



The Lil Jif Project

How old-school rap helped America's favorite peanut butter reverse a declining sales trend and hit a 10-year high market share

Executive Summary

After decades of growth and sales success, America's favorite peanut butter hit tough times. Undermined by private label imitators and heavily outspent in its marketing by a resurgent number two brand, sales and revenue slipped into decline.

At the same time, Jif was losing its grip on young adults. They increasingly saw it as a 'family' brand, fondly remembered from their past but not relevant to their lives today.

We took the risky decision to go all-out for young adults, with a campaign about as edgily far from conventional category advertising as it was possible to be.

We waded into the heated cultural debate between rival schools of rappers, in which old-school wordsmiths were at loggerheads with the new-school, who focused more on rhythm and beats.

All of which sounds like a recipe for total and utter disaster for a 65-year-old peanut butter brand.

Except for this: we made it all about the product. And we made it *funny*.

Through social listening, we discovered that old-school rap fans frequently criticize younger rappers for mumbling, like they've got something in their mouths. Our big idea was born. We got old-school rapper Ludacris to release his first new song in six years, but muttered in the new style. He did this by spooning his mouth full of Jif. And we challenged our audiences to do the same.

In this paper you will read how Jif smashed every target set for it, and how dollar sales reached a ten-year high.

And you will also read what happened next, and the PR disaster that ended up showing the power of marketing.

A year earlier, Jif was a declining brand. Yet when the product was recalled in May 2022 due to a potential source of contamination, sales soared again within weeks of restocking.

(word count: 298)

The challenge we faced

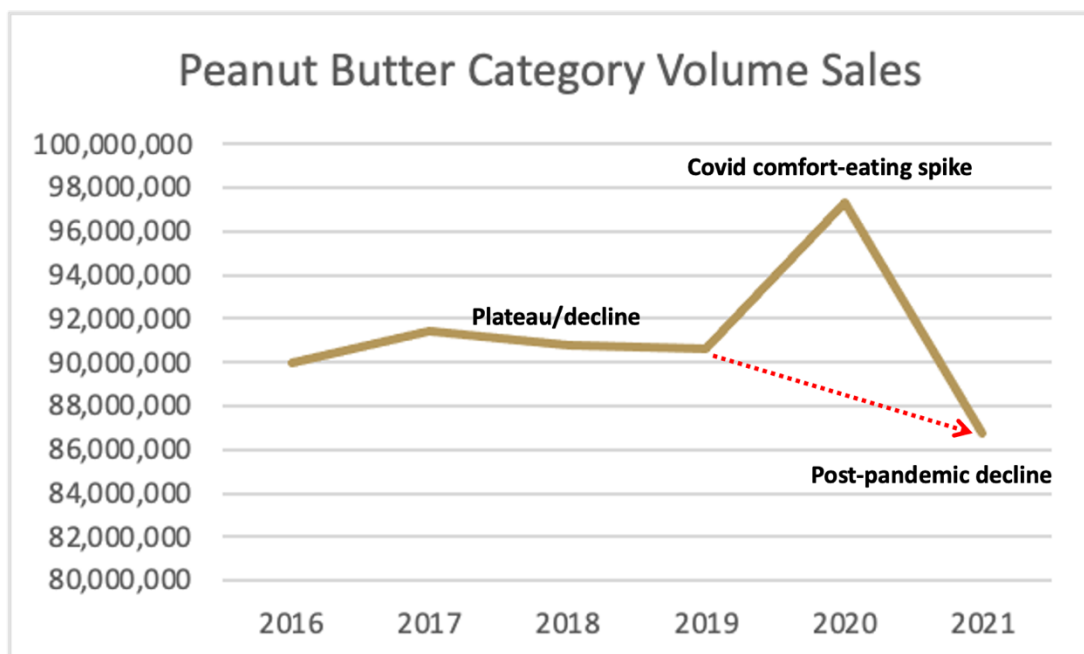
How to reverse the decline in sales and revenue of America's favorite peanut butter brand.

For generations, Americans have loved peanut butter. In a country of 332 million people, 299 million eat it. Average consumption is nearly 3lb per person per year. That's driven annual sales of \$1.84 billion¹.

Jif is the nation's leading brand. Owned by the JM Smucker Company since 2001, Jif has been the market leader since 1981, with a market share nearly three times as large as Skippy, its nearest branded rival².

But times were changing, and things were becoming increasingly tough for Jif.

- **A category in decline.** After years of increase, market growth had stalled. There was a short-term sales spike during Covid, but by 2021 category volume had declined by 10.9%, a loss of \$177 million.



¹ IRI data 2021 MULO Peanut Butter Category

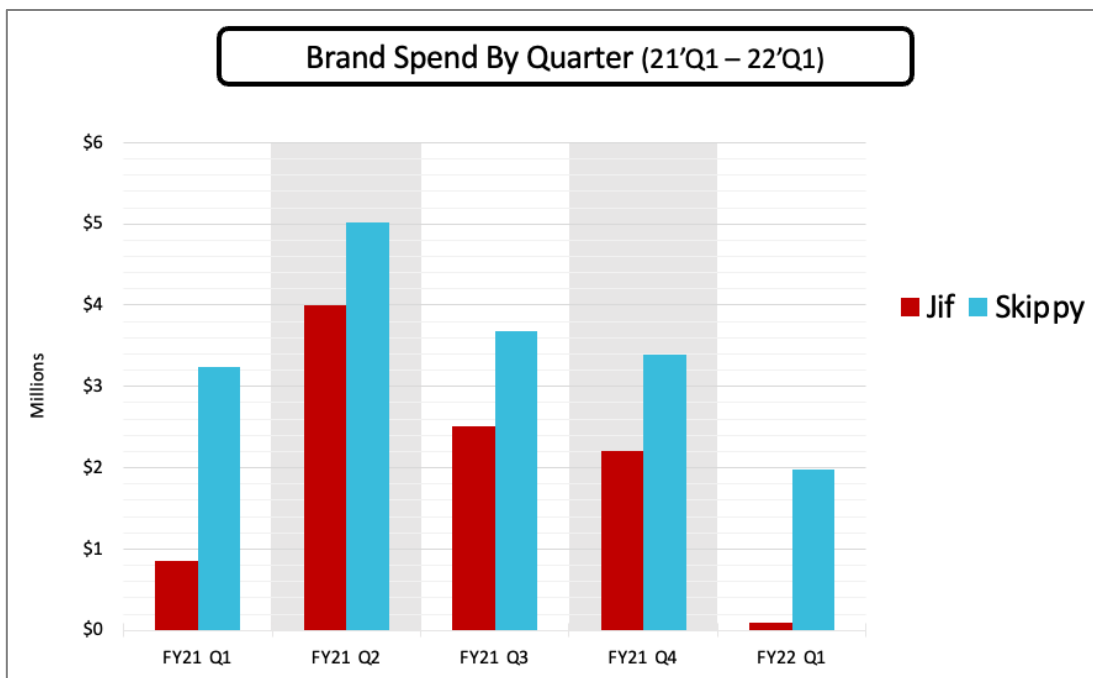
² <https://www.statista.com/statistics/586957/market-share-peanut-butter-brands-in-the-united-states/>

- Pricing and margins undermined by private label.** At the same time, a growing number of aggressively priced private label alternatives were driving prices down across the market. Jif was forced to respond, and this was hurting its profitability.

Prices are falling for some of Smucker's top brands, including Jif peanut butter. That may be great news for shoppers, but it's not what Smucker's investors wanted to hear. The company reported a bigger drop in sales than expected. It also lowered its outlook for 2020. JM Smucker's stock plunged more than 8%

CNN, August 27, 2019

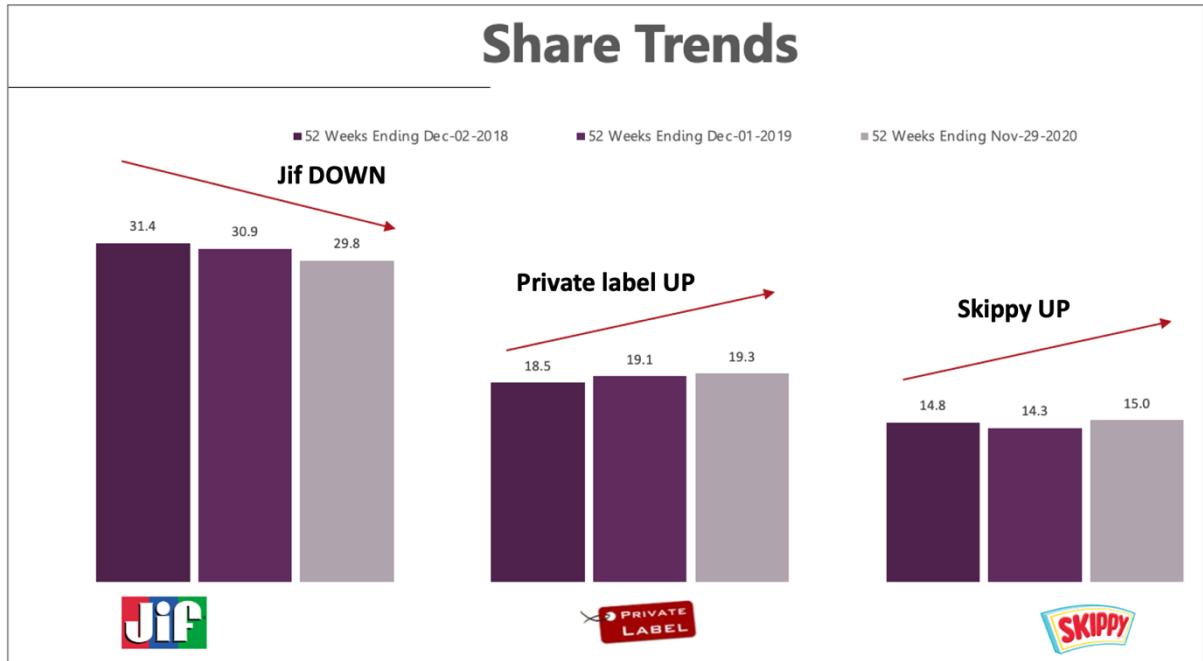
- A resurgent competitor.** Jif's largest branded competitor dramatically increased its marketing budget. Over the course of a year, Skippy spent on average 78% more than Jif. In the quarter prior to launch, Skippy had *twenty times* Jif's budget³.



³ Kantar Spend by Quarter (Note JMS Quarters begin in May, i.e. FY22 Q1 is May '21 – July '21)

The result was that Jif was losing sales and losing share⁴.

The challenge was how to get it back.



⁴ IRI Unify, Total U.S. Multi-Outlet Retail Sales Nut Based Spreads, 52 Weeks ending 11.29.20 vs past 2 years

The desired outcome

Business objective: increase market share by 1% = \$18.2 million.

- Private Label and Skippy collectively increased their share of the category by 1 point between November 2018 and 2020 at Jif's expense⁵. This equates to \$18.2 million in lost revenue (2019 figures).

Marketing objective: get America's consumers to buy 8 million more jars of Jif peanut butter.

- Stimulating purchase by young adults was key to this objective. While peanut butter has long been a family favorite, 60% of category-buying households have no kids⁶.

Communication objectives: drive reappraisal of Jif peanut butter. This means increasing interest, changing attitudes and increasing consideration.

- **Increase interest:** Be the most talked-about peanut butter brand, leading the category in social share of voice. Increase share of voice from 37% to 55%.
- **Change attitudes:** Increase brand preference for Jif as the best-tasting peanut butter.
- **Drive action:** Get more consumers to use branded search to actively seek out Jif and its products.

⁵ IRI Unify, Total U.S. Multi-Outlet Retail Sales Nut Based Spreads, 52 Weeks ending 11.29.20 vs past 2 years

⁶ MRI National Doublebase, PB or Nut Spread Buyers in the past 6 months, 2018

Innovation and creativity

We broke from traditional family-friendly category advertising.

Advertising in the category has traditionally been designed to be family-friendly, because moms with kids are amongst the heaviest users of the category. However, a majority of nut butter households had no kids. Our investigation of social sentiment suggested these groups, particularly the younger set, were the most passionate fans of peanut and other nut butters⁷. The brand has long understood the importance of younger adults, but much of its previous category advertising was aimed to expand targeting to include them as *well* as families. It's a far riskier undertaking to switch focus and put adults front and center.

We set out to give Jif peanut butter a cutting-edge cultural relevance.

Jif has long had a winning product formulation. Everyone knows it makes great peanut butter and jelly sandwiches. But research told us that for many younger adults, Jif was increasingly seen as something from their childhood. It was friendly, familiar and reliable. But it was also a brand from the past rather than something on-trend or relevant to their life or interests.

Younger consumers in particular want more than just product performance. From Patagonia to Nike, they want brands that get involved in culture⁸. Brands that participate in and shape what's going on in the world. Brands that participate in their interests.

The question was:

- What kind of cutting-edge cultural relevance feels edgy and right to young adults
- ...without unnecessarily alienating the family audience
- ...and is somehow rooted in Jif's product?

We took a very big and wholly unexpected creative leap.

The thing about creativity is that it often seems obvious in retrospect. Like putting wheels on a suitcase. Yet as a species we put a man on the moon decades before we even thought to put wheels on our suitcases.

As part of our quest to find a creative leap that brought together cultural currents and 16oz jars of peanut butter, our teams explored music. For the very good reason that our core target are heavy users of streaming services. We looked at their music tastes by genre. We discovered that 49% of all streams by our target audience are from just two genres: hip hop and R&B, of which hip hop is the biggest. Exploring the genre, we uncovered a controversy that was causing heated debate. On the one hand there are fans of old-school rap, for whom it's all about the words. On the other hand,

⁷ Infegy social media conversation analysis; 2018

⁸ AdAge "New Study Shows Culturally Relevant Brands Are More Relevant To Consumers" October 01, 2019

⁸ MRC Data 2020: R&B/hip-hop accounted for 28.2% of the Total Volume of music consumed, Rock with 19.5%, and Pop with 12.9%

there's a new school of rap focused on rhythm and beat, with understated lyrics that can sound mumbled and indecipherable.

We commissioned a program of social listening to explore the way the rival camps of fans discuss the controversy. One comment kept coming up again and again: old-school rap fans frequently criticized younger rappers for not enunciating properly, and for sounding like they had something in their mouths.

One tweet even suggested it might be *peanut butter*.



So we thought, *what if that were actually true? And what if that peanut butter were actually Jif?*

The rest, as they say, is history.

Rap like you've got a mouthful of Jif.

We created a campaign that brought together two sides of a cultural faultline, and we put our product at the heart of it.

We recruited old-school lyrical rapper Ludacris, notable for the clarity and inventiveness of his wordplay. Then we got him to record a new song – his first in six years. But there was a twist. He mumbled his song in the new-school style, like he had a mouthful of Jif peanut butter.

Then we built our campaign around it.



We activated it through a surprising three-stage media strategy

- 1. Release Ludacris' song before revealing any brand involvement** - Ludacris, a self-proclaimed pb lover and legendary rapper still popular today, would release his first single in six years to the delight of his fans. But there would be a catch: It wouldn't sound like the old Ludacris, and instead have a modern trap beat and near-incomprehensible lyrics. Fans would (and did) go wild wondering why his sound changed so drastically. This worked to drive interest and buzz before we launched. We also built buzz and intrigue by tapping Atlanta's premier jeweler to the rap stars to create a custom, diamond encrusted Jif necklace, which they teased on their popular TikTok channel.
- 2. Wait until the controversy starts, then reveal Jif was behind Luda's new sound** - After a weekend of hip hop fans debating over Luda's new sound, Jif revealed through the Dave Meyers (an American Grammy-winning music video, commercial and film director)-directed music video that Ludacris' new flow was caused by him not being able to resist a delicious mouthful of Jif in the studio. That irresistible bite inspired an entirely new Jif rap sound. The rug-pull moment coincided with our big launch, across TV, online video, OOH, social, search and audio on Spotify.
- 3. Invite fans to participate** - With a mouth full of Jif. To seed this new sound, we went to where music is heard today, TikTok. But users don't just listen to music on TikTok, they build on it, which was exactly our aim. Rather than push content, we wanted fans to create. Ludacris kicked off a #JifRapChallenge TikTok challenge inviting all to duet. And to encourage even more people to develop their own Jif-inspired sound, we tapped five of the top TikTok rap stars to take on Ludacris with their own pb-inspired lyrics and encourage users to make the Jif rap sound their own.

The risks we took

In targeting young adults we risked alienating Jif's family audience

Moms with kids are heavy users of Jif peanut butter, but Jif had long been on a mission to connect with a wider audience beyond just parents.

The limiting factor, however, was always going to be how far you could push 'young adult' without alienating the family audience. Get it wrong and the results could be disastrous.

However, with the downward trend in the business numbers, we realized that it was time to take bigger risks, in hopes of winning a bigger prize.

We risked serious pitfalls in chasing 'cultural relevance'

Jif is peanut butter. It made a campaign based around a disagreement between two rival camps of hip hop fans. That can seem like a very big stretch. It's also a very big risk.

The quest for cultural relevance has downsides as well as upsides for brands. Patagonia's environmental activism succeeds with audiences because it is deeply rooted in the products the company makes and the attitudes of the people who use them. People who buy products for the great outdoors tend to think it's a good idea to preserve the great outdoors.

But other brands have attempted to 'bolt on' cultural relevance with much less success. Some have ended up mocked and derided as inept bandwagon-jumpers. Many brands have lost sales as a result of campaigns attempting to hitch their brands to the zeitgeist.

There was the soft drink brand that used a reality TV star in a campaign that suggested that the ills of civil unrest could be cured by offering a soft drink to a hunky policeman. That went down badly. Then there was the razor manufacturer who decided it would be a good idea to lecture its consumers on the ills of 'toxic masculinity.' That contributed to an \$8 billion writedown.

On one level, a family peanut butter brand had no credentials whatsoever when it came to taking a stance on the disagreements between rival hip hop fans. It could have come across as embarrassing and patronizing. But on the other hand - well, even the hardest of hardcore fans can't deny that some new school rappers really do sound like they have a mouthful of peanut butter.

We took the risk. We were rewarded for it.

The measurable results

The results in overview

| | Details | Target | Result |
|-----------|---|--|--|
| Business | Get back the sales lost to private label and Skippy | 1% market share growth (2019 figures) = \$18.2 million | 3.4% market share growth (2021 figures) = \$55.2 million. Volume and \$ sales hit a ten-year high. |
| Marketing | Get consumers to buy more Jif | 8 million tubs based on standard 16oz size | 23.4 million tubs bought by US consumers bought more tubs |
| Comms | Increase interest | From 37% to 55% share of social voice. Be the most talked-about peanut butter brand, leading the category in social share of voice. | From 37% to 60% share of social voice |
| | Change attitudes | Increase brand preference for Jif as the best tasting peanut butter | +8% on Spotify + 2.4% on YouTube +13% on Snapchat amongst young adults under 44 |
| | Drive action | Increase branded search | 41% increase |

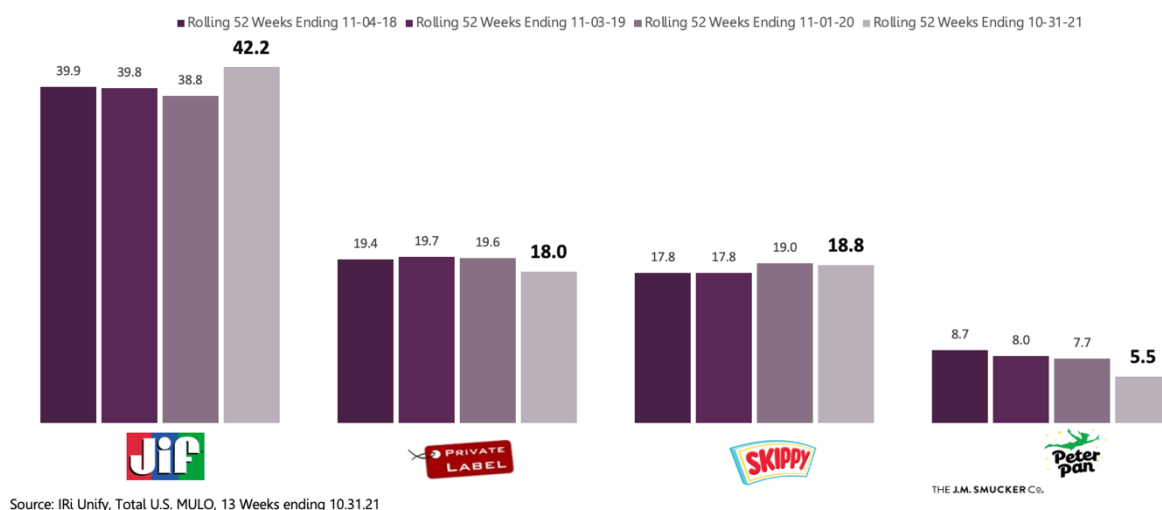
Business results

- **Exceeded growth target 3 times over and hit a ten-year high in market share - all in a contracting market!**

The business objective was to increase revenue by 1% (\$18.2 million). This equated to the market share lost to private label and Skippy between November 2018 and 2020, at Jif's expense⁹. We beat that target more than three times over with a 3.4% increase in market share (\$55.2 million). This was in a category that actually declined by 1.1% over the campaign period.

⁹ IRI Unify, Total U.S. Multi-Outlet Retail Sales Nut Based Spreads, 52 Weeks ending 11.29.20 vs past 2 years

Share Trends Of Peanut Segment



By the end of 2021, Jif’s volume and dollar share reached at a 10-year high¹⁰.

Marketing results

- **Persuaded consumers to buy 23.4 million more tubs of Jif.**

The aim was to sell 8 million more tubs. US consumers ended up buying over 23 million more.

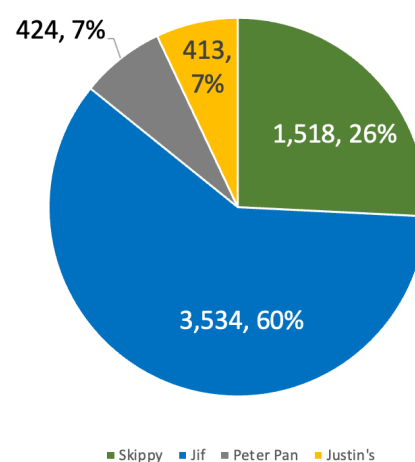
Comms results

- **The campaign increased interest, changed attitudes and drove brand consideration.**
- **Interest.** We set out to make Jif the most talked-about peanut butter brand, leading the category in social share of voice. Increase share of voice from 37% to 55%. Jif exceeded the goal by 5 points to completely overtake Skippy, more than doubling Skippy’s social share of voice during the campaign.

+148% branded mentions vs. previous 2-week average.
11

Excellent earned coverage helped accelerate the rate of brand mentions: the story was covered in 211 media placements across hip hop, lifestyle and trade earning 345M impressions.

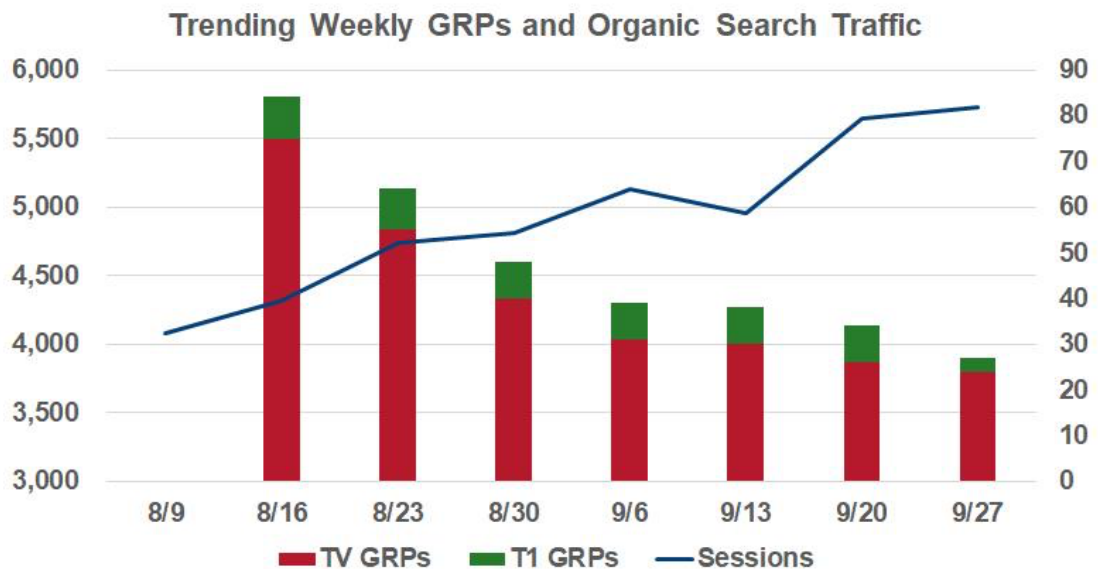
JIF SHARE OF VOICE
August-October 2021
(Mention Count, Percentage)



¹⁰ IRI, volume and dollar share for week ending 10/31/2021 for a 52-week rolling period

¹¹ BrandWatch, Average Social Share of Voice for Jif and branded competitors, 8/1/21 – 10/31/21 vs. Average Social Share of Voice for Jif and branded competitors, 7/17/21 – 7/31/21 (Does not include TikTok mentions)

- Attitudes. We set out to increase brand preference** for Jif as the best tasting peanut butter, standing above the sea of sameness in the category. Despite high brand familiarity, the unconventional advertising was shown to significantly increase brand consideration.
 - 8ppt Lift Brand Preference on Spotify¹²
 - 9ppt Lift Brand Preference on Spotify: Competitive Share Gain Against Skippy¹³
 - 2.4ppt Absolute Lift Brand Consideration on YouTube¹⁴
 - 13ppt Lift Brand Consideration - Snapchat among A25-34 users¹⁵
- Action.** We set out to convert interest in the brand into action, with increase in branded search and web traffic. A 41% increase in organic website traffic was recorded as a result of the new TV/OLV T1 campaign launch in the first seven weeks.¹⁶



Overall web traffic spiked on August 16, recording an almost 2x increase against the previous week due to the Lil Jif Project activations¹⁷

Shorter term results:

- 25% uptick for Amazon organic search vs. campaign pre-launch¹⁸
- Traffic spike correlated with the #JifRapChallenge kicking on TikTok

¹² Spotify Brand Lift Study, 8/19/21-9/30/21

¹³ Spotify Brand Lift Study, 8/19/21-9/30/21

¹⁴ YouTube Attitudinal Brand Lift Study, 8/16/21-10/17/21

¹⁵ Snapchat Brand Lift Study, 8/16/21-9/26/21

¹⁶ Google Ads Keyword Planner, for the weeks of 8/9/21-9/27/21

¹⁷ Jif.com web traffic, August 2021

¹⁸ Amazon lift study

Implications for the reputation and importance of the marketing industry

It would be tempting here to end on a victory lap. Great marketing led to astonishing sales results and everyone lived happily ever after.

Except in this case, that wasn't what happened next.

What actually happened next was that the brand was hit by disaster. It was the kind of disaster every marketer dreads. It was something you might have thought there would be no coming back from.

And it is in this disaster, and what followed from it, that we find the true lesson on the importance of the marketing industry and what it does.

It happened nearly a year after Jif's August 2021 launch. The product was recalled due to a potential source of contamination, which affected shipment throughout the US. It even went as far afield as Canada.

In May 2022, Jif was pulled from shelves nationwide.

Brand mentions exploded online. But not in a good way. Net sentiment took a dive¹⁹. Sales screeched to a halt. Without additional communications to rebuild Jif's reputation, all we had to rely on was the strength of the equity built by the Lil Jif Project.

When Jif slowly was restocked on shelves in August and September, it was questioned whether peanut butter lovers would come back to Jif. Had they found other brands while we were gone - or even worse, would they reject the brand moving forward?

In fact, Jif lovers returned and the brand recovered as soon as it reappeared.

In the week the recall was announced Jif's dollar share was 41.8%. By November 2022 it had plunged to a catastrophic low of 25.6%. But by January 2023 it had rebounded to 40.35%²⁰

This, more than anything, bears testimony to the power of marketing.

¹⁹ Netbase Trends Analysis

²⁰ IRI, Total US MULO; Jif Dollar Share of Peanut Butter Spreads Category; 52 weeks ending May 2022-January 2023

(Word count: 2775)