

# Vitasoy international holding limited marketing essay



**ASSIGN  
BUSTER**

Vitasoy International Holdings Limited (Vitasoy) is a Hong Kong-based manufacturer and distributor of non-carbonated food and beverage as a leading position which began in 1940 and with product facilities in 5 countries; Hong Kong, Mainland China, United States, Australia and Singapore and product sell in more than 40 throughout the world.

Vitasoy is renowned with the paper packed soymilk drinks stored without refrigeration which adopts Ultra High Temperature sterilization technology and the Tetra Pak packaging technology in the manufacture process. Vitasoy then became a household name and being internationally with two major brands: VITASOY, a nutritious soy milk and tofu and VITA, a range of juice, teas, distilled water, dairy-milk products. The most popular Vitasoy products are soymilk, lemon tea etc.

Vitasoy had announced that the company got a solid business growth of 9% in the ended 30th September 2009 in Hong Kong, posted a turnover of HK\$1, 561 million during the period, compared with HK\$1, 437 million last year. The market share of Vitasoy is occupied in the regions of North America - USA, Australasia - Australia and New Zealand and others Asia market - Mainland China and Singapore. Hence, company would like to rejuvenate the market campaigns to solidify the leading position and enlarge the market share. (epressrelease, 2009)

## **SWOT analysis of Vita Organic white tea**

### **Strengths:**

Vitasoy has been a long history as a Hong Kong-based food & beverage manufacturer. From time to time, the reputation of the Vitasoy is already

established as a household name in most Hong Kong people's mind. Since the Hong Kong beverage market has few competitors produce on the Organic drinks products. The company is seizing and relies on this reputation and strengths to launch a new product - Vita Organic White Tea to maintain and refreshing the brand awareness of Vitasoy.

Organic tea, as implied by the name, it is grown without the use of artificial fertilizers and pesticides. Tea has been cultivated for thousands of years in Chinese history. The company focuses on the organic white tea because it has a plenty of advantages such as less caffeine, assist cancer prevention, help the body's immune system and lower cholesterol etc. to deliver a high quality beverage to consumers.

### **Weaknesses:**

The company has less organic production experience in Hong Kong compare with other specialized organic brands.

### **Opportunities:**

In recent years, organic products have gained impulse as more people are opting for healthier choices on food items free from dangerous toxins. They are also looking for the high quality organic products on the foods and even spread all over to the environment. Beside there is few competitors launch organic product, therefore, produce an organic product is one of the business opportunities. This may also increase the Vitasoy's awareness, reputation and dedication to the community.

**Threat:**

While the company once launched this new organic product, other competitors will step follow to imitate our organic products. The market may become more competitive.

**Positioning and Targeting of Vitasoy**

Vitasoy is famed at the soymilk and being a household name in Hong Kong since 1940. However, there are still many beverage competitors appeared in the market to spread over its brand such as Coca-Cola Company, Tao Ti, Hung Fok Tung.

Customer will base on different notion to select a product. For the Organic White Tea, most of the consumers will emphasize on the healthy and the value for money. Because of an organic drink can represent less harmful effects, the high quality cultivating in the production process to achieve without any impurity and the benefits to the body.

In the following figure, it is about the positioning map of the local drinks market which is base on the value for money and as well as the health of the drinks.

From the table, 3 competitors Tao Di, Hung Fok Tung and Coca Cola are at a good situation, and Vitasoy is the best choice in young adults' mind. The reasons are that Vitasoy provides a variety of drinks products into two major brands in the Hong Kong market: VITASOY and VITA. Also, Vitasoy has a good reputation that reaches the brand description " Our first priority is

consumer well-being...through great tasting and nutritional products.” The new product - Organic White Tea is doing so.

Because of not every Hong Kong people is suitable for drinking Chinese herbal medicine. Therefore, even the Hung Fok Tung products are good at health, there is still a restraint for people to choose as a drink. About Coca Cola, many people are only recalled the red and white colour of coke with various flavor. However, the coke is not good at health with many sugar ingredients even the price is affordable. Dao Ti did provide tea products but not focus on organic.

Therefore, consumers have no worry on the harmful effects of chemical fertilizers and pesticides and bring out benefits to the body while drinking with Vitasoy Organic White Tea.

## **Advertising Objectives**

The following aspects are the objectives that company aimed to achieve in the advertising campaign.

Facilitate Vitasoy to promote the new product - Vita Organic White Tea

Increase 3% market share of the food & beverage industry in 2010

Increase the sales 5% from 2010-2011 in order to increase profit

Increase brand awareness among the new advertising campaign

Attract to young generations to purchase and try on the organic tea products

The objective of the advertisement is increasing both market share and sales in the year 2010 by the new advertising campaign. The advertisement aimed to arouse people's mind to live in a healthy life from bottom up of psychological need that Vita Organic White Tea as unique functions that cultivating with a natural tea leaf without any harmful effects of chemical in a sustainable environment. The tea is to provide a fuller and richer taste, which is healthier for consumption.

Mr. Larry Eisentrager, Group Chief Executive Officer of VIHL stated that the target market of Vitasoy is focusing on the young generations in Hong Kong market which comprising (Names of Generations, 2010) the generation X (1965-1979) and generation Y (1980-2000). In these ranges, most of the consumers are looking for live in a healthy way. Now, the Organic White Tea is cultivate without chemical effects, allows consumer drinks without worries.

## **Advertising Strategy**

There are two elements towards an advertising strategy. The first element is about the brand image, brand personality, advertising message and the unique sell proposition of the product. The second element is about the medium executions and contains the medium schedules. Company will use both push and pull strategy to increase the sales volume of the products.

## **Brand Image and Brand Personality**

In the following ideal omage," VITA" will use of red and white colour to represent the brand name which red can be a stimulant and the hottest of the warm colors.

"ORGANIC White Tea" will be placed with white colour to represent pure, rich, strong, and has a refreshing aroma. Besides, the background colour of the bottle will be beige colour with warm, simplicity and relaxing feelings to enjoy the Vita Organic White Tea. The ideas of using beige colour is from farmer. Their attitudes and efforts on cultivating tea leaf with an enjoyment towards to natural gives a feeling of warm and austere production. Imagery will be also used on the product such as the leaf can represent the natural cultivation.

All of the images and personalities can demonstrate the Vitasoy mission: "promote quality of life through great tasting and nutritional products."

### **Unique selling Proposition**

Vita Organic White Tea has unique production of the tea leaf. The reason of chosen white tea is that the leaves are harvested and picked before the leaves are fully opened. Also, the leaves cannot be harvested on rainy days and can only be harvested for a short time every year in early Spring.

Consumers can experience the grassy, sweet and light flavor of white tea compare with green tea.

In addition, the usual way of cultivating tea is non-sustainable. It leads a health hazard for the farm workers who pick the leaves such as disease, soil erosion and pesticides. Vita Organic White Tea is cultivating with a natural tea leaf without any harmful effects of chemical fertilizers and pesticides in a sustainable environment. Organic tea contains antioxidants as the key portions. High levels of antioxidants can reduce the opportunities of and diminish the number of harmful free radicals in the body. Others advantage

can be also obtained such as reduces high blood pressure and blood cholesterol etc. and it is a non-toxic refreshing beverage. Consumers must try on it because Vitasoy is the only Hong Kong-based manufacturer to produce organic tea drink in the market.

## **Advertising Message**

The advertisement is about consumers drinking with Vita Organic White Tea is like drinking a pure, simple aroma. The leverage point of the advertisement is the linkage between benefits of organic white tea once consumer drinks the tea.

The advertisement will use the cognitive strategy to deliver consumer the attributes of the Vita Organic White Tea. A slogan will be appearing in the advertisement: " Vita ORGANIC White Tea. Everywhere everytime be with you." The message of the slogan told consumers that Vita Organic Drinks can drinks in everywhere at everytime they like. Once consumers purchase Vita Organic White Tea, they are persuaded as purchase the healthy benefits. When consumers living in an organic life, their emotional beliefs are that can minimize the health hazards and may help protect body against: heart disease, high blood pressure, high cholesterol, and some types of cancer. Those benefits can take the personality of reassurance that consumers can live in a healthy way to gain benefits and trustworthiness that they are not drinking tea with the harmful effects but the natural cultivated tea leaf.



The terms of everywhere and everytime is easy to grab consumers attention that make consumers perceive to gain the healthy benefits once start to drink the tea.

Therefore, the advertisements suggest consumers starting to live in a healthy way from the beverage to obtain healthy benefits and take a choice of Vita Organic White Tea with the high quality organic tea leaf can become a habit into life.

Mention that all the advertisement designing is outsourced to ad designing agency.

## **Media Execution**

Several medium are decided to use for promoting Vita Organic White Tea.

They are

TV commercial, Road Show on Bus, print ad in Newspaper and Magazines, Transit light box. The purposes are to increase the awareness of Vita Organic White Tea and extend its market share.

The advertisements are focus on reminding audience the brand awareness and knowledge. In addition, persuade the target audience to purchases Vita Organic White Tea to obtain healthy benefits and leading them towards the organic life.

## **TV commercial (TVC) and Road Show on Bus**

The first run of advertisement is on the television as most of the direct response advertising is highly effective via television medium. The

advertisement will play 15 seconds including the use of action, audio and visual, colour and imagery of produce from natural tea leaf to the production of Vita Organic White Tea with the slogan " Vita ORGAINC White Tea.

Everywhere everytime be with you" in the advertisements, which deliver with generic message to generate awareness and interest of the drink from consumers. It can be demonstrate with animation how the feelings and the enjoyment of drinking the pure, simple organic tea to acquire the behind healthy benefits. It can achieve the young generations whose looking for or start living in a healthier life. Additionally may grab others segment attention towards the product.

The advertisement will be produced about 30 seconds placed on Jade Channel (TVB). The target audience is direct towards the young generations. Thus, the video broadcasting will be played mostly at night around 8: 00pm - 9: 30pm aimed the audience is mostly after work or after school from February to Mid March (8 weeks) to obtain the high reach of audience and it possess a high frequency potential. For promoting the new product visibly, the advertisement will be broadcasted everyday in order to influence audience unobtrusively and imperceptibly.

There are totally 63 spots in the TV commercial as the advertisement is broadcast one time on everyday, totally 63 days. The audience coverage of this media is 35%.

$$\text{Gross Rating Points (GRP)} = 35 * 63 = 2205$$

$$\text{Cost} = [2,000,000 * 2 + (80,000 * 8 * 2)] = \$5,280,000$$

About the ad in Road Show on Bus, it will be also broadcasted after one week in TVC. The Roadshow advertisement will produce 1 minute on 500 buses which cover Hong Kong Island, Kowloon and New Territories for 6 weeks, the ad comprises the same function as TVC. Because of bus is a public transportation with a high flow of passengers, it can target the right audience. Between, the cost of the production is also lower than TVC. The video broadcasting will be played 2 times a day, which means 84 times in total for 6 weeks. The audience coverage of this media is 10% since only invested 500 buses (40%/4).

$$\text{GRP} = 10 * 84 = 840$$

$$\text{Cost} = [10,000 + (40,000 * 6)] = \$250,000$$

## Newspaper

Newspaper is providing much informative of the behind efforts on production. The layout can be covered a whole product story to gain awareness and interest of the new product. For instance, the factual articles towards the healthy benefits of drink Vita Organic White Tea, how to become into an organic life, even the tea leaf cultivation can be also illustrated inside the newspaper.

Oriental Daily News will be selected with medium quality junior page advertisement in total 24 days, 3 times a week in 2 months. The audience coverage of this media will be 30%. The opportunities to see (OTS) is

$$\text{OTS} = 30 * 24 = 720$$

$$\text{Cost} = [10,000 + (40,000 * 24)] = \$970,000$$

## Magazines

The ad printed on magazines is apart from TVC, it is using conative strategy.

The ad will be placed in the specialized food & beverage magazines to attract mass audience, especially the target readers - young generations.

One of the reasons is that most of the readers reading them during their leisure time or waiting situations.

Moreover, since the ad using informative and animation appeals with high colour quality of the product features for examples the behind efforts on production also the healthy benefits towards consumers, it tend to pay reader attention related to their needs and wants on healthy and organic issues. The ad will be located at the back of magazines because it has higher attractiveness when reader holding magazine while they are not reading.

The Sudden Weekly is selected because it has an extra small magazine called Eat and Travel Weekly is attached, all information is talking about food & beverage. Thus, it is very suitable to promote the new product. This magazine has high audience coverage to reach young generations effectively. It will be posted with a high quality full page advertisement in 6 issues and the audience coverage of this media is 5%.

$$\text{OTS} = 5\% * 6 = 30$$

$$\text{Cost} = [\$10,000 + (40,000 * 6)] = \$250,000$$

### **Transit light box**

The transit light box will show the unique functions of Vita Organic White Tea, natural production of the tea leaf with the slogan. It wants to deliver consumers the benefits of drinking with a natural tea leaf and towards the body. It is using cognitive strategy and state rational appeals to attract and arouse consumers' awareness and interest in the new products and brand.

The transit light box in MTR station is selected to produce with a high quality of advertisement. We lease the 4X6 feet transit light box for 6 weeks which located at the high frequency on major transit stations such as Mong Kok, Tsim Sha Tsui, Admiralty, Central. The high quality transit light box can attain 15% audience to notice for 4 weeks, and it is 7.5% for 2 weeks. Total audience coverage is 22.5%.

$$\text{OTS} = 22.5\% * 6 = 135$$

$$\text{Cost} = [30,000 + (150,000 * 6)] = \$930,000$$

Below is the assumption on advertising and media cost, media coverage, total media cost and schedule plan.

## **Assumption on advertising production cost and media cost:**

**Item**

**Cost**

**Low quality**

**Medium quality**

**High quality**

Production cost for print media

\$10, 000

Production cost for a 30 sec TV commercial (per commercial)

\$500, 000 minimum

\$1, 000, 000

medium quality

\$2, 000, 000

high quality

Production for outdoors advertisement

\$30, 000

Production cost for transit package

\$30, 000

Production cost for Road Show

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\$10, 000

## **Media Cost**

### **Print media**

Newspaper Junior page

\$20, 000 per day

\$40, 000 per day

\$60, 000 per day

Magazine ad full page

\$10, 000 per issue

\$25, 000 per issue

\$40, 000 per issue

### **Electronic media**

TV commercial (30 sec)

\$5, 000

\$20, 000

\$80, 000

### **Outdoors / Transit**

Transit light box package

\$30, 000 per package

\$80, 000 per package

\$150, 000 per package

Road Show on bus (per 2, 000 buses for 1 weeks)

\$160, 000

## **Media Coverage:**

### **Low reach**

### **Medium reach**

### **High reach**

Newspaper

Tai Kung,

Wen Wei

Ming Pao, Sing Pao, Sing Tao

Oriental Daily News,

Apple,

Sun

1%

10%



30%

Magazine ad full page

Express Weekly,

TVB Weekly

Easy Finder,

Ming Pao Weekly,

Three Weekly

Next,

Oriental Sunday,

Sudden Weekly

2%

3%

5%

TV commercial (30 sec)

5%

15%

35%

Transit light box package

(4 weeks)

5%

10%

15%

Road Show on bus

(per 2000 buses for 1 weeks)

20%

30%

40%

**The media cost of all promotions****\$****(‘ 000)****Cost for TV commercial****5, 280****Production cost for Roadshow****250****Production cost for Newspaper****970****Production cost for magazines (full page)****250****Production cost for transit light box package (high quality)****930****Total****7680****Total GRP/OTS****3930 Total Media Cost:****Schedule Plan:****Pre – Testing**

(Clow and Baack, 2008) Before the advertising campaign is released, a pre-testing should be done to measure the impact and quality of the ad then for the use in future development of marketing campaigns. There are several pre-testing methods. Copytesting, recall tests and recognition tests will be

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elected in this stage. For evaluate the TV and roadshow advertisements will use the former two methods. The latter method will be used for evaluate the print advertisements.

One of the techniques of copytesting will be used for those television and roadshow advertisements. It is theater test. It is aimed to compare the consumer view on the new product - Vita Organic White Tea with other advertisements. The ads are mostly placed between two television dramas which able to grab the consumers instant interest. Some target audiences are invited to participate to ask for their memories and reaction among the ads that were shown and see whether they can notice the tea ad by some specific demonstrations. Before the test start, those participants are not known any about which ad is being tested.

The second method is recall tests and using day-after recall methods to measure how much target audience have remembered or learned from the ad. With the results of audience recalled extent, the probability of the brand can be enhanced to arouse consumers to purchase.

The last method is recognition test for those print ads after the ads has been launched. A series of questions about the Vita Organic White Tea print ad will be asked to target readers to gather the information of their reaction towards the ad. This method can help to further establish Vitasoy in consumers' mind on the effort on organic products and persuading them to purchase the benefits of the tea.

## **Campaign Evaluation**

From the pre-testing stage, we have used three methods to evaluate the advertising campaign. After gathering all the results from those methods, we have the following recommendations respectively.

### **Print Advertisement**

Refer to Appendices table 2, it show of each media coverage in Hong Kong market. For the newspaper ad research, the audience coverage of this media will be 30%. The opportunities to see (OTS) is 720.

For the magazines research, the audience coverage of this media is 5%. The OTS is 30.

### **Television and Roadshow Advertisement**

About the TV commercial, the audience coverage of this media is 35% and the gross rating point (GRP) is 2205 which is the highest score among those medium.

About the Roadshow advertisement, the audience coverage of this media is 10% since only invested 500 buses (40%/4). The GRP is 840.

The medium cost and medium schedule plan are respectively enclosed in appendices table 3 and table 4.