



Andorra Awaits...

A comprehensive marketing plan for launching CLIF Bar and Company products into Andorra.

Introduction

CLIF Bar and Company provides all natural, high-energy, health bars-- designed to fuel active consumers who crave adventure and the outdoors. CLIF Bar promotes sustainability and to **think like a tree**:

"Our food will be made with sustainable, organic ingredients; baked with clean, renewable energy; packed in environmentally friendly packing; and delivered by transportation that doesn't pollute."

Since its founding in 1990, CLIF Bar and Company have strived to provide a better tasting energy bar for consumers. After their success in stores beginning in 1992, they began to expand their market to better meet the needs of their consumers. This led to the expansion of their flavors and styles of bars. In 1999, the company launched LUNA-- a bar specially designed for women, yet with all the same power of their namesake CLIF Bar. In 2004, CLIF Bar and Company released CLIF Kid Zbar to reach yet another corner of the energy bar market. Finally, in 2007 the company expanded into Europe and now have a well-developed international market. CLIF Bar and Company products are currently available in 18 countries, including France and Spain, but are seeking out new markets which fit their healthy and active target market.

Throughout the entire growth of their company, CLIF Bar has remained true to its values. Continuing to use high quality, organic ingredients and sustainable practices. The company also participates in many philanthropic events to live out their mission statement of:

"At CLIF we were guided by our values we call them our Aspirations. Like striving to create a healthy and sustainable food system. Ensuring our brands and business are healthy so that we can do more good. And caring about the people, places, and communities we touch."

CLIF's Five Aspirations

1.

Sustaining our
Business

2.

Sustaining our
Brands

3.

Sustaining our
People

4.

Sustaining our
Communities

5.

Sustaining our
Planet

Background and Country Culture

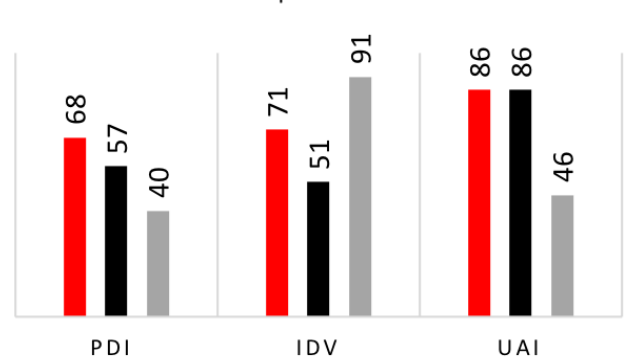
- Andorra officially called the Principality of Andorra, is a parliamentary democracy that is governed as co-principality.
- Nestled in the heart of the Pyrenees Mountain Range with surrounding countries of France and Germany
- Only 33% of the people living in Andorra are Andorran nationals
- Mountainous terrain allows for the residents and tourists to engage in many outdoor activities making it the most "fit" country in the world
- Andorra is the 16th smallest country but remains to have a thriving economy, with a GDP per capita of \$36,987
- Draw most of their cultural attributes from neighboring countries Spain and France
- Official language is Catalan and Roman Catholic is the most prevalent religion
- Andorrans follow a monochronic time system and are considered to be a low context society

Hofstede Analysis

Andorra's Hofstede analysis can be drawn from its two neighboring countries Spain and France. The power distance index (PDI) is above average in both Spain, France and most likely Andorra. Individualism index (IDV), France has a higher score compared to Spain, in this case Andorra would likely have a close to average score, because of family playing such a large role in their lives. Lastly, the uncertainty avoidance index (UAI) for Spain and France is the exact same. As to be expected, Andorra has the same UAI score due to them following old traditions.

HOFSTEDE COMPARISON

■ France ■ Spain ■ United States



<https://en.wikipedia.org/wiki/Andorra#Geography>

<https://www.britannica.com/place/Andorra>

<http://businessculture.org/southern-europe/business-culture-in-spain/>

<http://www.clifbar.com/who-we-are/our-aspirations>

<https://www.cia.gov/library/publications/the-world-factbook/geos/an.html>

Market Analysis

According to Mordor Intelligence, Europe is the second largest consumer of protein bars. While the base population in Andorra is a small market, the tourism in the region yields an opportunity for a larger target market. The current population is a mere 77,281 residents, however each year the country welcomes 10.2 million tourists. Within the United States three-quarters of consumers purchase energy bars, with the highest penetration rates amongst 25 to 54 year old. Operating under the assumption that these trends would be consistent with what is seen in Andorra would allow for a potential target market of 39,581 consumers or 46.18% of the population who is within the age group of 25 to 54 years old.

The nutrition bar market is on the rise do to a demand for convenient, portable, healthy energy. Consumers are seeking new flavors, low sugar, reduced allergen, and gluten free options when shopping for nutrition bars. The new trends in bars are focused on overall wellness and increasing energy. Leatherhead Research Ltd. found that bars are typically eaten between meals or during exercise. In 2017 CLIF Bar and Company had an increase in dollar sales of 17.1%. This increase in sales in a one-year period alone indicates that CLIF Bar and Company has the resources necessary to sustain the growth of a new market in Andorra. The society and culture of Andorra places high value on sports and activities that encourage fitness. Also, since CLIF Bar is already an international company it could leverage its brand recognition amongst tourists.

Target Market: The Adventure Seeker

- 25-40 year old's
- Annual income greater than \$100,000
- Approximate consumption is 1 bar/week
- Enjoy outdoor and indoor fitness activities
- Seek convenient, healthy meal replacements



Competitive Analysis

The market for the top 10 nutritional bar companies is recorded 423.2 million units sold in the United States. According to global nutritional bar sales in 2017, CLIF's top competitors are:



SWOT Analysis

Strengths

- Well known brand around the world
- High quality ingredients
- Environmentally friendly

Weaknesses

- Sourcing sustainable products can be pricey
- Using transportation that does not pollute is difficult
- Business practices are pricey

Opportunities

- Large market due to tourism
- Large market of health conscious people
- Market toward the active population

Threats

- Not being able to source sustainable products from Andorra
- Lack of airports makes transportation difficult
- Lack of agriculture makes it hard to tailor the bar toward people of Andorra

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<http://www.digitaljournal.com/pr/3619420>

<https://www.statista.com/statistics/462928/us-dollar-sales-share-of-the-leading-nutritional-intrinsic-health-value-bar-brands/>

<https://all-andorra.com/economics/>

<https://www.mordorintelligence.com/industry-reports/protein-bar-market>



Goal

Utilizing local fruit and grains from Spain, CLIF Bar and Company will create a nutritional bar which caters to the needs of Adventure Seekers, by providing a convenient and healthful food source.

Objectives

1. Increase sales by 10% each year.
2. Become profitable within the Andorra sector by year two.
3. Have locals accounting for 25% of the CLIF Bar associates in Andorra's task force.

Product

We are going to expand the line of CLIF bars to incorporate local Spanish fruits and nuts from Spain since Andorra is not known for their abundance of agriculture. We will have three different flavored bars that we will introduce to the Andorra market, peach and mixed nuts, cherry and mixed nuts, and fig and mixed nuts. We will still have the flavors of the bars in English, but the ingredient list will be in their native language Catalan.



Place

Andorra is known as the shopping country. They have the maximum number of boutiques, stores, and shopping centers per square meter. The most prevalent grocery stores in Andorra are supermarkets and shopping centers and that is where our bars will be sold. We will also have the bars available for purchase at ski lodges, sporting goods stores, and convenience stores.



Price

Our recommended price point for the bars will be 2.55 Euro. The prices in Andorra are 15-20% lower than those of Spain, so the bars will be less expensive than in the neighboring countries. The typical retailer profit margin is 1-5%, therefore their potential profits on the bars will range from 0.03 to 0.77 Euro per bar.

Promotions

To tie characteristics of the Andorran culture, and of the overlapping defining characteristics of the CLIF brand, **our marketing strategy is to focus on three things, tourism, winter sports and social responsibility, their intricate relationships with each other.** CLIF heavily focuses on sustainability and social responsibility by using organic ingredients and renewable energy in order to differentiate its product from other. Andorra similarly aligns with the environmentally friendly mentality that CLIF and company subscribes to.

Naturalandia

In 2016, Andorra had a 20 million Euro budget for environmental protection program with efforts of expanding that budget by 5% for 2017. They have eco- parks such as Naturalandia—a hybrid of a ski resort mixed with a wild animal sanctuary. These two attributes of Naturalandia relate to CLIF Bar's socially conscious consumers.



Andorra also launched ENGEGA, a program that helps out people trying to switch to electric cars. According to a study conducted in May of 2018, cycling is a rising trend, not only for competitions, which is also beneficial for Andorra since it is considered a top destination, but for sustainability purposes. By 2026, 75% of the new market for bicycles and bicycling gear will be from North America, where CLIF Bars is from, Europe, where Andorra is, and China. This is another way in which the three marketing points interconnect.

Active Tourism App

Cycling, or sports in general, is extremely popular in Andorra because of its beautiful destination. This can be a great opportunity for marketing outreach. Cyclists from all over the world visit Andorra to cycle through its mountain ranges and also participate in other winter sports, like skiing. Andorra ski resorts are in the top 10 of the world; to get around and take advantage of the visit to Andorra, the app Active Tourism is recommended, so much so, that it is on the "Visit Andorra" page for all potential tourists to see. In this app CLIF Bars could implement ads and sponsorships. Since Active Tourism is a free app, one can assume they rely on ads to keep it running. On this app, one can create a profile to keep track of the activities you want to do, whether it be skiing, hiking, rock climbing or cycling. Creating an app through Facebook is also an option. Social Media usage: 78.94% of social media users in Andorra use Facebook, followed by 10.46% using Pinterest. According to eMarketer, in 2018, 26% of Online Ad Revenues will be created by Facebook. Here we already see the opportunity for CLIF bars to either enter the app in ads directly or market through Facebook, through appealing to sporty tourists, we can also market to regular tourists.



Financials

Taking into account the baseline population for Andorra, as well as the projected 10.2 million tourists, the anticipated amount of bars sold in year 1 is 182,123 bars. The total amount of bars sold is expected to increase 10% each year, making the sales revenue for years 2 and 3 increase as well. Additionally, we took into account that damaged or unsatisfactory products would take up about 5% of our sales. This makes our anticipated net sales total out to \$441,193 in year 1, \$510,855 in year 2, and \$561,940 in year 3.

<i>Income Statement</i>			
	Year One	Year Two	Year Three
Total amount sold	182,123	200,335	220,369
Sales	\$464,413	\$510,855	\$561,940
Discounts & Returns	\$23,221	\$25,543	\$28,097
Net Sales	\$441,193	\$485,312	\$533,843
Cost of Goods Sold	\$136,592	\$143,422	\$150,593
Gross Profit	\$304,600	\$341,890	\$383,250
Operating Expenses	\$136,080	\$140,162	\$144,367
Marketing Expenses	\$184,410	\$189,942	\$195,641
Net Profit (Loss)	-\$15,890	\$11,785	\$43,242
Profit Margin	-3.60%	2.43%	8.10%

Financials cont.

We estimate that our cost of goods sold would start out at \$136,592 in year one, and increase 5% each year as sales increase. Our operating expenses such as the general manager for this project, supplies, transportation, and distribution begins at \$136,080 and increases by 3% in the following years. Marketing expenses consist of a marketing manager's annual income of \$164,410 and \$20,000 in additional advertising expenses, including creating promotional videos, utilizing social media advertisements, and participating in promotional events. These marketing expenses also increase by 3% in the following years.

In year one, we experience a net loss with profit margins of -3.60%. However, in year two we develop a net profit which will continue to grow. By year three, we expect a net profit of \$43,242 with an 8.10% profit margin.

Monitoring and Measuring

Objective 1: Sales will be monitored on a quarterly basis and purchasing locations can be altered to increase stock in locations with the highest sales numbers.

Objective 2: Profit and loss statements will be created and analyzed quarterly. Potential reductions in costs can then be recommended by financial analysts which will be hired annually.

Objective 3: As CLIF Bar establishes itself as a brand and expands its sales force CLIF should ensure that the hiring process includes equal opportunity to locals. This can then be evaluated annually to make sure the locals have a voice within the company.

Conclusion

Leveraging CLIF Bar's existing success in Spain and France, and Andorra's cultural similarities to these two countries, makes it the ideal market to expand CLIF Bar's distribution. By altering CLIF Bar's existing products to better fit the target market in Andorra, it likely that CLIF Bar will gain the same success in Andorra as it did in its neighboring countries.