JIF Peanut Butter

A Morocco Marketing Plan Prepared by:

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Introduction

After examining both the cultural and economic factors that comprise Morocco, this report was created to outline the necessary marketing steps for Jif to introduce peanut butter into Morocco’s marketplace. Introduced in 1958, Jif has been the leader in the United States peanut butter industry since 1981\(^1\). Jif currently has over 12 different flavors, two of which (Chocolate and Mocha Cappuccino) were just released in 2012. Of these 12 flavors, the two new additions as well as Natural and “Simply Jif” are relevant to Morocco’s marketplace. As one of the many brands owned by J.M. Smucker Company, Jif’s peanut butter falls under two of J.M’s market segments: “US retails consumer foods” and the “international, foodservice, and natural foods”. The latter of the two segments contains the international element Jif should focus on when looking at the possibility of entering Morocco. Products in this segment are distributed through “retail channels, foodservice distributors and operators (e.g., restaurants, lodging, schools and universities), and health and natural foods stores and distributors”\(^2\). With more than 18 facilities in the US and two in Canada, J.M. Smucker Company is currently exporting to more than 65 countries. In comparison to the 2011 fiscal year, 2012 expansion efforts proved to be successful for the “international, foodservice, and natural foods” market segment with net sales increasing by 20% and net profits by 6%.

In this marketing plan, the strategy for executing market entry of Jif into Morocco is thoroughly detailed. Although the economic and cultural factors appear attractive in Morocco, Jif feels that expanding to other countries in the region would be a better use of resources.

\(^2\) Smuckers 2012 Annual Report
Market Audit

Product:

Peanut butter serves as a flavorful spread with substance to top almost anything, from fruits and vegetables to breads and desserts. As a spread, peanut butter offers more nutritional value than its most popular alternatives, including Nutella, butter, and jelly. While butter is packed with sodium and brings nothing to the table nutritionally, and jelly is made with loads of sugar, peanut butter has healthy fats and provides a great source of protein. Additionally, Jif has many varieties of peanut butter that can be tested with the target market to select the best fit for Moroccans. Several of these varieties include Simply Jif, which has low sodium and less sugar than the alternative, and Reduced Fat Jif. There are also both Creamy and Crunchy Omega-3 varieties of Jif peanut butter, which could attract the attention of health conscious Moroccans.

Peanut butter is a compatible flavor and can easily be combined with jelly or the chocolate spread that several of the interviewees mentioned. Although Nutella might be seen as a direct competitor, peanut butter can be paired wonderfully with the hazelnut spread to top breads and to serve as a filling for crepes and pastries. Introducing peanut butter as a complement to Nutella could help break in the unfamiliar product. Additionally, peanut butter and jelly sandwiches have proven to be a staple in the diets of children in many countries, particularly the United States, and continue to be a favorite snack as they grow older. Not only does Jif see potential pairing peanut butter with Nutella or jelly to make a delicious sandwich, dip, or filling, but Jif also sees peanut butter as a stand-alone product to satisfy the target market’s need for protein on the go.
Jif could work to pair up with Nutella, a brand already present in Morocco, in order to provide free samples of peanut butter with the purchase of a jar of Nutella. Additionally, because J.M. Smucker Company produces jelly, a joint peanut butter and jelly product could be introduced in Morocco. One way that this could be done is to provide a free trial of peanut butter attached to the purchased jar of jelly. However, a more innovative idea for the parent company would be to make a split-jar with one flavor of jelly on one side and one variety of peanut butter in the other. This jar, with two products separated under one lid, could help the idea of “peanut butter and jelly sandwiches” take off, particularly in the case of school lunches. These approaches to distribution of Jif and free trial offers would expose potential consumers to Jif at little to no risk. Jif would follow up with customers in order to see how they enjoyed peanut butter as a complement to the other products.

Jif peanut butter is a fairly simplistic product and its continual release of new products is a testament to the production facilities and stability of the company. Because nuts are widely available throughout the country and the idea of spreads is well known, the introduction of peanut butter does not seem to pose a matter of confusion.

Based on the first hand evidence gathered in interviews conducted in Morocco, Jif concludes that peanut butter has the potential for a high level of acceptance in the country. According to Abdul, the manager at Riyad Edward in Marrakech, peanut butter would be a good alternative to spreads used on bread served at breakfast and throughout the day. By presenting peanut butter as a complement to bread, a staple in Morocco, the people might be more likely to accept an unfamiliar product. Additionally, many families and young adults might look to Jif as an on-the-go alternative as lifestyles change and allow for less time for food preparation.
Each of the interviews conducted led Jif to believe that peanut butter would be something Moroccans would at least test out. After promotional tactics are in place and Jif has the opportunity to observe customer reactions, it would reevaluate the decision to move forward to establish supply chains in Morocco.

**Market:**

The North African market Jif is looking to enter is bordering the Western portion of the Mediterranean Sea. The cities of Casablanca and Tangier should be Jif’s first attempts, as the infrastructures in both are the strongest of the nation. Over 38% of imported and exported goods are distributed through Casablanca and Jif believes it would be easiest to maneuver our product through this city. The nation of Morocco has a very low Gross National Income per capita, therefore Jif would need to cater the product to the consumers of a relatively lower class economy.

**Competitive Analysis:**

Jif's main competition in Morocco's emerging market is Nutella, a hazelnut spread. Owned by Ferrero, Nutella's hazelnut spread features a product that has no artificial preservatives or colors. Although it is not considered natural like some of the more recent peanut butters, it portrays itself to be healthy and natural. The packaging of peanut butter and Nutella is similar, as both are packaged in the same size plastic jar and most often displayed in the same section of grocery stores. Within the early stages of the sampling program, Jif will also distribute its two newly added products, hazelnut and mocha cappuccino, in order to see if market share can be gained from Nutella. Nutella is primarily sold in a small or large jar, whereas Jif’s product
offering has more breadth and depth. For example, Jif will introduce its individual servings of peanut butter to Morocco, which will continue to be known as “Jif to Go”.

Based off of primary research from in store observations and interviews with locals, Jif has concluded that its competitors’ products are similarly priced. Jif will price their products competitively, for example; early promotion efforts will allow consumers to receive 25-50% off, giving Jif a competitive advantage over Nutella and other spreads.

The promotion and advertising methods are used to create brand awareness and obtain a share in the market. Primary research revealed large Nutella containers that seemed to be empty behind counters as a displayed to show customers that the product was sold there. Beyond these displays, it did not appear that Nutella had much promotion or advertising in Morocco. Jif would advertise on Internet banners without focusing on social media due to the lack of development in the country. When Jif enters the market in Morocco, it plans to promote its brand through sampling. By taking a Jif branded car around cities, the brand will create awareness and brand loyalty with peanut butter.

Nutella distributes mainly throughout the Carrefour hypermarkets in Morocco. Most of these locations are located in the surrounding metropolitan area. Another chain of markets in Morocco is the hypermarket of Marjane that sells Nutella. Jif can be introduced into these markets as well as smaller, family owned markets. The markets would be in favor of selling the new product because of the long shelf life and the competitive pricing alongside Nutella.

Because western culture and products increasingly influence Morocco, Jif does not feel that the country of origin will be a deterring factor in considering moving into the country.
Preliminary Marketing Plan

Target Market:

Both the primary data consisting of personal interviews with diverse Moroccan citizens and the reputable secondary data, has provided evidence for Jif to attain a large target audience divided into two market segments consisting of individuals and families ranging from ages 18 and up with any income. Because Moroccans usually do not become independent until age 18, Jif will target those who are responsible for the finances, thus obtaining the purchasing power within the household. These consumers range from young adults both male and female 18-30 who are working or in university, and females that are 30+ who abide by Morocco’s patriarchal system, making the grocery decisions for their families.

The secondary research provides further evidence by concluding that Morocco’s population of nearly 33 million is classified as a “low-income” country with a GNI per capita of $2,970 and a median age of 27.3\(^3\). With a median age of 27.3 and 68% of their population older then 15 years old, Jif can expect a target audience of at least 16 million and even more for those individuals who have children\(^4\). Furthermore, this target audience of 16+ million will contain a slightly heavier focus on the expanding urban market. With over 58.9% of Morocco’s territory urbanized, the U.S. Department of Commerce expects urbanization to continually increase. However, with over 28.9% of the Moroccan population living in poverty and the average citizen containing an income of $2,970, peanut butter can serve as a cheap, filling substance for both middle and upper class citizens on the go in the 58% urbanized territory, and lower class citizens who are less fortunate.

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\(^3\) Doing Business Overview
\(^4\) CIA Country Profile
**Positioning:**

Jif’s target niche that they are setting themselves up for will be on the shelves of local supermarkets including Carrefour. Close proximity to pairable items such as bread products would be the best placement, right near the rest of the chocolate and nut spreads. Another way we can get into the market is by serving it at school lunches, as the majority of the population goes to primary school and younger people are often more open to trying new foods. To entice our customers to purchase Jif’s peanut butter small, trial-size products will be placed near cashiers for impulse buyers.

**Brand Name:**

To effectively gain traction from our early adapters while appealing to our target audience, our brand name will remain in English as Jif, but peanut butter will be changed to “peanut spread“ in Morocco’s national language, Arabic. According to Morocco’s Consumer Lifestyle Report, there is an apparent demand for healthier foods, especially in our heavily targeted urban areas. Moroccans who have had the ability to travel or live abroad, thus being able to recognize Jif on an international basis, have driven this demand for healthier products and would be Jif’s potential early adopters. Additionally, from our interview results, Moroccans who have been exposed to peanut butter in the United States and in other countries have enjoyed Jif and believe it would be a successful product if brought to Morocco.

**Product Design:**

Because Jif already contains international exposure and will be more recognizable for Moroccan citizens who have had the pleasure of traveling or living abroad, it is recommended for Jif to use their original colors and logo that can be found globally. However, on the sides of
the main logo, Jif should implement a depiction of either a small image of a peanut farm or raw
peanuts to highlight its natural and healthy offering. After receiving impressions from their initial
sampling efforts, Jif can decide whether to introduce the new mocha flavors, the natural peanut
butter, or the simply Jif peanut butter. Independent of these results, Jif should market their
smaller to go packages for consumers who are unfamiliar with their product (see promotion). By
sticking with their original product label, Jif will be able to create a more integrated marketing
campaign to attract consumers in Morocco and on a global level.

**Pricing:**

Through primary research of interviewing Moroccan citizens who fit the target market
specifications, a MSRP that Jif would ask distributors to abide by was established. Of the 5
people we were able to show a picture of our standard packaging while interviewing them, 4 of
the 5 said they would consider paying between 30-45 dirham ($3.50-$5.50), while only one
interviewee said they would pay between 25-35 dirhams ($3-$4) for our product. One interview
resulted in a suggested retail price of 40-50 dirhams based on the price of a large jar of chocolate
spread, which the Moroccan saw as a similar product to peanut butter. As a result, the standard
package of peanut butter will be sold for 25 dirhams ($3.75) while the larger package will be
sold for 40 dirhams ($5). Finally, the Jif to-go packets, which will be sold in packs of 3, will be
priced at a 10 dirhams ($1.25). Each of these prices provides an easy shopping experience for
consumers when purchasing Jif individually by eliminating the need to deal with unwanted
change.
**Distribution:**

To start the process of integrating Jif peanut spread into Morocco’s market, Jif should start with small servings of peanut butter, similar to the individual serving size packages found in the United States. Because J.M. Smucker Company has distribution channels with over 65 countries, they will use previous distribution strategies to open another channel directly to Morocco. Jif will be able to easily direct transport jars of the product from the United States as peanut butter has an extremely long shelf life. The two big cities of Casablanca and Tangier have the strongest shipping and communication infrastructures of Morocco and will be the main importing positions of the country. 70% of Morocco’s roads are complete and after having been dropped off of the ship, the jars will be transported by large truck to other supermarkets.

**Promotion:**

To effectively gain traction amongst the early adopters and early majority market share, JIF needs to put a strong focus on their initial promotion efforts. These efforts will consist of sampling, smaller trial size packages, coupons, campus ambassadors and both physical and online advertisements.

For the first two months of the peanut butter’s introduction into the Moroccan market, we recommend that a smaller trial package be introduced for those unfamiliar with the product. This small package will be fairly inexpensive (15 dirham), and thus is a low involvement decision for the consumer, making them more likely to purchase our trial product. Besides appealing to the consumer because of the low risk associated with purchasing the trial product, it will also contain a value proposition through a coupon offering for 50% off either one of our larger containers.
Similar coupons for 25% off will also be distributed within the first month that our sampling team is deployed.

Because peanut butter is relatively inexpensive to produce and easy to sample, we will have a strong concentration on our 2 week sampling plan. The first element of our sampling plan will consist of free samples and coupons for 25% off being distributed outside our major distributors such as Carrefour. Sampling at our distribution centers will allow us to make an impression on those who make the purchasing decisions for the household. To reach the family members and individuals who do not make the shopping decisions but highly influence them, we will have two Jif branded automobiles handing out samples all across Morocco’s major cities. Additionally, Jif will pair up with various restaurants and schools providing their ready to-go serving packages of peanut butter. These packages will be offered in school cafeteria lunches or with bread baskets before a meal at a restaurant is served. This method allows Jif to reach those consumers who do not make the shopping decisions, but highly influence them.

Finally, Jif will utilize both traditional and modern advertising techniques. As far as traditional advertising goes, both Marrakech and Casablanca along with other major cities already are accustomed to billboards displaying international brands. With over 58% of Morocco’s population residing in an urban environment, Jif will place billboards in each of Morocco’s major cities as well as print advertisements in their national paper (World Bank Country Profile 2011). Lastly, although only 51% of Morocco’s population uses the internet, digital banner advertisements are an inexpensive means to advertise to consumers who are more accepting towards innovation and change (World Bank Country Profile 2011).
Executive Summary

Jif has the potential to enter Morocco and be competitive with existing spreads based on the cultural and economic factors. With a variety of products, it would be possible for Jif to adapt to what Moroccans prefer as far as taste and health factors including fat and sodium content. Additionally, peanut butter brings an element of protein to the table that is not found in jam or Nutella. Peanut butter can be spread on many items and paired with other spreads to satisfy consumers.

Although evidence collected from firsthand interviews in Morocco revealed that Moroccans would likely be willing to try peanut butter, interviewees indicated that the product is unknown in the country.

Morocco’s latent demand for peanut butter, an estimated 9.06 million dollars, is much less than that of other countries seen as potential areas for growth. Although countries including Turkey, Italy, and France have populations nearly twice that of Morocco, their latent demand ranges from 44-133 million dollars (5-14.5 times greater). Because latent demand is a critical factor in determining whether or not a country would be inclined to like a product, Jif should consider utilizing their resources in other countries that possess a greater population and a much greater latent demand for the product.

At another time, it might be more appropriate for Jif to reevaluate moving into Morocco. If Moroccans become more aware of the product, Jif would stand a better chance at entering the market and competing with existing spreads that have market share in the country.
Appendices

• Cultural Analysis
• Economic Analysis
• Interviews
• Retail Visit
Interviews

Interview #1 - Jonathan Krupka and Yaseen
Location- Villa in Marrakech
Date: 6/24/2013
Time: 2:00pm
Customer Profile: Fit Moroccan male in his late 20s. Was in charge of attending to villa guests.

Have you heard of or seen this product before?
• “Yes I have tried this product, however, not this particular brand. I also believe it was more chunky, not smooth.”

If yes, under what circumstances? What is your attitude toward the product?
• “Positive. I only tried a little but I believe it to be good for you and give you energy.”

Would you be interested in buying this product if it were available to you?
• “Yes I would be interested in trying it as a spread.”

Where would you expect to purchase or experience this type of product in your country?
• “Any supermarket especially the larger ones like Carrefour.”

Who do you think would be the most receptive target market for the product?
• “Middle class.”

What price do you think the target consumers would be willing to pay for this product?
• “30-40 dirhams.”

In what circumstances would you expect people to consume this product?
• “Using it for breakfast as a spread.”
Interview #2- Kristen Busby and Abdul
Location- Riad Edward lobby, Marrakech
Date: 6/25/2013
Time: 8:20 PM
Customer Profile: Manager at Riad Edward, where I spent 3 nights in Marrakech; name is spelled ABDELKEBIR in Arabic

Background on Abdul: Abdul was the manager for the Riad I stayed in for 3 nights during our visit to Marrakech. He was an extremely welcoming host and made sure that we were content throughout the day and night. He served us pool on the rooftop terrace, made sure we had everything we needed, and made runs to the grocery store upon request. Additionally, Abdul called cabs for us any time we needed transportation from the Riad. As a local, I thought he would provide an interesting perspective to the possibility of bringing peanut butter to Morocco. He was more than willing to participate in an interview, particularly after I explained to him (using the picture) the ways peanut butter could complement every day foods.

How long have you been living in Morocco?
• “I have lived in Morocco all my life. I was born in OUiPgUANE (Arabic spelling, sounded like “Wilgan”), which is 60 km from Marrakech.”

How long have you been living in Marrakech?
• “I worked at the sister hotel to the Riad Edward in the Ourika Valley for 3 years. Then I moved to Marrakech to work at the Riad Edward and have been here for 8 months now.”

Have you heard or seen this product before?
• “No.” (Emphatically answered, he actually laughed when I whipped out this picture because it looked so unfamiliar to him)

Is there anything similar to peanut butter available?
• “Jelly is used as a spread for bread. Butter is also typically served with bread. Chocolate is sold in big jars also for the same purpose.”
  i. (Add on note: each morning for breakfast, the Riad served bread with multiple spreads – jellies and butter – so I explained to Abdul that peanut butter and jelly is a popular food in the US and he seemed very interested!)

Would you be interested in trying peanut butter if it was available in Morocco?
• “Yes!”

Where would you expect to purchase peanut butter if it were brought to Morocco?
• “It could be sold in smaller street vendors (convenience type stores). It would probably be best to sell it in bigger supermarkets to reach a wider target and because it would allow for more publicity” (end caps and promotions).

Who do you think would be most likely to try peanut butter?
• “I think that kids would be a likely customer for peanut butter because they enjoy eating chocolate spread on their bread and this seems similar.”

What price do you think this target market would be willing to pay for peanut butter?
• “A big bottle of chocolate would typically cost around 40 dirhams, so I think people would be willing to pay 40-50 dirhams for a big jar.”

What is your typical eating schedule?
Side note: Abdul is Muslim and practices Ramadan, so he explained meals during Ramadan differently, but these are for days not during Ramadan.

- Breakfast: 7:30 – light, typically includes bread with spreads, pastries, coffee and tea
- 2\textsuperscript{nd} Breakfast: 10:30 – social; coffee or tea with bread or pastry
- Lunch: 1:30-2:00 – biggest meal of the day
- Snack: around 5:00 – coffee or tea with pastry or bread
- Dinner: 9:00 – leftovers from lunch or other light meal

When does Ramadan start, and what is different about your eating schedule during Ramadan?

- Ramadan starts at the beginning of July and lasts for one month.
- 1\textsuperscript{st} breakfast – 3:30 AM (before morning prayer at 4ish)
- 2\textsuperscript{nd} breakfast – 9:00 PM (after the fast is broken when the sun goes down)
- Dinner – 12:30 AM

Side note: I recorded this to the best of my understanding, but it was pretty confusing to understand because of the drastic cultural difference!

When do you think this would be eaten? With what?

- “Peanut butter could easily be presented as a spread for bread. If so, it could be served with breakfast, the morning snack, or the afternoon snack.”

Are there any particular ways that products are advertised? Billboards?

(Did not understand the concept of billboards, but this might be something to think about for areas outside of the medina, such as near the train station and shopping areas, hotels, etc.)

- Supermarkets have promotions like buy this get that free. Peanut butter could be offered as buy one get one free in order to help people gain interest in trying it.
Interview #3 (informal) – Kristen Bushy and Beatriz  
**Location:** Riad Edward lobby, Marrakech  
**Date:** 6/26/2013  
**Time:** 10:00 AM  
**Customer Profile:** Owner at Riad Edward (see below)

Contrary to Abdul, Beatriz (the Riad owner) had heard of peanut butter. Beatriz was born in Portugal, has lived in Switzerland, and is married to a man from the U.K. She said she has tried and seen peanut butter in many places throughout Europe. Additionally, her brother is married to an American and she said that he and his wife bring peanut butter with them when they visit because they like to have it with them in Morocco.

Beatriz thinks that peanut butter would be successful once introduced because it is a substantial addition to bread, which is a staple in Morocco. Peanut butter provides a source of protein as well as flavor!

I wish I had more time to discuss the potential market for peanut butter in Morocco, but unfortunately our time was cut short because our train to head back to Casablanca was soon.

Beatriz (middle) and I (left) in the courtyard of the beautiful Riad Edward in Marrakech. Beatriz was a delight to get to know and an intriguing contrast to Abdul as far as prior exposure to peanut butter.
Interview #4 – Tyler Cowell and Bakrim Omar

Location- Restaurant in Casablanca
Date: 6/23/13
Time: 3:00 PM
Customer Profile: ~40 year old artist of the bazaar who paints and draws shop designs in the city of Casablanca.

Have you ever heard of the product peanut butter?
  • “Yes, many times. My brothers have brought back peanut butter from the United States.”

Did you enjoy it?
  • “Very much. It is a treat because we do not eat it often here.”

Interesting, are there any products similar to peanut butter that you eat here?
  • “Yes, during Ramadan many people eat almond butter. Same as peanut butter only made of almonds. Almonds provide lots of energy during fasting.

Would you purchase it if it were sold in the markets here?
  • I might.

Bakrim took us through the bazaar of Casablanca and brought us to a traditional seafood lunch as well as a spice market. He was super nice, friendly and thoroughly enjoyed showing us around. Unfortunately, I could not really continue our conversation about peanut butter because he had some prior engagements.
Retail Store Visit

Primary research of Moroccan retail store visits revealed no peanut butter products on the shelves. However, there were multiple other spreads such as jams, jellies, and almond butter, which is the product that most closely resembles peanut butter. Additionally, Nutella had a presence on the shelves and so did other assorted chocolate spreads. The research was conducted in Carrefour, one of the largest supermarket chains in the world. There are currently 10 Carrefour hypermarkets in Morocco. The majority of these locations are in and around Casablanca.

In addition to observations done at Carrefour, there also appeared to be opportunity at the vast number of independently owned stores and markets throughout cities in Morocco, primarily Casablanca and Marrakech. However, these stores would be more difficult to develop both a partnership and supply chain with because it would be more time intensive to work with each individual.

Because there are other nut spreads on the market, JIF should put out several versions of peanut butter to gauge customer interest and see which tastes are most suitable to the Moroccan people. This taste test can easily be done in supermarkets such as Carrefour.