



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



BUILDING AND MARKETING A BRAND! Readers may recall our analysis of the greatest brand & marketer ever, that jolly old elf in the bright red suit, *Santa Claus!* ([Christmas Stories, 12/16/17](#)) With intensive research & what we now feel is a wealth of firsthand experience & involvement (including much trial & error), we have found a brand & a marketing genius that may be a close second to *Kris Kringle!* It's a brand that has stood the test of time! A brand that no matter how many mistakes it has made, people rush back! This brand has proven its price inelasticity & its ability to become an essential part of a consumer's life! We are, of course, speaking of *The Puppy!*

PUPPY MARKETING: "How much is that doggie in the window?" Patti Page first asked in 1952. The puppy has proven consumers will pay any price for this product! The puppy certainly knows how to package its product! From the tip of a big, black wet nose to the end of its waggly tail, the puppy has emphasized package design! They understand how to keep their marketing pitch simple & understandable: *it's all about the cute!* And just like St. Nick, the puppy's total emphasis is on enthusiastically pleasing the consumer! From happy face licks to jumping with joy, rolling over & chasing its tail, the puppy is all about the satisfied consumer! Yes, the puppy does fervently embrace its product, this brand is always marketing itself! Like any brand, the puppy has messed up at times, & always has expressed deep regret, which just wins the consumer over once again! But over time, the puppy messes up in places that don't bother the consumer, which only pleases the consumer more! The higher end product pleases the consumer in many other ways, seemingly responsive to every consumer need or command! And some offerings in this brand seem to understand almost every thought & feeling of the consumer! Even philosopher Bernard Williams saw this incredible aspect of the brand saying, "There is no psychiatrist in the world like this brand licking your face." Yes, this brand becomes completely integrated into the consumer's life; to the point where the consumer cannot do without the brand, cannot even imagine what their existence was before they became acquainted with the puppy! Talk about a brand life cycle! Wildlife photographer & conservationist Roger Caras spoke of the brand's life cycle, saying, "This brand is not our whole life, but they make our lives whole." And sportsman & author Gene Hill certainly understood consumer reception to the puppy brand, "Whoever said you can't buy happiness forgot this brand." So here is to the puppy, the best brand & marketer south of the North Pole!

INDUSTRY NEWS: *Simply Good Foods Company* (Atkins' meal kits, breads, pizzas, frozen foods, shakes, bars, etc.) is buying *Quest Nutrition* for \$1B. *Icelandic Glacial* (bottled water) finalized \$66M in capital, with \$35M from *BlackRock USA Private Credit* & the remainder from new & existing investors. *DoorDash* acquired *Scotty Labs*, a startup developing unspecified autonomous & remote-controlled vehicle tech. Ingredient supplier *Motif* attained \$27.5M from *General Atlantic*, with participation from *CPT Capital* & announced a new brand identity & name, *Motif FoodWorks*. *Hershey's C7 Ventures* announced a minority investment in cacao snack business *Blue Stripes* & nutrition bar *Fulfil*. *Smashmallow* closed a minority investment from *Alliance Consumer Growth* to launch a line of low-sugar gummies. CBD-infused drink mix maker *OLEO* raised a \$1.5M C-note. *Giant Food Stores* will acquire *Musser's Markets*, an independent Pennsylvania grocer.

Statler Brothers will update its logo & begin to remodel some of its 175 SoCal stores. Egg alternative *Just* will be offered in 2,100 *Kroger* stores. *Kroger* has expanded its express store concept inside 35 additional *Walgreens'* locations in Tennessee. *Kroger* is using the social media app *TikTok* to feature back-to-school product offers to *GenZ*. *AmazonFresh* has launched same-day perishable delivery in Houston, Minneapolis & Phoenix. *Sprouts Farmers Market* now offers *Instacart* same-day grocery pickup at all its Phoenix Valley stores. *HEB* will offer *Instacart* service at several Dallas area stores. *Cleveron* & *Walmart* are partnering on a new robotic pickup kiosk that can retrieve customer orders, stored at the proper temperature, within 20 seconds. Robotic delivery company *Starship Technologies*, currently operating on 4 campuses, will expand its services to 100 USA colleges over the next two years. *Target* will replace its *Archer Farms* & *Simply Balanced* brands with *Good & Gather* (2K products) which will roll out in stores & on-line across kids, natural & organic, signature & seasonal categories. *Piper Jaffray* analysts suggest that *Kellogg's MorningStar Farms* plant-based foods could be strong competition for *Beyond Meat* & *Impossible Foods*. *7-Eleven* will offer its mobile checkout app in New York City. *Gaia Herbs* is introducing 3 new Mushrooms & Herbs powder blends. *RXBAR* will launch single serve *RX A.M. Oats*. *Live Real Farms* has launched a *Dairy Plus* product line, a combination of oat milk & dairy milk or almond milk & dairy milk. *ADM* will supply raw material to Brazil's *Marfrig* in a partnership to produce plant-based burgers. *Dunkin'* will offer burrito bowls. *Domino's Pizza* opened a new *Innovation Garage*, with a focus on ordering & delivery, at its Michigan World Resource Center. Students from the University of Illinois will work alongside *Cargill* scientists & clients in *Cargill's* innovation labs. *Mayorga Organics* will open a 33K sq. ft. coffee facility in Miami to distribute coffee, chia & other organic products on the East coast. *Del Monte* will consolidate production & close 3 production plants as they continue to streamline operations. With negotiations not moving forward & hoping to get public support, the UCFW is warning *Ralph's* customers of a possible strike. As opposed to allowing free market consumer demand to drive supply, Oregon joins California, Washington & Massachusetts in requiring all eggs produced or sold in the state to be cage-free by 2024. The law places a number of additional conditions on producers. *Kraft Heinz* & *Mondelez* were fined by the USA Commodities Futures Trading Commission for wheat price-fixing from 2011. A farmer/grain broker in Iowa was sentenced to 10-years for selling \$142M in fraudulent organic grain. The *Natural Products Association*, the largest & oldest USA nonprofit dedicated to the natural products industry, filed for bankruptcy.

Payments company *Blackhawk Network* reported that even though millennial & Gen Z consumers are eCommerce's focus, the purchasing power of Gen X & Baby Boomers make these groups the biggest & most consistent users of on-line ordering & delivery. Per *Gallup*, 81% of Americans never order groceries online & just 11% do so once a month. Only 7% of consumers order meal-kits once a month, 88% never do. Supermarket pharmacies ranked the highest, with *Wegmans* on top, in the *J.D. Power 2019 USA Pharmacy* customer satisfaction study. *Publix* was second, while *Sam's Club* topped *Costco* in the mass-merchandise segment. Per the *Hartman Group*, the percent of consumers avoiding bioengineered foods tripled from 15% in 2007 to 46% today.

PARTNERSHIP UPDATE: *Genius*, the whole coconut smoothie, announced new packaging & new retail locations. Read more from BevNET: [Genius Juice Upgrades Branding, Expands Distribution](#).

MARKET NEWS: Markets fluctuated on tariff news during the week. Weekly jobless claims fell well below the analyst projections, indicating economic strength. Tariffs are having only small & sporadic effects on consumer prices, according to a study from the Federal Reserve Bank of New York.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – *Tom Malenka*

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