

Innocent marketing proposal

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



The next of the 4ps is price. I have decided to price my 250 ml carton at 1.49 which cost less than the other 250ml products from innocent and my litre carton at 1.89 which is again less than the other at this size. This is called penetration pricing and I have set it low to tempt customers to buy the new product, as it's a low price. Once my new flavour starts becoming successful with customers then I will increase the price to the normal price of the smoothies. I may make a loss in the new product in the first couple of months or year but it will help the new flavour gain a good reputation with the customers.

Also when I did my questionnaire I found out what customers what like to pay for my new flavour and using that I decided on the price. Consumer Also before deciding on the price I had to consider the customers and what they would be willing to pay. This is where my second questionnaire and first one was very helpful in my primary and secondary research as from this is asked customer what they are willing to pay for an innocent smoothie of different sizes. Also I found out if they are willing to pay the same price every week for my new product.

However as well as asking customers, I had to make sure that they are not going to go to my competitors therefore I did some research on them as well. Competitors Finally I had to do some primary research to find out the cost of other smoothie's before I could price mine. The best place to do this was supermarkets as they always sell different brands of smoothies. Once I have done this I decided the price my smoothie. This shows that before pricing I considered my competitors. Having done all my research into my

competitors and what the customers want I would see this as strength as now I have more knowledge about the market and my product.

The weakness in my price is that I cannot always make the price of my product as low as my competitors because then my price will be too low and therefore it won't make much profit. Overall In this part of the 4Ps I think the main department that will be affected is the financial department, as they have to make sure that smoothie is priced at the price and they will have to draw up different graphs such as break-even graphs to monitor the progress of the new smoothie. This will help them see what changes if any will need to be made with the product or any other financial problems because of the product.

For example if the my product isn't making as much money then the finance department will have to look into this by increasing or decreasing the price depending on what the feel will be best or maybe even change the suppliers. The finance department may have to communicated more with other departments like the human resources department as they will need to employ more staff because a different product has been introduced and therefore to employ more staff they will need money. This money will come from the finance department.

Also some more research may need to be done over the next year as my new flavour hopefully becomes to grow therefore the research and development department will need some money to carry out their work on the new flavour. The last department that it will affect is Administration and Information and Communication Technology (ICT) department however it will

not be a huge effect on them. This is because this department only needs to know what goes into the product and the price so it can be stored on the computer so it will be easier to change and print out.

Also this information can be sent to one of their customers if they asked for it. An opportunity would be that if my new flavour is successful then I could increase or decrease the price of the product however I don't have to change the price. This can also become a treat because if my new flavour isn't as successful then I may need to increase the price to make the profits or to break even however by increasing the price means that even fewer customers will buy my new product.

This can also work the other way, if I decrease the price of my product then more customers may buy it but it may mean that I'm not making as much profit as before. This is an external factor as I cannot control whether the customers will buy my new product or not. I have seen that on innocent's website (<http://www.innocentdrinks.co.uk/value/>) there is some information about the cost of smoothie. It shows on a graph that making the smoothie at home will cost more than it will when buying it from innocent and you can buy two 1-litre smoothies then you will get a discount.

Because I'm pricing my smoothie at a lower price than the rest of the smoothie this discount will mean that customers don't save as much money therefore they may choose another flavour, which then becomes a weakness about my price. The only political/economically problem that I will have with the smoothie is that if the government decides to increase the price of Tax or VAT, customers may have to pay more for an innocent smoothie as innocent

smoothie will have to pay more to import raw materials from abroad. This would mean the price of my product may have to increase meaning customers are less likely to purchase it.

Also with the current credit crunch customers will not spend as much on luxury items, which becomes a social problem as innocent is a luxury item. This means my product again is less likely to sell well. (<http://www.innocentdrinks.co.uk/value/>) Place Now I will have to go into more detail about the place of my new flavour. Innocent smoothies get most of their fruits from other countries meaning that their fruits are at a good standard. As I am doing strawberry and raspberry I think that they will need to purchase more of them fruits than before.

Also as they already have flavours that include both raspberries and strawberries I think that innocent drinks shouldn't have much problem in purchasing more raw materials. The only problem I can see happening is that innocent drinks may have to tell their suppliers to make or plant more strawberries and raspberries and if they the supplier are rushed into planting or making more raw materials then the materials may not be as good as it could be. This could be a weakness. However this problem can be sorted if innocent drinks tell their suppliers in advanced giving their supplier enough time to make the raw materials at a good standard.

Also every now and then, to make sure that the raspberries are been brought at a good quality, innocent sends a couple of people to check the materials are being brought from farms that look after their workers and the environment (<http://innocentdrinks.typepad>).

com/innocent_drinks/2008/08/this-seasons-be.html). This helps make sure that the place they are buying their raw materials are good standard for their customers. As innocent already do this it means that I don't have to worry about my raw materials being good enough for the customers.

Innocent smoothies don't have their own lorries therefore they hire out lorries to get the materials to their store in west London. Hiring out lorries would mean that they are not always in the best conditions, which can be a weakness. I would change this to and get innocent to buy lorries therefore they can make it the lorry abatable the fruits. For example they can set the temperature in the lorries so that the fruits stay fresh. I think that this is an opportunity and if it happens it would become strength of innocent.

Innocent products are distributed at the fruit towers in west London and I wouldn't change this for my new flavour as moving somewhere else would become expensive, as they will have to buy another building or rent it, pay for new machines. I'm not going to get another company to make the smoothie for me as I think their work won't be as good as innocent employees because it's not their business and they don't have an understanding about innocent smoothies. Also by having another company making the product would mean that innocent drinks won't have as many employees which isn't good for the economy as innocent smoothie is a big business.

I would encourage more shop owners to sell innocent smoothies or at least sell my new flavour. This could improve the profits that my new flavour makes, as more people will notice it more and have access to it. It would

save customers from having to go to their supermarkets, as this is where most customers buy innocent drinks. However I will carry on placing my new flavour in supermarkets, as this is the most popular place of purchase for customers. Also I will encourage canteens to sell my product or have more vending machines in canteens as this is where most customers said they would like to buy innocent drinks from.

Finally my product will also be placed in cafes for the same reason as vending machines in canteens. A political aspect that could affect me would be that if the government made more law about selling foods and drinks. There already are laws to protect the customers from being sold food and drink that is not up to certain government standard however if this standard was raised then I will have to make sure that even more thought goes into where I get my strawberries and raspberries from.

The only technical problem that I see that could be a problem is that innocent drinks may need to buy more machines in order to make my strawberries and raspberries. Also other technical equipment may need to be used like having a temperature control in lorries to keep the fruit fresh and a machine that tells us whether the raw materials like strawberries and raspberries are at good standard for the customers when brought from different countries.

The department that will be affected because of my new product would be the Quality assurance department, as they will have to monitor every step the fruit takes before it reaches the customers. For example they will have to decide where the best place is to get the raw materials monitor where and

how the fruit get back to the distribution centre and if the fruits is still good enough for customer's.

The way I place the new product will be different to the rest of the innocent products as once placed in supermarkets, cafes, canteens or vending machines, there will be a sign next to it asking customers a question " Is this what you want? " Underneath this in small writing asking customers what they think about my new flavour and how they think it could be improved. Also somewhere at the back of both litre and 250ml smoothie there will be information about the questionnaire that I carried out asking customers what smoothie they want and contact details on how they can respond to the new flavour.