

Product development and marketing mix assignment

[Business](#), [Marketing](#)



Product Development And Marketing Mix. * Mountain Dew Product in Nigeria.

..... . BY: Peter Isimhanze, Tuesday, June 26, 2011. Table of Content

Introduction.....	1	Brief
on Seven-up Bottling Company Plc.....	3	*
Company’s Product Mix.....	5	* Company’s
Marketing Strategies.....	6	The Product – “
Mountain Dew”	7	Product
Mix.....	8	Suggested
Strategies for the Product’s development/Growth.....	8	
Conclusion.....	9	
References.....	10	

INTRODUCTION The focus of this Paper is to present a write-up on one of the products of a company operating in Nigeria. Seven-Up Bottling Company Plc is an example of a company which has successfully leverage on core competencies towards expansion into new markets while knowing when to exploit and/or minimise the risk involved in such undertaking and thus has been chosen for this assignment.

The company, like any other one that is involved in the manufacturing of goods and services, offers products or brands designed to satisfy the needs and demands of its target market. In Nigeria, Seven-Up Bottling Company Plc offers its products under the 7UP, Mirinda, Pepsi, and Mountain Dew brands. Essentially, this paper looks at the introduction and development of the Mountain Dew brand of Seven-Up Bottling Company Plc into the Nigerian soft

drinks market. As part of the build-up, this introductory section provides the outlook and theoretical framework for this paper.

In the quest for market leadership and competition, companies worldwide develop their core products into brands as an innovative way to leave a lasting impression on the memory of consumers on what the product is and who manufactures it. Brands are products or service which dimensions differentiate it in some way from other products or services (of competitors) designed to satisfy the same need. Today, branding plays important roles that improve not only customers' lives but also enhance the financial value of firms.

It offers a certain level of quality so that satisfied buyers can easily choose the product over and over again; this loyalty provides the predictability, and security of demand for the company and which can also be translated into customers' willingness to pay a higher price than competing brands.

Business entities exist for the purpose of maximizing profit. To achieve this objective, goods and services are provided to satisfy customers' needs as well as improve societal values. Product development plays an important role in organizational profitability.

Since, companies come into being primarily to serve the consumers at a reasonable profit margin, they must strive to provide product offerings capable of satisfying the ever changing needs of customers. For a company to succeed in selling its products, it must ensure that there are sufficient and reliable strategies in place that guarantee the production/supply and

marketing of the product to target market. Besides, production/supply of a product, companies must develop insightful, creative marketing strategies and plans for achieving its goals.

Although, it is possible to analyze the successes and failures of Seven-Up Bottling Company Plc in product mix development, it is necessary to reference the business culture and track record of the company in order to properly understand the strategic benefits and shortcomings of implementing a new product. The outline for this paper shall include; * A brief on Seven-Up Bottling Company Plc – its history, organization, milestones, product mix and marketing strategies. * The Product – Mountain dew (one of the company's products); when it was introduced, its Product Lifecycle (PLC) and recommendations on new strategies for growing the product.

BRIEF ON SEVEN-UP BOTTLING COMPANY PLC History Seven-Up Bottling Company Plc is one of the largest manufacturing companies in Nigeria engaged in the bottling and distribution of soft drinks. Founded in 1960, it commenced operations in Nigeria at a location in Ijora, Lagos State (which it now uses as its headquarters). The fortunes of the company has been painstakingly built over a considerable period of time mostly thanks to the profit oriented and expansion mind set of various generations of its management.

Their business culture focused on effective cost control in pursuit of market share through brand awareness, development, building distribution

channels, aggressive entry into new markets and calculated expansion programmes. A Lebanese Mohammed El-khalil who came to Nigeria for the very first time in 1926 founded the company (in Nigeria with Corporate Affairs Commission Company Registration number RC 1928). The company metamorphosed from a very successful transport business [El-Khalil Transport] in a bid to diversify the then largest transport company in the entire West of Africa.

On October 1st 1960, the exact day our great country Nigeria won her independence, Nigerians also experienced the birth of a soft drink giant as the first bottle of 7Up rolled out from its then factory located in Ijora. Since then, the company has grown in leap and bound. In the late 80s, it established two more plants in Ibadan and Ikeja. In the early 1990s when Pepsi International took over 7Up international, the company again got great opportunities to introduce the Pepsi brand to the Nigeria people.

The company's vision is in Nigeria " TO BECOME THE MOST ADMIRABLE AND INNOVATIVE COMPANY IN NIGERIA BY THE YEAR 2010" with a mission to " REFRESH AND INSPIRE A YOUTHFUL LIFESTYLE". Core Values that drive the organizational culture of the company and the behavior of its employees are Commitment and ownership, Teamwork, Integrity and Trust. Company Milestones Currently, Seven-Up Bottling Company Plc has 9 (nine) bottling plants with state of the art manufacturing facilities located strategically across the country – Ikeja, Ibadan, Kano, Aba, Benin, Kaduna, Ilorin, Enugu and Abuja.

With the movement of its Headquarter from its Nigerian office to Beirut in Lebanon, the company now have has operational bases in three African countries; Nigeria, Tanzania and Ghana. Its milestones since inception in 1960 to 2007 is depicted in graphically represented below: Source: Official Website of the Company www.sevenup.org/companyhistory.html As part of its production strategies, the company conducts its business in ways that protect the environment and promote health and safety.

As a responsible corporate citizen of Nigeria, it has a commitment to always comprehend, prevent and reduce any negative impacts on environment due to its production process and ensure proper and regulated ways of managing its effluent discharge [i. e the waste water as a result of its operations]. For instance, all the manufacturing plants of the Seven-up bottling have installed the Effluent Treatment Plant [ETP] to prevent the ugly effects of water pollution in the host communities. Company's Product mix The company produces and distributes the favorite brands of soft drinks to reinforce its presence in the Nigerian market.

Its brand portfolio comprised Pepsi, Mirinda, Seven Up and Mountain Dew. These brands are popular and widely consumed across the length and breadth of Nigeria. Below is a tabulated presentation of the company's products in Nigeria.

BRAND	Carbonated Soft Drinks	BOTTLE WATER
7UP	PEPSI	MIRINDA
MOUNTAIN DEW	TEEM	
Products	7UP	PEPSI
MRINDA ORANGE	MOUNTAIN DEW	TEEM LEMON
AQUAFINA	7UP FREE	PEPSI LIGHT
MRINDA PINEAPPLE	TEEM SODA	7UP H2HO
MRINDA SODA	TEEM TONIC	MRINDA TONIC
TEEM BITTER	MRINDA RED	

APPLE| | | | | MRINDA MANGLE| | | | | | TANGLE| | | | Company's

Marketing Strategies The key to Seven-Up Bottling Company success story in Nigeria lied in its ability to market products that meet customers' demand. Over the years, the company has build capacity and relevance in the soft drink market in Nigeria by developing a complete cohesive approach that went beyond the traditional marketing concepts to a more holistic marketing approach that pursue both customers' satisfaction and societal values.

It has a well coordinated distribution system with extensive network located across Nigeria. Products are marketed through its over 200 distribution centers called Depots that are spread over the nooks and crane of Nigeria. Products distribution are conducted through Route sales using designated truck driven by salesmen, Wholesale dealers and direct sales to recognized big sales outlets in the hospitality industry. Sales are predominantly on "Cash and Carry" basis; about 98% of its annual sales are on Cash and Carry basis.

Also, the company has a National Marketing and Distribution Department charged with the responsibility of designing marketing strategies for the company with special focus on sales promotions, advertisement and market research. THE PRODUCT – " Mountain Dew" Product History and Introduction in Nigeria. Mountain Dew is a green colored citrus-flavored carbonated soft drink brand produced and owned by PepsiCo. The original formula was invented in the 1940s by two Tennessee beverage bottlers, Barney and Ally Hartman, and was first marketed in Marion, VA, Knoxville and Johnson City, Tennessee.

A revised formula was created by Bill Bridgforth in 1958. The Mountain Dew brand and production rights were acquired by PepsiCo in 1964 and shortly thereafter in 1973 the logo was modified as the company sought to shift its focus to a “younger, outdoorsy” generation. Its distribution expanded more widely across the United States (Mountain Dew accounts for 80 percent of citrus soft drinks sold within the U. S and represented a 6. 7 percent share of the overall carbonated soft drinks market in the U. S). The various products in the Mountain Dew brand have spread from the US to all the continents of the world.

In the soft drinks world, it has virtually no challenger/competition (even Coca cola has not be able to provide a credible competition in the increasing soda war). Mountain Dew is one of the product offerings introduced into the Nigerian market in 2006 by Seven-Up Bottling Company Plc, the company that has the PepsiCo Inc franchise to bottle and market its products in Nigeria. Though there are many variant of the Mountain Dew brand internationally, only one of that variant was introduced into the Nigerian market and its target market was precisely the youngsters.

In its official website, the company has this to say about the Mountain Dew: “Who embrace excitement, adventure and outrageous fun, Mountain Dew exhilarates like no other, because it is more energizing & thirst-quenching with its one-of-a-kind great taste and irreverent attitude”. Seven-Up Bottling Company Plc was very conscious of the packaging of the product and after much research came up three packaging variant; in the Nigerian market, Mountain Dew comes in Returnable Glass Bottle (RGB), Pet and Can.

Product Lifecycle Mountain Dew was a new product introduced to create a market niche for the company and it actually did not waste any time in doing just as expected. The product is currently at the Growth Stage in its lifecycle. At the introductory stage, the company leveraged on its existing distribution channels to supply Mountain Dew across Nigeria. With aggressive advertisement (christened “ Do the Dew, Feel Da Rush”), the product gained customers’ acceptability and increased demand across the country. This increased market acceptability, value driven advertisement and product uniqueness have moved the product into its growth stage within such a short time. Also, the uniqueness of the product has captivated the eyes of consumers to such level that Mountain Dew is fast taking over from 7up (one of its products that carry the name of the company as a brand name) in the marketing. Consequently, the company is currently experiencing an “ overfull demand state” for the product – a state where demand is rising above available production/supply capacity.

Suggested Strategies for the Product’s development/Growth The company should maximize its current advantage in the Nigerian market. As at today in Nigeria, there is virtually no competition in the product in Nigeria market. It should increase its production capacity to meet ready demand nationwide. The company should analyze the root cause of the under production and take corrective action to boost supplies. The growth stage of the product is an appropriate timing to focus on increasing market share.

However, the Company is currently limited by its shortage of raw material to boost production and supply of the product to meet the increasing demand.

The company should go into demarketing of the product by way of significant reduction in advertisement, to deal with the overfull demand state of the product until production is boosted. Prices should be kept competitive and advertisement/promotion should be pulled back at a level that will make the product presence still visible and at the same time retain customer loyalty. Conclusion.

The Seven-up Bottling Company Plc experience in Nigeria represents a local example of the relevance of strategic marketing management/planning in product development and lifecycle. The company's adoption of a convergence production and marketing approach in the introduction of Mountain Dew and coupled with its value driven advertisement/promotions has created market acceptability and product uniqueness in the soft drinks industry in Nigeria. The uniqueness of the product has given the company unrivaled competition in that category of soft drinks and should increase its production capacity to meet ready demand nationwide.

References <http://www.sevenup.org/aboutus.htm> Kottler Keller, "Marketing Management", (New Jersey: Pearson Prentice Hall, 2009). "The Role of Product Development in the Organisational Profitability: An Overview" – Journal of Business Administration, Vol 1 No. 1 & 2. <http://www.sevenup.org/home.htm> http://en.wikipedia.org/wiki/Mountain_Dew http://investing.businessweek.com/research/stocks/snapshot/snapshot_article.asp?ticker=7UP:NL