

WONDER WAFFLES



Executive Summary

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Introduction

Move over Eggo! Wonder Waffles is the new kid on the block—positioned to hit a home run in the frozen waffle market.

Wonder Waffles is the brainchild of Chef Ed Petersen, proprietor of Inspired Foods, Inc. Chef Ed wanted to recreate the wonderful waffles his granny made—but with a healthier spin. Wonder Waffles sports a superior nutrient profile and pleasing texture and taste combination. The proprietary formula showcases yogurt as the second ingredient which makes for a sensory experience unlike that associated with eating traditional waffles.

Wonder Waffles has been doing a dance over the past two years—two steps forward and one step back. A dry mix was launched in stores and on Amazon two years ago. However, it was difficult for consumers to replicate Chef Ed's Wonder Waffles. Less wheat means a thinner batter and the need for a 400 degrees waffle iron, not typical in most home kitchens. The dry mix was pulled from store shelves. A new business-to-business strategy was devised. Wonder Waffles is currently experiencing success in nearly 50 institutions in the food service sector, including restaurants. Its new retail launch will provide the Wonder Waffle experience with the added convenience of a frozen waffle.

Launching in the retail market means Wonder Waffles will need an expanded and consistent supply of yogurt—specifically dried yogurt. They have established a partnership with Rogue Valley Cooperative (RVC) in Medford, Oregon, to meet the need for dried yogurt. RVC recently invested in a processing plant that expanded its processing capabilities and capacity which makes RVC an ideal partner for Inspired Foods.



Market Analysis

TRENDS+MARKET SIZE

+ POTENTIAL

- 42% of households that purchased frozen waffles in the last year had children under 18 years old.²
- 37% would eat frozen breakfast foods more often if there were healthier options; half are looking to add more protein content.¹
- 41% of parents with children under 18 eat on-the-go breakfast options.¹
- 51% of respondents reported they associate yogurt with nutritious characteristics.¹
- Survey findings reported 95% of consumers expect their households to maintain or increase their consumption of yogurt from April 2022–23; 30% reported they planned to increase their consumption.⁴
- Restaurant to retail trend: 34% of respondents with children under 18 would pay more for restaurant-inspired breakfast foods.¹

The frozen waffles market in North America is expected to grow from \$1.2 billion in 2021 to nearly \$1.8 billion by 2028, an estimated growth at a CAGR of 5.5% from 2021-2028.⁵ It is projected that Wonder Waffles will reach a target market of 8.5 million households with children under 18 in Arizona, California, Colorado, Idaho, Nevada, Oregon, Washington, Wyoming, Utah, and New Mexico.

MARKET NEED

Nielsen (November, 2021) findings show that mainstream frozen waffles declined but *better-for-you* grew tremendously, with the number of households up (+7%) and the dollar sales per household up (+16%). People are still busy, and they are seeking convenient meal solutions. Along with convenience, consumers are seeking more wholesome food alternatives across dayparts. Wonder Waffles is uniquely positioned to meet this need.

Customer Profile

Inspired Foods has identified its target market as active families who prioritize healthy eating. Two distinct Mosaic groupings with the best fit Family Funtastic and Families Matter Most. Members of these groupings are high-energy, on-the-go, family-focused households with an average income between \$75,000 - \$149,000. The secondary target market is the Across The Ages consumers. These profiles are couples and multigenerational families living in the suburbs, with an estimated household income between \$125,000 - \$150,000.²

FAMILY FUNTASTIC²

Matthew (32) and Ashley (35) live in West Linn, Oregon, with their two-year-old daughter Ava. Ashley is a local school teacher, while Matthew commutes to work in downtown Portland. Matthew and Ashley spend their weeknights with their daughter going on walks to the park. They both attend regular morning fitness classes, making their mornings very fast-paced. Between working out, getting ready for work, and getting a two-year-old out the door, they need a nutritious breakfast ready in seconds. They care about the health and well-being of both Ava and themselves.



FAMILIES MATTER MOST²

Jeremy (34) and Melissa (35) reside in a new home in a suburb of Sacramento, California. Melissa is a receptionist, and Jeremy is a project manager for a local construction company. Their kids, Jake (9) and Macy (12) stay very active in after-school activities. They both race out the door to the bus each morning, sometimes with only a granola bar for breakfast. Jeremy runs each morning before work and is looking for a more protein-dense, breakfast. Melissa knows that sugary breakfasts are not great for her or the kids, but has had trouble finding a quick and healthy option.



ACROSS THE AGES²

Jim and Nancy reside in the suburbs of Thousand Oaks, California, with their son, daughter-in-law, and their 3 kids. Jim and Nancy are 67 and retired from their professional jobs. Wyatt (30) works as an accountant, and Jill (29) works as a nurse. On the weekends, they like to attend charity events and play with the kids. Carson (7) and Alyssa (6) head off to school every morning while Anna (4) stays with her grandparents. Jim and Nancy prepare the kids for school each morning as Wyatt and Jill get to work. It is hard for them to run around with kids in the morning and concentrate on making a healthy, nutritious breakfast.




Competitive Analysis

Wonder Waffles' unique nutrient profile features 40% yogurt content and boasts high protein, low carbohydrate, low calorie, and low sugar amenities. There are a few direct competitors on the market and a number of indirect competitors. Wonder Waffles provide a premium restaurant-style frozen waffle while being healthier than other options in the market.


	Wonder Waffles	Vans Frozen Waffles	Birch Benders	Kodiak Cakes	Kashi GO	Eggo Homestyle
Price/Oz	\$0.60	\$0.72	\$0.79	\$0.62	\$0.42	\$0.21
Calories	110	200	230	240	220	180
Carbs	19 g	26 g	18 g	24 g	22 g	27 g
Protein	7 g	10 g	8 g	12 g	13 g	4 g
Sugar	8 g	6 g	2 g	7 g	7 g	2 g
Fat	1.5 g	7g	17 g	11 g	11g	6 g


SWOT ANALYSIS



- Provides Optimal Nutrition
- "On-the-go" convenience
- Local Proximity to target markets


- Brand awareness limited to restaurant experiences
- Eggo Waffles currently dominate the market
- Securing shelf space in the frozen waffle section





- Western U.S. is a key market for nutritional food
- Fit with restaurant-to-retail frozen food market trends
- Build on positive yogurt and nutrition perception

- Dairy industry perceptions and welfare concerns
- Reliance on partner to produce product
- Ease of entry for similar products



OTHER KEY FACTORS

- Wonder Waffles will be sold in the Western United States and will abide by all USDA/FDA guidelines for retail frozen food products.
- California-specific regulations in terms of importing via trucking.⁶

OVERALL BENEFIT TO PRODUCER

The partnership between Inspired Foods and RVC guarantees members a premium for the dried yogurt used in Wonder Waffles. This revenue stream will increase premiums for producers and provide greater cooperative stability. It will allow producers to invest more in the operation, enabling them to expand their production of higher-return dairy products.

Business Proposition

PRODUCT DESCRIPTION

Wonder Waffles' non-traditional ingredient, yogurt, creates a healthier nutrient profile. Wonder Waffles is a revolutionary high-protein, low-carbohydrate, low-calorie, low-fat, and low-sodium frozen waffle alternative for active families seeking a convenient, healthy start to their mornings.

Wonder Waffles will be available in three varieties—original, chocolate chip, and blueberry—in the first years with plans to add additional flavors in subsequent years.

KEY PLANNING ASSUMPTIONS

- Inspired Foods will meet all USDA/FDA guidelines for frozen retail food products.
- RVC will supply the dried yogurt needed to meet the demand for Wonder Waffle production.
- Inspired Foods will continue its current relationship with existing distribution channels and retail outlets.
- Input prices for Wonder Waffles will remain stable.
- Inspired Foods will obtain adequate freezer space when the product is launched.

OBJECTIVES

Wonder Waffles' objective is to provide our target market with a convenient, nutrition-packed frozen waffle alternative. A superior nutrient profile, texture, and taste experience will win over target market consumers and others who purchased traditional frozen waffles in the past.

GOALS

- Wonder Waffles will achieve 3% of the frozen waffle market share by year 3.
- Wonder Waffles will achieve 20% profit margin by year 3.
- Realize 50% increase in social media participation.

STRATEGY STATEMENT

Wonder Waffles sets the bar for innovation in the frozen waffle market. It will be the frozen waffle of choice for active families who prioritize nutrition, taste, and convenience in their food choices.

Action Plan

POSITION

Wonder Waffles is a premium frozen breakfast item that offers a superior nutrient profile, texture, and taste combination compared to similar products. With 40 percent yogurt content, this product will attract health-conscious families in the western United States.

PRICE

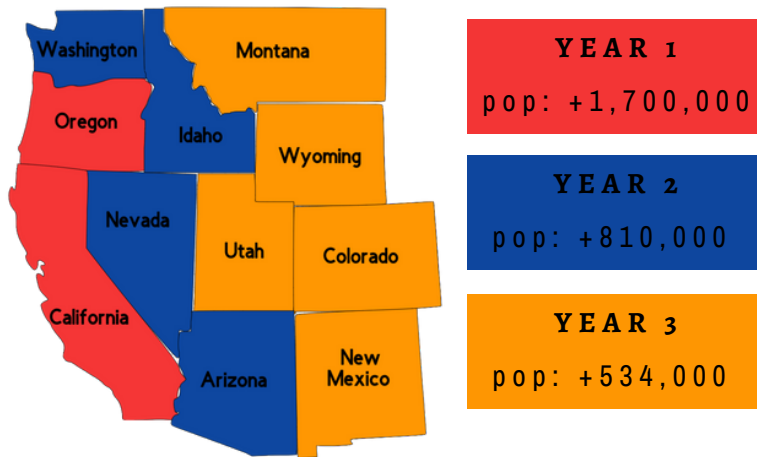
Wonder Waffles are priced competitively in the frozen breakfast market. A box of 8 waffles will sell for a wholesale price of \$2.40, with a suggested retail price of \$7.99.

PLACE

Year 1: Wonder Waffles will launch in major cities in Oregon and California, including Portland, Salem, Sacramento, San Francisco, and surrounding suburban areas.

Year 2: Wonder Waffles will launch in cities in Arizona, Nevada, Washington, and Idaho.

Year 3: Wonder Waffles will launch in urban areas of Colorado, New Mexico, Utah, Montana, and Wyoming.



PROMOTION

The Wonder Waffles promotional plan includes the following strategies which will enhance the overall consumer experience and attract and retain buyers. Inspired Foods will launch Wonder Waffles with a website and a social media presence. Through the website, interested customers can sign up to receive emails that alert them to specials, events, and news. In the supermarkets, product samples will be given to consumers to build brand awareness and encourage purchase.

ADVERTISING BREAKDOWN

Paid Media

Search Advertisement

- Pay-per-click search advertisements will be purchased and placed through Google AdWords will strategically target specific search terms and keywords that pair with the optimized webpage. Visitors to the webpage will be subject to remarketing.

Direct Mail

- Targeted mail campaigns will distribute advertisements and coupons to specific areas in the initial launch years.

Email

- Opt-in email lists will be generated via promotions and a webpage. Inspired Foods will create email blasts to promote deals, products, store promotions, and tastings.

Sponsorships

- In launch years, Wonder Waffles will be a sponsor for active events such as family runs or sports tournaments.

Owned Media

Social Media Accounts

- Inspired Foods will maintain a presence on Facebook and Instagram. Content and promotions will be posted regularly to increase customer interaction with the page and create shareable posts.

Webpage

- A webpage will be maintained in order to increase web traffic. The webpage will contain pictures of products, and features stories, along with nutritional information, links to social media, product list, email sign-up, and direct contact information.

Earned Media

Press Releases and Public Relations

- Inspired Foods will strategically contact and choose blogs and other publications to generate earned media.

Online Reviews

- Online reviews on various platforms will be monitored. Responses to reviews will bolster and build the positive brand image.

Financials

MARKETING EXPENSES

	Year 1	Year 2	Year 3
Marketing Team	\$160,000	\$200,000	\$240,000
Marketing Manager	\$85,000	\$90,000	\$95,000
Brand Ambassadors	\$52,000	\$58,000	\$91,000
Communications Manager	\$60,000	\$63,000	\$66,000
Digital Marketing			
Website	\$15,000	\$10,000	\$10,000
Social Media	\$50,000	\$66,000	\$80,000
Google Adwords & Retargeting	\$30,000	\$42,000	\$58,000
Total Digital Marketing	\$95,000	\$118,000	\$148,000
Direct Mail	\$45,000	\$30,000	\$30,000
In-Store Promo	\$30,000	\$40,000	\$50,000
Sponsorships	\$35,000	\$25,000	\$25,000
Slotting Fees	\$112,500	\$225,000	\$450,000
Total	\$674,500	\$849,000	\$1,195,000

INCOME STATEMENT

	Year 1	Year 2	Year 3
Packages Sold	200,000	550,000	1,100,000
Price per Package	\$7.99	\$7.99	\$7.99
Revenue (\$)	\$1,598,000	\$4,394,500	\$8,789,000
Cost of Goods Sold (per pkg.)	\$4.05	\$4.05	\$4.05
Total Cost Of Goods Sold	\$810,000	\$2,227,500	\$4,455,000
Packages Returned	2,460	6,765	13,530
Returns (\$)	\$19,655	\$54,052	\$108,105
Gross Margin	\$768,345	\$2,112,948	\$4,225,895
Gross Margin %	48.08%	48.08%	48.08%
Expenses			
Operating Expenses	\$380,000	\$530,000	\$720,000
Shipping/Distribution Expenses	\$60,000	\$165,000	\$330,000
Marketing Expenses	\$674,500	\$849,000	\$1,195,000
Travel Expenses	\$17,000	\$23,000	\$32,000
Total Expenses	\$1,131,500	\$1,567,000	\$2,277,000
Net Income	-\$363,155	\$545,948	\$1,948,895
Profit Margin	-22.73%	12.42%	22.17%
Marketing Expense as % of Sales	42.21%	19.32%	13.60%

Monitoring & Measuring

Measurement	If goal is exceeded	If goal is not met
Goal: 3% of the frozen waffle market share by year 3		
Track frozen waffle market trends; monitor monthly, quarterly, and annual sales reports	Evaluate the possibility of moving new variety schedule ahead.	Evaluate and adjust promotion strategies for KPIs not meeting expectations
Goal: 30% profit margin by year 3		
Monitor quarterly and annual financial reports	Reconsider market expansion timelines; Consider new packaging and retail options	Review pricing strategies, packaging strategies and size options
Goal: 50% increase in social media participation		
Review clickshare data and hashtag usage during launches, sponsorships, and periodically to determine changes.	Invest further in online initiatives and increase presence	Reassess effectiveness of social media strategies and their alignment with target market members



Risk & Crisis Management

Public perception of Wonder Waffles is critical to its brand image and profitability. Inspired Foods has a four-step process for addressing risk or crisis related issues. The steps include: assessing the issue and associated implications, identifying a designated spokesperson, prioritizing information to be addressed, and creating strategic responses.

References

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