

Note of intent

McMaggot : *an alternative to meat consumption*

Problem

Climate change is becoming a global concern at the heart of the public debate. Since the creation of the Intergovernmental Panel on the Climate Change in 1988, the scientific community reached a consensus about the reality of climate change and the responsibility of **human activities**. However, despite the growing awareness about the stakes of climate change, global environmental politics are not moving towards the right direction for the reduction of carbon emission and the transformation of means of production more generally: although the Deal of Paris signed in 2015 bore too few constraints and commitments, the US Government decided to opt out of the treaty.

As the necessity to tackle climate change grows, a collective of intellectuals and public personas wrote an open letter in 2018 stating that ‘Any public policy that does not settle ecology as a priority is obsolete’¹. While public policy fails to solve the complex problem of the **ecological transition**, the private sector and the consumer have the responsibility to lead the way by proposing **viable alternatives**. The main source of climate change is **greenhouse gases**, and the environmental impact of meat product represents between 8 and 18% of man-made greenhouse gas² while food production as a whole represents one quarter³. There is thus a **political and market opportunity** to reduce climate change by providing an attractive and original alternative to meat consumption.

¹ Collectif, 2018. « Le plus grand défi de l’histoire de l’humanité » : l’appel de 200 personnalités pour sauver la planète. LeMonde.fr
https://www.lemonde.fr/idees/article/2018/09/03/le-plus-grand-defi-de-l-histoire-de-l-humanite-l-appel-de-200-personnalites-pour-sauver-la-planete_5349380_3232.html

² Van Huis, A., 2017. Edible insects. *Journal of Insects as Food and Feed*, 3:2, 67-68.

³ IPCC, 2018. Preface to the IPCC Overview.
https://www.ipcc.ch/site/assets/uploads/2018/05/ipcc_90_92_assessments_far_overview.pdf

Proposed Concept

Growth of the world population, limited agricultural land and climate change linked to greenhouse gases means that **edible insects** are being increasingly considered as an alternative to meat consumption. In order to ease and encourage French consumers to consume less meat, we propose the creation of a **new fast-food chain** whose primary business model is selling burgers made from insects. The idea is to provide an **environmentally-conscious**, but still **affordable**, alternative to classic fast-food chains such as *McDonald's*. By not using meat products in our establishment, we will directly reduce CO2 and greenhouse gas emissions. Other than the launch of a successful restaurant, another important area of focus will be the creation of a **unique advertising campaign** tailor-made for the French market. This is necessary in order to convince the population that insect consumption is beneficial, healthy, and normal.

Expected positive impacts

The main direct benefit of our solution is a **reduction in meat consumption** by the average consumer in France, and eventually in other European countries. This will have a large impact, as food (and especially meat) production currently makes up around *one quarter of human induced greenhouse gases*⁴. Therefore, our solution will lead to increased biodiversity and a reduction in greenhouse gases, thereby decreasing the negative impacts of food production. Additionally, it will incite consumers indirectly to be more open to trying meatless alternatives. Our advertising campaign, based on new psychological research, will incite the population to consider entomophagy (insect consumption) as a viable alternative. Finally, our solution presents a **sustainable alternative** for the future. It is perfectly viable, as many people are already starting to realise the negative effects of meat consumption. As they search for alternatives, they will be drawn to our proposition. Thus, we could have a considerable consumer base in the future.

Major risks and actions to reduce them

To make our fast-food successful, we need to convince people to eat insects. The first risk is that our potential customers don't even try this non-standard food. In a case study from the

⁴ https://www.ipcc.ch/site/assets/uploads/2018/05/ipcc_90_92_assessments_far_overview.pdf

Guardian, consumers were convinced to eat insects not thanks to its normalization but to the **idea that they might miss something**⁵. “*Don’t miss your chance*” will thus be the way to advertise our fast-food.

The second risk is that consumers have a first negative experience in our restaurant. To ensure the contrary, our products must have **great taste**, not too different from regular products. Individuals told about the positive environmental impact of eating insects as well as its food safety had a better appreciation of insect-burgers than those who didn’t; on the other hand, individuals who did not share the previous information were shown to have a lower appreciation of the product⁶. This means that the environmental impact is not the only commercial argument for insect-based burgers to succeed, and that there should be a special emphasis on the **tastiness** (especially when there is a comparison with meat). This is vital because a bad taste experience is more likely to outweigh environmental consciousness than a good taste experience would encourage consumption intentions.

The last risk is that consumers don’t come back. It is therefore essential to pay attention to **pricing, knowledge, availability, and social environment**⁷: prices must therefore be low, and we need to be well-located to be accessible to our customers for future experiences.

First steps

- > Develop a **market study** on the receptiveness of customers towards insect-eating in specific urban areas (Paris for example): polls, tastings,...
- > Develop **recipes** both appealing and nutritious on which we will base our advertisements: products of prime quality yet extraordinary (use of French organic ingredients)
- > Develop a pre opening **communication** strategy centered around the concept and make it a trending subject on social networks, in the public debate and focus our marketing strategy on

⁵ Card, J, 2016. “Brand Messaging That Makes People Eat Insects.” *The Guardian*. www.theguardian.com, <https://www.theguardian.com/media-network/2016/jan/06/brand-messaging-advertising-psychology-marketing-edible-insects>.

⁶ Schouteten, J.J., De Steur, H., De Pelsmaeker, S., Lagast, S., Juvinal, J.G., De Bourdeaudhuij, I., Verbeke, W. and Gellynck, X., 2016. Emotional and sensory profiling of insect-, plant- and meat-based burgers under blind, expected and informed conditions. *Food Quality and Preference* 52: 27-31.

⁷ Tan, H.S.G., Verbaan, Y.T. and Stieger, M., 2017. How will better products improve the sensory liking and willingness to buy insect- based foods? *Food Research International* 92: 95-105.

the promotion of this new way of life → key moment: if the public seems interested and is backing our concept the launch would be successful.

Our refractory opponents are diverse since the insect food market is not yet developed in France. Our main audience, the public, will be the hardest to convince : we should aim at changing mindsets and opinions about eating insects, as it is now considered a very marginal practice and does not belong to Western norms.

Conditions for producing insect food and distributing them in a profitable way are not fully described in French laws: public institutions and more generally the **legal system** are potential obstacles.

Lastly, we assume that actors of the livestock business will be opposed to our project given the fact that they stand as our direct competitor.

Deployment strategy and major milestones

We will first focus on implementing our **communication strategy** before the opening of the restaurant. Social media and the billboards will be our first milestone, to make ourselves known from the public and raise awareness about the problematic current food consumption with the alternative we offer.

In order to do so, we will start with the billboards in selective spots around the city (Paris). Our restaurant will be located *5 rue Etienne Marcel* in the 1st district of Paris, therefore we will mainly expose our billboards near this area and the Centre Pompidou, which is close by. Moreover, we will also display them close to universities, museums, lively neighbourhoods because we suppose this is where the majority of our target audience will be.

The Restaurant McMaggot will open around September, 2019. From this time, another milestone will be the exercise of the activity : **restaurant and take-away sales**. We will have planned contract with supply chain partners and suppliers of eco-containers (cf *Organizations*).

After the Restaurant starts to be known and have an operational staff, we will turn to food delivery systems. Our partner will be *Deliveroo*. We will get 30% on commission sales and it will be the opportunity to attract more consumers everywhere in Paris and in the suburb area.

A last major milestone will be the **loyalty-rewards system**. Indeed, once we will start to have a regular and loyal base of customers, we will implement the **loyalty card**. After each meal they get at the restaurant, the take-away or though the delivery app, they will get one stamp on their card. After some stamps we will offer them access to some events or activities to share with their friends and family. This is part of our communication strategy to ensure our customers feel rewarded and proud to be part of our community. The events and activities will range from debates in Paris about nutritional alternatives to meat to insects' cooking lessons to visits of our kitchen in the restaurant.

To conclude this part, after three years we would intent to deploy our business in **several cities** in France, and maybe consider an **international development**.

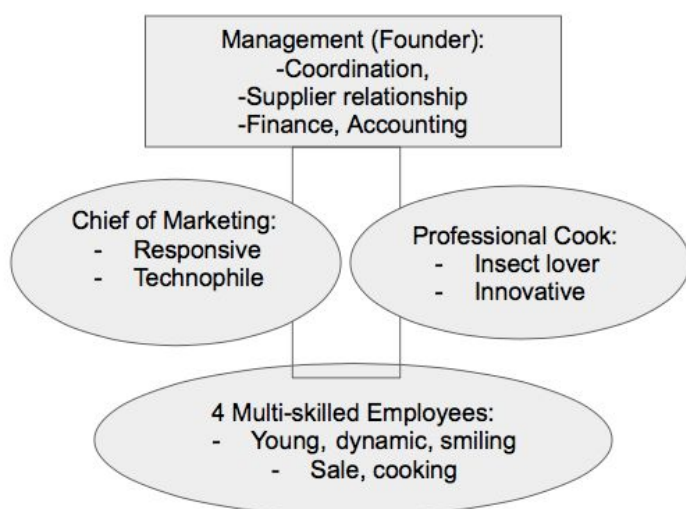
Return on investment analysis

	Year 1	Year 2	Year 3
Revenues			
Meals	240000	276000	303600
Deliveroo	0	37500	41250
Water bottles	0	1200	1500
Total	240000	314700	346350
Expenses			
Raw materials	72000	82800	91080
Deliveroo	0	11250	12375
Water bottles	0	450	540
Rent	48000	48000	48000
Salaries	133476	133476	133476
Furniture	100000		
Marketing	3000	1000	25000
Maintenance of the website	1000	1000	1000

Legal costs	300		
Total	357476	277976	311471
Net Income before Taxes	-117476	36724	34879
Taxes (assume 30%)	0	11017,2	10463,7
Net income	-117476	25706,8	24415,3

Organizations

The Team



Our partners



Suppliers
of insects



Transport
partnership



Suppliers of
eco-friendly
containers