

WONKA CHOCOLATE CASE STUDY. MANAGING A BRAND CREATED THROUGH REVERSE PRODUCT PLACEMENT

Case Study Resolution

Wonka brand and

Wonka Exceptionals line



“Oh, what a man he is, this Mr. Willy Wonka!” cried Grandpa Joe. “Did you know, for example, that he has himself invented more than two hundred new kinds of chocolate bars, each with a different centre, each far sweeter and creamier and more delicious than anything the other chocolate factories can make!”



**Roald Dahl, Charlie and the Chocolate Factory,
2010:22**

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- SWOT Analysis
- Reverse product placement strategy – objectives and efficiency
- Reverse product placement – Ways to introduce the fictional brand, Brand precession and Central idea
- Critical success factors
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- Product development – Line extension



PROBLEM



Inspire the consumer giving them the idea that that **everything is possible**

High degree of **brand engagement**

So many confectionery brands are all about their individual products, but *Wonka* is **unique** in that it **stands for creativity in confections**

Charlie and the Chocolate Factory



Understand the **Wonka fictional brand** and their potential to be a **real life brand**.



Understand the **reverse product placement**.

Look at the huge potential of the **Wonka Exceptional line**, **extending the line?**



QUESTION 1 - Analyze the business attractiveness of the “everyday gourmet and affordable luxury” segment, in the chocolate bars category, by using one strategic tool at your choice.

<p>Threat of new entrants</p> 	<ul style="list-style-type: none"> • Barriers to entry are low. • The products flavors and textures are easy to copy. The consumer experience given by the different brands is more difficult to copy. • The product characteristics provided by companies are identical. • Easy access to the distribution channels. • It's not necessary a huge finance investment. • Customer switching costs is low. • Premium chocolate market is a growing market, with huge sales potential.
<p>Threat of substitutes</p> 	<ul style="list-style-type: none"> • Substitute products: conventional chocolate bars. • Buyers' willingness to substitute is low. • The substitute products have lower price, so, the costs of switching to substitutes is lower too.
<p>Bargaining power of suppliers</p>	<ul style="list-style-type: none"> • There is no necessary information in the case to do this force.

<p>Bargaining power of buyers</p>  <p>Medium</p>	<ul style="list-style-type: none"> • Consumers are those who decide to buy the product. • Demanding consumers. • They have all the important information about the companies and their products. • Differential advantage of industry products: unique gourmet flavor combination. • High number of available products in the market with different brand concepts. • Consumers don't like to have limited choices.
<p>Intensity of Rivalry</p>  <p>High</p>	<ul style="list-style-type: none"> • Five main players in this segment: <i>Dove, Hersey, Ghirardelli, Lindt, Nestlé.</i> • Two indirect competitors: <i>Russell Stover</i> and <i>Endangered Species.</i> • The line between the leader and their competitors is not well defined yet. • Products are similar, the concept is, mainly, the difference between competitors. • Barriers to exit to this market segment are low, because companies can continue with the manufacture of conventional chocolates.

Conclusion: Medium/High attractiveness


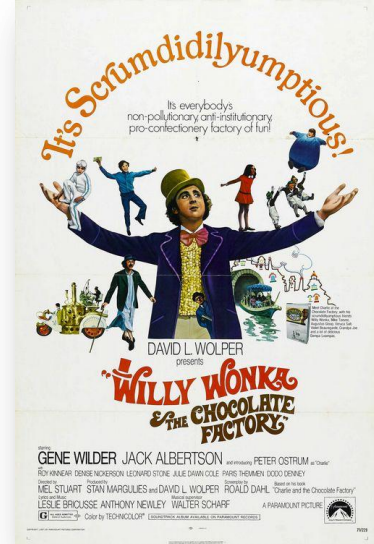
On each force, three or more possible factors are referred. Students can refer other factors.

QUESTION 2 - Develop a SWOT analysis relative to the *Wonka Exceptionals* line.

Opportunities	Threats
<ul style="list-style-type: none"> - Importance of innovation, the introduction of the new trends and the healthier chocolates. - Potential of the premium chocolate market. - New trends in the premium chocolate market. - Increasing importance of the “everyday gourmet and affordable luxury” segment. - Consumers’ preferences more sophisticated. - Interest in unique gourmet flavor combination. 	<ul style="list-style-type: none"> - USA economic recession. - The confectionary companies cut their NPD budgets. - Seasonal market. - Consumers are buying small quantities of premium chocolates. - High competition. - <i>Lindt</i> and <i>Ghirardelli</i> are the market leaders. - Premium chocolate companies offer similar products.
Strengths	Weaknesses
<ul style="list-style-type: none"> - Willy Wonka Twist. - “fantasy, whimsy and familiarity”. - Innovative and creative line. - Loved line by the consumer. - Different color of the package. - Possible introduction of new products in this line. 	<ul style="list-style-type: none"> - Similar products to those of the competition. - Intensive distribution - Consumers expectations can be difficult to reach.

Students can identify other correct factors.

QUESTION 3- Over the years, the *Wonka* fictional brand was introduced in the real market by *Quaker Oats* and *Nestlé USA*. Make a chronological presentation of the main objectives intended by both companies and identify the respective actions for each objective. In your opinion, how successful was the reverse product placement strategy developed by both companies for the *Wonka* brand?

Year	Objectives	Action
1971	Reduce the cost to educate the consumer about the new brand.	First movie adaptation.
<i>Quaker Oats</i>	Take advantage of the buzz created around the movie.	
	Promote the milk chocolate bar sales.	
		Introduction of the <i>Wonka</i> fictional brand in the real world.
		

Year	Objectives	Action
<p>2005</p> <p><i>Nestlé USA</i></p> 	<p>Create buzz.</p> <p>Involve and to be closer to the consumers.</p> <p>Reduce the costs in developing and promote the brand and the products.</p>	<p>Second movie adaptation.</p> 
Year	Objectives	Action
<p>2009</p> <p><i>Nestlé USA</i></p> 	<p>Make the brand in the most inspiring consumption experience in the world.</p> <p>Be closer to the consumer.</p>	<p>Second reposition strategy</p> 

Year	Objectives	Action
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2010

Deliver the incredible *Wonka* experience.

Create buzz.



Nestlé USA



Introduce the new line to a broad audience
and give the consumer the feeling of
excitement to search for a Golden Ticket.



Year	Objectives	Action
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2010

Provide a pleasant and memorable consumer
experience.

Nestlé USA



Sales promotion.



Year	Objectives	Description
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2011

Product innovation.

Nestlé USA

Increase the consumer experience.



Reverse product placement strategy success for *Wonka* brand: Well adapted in the real world

Wonka fictional brand



Good brand perception

Possible to capture the imagination and emotions of the real consumer

Wonka real brand



Faced failures and barriers

Was able to survive with its own strengths

Permanent innovation

The students can describe other correct objectives as long as they present a correct justification for their answer.

QUESTION 4 - Identify which of the three ways to introduce a fictional brand in the real market was followed by *Wonka* brand, what was the order of brand precession and what was the *Wonka* brand central idea.

Ways to introduce fictional brands



Highlight the positive elements.



Creativity and power of imagination

Inspires people

Remind people of what is possible in the real world

Mr. Wonka twist (“magical” skills to create wondrous chocolate)

Wondrous, whimsical and amazing world of chocolate

Order of brand precession

First order of brand precession: relates to brands which initially exist in the fiction but are applied to products that actually exist or can exist in the real, physical world.

Wonka brand central idea

Fun, innovative, high-quality confections for candy lovers of all ages.

According to the order of brand precession, the students can give as an answer the second order of brand precession, as long as they explain, and that explanation is relevant.

QUESTION 5 - Identify the critical success factors necessary to succeed in the US Premium Chocolate Market, to *Wonka* and *Wonka Exceptionals*.



- Creative products and brand concept.
- Beautiful product content
- Amazing and incredible consumer experience.
- Indulgence taste.
- Mr. Wonka twist.

The students should refer at least five CSF. The students can give some other CSF.

QUESTION 6 - Describe the current segmentation, targeting and positioning chosen by *Wonka Exceptionals*, using the golden triangle.

Segmentation criteria

- **Demographic:** gender and age.
- **Geographic:** States.
- **Psychographic:** personality and attitude.



Target criteria

- **Age:** [18-49].
- **Gender:** male and female.
- **States:** 50 federal states of the USA.
- **Personality and attitude:** “young and young at heart”, sophisticated taste buds, “people who see possibilities where others see limitations” – modern and actives, creative, like to experiment new products, trend followers, imaginative, chocolate lovers.

Positioning: “WORLD’S MOST INCOMPARABLY IMAGINATIVE CHOCOLATE”

Identification: original and innovative chocolate

Differentiation: unique chocolate concept based on the Mr. Wonka twist. This line is not another premium chocolate product line.

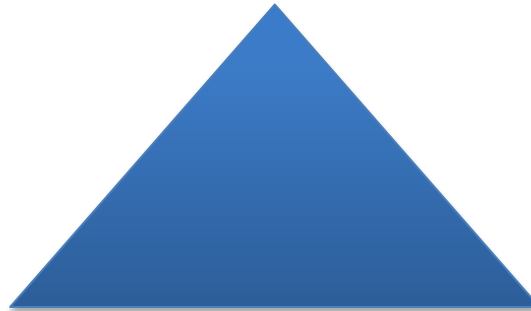
Consumers’ Expectations:

Quality, indulgence, flavor, diversity, innovation, tasty, a good experience, escape for the dark and difficult days

Current competitors’ positioning :

Lindt: selected and roasted cocoa beans, art of creating distinctive and delightful chocolate taste profiles;
dark chocolate;

Ghirardelli: 100% all natural, 100% delicious, natural indulgence, intense dark chocolate, luxe milk and baking products, combination of fruit and milk and dark chocolate;



Wonka Exceptionals trumps:

Amazing and incredible consumer experience, indulgence taste, Mr. Wonka twist, incredible ingredient combination, wondrous chocolate textures never seen before, original chocolate that cannot be compared with any other available on the shelves and unique concept.

Question 7 - What were the most important opportunities for the *Wonka* brand with the *Wonka Exceptionals* introduction in its portfolio?

Main opportunity:



Wonka brand equity was not entirely explored



Broader the consumer target - [18-49]



reached consumers that were not typically premium chocolate consumers and began to demonstrate interest about this, such as the male gender

QUESTION 8 - Imagine that you are Joanna Roberts, from *Nestlé confections & Snacks USA* department, and are asked to develop the project proposed by Mr. Benson: develop the *Wonka Exceptionals* line extension following the principles of reverse product placement. Justify you choices.

To develop this question the student needs to search for additional information to that provided in this case, namely the book and the movies in order to find some possible brand names and to develop products characteristics.

1st Product development: *Wonka Luscious-Scrumptious Fruit Delight bar*

Products' intrinsic characteristics **delicious chocolate bar** with the unique combination of

smooth 70% cocoa dark chocolate, blueberry fruit pieces and a **slight taste of mint**.



Covered by smooth 70% dark chocolate



Fresh blueberry fruit



Delicious liquid filling of mint



In the mouth, when the cocoa starts to melt, the consumer finds the blueberry and the mint liquid which provides a unique bittersweet fruit taste: a sweet, rich and intense taste combination.

Packaging “the conception”

- Primary package
- Wondrous and whimsical, equal to the others products of the line
- Hermetically sealed
- laminated aluminum chocolate package
- Shape: oblong package

Range policy

This is a new item of the *Wonka Exceptionals* line - increasing the depth of the line.

Design “the decoration”



2nd Product development: *Wonka Dippy White Delightfully bar*

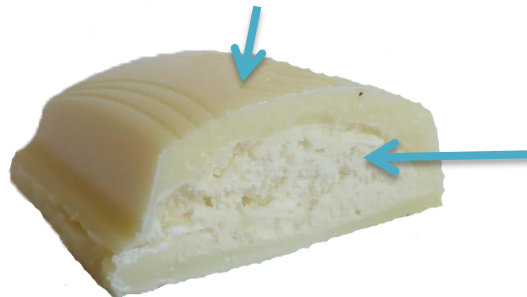
Products' intrinsic characteristics

Delightful chocolate bar with the unique combination of smooth **white chocolate** (cocoa butter and cream - no powdered milk) with a **slight lemon flavor** (white chocolate bar tinted of yellow).



Covered by smooth white chocolate (cocoa butter and cream - no powdered milk)

Natural color and flavor, made with natural and pure ingredients.



Rich vanilla and lemon yogurt cream flavor (this yogurt cream has lemon grains)

It provides a total indulgence experience with the combination of sweet and sour taste. The creamy white outer layer hides a rich vanilla and lemon yogurt cream flavor (this yogurt cream has lemon grains) providing delectable lemon taste across the tongue.

Packaging “the conception”

- Primary package;
- Wondrous and whimsical, equal to the others products of the line;
- Hermetically sealed - guarantees that the product is kept in perfect condition and to protect it from flavor contamination;
- Laminated aluminum chocolate package;
- Shape: oblong package.

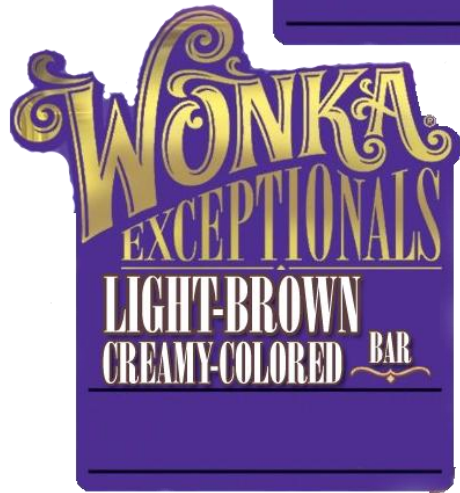
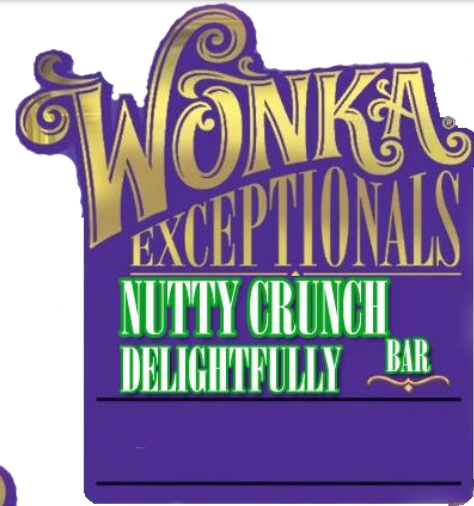
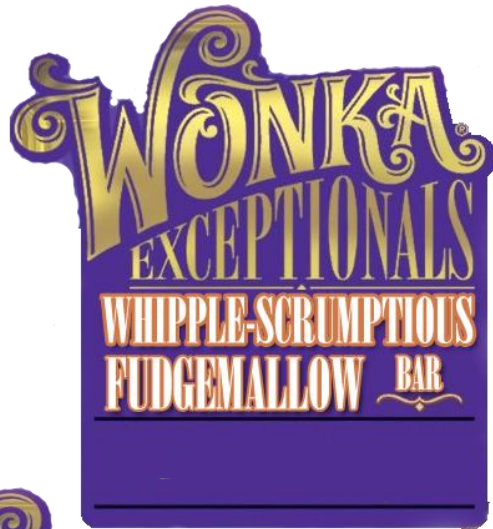
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Design “the decoration”



Other possible names



In this answer seven possible names have been proposed and intrinsic characteristics for the new product. Students can use one of these or other that they consider relevant, provided that they follow the concept of brand.

“Charlie picked it up and tore off the wrapper . . . and suddenly . . . from underneath the wrapper . . . there came a brilliant flash of gold. Charlie's heart stood still. 'It's a Golden Ticket!' screamed the shopkeeper, leaping about a foot in the air. 'You've got a Golden Ticket! You've found the last Golden Ticket! Hey, would you believe it! Come and look at this, everybody! The kid's found Wonka's last Golden Ticket! There it is! It's right here in his hands!’”



**Roald Dahl, Charlie and the Chocolate
Factory, 2010:18**