



# *Research Log for Memphis Meats Marketing Plan*

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Instructor: Antonie J. Jetter, Ph.D.

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Author(s): Dawei Zhang, Matt Yamamoto, Saisanjay Talari, Shahram Khorasanizadeh

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## 1- Introduction

This marketing research log presents the development process of the Memphis Meats' cultured meat marketing plan. The report represents the development process of the marketing plan for the company called Memphis Meats which aims to grow sustainable cultured meat. The research log follows our team's process from the brainstorming stage through the research process, and documents the challenges and unexpected findings we encountered during the term. The structure of the marketing research log starts from idea generation where the team collaboratively selected a product. Then we followed the steps shown on the syllabus. We conducted research on the technology product to determine the value propositions and expected target market.

The flow of this log starts with idea generation where our team collaboratively selected a product. We then incorporated the learnings from class into the steps that follow. We conducted research on the product to determine the various value drivers and target market.

## 2- Ideas Brainstorming

After we formed our group, we started to brainstorm as many possible high technology products or services based on the guidance of the professor. Each group member considered the following characteristics for proposing high-tech products:

- The idea should be a high-tech product/service
- Latest technology product that is not available in the market yet
- Technology must be feasible
- The idea has a high potential market.

Finally, we identified the following projects:

1. Cultured Meat
2. Charge your phone while walking!
3. PreVue. It is an e-textile based device that employs the latest stretchable display technology over the abdominal region, letting other family members connect with the fetus in its context.
4. Exo-Skeleton: This includes a trio of wearable exoskeletons, the A (ankle), H (hip) and K (knee). Each serves a different set of needs and muscles, but ultimately provides the same functions: walking assistance and resistance for helping users improve strength and balance.

We presented all the four ideas during our brainstorming - first ideas session in the class. Based on the professor's feedback and our team's discussions, Cultured Meat was shortlisted for developing a marketing plan. As the worldwide population is expected to reach 9.6 billion by 2050 and with the ongoing environmental and public-health catastrophe, cultured meat is a sustainable alternative for conventional meat. We looked for a company to associate with to develop a marketing plan for, we found that no one is better positioned than Memphis Meats who wants to grow sustainable cultured meat. It has a lineup of high-profile investors that includes Bill Gates, Richard Branson, and Jack Welch.

### **3- Research Process**

We conducted a customer survey to further determine the value drivers and compelling reasons to act. For this, we created an online survey to understand the consumers'/customers' meat-eating habits and their perception of cultured meat. We received 93 responses of which 45 are from the USA. To understand the consumers and their behaviors better, we conducted an in-person interview with nine individuals with varied ages and backgrounds. The results from these two data sources have been used for defining the market segmentation. This qualitative study has given us insights on the initial reactions towards the cultured meat products among consumers as the end users through focused personal discussions. After defining the target market, we followed the marketing plan outline.

In order to create an outline for preparing the marketing plan including defining the market strategy and segmentation, communication plan, etc., we conducted a lot of research on current meat market landscape, reviewing well-known relevant scholarly papers and data banks such as IBIS World, analysis of customers' data that is collected through an online survey as well as in-person interviews, class lectures, relevant books and our expertise. We conducted thorough research to understand in detail about the product and major competitors. Based on our research, we found our target market and created a marketing plan for our target market. The guidelines provided by the professor helped us to develop the marketing plan and 4P strategies.

### **4- Research about the Cultured Meat and relevant companies**

We first learned about the Impossible Foods product from 'TechfestNW', Portland, Oregon. There was a talk about their artificial meat products. They talked about an ingredient called "Heme" which makes artificial meat taste like natural meat. We then did further research online about plant-based meat products and cultured meat products.

'Beyond Meat' is an aggressive company for plant-based meat products. They advertise heavily with NBA stars in their commercials. Not long after we decided our topic, Beyond Meat IPO'ed in public market and their stock price rocketed.

To learn more and experience the artificial meat products, we went to a restaurant in downtown Portland to get our first-hand experience. We ordered regular and "Impossible" burgers to be able to compare. Though we could differentiate them slightly by looking at the

shape and texture, they were both similar in taste. Beyond Meat products are available in the market in grocery stores such as Safeway, just next to the regular beef patties. However, currently they are more expensive than regular meat (\$6.49 / 2 patties vs. regular \$4.00 / 2 patties). There are other plant-based meat products on the same shelf from the company "Organics." Hence our research suggested that plant based meat has already entered the market. In order to match the criteria for the marketing plan project, we had to exclude it from consideration.

Between plant-based and cultured meat, we chose Cultured Meat as our final topic for several reasons:

- 1) Plant based meat products already emerged into the market
- 2) There is tons of information available for plant-based meat products
- 3) Cultured meat satisfied all the criteria for our marketing plan requirement
  - a) Cultured meat is high-tech product
  - b) It is not available in the market yet
  - c) A lot of research is being conducted in this area. It is a feasible technology as experiments are being conducted in laboratories with some tasting sessions.
  - d) High profile investors such as Bill Gates are investing in this. This shows that it has potential market.

As we search more about cultured meat, the competition and the big market potential show up gradually. Not only U.S. startups are emerging and competing, but also cultured meat companies from all international countries are being funded and developed.

Most US companies (9 out of 10) are located in the Bay Area, CA and another US cultured meat company is located at San Diego, CA. Memphis which was launched in 2015, while the other companies working on cultured meat were all registered after 2017. While most of the companies focus on a single product, which could be anything from cultured fish to cultured pork sausages, Memphis Meats focuses on multiple products such as ground beef meatballs, chicken and duck meat.

## **5- Assessment of the Process and Outcome**

Right from the process for selecting the topic for our marketing plan project, we have done a thorough research. We are satisfied with the process that we followed to develop a marketing plan for Memphis Meat. Even though we have not seen the product or the process in person, we believe in this product and what Memphis Meats is doing. The high profile investors in this area show promise. Some of the people that we interviewed, also acknowledged that with current

environmental conditions and global population surge, such efforts of sustainable meat creation are necessary and will go a long way in the future. There were some who were skeptical about the idea of clean meat too. Our idea is that first, we should market for the people who are willing to try our products like Yuppies defined in the marketing plan. When the products or brand of Memphis meats is established then we can target the latter group of people.

## **6- Challenges**

We faced challenges while working on the marketing plan, including identifying the target market and choosing a distribution type.

We first considered our project to be on artificial meat, but adjusted to cultured meat to distinguish our product from plant based meats and other traditional meat alternatives such as veggie burgers. Since cultured meat has not gained mainstream adoption, there is a lack of specific details regarding the technology of growing meat other than general phrases such as animal cells being harvested and cultured to form multicellular my tubes in bioreactors. This is an issue because an expected first reaction of potential customers when first being introduced to cultured meat would be to ask how it is made and if it is safe. The USDA and FDA have agreed to oversee the production of food grown from animal cells, but the regulatory framework has not been finalized. The FDA will oversee the cell collection, cell banks, and cell growth and the USDA's Food Safety and Inspection Service division will oversee the production and labeling of food products<sup>[1]</sup>.

## **7- Team Expectation**

Our team expectation of the Memphis Meats marketing plan was to apply concepts learned from the lectures and readings. The Memphis Meats plan contained the fundamental sections of marketing plans including the executive summary, market analysis, company analysis, objectives, segmentation, targeting, positioning, marketing strategy, and budgeting and control.

## **8- Conclusion**

We as a team believe that the cultured meat or clean meat products have a lot of potential in the future. It may start small and people may take time to accept it but this is going to be huge. The price may be high but so was the cost of R&D for the first iPhone, which was \$2 billion - a lot more than the first cultured burger says Good Food institute's Bruce Friedrich. The early stages of all technology cost a fortune. Valeti and his crew are confident that they will figure out how to bring the costs down even further and mass produce<sup>[1]</sup>. Also, the fact that one in five people would eat meat that was grown in a lab- apparently for no reason at all besides sheer curiosity - could be considered highly encouraging for the clean meat industry. As per Uma Valeti, once consumers are educated about the benefits and especially if the product is cheaper than meat

from slaughtered animals, there doesn't seem to be any valid reason why consumers won't switch. Not everyone will convert, needless to say, but enough will likely do to make a difference, and presumably, a profit. As well even if only twenty percent of meat-eaters were willing to switch, that would still make clean meat a multi-billion dollar industry. During our interviews, we observed the same trend and we think it is an easily achievable target.

We as a team strongly believe that this is the existential necessity for alternative sustainable meat.

## 9- References

- [1] USDA (2019, March 7). "USDA and FDA Announce Formal Agreement to Regulate Cell-Cultured Food Products from Cell Lines of Livestock and Poultry. Retrieved from: <https://www.usda.gov/media/press-releases/2019/03/07/usda-and-fda-announce-formal-agreement-regulate-cell-cultured-food>