

A marketing analysis for the vimto product



In order for a business to be very profitable it needs marketing strategies to sell their products and services. Marketing is mainly to do with understanding the customer's needs and to ensure that the businesses products and services are of high standards so they can satisfy potential customers. Marketing also focuses on the ways in which the business can influence the behaviour of the customers. Marketing is essential to the success of all businesses its main aim is to enable businesses to meet the needs of the businesses actual and potential customers and should be able to:

How to understand customer needs and wants

It is important for a business to understand the customer wants and needs. An example of a customers needs is that of good customer service. This is when a good service is provided to customers before and after the purchase of goods, this is by providing a friendly environment, return policies and good advice.

How to understand and keep ahead of competition

Businesses may consider their competitive markets and evaluate competitive prices in order to provide a better service for their customers. They can use various strategies to meet the wants and needs of customers. All businesses must also have unique goods in order to stay ahead of their competitors.

Communicate effectively with their customers

A business must communicate effectively with its customers; a business must do this in order to find out customer wants and needs.

Within marketing research is a important activity which needs to be carried out by all businesses so it can identify information about its customers, and in return it helps the business modify the demand to suit the customers.

Market research

The process of market research is getting the information from the customers, which can be analyzed, and then transformed into professional graphs and charts, which can identify the wants and needs of the customers and the market trends. Market research is carried out for the reason as it helps the business to set out a strategy and plan for the future.

In the research process a business may want to find out such things as

- the prices at which a customer would purchase a good
- Identifying the customers wants needs, likes and dislikes.
- The attraction towards products.

Market research is carried forward in two different forms, which is primary and secondary research. Primary research is when information is collected through questionnaire and surveys; this involves actually going out and directly asking the customers about the product. Secondary research is when information is collected from other sources such as marketing firms.

I devised my own questionnaire if you look on the next page. I constructed the questionnaire so that I can look at what the customers think of the product, Vimto. In the questionnaire I have explored in the following areas:

- € Where and why they purchase the product

€ What are the reasons for buying the product

€ And their thoughts on the Vimto advertisements

I will ask 30 customers of Vimto to answer the questionnaire, and then I will draw up an analysis of results that I will gain from the questionnaires.

Reasons for asking those questions

On the questionnaire I have stated why I asked those questions to the customers.

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The product that I have selected to carry up for my marketing assignment is Vimto Sports Cap. Nichols PLC is a registered trademark and the owner of Vimto drinks. Nichols PLC is an international business, specializing in soft drinks and dispense systems.

Nichols PLC was the developer and creator of the Vimto cordial drink, which was created in 1908, and it has been recorded since that the company has developed progressively and has entered new markets.

Every company/business construct a set of aims and objectives that are followed thoroughly in order to obtain the expected outcome, and like no other company Vimto, Nichols PLC have their own set of mission and values that they follow as you can see below.

Aims and objectives are the ends that a business seeks to achieve when a particular task is carried forward. The aim is also seen as the general end

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that the company works towards and the objectives are the sub-components of the aim.

Mission statements are the general aim or purpose of the business.

Mission and values

As Nichols PLC is one of the UK's leading soft drinks and beverage systems companies, they are committed to serving their customers, looking after their staff and in supporting communities in which their staff and customers live and work in.

Nichols PLC finds it important to gain and to keep trust of all their stakeholders (people who take an interest in the company), staff, suppliers, customers and partners; this is because it is critical for them to sustain their long-term strength and growth. Although throughout the company Nichols PLC's highest priority is the responsibility of their stakeholders.

Values

People

€ the company values and respects their colleagues

€ and they continually educate and develop their staff

Integrity

€ Nichols PLC believe in building long-term relationships with key stakeholders

€ the business acts with integrity at all times

Challenge

- € the company continuously improve in what they do
- € Nichols is ever embracing new ideas.
- € They make wise decisions, take action and remain accountable

Passion

- € They are passionate about their commitment towards quality and their excellence in customer service.

Customers

- € They are committed to the customers delight
- € And they are a market led business and seeks to add value

History of Vimto

The founder/creator of Vimto was John Nichols. John Nichols started up by setting up a small business selling medicine to the locals. He firstly created a medicine called VIM meaning “ full of life”, VIM was quite popular back then and was sold as either a medicine or tonic. Late John Nichols had registered VIM as a medicine and therefore was sold as a tonic to keep people fit and healthy. Over the years John Nichols starts to notice that VIM was well-liked by the people and was consumed by people who didn't need it. So then he decided to register the drink as a cordial and can be consumed by all types of people. Not also that he changed the name from VIM to Vimto, and this drink became more and more popular till this day.

In 1919 the drink was incredibly popular in Britain and Britain was proud to inform suppliers and people overseas about Vimto so that people overseas wanted to taste the drink. Guyana in South America was the first overseas country to taste the drink and it was said that they loved it.

In 1920 one of the workers came up with an idea to add bubbles to the drink. They decided to carry out this idea and then sold the new drink in conjunction with the cordial except this drink was fizzy and not still.

1943-8. During World War II, sugar had to be rationed to make sure there was enough for everyone and that it included drinks that have sugar in them, like cordials. Only five different drinks were allowed, plus one 'Special Flavored Cordial' which was Vimto.

During 1956 TV's were newly introduced viewing only two channels in Black and White, so Vimto decided to make their first ever TV commercial to promote, Vimto. It cost them £110, which doesn't seem like much but in those days the average wage a year was around about £10.

In 1962 Vimto came up with many different products of Vimto and introduced Vimto in red, blue and white striped cans.

In 1970 America also started to manufacture Vimto as it was a popular drink over there. Later Vimto moved from Old Trafford in Manchester to South Manchester to a bigger factory.

In 1982 Vimto introduced ready to drink cartons whereby the cordial was already mixed with water.

1986 was when Vimto came up with a new advertising campaign whereby a character was introduced, which was the British Bulldog. The character was placed on the advertising campaign alongside labels. Alongside with the new advertisement Vimto decided to modify the drinks by adding more fruit juice to Vimto and taking out all the artificial flavors to make Vimto healthier.

In 1991 Vimto expands and start to sell their products in Europe, France, Spain and Portugal. Also in this year Vimto developed a new light drink whereby sugar was taken out so Vimto is even healthier.

During 1992-1994 Vimto developed Vimto lollies. They decided to target the desert section and so came up with Vimto ice lollies and regular Vimto lollies which were less cold and were not made from Ice.

The Vimto Ice lollies became popular that Vimto decided to improve their original ice lollies and later came up with Vimto Ice Lolly Splitz. It was sold in 1995.

In 1997 a new advertising campaign was released. This time Purple Ronnie becomes Vimto's spokesperson.

In 2001 Vimto introduces another new product but this time targeting breakfast. They came up with limited edition Vimto jelly whereby people can spread it on their toast.

2002 was when Vimto took a huge step and launched many different products with a slight different taste from Vimto. They Introduced Vimto Citrus which was made with a mixture of grapes, oranges, lemons and pink grapefruits. They also launched a 500ml Vimto still.

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2003. Vimto came up with two on-pack promotions. The first was free magic tricks and then later they had a promotion with Nintendo.

In 2004 they make a new advertising campaign with the help of Matt Lucas, the star of Little Britain. Also in that year they introduced the lunchbox drink, sport cap and the Prisma.

In 2005 the statement Shurple the Purple was created. From there on Vimto is famous for that statement.

2006. Vimto introduced new cordials “ Who Put Oranges in My Vimto?” and “ Who Put Apples in My Vimto?” They taste just like oranges and apples but with a scrummy twist of Vimto.

Advertising Campaigns

In the early 1920's Vimto wanted to tell the public how good Vimto is so they placed advertisements in the newspapers. See below:

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Vimto's current advertising campaign is called “ dad's pants” which was launched on May 8th and the second advertisement is called “ Shurple the Purple”. The “ dad's pants” advertising campaign is all about a boy called Billy and how embarrassing it is for him as of when he reaches the swimming baths he realizes that he has packed his dads pants instead of his trunks. So then Billy will reach out for Vimto. This advertisement was devised in order

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to show the public that the uniqueness of the drink. These new advertisements appeal to all children and mums and dads.

Product Range

Vimto produce a wide variety of products and specialize in 4 different categories which are cordials, fizzy, ready to drink and confectionary.

The 3 different types of cordials they do are original Vimto http://www.coursework.info/document/9/0/8/809423/809423_files/image005.jpg

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A Vimto cordial with no added sugar

And finally who put organs in my Vimto cordial. http://www.coursework.info/document/9/0/8/809423/809423_files/image007.jpg

In the fizzy category Vimto has 3 different types of ways in which they sell the fizzy Vimto drink. http://www.coursework.info/document/9/0/8/809423/809423_files/image008.jpg

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The fizzy Vimto drink is sold in a 1litre bottle which is ready to drink.

A 330ml Vimto can and a smaller bottle (500ml) in which the contents is placed in http://www.coursework.info/document/9/0/8/809423/809423_files/image009.jpg

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There are also four different types of ready to drink Vimto. They have 2 500ml bottles of original Vimto and then no added sugar Vimto, they also have a 250ml bottle of Vimto with a sports cap which is mainly aimed at people during sports and finally have a Vimto carton which called a Vimto prisma and this is mainly aimed at children at lunch times, they can place one of these into their lunchboxes with great ease.

In the confectionary category Vimto have five different types which are Vimto chewy sweets, Vimto chewy bars, Vimto Bon Bons, Vimto tongue tickler and Vimto fizzy lollypops.

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How Vimto is made

First they mix all the ingredients together which are the fruit juices, water, sugar, natural colors and a special ingredient. These ingredients then are

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mixed together in huge tanks. If the Vimto is going to be fizzy than they add co₂ (carbon dioxide) to make it fizzy. Once the ingredients have been mixed together, then a team of scientist come and tastes the Vimto to test if everything is right. They taste to see if it taste right is because they can make easily mistakes by adding to much water or their maybe less of some ingredients. Once the mixture has been given permission to pass through, than the mixture is sent off to be pasteurized. This is done so that it reaches the customers in good condition. Finally the Vimto is placed in the bottles and then the lids and labels are placed on the bottles. Later the bottles are boxed up and sent off to supermarkets and shops etc.

Ansoff Matrix

Vimto have been expanding their company thorough the success of their existing products range. The company has introduced a new product the 250ml Vimto sports cap drink which is mainly targeted at children and on the go consumption. This product has no added sugar and is ready made as the consumer doesn't have to dilute the drink with water.

Vimto has introduced this product by placing the existing content in a different packaging, therefore making it a new product. The product is quite efficient as the product is widely popular at lunchtimes, and the bottle in which the content is in can be re-used.

Having introduced the new product by developing the previous products a new marketing strategy was used by the company to sell the product effectively. As this product is aimed at children and on the go consumers the marketing strategy used by Vimto's marketing department was product expansion and diversification. The strategy that is used by Vimto for the <https://assignbuster.com/a-marketing-analysis-for-the-vimto-product/>

Sports Cap product can be shown in the Ansoff Matrix marketing theory, which displays the different strategies a new product bases itself from.

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This analysis shows all the different strategies that new products entering a market will take. Vimto used two different strategies, product expansion and the diversification strategy, when introducing the Vimto Sports Cap into the market. What Vimto did was that they introduced a new product into an existing market. Vimto already caters in the children's market and are quite popular and well-known. So they introduced a new product which was the sports cap into the children's market. By Vimto using this strategy to introduce the product Vimto will find there are many competitors, but also by using this strategy it means that there is a medium risk attached to it. Vimto are introducing new products into existing markets to gain a high level of the market share.

Vimto also uses the diversification strategy because the new product (sports cap) is also targeted for on the go consumers.

This type of strategy has a high level of risk for the reason that introducing a new product into a new market may have potential risks to the product and the company. If the new product and market haven't been evaluated in depth, it may result in the product not selling as effectively. Not also that but Vimto must also assess the competitors in the market or else it will affect the products sales.

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This strategy involves high costs as the strategy requires a great amount of evaluation that needs to be carried out on the product and its new market. A Vimto will be entering a new market, which they already do not operate in, means they can face well-known competitors who may gain a high level of the market share and affecting Vimto's product.

Product based Strategies

Product expansion/development- This is when new products are introduced in an existing market. This is the strategy that Vimto uses for one of its products. Product development is when the product is adapted for different purposes; this will allow the product to sell more as it will provide for a wider range of people and purposes. This will involve on developing/improving the products quality and characteristics to suit the customer's wants and needs.

Diversification- This strategy involves in launching new products in new markets. This strategy has the highest risk as an unknown product is entering an unfamiliar market which means that the company has lack of experience, new skills and techniques, which also puts the company in uncertainty. Vimto also uses this marketing strategy.

Market based strategies

Market penetration- This strategy involves in existing products being introduced in an existing market. This can be achieved in a number of ways by the company:

1. gaining the competitors customers (part of their market share)
2. Converting/attracting non-users into customers. This can be done by brand awareness.

3. And finally convincing current customers to use more of the product and this can be done by more advertising.

Product Life cycle

The product life cycle is linked to the Ansoff matrix strategy as the product life cycle will formulate how long the product will be successful in its sales and profits.

The product life cycle is the period of time in which the product appeals to the customers. The product will go through different stages over time, but every product has a limited time depending on the level of demand of the product.

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In the product life cycle there are four main stages. Stage 1 is the introduction of the product into current or new markets. At this stage the sales and profits of the product tend to be low. Stage 2 is when the product starts to grow. At this stage the product starts to settle itself in the market and the sales and profits will slowly start to increase as time passes by. Stage 3 in the diagram represents maturity and competition. At this stage the competition intensifies and sale growths are slow. Stage 4 shows the declining levels of the products sales and profits.

Vimto uses this marketing theory to show the effectiveness of their products sales and profits. Vimto's sports cap has been through the first stage and is going to enter the second stage as the product has only been recently

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launched. This is where the sports cap product has low sales and profits but will slowly grow and start to increase the level of revenue.

Stages of a product Life cycle described

Introduction- This is the beginning of the product. This part of the product life cycle is high in cost and the profits are low as the product is unknown. Also at this stage there will be little or no competitors. Customers will have to be encouraged to buy the product, so the company must create an awareness of the product, which can be done by promotion and advertising. The customers will be attracted to the promotions placed on the new product which will attract market share and help the product to launch. Vimto have reached this stage and is on its way of moving on to the next stage.

Growth and development- At this stage the costs are reduced as of the products starts to establish itself in the market and the sales and profits should start to increase. If there still isn't that many competitors then the company will make more profits which can result in new competitors to enter the market. The customers are now aware of the product but the company must invest in advertising and promoting the product so that the company can look at attracting new customers. Vimto haven't yet quite reached this stage as the product is still new.

Maturity- Costs are very low as the product will have been established in the market and there is not a need of publicity. At this stage the sales and profits of the company are increasing but at a steady rate.

Saturation and decline- This is the stage at which the product sales and profits start to decrease and fall. Also when a product reaches this stage the company will assess and look to dis-continue the product as the profits start

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to fall immensely. The company may decide to re-launch the product later or re-develop and launch it so that the product has taken a different form or shape.

Boston Matrix

Vimto contacted me and informed me that they use the Boston Matrix as one of their marketing tools to analyze and decide the good for the product and to identify the product. The Boston Matrix marketing tool relates to the product life cycle. There are 4 main sections applies to this marketing tool which are: Problem child, stars, cash cows and dogs. The Boston Consultancy Group who created the Boston matrix states that the faster the market grows the greater the cost would be to maintain the position.

Vimto's sports cap drink comes under the problem child section which also can be referred to 'question marks' this is because the product has recently just been launched. Some products fail to move from this phase and it may be impossible to develop these products into cash cows or stars.

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4 main sections of the Boston matrix described

Problem children

This is when the product has been newly introduced. The name was given problem children or question marks because many products fail to move forward. Products that belong in this section have a low market share in a high growth market. It is also costly as the company will attempt to increase

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the products market share. The Vimto sports cap is currently positioned here but is moving into the next section which will be stars.

Stars

Stars are products that have successfully reached the growth stage in the life cycle. These products will require a lot of financial investment, but the result will be an increase in the profits. Products in this section also tend to be in high growth markets with a relatively high share of the market.

Cash-cows

These products have reached the maturity stage in the product life cycle. These are products with a high market share of a slow growth market or a market that is no longer expanding. Products that have reached this stage may need a little investment in advertising and promotion as of the market has become static, therefore from time to time customers need to be made aware. Although the cash flow is quite positive and produces generates more money than invested in.

Dogs

Dogs are products that have reached the declining stage in the product life cycle. These are product with a low share of the market in a low growth market. Such products tend to absorb the money than generate it; therefore the products are dis-continued and no longer will exist. It produces a negative cash flow for the company.

Brand Funnel

External influences affecting the marketing strategy of Vimto

When a company decides to devise a marketing strategy the company must consider the external influences that might affect the marketing of the product. When Vimto introduced the sports cap drink they carefully devised different marketing strategies to help them plan whether the product will be a success or not. Vimto also devised these strategies because they can look at potential opportunities in the market which can increase the products sales and profits.

Now that I have carried out research on the current marketing strategies that Vimto use on the sports cap, I will improve and develop the product further and devise my own marketing strategies to forecast the success of the new product. Firstly I will have to analyze the markets and I can do this in two ways using a PESTEL and SWOT analysis.

PESTEL

A PESTEL analysis will help me to understand the market growth, or decline, the business position, potential and direction of the product and the company.

Political

Economic

Social

Technological

Environmental

Legal

Political

Political factors has a huge impact upon the business and how it operates as they have the power to change the way the markets perform, and the spending power of consumers. A business must consider such issues such as how stable is the political environment, what the governments policy is on the economy and weather the governments policy will influence the laws that will regulate or tax the business.

Economic

Questionnaire analysis

I handed out the questionnaire that I made to twenty different people; below I have shown the results of the questionnaire.

Question Number

Findings

Result

1.

Male

10

Female

10

2.

0-14

2

16-24

7

25-64

8

65+

2

3.

Yes

19

No

1

4.

Daily

5

Weekly

4

Once a fortnight

9

Occasionally

2

5.

Price

6

Brand name

3

Taste

6

Packaging

5

other

0

6.

Local shop

7

supermarket

10

Other: petrol station

3

7.

Single bottle

12

4X multipack

8

Other:

0

8.

Cordial

3

Vimto Fizzy

5