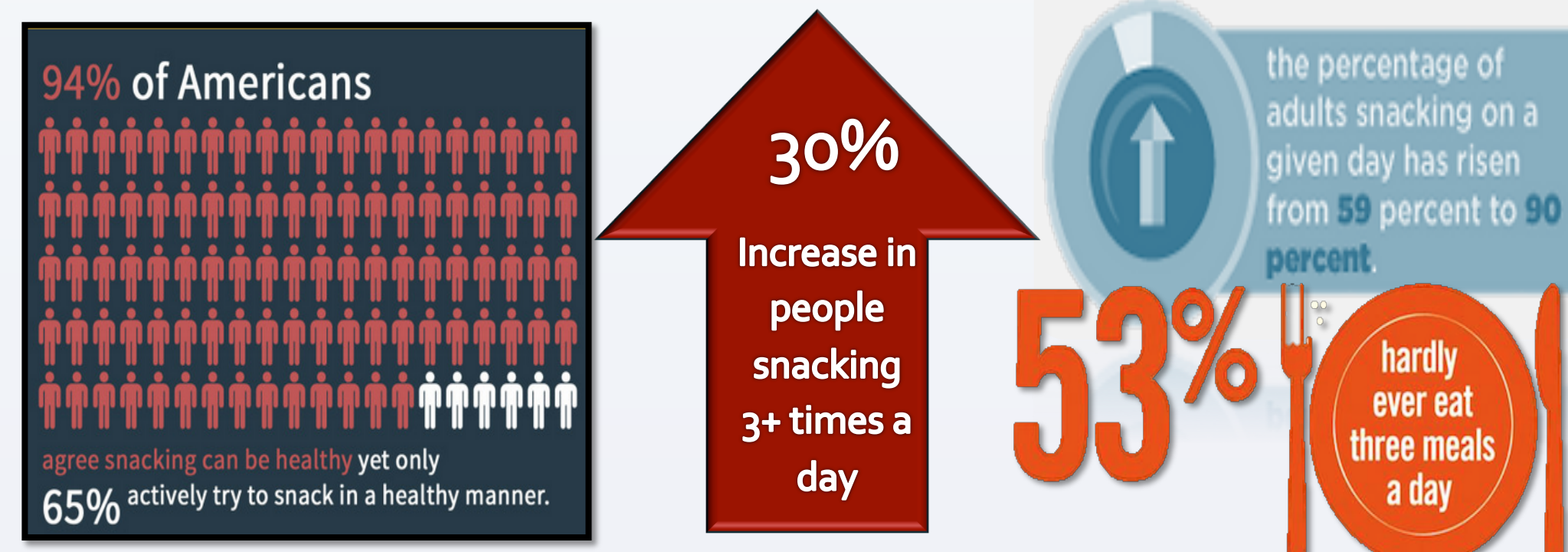


# Cornys Corn Puffs

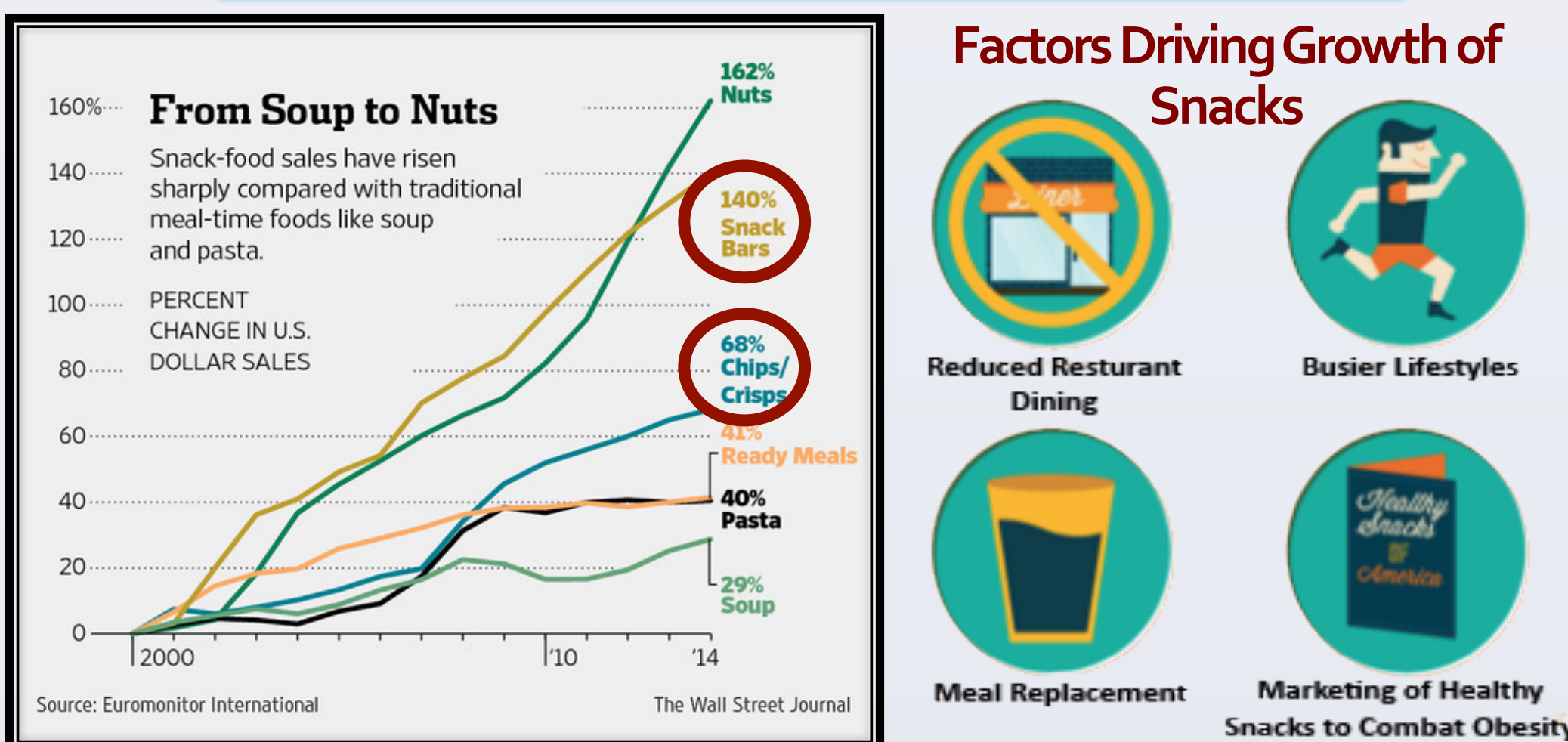
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## Validating Research On a National Scale



"More than 80 percent of Americans are snacking 2 to 3 times a day – evolving snacks into an actual meal category. Correspondingly, the consumption of snacks is expected to grow by **ten percent** over the next five years. That means that in 2018, Americans will be eating snacks as meals 86.4 billion times a year," According to the NPD Group, a market research firm.



## Achieving Problem Solution Fit

### Problem Interviews

**Hypothesis:** Problem interviews will validate that 65% of consumers eat one or more healthy snack alternatives

**Learning:** Almost 50% of this consumer segment would rather eat a smaller portion of flavored chips rather than a non-tasteful low calorie snack

**Insights:** 100% of consumers expressed some form of frustration with existing alternatives such as "it does not fill me up."

### Results

#### Must Have Problem Ranking

Problem	Percentage	Count
Unfulfilling Bag Size	43%	29
Unappetizing Flavors	25%	17
Unsatisfying Nutritional Facts	31%	21

**Results & Decision:**

- Consumers with an active life style have an existing alternative—Preparing a healthy meal ahead of time rather than purchasing a packaged snack
- Those that resonate with the problem are, "busy and always love to snack"

**Learning:**

- Invalidated—Did not resonate with the must-have problem
- Pivoted consumer segment towards individuals who have fast paced lifestyle with full schedules who simply do not want to feel guilty and lethargy
- 45% rather eat smaller portion of tasteful chips & 55% try to consume healthy alternatives

**Checkmarks:**

- ✓ Number one must have problem:
- ✓ Consumer Segment:

**Additional Insights:**

- The current alternative snacks do not offer the right size bag in order to satisfy the consumer
- Fast paced lifestyle consumers with full schedules, who love to snack and do not want to feel guilty


## Solution Interviews

**Validating Qualitatively: Minimum Viable Product - Rebranding**

- What brand name appeals to US consumers and resonates with them?
- What do consumers look for on the packaging of a snack before purchasing it?
- What is the least appealing and unimportant element that can be removed?
- How would the rebranding impact consumers perception of the brand?

**Results and Decisions:**

- 73 out of 110 preferred "Cornys"
- 'C' resembled the corn puff
- Spelling appealed more to the product
- \$1.50-4.00 Price validation



## Achieving Product Market Fit

**Solver Optimization**  
Validates amount of bags to order of each flavor in order to maximize revenue taking into consideration consumer input from survey results on favorite flavors

Per Bag	Survey Results	Cost to Produce	Revenue	To Order
Honey	39%	\$0.50	\$2.00	
Lime & Chili	15%	\$0.45	\$2.00	Total bags 1800
Peanut	6%	\$0.50	\$2.00	Max 400*
Cheese	19%	\$0.45	\$2.00	Min 300*
Zesty Tomato	21%	\$0.45	\$2.00	*in one flavor
	100%			Opt Value \$578.75

Flavor	Normalized Results	How Many to Order?
Honey	39%	400
Lime & Chili	15%	300
Peanut	6%	300
Cheese	19%	400
Zesty Tomato	21%	400
	100%	1800
		Max Real Profit \$2,755.00

**Taste Test Results vs Amount of Bags Sold**

Flavor	Taste Test Results/400	Amount Sold/600
Honey Coated	33%	33%
Zesty Tomato	22%	22%
Cheesey	21%	16%
Chili Lime	19%	19%
Peanut	15%	13%

## Validating Business Viability

Flavors	QTY. Ordered	Sold	Samples	Distributors
Honey Coated	400	130	150	120
Chili Lime	300	99	100	100
Cheesey	400	148	150	100
Peanut	300	117	100	80
Zesty Tomato	400	109	150	140

**Amount Sold 603 Bags**  
Revenue: \$1,204  
% of inventory sold (72 hours): 34%

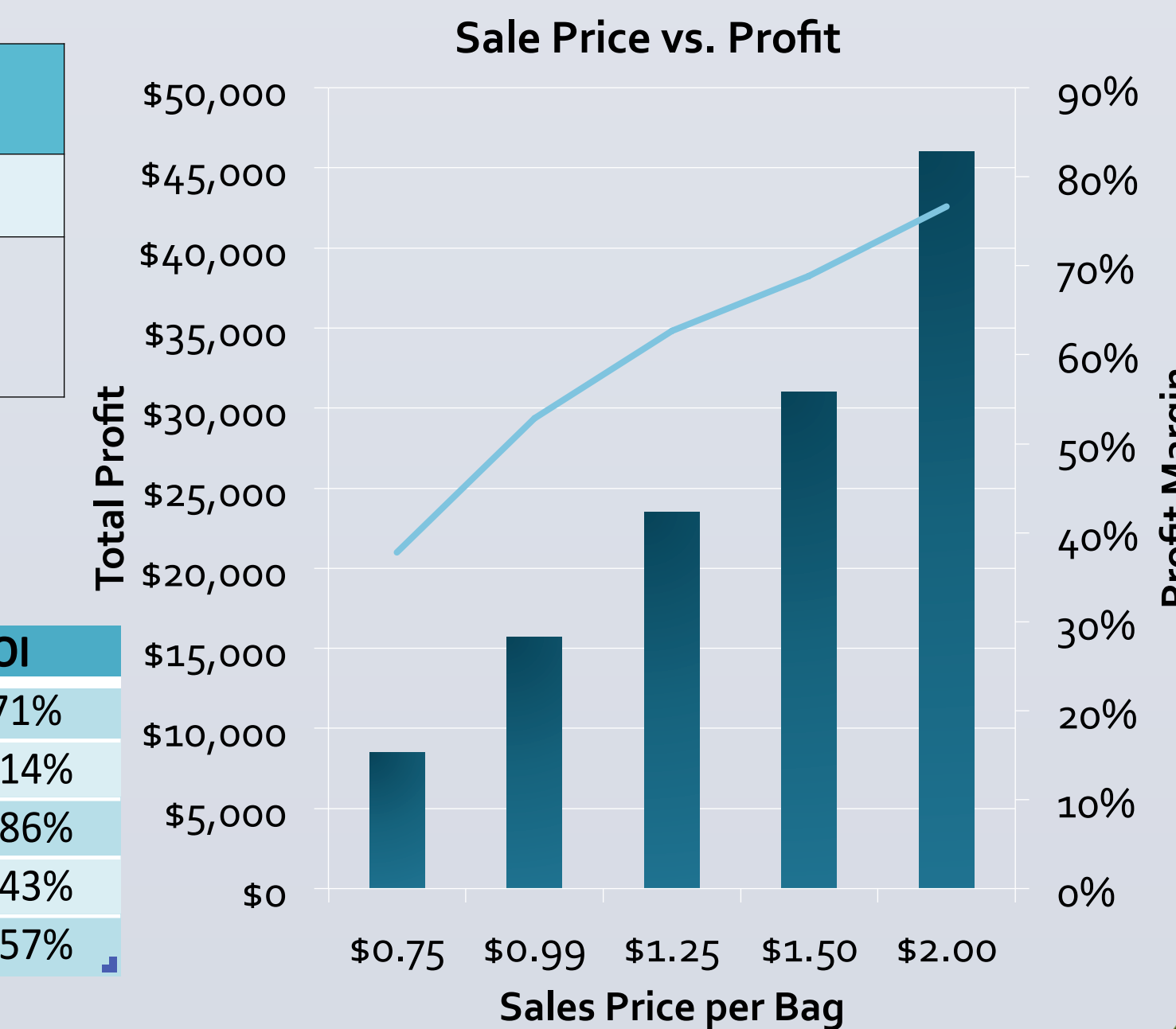
### Future Expenses

Amount in 1 container	30,000 Bags
Cost of Production	\$4,500
Shipment Cost - Freight	\$4,500
Clearing Broker & Tax	\$2,000
Warehouse & transportation	\$1,000
Startup & others	\$2,000
<b>Total Costs</b>	<b>\$14,000</b>

### Cost Profit Analysis

Sale Price	Revenue	Cost	Profit	Net Profit Margin	ROI
\$0.75	\$22,500	\$14,000	\$8,500	37.78%	60.71%
\$0.99	\$29,700	\$14,000	\$15,700	52.86%	112.14%
\$1.25	\$37,500	\$14,000	\$23,500	62.67%	167.86%
\$1.50	\$45,000	\$14,000	\$31,000	68.89%	221.43%
\$2.00	\$60,000	\$14,000	\$46,000	76.67%	328.57%

**Sale Price vs. Profit**



## Validating Quantitatively

WWW.GETCORNYS.COM

### Problems:

- Is it easy to navigate?
- Does it clearly identify what the product is?
- Is it appealing to consumers?

### Consumer Insights:

Word Hook, Benefit Hook, Emotional Hook, Repeated Theme

**Solution:** revamp the website and simplify navigation

### Learning and Decisions:

- Add visual appeals
- Add four hooks
- Easy access to order form

### New vs. Returning Users

28.2% New, 71.8% Returner

### Channels

Referral 22%, Social 42%, Direct 35%, Organic Search

Sessions: 454, Users: 326, Pageviews: 1,352, Pages / Session: 2.98

Avg. Session Duration: 00:02:08, Bounce Rate: 59.91%, % New Sessions: 71.81%

### Social Media Scheduler

**Social Media Goals**

- Increase Brand awareness through FB Likes
- Use FB to drive traffic to website & Form
- Increase Customer Loyalty

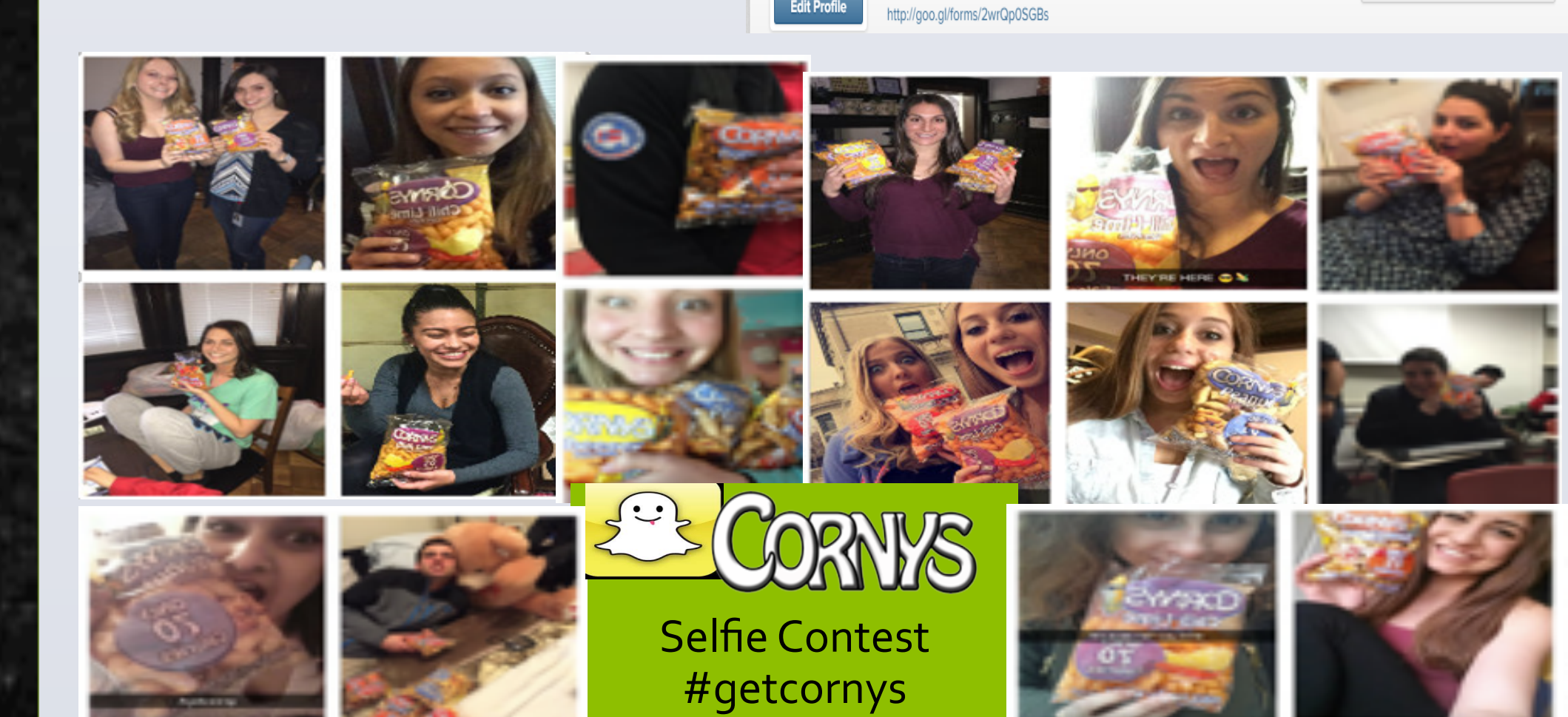
**Measurable 1 year**

- Gain 5,000 Fans - \*415 Monthly
- 15% of total sales
- 1,000 referrals, \*84 Monthly

Since March 30<sup>th</sup>, 2015  
**400 Likes**

### Age of Users

57% 18-24, 32% 25-34, 11% 45-54

Selfie Contest #getcornys

### Challenges Faced

- Shift in Consumer Segment to find the #1 must have problem
- Website Platforms
- Shift in shipment method
- Quantity to order
- Labeling Error
- Recouping Shipment Cost
- DEMAND > SUPPLY

### Moving Forward

- Create an LLC or Inc.
- Trademark Brand Name
- Form Strategic Partnership
- Obtain a SKU Barcode
- Update & Fix Packaging
- Create an Import Tax ID #
- Get Clearance Broker
- Freight Contract

## Overview

**#1 Must have problem**

- Unfulfilling bag size
- Unsatisfying nutritional facts
- Unappetizing flavors

**Must have problems**

**Consumer segment:** Individuals with a Fast-paced lifestyle, full schedule, who love to snack do not want to feel guilty

**Number of Interviewees (607)**

200	Post Shipment Feedback
45	Website Solution Interview
150	Solution Taste Test Pre-Shipment
110	Solution Interviews 1&2- Brand Name and Packaging Design
67	Problem Interviews Round 3
15	Problem Interviews Round 2
20	Problem Interviews Round 1

**Market Risk**

- Problem interviews will validate our belief that customers use one or more existing alternatives such as: Pop Chips, Smart food popcorn

**Product Risk**

- Problem Interviews will validate our belief that consumers believe the current healthy alternatives are: unfulfilling due to their current serving size, unsatisfying nutritional facts and lack flavor.

**Customer Risk**

- Problem interviews will validate our belief in consumers who value their health, have or are shifting to an active life style, weight conscious eaters, and calorie counters as a viable customer segment