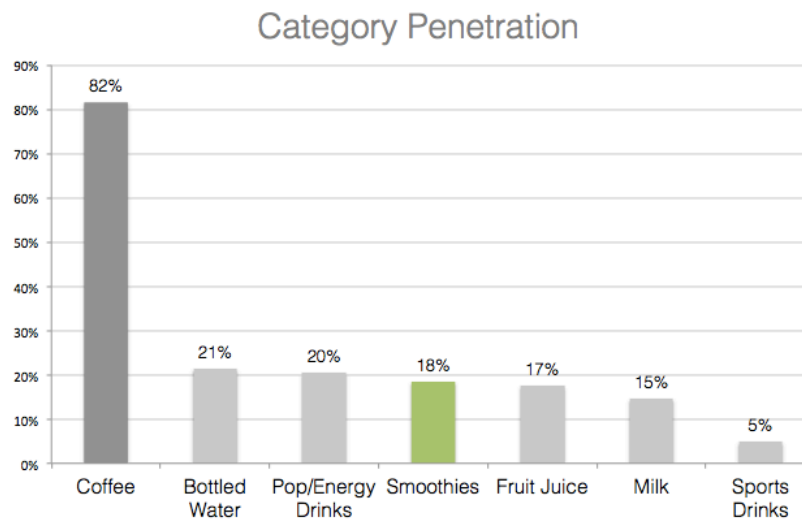
Product taste appears to be a point of equal debate on both sides, suggesting that taste is not an effective explanation for any difference in sales of the products. Other topics included mention of local, healthy, and even a mild preference for the Happy Planet packaging, though this was not in every case. The biggest point of differentiation between the two was mention of the Happy Planet brand. Something about the brand seems to be making a strong connection with consumers, to such a degree that it is earning preference over the competition, 40% versus 14%

Explanation of Product Preference



5. Category Penetration

One last area worth addressing is the estimated category penetration of beverage types. Our particular sample placed smoothies as the fourth highest consumed beverage on campus with a 18% penetration, just behind bottled water and pop/energy drinks. We feel this represents a communication opportunity as it is the only beverage in the top four that provides a energy through nutrition.



STORE AUDIT

Audit Methodology

The purpose of the location audits was to investigate the potential distribution issues involved in Happy Planet's presence across campus. As part of our two-pronged approach, this prong was essential in discovering if Happy Planet was being stocked at locations across campus, as well as determines the stock of Happy Planet versus its key competitor (Odwalla). Most importantly, however, the survey paid special attention to the number of outward facings the product was receiving at the point of sale.

In addition to this quantitative data, getting qualitative feedback was also a priority. As seen in the script portion of Appendix 1, a predefined set of questions was used to ask managers and staff their opinions regarding Happy Planet, Odwalla, and Gordon Food Services (GFS), who is the on-campus distributor for Happy Planet. This portion of the survey was within the control of the auditor and was left open to discretion. These discussions were aimed at revealing honest, first-hand insights regarding the day-to-day operations in the sale of Happy Planet products. Thus, the team was encouraged to reveal our student status instead of revealing our affiliation with UBC food services. We believe we had an advantage for receiving candid answers from staff as opposed to being seen as an internal audit conducted by UBC Food Services themselves.

The store audit procedure was predefined with a script to start the conversation, and every auditor (group member) was expected to at least fulfill the following requirements:

- Visit every one of the UBC food service locations where Happy Planet is sold that was on their list. Locations were randomly assigned to each auditor and completion of the delegated locations was met.
- Visit each location a minimum of 3 times during the week at the predefined days and times.
- Since the agreed stocking days (between Happy Planet and GFS) were found to be Monday, Wednesday, and Friday at noon, the following visit schedule was enforced:
 1. Visit the location before a drop time (ie. Monday Morning)
 2. Visit the location on another day after a drop time (ie. Wednesday Afternoon)
 3. Visit the location on an off-drop day (ie. Recommended Thursday Afternoon)
- Each auditor was expected to fill out an Audit sheet to the best of his/her ability during each store audit (see Appendix 1 for an example of this sheet).
- Taking a photo of the shelving space and the facings of Happy Planet vs. Odwalla was also highly encouraged.
- Results were taken in real time. Data was then recorded into a central spreadsheet for quantitative evaluation.
- Manager interactions were mandatory at every location on at least one of the 3 visits. Additional conversations with employees were also encouraged.
- Qualitative data was recorded into a comment section where coding of the comments would be undertaken to yield valuable insights from the manager and employee interactions

Audit Results

The store audits revealed that stocking issues was certainly a part of Happy Planet's declining sales. These valuable interactions were an essential part of our research and highlighted large distribution issues which would result in immediate sales improvements if corrected in a timely manner.

The most important finding in this research endeavor was related to product facings. Facings entail the outward most products on a shelf at a point of purchase. In the consumer packaged goods industry, outward facings are highly correlated with higher purchase intention and thus are crucial in point of sale (POS) consumer decision-making. We also determined the amount of stock that was available for consumers at each POS, which has an influence on product appearance and appeal.

Since facing space varied greatly by location, it would be inaccurate to take an average of facings between locations. As such, we used a percentage of total facings available at each location and determined Happy Planet's facings versus that of its direct competitor (Odwalla).

In terms of facings:

- Happy Planet held on average 28.5% of total facings available.
- Odwalla held on average 71.5% of total facings available.

In terms of total stock available:

- Happy planet held 30% of the total stock available for purchase
- Odwalla held 70% of total stock available for purchase

This is a sizeable difference considering that UBC Food Services has the goal of providing equal facings for smoothie products. Overall stock is also of concern for Happy Planet's appearance on shelves across campus. There are many factors contributing to this dilemma that will be addressed by our recommendations later in the report (i.e.: aggressive Odwalla sales, improper Happy Planet stocking, etc.) however these numbers in themselves represent a sizeable concern in terms of distribution. In addition to this, when conducting audits of the 21 locations, it was found that 38.1% of the locations had stopped ordering Happy Planet smoothies. This is a major finding that has a drastic impact on sales. See Appendix 4 for a detailed list of locations, which are not stocking Happy Planet.

In terms of qualitative findings from our store audits, we received very candid insights from employees and managers at many of the locations. The results of these interactions were recorded in an open-ended comment format and were later coded to reflect certain categories of answers. See Appendix 2 for a detailed list of these comments by location. Some categories of answers kept being returned and yielded the following insights:

- Overall, retailers were satisfied with the service they were receiving from the Happy Planet distributor, GFS. This was important to clarify, as it may have been pertinent information and a potential area of improvement if GFS were not fulfilling their contractual obligations with Happy Planet.
- There was a lack of uniform pricing across campus. Happy Planet is supposed to be sold at an "everyday low price" of \$2.99 on campus however it was found to be selling as high as \$3.99 at some locations.
- The employees at these surveyed locations prefer Odwalla because of the product's taste. This is a judgment call on the part of the staff but it is still important to note. The other major consideration for why staff prefer Odwalla is the fact that Coke has representatives who are willing to come to their locations and stock the shelves for them thereby giving the staff an added level of convenience.
- Many managers/employees also gave insight into why they had stopped ordering Happy Planet. The two main reasons were:
 1. They saw little differentiation between Odwalla and Happy planet as smoothie options and as a result decided to only carry one brand offering, and
 2. They perceived less demand from students in terms of purchase intention.
 As addressed in the results of our consumer behavior survey, we will see these two insights from staff are significant misconceptions.

RECOMMENDATIONS

POINT OF SALE

Based on our research we found that Happy Planet doesn't have enough facings in stores at UBC. For every one Happy Planet smoothie in the store, there are three from Odwalla. One of the key reasons behind high volume presence of Odwalla smoothies is their aggressive sales team. Odwalla employs a team of people who stock the products for the cafes in UBC. Compared to Happy Planet, which uses GFS to deliver its products, Odwalla sales team makes it easier for the staff at the cafes by stocking the products on their behalf. And while stocking these products in the refrigerators, Odwalla's staff makes sure to that their products get the best facings. As a result, consumers don't see the Happy Planet products, so they don't order it.

Second, at the stores where Happy Planet products are present in abundance, there is no price tag next to the products. As a result, consumers have a misperception about the price of Happy Planet smoothies. Based our survey, we found that there is a big gap between the actual price of the product versus the estimated price. According to survey respondents, estimated cost of Happy Planet smoothies is \$3.44 vs. the actual price of \$2.99. By not having a price tag present next to the product consumers are being mislead to believe that Happy Planet products are more expensive than they actually are.

As part of the recommendation we suggest that UBC Food Services allocate pre-defined shelf space for Happy Planet smoothies in order level the playing field. This will prevent Odwalla from taking on extra space on the shelves. Also, UBC Food Services can make sure that their staff takes times to enforce this rule of equal facings. Second part of the recommendation is to have in-store display to drive product awareness along with showcasing the price of the smoothies. To make sure that no café manager has any issue with the putting on an in-store display we recommend three options: End cap labels, display sticker and store-sponsored price tag. In the best case scenario, we would recommend all stores to have end cap labels to use for pre-defined space for Happy Planet products with both price and product information on them. Happy Planet sponsored display stickers will be much smaller but will have the same information on them. Third option is to have just plain store-sponsored price tags along with Happy Planet smoothies to make sure consumers are well aware of the prices. We understand that not all stores are the same and therefore by giving three options to the store managers will give them more options to choose from.

Point of Sale: Implementation



CONSUMER

Due to the deep insight we were able to gain from our consumer survey, we concluded that lack of awareness about Happy Planet products always lead to lower willingness to pay. This lack of awareness includes misconceptions about price, Happy Planet's origin as a company and the fact that the offerings are healthy leads. In order to address these main issues, our suggestion moving forward in dealing with consumers is to focus on three main communication objectives to highlight: the price, origin of the company and health benefits. As mentioned above, the POS solutions will also focus on these main points.

In order to increase awareness among the student segment at UBC, we propose a Brand Ambassador program. The main purpose of the program is to create an opportunity for a UBC (possibly Sauder School of Business) student to bring the Happy Planet brand to life on campus. This student, mainly responsible for organizing and running campaigns, will be compensated for 4-5 hours work each week, at \$16/hour.

We propose two campaigns to be held on UBC campus with the main goal of increasing awareness among the student segment. These campaigns will be planned by the UBC Brand Ambassador and supported by Happy Planet. The first campaign will be planned as sampling events in the beginning of the term with the main purpose of increasing awareness of the product, its availability and main features.

The second campaign, scheduled to be held around the time of midterms, is targeted toward another segment: coffee drinkers. As mentioned before, coffee has an 82% penetration among the UBC segment, with students purchasing coffee at least 1-3 times a week. We believe that current coffee drinkers can be considered to be low hanging fruit whose behavior can easily be converted. The campaign will be positioned to emphasize the health benefits of smoothies as compared to coffee. Suggested slogan and main communication objective will be to "Energize yourself through midterms" and to choose nutritional benefits and healthful awakesness instead of unhealthy wakefulness of coffee.

In addition, we propose for Happy Planet to consider implementing Geo-Targeted AdWords to the limited UBC location. The ad, again, will contain the main communication points explained above. The keywords selected for the campaign are suggested to be

ones that students would be likely to search for on Google when on campus, such as “UBC dining”, “food on campus” or “UBC cafes”.

OPERATIONS

UBC Food Services has strong initiatives to drive its sustainability objectives— a fair trade campus with the goal of 48% of foods aimed to be locally grown, processed within 150 miles, or certified organic. However, based on feedback from staff and supervisors, there seemed to be a separation between these high level objectives and the people doing the daily work at the store level, who may not feel that they have any impact on those objectives.

Rather than ordering being well calculated to meet those sustainability objectives, product ordering seems to be very much based on personal opinions. For example, preference for the taste of one product over another, or personal thoughts on the price/value of each product, regardless of whether they are in line with high-level goals or not. Ordering habits such as these would clearly represent a separation between the objective level and the implementation level. Lastly, some rationale was based on continuing to do ordering the same way that the previous manager had done it.

The result, regardless of the cause, is that Happy Planet products are not being ordered in 38.1% of the locations (Appendix 4). Simply filling this gap by ensuring that the product gets ordered would represent a big opportunity for sales growth for Happy Planet.

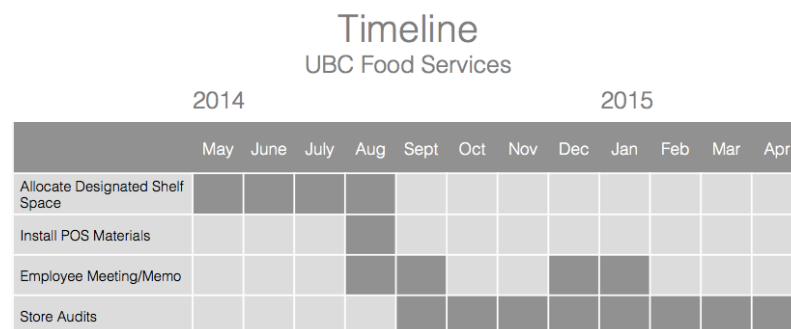
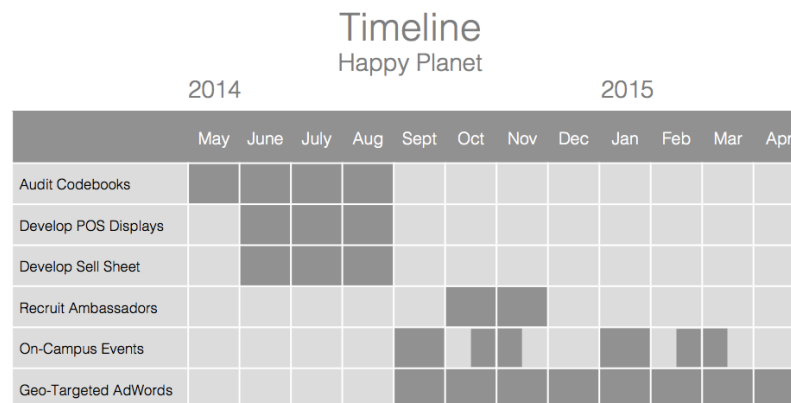
In order to solve the problem, we believe that it will take a fair amount of education and a slow shift in the culture. We’re recommending that UBC Food Services hold a meeting with supervisors just before the start of each semester with the objective of having a discussion about the sustainability objectives. It would be the perfect opportunity to solicit feedback and highlight how staff can contribute to these goals, review ordering procedures and ensure codes are up to date, as well as have supervisors learn from each other by sharing their own insights.

Because it was clear from the manager interviews that ordering is handled sometimes by the supervisor themselves and sometimes by any staff that has time to take it on, it would be important to follow-up with a memo to all staff, highlighting the objectives that were discussed and ways that the employee can make a difference, such as equal ordering of locally made products like Happy Planet. Ultimately, this solution will not be effective if there is no culture put in place that both encourages and rewards upwards communication.

Lastly, it was clear that there was some confusion on the topic of the order codes, with some codes being outdated altogether. We believe that a simple audit of the order sheets that GFS is providing at the beginning of each term would effectively counter this problem. For an even more comprehensive solution, Happy Planet should consider developing a 1-page sell-sheet. The sheet would give them the chance to highlight communication goals, the GFS order codes, the better margin offered by the product, the lower price per mL to the consumer, as well as the survey results discussing consumer preferences. Furthermore, having the Brand Ambassadors deliver the sheet and have a short discussion with the supervisors would be a great opportunity to put a face to the

brand and create the positive perception that seems to be such an influence on order habits.

IMPLEMENTATION TIMELINE



COST BREAKDOWN

Happy Planet: Total \$5020

POS Display Development: \$1000

Graphic Design \$600

Printing \$400

1-Page Sell Sheet \$400

Printing \$100

Graphic Design and communication implemented by the Marketing Department.

Brand Ambassador Recruiting: \$500

Brand Ambassador Salary: \$1920/y

1 Student, \$16 / hour

x 4-5 hours per week

x 8 months per year

(Optional) Geo-targeted AdWords: \$1200

\$150/month x 8 months.

Because of the capability to hyper-target AdWord campaigns by location, it would be simple to set up a simple Google AdWord campaign at any budget in order to spread and strengthen the 3 communication goals: Local, Healthy, and Price. Eg: "Energize your way through midterms with a healthy smoothie, available at Ike's Cafe for \$2.99."

UBC Food Services: Total \$1000

Employee Meeting/Memo: \$1000

Meeting with supervisors during the lead up to each semester to discuss how top-level sustainability goals can be implemented in-store.

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APPENDIX 1 – Audit Form

Store Audit Process Form

Auditor's Name: _____ Date: _____

Store/Eatery Name: _____ Time: _____

1. Sneak a photo of the display Photo # _____ if available

2. Is Happy Planet on display? [YES / NO]

If yes...

a. How many facings: HP _____ Odwalla: _____

b. How many total units: HP _____ Odwalla: _____

If no...

"Excuse me, do you have any Happy Planet? Maybe in the back?" [YES / NO]

3. "Oh cool. I'm actually doing a bit of a study for a Comm 468 Marketing Course. It's voluntary, and completely anonymous. Is there anybody I could ask a couple quick questions to?"

Perhaps your Unit Manager?"

[Unit Manager / Staff]

"Hi. I'm actually doing a bit of a study for a Comm 468 Marketing Course. It's voluntary, and completely anonymous. Can I ask you a couple quick questions?"

If out of stock...

4. "I noticed you don't have any Happy Planet sitting out. Do you actually sell Happy Planet?"

[YES / NO]

5. "Do you happen to know when you last placed an order?" _____

6. "Has GFS been properly fulfilling your order requests?" [YES / NO]

7. "Have there been any problems with the delivery schedule or the interactions with GFS

Delivery?" _____

8. "Do you have any recommendations regarding the current delivery schedule?" _____

APPENDIX 2 – Audit Qualitative Feedback

- **The Point Grill:** Manager doesn't know anything about ordering, told me the ordering process was above him.
- **Café Perugia:** Odwalla comes once a week, Happy Planet delivery on Tuesdays, Thursdays, place orders 1-2x a week, Odwalla sells better. Staff stocks up front cooler as needed during the day, but Happy Planet always kept in a back fridge for extra stock.
- **Magdas (at Totem):** Weekly ordering; GFS comes Wednesday, Friday and Odwalla Monday Wednesday; GFS service is good; Happy Planet is an aggressive competitor, GFS has a hard time competing; When the Odwalla/coke big rigs come in they stock the hell out of Odwalla.
- **Hubbards (at Vanier):** Ordered 3x per week and delivered 3 times per week. Twice a week for smaller locations but 3 times for the cafes because they are larger locations on campus. Students are looking for a taste of home and reach for Odwalla especially if they are from the States, it's the familiar choice. GFS does a good job. Talked to students and persuaded them to buy Happy Planet because told them was actually cheaper but initially went for Odwalla for the cheaper looking bottle** Aren't sent much Happy Planet anymore, GFS used to do own stocking by some nice Aussie guy, but now since cant keep an eye on it cant monitor stock as effectively, or see competitions tactics. Coke is pushy and deliberately separates Odwalla from other coke products. They fill their own shelves and have a quota to fill, if UBC food services don't meet it they have to buy the different in coke products, creating an incentive for the stores to sell high volume of coke products.
- **Ike's Café:** Passionate answer from them. They claim that GFS was only offering one flavour for ordering, so they stopped ordering, as they need to provide a variety. So now they only order Odwalla. Happy Planet is still listed at the top of their TV menus though. They order from GFS on M, W, F, and say that they deliver next day.
- **Mercante:** The staff or supervisor does the ordering, but they do not order Happy Planet. They claim that they've just opened and are trying to get a feel for what people buy (that seems backwards to me if they're not even stocking Happy Planet). GFS does next day delivery for them and they're decently happy with them, though the chef did shake his head when they said that, so there may be problems from time to time.
- **Pacific Spirit Place:** no manager accessible
- **UBC Bookstore:** They don't use GFS. For food, they use a provider called Cory's Kitchen, but not sure if Coke is stocking the Odwalla. When asked if they ever stock Happy Planet, they said no, but asked if I'd like to request they stock it. I think that they'd be more than willing if we present the story for it.
- **Blue Chips Cookies:** No Odwalla, only Happy Planet. AMS orders from GFS which goes to a storeroom, and then gets distributed by AMS to the different stores. They say that Happy Planet does well, and sometimes they stock out for a couple days, but no complaints from GFS.
- **Café Moa:** Odwalla facings: 5 in fridge, 4 on display in cooler (see photo). Spoke to employee working there—she mentioned that staff switches every term. She said that she does not make any of the orders and knows nothing about what is out back. She does not stock, and she does not make any of the orders. She said to speak to Raymond or Sherman Kong, who is the manager and assistant manager of the cafe

(Sherman.kong@ubc.ca) When I spoke to her about whether or not they sell Happy Planet, she said that they will be ordering it and will be carrying it regularly soon.

- **Daily Dose Café:** Spoke to Unit Manager. They really emphasized that they do not have a lot of customers. She said that bigger cafes might carry Happy Planet but she can even rarely sell Odwalla. Nobody is there to buy. She does not order Happy Planet because it does not sell—Odwalla is preferred. She said that she did not like the taste of Happy Planet and said that she believed customers were of the same opinion. She said that Odwalla is thicker, and you get much more for the smoothie. You get a better bang for your buck. \$3.80 for shake/smoothie and \$2.99 for just a juice. You're not getting much with the Happy Planet. Odwalla also comes and stocks the fridges themselves—what is extremely difficult with GFS is to find codes. Unit is not big enough for daily orders so orders are not made very often. Last order was made in January—and every unit is so separate from each other that each cafe operates very independently. She explained that you can elect to have GFS come in either Tue or Friday. She said that it was really difficult with codes because the codes that they had to order were not updated, caused a lot of waste of time and inefficiency. She suggested that print-outs of up to date codes would be a much better way to ensure that cafes order more smoothly. She gave the example of one time they tried to order napkins and did not have the required codes, and found out that the code they ordered with no longer existed.
- **IRC Snack Bar:** Was not allowed to take photo--extremely hostile management. Commented that they do sell Happy Planet, but they are running out. She said that the last order was placed last week and that the new order is coming in tomorrow.
- **Gage Mini Mart (at Walter Gage Residence):** No information given-no manager. Very hostile management, refused to talk.
- **Law Café:** Very hostile management. She was scared to answer anything and was already aware of the store audit process that was going on. So, she said no to every single question and just said that she doesn't place orders. Different staff person said that she only ordered one flavour because according to her that is the most popular flavour. She thinks Odwalla is better, more popular and not many people buy Happy Planet and sometimes they get expired before they are sold. She also said that both products had the same price of \$3.79.
- **Magma Café:** Don't carry Happy Planet products. The staff person in charge said she doesn't have any control over it and it's the in fact her manager who orders the products. Also, Odwalla just comes and stocks for them.
- **Neville's:** Last order was placed in Dec. According to the person in charge, she didn't place any order for Happy Planet products because she found that their products were damaged and had molds in them. She also said that GFS is "very good, helpful and accommodating". Also, Odwalla personnel are very helpful as they will call you and restock the products themselves.
- **Niche Café:** She didn't want to answer too many questions but overall she said that they don't carry Happy Planet products.
- **Reboot Café:** They don't have Happy Planet products, as they don't carry them anymore. According to the person in charge, Happy Planet products are not popular among students and nobody "asks for them". She also said that Happy Planet and Odwalla products are so similar so why add another smoothie brand to list. Last order was placed in Sep or August. She also said that they just followed the pattern of the previous supervisor, which was not to order Happy Planet products.
- **Pie R Squared:** They don't carry Odwalla products only Happy Planet. Also, the supervisor said they get their stock of Happy Planet products from AMS Food

Services. Had no complaints about the service. Also, the price they charge for Happy Planet products is \$3.75. They had 4 flavours.

- **Sauder Exchange Café:** "There is 0 Happy Planet stock because we are sold out. Happy Planet is very popular. We place orders whenever we run out of stock." - Unit Manager
- **Stir it Up Café:** "We place an order once a week, Yes we are with AMS but NO we do not use GFS. Happy Planet stocks their own products, just like how Odwalla stocks their own products. It is stocked straight from the source." - Unit Manager
- **Totem Park Dining Room:** Place orders 3x/week and very happy with GFS
- **Vanier's Dining Room:** Place orders 3x/week and very happy with GFS

APPENDIX 3 – Consumer Survey

HAPPY PLANET CONSUMER SURVEY

QUESTION 1

Where do you live?

- On Campus
- Off Campus

QUESTION 2

How many of each of these drinks do you purchase on campus every week? (Check all that apply)

	0	1-3	4-6	7-9	10+
Coffee/Tea (hot drinks)					
Fruit Juice (e.g. Tropicana)					
Bottled Water					
Milk/Chocolate Milk					
Pop and Energy Drinks					
Sports Drink (e.g. Gatorade, Flavoured water)					
Smoothies					



QUESTION 3

How much do you think this product costs (1 Serving)?

QUESTION 4

How much would you be willing to pay for this product?



QUESTION 5

How much do you think this product costs (1 Serving)?

QUESTION 6

How much would you be willing to pay for this product?

QUESTION 7

Which product would you prefer?

- Odwalla
- Happy Planet
- I don't have a preference

QUESTION 8

Why did you give that answer?

QUESTION 9

Had you previously heard of Happy Planet on campus?

- Yes
- No

QUESTION 10

Have you ever purchased Happy Planet on campus?

- Yes
- No

QUESTION 11

Do you make an effort to purchase products that are local or locally sourced?

- Yes
- No

QUESTION 12

Did you know that Happy Planet smoothies are made in BC?

- Yes
- No

QUESTION 13

What is your Gender?

- Male
- Female
- Other
- I prefer not to answer

QUESTION 14

What is your regional status at UBC?

- Domestic Student (BC)
- Domestic Student (Outside BC)
- International Student (Outside of Canada)

APPENDIX 4 – Stocking Matrix

Stores Not Currently Stocking Happy Planet

Data is accurate as of March 2014

- | | |
|------------------------|--------------------------|
| ○ THE POINT GRILL | ○ LAW CAFE |
| ○ CAFFE PERUGIA | ⊘ MAGMA CAFE |
| ○ MAGDAS at Totem Park | ⊘ NEVILLE'S |
| ○ HUBBARDS at Vanier | ⊘ NICHE CAFE |
| ⊘ IKE'S CAFE | ⊘ REBOOT CAFE |
| ⊘ MERCANTE | ○ SAUDER EXCHANGE CAFE |
| ○ PACIFIC SPIRIT PLACE | ○ STIR IT UP CAFE |
| ○ STACKABLES DELI | ○ TOTEM PARK DINING ROOM |
| ⊘ CAFE MOA | ○ VANIER's DINING ROOM |
| ⊘ DAILY DOSE CAFE | ○ GAGE MINI MART |
| ○ IRC SNACK BAR | |

○ Stocked

⊘ Not Stocked

○ Recently Stocked