

Making A Good Move

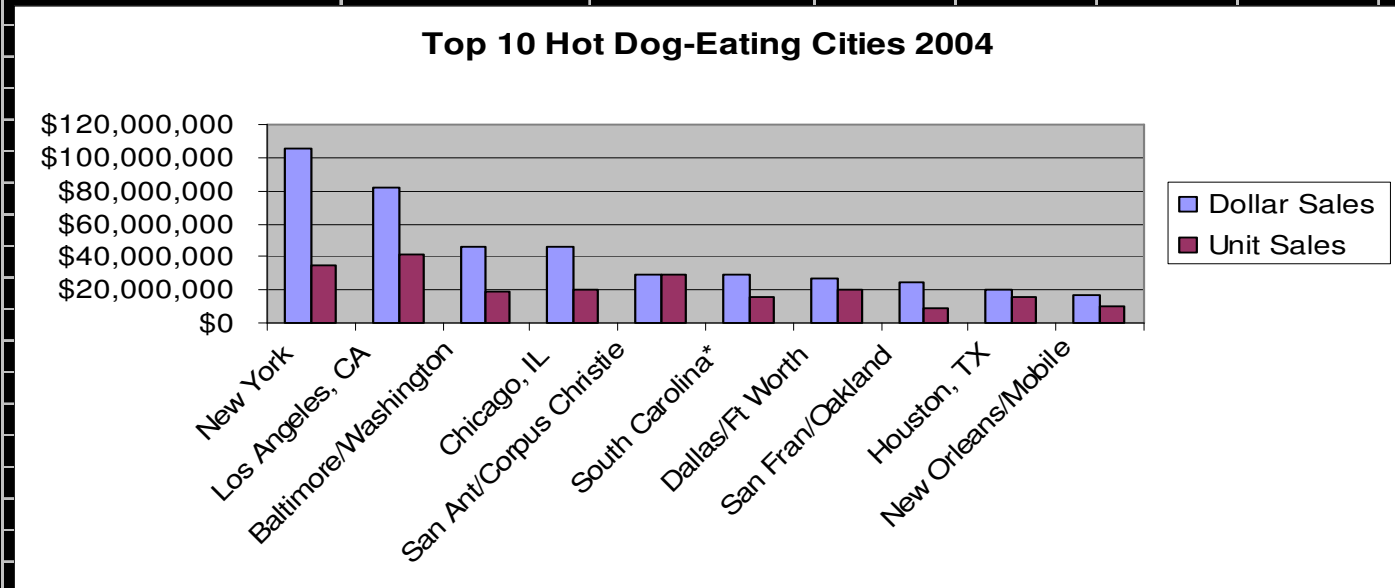


**Internet Marketing Plan
for
Chicagoland Expansion**

...Why Chicago?

Because research shows they love those hot dogs!!!

City	Dollar Sales	Unit Sales					
New York	\$105,122,000	34,353,320					
Los Angeles, CA	\$81,920,320	41,643,520					
Baltimore/Washington	\$46,486,100	19,224,000					
Chicago, IL	\$46,433,390	20,552,200					
San Ant/Corpus Christie	\$29,190,030	28,638,360					
South Carolina*	\$29,307,460	15,367,990					
Dallas/Ft Worth	\$27,156,490	20,067,760					
San Fran/Oakland	\$24,513,640	8,800,280					
Houston, TX	\$20,267,400	16,000,460					
New Orleans/Mobile	\$16,885,750	10,536,820					



Source: Information Resources, Inc., *Meat Marketing Technology*, June 2004, Page 33

The Nathan's Difference

Feature	Benefits
Fresh not Frozen	Using fresh materials creates better flavor and a meatier bite.
Brand Identified	Consumers recognize that Nathan's stands for quality
Vacuum Packed	Provides optimum product protection; reducing spoilage and extending shelf life.
Natural Casing	Old-fashioned casing gives the "snappy" bite that consumers like. Natural casings hold in the natural juice and it's easy to chew.
Skinless	Creates a tender bite.
Family Pack	Bulk pack offers consumers attractive retail price per pound.



About Nathan's

- **Specialty Foods Group (*parent company*)** strives to provide the finest quality meats while meeting and exceeding consumer demands.
- **Target Market**-within the Tri-State Area (New York, New Jersey, and Connecticut)
- **Tri-State Area** (Population of over 18 Million)
- **Market Share**-within Tri-State Area (Over 30% of all processed meat sales)
- **Major Product**-all forms of Famous Nathan products (Polish Sausage, Hot Dogs)
- **New marketing venture**-On-line form of sales
- **New target market**-transplants from Tri-State area



Overall Business Objectives

Our goal at Specialty Foods Group is to strive for excellence by bringing you the very best in select chicken or beef products. We guarantee the highest quality by using pure beef or chicken for our franks or processed meats. No additives or preventatives will be used in our meats and we certify that each product will go through a rigorous USDA inspection.





Ahhh, I Can See The Future....

During the first three years of operation, we seek to:

- Grow total sales by 10% annually.
- Offer Nathan's hot dogs on the Internet for customers who request them.
- Build customer loyalty through providing efficient service, wherein customers receive their products on time and in excellent condition.
- Maintain a staff of employees who are dedicated to taking the orders and ensuring orders are filled.
- Build the Nathan's brand to the point where it becomes a household word worldwide, not just on the East Coast.



How Nathan's Shapes Up

Strengths

- High sale volume within Tri-State Area
- Recognizable name brand (Famous Nathans)
- 2003 consumers spent \$1.8 million on hot dogs in United States
- Nation wide recognition on ESPN during Fourth of July hot dog eating contest
- Loyal customer base

Weaknesses

- Only sell products within the East Coast
- Diet crazies of Americans (Atkins)
- Holds seasonal value
- High cost of shipping product to people outside of our distribution are

Opportunities

- Broaden sales by selling on-line to east coast transplants
- To establish a large consumer base outside of East Coast
- To become the only major producer of processed meats to have on-line sales

Threats

- All other major producers of Polish Sausage and Hot Dogs
- The high cost and transit time of shipping our product
- The time factor of shipping perishable foods




With an Expansion of this Magnitude Sure, We'll Have Problems, Like...

- **Competing with other major brands like Oscar Meyer, Ballpark, and private label versions**
- **Convincing consumers that the brand is a good one**



But, Oh The Possibilities!

(online & offline marketing strategies)

- Nathan's is currently sold at Albertsons (*parent company of Jewel*), Sam's Club, and Costco stores nationwide. These stores have e-commerce sites, so the hot dogs can be sold on them as well. Eventually, the hot dogs can be sold in these stores.
- Nathan's is already popular nationwide, except in the Midwest—capturing market share here is just a matter of letting consumers know they're available here now, and we do that by linking up with local favorites like 
- Nathan's co-branding initiative with Auntie Anne's, a specialty retailer of baked pretzels. Auntie Anne's is popular in Chicago already; introducing the hotdog in these stores throughout Chicago is ideal for market entrance.



So, We Intend To Sell The Hot Dogs To....

- Those already familiar with the brand
- White Sox, Cubs fans (those who *regularly* attend the games)
- Consumers in search of a quality product--one that has been around since 1916



...And More Importantly, We'll Try To Lure...

- Those unfamiliar with the brand, and...
- Those darn Oscar Meyer hot dog lovers!

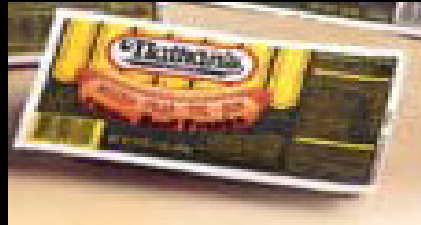


A group of business professionals are seated around a wooden conference table in a meeting room. A man in a dark suit and red tie is speaking and gesturing with his hands. A woman in a blue blazer is listening intently. A woman in a green blazer is also present. There are papers, a water bottle, and a coffee cup on the table. The background shows a window with blinds and a potted plant.

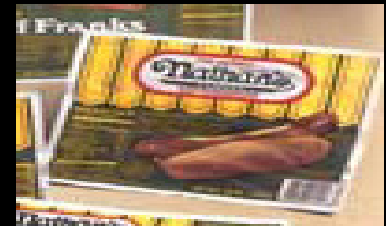
“So, This Is How We’ll Do It”

Our Product Lineup Will Include...

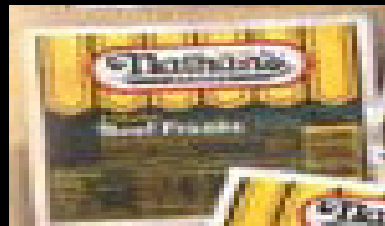
- Natural Casing Beef Frankfurters



- Skinless BTB Beef Franks



- Skinless Beef Franks



- Skinless Family Pack



And It's Gonna Cost You...

- **Natural Casing Beef Frankfurters**

Jewel: \$2.59

Our Price Will Be: \$2.00

- **Skinless BTB Beef Franks**

Jewel: \$2.99

Our Price: \$2.50

- **Skinless Beef Franks**

Jewel: \$2.99

Our Price: \$2.00

- **Skinless Family Pack**

Jewel: \$4.99

Our Price: \$3.99





We'll Spread The Word Using..

Integrated Marketing Communications

•Anyone familiar living on the east coast of the United States has either heard of or have tried a Nathan's hotdog, whether at a baseball game or in a mall. Nathan's hotdogs are legendary. Unfortunately, loyal customers or visitors can't get Nathan's hotdogs in the Midwest or Western regions of the country unless they are willing to pay exorbitant shipping costs and purchase bulk amounts at one time. Over the years, Specialty Foods has noticed a greater demand for their product and as a result, has created the ability for customers to purchase products on-line.

•The online ordering aspect has been enhanced; so that customers can buy in smaller bulk, receive reasonable shipping costs and specialty live customer service. Specialty Foods is counting on the online presence to give customer's additional buying power and convenience.

•In order to ensure the success of this service, they have created a special "on-line" customer service team, within the customer service department.

•This team will be dedicated to servicing on-line customers with issues such as order tracking, specialty orders, other products and services, etc.

•The existing 800 customer service line will have a voice attendant to route calls for on-line customer service to the Internet team as well.

And We'll Start Small, Of Course...

Specialty Foods will begin local advertisements in the local region regarding “NEW” on-line ordering and they plan on using existing database of clients for other offline direct marketing. Plans for national advertising will be done in future phases and will most likely to be targeted to air during sporting events, such as baseball games.



Beginning With The Web

The new process will entail customers going straight to the company website at <http://shop.nathansfamous.com>. Once on the site, customers will be able to perform a variety of online functions, many of which are described below:



The screenshot shows a Microsoft Internet Explorer browser window displaying the Nathan's Famous Online website. The browser's address bar shows the URL <http://shop.nathansfamous.com/>. The website features a green header with the Nathan's Famous logo and a promotional banner for "Free Shipping on ALL orders Over \$150". A navigation menu includes links for Home, Hot Dogs, Food Favorites, and Merchandise. The main content area welcomes visitors to the online shopping site and provides information about the company's history and current offerings. A sidebar on the left contains a search bar, a newsletter sign-up form, and a "Famous Facts" section. The right sidebar includes a shopping cart summary, contact information, and testimonials. The browser's taskbar at the bottom shows several open applications, including Citrix(R) NFuse(TM), Microsoft PowerPoint, and the Nathan's Famous website.

**And Possibly Ending With A
Flagship Store!!**



Dude, Where're My Hot Dogs?....

Distribution/Fulfillment

Nathan's has committed itself to fulfilling orders with the partnership of UPS and the United States Postal Office. They will offer Standard and Priority shipping, including Canada.

Standard Shipping

Most orders for in-stock items placed by 1 PM EST will ship within 1 or 2 business days by UPS Ground, with guaranteed delivery by UPS Ground from day of shipment

Priority Shipping Options

- **Puerto Rico, Alaska and Hawaii** - shipping is additional. There will be additional delivery time as packages will ship USPS Parcel Post unless Priority Mail expedited shipping is requested, in which case additional charges will apply.
- **Canadian** customers will need to contact Customer Service for the availability of products and additional shipping charges.



The Nathan's Guarantee

All of the products are unconditionally guaranteed for 30 days. If a customer is not satisfied for any reason, Nathan's will a full refund, less original shipping charges, no questions asked.



Why It'll Work.....

- According to figures for 2004, 837 million packages of hot dogs were sold at retail stores. The market for hot dogs in the United States, measured in supermarket sales only, is \$1.8 billion.
- Hot dog producers estimate that an average of 38 percent of hot dogs are sold annually at retail between Memorial Day and Labor Day. Last year, there was approximately \$614 million in sales from June through August— **We're starting this expansion at the right time!!**
- Nathan's Famous products are now sold in over 6,000 supermarkets and club stores throughout the country with annual sales to consumers of over \$80 million. For over five years, Nathan's packaged hot dog products have been the #1 seller in the greater New York area.



And This Is Why, Too!!!

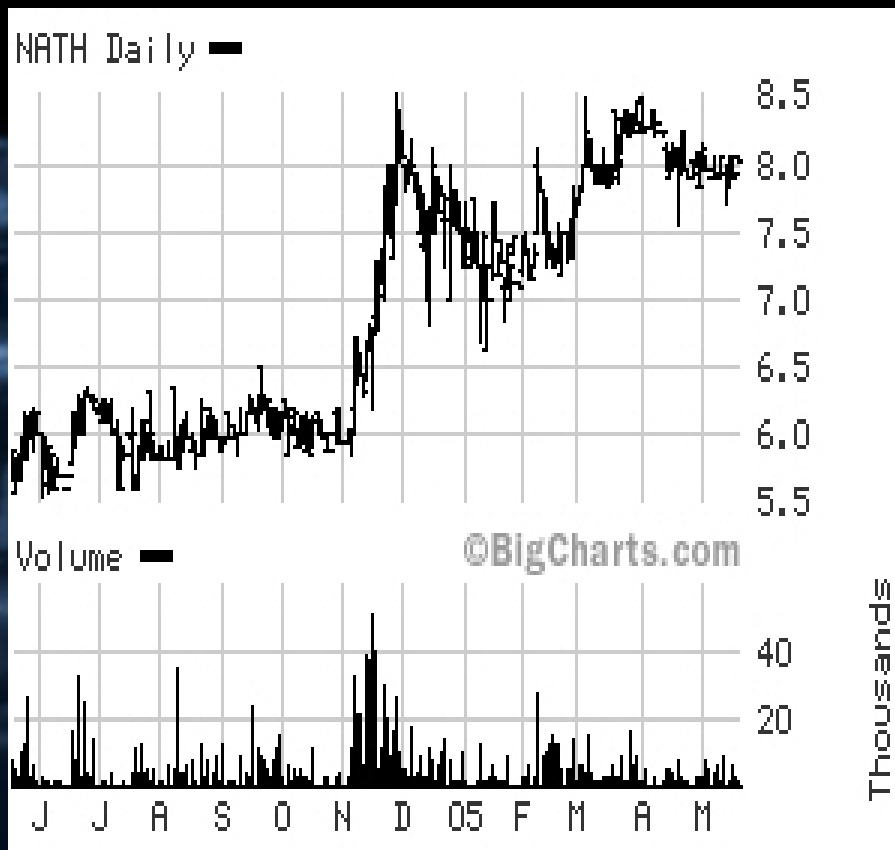
Top 10 Hot Dog-Eating Stadiums

1	Dodger Stadium	1,674,400
2	Coors Field	1,545,000
3	Wrigley Field	1,543,500
4	Yankees Stadium	1,365,000
5	Minute Maid Park	1,248,000
6	Edison Field	1,133,000
7	HHH Metrodome	850,000
8	Citizens Bank Park	800,000
9	Shea Stadium	745,000
10	U.S. Cellular Field	495,000

Source: National Hot Dog and Sausage Council

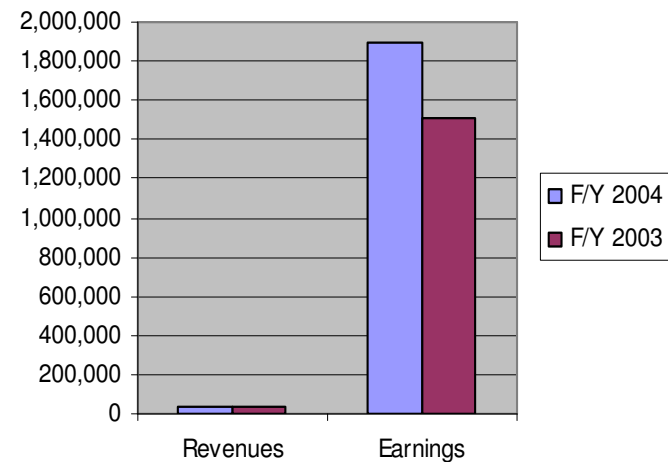
Nathan's: Growth At A Glance....

Stock Chart (*market close on
May 20, 2005*)



	Revenues	Earnings			
F/Y 2004	30,679	1,894,000			
F/Y 2003	33,772	1,506,000			

Nathan's Financial Highlights--2003
& 2004



The End

That's A Wrap,
Folks!
Any Questions?

