Hershey Coffee Sales Plan

The Hershey Company

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Hershey Chocolate Company History

HERSHEY
THE HERSHEY COMPANY

1894

Milton Hershey creates Hershey Chocolate Company as a Subsidiary of Lancaster Caramel Company.

1900

Hershey Milk Chocolate
The first Hershey Chocolate bar was sold.

Milton Hershey decides to sell Lancaster Caramel Company but retains rights to Hershey Chocolate Company.

1907

Hershey Chocolate Kisses

The Manufacturing of Hershey Chocolate Kisses begin.

1927

Hershey Co has an IPO (initial public offering)

1979

Huge Milestone: Hershey achieves one billion in annual sales

2023

- Has acquired over 20 companies
- Currently valued a 38.9 Billion
- Currently has the largest Confectionery Share

Current State / Overview (1)

- Mission Statement: ***Bringing sweet moments of Hershey happiness to the world every day, summarizes our company, our people, our past and future"***
-
- Vision: statement: ***"Make chocolate accessible to everyone's"***

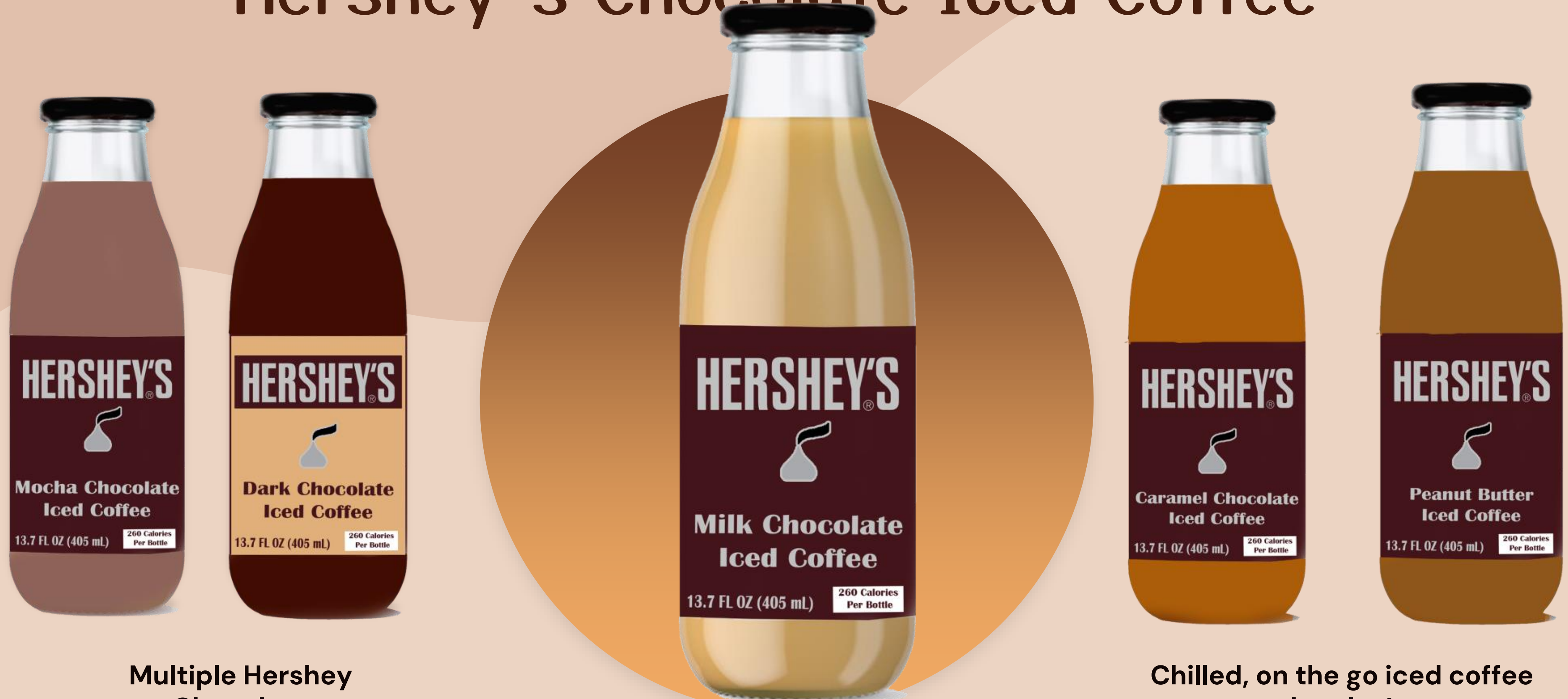
Current State / Overview

- The Global Chocolate Market as of 2022 is 127.9 billion forecasted to reach 160.9 billion by the end 2027.
- The Coffee Industry is currently valued at 127 billion forecasted to reach 158.89 billion by the end of 2028.
- Current Market Share of Hershey Co in the United States is 33.5%
- Hershey's Largest Competitors

  - Mars: Creators of Snickers and M&Ms

  - Mondelez: Belvita, Chips Ahoy, Oreo, Ritz

Hershey's Chocolote Iced Coffee

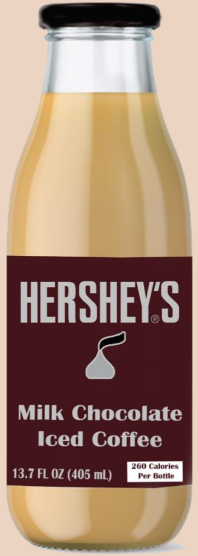


Multiple Hershey Chocolate themed coffee flavors!

Chilled, on the go iced coffee bottles!

Proposed Product

- Hershey's Chocolate Iced Coffee:
    - Iced Coffee in glass bottles; aligns with the premium positioning; eco-friendly packaging
    - Coffee, various Hershey chocolate flavors, with caffeine
- Aligns with our Mission and Vision statement
    - Making chocolate accessible to everyone
- Aiming to reach broader audience
    - Older demographic than usual Hershey consumers



Market Positioning & Competitive Landscape

Positioning Category	Hershey Coffee	Starbucks	Dunkin' (Inspire Brands)	Nestlé
Product Quality and Taste	Premium	Premium	Standard	Varied
Price Point	Premium ($3 - $4)	Premium ($3.30- $5)	Budget-friendly ($2.00 - $3)	Varied
Brand Legacy and History	Strong	Strong	Strong	Global Brand
Target Audience	12+ years old	All ages	18-45	Varied

Unique Product Offering: Unique Blend of Hershey's chocolate with premium tasting coffee sourced by them. Distinct flavours that sets Hershey's Coffee from Starbucks

Launch Strategy

- Gradual Launch
  - Closely monitor customer response
  - Focus on Specific Market - Coffee & Beverage
  - Try out sales strategies

- Geographic Targeting: U.S Only
  - Hershey always have a strong presence in U.S; Leverage the recognition
  - Establish with major and local retailers and distributors

- Product Availability
  - Hershey Chocolate World and Hershey Park(Brand Legacy, Exclusive flavours and offers,)
  - U.S Retail stores(e.g. Walmart, Shoprite, Wawa, 7-Eleven, etc)

Target Goals

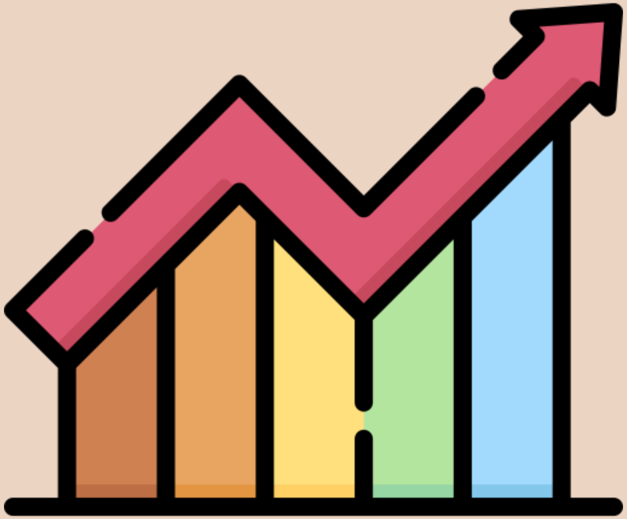
Measuring Success & KPI
- Achieve at least a 20% market share after the first year and an estimated 10% in the first 2 quarters

Revenue
- $10-$20 million first 2 quarters
- Upwards of $30 million on year

Gross Margin
- Based on projections of market share
- $5-$10 million first 2 quarters
- Upwards of $20 million first year

Satisfaction from surveys
- Positive reviews on surveys and review section of online posting

Repurchase Rate
- 25%-30% in first year



Sales Teams

In- Person Sales Team
(@ Hershey Worlds/Park)

Sales Associates

Requirement:

- ❑ High School Diploma or Equivalent
- ❑ Prior experience in retail or customer service(preferred)
- ❑ Strong verbal communications skills
- ❑ Team player
- ❑ Customer-orientated
- ❑ Product Knowledge
- ❑ Availability

Sales Manager

Requirement:

- ❑ Associate or Bachelor Degree in Business
- ❑ Minimum of 3+ year experience in sales management
- ❑ Strong Leadership skills
- ❑ Excellent communication
- ❑ Product Knowledge
- ❑ Analytical skills

Online Career Posting

In Person Un-Structured Interview

On - Boarding Training

Operational Training

Rotational Training

In-Field Supports

Mentorship

Performance Feedback

Sales Teams

Retail and Distribution Sales Team

Field Sales Representatives

Requirement:

- ❑ Bachelor Degree in Business or Sales
- ❑ Minimum of 3+ year experience in sales
- ❑ Sales and negotiation skills
- ❑ Product Knowledge
- ❑ Analytical skills

Regional Sales Managers

Requirement:

- ❑ Bachelor Degree in Business, Sales
- ❑ Minimum of 5+ year experience in sales
- ❑ Strong Leadership skills
- ❑ Excellent communication
- ❑ Product Knowledge
- ❑ Analytical skills
- ❑ 3+ year of management skills

Online Career Posting

Virtual Unstructured Interview

Training

Practical Application/ Field Training

Sales Skill Training

In-Field Supports

Mentorship

Performance Feedback/ Evaluation

Incentives and Compensation

Incentive

- ❑ Performance Bonuses
- ❑ Sales Contest
  - Cash bonus, gift cards, travel vouchers
- ❑ Recognition and Awards
- ❑ Professional Development Opportunities
  - Training
  - Workshops
- ❑ Flexible Work Arrangement

Compensation Plan

- ❑ Competitive Base Salary
  - Flexible
- ❑ Benefits Package
  - Health Insurance
  - Retirement Plan
- ❑ Expense Reimbursement
  - Travel
  - Vacation(PTO)

What We Want:

- Productiveness
- 3 x 5 monthly eval: What was achieved, What could be done better. What is next

Risk Mitigation and Competition

Allergens and Contamination

- Maintain strict guidelines for microbial contaminants and allergens
- Limit shelf life for preservation
- Tunnel Pasteurization

Competitors: Dunkin and Starbucks

- Top 2 in market share
  - Make up over 50%

Executive Recap

Hershey's Mission Statement:

"Bringing sweet moments of Hershey happiness to the world every day summarizes our company, our people, our past and future."

Our Vision Statement:

"Make chocolate accessible to everyone."

Current State of the Industry:

- Global Chocolate Industry estimated to reach $160.9 billion by the end of 2027.
- Coffee industry currently valued at $127 billion, forecasted to reach $158.9 billion by 2028.

Product Information:

- Hershey's Chocolate Iced Coffee
- Product will be served in glass bottles
- Various flavors available

Executive Recap

<u>Launch Strategy:</u>

- Gradual launch, closely monitoring customer responses and focusing on trying different sales strategies
- Focus on U.S. only, as Hershey's has less presence on the global market versus the US specifically
- Product placement will be at Hershey's Chocolate World, Hershey Park, and US retail stores such as Walmart or Shoprite

<u>Sales Team Structure and Training:</u>

- Requirements given per employment position:

1) *In-Person Sales Team:* Sales Associates and Sales Managers
2) *Retail and Distribution Sales Team:* Field Sales Representatives and Regional Sales Managers

<u>Sales Goals:</u>

- *Market Share:* 10% market share in first 2 quarters, at least 20% by end of year
- *Revenue:* $10-$20 million in first 2 quarters, upwards of $30 million by end of year
- *Gross Margin:* $5-$10 million in first 2 quarters, upwards of $20 million by end of year

<u>Risk Mitigation:</u>

- Limited shelf-life, possibly leading to chance of microbial contaminants and allergens

Thanks

Do you have any questions?

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