

*Poppyseed Bread
with Cream Cheese*



**"Sutton"ly, healthy eating has a new name:
why you should make Seattle
Sutton your choice**

*Chicken & Dressing with Vegetables
and Cranberry Sauce*





*Poppyseed Bread
with Cream Cheese*



*Merella Bake
Brussels Sprouts*

What is Seattle Sutton?

*Chicken & Dressing with Vegetables
and Cranberry Sauce*





The Seattle Sutton Difference

- 🍽️ Meals are calorie and portion controlled. Guess-work is taken out of eating right!
- 🍽️ Twice each week your fresh (not frozen) meals can be picked up or delivered right to your home or office. There are nearly 2000 distributor locations!
- 🍽️ Orders can be placed directly from a distributor.
- 🍽️ No gimmicks, no pills, no complicated systems.
- 🍽️ All the work is done for you. No shopping, cooking or calorie counting.
- 🍽️ Seattle Sutton's Healthy Eating is a no-gimmick approach to healthy eating and weight loss. The meal program is scientifically designed and taste-tested.



Environmental Analysis

- Weight loss products constitute a \$40 billion industry that is growing at an annual rate of 5-7%.
- This industry hosts a variety of product and service segments, including dietary restriction programs like Seattle Sutton's Healthy Eating, professional help companies like Weight Watchers International and fitness companies like Bally Total Fitness.
- Industry leaders like Weight Watchers forecast increased national obesity rates in upcoming years, creating greater market potential.

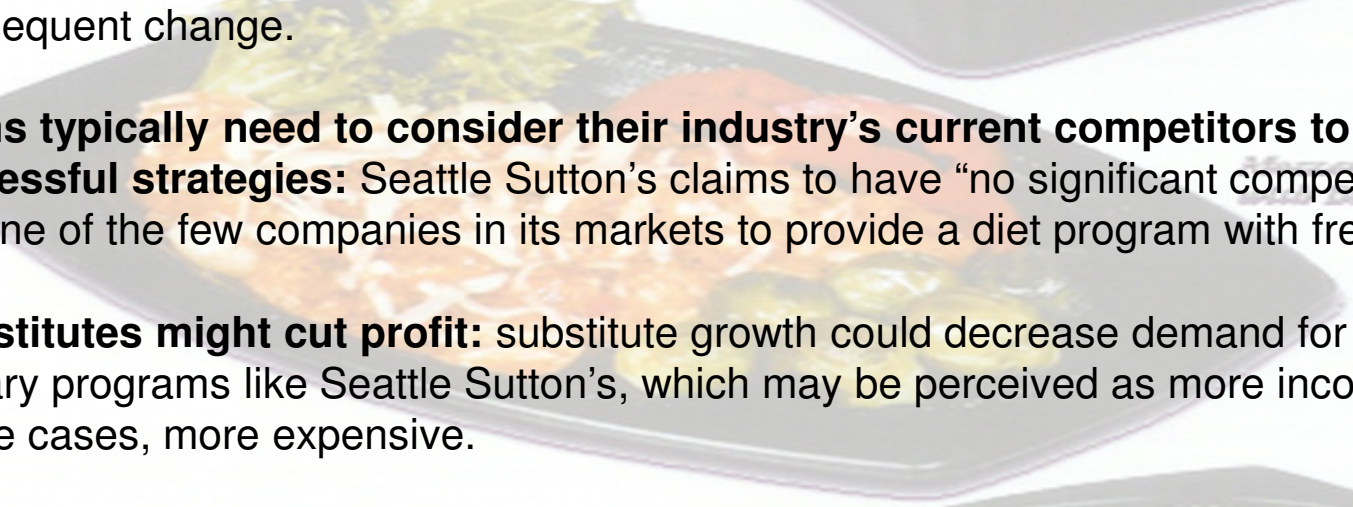
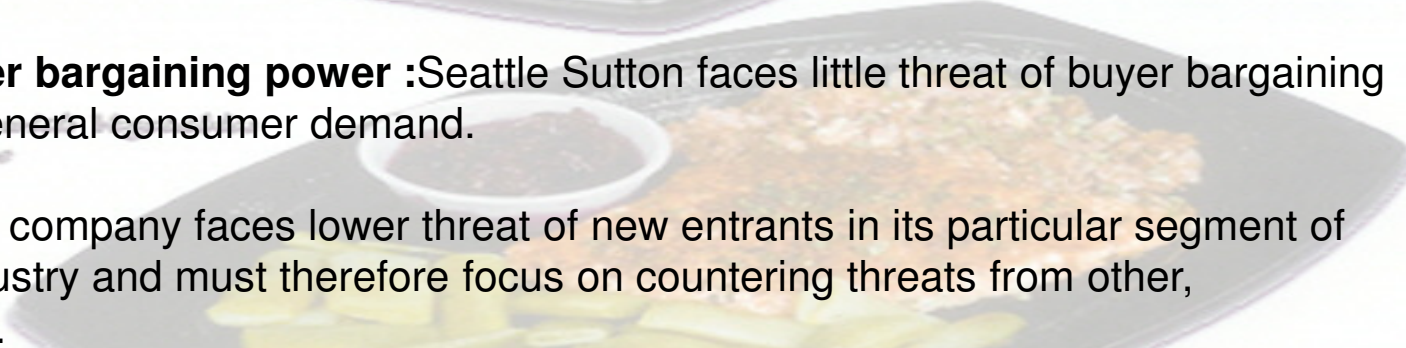







Marketing Environment

Program is designed for anyone who wants fresh prepared meals. Could be for: convenience after childbirth, seniors who want simplicity so they don't have to cook, clean or go shopping, anyone monitoring any medical condition such as: diabetes, heart diseases, and/or high blood pressure.



The Five Competitive Forces

- 
- 
-  **Profitability is influenced by specific environmental forces:** this model has significant implications for the weight loss industry, which is undergoing considerable growth and consequent change.
 -  **Firms typically need to consider their industry's current competitors to develop successful strategies:** Seattle Sutton's claims to have "no significant competition," because it is one of the few companies in its markets to provide a diet program with fresh food.
 -  **Substitutes might cut profit:** substitute growth could decrease demand for restrictive dietary programs like Seattle Sutton's, which may be perceived as more inconvenient or, in some cases, more expensive.
 -  **Buyer and supplier bargaining power :**Seattle Sutton faces little threat of buyer bargaining power other than general consumer demand.
 -  **New entrants:** this company faces lower threat of new entrants in its particular segment of the weight loss industry and must therefore focus on countering threats from other, substitute products.

A photograph of a business meeting in progress. Several people are seated around a wooden conference table, looking at documents and talking. The scene is dimly lit, with light coming from a window on the left. A large, semi-transparent oval with a purple-to-yellow gradient is centered over the image, containing the text "Marketing Strategy".

Marketing Strategy



*Poppyseed Bread
with Cream Cheese*



*Pasta Bake
with Peas & Sprouts*

**Product
(Product demonstration)**

*Chicken & Dressing with Vegetables
and Cranberry Sauce*



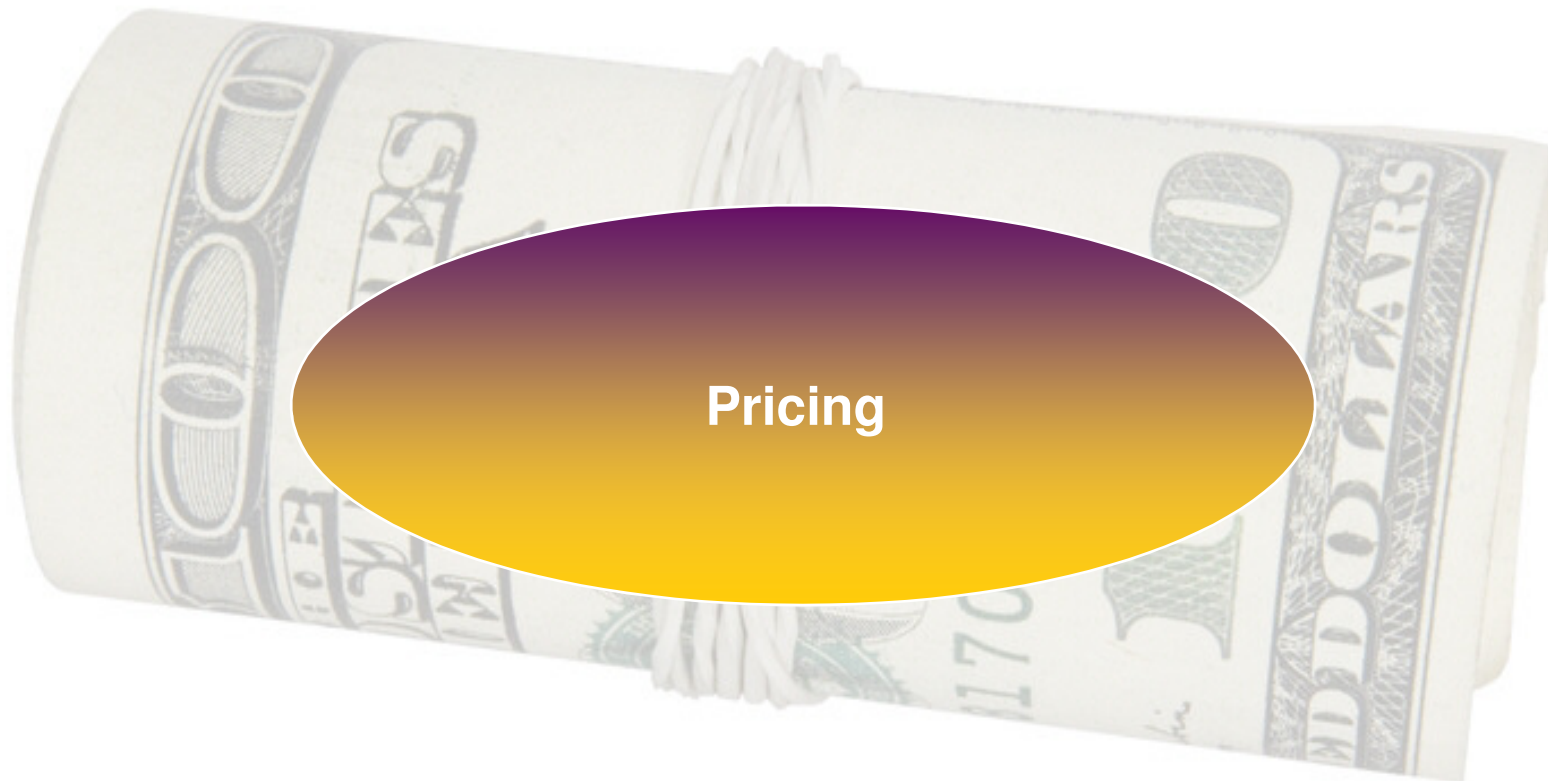


The Strategy

- Seattle Sutton's Healthy Eating plan follows the established guidelines of health and nutrition experts.
- Meals are freshly prepared, nutritionally balanced, calorie and portion controlled.
- Low Fat (<30% calories from fat)
- Low Saturated Fat (<10%)
- Low Cholesterol (<300mg/day)
- Calorie Controlled (1200 per day or 2000 per day)
- Sodium Restricted (< 2000 mg/day on the 1200 calorie plan)
- The 1200 and 2000 calorie meals are the same menu, just different portions

Mozzarella Bake with Brussels Sprouts

Chick and Potatoes



Pricing

External/Substitute Competitive Forces Strategy

Slim Fast: \$3.00 per meal

Weight Watchers: \$4.50 per meal

Seattle Sutton (1200 calorie): \$8.52 per meal

Seattle Sutton (2000 calorie): \$9.47 per meal

SSHE can charge a premium on its products because of certain product considerations in pricing. The three most important are: perishability/quality, distinctiveness, and the product's life cycle.

- 🍌 Perishability: because the goods are fresh, they have a short shelf life.
- 🍌 Distinctiveness: primary marketing objective is that this product is distinctive in the minds of buyers, so she can charge higher prices.
- 🍌 Life Cycle: one in which the seller charges a relatively high price for a product because they have a monopoly, and the demand for the product is price inelastic.









The Strategy: Internal

- Because of the Illinois manufacturer's law, corporate can quote a suggested retail price, and franchises have to abide by it
- Suggested retail to franchises without delivery is \$101.00 for 1200 calories, \$116.00 for 2000 calories
- Shipping and delivery is extra per franchises
- Corporate headquarters started home delivery for any customer not residing in a distribution area.
- These are the prices for home delivery direct from corporate headquarters (prices include shipping):
 - \$179 for 1 week = 21 meals 1200 calories (\$8.52 per meal)
 - \$199 for 1 week = 21 meals 2000 calories (\$9.47 per meal)
- Corporate headquarters gives franchises suggested retail prices that they can charge but distributors set their own price. Franchises have their own ability to offer deals, promotions, and sales



Advertising and Promotion

The Strategy

-  **Internet:** banner advertisements on prevention.com, webmd.com, menshealth.com, and shape.com.
-  **Television:** commercials
-  **Radio:** WGN (sponsors the Chicago Cubs)
-  **Newspapers:** Chicago Sun Times, Chicago Tribune, Daily Southtown
-  **Magazines:** Men's Health, Shape Magazine, and Prevention.
-  **Outdoor:** billboards
-  **Public Relations:** Seattle speaks to grade schools, high schools, colleges, nutrition classes, and sometimes has forums for the general public
-  **Books:** *The Seattle Sutton Solution*

Web Banner Ad

Life's Hard...



Nothing is more important than your health!



With today's busy lifestyle, preparing healthy meals at home can be a real chore. Let us do all the work for you!

Every week, you'll enjoy 21 fresh, nutritious, delicious meals (breakfast, lunch & dinner for 7 days). Meals are calorie and portion controlled. We take the guess-work out of eating right!

It Couldn't Be More Convenient

Twice each week your fresh (not frozen) meals can be picked up or delivered right to your home or office.

With nearly 200 distributor locations, healthy eating is closer than you thought. Order direct from a distributor near you.

Need To Lose Weight?

You've come to the right place! No gimmicks, no pills, no complicated systems.

The only way to lose weight is to expend more calories than you take in. We do all the work for you. No shopping, cooking or calorie counting.

Start Losing Weight Today

The Antidote To Low-Carb Gimmickery

Restrictive, low-carb diets are not the answer to weight loss and improved health.

Seattle Sutton's Healthy Eating is a no-gimmick approach to healthy eating and weight loss. The meal program is scientifically designed and taste-tested.



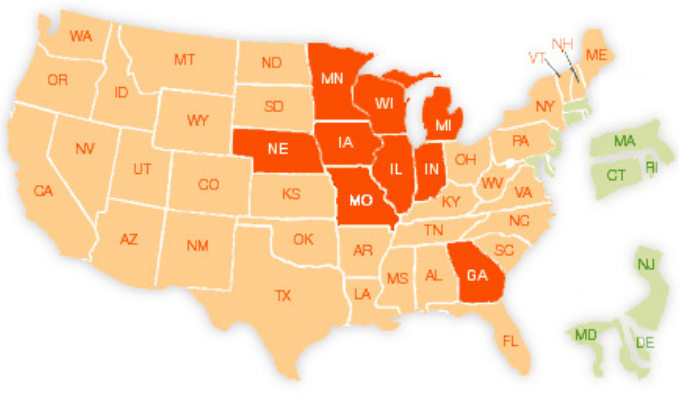
Created by Yasha Sterling

Magazine Advertisement










Distribution and Logistics



The Strategy

-  Company is broken down into tiers: Corporate headquarters, franchises, distribution, and customer
-  Seattle Sutton currently has 229 distributors in 9 states (*darker orange in map above*).
-  Franchises prepare their own meals. In order to be accepted as a franchise, they have to sign a franchise agreement abiding to these restrictions; 1.) must follow same calendar of menus, 2.) design of kitchen must be same as corporate's setting.
-  Meals rotated every 5 weeks and are set up on a 50-week cycle.
-  Menu is set up so you should only eat the same meal 10 times throughout the year.



The Strategy, Continued....

Meal delivery schedule:

- 🚚 9 meals (3 days worth) in beginning of the week
- 🚚 12 meals (4 days worth) in second part of the week





SWOT Analysis

Strengths:

- High perceived quality—"freshness"
- Scientific backing and use of studies to demonstrate quality
- Seattle Sutton's back story
- High start-up costs deter new entrants
- Variety of product applications – i.e., diabetes regulation

Weaknesses:

- Lower brand recognition than Weight Watchers, Slim-Fast, etc.
- High advertising costs
- Complex operations may deter potential franchisees
- Restrictive, uniform diet has fewer choices
- Private ownership, less available capital

Opportunities:

- Recent decline of "low-carb craze"
- Decreased consumer trust for "quick fix" diets
- Fast market growth in weight loss industry
- Rapid technology advances may support just-in-time operations
- Chances to partner with employee wellness programs

Threats:

- Potentially increased regulation of prices
- Uncertain prices for key commodities
- Future fad diets
- Growing frozen food market may be seen as more convenient

Competitors' SWOT Analysis

Weight Watchers

Strengths:

- Internationally recognized brand name – over 30 countries
- Expanded product mix – i.e., frozen dinners
- Growing online support communities
- Strategic partnerships with suppliers and distributors
- Public ownership, more available capital

Weaknesses:

- Consumers can use “Points” system without purchase
- Recent increased costs have cut into net income
- Support group system is easily replicable
- Recent trademark conflicts, legal battles

Opportunities:

- Fast market growth in weight loss industry
- Increased partnerships with employee wellness programs
- Greater global expansion
- Additional weight loss product lines and services
- Possible cross-promotion opportunities due to brand equity

Threats:

- Future fad diets/drugs
- Other weight loss companies are adding services similar to Weight Watchers
- Increasing low-calorie options in stores

Slim-Fast

Strengths:

- Internationally recognized brand name
- Expanded product mix – i.e., energy bars
- Convenience goods can be widely distributed
- Optima Diet/online support community
- Public ownership, more available capital

Weaknesses:

- Has not fully recovered from significant losses due to “low-carb craze”
- Recently closed plants – now has decreased capacity
- Several products are easily replicable
- Still often viewed as a “quick fix” diet

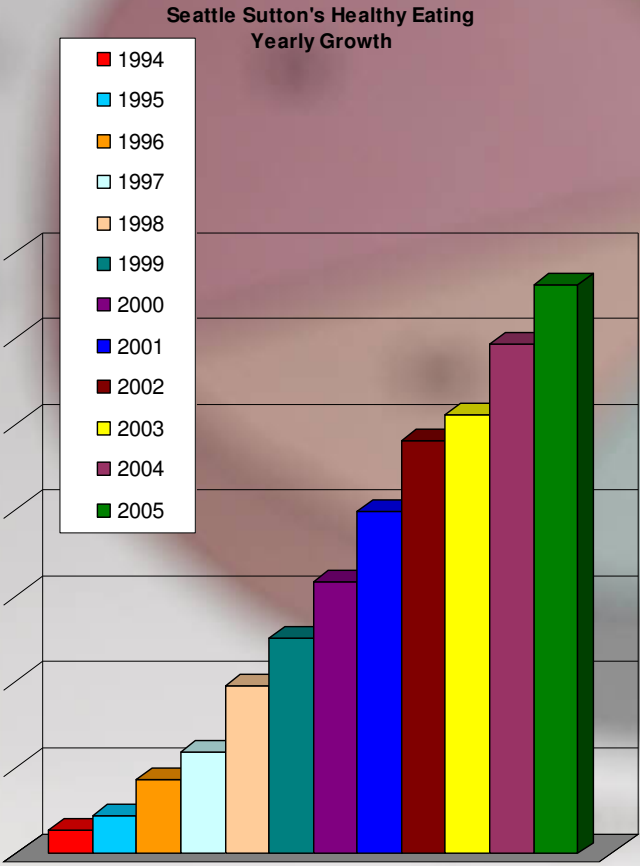
Opportunities:

- Additional product lines – i.e., meals
- Use of vending machine sales
- Potential cross-promotion with other Unilever products
- Greater global expansion
- Increased online services

Threats:

- Future fad diets/drugs
- Growing public skepticism over “quick fix” diets
- Relatively low entry barriers for the industry segment
- Recent decreased demand could help competitors take market share

Financial Analysis



Year	# of Customers
1993	73
1994	281
1995	452
1996	866
1997	1177
1998	1959
1999	2511
2000	3161
2001	3981
2002	4809
2003	5119
2004	5935
2005	6619





Future Trends

Already been set by SSHE for others (i.e. NutriSystem, Jenny Craig, Weight Watchers), as far as producing and delivering fresh healthy meals to the doors of their customers.



Recommendations for the Future

- Company should separate franchisees' marketing and distribution duties from wholesale food preparation.
- Expansion on the west coast, which will allow the company to improve their business and possibly help increase market share

*Poppyseed Bread
with Cream Cheese*

Questions?

*Mozzarella Bake
with Brussels Sprouts*

Vegetables

