

Kraft Macaroni & Cheese Ingredient Change Case Study

Cara Mahon - Final Project

In April 2015, Kraft announced that its iconic product, Kraft Macaroni & Cheese, would be receiving a makeover. This “healthy” move would remove artificial flavorings, colorings, and preservatives from the ingredient list. Although many consumers were calling for a healthier version of the classic recipe, others were upset and worried when they heard the announcement that their beloved macaroni and cheese dinner would be changing, fearing the classic flavor would be lost. This consumer response prompted Kraft to create a unique integrated marketing communications campaign that would surprise customers with “the largest blind taste test of all time.”

The following case study will analyze the Kraft Macaroni & Cheese ingredient change campaign and its marketing, advertising, and public relations components. It will look at the positive and negative outcomes of the strategies and tactics used. Finally, this paper will explain the importance and application of the findings.

Background

Kraft Macaroni & Cheese is a legacy consumer product good (CPG) owned by the Kraft Heinz Company, which is a global food producer supplying grocery stores and restaurants. Kraft has been making macaroni and cheese for more than seventy-five years. The company is proud of its heritage and customer loyalty, while at the same time, looks to connect with today’s diverse consumers and evolve to fit their needs.

As an older food company, Kraft has a storied history. It most recently made headlines for the macaroni and cheese ingredient change, along with the announcement of another new

macaroni and cheese product from subsidiary brand, Cracker Barrel. Prior to these recent announcements, Kraft was in the news when it successfully completed a large merger with Heinz creating the Kraft Heinz Company. This newly-formed conglomerate boasts a large consumer following of its food portfolio consisting of familiar grocery brands such as Jell-O, Oscar Mayer, Planters, Velveeta, Kool-Aid, and others in addition to the notable Kraft and Heinz branded products. The mission of this newly formed company is to provide, “high quality, great taste and nutrition for all eating occasions whether at home, in restaurants or on the go.” (Kraft Heinz, 2016).

Current Campaign

Although the announcement of the ingredient change was communicated to consumers in April 2015, Kraft had been working on the switch for more than three years prior. The company was determined to ensure that the flavor remained consistent, regardless of the different ingredients. This experimentation was kept secret until the company felt that they had perfected the correct formula, so its customers would not taste a difference.

After the initial announcement, Kraft received some consumer push back, which it anticipated and is historically common when such an iconic brand and product with a loyal customer base decides to change. Although the ingredient updates were prompted by its own customers, Kraft also heard the worry from others customers who did not want the classic recipe to be altered, which was vocalized louder and clearer than Kraft wanted. Also, other CPG companies who made changes to classic recipes have received harsh customer backlash. Kraft used their examples to execute and communicate the change using a positive and creative style.

After listening to these customers, Kraft decided to shift the campaign with a unique spin. Instead of promoting the progress of the new product formula as it made its way to grocery

stores, Kraft pursued no publicity or advertisement regarding the ingredient change. In the original announcement, Kraft noted that the changed product would appear on shelves in January 2016. Instead, the company pushed the product to grocery store shelves a month early and without telling customers.

Although some customers noticed the ingredient change, many did not. After responses to the product seemed to stay the same, sales were steady, and customers were satisfied, Kraft decided to reveal to their customers on March 7, 2016 that the ingredient change had already taken place and was executed ahead of schedule as a giant taste test. They were happy to announce that they had “pulled a fast one” on their customers and noting that most people “didn’t notice” therefore, the recipe swap was a success.

Kraft used an integrated marketing communications approach to disseminate this taste test message. Tactics included press releases to the media announcing the “experiment” and its success; traditional media buys with advertisements on television, print, and online through applications like Pandora along with banner ads; a new package design; website revamp; celebrity endorser, Craig Kilborn; and finally a large social media component including posts, use of a hashtag, profile theme changes, and gifts to social engagers and influencers.

By using an integrated approach, Kraft was able to target traditional and emerging media consumers across a wide demographic and geographic location. Paid advertising ensured that consumers saw the message. Social media tactics made the campaign feel more organic and transparent as Kraft encouraged customers to use the #didntnotice and #KraftMacandCheese hashtags to solicit unfiltered opinions and feedback from customers. The company has allowed customers’ posts with these hashtags to automatically curate on the Kraft Macaroni and Cheese website. While this is proof that the company is trying to be authentic and trusting of their

consumers, there are risks involved. Most posts seem to be positive, but negative feedback does exist. Also, some posts that use the hashtag have nothing to do with the Kraft message, but still appear on the website. Although it takes more time and resources, filtering these posts to ensure the subjects are relevant to the campaign would amplify the message Kraft is trying to communicate and refine the unwanted noise. Allowing the negative posts may seem like a counterproductive tactic, but does show that Kraft is transparent and values their customers' feedback even if it disagrees with the brand's own messaging. Throughout the campaign, Kraft has communicated that it has invested in this ingredient change because it values what their customers think and want, so allowing negative feedback to remain visible to all underscores Kraft's characteristics.

Since this campaign is still ongoing, time and sales will tell whether or not it is successful. A recent ABC News article noted that Kraft had reported that, "...it has sold 80 million boxes of the stuff since the new ingredients were introduced in December." (Kim 2016). Positive and negative posts have been shared by consumers, but Kraft has declared that the sentiment has been mostly positive and since most customers did not notice a taste change, the campaign has been on target with its goals.

Target Audience

The grocery industry's audience has typically targeted mothers. However, this is changing due to the shift in the "traditional" family, along with the increase in single-person homes. According to a recent NPR article, "For the first time ever, single adult women outnumber married adult women in the U.S." (Gross 2016).

Kraft Macaroni & Cheese has traditionally been associated as a product for kids as well as college students once the microwavable containers were invented. However, this current

campaign serves also to attract an adult audience, not only as a purchaser of the product for their children, but also for themselves. The commercial from the campaign features an adult celebrity (Craig Kilborn) utilizing humor in mature situations. The majority of the consumers in the advertisement are adults from a variety of ethnic backgrounds, locations, generations, and marital statuses.

The campaign targets consumers who are health conscious and called for the initial change, while also focusing on loyal consumers who love the iconic taste of Kraft Macaroni & Cheese and were skeptical of the recipe adjustment because they valued this taste regardless of the healthier ingredients. This dual focus aimed to please customers on both sides of the spectrum with the tagline, “It changed, but it hasn’t.”

The messaging was communicated not only to external audiences, but also to internal employees who worked quietly to make the switch happen. Changes occurred throughout all aspects of the creation of the product, from the manufacturing line, to the development of the new messaging and packaging design. During the time period of no publicity from April 2015 until March 2016, internal social media professionals were monitoring the existing activity surrounding the ingredient update and consumers’ reactions towards it. Besides the ingredient label change, the classic look of the familiar blue box was kept as the same packaging concept. Even after the March 2016 reveal, the redesign of the packaging was minimal, keeping the classic look of the blue box, so the product remained identifiable to consumers.

Media Relations

This campaign has been described as an integrated marketing communications campaign, because it has utilized aspects of marketing and advertising, along with more traditional

strategies of the public relations practice, including media relations. In fact, a main component of this campaign focused on media relations.

The initial ingredient change announcement was made through earned media placements. The second announcement of the success of the “blind taste test” also was executed through news releases, which garnered coverage in most major news outlets. These media placements shared the announcement, while also informing consumers of the other tactics being used such as the celebrity endorsement, commercials, and social media activity.

Social Media

Much like media relations, social media played a large role in the implementation, brand management through monitoring, and success of this campaign. However, the social media activity is paired with more traditional channels as well. This underscores the notion that this is an *integrated* campaign.

The brand’s Facebook, Twitter, and Instagram accounts play a starring role on the Kraft Macaroni & Cheese website, amplifying the social media’s reach. Each of the brand’s social media accounts display the messaging through every aspect of the profiles’ creative components. This includes not only brand posts with tailored messaging about the ingredient change, but also matching cover photos, profile pictures, and biographical information updates.

Tactics such as giveaways with branded prizes rewarded active online customers. This helps to build a community of brand advocates. T-shirts, pillows, and other wearable items were given away as prizes for customers who engaged with the brand’s social media profiles. The usage of these items also helps to spread the message to others who see them online and in real life.

Engagements from consumers were captured through multiple tactics. Kraft promoted the hashtags #didntnotice and now #KraftMacandCheese for consumers to use to share their feedback. Consumers also tagged the brand in posts and wrote comments directly on the brand's social media accounts.

Kraft continues to promote engagement with a "Share the Love" section on its website where it links to the brand's social accounts and the most recent hashtag. This section also curates the uses of the hashtag by displaying recent posts.

As previously mentioned, Kraft has announced that most of the sentiment surrounding customers' social media postings have been positive, however, unfiltered social media accounts do curate negative feedback also. Kraft does not delete this negative feedback in an effort to be transparent. This can serve as a threat to Kraft's brand identity, but also serves as an opportunity for Kraft to reach out to customers and let them know they are listening.

Corporate Responsibility

Kraft announced that the ingredient change was a direct result of consumers' feedback and call-to-action for a healthier product. Millennials, a large generation of Kraft's consumers with a considerable spending power, are characterized as seeking more "natural" foods and reading labels for nutritional information much more than other generations. Through this messaging of "You asked, we listened," Kraft underscored its caring nature and focus on its customers' wants.

However, other trends and reports throughout the grocery industry point to other factors that promoted the movement away from artificial ingredients in the recipe (Whol 2016). Legacy brands have experienced a slump in sales as consumers seek local and healthier products to fill their kitchens. Kraft, like other "big food" grocery brands likely felt the pressure to change, not

only because of consumer requests, but also because of sales. Their recent focus on media advertisement following their merger with Heinz is proof that sales are a driving factor in their marketing communications efforts (Whol 2016).

Competition from other products in this category, such as Annie's Homegrown macaroni and cheese produced by Kraft's rival General Mills, also pushed Kraft into the direction towards change. This has caused Kraft to change other products in its brand lineup such as its ketchup selection, which will focus on low sugar among other features, and the Capri Sun brand, which now offers Capri Sun Organic.

Ethically, food companies must balance the cost of producing the products with today's focus on better foods for consumers. The priority of sales versus healthier, quality products varies by brand and its internal leadership teams.

The Importance of this Case Study

Throughout my research regarding this campaign, advertising and industry-specific journalists have praised Kraft's unique twist and expert use of psychology in successfully executing the communications surrounding the ingredient change in its familiar legacy product (Bariso 2016). There have been plenty of examples in the past of major brands who failed to sway consumers to believe that their new ingredient changes were truly better. This has resulted in switches back to old recipes along with loss of revenue due to manufacturing changes, and failed communication efforts and spending.

Now more than ever, consumers control the conversations surrounding brands due to the advent of social media. This places a much larger pressure on brand's public relations and marketing teams to communicate clearly and effectively, while building a community of loyal followers to advocate for the brand and its products during times of change.

As noted above, many large grocery brands are compelled to ensure their products appeal to health-conscious consumers. This is a major shift in the industry that looks to only expand in its definition of “healthy” and “natural”. Kraft’s success serves as an example for other food brands, along with brands in other industries dealing with change, to focus on the psychology of the consumers and listen to their feedback.

Future Academic Research

The organic, natural, and preservative-free movement is a large issue that effects not only the food industry, but other product goods along with their marketing, advertising, and public relations firms as these teams work on the brand image and communications for the companies. Kraft is a prime example, proving that smart communication and marketing are important keys to whether or not a major change of a product will be successful. Change is inevitable in this arena and needs to further be studied. At the same time, the Kraft Macaroni & Cheese campaign is just one example. It needs reinforcement from other profitable campaigns.

The industry has seen unsuccessful product changes. By studying big brands and comparing these campaigns, researchers can develop an equation for profit and achievement going forward.

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