

The success of innocent drinks using competing values framework and pestel analys...

[Business](#), [Branding](#)



Innocent Drinks was started by three friends in 1999 that developed premium smoothies that contained 100% natural fruit with no water or added sugar.

The aim was to provide people with quick ready-to-go and healthy food and drink options. The company is now one of the best-loved and fastest growing businesses in Britain. The highly successful Innocent Drinks sells \$2 million smoothies per week across Europe, building a 72% market share in the 8 years since they were founded (Anne 2008). They give 10% of their profit to charity and continually participate in fund-raising activities such as 'The Big Knit'. Throughout the years, Innocent has managed to sustain a creative work culture and stay true to their brand values. Their skilful recruitment of staff ensures that people working for them share the same vision for the company thus are driven to success.

Another strategy that has been a success for them is their branding using straightforward and simple approach with friendly and cute labels and commercials (Jonathan Salem 2009). To raise their funds and expand further, their ventures with big companies such as Coca-cola have been a great step in expanding the business into Europe. The aim of this piece of work will be to analyse the success of Innocent Drinks by using the Competing Values Framework and PESTEL analysis to ascertain the future prospects of the company over the next few years. This will be done by looking at all the different aspects of the company and how they contribute to its success.

The Competing Values Framework of Quinn and Rohrbaugh (1983) is a theory that was developed initially from research conducted on the

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effectiveness of organizations. The basic framework consists of two dimensions, one drawn vertically and the other drawn horizontally forming four quadrants. One dimension emphasises flexibility, discretion and dynamism while the other dimension emphasises stability, order and control. The quadrants are made up of models including the human relations model, open systems model, rational goals model, and internal processes model (Quinn & Rohrbaugh 1983).

Keeping the models in mind, the company's strategies are discussed starting with the human relations model. The human relations model places emphasis on flexibility and internal focus and stresses cohesion, morale and human resources development as criteria for effectiveness. Innocent have developed and sustained a creative culture among its entire workforce which has enabled them to remain true to its core brand values throughout an extended period of growth and expansion. Effective communication is an integral part of the company's culture ensuring that there is involvement from every department. Innocent arranges big quarterly meetings, monthly forums for debates and weekly catch up involving the whole company so that people are able to express their thoughts and give inputs.

Any decision big or small, is made with the involvement of all employees to ensure they don't feel neglected or a part of the team. The organisation shows compassion by donating 10% of their profit to charity every year. This appealing factor makes them different from others as not many organisations make such promises. One popular public relations program, "The Big Knit," enlisted people to knit tiny caps which were placed on bottles

of Innocent Drinks. The company then donated a portion of every purchase of a capped bottle to an organization that provided warm clothing to elderly citizens. Again, showing compassion and participating in good causes keeps innocent in the good eyes of the people. As well as staying true to the values of the company, Innocent has a great marketing strategy which has kept them at the top.

The open systems model emphasises flexibility and external focus and stresses readiness, growth and resource acquisition and external support. One of Innocent's core survival and growth strategies is to be the only or most visible smoothie on store shelves and in more places. According to Jonathan Salem (2009), a global brand strategist, Innocent's branding brilliance is its unconventional marketing which is considered ethical as it gives lots of money away and maintains a cuddly tone in its ads, on its website and even on its labels. This way it has no doubt delighted its customers with its straightforward approach to business using a simple down-to-earth communications technique that mirrors the honesty of the brand and its products. The product is also successful as in today's busy working lifestyle people want to be healthy but don't have time and look for quick options in ready-made food and drinks that are healthy. People today are also very health conscious and want to eat healthy so innocent provide a great option being 100% natural with good taste at the same time. Over a year ago, Innocent invested with Coca-Cola. They sold a minority stake of between 10% and 20% in order to raise funds so it could expand into Europe.

This has been a good decision for the company as the business has grown in Europe over the last year by the help of Coke (Innocent Drinks 2009). The rational goal model emphasises control and an external focus and views planning, goal setting, productivity and efficiency as effective. Innocent employ experts in all areas from web designers to nutritionists to sales representatives which means everyone works in their specialized field to get the best possible outcomes for the company. This is important as in some companies job roles can overlap, meaning people are juggling between two things and unable to show their expertise in their area of interest. By employing experts in all areas, the company makes sure there are no gaps and all areas are covered for a successful future. Therefore skilful recruitment is a very important part of Innocent as it ensures that all employees hired are creative, intelligent, focused and driven to contribute to the continuing success of the company. Innocent have a vision for the company for which they are very passionate. It is to make Innocent Drinks an internationally recognized brand.

To continue to make ' natural healthy ethical food', making sure it's been sourced sustainably and giving part of it to charity and fundamentally getting more healthy food to more people in more places. Also hopefully adding more foods to the list is their long term goal. This is very important as it keeps everyone involved motivated and work harder to strive for more (Innocent Drinks 2009). If there are no goals and future prospects in a company, once goals are reached, work can become boring and demotivating. PESTEL analysis allows managers to undertake structured

analysis of factors which have a major impact on the organisation (Boddy 2008). The elements include political, economical, social, technological, environmental and legal. In 2007 when Innocent listed their smoothies with McDonalds (Telegraph 2007) and in 2009 gave Coca-Cola 20% of their stake (Innocent Drinks 2009), consumers accused innocent of 'selling out' and putting potential financial gain before its principles.

However Innocent have been able to convince smoothie drinkers that they will still run the company on the same ethics and have not sold out to any of the big fast food giants. Recession can have an effect in that consumers are spending less and looking for cheaper products for similar quality. Innocent smoothies being high quality demand a higher cost however if consumers can find a similar product for a better price in a period of recession then Innocent may have to reduce their prices. Although UK went through a period of recession in the year 2007, now things have improved. Consumers today want healthy eating as people lead busy lifestyles where they have to juggle work, home and kids. Parents are constantly looking for the healthiest options for their kids. Innocent emphasizes their smoothies contain no concentrates preservatives or stabilizers and are 100% natural.

They also have smoothies for kids which are very appealing. The internet these days is the best communicating tool and Innocent Drinks have used it well. Their website is very easy to navigate around and has lots of information about the company. They even have their company conferences posted on Youtube for quick and easy access for consumers.

It is a great marketing tool and keeps people involved with the company. Innocent have always right from the beginning been keen on using recyclable packaging and in 2007 introduced the 'eco-bottle' made from 100% renewable cornstarch. The plastic bottles used are also 100% recyclable, and they plan to move away from plastic completely. In the UK when you go to the supermarket you don't need to pay VAT on the vast majority of food and drink however beverages are taxed at 17. % (Innocent Drinks 2009).

This happens to include all drinks from alcohol to Innocent's fruit smoothies which Innocent have tried to fight against and hopefully convince the government to reduce tax on healthy drinks. In conclusion, in analysing the success of Innocent drinks by using the competing values framework and PESTAL analysis, the future for innocent drinks looks very bright. Their core strengths are the product being 100% natural fruit, clever marketing strategies, skilful recruitment and creative culture and participating in fund-raising for good causes and donating profits.