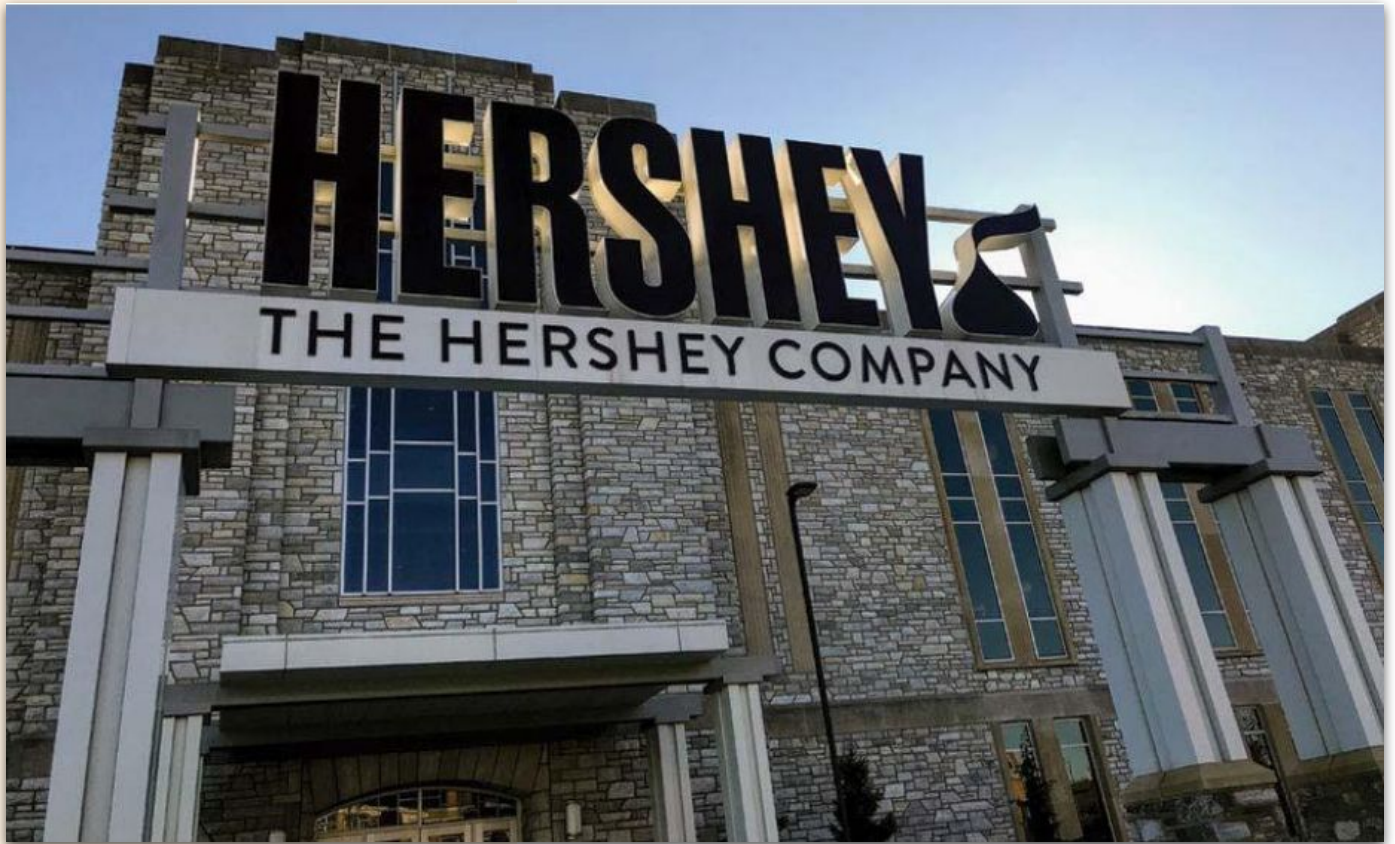


Hershey



**Noah Jones & Jessi
Peters.**

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Keywords

SWOT Analysis - SWOT is an acronym for the analysis of strengths, weaknesses, opportunities, and threats.

SOV - Share of Voice is the percentage of total advertising weight in a specific type of media.

Overall SOV - The percent of total advertising weight based on the entire media distribution.

Market Share - The percentage of the market that we currently hold.

HH's - Households in a given data set.

BDI - Brand Development Index is a measurement that tells the media planner how their brand is performing in a market.

CDI - Category Development Index is a measurement that tells the media planner how a market they are interested in is performing.

Brand Overview

The case study provided to us explains that the original Hershey's company was founded in 1894 by Milton S. Hershey. The original company was taken over by a successor company, Hershey's Company, on October 24, 1927. Hershey's headquarters is located in the town of Hershey, Pennsylvania.



The Hershey's Company has created many products, mainly chocolate candy products. Two very recognizable treats are Kisses and their chocolate bars, but they also manufacture other confections licensed through other companies such as Almond Joy, Kit Kats, Rolos, and Mounds bars.

Hershey's founder, Milton, always had the goal of improving the lives of those around him. He based the creation of this company on the idea that we should try and make others feel happy. Last year the Hershey's Company accounted for almost one-third of the confectionery market in the United States of America.

Retrieved from the Case Study.

Media Plan Summary

Market Types

National and Spot.

Media Vehicles

National TV and Radio.

Local TV and Radio.

Geographics

We will have a combination of national and spot marketing.

Spot will be dispersed between three cities.

- Lafayette, LA.
- Beaumont-Port Arthur, TX.
- Albuquerque-Santa Fe, NM.

Target Audience

Our main target audience is hardworking adult women around the age of 47 who care about social issues in the world.

Customer Behaviors and Attitudes

Our customers like to save money, and they appreciate a chance to indulge and enjoy their time.

Goal

Increase brand awareness by 10%.

Budget

\$27 Million.

Reach & Frequency

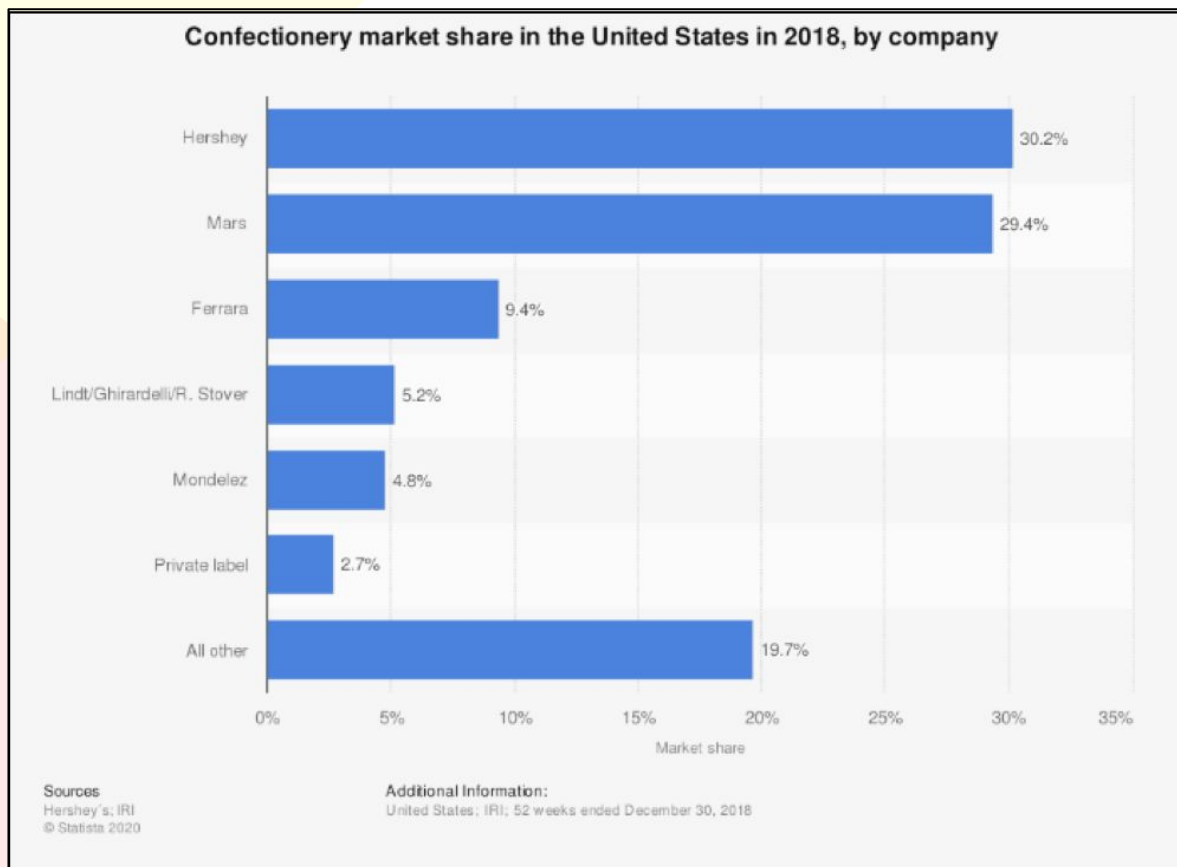
Achieve a minimum reach of 60 and a minimum frequency of 2.

Achieve an average, net, and total reach of 80 or above and an average frequency of 2.5 or higher.

SWOT Continued

Market Share and Overall SOV

Overall SOV	
MARS	43.87%
Hershey	20.86%
Chocoladefabri	17.66%
Ferrero SpA	17.56%
Mondelez Intl	0.05%
Total Overall	100.00%



SWOT Continued

Current Analysis

Strengths

- Largest confectionery market share at 30.2% in 2018 (Kisses Case, page 1).
- Highest total of capital spending in advertisements (Retrieved from medium data).
 - Cable TV: \$74,014,000 with an SOV of 28.7%.
 - Local Magazines: \$7,200 with an SOV of 100%.
 - Online Video: \$2,055,000 with an SOV of 39.72%.
 - Syndication: 14,538,300 with an SOV of 83.74%.
- Hershey's produces more than 70 million Hershey's Kisses Milk Chocolates a day (Case Study, page 3).
- Hershey's Kisses enjoys 65% of national distribution in preferred retail outlets (Case Study, page 5).

Weaknesses

- Mars almost has the same size share in the market as us (Kisses Case, page 1).
- Hershey's only has 20.86% of the total advertising market (Retrieved from medium data).
- Hershey's does not invest top percentage into these mediums (Retrieved from medium data).
 - B-to-B with an SOV of 1.81%.
 - Int Display with an SOV of 8.21%.
 - Local Radio with an SOV of 1.8%.
 - Magazines with an SOV of 1.92%.
 - Mobile Web with an SOV of 4.17%.
 - Network Radio with an SOV of 40.05%.
 - Network TV with an SOV of 13.16%.
 - Spot TV with an SOV of 26.75%.
- Hershey's has no capital in the markets below (Retrieved from medium data).
 - Cinema.
 - Int Search.
 - Natl Spot Radio.
 - Newspapers.
 - Outdoor.
 - SLN TV.

SWOT Continued

Future Analysis

Opportunities

- Customers want more chocolate. Overall, chocolate sales are projected to increase from 18.9 Billion to 19.8 Billion (Case study, page 2).
- Management is looking to increase brand awareness from 65% nationally to 75% the first year of this campaign (Case Study, Page 6).
- Hershey's could increase their percentage in network radio to overtake Mars fairly easily.
- Hershey's needs a 19.9% increase or more (Retrieved from medium data).

Threats

- Competitors account for 30% of chocolate candy sales (Case Study, page 3).
- Mars is close to overtaking our lead in Online Video and Cable TV advertising if they increase their spending in this area (Retrieved from medium data).
- Both Ferrara and Lindt/Ghirardelli/R. Stover has around a 17% SOV. We have a 20.86% SOV in the overall communication market, so management must ensure these companies do not overtake Hershey's in the overall market (Retrieved from medium data).

Four C's Analysis

Consumer wants and needs

- Customers seem to increasingly prefer online shopping as each year goes by (Case Study, Page 2).
- “Hershey supply chain philosophies, store shelf design, and packaging concepts impact what consumers see in candy aisles everywhere” (Quote from Case Study, Page 2).

Cost

- “US Chocolate sales grew from \$14.2 billion in 2011 to \$18.9 billion in 2017 (Euromonitor) and are projected to reach 19.8 billion in 2019 (MFP estimate). Total Hershey sales (including chocolate) in 2019 are projected to be \$8.2 billion, driven by five of the top 10 confectionery brands, including Reese’s, Hershey’s, Kit Kat, Ice Breakers, and Hershey’s Kisses” (Quote from Case Study, Page 2).

Communication

- Hershey’s is second place to Mars in overall SOV making it a very recognizable brand (Retrieved from medium data).
- Hershey’s has the largest market share at 31%, which adds to how our customers receive our messages (Case Study, Page 2).

Convenience

- Hershey’s decided to make the viewing and consuming experience of their products even more visually appealing with their standing packages. Hershey’s Company emphasizes making the buying and viewing experience as enjoyable as possible for the customer (Case Study, Page 2).

Target Audience

Demographics

- Women are Hershey's lead demographic. Women have higher indexes than men when it comes to overall interest in Hershey's brand. For example, when it comes to Hershey's Kisses specifically, women have an index of 126, or in other words, we will be 26% more likely to find a woman interested in our product than a man when advertising Hershey's Kisses.
- Women also have a higher overall index of 112. This indicates that women are 12% more likely to buy Hershey's products in general.
- People who are employed in life, physical, or social sciences seem to also have a very high index of 134.
- The age ranges that have good indexes are 18-24-year-olds (110), but it is pretty even throughout, other than that. Adults from the ages 25-34 are the least interested, with an index of 84.
- The median age is 47.

Hershey's main target audience is hardworking adult women around the age of 47 who care about social issues in the world.

These indexes and numbers were retrieved from the MRI datasheet.

Target Audience Continued

Behaviors

- Data indicates that Hershey's customers often visit stores to browse items.
 - Many will shop online if they have coupons available to them.
 - Hershey's customers often shop at stores that offer loyalty points.
 - Hershey's customers care if an item is popular or has a good reputation.
 - Hershey's customers often buy large TVs. This may seem minor, but there is an index of more than 150 on two TV behavior categories, so it seems their customers do enjoy leisure time.
-

Attitudes

- Hershey's customers enjoy many leisure activities such as concerts, picnics, and going to the circus.

To Summarise:

Hershey's customers try to save money often and buy products for leisure, and they appreciate saving money chances to indulge and enjoy their time.

These conclusions are based on indexes from the MRI data. All of these customer groups have indexes over 120.

Reach and Frequency Analysis

Based on the consideration of the 3-plus rule and some further analysis, we have decided the frequency goal should be at a minimum of 2, and we decided that 2.5 would be an ideal average.

The key finding that persuaded us to allow a lower number than the standard minimum frequency of 3 to 2 is the fact that our brand is already well known.

They also plan to utilize flighting for this campaign because Hershey's already has high brand awareness, and their in-store products will advertise well for them. The managers feel that fewer but more impactful ads will help more than a continuous schedule.

We feel that our brand awareness will make it possible for Hershey's to survive the hiatuses without losing very much brand awareness.

Our goal is to achieve a net, total, and an average overall reach of 80, as well as an average overall frequency of 2.5.

We plan to allow a minimum reach of 60 and a minimum frequency of 2.

Based on information from in-class lectures.

Scope and Geography

- We will invest in both Spot and National Advertising.
 - We have chosen this based on the BDI/CDI Data Sheet and our own calculations.
 - We plan to invest in spot markets in three Cities. These cities are:
 - Lafayette, LA.
 - Beaumont-Port Arthur, TX.
 - Albuquerque-Santa Fe, NM.
 - Each of the listed cities has BDI's and CDI's above 110. We decided this would be a strong, above-average number. While it is not the recommended 115 for all of the indexes, we feel that our brand awareness will make our spot market campaign extremely successful with these BDI and CDI calculations. (These index recommendations are based on class lectures.)
 - These cities are also all in the Southern part of the US, so our campaign should be able to spread vastly through the southernmost parts of the United States.
- Since our company is the leading brand in the nation, we feel that our high awareness will make national investments very successful for our campaign.

National

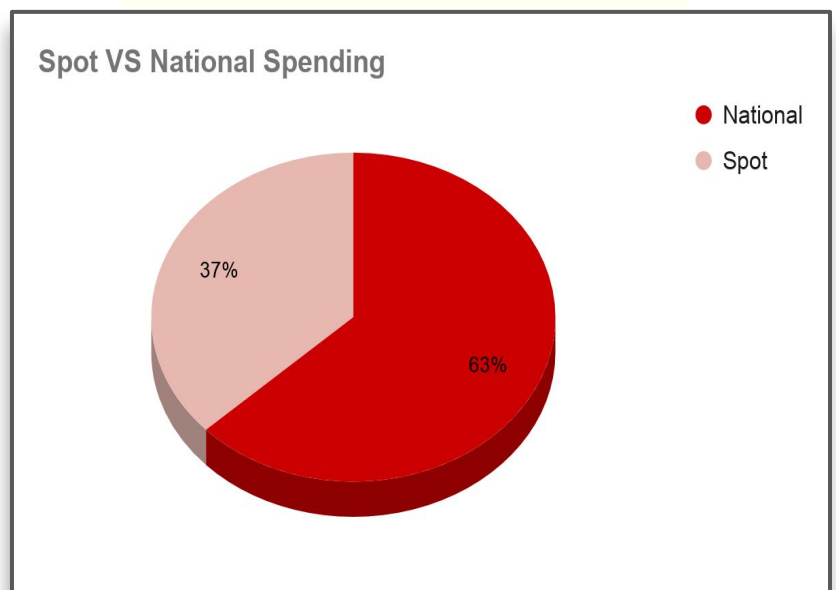
- Cable TV (Network Cable Daytime 30 Seconds).
- Network Radio (Network Radio Evening Drive 30 Seconds).

63% of our budget total will go towards national advertising.

Spot

- Local Radio (Spot Radio Daytime 30 Seconds).
- Spot TV (Spot TV Daytime 30 Seconds).

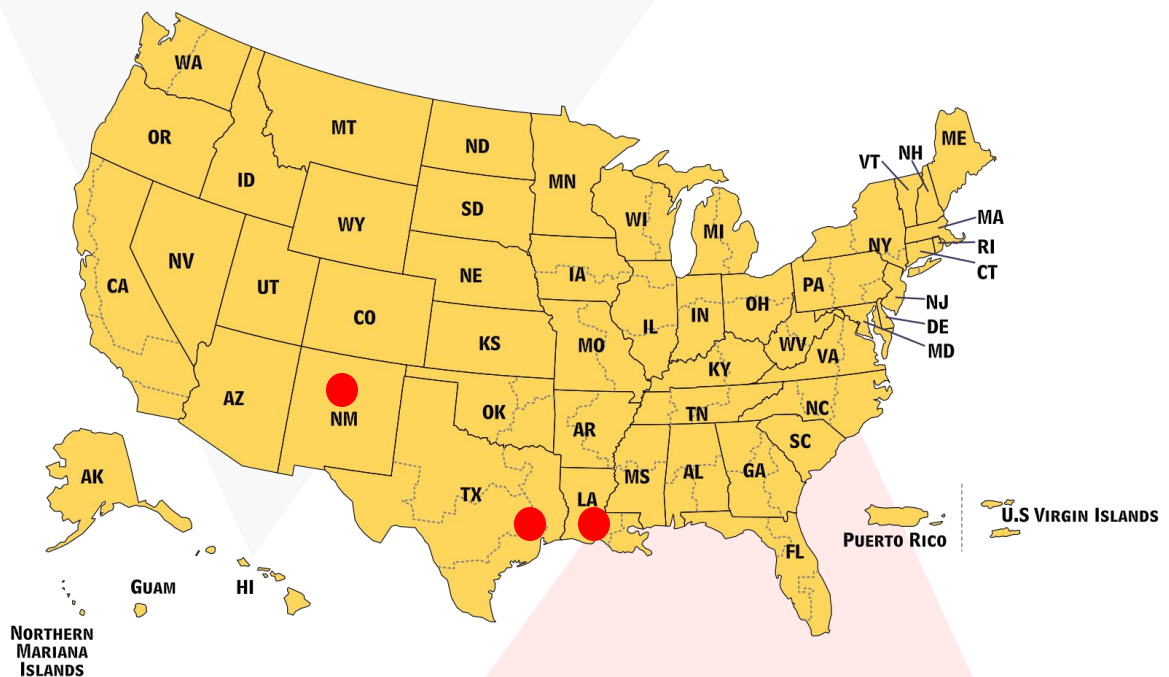
37% of our total budget will go towards spot advertising.



Scope and Geography

Continued

Spot Map and Data



BDI & CDI Data					
Name	HHs	Kisses %	Category %	BDI	CDI
Lafayette, LA	0.20%	0.23%	0.23%	115	115
Beaumont-Port Arthur, TX	0.14%	0.16%	0.16%	114	112
Albuquerque-Santa Fe, NM	0.60%	0.67%	0.66%	112	110

Media Mix

National

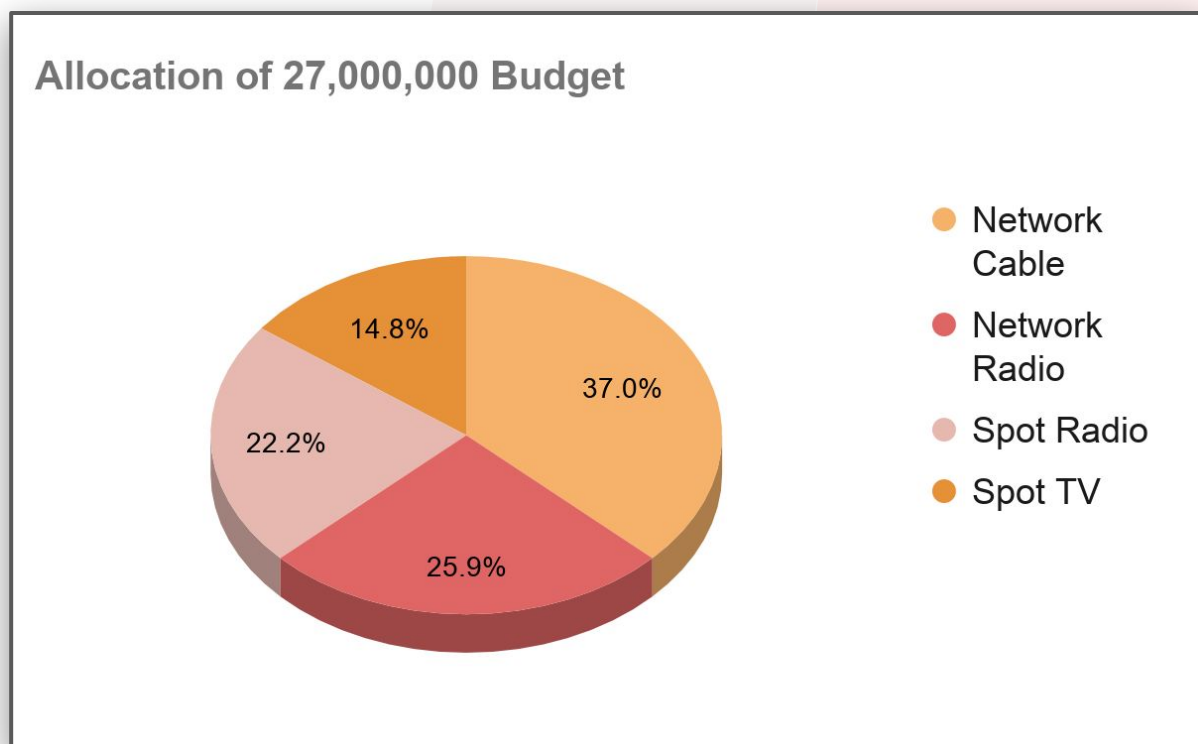
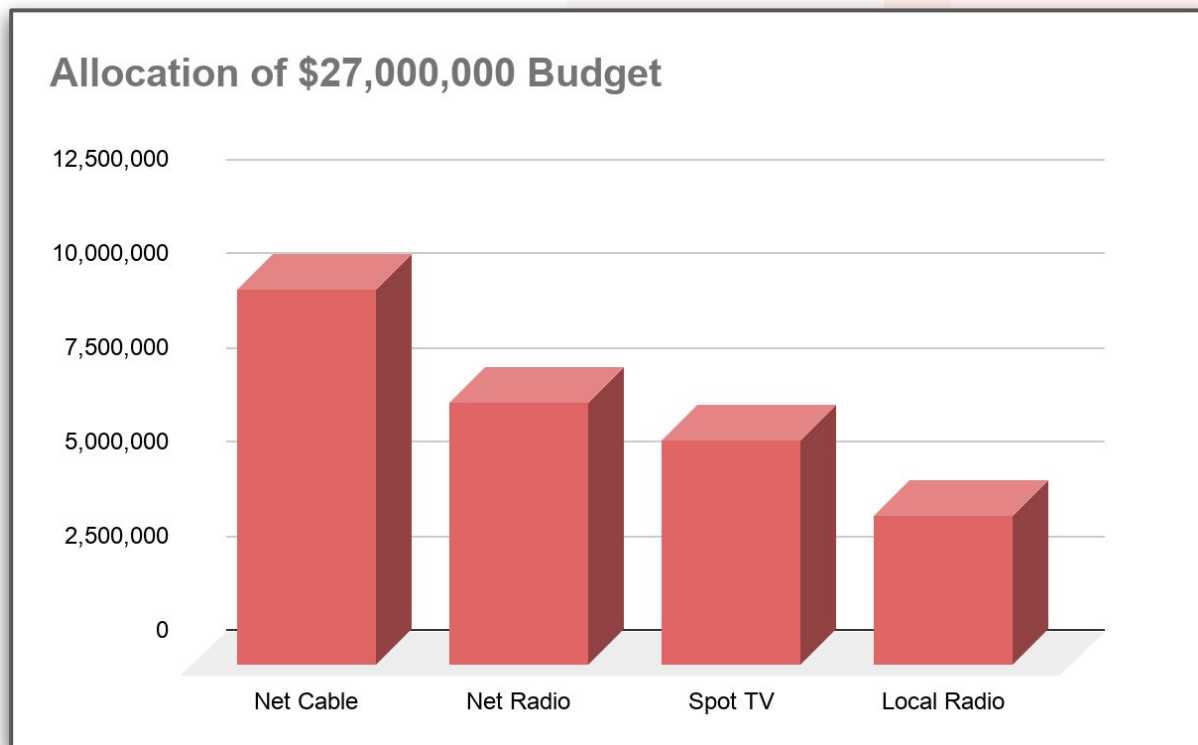
- Cable TV (Network Cable Daytime 30 Seconds).
 - \$10,000,000 spent (about 37% of our total budget).
 - This will allow us to have an SOV of around 31% in Cable TV, leading us to have the largest voice in this medium. This is especially significant because before, we led in this category by less than 1%. Still, with this investment, we will have a 4% higher SOV than any of our competitors in Cable TV.
- Network Radio (Network Radio Evening Drive 30 Seconds).
 - \$7,000,000 Spent (about 26% of our total budget).
 - This will allow us to have an SOV of over 97% in Network Radio, leading us to have the largest voice in this medium by a very substantial margin.
 - We also feel this will be a good medium because we have a food item and many people may start to feel hungry for our products at this time.

Spot

- Local Radio (Spot Radio Daytime 30 Seconds).
 - \$6,000,000 spent (about 22% of our total budget).
 - This will allow us to have an SOV of over 75% in Local Radio, putting us much higher than any competitor.
 - We will split this evenly between 3 areas/cities, Lafayette, Beaumont-Port Arthur, and, Albuquerque-Santa Fe because of their promising BDI and CDI percentages.
- Spot TV (Spot TV Daytime 30 Seconds).
 - \$4,000,000 spent (about 15% of our budget).
 - We will split this evenly between 3 areas/cities, Lafayette, Beaumont-Port Arthur, and, Albuquerque-Santa Fe because of their promising BDI and CDI percentages.
 - This will allow us to have an SOV of over 50% in Spot TV, putting us higher than our competitors.

Media Mix Continued

Budget Allocation Chart



Media Mix Continued

Data (Reach, Frequency, and Spending)

This data displays math that went into calculating net, total, and average reach and average frequency, confirming that we made media mix decisions that meet our reach and frequency goals.

Medium	January		February		March		April		May		June		July		August	
	R/F	GRP	R/F	GRP	R/F	GRP	R/F	GRP	R/F	GRP	R/F	GRP	R/F	GRP	R/F	GRP
Cable TV - Net Cable Daytime 30s			99/3	332	70/3	221	99/3	332							99/3	332
Network Radio - Net Radio Evening Drive 30s			85/3	265	85/2	177	85/3	265							85/3	265
Spot TV - Spot TV Daytime 30s			85/3	262	85/2	174	85/3	262							85/3	262
Local Radio - Spot Radio Daytime 30s			85/3	276	90/2	184	85/3	276							85/3	276
Total Network GRP's				597		398		597								597
Total Spot GRP's				538		358		538								538
Average National Reach & Frequency			92/3		77.5/2		92/3								92/3	
Average Spot Reach & Frequency			85/3		87.5/2		85/3								85/3	
Total National Net Reach & Frequency			99/6		87/4		99/6								99/6	
Total Spot Net Reach & Frequency			97/5		98/3		97/5								97/5	

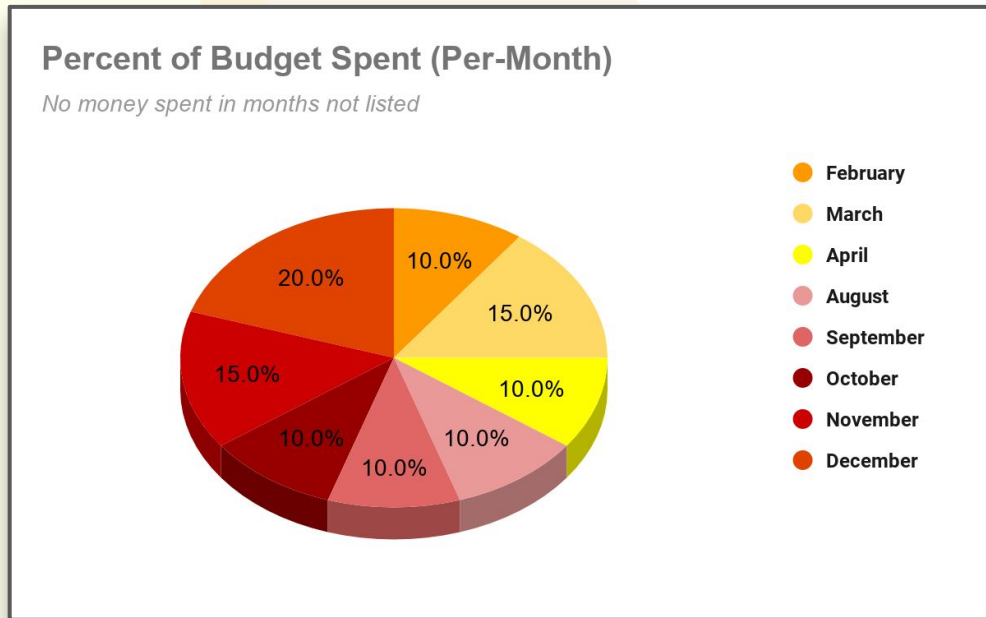
Medium	January	
	R/F	GRP
Cable TV - Net Cable Daytime 30s		
Network Radio - Net Radio Evening Drive 30s		
Spot TV - Spot TV Daytime 30s		
Local Radio - Spot Radio Daytime 30s		
Total Network GRP's		
Total Spot GRP's		
Average National Reach & Frequency		
Average Spot Reach & Frequency		
Total National Net Reach & Frequency		
Total Spot Net Reach & Frequency		

September	October		November		December		Total	Total	Total Aver:	Total Com:	Cost \$
R/F	GRP	R/F	GRP	R/F	GRP	R/F	GRP	GRP	Reach (Su R/F	R/F	Cost \$
99/3	332	99/3	332	70/3	221	80/2	166	2,268	98 (23)		10,000,000
85/3	265	85/3	265	85/2	177	65/2	132	1,811	86 (21)		7,000,000
85/3	262	85/3	262	85/2	174	65/2	130	1,788	85 (21)		6,000,000
85/3	276	85/3	276	90/2	184	65/2	138	1,886	88 (21)		4,000,000
			597		398		298				27,000,000
			538		358		268				
92/3		92/3		77.5/2.5		72.5/2			85.9/2.69		
85/3		85/3		87.5/2		65/2			83.1/2.63		
99/6		99/6		87/4		93/3					
97/5		97/5		98/3		87/3					
											84.5/2.66



Timing and Scheduling

Strategic Plan and Flow Chart



Below the same data from the previous slide is displayed, but this time it is zoomed in on our media plan flow chart.

Medium	January		February		March		April		May		June		July		August	
	R/F	GRP	R/F	GRP	R/F	GRP	R/F	GRP	R/F	GRP	R/F	GRP	R/F	GRP	R/F	GRP
Cable TV - Net Cable Daytime 30s			99/3	332	70/3	221	99/3	332							99/3	332
Network Radio - Net Radio Evening Drive 30s			85/3	265	85/2	177	85/3	265							85/3	265
Spot TV - Spot TV Daytime 30s			85/3	262	85/2	174	85/3	262							85/3	262
Local Radio - Spot Radio Daytime 30s			85/3	276	90/2	184	85/3	276							85/3	276

Medium	January		September		October		November		December		Total GRP	Cost \$
	R/F	GRP	R/F	GRP	R/F	GRP	R/F	GRP	R/F	GRP		
Cable TV - Net Cable Daytime 30s			99/3	332	99/3	332	70/3	221	80/2	166	2,268	10,000,000
Network Radio - Net Radio Evening Drive 30s			85/3	265	85/3	265	85/2	177	65/2	132	1,811	7,000,000
Spot TV - Spot TV Daytime 30s			85/3	262	85/3	262	85/2	174	65/2	130	1,788	6,000,000
Local Radio - Spot Radio Daytime 30s			85/3	276	85/3	276	90/2	184	65/2	138	1,886	4,000,000
						597		597		398	298	27,000,000



Timing and Scheduling Continued

January	February	March	April	May	June	July	August	Septembe	October	November	December	Total
21408.7	28677.2	15788.3	19829.4	24376.2	26276.8	17375.9	18259.9	23232.2	15690.5	14722.4	16701.2	242338.7
5828	12672.4	16161.7	14164.8	6608.1	2279.2	2564.7	6522.8	6984.3	6027	14184.1	21224.4	115221.5
2522.3	11308.1	12003.3	5783.2	6932.7	18.3	6	12.3	9953.6	10561.3	16927.4	21527.1	97555.6
2522.3	11308.1	12003.3	5783.2	6932.7	18.3	6	12.3	9953.6	10561.3	16927.4	21527.1	97555.6
0.1	617		92.4	2159	738.1		0.1			4507.2	5620.2	13734.1
32281.4	64582.8	55956.6	45653	47008.7	29330.7	19952.6	24807.4	50123.7	42840.1	67268.5	86600	566405.5

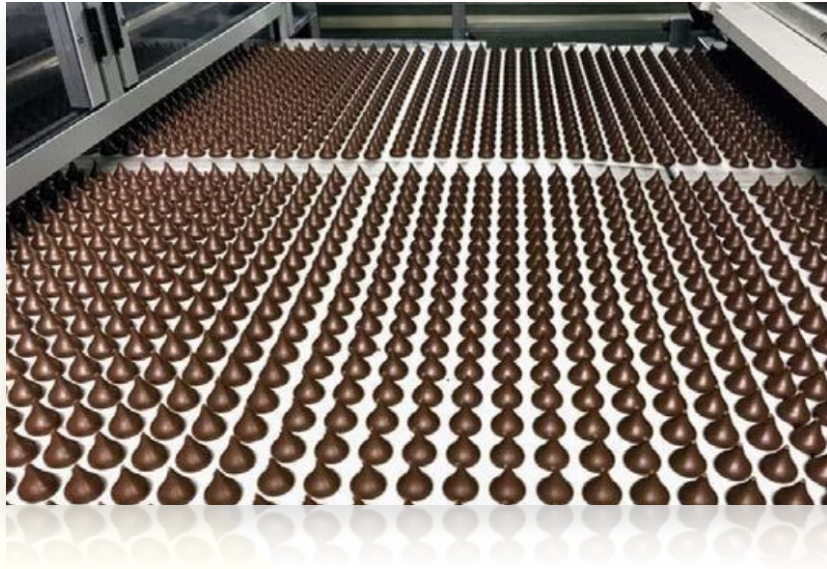
While looking at the spending data, we decided to accelerate our spending in the months where the most were spent in previous years. We considered other companies spending patterns but decided it would be best to follow the trend of our own spending pattern and increase spending in our highest months. This will then turn into an increase in our SOV against our competitors in the months that we already allocated most of our money to, which will create a greater impact from our advertisements.

December is the month that we have the highest spending volume, so that we will invest our highest percentage at that time. We will run a Spring campaign early in the year and a Christmas/holiday campaign in the second half of the year.

All of our campaigns will focus on how our company is socially aware and how we provide enjoyment for many types of people. We want to make everyone feel important and included in our message.

Seasonality SO\	January	February	March	April	May	June	July	August	Septembe	October	November	December
MARS	66.32%	44.40%	28.22%	43.44%	51.85%	89.59%	87.09%	73.61%	46.35%	36.63%	21.89%	19.29%
Hershey	18.05%	19.62%	28.88%	31.03%	14.06%	7.77%	12.85%	26.29%	13.93%	14.07%	21.09%	24.51%
Chocoladefabri	7.81%	17.51%	21.45%	12.67%	14.75%	0.06%	0.03%	0.05%	19.86%	24.65%	25.16%	24.86%
Ferrero SpA	7.81%	17.51%	21.45%	12.67%	14.75%	0.06%	0.03%	0.05%	19.86%	24.65%	25.16%	24.86%
Mondelez Intl	0.00%	0.96%	0.00%	0.20%	4.59%	2.52%	0.00%	0.00%	0.00%	0.00%	6.70%	6.49%
Total Overall	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Summary and Conclusion



This campaign is designed to help Hershey's reach its goal of a 10% increase in brand awareness. This plan should meet the set goals and likely exceed them. We allocated right at the budget, which is 27 million dollars, taking advantage of every dollar we are to potentially receive. We feel that through diligent study, research, and allocation, this will be an excellent media plan to guide the Hershey's Company to meet its goals.