

BM1103 Fundamentals of Marketing

Lunchables to Workables Resegmentation

Group number:

Members' names:

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Introduction

Lunchables were released in 1988 by Kraft Heinz (Wikipedia, 2021), an American multinational food company (Wikipedia, 2020). Their products focus on prepackaged children's meals which have since become extremely popular for school lunches across the US. Our concept is to resegment these prepackaged meals to middle class American office workers, promoting a healthy, well balanced lunch that is packed and ready to be consumed in the office. This new line would be called Workables, focusing on the convenience and money saved from not eating out at restaurant chains daily during work.

Although a high demand for similar products have been observed across American social media, the prepackaged adult lunch market is still extremely underdeveloped in the US compared to countries such as the UK, where concepts such as the meal deal are popularised and wide spread. Many office workers with busy schedules therefore pick up their daily meals from large chains, which not only ends up being costly, but also compromises on health. Workables come as a perfect solution to that, being convenient, healthy, while also cost effective.

Coming from an already well known and established company, the promotion of this range of products would focus on consumer education and introducing this new line to an audience previously focused on children meals. Social media marketing could be an extremely effective outlet to doing this and beginning the spread of word of mouth.

Overall, we picked this product for resegmentation as we observed a market gap for prepackaged office lunches in the US market, and thought that a well established company like Lunchables would be the perfect vessel for introducing a somewhat new concept to the American audience.

Situation Analysis

SWOT Analysis

Below are the summarised points of our SWOT analysis (see Appendix 1).

Strengths • Convenience • Brand equity • Health • Portability • Nostalgia • Growing industry • Variety of meal options • Competitive pricing	Opportunities • Busy office lifestyles • Underdeveloped concept in US market • Growing health awareness among younger generation • Partnerships with stores • Environmentally friendly packaging • Product life extensions
Weakness • Preservation • Will require consumer education • Brand loyalty to competitors • Un-environmentally friendly packaging	Threats • Potentially expensive COGS • Potential food waste • Complicated food safety regulations • Impossible to please everyone • Reputational Vulnerability

PESTLE Analysis

Political Factors

- Food and packaging regulations: affects how Workables are prepared and presented.
- Labor Laws: affects the production costs, potentially leading to price increases.

Economic Factors

- Inflation: could increase material costs, heightening the COGS.
- Economic downturn: affects levels of disposable income, limiting meal budgets, and shifting priorities from convenience to cost efficiency. Would negatively affect profits.
- Economic booms: may increase the convenience seeking consumer base.

Social Factors

- Health conscious eating: shifts consumer desires towards lower processed, lower calorie meals. Workables will have to adapt to these trends with their ingredients.
- Hybrid work: workers being able to cook at home lowers demand for Workables.
- High intensity workplaces: would increase the demand for convenient lunch solutions.

Technological Factors

- Food preservation technology: improves the product shelf life, increasing its appeal.
- Packaging and assembly advancements: lower labor costs, higher profit margins.

Legal Factors

- Labelling requirements: affects the packaging design.
- Advertising laws: affects the types of claims and language used in promotion.
- Employment laws: work hours, pay and worker protection laws affect labour costs.

Environmental Factors

- Sustainability expectations: lowered amounts of plastic or recyclable packaging.
- Carbon emission regulations: affects supply chain and production processes, changing production efficiency and costs.

Market Research

To determine whether an adult version of Lunchables would be a viable product to fill consumer needs, we engaged in primary, quantitative and qualitative research.

Primary Data Collection Methods

An online survey (see Appendix 2) was sent to adults aged between 18-40 who live/work/study in the United States to assess whether they eat lunch, how much they spend weekly, and what levels of convenience are present to position purchasing should it be launched to supermarket shelves as an adult version.

Sample Size/Criteria: 72 people (35 females, 37 male) who have to buy their own lunch from 3+ times a week to 3+ times per day.

To ensure an understanding of consumer needs, we carried out a mixed-method approach combining quantitative and qualitative primary research. A 15-question Google Form, utilizing both multiple-choice and Likert scales, which was distributed to assess general purchasing habits. Following up on this data, ten brief, semi-structured interviews (12–15 minutes each) were conducted with students and professionals during their lunch hours.

These discussions were designed to uncover the emotional and psychological drivers behind lunch selection, specifically to determine what product attribute such as portion size, packaging functionality, and ingredient quality would justify a premium price point and successfully distinguish an adult version of the product from its childhood alternative.

Summary of Findings from Primary Research

- Convenience is the top criteria for a lunch option (87%).
- Adults need something quick, portable, and easy with a low effort level due to busy work days.
- 68% admit that the biggest barrier is "no time to make food in the morning".
- 74% would be somewhat interested in an "adult version of Lunchables" made from healthier/quality ingredients.
- The amount spent on average is \$4-7 meaning we need to be price competitive with meal deals at that amount.
- Most requested options were high protein (chicken, cheese, tuna), fruit, dip, crackers, and "fun but healthy" snacks.

The connections made from my primary research substantiate the existing trends Mintel and Euromonitor found. The emerging cohort of young adults who buy grab-and-go lunches. Instead of making their meals at home. The emerging demand for healthier convenience items. The emerging demand for nostalgic food has yet to penetrate an increasingly younger consumer base (Gen Z and Millennials). Primary research corroborates these trends and notes a gap. Adults want a lunch-esque product that offers quick preparation time, easy transport, nutritional value and a connection to when they were kids - an adult Lunchable meets all these gaps.

There is an opportunity for an extensive line of Lunchables catered toward adults with a high-protein focus. There is also a demand for premium options (salmon, hummus dips, artisanal crackers). As well as packaging that would be desirable to keep in the office (silent opening, compact, recyclable) being mentioned multiple times.

Target-Marketing Process

Segment Type	Potential Target Segment
Age	Adults; 19-45
Psychographics	Busy lifestyle, limited time, nostalgia, emotional appeal
Geography	Urban & rural areas, Target & Walmart presence
Income	Mid-price appeal for incomers and accessible for low incomers via bundles
Gender	Universal, no boundaries

Segmentation Variables Table:

Segmentation type	Variables	Description
Demographic	age , income	Adults (20 - 45 years old) wanting quick meals during work hours. Middle incomers who value convenience with affordable quality.
Geographic	Availability, region	In supermarkets (Target, Walmart), convenience stores, mini markets etc. in both urban & suburban areas.
Psychographic	Lifestyle	For efficient, productive individuals while craving quick balanced meals.

- *Primary data* provided more behavioural insights: respondents mentioned skipping meals due to time pressure and relying on quick snacks.
- *Secondary data* showed growing demand for healthy food among professionals, working long hours and trying to stay on a diet. Competitor research showed that many

existing products are either unhealthy or too expensive, creating a gap for quick, healthy, and affordable alternatives.

Evaluation of Identified Potential Segments:

Size & Growth: The employment rate in the USA reached nearly 60% in 2025. Such data shows a large enough segment for generation of meaningful sales as the workforce is the majority of people and highlights a positive relationship with potential stable sales.

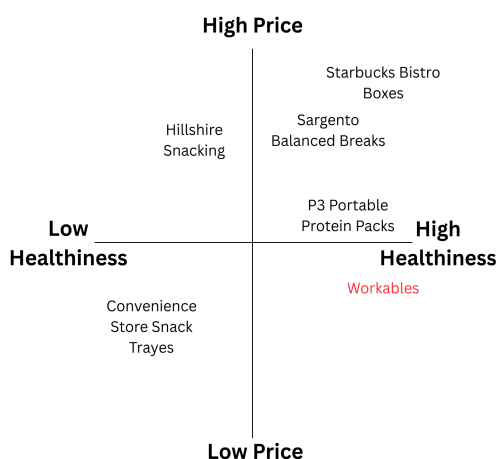
Profitability: If a pack is sold around US\$4.00, retailer keeps 35%, producer's revenue is around US\$2.60 per unit. If production and supply chain cost US\$2.20, the gross margin per unit is US\$0.40. After scale and cost optimisation, the margin would improve to around 15%, making this range realistic to allow a slightly premium price.

Targeting strategy: *Differentiated targeting strategy*; connects a product to different segments. While *Lunchables* targeting children still exist, a separate, redesigned version for adults is created with more protein and mature flavors.

Positioning: Unique Selling Point: Healthy and affordable; trusted chain, familiarity.

Accessible; easily reached by marketing. *Distinctive/ identifiable*; difference between customers in each group to warrant distinct segments. *Durable*; segments stable over time; people grow, habits remain, with emotions and feelings sought.

Perceptual map:



Brand Positioning Statement: For busy, nostalgic adults

wanting quick meals during work. *Workables* is a prepared lunch-box providing a fast and satisfying lunch alternative, fitting the adult rhythm, with fresh, portion-controlled combinations designed for adult nutritional needs.

Marketing Mix

	Changes	How it works
Place	Originally sold in supermarkets: vending machines in offices and transportation hubs, availability in supermarkets, online retailers.	Prioritising areas that make the product accessible for consumers, while also maintaining a wide reach to build product awareness.
Promotion	Initially Lunchables is promoted as kid snacks: target audience are office workers who are short on time. Promotion channels would include in store promotion at supermarkets, office partnerships, social media and influencer marketing, and word of mouth.	Promotions will highlight the health and convenience aspects of the product, focused on building word of mouth and customer loyalty to the lifestyle the product offers. Office culture influencers can significantly accelerate the process of this lifestyle branding.
Product	Initial ingredients were low on health and much smaller in portion sizes: larger servings and healthy, fresh ingredients.	Larger portion sizes and healthier ingredients with wide flavour ranges will make the product more appealing for adults.
Price	Lunchables price is \$2.84: Workables price will start at \$4 due to higher quality ingredients.	The higher price reflects the increased product quality, value-based and competitive pricing used.

Appendix 1

Strengths	Opportunities
● Convenience: saves time due to being a ready packed meal. ● Brand equity: already well established company with a loyal customer base and strong brand reputation. ● Health: nutritious and well-balanced meals with calories and protein already calculated. Protein rich lines can also be developed as a further extension. ● Portability: easy to carry around on commutes. ● Nostalgia: reminds workers of their childhood. ● Growing market: market of ready packed meals is expanding. ● Variety: lots of options with a diverse range of ingredients. ● Price: reasonable pricing for a healthy meal and convenience.	● Busy lifestyles: a lot of office workers do not have enough time to prepare homemade meals for work. ● Market gap: concept of ready packed meals for office workers are not yet well established in the US market unlike in the UK with meal deals. ● Health trends: growing health awareness among younger generation who will be attracted to health conscious ready packed meals ● Partnerships with stores: Workables can be sold in super markets, local stores and even workplaces to make the product more accessible. ● Environmentally friendly packaging: reduced plastic or recyclable packaging. ● Product life extensions: many extensions are possible such as

	vegetarian, vegan, keto, gluten-free and high protein lines.
Weakness ● Preservation: fresh components will limit shelf life. ● Seen as a snack: consumers may see the concept as a snack, which will require consumer education to alter. ● Lifestyle: some consumers may already be loyal to other products or establishments (Starbucks, Wholefoods, etc). ● Branding difficulties: it may be difficult for Workables to be perceived as an adult meal because of its existing reputation. ● Packaging: plastic packaging is not environmentally friendly.	Threats ● Cost: costs of goods sold can be expensive if using high quality produce, which may reduce the profit margins. ● Waste: due to fresh ingredients, the shelf life may be limited which could result in food waste if the products are not sold. ● Regulations: complicated regulations related to food safety ● Customer preferences: customers' taste in food vary from person to person, so it would be impossible to please everyone. ● Reputational Vulnerability: due to being in the F&B industry, one bad customer experience with food poisoning or food freshness would devastatingly affect the brand reputation and consumer trust.

Appendix 2

Survey Questionnaire

1) How old are you ?

☐ 18-25 ☐ 25-35 ☐ 35-50 ☐ 50+

2) What is your gender ?

☐ Male ☐ Female ☐ Other

3) Are your meal expenses covered by the company you work for ?

☐ Yes ☐ No

4) How much do you spend on lunch per day ?

☐ Under 5 £ ☐ 5-15 £ ☐ 15-25 £ ☐ 25+£

5) How much time do you usually spend for lunch ?

☐ Less than 30 minutes ☐ 30-60 minutes ☐ 1-1.5 hour ☐ More than 1.5 hour

6) Do you feel your company limits the amount of time you can spend eating during your lunch break?

☐ Yes ☐ No ☐ Sometimes ☐ Prefer not to say

7) Do you think the amount of money you spend on lunch is high ?

☐ Yes ☐ No ☐ Prefer not to say

8) What is your ideal lunch budget ?

☐ Under 5 £ ☐ 5-15 £ ☐ 15-25 £ ☐ 25+£

9) How often do you eat your lunch outside your office ?

☐ Always ☐ 3-4 times per week ☐ 1-2 times per week ☐ Never

10) What is the most important factor for you when choosing your lunch ?

☐ Convenience (Speed, portability...) ☐ Price ☐ Quality ☐ Other (Please specify)

.....

11) What type of lunch do you prefer ?

☐ Full meal (Hot meals, large portions) ☐ Quick meal (sandwiches, wraps) ☐ Snacks

☐ Other (Please specify)

12) To what extent do cultural factors (cultural or traditional food preferences) affect your lunch choice?

☐ Strong ☐ Moderate ☐ Weak ☐ It doesn't effect

13) Do meal deals and similar promotions appeal to you ?

☐ Yes ☐ No

14) If it would save you time, would you consider purchasing a ready-to-eat, portable "Workables" lunch option ?

☐ Yes ☐ No ☐ Maybe

15) What is the ideal price range of a “Workables” that should be considered reasonable ?

☐ Under 5 £ ☐ 5-10 £ ☐ 10-15 £ ☐ 15+ £

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