Consumer Products Guidelines, Case Studies, and Key Success Factors

GOAL
TFT consumer products improve consumer health by offering healthier alternative foods and beverages when compared to their peer group offerings.

GUIDELINES
Food & Beverage products must meet at least one of the following guidelines:
1. Include ingredients with known medical benefits (i.e. leafy green vegetables, vinegar, fiber)
2. 30% less calories per serving than peer group offerings
3. Contain micronutrients essential to a well-balanced diet
4. Substitute animal ingredients with vegetable ingredients
5. Certified as a healthy product by a government authority or established and respected regional NPO
6. For beverages, sugar-free and zero-calorie offerings
7. For beverages, 100% fruit and/or vegetable juice
8. For beverages, low-calorie sports drinks that stabilize nutrients

IMPLEMENTATION
Companies may develop new products or select existing products that meet one of the above guidelines to be designated as a healthy TFT product. These products may be already well established or new to a market. A donation amount must be determined which will be collected with each product purchase and remitted to TFT on a periodic basis. TFT recommends this amount to be between 1% and 5% of the retail price. Companies can choose to feature the TFT logo and messaging on packaging, in-store displays, or online campaigns. All use of the TFT logo and messaging require approval by TFT.

CASE STUDY 1 - LOTTE
Lotte, a large snack manufacturer, released a sugar-free, fiber-rich packet of cocoa biscuits called “Zero.” This product is sold in convenience stores nationwide in Japan. The price point is the same as other products in its peer group. The TFT logo is prominently displayed on the front
packaging, below which is the sentence “3% of sales are donated to school feeding programs in Africa through TFT.” Elsewhere on the packaging TFT’s web address is listed for further information.

In Lotte’s case the price point was not changed. However, Lotte did not lose margin because the 3% of retail sales would have been designated for marketing and promotional purposes. The TFT tie-in generated free promotion, thus freeing this cost to be made as a donation. In addition, Lotte Zero biscuits experienced a 12% increase in sales relative to its peer group. Lotte attributes this to the cause marketing benefit of a tie-in with TFT.

CASE STUDY 2 - NEWSDAYS

Newsdays, a chain of convenience stores, holds a series of periodic campaigns in which 3% of the sales price of ~70 healthy items are donated to TFT. TFT consults with Newsdays to develop original products and concepts, such as a focus on seasonal foods, or a series of steps to reenergize the body, and a product was designed for each step. TFT supported marketing and PR via POP and events, such as a press conference, a tasting event attended by bloggers, and allowing a famous model to serve as store manager for a day. Newsdays experiences sales growth in the food category during these campaigns.
Before the campaign, food sales were 80% of the comparable month the year prior. By the second week of the campaign sales had risen to 101%, an increase of 21% in two weeks. Due to this success, Newsday continually renews campaigns with TFT.

CASE STUDY 3 - OISIX

OISIX, the largest online grocery services in Asia, sells ~30 healthy items as a tie-in with TFT including water, fruit juice, bagels, soy products, seaweed, etc., with 3% of product sales designated as a donation. A special webpage is devoted to TFT.
TABLE FOR TWO
(www.oisix.com/CategoryX.828.195.htm#LMenuL195), and TFT is highlighted in the monthly newsletter. Due to this high communication rate, over 70% of Oisix customers recognize TFT and Oisix is positively associated with social action. Looking at a specific product, TFT-branded bagels sales are 300% greater than for regular bagels. Since regular bagels had a lower price point, this means that customers are willing to pay a premium for the TFT tie-in.

KEY SUCCESS FACTORS

1. Products purchased frequently without a long decision process, such as snacks, tend to benefit from cause marketing more than products purchased less frequently and involving complex product analysis, such as fancy food
2. Cause marketing tells a story that enhances a product, but if the product itself is not selling well, cause marketing cannot rescue the product
3. Quantifiable, tangible donations have the greatest impact because they are easy to understand, such as 25¢ supports one school meal
4. Donations that are a percentage of the purchase price can be effective if they are 3% or more; below 3% can have a negative impression as the donation may appear insignificant in relation to the purchase price
5. Words that imply and extreme tend to be most effective, such as “zero sugar” or “100% fruit juice”
6. Genders respond differently to phrases, for example Japanese women seem to prefer phrases that add, like “rich in vitamins,” while Japanese men seem to prefer words that subtract, like “low calorie”
7. POP signage is very effective, and the more space devoted to signage, the greater the effect
8. The most effective marketing will feature images of children eating healthy meals provided by the school meal program
9. POP signage should be supplemented by detailed online information
10. Gamification can be utilized to draw consumers from the POP to an online campaign
11. Celebrities or characters used to represent a campaign enable consumers to easily identify with the product’s value and can increase media exposure and publicity