Vitamix FoodCycler Strategic Messaging Plan

Client: Key Facts

Vitamix is an American-based company known for its high-grade, high-quality blenders among other household appliances. The company has built its foundations on a few ideals that set the tone for its work and has enabled them to reign the industry with <u>consistently high reviews</u> and very little competition.

Vitamix began as a family business <u>promoting healthy eating</u> as a fundamental value system. This passion inspired multiple blender models capable of blending any kind of whole food to varying consistencies. Vitamix's success within the industry, though substantial, doesn't match up to numerous other brands (i.e. KitchenAid, Hamilton Beach, Black & Decker, etc.) who held <u>greater market share</u> in 2018 and have since <u>remained key players</u>.

However, Vitamix isn't like any other household appliance manufacturer and with the FoodCycler FC-50, it seeks to achieve what it once did in 1937, this time, by revolutionizing how we compost. The FoodCycler emerges at a time where conversations about climate change are viewed through the lens of access and convenience, and it packages itself as an all-star product that could make a difference.

Product

The Vitamix FoodCycler FC-50 is a compact electronic composter that recycles food waste in a quick and efficient process. One can recycle their food waste at the push of a button and without little maintenance involved. The food cycle was designed to make composting easier and more attractive to help consumers take more steps towards sustainable and waste-free lives. This product also boosts Vitamix's goal of encouraging families to <u>eat healthier</u> as the compost can be used to grow organic whole foods.

The FoodCycler FC-50 is made of an <u>ABS Plastic Shell Cast</u>, while its removal bucket where you deposit your food waste into, is made of aluminum. The product uses <u>carbon filters</u> to keep the smell enclosed in as it heats, dries and grinds waste to compost. At 12.6 x 11 x 14.2 inches, the FoodCycler is like a toaster oven in size and fits perfectly on any countertop. It is manufactured and distributed by Vitamix though it can be bought for \$399.95 at places like Crate and Barrell, Macy's and Best Buy.

Product Features/Benefits:

According to Vitamix's website, some features of the FoodCycler include:

- Convenience: The FoodCycler breaks down food waste in one single step and significantly reduces the labor involved with the process. The final product is a ready-to-use compound that you can introduce to your soil and give it a nutrient-rich boost.
- Compact: The FoodCycler doesn't just reduce your food to a fraction of its size, it reduces composting itself by taking up significantly less space in your home just a

- cubic foot of space. Because of its size, you also have the freedom to move it wherever you please.
- Easy to use: All it takes to operate the FoodCycler is a push of a button, and you can run several cycles over the course of the day. This product is also easy to clean as the removable waste bucket is dishwasher safe.
- Odorless & Quiet: The carbon filter lid keeps the smell locked in and it runs quietly so composting becomes an easier and more comfortable process.

Marketplace Trends

The household composting industry has a wide variety of products that make composting more convenient in one way or the other. This industry is expected to grow by \$317.23 million between 2020 and 2025 with companies like Enviro World Corp., Menasha Corp., and Good Ideas Inc. at the forefront of the market. This growth is, according to a report by Technavio, fueled by "effective supply chain management" and "increased investment in R&D". The latter has led to increasingly advanced technology being used in household compost appliances, making this an effective waste management method.

Based on the report, we can conclude that factors that influence the sales in this industry include higher living standards and incomes of consumers who value eco-friendly lifestyles and endeavor to engage in more organic and sustainable waste management systems. Also, a growth in the construction of residential areas combined with an increase in gardening is fueling the development of this industry and general interest in compost and composting methods.

Consumer Trends

The impact of the COVID-19 pandemic on the economic outlook for Americans changed slightly between 2020 and 2021 as vaccines became available and restrictions were reduced globally. Mintel notes that financial activity such as stimulus payments, improvement in the stock market performance and refinancing activity improved the financial situation for many families. Despite the record inflation, consumers tended to spend more particularly on "home renovations, bigticket electronics and household appliances" (Mintel, 2022) but are planning on lowering non-essential spending and seeking out more discounts to manage this period. To that end, consumers are particularly set on cutting back on dining out (77% of internet users aged 18+) and entertainment spending (69% of internet users 18+) clothing and accessories and travel (57% each), electronics (53%) and personal care (36%).

Consumer spending in the small kitchen appliance market is, <u>according to Mintel</u>, tied to the increase in participation in the housing market which combined with the increase in at-home food spending, has generated revenue for kitchen appliance companies as consumers begin to meal prep more and attempt making high-quality recipes by themselves. As a result, consumers are more involved in all stages of the process from prepping to clean up and crave convenience in their appliance to avoid cooking exhaustion. Additionally, appliances that help to reduce food waste are becoming more relevant to consumers who value innovation in their purchases and for people living in urban areas, there is even more motivation to purchase a new appliance, like an

electric composter. According to Mintel, these reasons could range from treating themselves to furnishing a new residence.

Ultimately, consumer spending is heavily dependent on the nature of the spending and because of rising inflation people are more selective not just about what they buy but where they buy it from. There is a clear appreciation for value and a will to spend on what is deemed necessary for a specific lifestyle.

Direct Competition and Brand Images

Three of Vitamix's directs competitors are Pela's Lomi, the KALEA composter and Tero.

The Lomi composter works similarly to the Food Cycler and is unique for turning compostable plastics into fertilizer in addition to food scraps. Its run time is anywhere from 4 hours to over 20 and prides itself on its attractive, sleek design. The company, Pela, is strongly associated with eco-conservatism and sustainability and is known primarily for its compostable phone cases. Lomi emerged as a highly successful venture when the company broke the record for the most-backed product in the food waste industry on the crowd-funding platform Indiegogo. It is designed to serve city-dwellers and Pela insists that, just like a dishwasher, the Lomi composter is an essential appliance to households that do not have the capacity to compost the traditional way. Lomi can be purchased for \$499.

The KALEA composter, unlike the others isn't made for a countertop and instead looks like a large trash can. This product has a run time of 48 hours, and one can add in more food scraps while the cycle is running. The brand name comes from Hawaii and translates as "filled with joy", a philosophy they live by. KALEA shares this joy by curbing greenhouse gas emissions, producing nutrient-rich compost for plants and simplifying the composting process for consumers. KALEA, like other composting brands believes that there are types of people who would benefit greatly from an electric composter and in addition to city residents, KALEA extends their outreach to avid cooks, plan lovers, smoothie fans and "lazybones" amongst others. KALEA is currently priced at \$915.

Lastly, Tero, a food composter designed and manufactured in Canada <u>was founded by two women</u> looking for a solution to their composting problem. The website emphasizes the empirical approach they took in designing Tero to meet the needs of local Quebecers. Tero runs from 4-8 hours boasts a <u>carefully thought-out design</u> to prevent spills when filling up the bucket. The brand prides itself on its ability to help residents contribute to the societal problem of climate change and food waste. Tero can be purchased at \$495.

Indirect Competition

The food waste management is quite a niche one and so there aren't many indirect competitors when it comes to food composting.

Naomi Madu

Compost bins: This is a cheap and simple approach to at-home composting. The structures can either be bought or made and are typically placed directly on soil, filled in from the top with food scraps and left to decompose.

Vermicomposting: With this option, you can compost your food scraps with worms, making it conducive for people with limited or no outdoor space. Vermicomposting is also relatively cheap and can be done year-round with little supervision or maintenance.

Municipal Compost Systems: They manage composting for local communities by collecting waste from numerous households and breaking them down in dedicated composting facilities. They often run the risk of having <u>negative effects</u> on groundwater stores and tend to lead to odor issues.

Brand Image

Vitamix's FoodCycler stands out amongst its catalog of products, so much so that one can't even have a conversation about electric composters without mentioning it. It has garnered numerous positive reviews and Amazon customers have deemed it "one of the smartest investments" they've made (Huang, 2021). Many buyers appreciate the convenience of being able to compost with just a push of the button as it "takes the pain out of composting". While gardening fans rave about the FoodCycler, other buyers who are just interested in reducing their food waste are more than satisfied with all it has to offer. However, the price point is still a major barrier especially for those are looking for more accessible and adaptable ways to live sustainably. There are also concerns about the content of the compost output, some don't see it as fertilizer even though Vitamix would beg to differ, and a Wired review describes the material as a "soil amendment or nutrient source" with "reasonable material to add to crops for growth".

All in all, it is apparent that many buyers perceive the FoodCycler as a niche product for a very niche audience. Those who love it, love it and those who don't aren't too interested in trying it out anytime soon.

This brand image has not changed significantly since the product was debuted and I would like to see the brand perceived as more accessible and relevant in the way that other household appliances are. I would position the FoodCycler as an everyday appliance, a kitchen staple, to get consumers acquainted with composting and the modern approach to that. I would also position the FoodCycler as a worthy purchase by aligning it with consumers' value-based approach to shopping. I would do this by emphasizing its cheaper cost compared to its competitors and the benefits associated with the product compared to the pain points consumers have with traditional forms of composting. Lastly, I would lean on the growing trend in prioritizing ethical, sustainable purchasing decisions by empowering consumers in their ability to make a significant change through a compact product that requires minimal operation and maintenance.