

Lindt Sprüngli

2016 Media Plan



Chocolatiers

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EXECUTIVE PLAN

Executive Summary:

Background

Lindt-Sprungli started in Switzerland in 1847. Through the years, the company expanded to Austria, Italy, and the United States, buying out other chocolate companies along the way. Today, they have factories in Switzerland, Austria, Italy, Germany, the United States, and France. They recently bought Russell-Stover, their biggest purchase to date, in 2014, and have continued to produce quality chocolates. The brand is challenged by big name brands such as Mars and Hershey, and overall chocolate sales are expected to increase by 2-3% annually.

Objectives

Lindt-Sprungli hopes to raise their brand awareness from 12% to 22% by next year, and then again to 35% by the year after, and to achieve national distribution in 90% of food and convenience stores. Additionally, they would like to achieve a reach of 70 - 95.

Target Audience

The primary target audience of the campaign will be women ages 22-54. These women are primarily Caucasian, married, have graduated college, and like to try new things. However, Lindt won't miss an opportunity to target men as well. They will be the secondary audience, of any marital status and are ages 25-64. Both have an income level above \$50,000 and work full time. Our target audiences are adventurous, family-oriented, and ambitious (Refer to Table 1).

Table 1

Demographic	Primary Target	Secondary Target
Gender	Female	Male
Age	25-54	25-54
Race	Primarily Caucasian	
Education	College Graduates+	
Income	>\$50,000	
Marital Status	Married	Any
Employment	Full-time	
Lifestyle	Adventurous, view American products highly, and ambitious. Shops for value, eg. Walmart, TJ Maxx, Kohl's, etc.	

Media Budget

Lindt plans to use 90% of its 30M budget on National media, and 10% focused on spot. Our spot markets will be focused on select cities where Lindt Cafes already exist.

Campaign Details

A year round campaign will be utilized, from January to December, and a pulsing pattern will be used in order to keep Lindt on the consumer's mind year round. The heavy-up months will be those before holidays.

Media Mix

Of the \$30 million budget, 46% will go to TV, 21% to Radio, 10% to Magazines, 17% to digital, and 6% to Newspapers (spot only).

Sales Promotions

Create a dialogue between Lindt, its customers, and any potential customers by utilizing Lindt's social media platforms as the tool to facilitate this dialogue. The incentive for consumers the possibility to be shared via Lindt's direct social media platforms as well as those that are selected will be given a package of Lindt products to celebrate their occasion.

The Problem:

David Sprungli and his son Rudolph Sprüngli built a small factory in Zurich, Switzerland in 1847. Years later in 1892, Rudolph split the business in two giving one son the two stores, and the eldest son Johann Rudolph Sprüngli the factory. Rudolph was able to grow his company by purchasing Lindt

Chocolate factory in Berne, Switzerland after he converted his company to Chocolate Sprüngli. They found success in producing quality chocolates and the company created their new name: United Bern and Zurich Lindt & Sprüngli Chocolate Factory Ltd. The company had continued success through the decades, and grew again when they purchased chocolatiers *Hofbauer Österreich* located in Austria in 1994, Cafferel located Italy in 1997, and Ghirardelli which is in America in 1998. Lindt & Sprüngli is a global company with a total of 6 factories located in Switzerland, Italy, France, America, Austria, and Germany. Lindt & Sprüngli have continued to grow to have record profits just as they did in 2011 where they realized \$4.7 million in profits in which its market share in chocolate rose to 29%. This track record of success allowed them to make their largest competitor buyout of Russell Stover in 2014 for \$1.5 billion dollars.

Lindt & Sprüngli Chocolate has survived and prospered for over 170 years. While it is obvious that Lindt knows how to survive in business, they still must adapt to current situations that directly affect their business. The economic recession that hit the United States and the world created challenges that hurt Lindt & Sprüngli Chocolate, which resulted in the closing of more than 50% of their Lindt chocolate cafés. The primary reason was that many businesses and consumers had to make cutbacks in their spending habits, but America's desire for chocolates perseveres over the economy as statistics show that US chocolate sales are beginning to rise per year at a rate of 2-3% (Source: Statistica.com).

Perhaps an even bigger challenge than competing against a slow U.S. economy is having to contend with well-known national brands like Nestle, Mars, Hershey's, and countless other specialty companies that produce premium chocolates. All these competitors are threats to gaining a larger market share, however, not all chocolates are made with the care and quality ingredients that Lindt uses to make its chocolates, which is their best selling point to consumers. Lindt has national goals for its U.S. market of achieving national distribution in 90% of food and convenience stores, raise brand awareness from 25% to 35% by next year, and utilize its cafés which increase recall of Lindt's brand name plus increase sales in the areas in which they are located (Source: Lindt Chocolate Case File). These goals may appear lofty for a lesser known chocolatier that specializes in producing premium niche chocolates. This David vs. Goliath dynamic is a marketing problem that must be addressed in a way that larger mass market chocolate companies cannot easily do, which is to give specialized focus to why consumers buy Lindt chocolates and what media affect their purchasing decisions (Source: Lindt Chocolate Case File).

SITUATION ANALYSIS

Analysis of Marketing Objectives: The four C's of Lindt Marketing:

Consumer Wants and Needs

Lindt consumers want a top quality chocolate to reward themselves with or give as a gift to their significant others. They sometimes see chocolate as an emotional escape, and want to feel as though

the chocolate taste is enough to make them feel better. Although consumers all have similar characteristics, that does not mean their chocolate taste is the same. This is why Lindt has created a variety of chocolate options for consumers to choose from.

Cost

Because the cost of an item is more than just its price, Lindt can sometimes be more expensive than expected. There are not an abundance of Lindt Cafes, and the distribution is not as wide as it could be. This creates extra cost for consumers because they may have to travel farther to obtain their desired treat. Cost also comes into play when consumers are considering what either their child or significant other will think when they are or are not presented with Lindt chocolate. For example, the consumer could feel guilty for buying a competitor's product, or they could feel guilty for not purchasing a chocolate treat at all. Additionally, because Lindt chocolate is a gourmet product, its monetary value is greater than that of some competitors.

Communication

Lindt will create relationships with their customers through the advertising process. Most of the advertising will be on-line, where the target market spends a lot of time. This format will enable consumers to start a dialogue through social media, and visit the company website.

Convenience

Online advertising also comes into play here, because consumers can purchase chocolate from the website. Additionally, with the goal to increase distribution to 90% of stores nationwide, it will be much easier for the consumer to head to their local super market and purchase our product.

Target Research:

MRI+ Data:

Our demographic would be men and women, ages 25-64, with a median age of 47. They are employed, full time with a household income between \$50,000-\$100,000+. The median household income would be around \$77,083. These men and women are married, without kids, and are predominantly Caucasian. Lindt chocolate has a high percentage of buyers from the Mid-Atlantic and the Southeast.

In terms of attitudes, the men and women we are targeting see buying American products as important, know the price of the things they buy, and think it is important for sales people to know about the products they are selling. Our target makes an effort to eat dinner with their family as much as possible (thus making them family-oriented). These men and women are also ambitious and adventurous.

Although the men and women buying Lindt chocolate are paying a premium for its quality they tend to shop at bargain stores. These stores include” Walmart, Target, TJ Maxx, Michaels, Macys, Kohl's, JC Penney, and the Dollar Store.

Research:

Research shows that women ages 22-55 are the primary purchasers of Lindt chocolate. 80% of women between those ages purchase their products. Chocolate is seen as an emotional escape from the stresses of daily life, so women tend to be the primary group. Research also shows that those who are willing to pay a higher price for quality chocolate also have a higher education level and economic status. Those purchasing Lindt chocolate are also adventurous people who like to try new things. Trying new things ties into Lindt's more exotic chocolate flavors including" chili, mint and orange. Lindt chocolate brand is very active on social media, so it is important to target those who are active on social media (millennials for example). It is also important to use traditional media vehicles as well to reach the older generations that are less likely to be actively engaged on social media. The fastest growing demographic on Social Media is 55-64. The fastest growing age bracket on Facebook is 45-54.

The Indices for general chocolate consumers are taken from the Indexes recorded for total chocolate bar users in the Media Flight Plan's MRI Data. All of these characteristics apply to the Lindt brand and therefore give insight into what media future Lindt consumers will usually view. Magazines lead the way with TV (both total and Prime), Radio, and Outdoor tied for the second most used media. Most of the indexes are flat, hovering around 100 though, which means they're all used by chocolate bar consumers as much as the average consumer. It is difficult to make any broad generalizations about media usage without any indices over 120 (Refer to Table 2).

Table 2

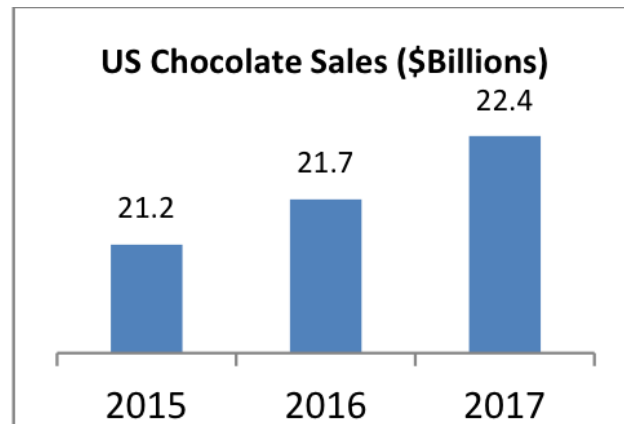
Chocolate Bar Consumer Media Usage				
Quintile	I (Heavy)	II	IV	V (Light)
Total TV	102	101	100	95
Primetime TV	102	102	99	97
Magazines	104	103	99	95
Newspapers	99	104	98	99
Radio	102	103	100	94
Internet	101	102	100	96
Outdoor	102	101	101	98

Market Information:

20% of the world's chocolate is sold in North America, and in 2013 the US saw growth in the chocolate market for the first time in about 5 years. According to Euromonitor, there is to be a steady 7% increase

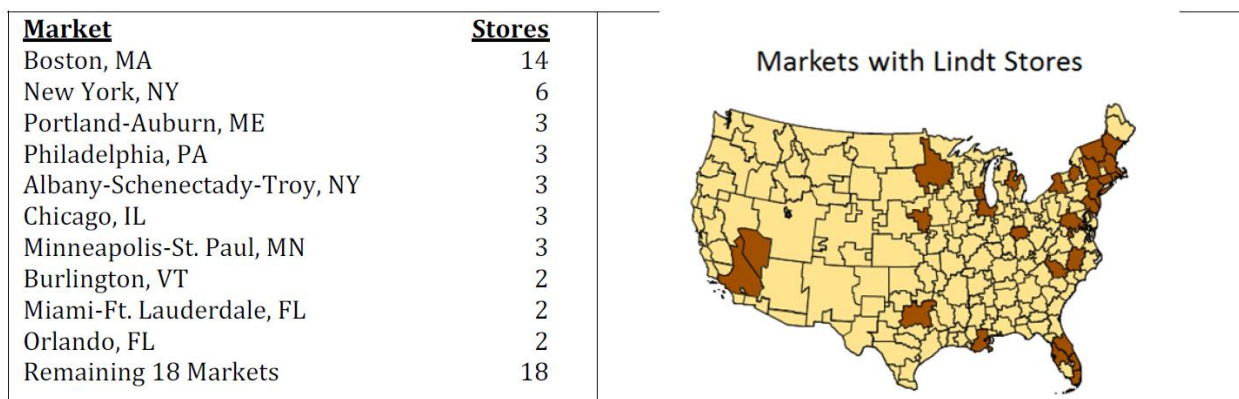
between 2013 and 2018 globally, and a 2-3% increase in the USA until 2017 (Refer to Graph 1). The \$18 billion premium chocolate market is headed by both Mars and Hershey in the USA. Lindt, because of its recent acquisition of Russell Stover (which cost the company \$1.5 billion), has moved to 3rd, and Nestle has fallen to 4th. Combined, both Mars and Hershey control 65% of US sales, with Lindt somewhat far behind at 5.2%, and Nestle at 4.8% of US sales.

Graph 1



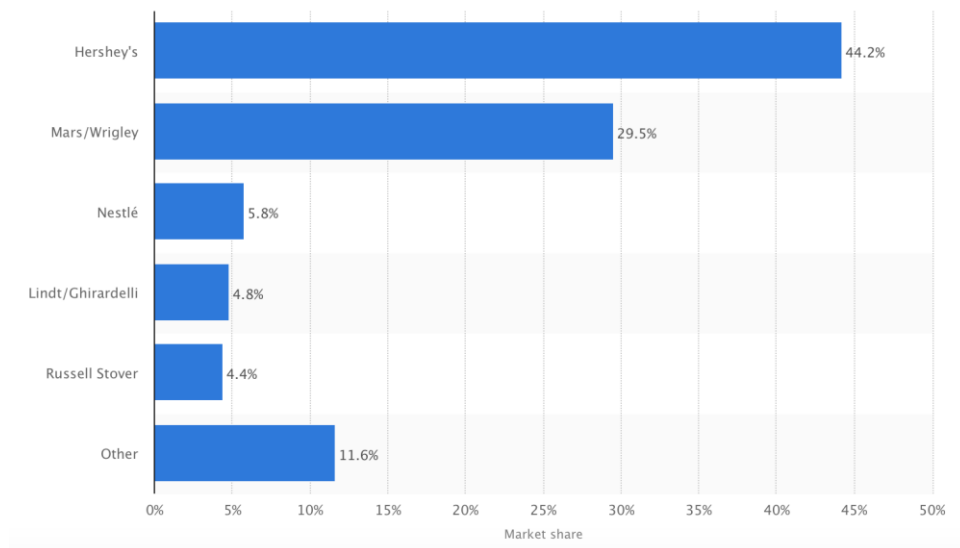
In 2011, Lindt's market share rose to 29%, and their net profit was \$4.7million. They primarily sell in the Northeast of the US, with over 50 stores nationwide, and many stores in the Tri-state area as well as New England (Refer to Chart 1). It is expected that they will have more sales outlets as well as seasonal chocolates now that they have bought Russell Stover. Russell Stover had been the 3rd largest chocolate company in the USA, selling at over 70,000 locations nationwide. Lindt sees the US market as that with the most potential, and plans to act accordingly. As of 2014, Lindt had 5.4% of the overall US chocolate market, with Hershey and Mars dominating.

Chart 1



Lindt's biggest competitors are Hershey, Mars, and Nestle. But they are also competing against brands like Cadbury, Ghirardelli, and other boutique chocolates (Refer to Graph 2). Hershey has the rights to distributing Cadbury chocolate in the USA, and they created a different recipe. Additionally, Hershey has blocked the import of many British Cadbury items because of brand confusion, BBC reports. This will impact the Cadbury market in the US negatively, because of the claim that the British version was of much higher quality.

Graph 2



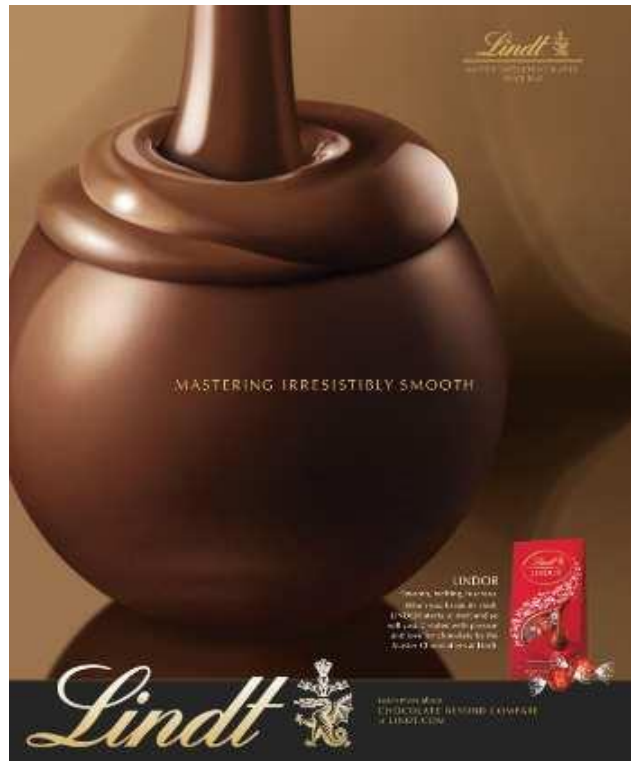
Creative & Media Background:

Past Creatives:

Print Advertisement: Lindt's print Ads emphasize luxury and quality with rich colors and understated copy. Many Ads utilize limited color palette and heavily feature one of their unwrapped products as the dominant graphic. This Ad is found at

- Advantageous Advertising (2013), “Lindt Chocolate”, (Refer to Image 1).

Image 1



Web Banner: A yearly tradition for Lindt is their Golden Chocolate Bunny's which get a heavy advertisement boost around easter. The web banner below tries to emphasize the nostalgia and wondement consumers may feel toward the iconic treat. The Ad is currently being displayed on: Lindt.com (2015), “Lindt Golden Bunny”, <http://www.lindtusa.com/lindtgoldebunny>



Coupon: Lindt has an email mailing list which sends out direct email coupons which sometimes have video links embedded. The one below can be found at : Money Saving Mom (2013), “Free Lindt Chocolates”, (Refer to Image 2).

Image 2



Out of Home Advertising: In 2013, Lindt had a float featured in the annual Macy's Thanksgiving Day parade with Broadway star Idina Menzel performing on it. The float was covered not only on tv coverage of the event but also on many blogs and fansites due to Idina's popularity from the movie Frozen. Idina Here (2013), "The Enchanting World of Lindt", (Refer to Image 3).

Image 3



Past Media Mix:

Budget spending by medium indicated an emphasis on visual imagery (Kantar Media):

- Last year, Lindt failed to spend any money for the following media : Newspapers, National Spot Radio, Outdoor, Sunday & Hispanic Magazines, Network Radio, and Spanish Language TV (Refer to Table 3).
- The category spends almost a third of the average budget on magazine advertising and then split the rest pretty evenly between Cable TV and Network TV with other media getting much smaller proportions (Refer to Table 4).

Table 3

Compa ny	Netwo rk TV	Spanis h Lang Net TV	Cable TV	Syndicat ion	Netw ork Radio	Int Displa y	Int Sear ch	Onlin e Video	Magazi nes	
Lindt	12563 500		134774 07	210337 2		10739 53	2297 1	15795	163092 31	
Hershe y's USA	37765 00	22930 300	133453 506	834565 19	35965	10490		46552 9		
Dove	47170 00		987683 3	31700		11099 43		962	848556 5	
M&M	12340 300	98235 00	532805 30	884400	40143 4	12738 927		92704 8	392714 82	
Nestle	47200		928933 3		44105	96472 3		15422 1	50100	
Godiva						49925 1			388505 5	
Ferrer o	10122 800		327359 8	62600						
Total	43567 300	32753 800	222651 207	865385 91	48150 4	16397 287	2297 1	15635 55	680014 33	
Compa ny	Sunda y Mags	Hispan ic Mags	B-to-B	Spot TV	News paper s	Local Mags	Local Radi o	Natl Spot Radio	Outdoo r	\$ Total
Lindt			115903	583304	17500					47,980, 274
Hershe y's USA			96600	178219 2	10479 52				6000	247061 553
Dove	38450 0			2447			1628 20			247717 70

M&M	21918 50	27813 6	166808 5	524745			5247 45	10028 0	4500	134959 962
Nestle				194334					87741	108317 57
Godiva			5351							438965 7
Ferrero				752735					50000	142617 33
Total	25763 50	27813 6	188593 9	383975 7	10654 52		6875 65	10028 0	148241	842567 06

Table 4

Competitive Spending By Medium in 2013			\$	%
Magazines	\$	16,783,631.00		35%
Cable TV	\$	13,477,407.00		28%
Network TV	\$	12,563,500.00		26%
Internet Display	\$	1,073,953.00		2%
Spot TV	\$	1,804,171.00		4%
Search	\$	22,971.00		5%
B to B	\$	115,903.00		24%
Local Radio	\$	1,071.00		0%
Local Magazines	\$	17,500.00		4%
Syndicated TV	\$	2,103,372.00		4%
Online Video	\$	15,795.00		3%

Past Share of Voice:

Lindt's Share of Voice compared to direct competitors by medium (Refer to Table 5):

Table 5

Title: A Comparison of Lindt's Direct Competitor Share of Voice

Compa ny	Netwo rk TV	Spanis h Lang Net TV	Cable TV	Syndicat ion	Netw ork Radio	Int Displa y	Int Sear ch	Onlin e Video	Magazi nes	
Lindt	28.8		6.1	2.4		6.6	100	1	24	

Hershey's USA	8.7	70	59.9	96.4	7.5	0.1		29.8		
Dove	10.8		4.4	0.1		6.8		0.1	12.5	
M&M	28.3	30	23.9	1.02	83.4	77.7		59.3	57.8	
Nestle	0.1		4.17		9.2	5.9		9.9	0.1	
Godiva						3.1			5.7	
Ferrero	23.2		1.5	0.1						
Total \$	43567300	32753800	222651207	86538591	481504	16397287	22971	1563555	68001433	
Company	Sunday Mags	Hispanic Mags	B-to-B	Spot TV	News papers	Local Mags	Local Radio	Natl Spot Radio	Outdoor	SOV Total
Lindt			6.2	15.2	1.6					10
Hershey's USA			5.1	46.4	98.4				4.1	51
Dove	14.9			0.1			23.7			5.1
M&M	85.1	100	88.5	13.7			76.3	100	3.1	27.9
Nestle				5.1					59.2	2.2
Godiva			0.3							0.9
Ferrero				19.6					33.7	29.5
Total \$	2576350	278136	1885939	3839757	1065452		687565	100280	148241	484256706

Lindt's Overall Share of Voice for Category (Refer to Table 6):

Competitive Spending by Major Brands	2015	
	\$	SOV %
Lindt	\$47,979,272	6
Hershey's	\$281001,553	35
Dove	\$24,771,769	3
M&M	\$276,597,458	35
Nestle	\$10,831,755	1
Godiva	\$4,389,657	1
Ferrero	\$ 14,261,886	2

Table 5 and Tabel 6 were calculated using the figures found in Media Flight Plan's Kantar Competitive file. As a premium high end chocolate company Lindt has a very respectable Share of Voice at 6% when compared to its European competitor Godiva (only at 1%) and Ferrero USA Inc (2%). However, it has

extremely low SOV when compared to giant brands like Hershey's or M&M, which despite being perceived as lower quality still act as direct competition in sales. Like many Candy Companies Lindt has a lower share of voice during February than the winter holiday season due to the belief that during Valentine's day season heavy advertising spending isn't needed due to the fact chocolate practically sells itself during this month. However, this could be an opportunity for Lindt to gain brand awareness.

SWOT Analysis:

In analyzing Lindt's current position in the marketplace, there are several different factual elements guiding the successes and challenges for the brand. Categorizing these facts based on internal or externality and whether or not they are beneficial or harmful allows for a more robust understanding of the current position to assist in creating the smartest plan for moving the brand one step further. Some factual elements of the Lindt brand and relevant market behavior include:

[Strengths]

- **Long history has produced valuable brand equity:** The company was established in 1845 and has thrived in the production of luxury chocolate over several years time. Additional equity has been generated over time from other brands owned by the firm like Ghiradelli & Russell Stover.
- **Lindt is the third largest chocolate candy manufacturer in the U.S.:** It's rise in the industry translates as an increase in brand awareness, although a percentage of that brand awareness is confined to acquired brands listed above and not the larger Lindt brand itself.
- **Reaches a global market:** Lindt is a brand that has a large and diverse global market. It's success worldwide enhances the brand's established identity.
- **Established brand identity:** Positioned as a luxury candy, Lindt speaks to specific consumers and knows itself as an indulgence rather than a convenience snack. By creating an identity, Lindt simplifies the consumer decision making process and saves time, energy, and money by targeting specific groups in their advertising.
- **Recent acquisition of Russell Stover (Aug./Sept. 2014):** With this acquisition, Lindt increased its holdings and gained the loyal consumers of the Russell Stover brand.
- **Revenue & awareness increased through chocolate cafes located in the cities of:**
 - Sydney, Australia (4)
 - Melbourne, Australia (3)
 - Wrentham, Massachusetts, USA (1)
- **Vast selection of products:** By expanding on product depth, Lindt has been able to engage consumers at various seasons and for several new occasions. The vast selection of chocolate products helps to satisfy varying taste preferences among consumers, too.
 - Lindor truffles
 - Lindt chocolate bunnies
 - block chocolates
 - others
- **Online store expedites purchase process:** The option of an online store caters to consumers who would like to purchase but cannot easily access the products in a traditional brick and mortar retail platform. Aside from this, the online store encourages large orders and purchasing for gift as it can be delivered with little to no effort.

- **"Lindt Lovers Rewards Club":** The loyalty program adopted by Lindt engages consumers and encourages brand loyalty by offering rewards for returning customers. It strengthens the relationship between the firm and the customer by enhancing the two-way exchange.
- **Commitment to sustainability:** Lindt appeals to consumer concerns for "go green" market and lifestyle trends. In the age of increasing awareness and concerns for environmental effects of mass production, Lindt holds itself accountable and educates consumers on how they carry out these efforts.

[Weaknesses]

- **Low brand awareness:** Although Lindt prides itself on the company's rich history, many consumers are unaware of the details of its long term development. As a result, brand personality is not clearly defined in the minds of many consumers.
- **Higher prices:** Positioned as a luxury candy, Lindt asks consumers to pay a premium for the chocolate product they provide.
- **Low Share of Voice (SOV):** With a Share of Voice at just 6%, there is a high chance that consumers are not getting enough exposure to advertisements for the brand. Instead, they likely have higher recall for brands with higher Shares of Voice that are spending more money on advertising efforts within certain media.

[Opportunities]

- **Total chocolate sales expected to rise 2-3% per year over the next few years:** According to CandyIndustry.com, premium chocolate sales continue to grow at a faster rate than everyday chocolate in U.S. markets. Consumers, then, are willing to pay more for chocolate based on higher perceived value than for other candy formats.
- **Chocolate purchasers are impulse buyers:** Understanding buying behavior of category consumers is essential for expanding into new markets or enhancing a presence within an existing market. MRI data shows that category consumers of chocolate tend to buy on impulse, meaning that these are low involvement purchases that require higher frequency goals for top of mind brand awareness.

[Threats]

- **Lots of competition within the market:** Top competitors (especially within the U.S.) include Hershey, Nestle, and Mars. Competition specifically for other European luxury chocolates include Godiva & Ferrero Roche.
- **Rise of an awareness and desire for healthier lifestyles among consumers:** This trend translates as people eating fewer sweets. With educational programming made available on the importance of healthy lifestyles and how to achieve this goal, more and more consumers are limiting their chocolate consumption.
- **Chocolate consumers also satisfy their sweet tooth cravings with soft drinks:** Serving as an indirect competitor to all chocolate brands, soft drinks are similar, low involvement purchases that solve the same problem for consumers.

THE SOLUTION

Creative Strategy:

We will create a campaign that features Lindt chocolate as a premium chocolate with a variety of flavors and textures. The ads will have a sophisticated tone, and we will focus on getting an emotional connection to Lindt chocolate.

Media Objectives:

Target audience objectives are to encourage men and women to purchase more regularly for either themselves or loved ones, create awareness about Lindt's sustainability program, and increase brand awareness for women.

Target Profiles:

Profile 1: Sofia Mendez is a 29 year-old-female living in Ft. Lauderdale, FL. She owns a florist shop, making around \$93,000 a year. She has her own Pinterest page for her business and also likes to post daily flower specials on Instagram. Sofia is engaged and will be married in the fall.

Profile 2: Tim Jones is a 45 year-old-male living in St. Paul, MN. He works as an accountant, and his household income is \$80,000 a year. On his commute to work, Tim likes to listen to Talk Radio, as well as the local Top Hits station. He is unmarried, but is seeing someone. He values a higher standard of living and enjoys reading health and fitness magazines. Tim loves the outdoors and enjoys activities such as biking and jogging. He loves to try new things and is always up for a challenge. Tim prefers to eat healthy, but doesn't mind indulging every once in a while.

To determine effective frequency, the Ostrow Model was used (Refer to Table 7).

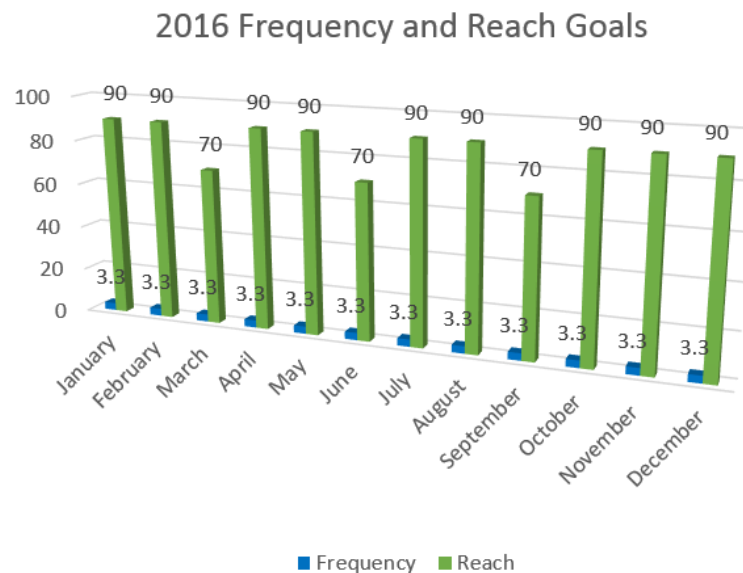
Table 7

Market Factors	Frequency Adjustment
Established Brand	-.2
High Brand Share	-.2
High Brand Loyalty	+.1
Short Purchase Cycle	+.2
Less Frequent Usage	-.1
Low Share of Voice	-.2
Target Other Group	-.1
Message Factors	
Low Message Complexity	-.2
Low Message Uniqueness	+.2
Continuing Campaign	-.2
Image-Focused Message	+.2
Low Message Variety	-.2
Low Wearout	+.2
Small Advertising Units	+.2
Media Factors	
Low Clutter	-.2

Neutral Editorial Setting	+2
Low Audience Attentiveness	+2
Pulse of Flight Scheduling	+2
Few Media Vehicles	+1
Low Repeat Exposure Media	+1

Using the Ostrow Model, we can up with a frequency of 3.3. Our goals for reach ranged from 70-90 depending on the month with March, June, September being targeted as our lowest months (Refer to Graph 3). GRP goals ranged from 225-460 also depending on the month.

Graph 3



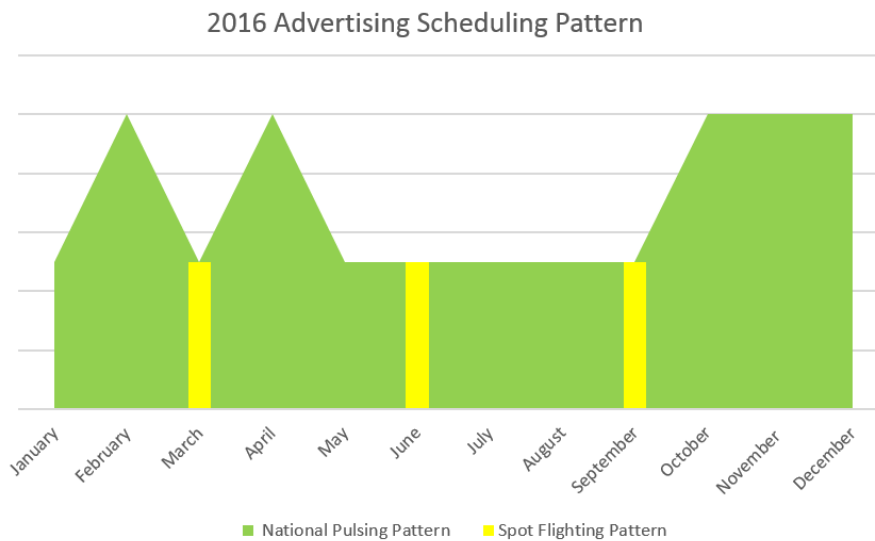
Timing and Scheduling Goals:

The overall 2015 campaign will from January through December. National and Spot advertising will work utilizing separate patterns that will ultimately work together to achieve marketing and advertising goals.

National Advertising: This will utilize a pulsing advertising pattern in order to raise awareness and sustain brand awareness with heavy ups during peak holidays seasons/ months which consists of the months February, April, October, November, and December (Refer to Graph 4). The non-peak holiday seasons/ months will advertise at the lower minimum frequency of 3.3 to sustain brand awareness through the year. The overall pulsing pattern will be used for broadcast, radio, digital, and magazines.

Spot Advertising: This will utilize a flighting advertising pattern which will be scheduled to maintain the high brand awareness being achieved via the national advertising schedule. January, March, May, June, July, August, and September will be the months that spot advertising will be scheduled (Refer top graph 4). The remaining months will not receive advertising to inhibit redundancy and limit excessive frequency. The mediums used will be the same for national advertising, except for the addition of spot newspapers that will help promote Lindt café's.

Graph 4



Geography Objectives:

The campaign will consist of both national and spot market to capitalize on the benefits that will help Lindt's goal of increasing their overall brand awareness from 25% to 35% (Lindt Case 2015, pg. 5).

- **National:** The campaign will utilize national advertising and both its cost efficiency and vast array of media vehicles so that Lindt can realize their brand awareness goals on a national level. This is a necessity to inform consumers of the availability of Lindt products that has already been distributed 70% nationally, so that Lindt's push strategy can switch to a pull strategy so that consumers demand will pull their products into market (Lindt Case 2015, pg. 5).
- **Spot Advertising:** The campaign will also utilize spot market advertising in the top 5 locations, according to EV%, where Lindt café's currently exist in order to maximize the opportunity that there is a stronger Lindt brand desire in metro markets that also have a Lindt café. The focus will be on the top 5 spot market where a Lindt café exists which will be determined by their EV%.

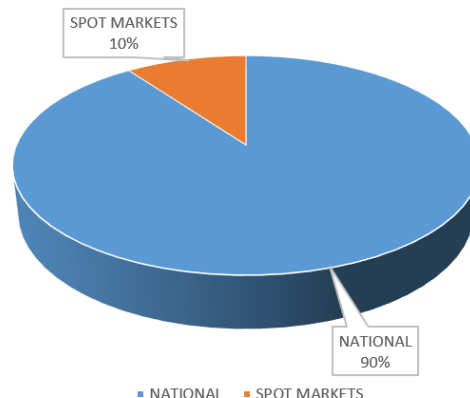
Media Budget Objectives:

Utilize the Lindt's advertising budget of \$30M to achieve their marketing objectives of brand awareness and chocolate bar sales in the most effective and efficient possible way. The budget will be used primarily on national advertising. A smaller percentage will be spent on spot markets that are metro areas where there is a Lindt café. Budget expenditures will be utilized to maintain a frequency goal of 3.3, and a GRP of 231 throughout the campaign. Due to fluctuation of different advertising patterns, the frequency goals and GRP goals are the minimum for non-peak months for the chocolate buying months. Peak buying months will exceed these minimum goals.

- **National Scale:** Implementation of Media Objectives on a National Scale will be allocated 90% of the budget of \$27M (Refer to Chart 2). Spending will be allocated according to the cost efficiency of each medium in order to maintain a frequency and GRP goals.
- **Spot Markets:** The remaining 10% (Refer to Chart 2), or \$3M, will be dedicated to the top 5 Lindt café metro markets which research has shown will, create an increased average brand recall by 20% which should carryover to increasing sales by an average 5% (Lindt Case 2015, pg.5) . Markets will receive a percentage of total budget based on their EV% rankings.

Chart 2

NATIONAL AND SPOT MARKET EXPENDITURES (\$30M)

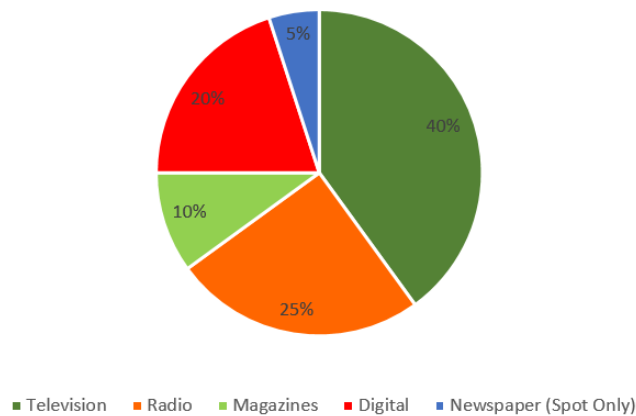


Media Mix Objectives:

The selected demographics of adults from 25 years old - 54 years old requires an array of media vehicles that are most effective across the individual age brackets, yet are also able to sustain a consistent message that Lindt's chocolate's help people create that special occasion throughout the year. The budget is to be allocated in order to reach across the spectrum of the selected demographics effectively (Refer to Chart 3).

Chart 3

MEDIA BUDGET ALLOCATION (\$30M)



- **Television:** National television will be utilized to create widespread brand awareness across the U.S. It delivers a low cost per impression despite the fact that it is the most expensive medium. Spot TV expenditures will be used focused on non-peak national months to maintain consistent high awareness in these areas throughout the year with little to no overlap with the national television campaign.
- **Radio:** National radio and spot radio have unique capabilities because they are in a position to remind potential customers of the Lindt brand when they are on their way to make purchase, or increase the desire to make unscheduled purchases when they are in better position to make these purchases.
- **Magazines:** Magazines have been shown in research to be read by premium chocolate and Lindt chocolate buyers alike (Kantar PIB data, 2015).
- **Digital:** Digital media will not only mirror the overall campaign, it will also serve as the point where dialogue between Lindt and its customer's will take place to support Lindt's sales promotion.
- **Newspaper:** Newspaper advertising buys in the 5 chosen spot markets will help validate the brand positioning as a premium chocolate brand due to the trustworthiness of this medium. The ability to target certain areas inside the top 5 spot market, and advertise directly for Lindt's café's.

Sales Promotion Objectives:

To increase sales to the point that consumers will pull Lindt products into the market so that distribution will rise from below 70% to 90% levels national distribution. Increase sales in the top 5 Lindt café market areas by 5% (Lindt Case 2015, pg.5). Generate 1 million visits to LindtUSA.com and increase dialogue on the social media platforms that Lindt uses.

STRATEGIES AND TACTICS

Sales Promotion Strategy:

Overall campaign will promote Lindt as a premium chocolate brand that can help celebrate any occasion throughout the year. Television will provide a unique and simple call to action to invite consumers to share their celebration moment via Facebook and Instagram as part of a contest with weekly winners. Radio will supplement the television campaign with slightly more detailed explanation to share their moment of celebration. Lindt will select the best share of the week then share their celebratory occasion via Lindt's social media platforms. The weekly winners will receive a package of Lindt products that can be enjoyed by the winner, or sent to someone they know that they want to share a celebratory occasion with.

Media Budget & Cost of Media Plan:

The media budget and cost of the media plan for the national advertising portion is shown in Table 8. The media budget and cost of the media plan for the spot advertising portion can also be seen in Table 9). Lastly, the overall budget expenditure for national and spot advertising is \$28,717,800, and the remaining \$1,282,200 is left as an overall contingency to cover additional expenses that may arise from national or spot advertising, and the sales promotion (Refer to Table 10).

Table 8

National Media	\$ Amount (000)	National % of spent	Cumulative % of national budget
Net TV-Daytime	4062.2	15.3	14.2
Net TV-Early News	1151.7	4.3	4
Net TV-Prime	3105.4	11.7	10.8
Net Cable-Daytime	429.9	1.6	1.5
Net Cable-Prime	1932.7	7.3	6.7
Natl Syndication	2188.8	8.2	7.6
Net Radio-Morning Drive	1734.0	6.5	6
Net Radio-Daytime	1418.3	5.3	4.9
Net Radio-Evening Drive	1488.3	5.6	5.2
Net Radio-Nighttime	1307.1	4.9	4.6
Magazines-Mens	368.9	1.4	1.3
Magazines-Womens	1905.0	7.1	6.6
Magazines-General Interest	488.4	1.8	1.7

Digital National	4975.9	18.7	17.3
National Total	26556.4	100	98.4

Table 9

National Media	\$ Amount (000)	Spot % of spent	Cumulative % of spot budget
Spot TV-Daytime	64.3	2.9	0.2
Spot TV-Prime	131.2	6.1	4.4
Spot Cable	52.8	2.4	1.8
Spot Radio-Morning Drive	21.3	1.0	0.7
Spot Radio-Daytime	28.5	1.3	1.0
Spot Radio-Evening Drive	24.2	1.1	0.8
Spot Radio-Nighttime	7.7	0.4	0.3
Newspapers (40% HH Cvg)	1815.0	84.0	60.5
Digital Spot	16.2	0.8	0.5
Spot Total	2161.2	100.0	72

Table 10

	National Media Buys	Spot Media Buys	National + Spot Total
TV	\$ 12,870,700	\$ 248,300	\$ 13,119,000
Radio	\$ 5,947,700	\$ 81,700	\$ 6,029,400
Magazines	\$ 2,762,300	\$ -	\$ 2,762,300
Digital	\$ 4,975,900	\$ 16,200	\$ 4,992,100
Newspaper	\$ -	\$ 1,815,000	\$ 1,815,000
Sub Total	\$ 26,556,600	\$ 2,161,200	
Grand Total			\$ 28,717,800

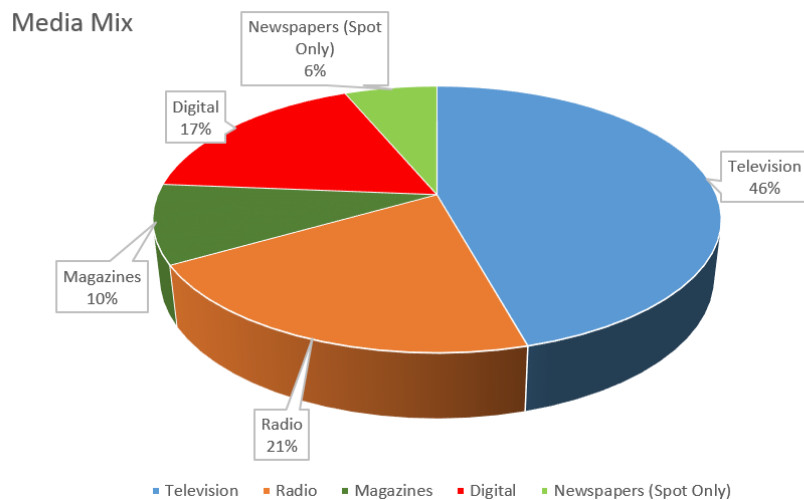
Overall Budget Contingency			\$ 1,282,200
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Media Mix:

Our chosen media decisions are explained in our objective, but during the actual media buys we needed to adjust our budget to match the real world simulation (Refer to Chart 4) . In order to achieve our highest reach of 90, we had to increase our budgets for TV and newspaper slightly, while magazine buys performed as expected. Radio's budget was lowered due to the fact that it was not achieving our intended frequency, though we came very close. Digital was very cheap, so we focused most of our buys on targeted websites to appeal to our target demo and online video as it was the least used in past years for Lindt. While at first we hesitated to buy any Newspapers due to the expense, the amount of reach it

afforded or media plan was well worth it and we specifically purchase newspaper only during the flying months (March, June, September) to keep costs down and maximize exposure.

Chart 4



Vehicle Mix:

The following vehicles are shown to be the most used by our target demographic and the most appropriate for our advertising campaigns tone, so our budget for each media will be divided between their respective vehicles.

TV: Once upon a time, Suburgatory, Grimm, American Test Kitchen , Parks and Rec, Parenthood, ABC Barbara Walters Specials , Friends , Hart of Dixie, All Night Jimmy Fallon , The Chew , Ellen,

Magazines: Real Simple, Glamour, Vogue, Harper's Bazaar, Good House Keeping, Family Care

Radio: Soft Adult Contemporary , Public, Classical , Hot AC, Adult Contemporary,

Digital: MovieFone.com, Flickr, Fandango, iVillage.com, Hulu.com, Tumblr, Twitter, Facebook

Scheduling & Timing Year at a Glance:

Table 11**Year at a Glance**

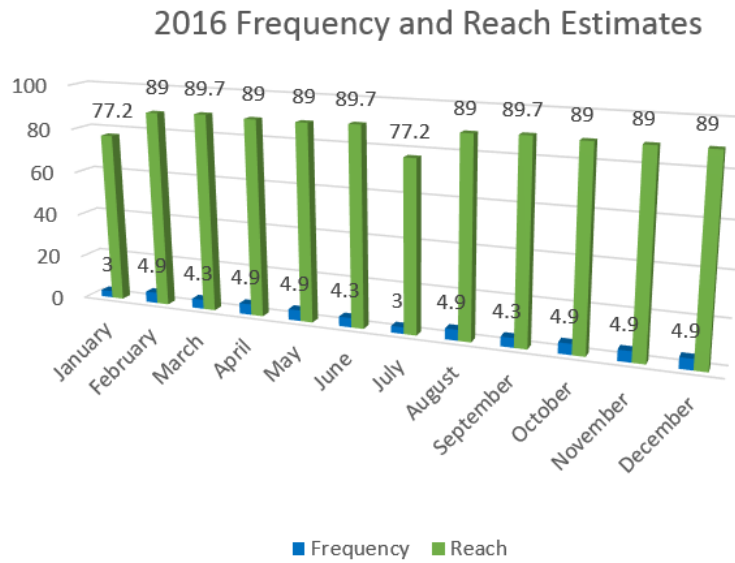
	Reach		Avg Freq		GRPS			\$(000)		
	Goal	Est	Goal	Est	Goal	Est	Balance	Goal	Est	Balance
January	70.0	77.2	3.3	3.0	231	231	0	1451.9	1376.9	75.0
February	90.0	89.0	5.0	4.9	450	439	11	2828.4	2810.3	18.1
March	90.0	89.7	4.3	4.3	387	387	0	2432.4	2097.3	335.1
April	90.0	89.0	5.0	4.9	450	439	11	2828.4	2810.3	18.1
May	90.0	89.0	5.0	4.9	450	439	11	2828.4	2810.3	18.1
June	90.0	89.7	4.3	4.3	387	387	0	2432.4	2097.3	335.1
July	70.0	77.2	3.3	3.0	231	231	0	1451.9	1376.9	75.0
August	90.0	89.0	5.0	4.9	450	439	11	2828.4	2810.3	18.1
September	90.0	89.7	4.3	4.3	387	387	0	2432.4	2097.3	335.1
October	90.0	89.0	5.0	4.9	450	439	11	2828.4	2810.3	18.1
November	90.0	89.0	5.0	4.9	450	439	11	2828.4	2810.3	18.1
December	90.0	89.0	5.0	4.9	450	439	11	2828.4	2810.3	18.1
Total					4773	4694	79	30000.0	28717.7	1282.3

Scheduling & Timing Flowchart:**Table 12**

**Lindt Chocolate Media Plan
Flowchart**

Target Demo: All Adults ages 25-54														
Medium	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total Across	
Net TV-Daytime	10	25	10	25	25	10	10	25	10	25	25	25	GRPS:	225
\$(000)	180.5	451.4	180.5	451.4	451.4	180.5	180.5	451.4	180.5	451.4	451.4	451.4	COST:	4062.2
Net TV-Early News	5	15	5	15	15	5	5	15	5	15	15	15	GRPS:	130
\$(000)	44.3	132.9	44.3	132.9	132.9	44.3	44.3	132.9	44.3	132.9	132.9	132.9	COST:	1151.7
Net TV-Prime	5	25	5	25	25	5	5	25	5	25	25	25	GRPS:	200
\$(000)	77.6	388.2	77.6	388.2	388.2	77.6	77.6	388.2	77.6	388.2	388.2	388.2	COST:	3105.4
Net Cable-Daytime	13	23	13	23	23	13	13	23	13	23	23	23	GRPS:	226
\$(000)	24.7	43.7	24.7	43.7	43.7	24.7	24.7	43.7	24.7	43.7	43.7	43.7	COST:	429.9
Net Cable-Prime	16	20	16	20	20	16	16	20	16	20	20	20	GRPS:	220
\$(000)	140.6	175.7	140.6	175.7	175.7	140.6	140.6	175.7	140.6	175.7	175.7	175.7	COST:	1932.7
Natl Syndication	13	25	13	25	25	13	13	25	13	25	25	25	GRPS:	240
\$(000)	118.6	228.0	118.6	228.0	228.0	118.6	118.6	228.0	118.6	228.0	228.0	228.0	COST:	2188.8
Net Radio-Morning Drive	40	70	40	70	70	40	40	70	40	70	70	70	GRPS:	690
\$(000)	100.5	175.9	100.5	175.9	175.9	100.5	100.5	175.9	100.5	175.9	175.9	175.9	COST:	1734.0
Net Radio-Daytime	26	55	26	55	55	26	26	55	26	55	55	55	GRPS:	515
\$(000)	71.6	151.5	71.6	151.5	151.5	71.6	71.6	151.5	71.6	151.5	151.5	151.5	COST:	1418.3
Net Radio-Evening Drive	30	65	30	65	65	30	30	65	30	65	65	65	GRPS:	605
\$(000)	73.8	159.9	73.8	159.9	159.9	73.8	73.8	159.9	73.8	159.9	159.9	159.9	COST:	1488.3
Net Radio-Nighttime	37	47	37	47	47	37	37	47	37	47	47	47	GRPS:	514
\$(000)	94.1	119.5	94.1	119.5	119.5	94.1	94.1	119.5	94.1	119.5	119.5	119.5	COST:	1307.1
Magazines-Mens	2	2	2	2	2	2	2	2	2	2	2	2	GRPS:	24
\$(000)	30.7	30.7	30.7	30.7	30.7	30.7	30.7	30.7	30.7	30.7	30.7	30.7	COST:	368.9
Magazines-Womens	8	18	8	18	18	8	8	18	8	18	18	18	GRPS:	166
\$(000)	91.8	206.6	91.8	206.6	206.6	91.8	91.8	206.6	91.8	206.6	206.6	206.6	COST:	1905.0
Magazines-General Interest	1	7	1	7	7	1	1	7	1	7	7	7	GRPS:	54
\$(000)	9.0	63.3	9.0	63.3	63.3	9.0	9.0	63.3	9.0	63.3	63.3	63.3	COST:	488.4
Digital National														
- Ad Networks - Run Of Network														
- Ad Networks - Demo Targeted														
- Video Networks														
- Publisher Video Sites														
- Social														
- Mobile	25	42	25	42	42	25	25	42	25	42	42	42	GRPS:	415
\$(000)	319.0	483.0	319.0	483.0	483.0	319.0	319.0	483.0	319.0	483.0	483.0	483.0	COST:	4975.9
Spot TV-Daytime			12			12			12				GRPS:	36
\$(000)			21.4			21.4			21.4				COST:	64.3
Spot TV-Prime			12			12			12				GRPS:	36
\$(000)			43.7			43.7			43.7				COST:	131.2
Spot Cable			15			15			15				GRPS:	45
\$(000)			17.6			17.6			17.6				COST:	52.8
Spot Radio-Morning Drive			10			10			10				GRPS:	30
\$(000)			7.1			7.1			7.1				COST:	21.3
Spot Radio-Daytime			12			12			12				GRPS:	36
\$(000)			9.5			9.5			9.5				COST:	28.5
Spot Radio-Evening Drive			11			11			11				GRPS:	33
\$(000)			8.1			8.1			8.1				COST:	24.2
Spot Radio-Nighttime			9			9			9				GRPS:	27
\$(000)			2.6			2.6			2.6				COST:	7.7
Newspapers (40% HH Cvg)			90			90			90				GRPS:	270
\$(000)			605.0			605.0			605.0				COST:	1815.0
Digital Spot														
- Ad Networks - Run Of Network														
- Ad Networks - Demo Targeted														
- Video Networks														
- Publisher Video Sites														
- Social														
- Mobile			73			73			73				GRPS:	219
\$(000)			5.4			5.4			5.4				COST:	16.2
National Only Area														
GRPS	231	438	231	438	438	231	231	438	231	438	438	438	GRPS:	4224
\$(000)	1376.9	2810.3	1376.9	2810.3	2810.3	1376.9	1376.9	2810.3	1376.9	2810.3	2810.3	2810.3	Cost:	26556.4
Reach	77.2	89	77.2	89	89	77.2	77.2	89	77.2	89	89	89		
Avg. Freq.	3.0	4.9	3.0	4.9	4.9	3.0	3.0	4.9	3.0	4.9	4.9	4.9		
Spot Only Area														
GRPS			156			156			156				GRPS:	468
\$(000)			720.4			720.4			720.4				Cost:	2161.2
Reach			66.1			66.1			66.1					
Avg. Freq.			2.4			2.4			2.4					
Spot + National														
GRPS	231	438	387	438	438	387	231	438	387	438	438	438	GRPS:	4693
\$(000)	1376.9	2810.3	2097.3	2810.3	2810.3	2097.3	1376.9	2810.3	2097.3	2810.3	2810.3	2810.3	Cost:	28717.7
Reach	77.2	89	89.7	89	89	89.7	77.2	89	89.7	89	89	89		
Avg. Freq.	3.0	4.9	4.3	4.9	4.9	4.3	3.0	4.9	4.3	4.9	4.9	4.9		

Graph 5



Geography & Market Selection:

- Calculate EV%

Graph 6

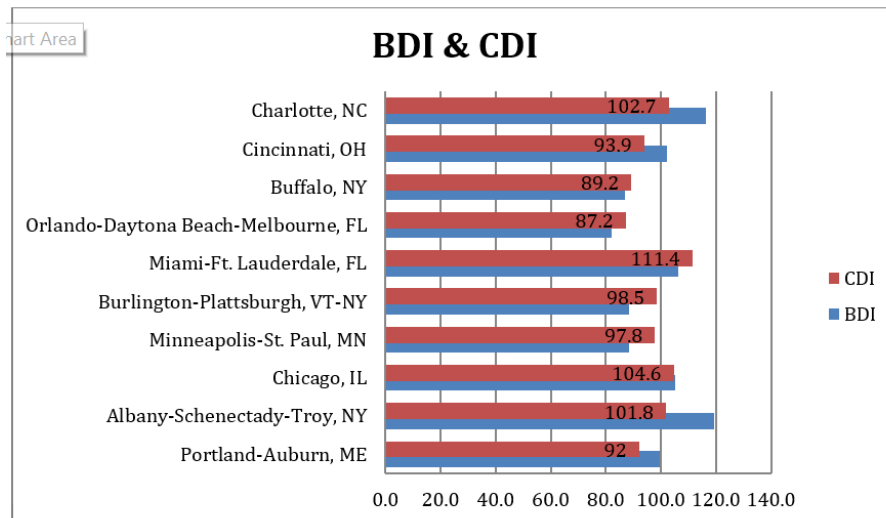


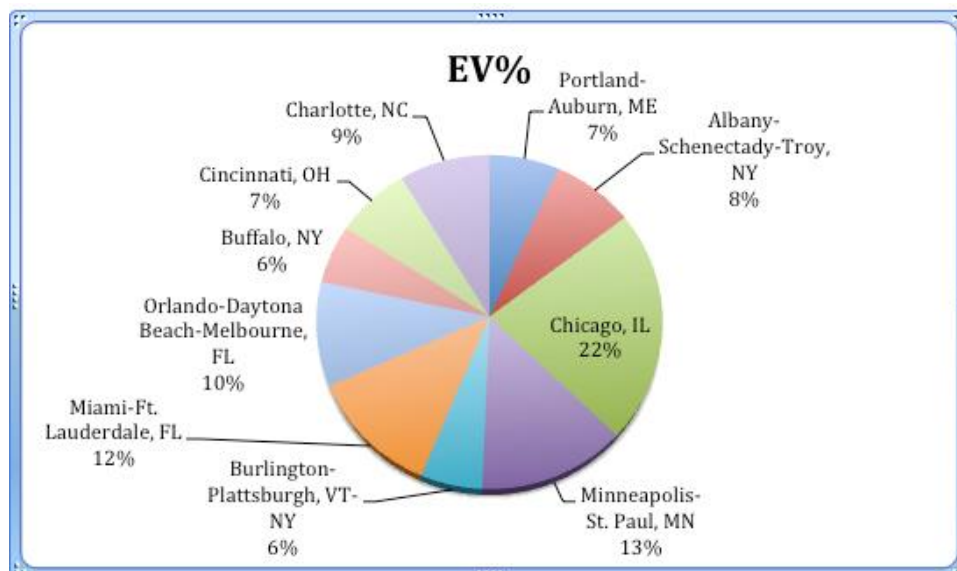
Table 13

Geographic Market Selection														
Market	# Stores	% Store Count	# HHs	% of Population	MedHHI \$(000)	%MedHHI	Brand Sales	% Brand Sales	Cat. Sales	% Cat. Sales	Tot. Across	EV%	BDI	CDI
Portland-Auburn, ME	3	14.29%	419.4	3.27%	52.6	9.79%	\$3,236.40	3.25%	\$73,058.30	3.01%	33.61%	6.72%	99.4	92
Albany-Schenectady-Troy, NY	3	14.29%	574.6	4.48%	59.4	11.05%	\$5,329.80	5.35%	\$110,629.90	4.56%	39.73%	7.95%	119.4	101.8
Chicago, IL	3	14.29%	3605.3	28.14%	60.9	11.33%	\$29,507.30	29.61%	\$713,974.50	29.44%	112.81%	22.56%	105.2	104.6
Minneapolis-St. Paul, MN	3	14.29%	1837	14.34%	63.5	11.81%	\$12,600.60	12.65%	\$340,210.80	14.03%	67.12%	13.42%	88.2	97.8
Burlington-Plattsburgh, VT-NY	2	9.52%	348.1	2.72%	57.3	10.66%	\$2,387.70	2.40%	\$65,106.10	2.68%	27.98%	5.60%	88.2	98.5
Miami-Ft. Lauderdale, FL	2	9.52%	1689.9	13.19%	46.1	8.57%	\$13,962.60	14.01%	\$356,349.70	14.70%	59.99%	12.00%	106.2	111.4
Orlando-Daytona Beach-Melbourne, FL	2	9.52%	1554.6	12.13%	44.8	8.33%	\$9,936.40	9.97%	\$256,553.90	10.58%	50.53%	10.10%	82.2	87.2
Buffalo, NY	1	4.76%	662.1	5.17%	50.3	9.36%	\$4,489.90	4.50%	\$111,693.80	4.61%	28.40%	5.68%	87.0	89.2
Cincinnati, OH	1	4.76%	919.4	7.18%	53.9	10.03%	\$7,309.80	7.34%	\$163,528.60	6.74%	36.05%	7.21%	102.2	93.9
Charlotte, NC	1	4.76%	1202.9	9.39%	48.7	9.06%	\$10,876.40	10.92%	\$233,804.50	9.64%	43.77%	8.75%	116.3	102.7
Totals	21	100.00%	12813.3	100.01%	54.76	99.99%	\$99,636.90	100.00%	\$2,424,910.10	99.99%	500.00%	99.99%		

Market factors important in considering geographic markets are the number of company stores already in existence, the number of households in the area and their median income, and overall brand and category sales. These factors allow for analysis of Lindt's current spot markets, as well as where future markets can begin to exist. This information informs Lindt of where they are already marketing, and how well their product is doing in each location. They can then make judgements about additional marketing.

As seen in Chart 5, BDI, CDI and EV% were all calculated for each market. For this media plan, we have chosen to focus more on EV% rather than BDI and CDI, so the markets we plan to make the most of are (in ranked order): Chicago, IL, Minneapolis-St. Paul, MN, Miami-Ft. Lauderdale, FL, Orlando-Daytona Beach-Melbourne, FL, Charlotte, NC, Albany-Schnectady-Troy, NY, Cincinnati, OH, Portland-Auburn, ME, Buffalo, NY, and finally Burlington-Plattsburgh, VT-NY. Although both BDI and CDI provide useful information, we wanted to look at the market as a whole, and not just focus on sales. Incorporation of households and their median income allows Lindt to gain a better understanding of their targets, as well as how and where they are more likely to shop.

Chart 5



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