

# Case study crescent pure

Business



Being transparent is also a vital issue to consider because consumers have so many options on where to spend their money for sport/energy drinks. By being transparent and showing consumers exactly where their money is going, Crescent's product will attract consumers. Letting consumers know where Crescent's products are coming from and why they are priced the way they are gives power to the consumer, and helps them feel confident about their purchases. The factors that should influence the position of Crescent are competitors, market segmentation and market size.

The market segmentation for sport drinks and energy drinks are distinguished through levels of hydration provided, energy provided, nutrition provided and favorable taste provided.

Most energy drinks have higher energy, lower nutrition, lower hydration and lower favorable taste compared to sports drinks. Additionally, the largest group of energy drink consumers were males between the ages of 18-34. Also parents of children were more likely to consume energy drinks and the highest volume of drinks consumed was by respondents with a household income below \$25, 000 per year.

For sport drinks, roughly half of men consumed them, while only a third of women did. Furthermore, although 40% of men found sports drinks refreshing, only 27% of females did. Sports drinks appealed to younger consumers, 62% of those between the ages of 18 to 24.

Crescent's best target is males and females between the ages of 18-35. PDP must decide whether or not to position Crescent as an energy drink, a sport drink. Or a healthy organic beverage.

The advantages for positioning Crescent as an energy drink is that the market size for energy drinks has grown 40% between 2010-2013; forecasts projected that figure to reach \$13.5 billion by 2015. Another advantage is that Crescent is a beverage that consists of organic ingredients that are a healthier option than most energy drinks.

This is an advantage because sales of energy drinks with lower levels of caffeine and purer ingredients are rising due to consumer demand for healthier food and beverage choices.

A disadvantage for positioning Crescent as an energy drink is that many potential consumers view energy drinks as unhealthy and might not see past that when PDP launches their new Crescent energy drink. Due to news stories highlighting the alleged health risks from energy drinks, 32% of consumers over 18 indicated they drank an energy drink in the last six months, of who were drinking fewer energy drinks than they had a year earlier. The advantages of positioning Crescent as a sport drink is that the market size is also increasing. The market increased 9% between 2007 and 2012.

In 2012, sports drinks reached \$6.

3 billion in the United States and are expected to grow to \$9.58 billion by 2017. Another advantage of positioning Crescent as a sports drink is that diet and low-sugar beverages, which did not exist before 2009, had grown by 33% between 2010 and 2012. The market size for diet and low-sugar sports drinks is expected to increase from \$1.4 billion in 2012 to \$2.97 billion in 2017.

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This is perfect for PDP because the Crescent beverage is based on being a diet, low-sugar, and overall healthy option.

The disadvantage of PDP positioning Crescent as a sports drink is the concern regarding rising childhood obesity rates resulting in government-mandated guidelines to remove high-calorie sugary drinks and snacks, including sports drinks, from school vending machines. This could be a negative impact on the amount of sports drinks young consumers buy, who make up a large oration of the sports drinks that are consumed. The advantages of positioning Crescent as a healthy organic beverage is due to consumers currently moving towards healthier food and beverage options, as mentioned earlier.

It is a market that is currently growing and will continue to grow. The disadvantage of positioning Crescent as a healthy organic beverage is that it lacks the energy that is provided by other energy drinks due to its use of organic ingredients.

A focus group feedback found that some young consumers noted that Crescent had less energy than they had hoped. The positioning strategy that I would select would be a healthy organic beverage. It is important to find what draws you apart from the competition and then advertise based on that.

The target market that Crescent wants to attract are people who are health conscious and consumers who buy sugary energy and sport drinks aren't going to be as health conscious. Other implications that this will have for other elements of the marketing mix is that PDP could potentially raise the <https://assignbuster.com/case-study-crescent-pure/>

price for a Crescent beverage because some consumers from the focus group questioned Pad's ability to deliver quality organic ingredients at \$2.75, when most healthy organic beverages are above \$3.

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Another implication this will have for other elements of the marketing mix is where this product is going to be sold. If Crescent is being sold as a healthy organic beverage then it must be sold in a store that sells other healthy and organic products in order to provoke Tort ten ruling target market. Lastly, crescent will have to De averters as a healthy organic beverage through packaging, commercials and other forms of advertisement showing that this product is healthy and only organic ingredients are used to make it.