

Principles of marketing short narrative



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New product development marketing mix / Launch plan product 5 Price 5 C] Distribution 5 C] Promotions 8. Conclusion 8 9. Recommendations 8 National Account Management 8 0 Marketing mix recommendation for further development 9 Reference 1 1 1. Introduction This report will focus on the analysis of a new product development process, with the example of Impulse energy drink which is owned by Lipton, Milliner. This report begins with a brief analysis of the United Kingdom energy drink market and an overview of category management by Lipton and the decision to enter energy drink market.

Next, the report will contribute to the product innovation affecting the Impulse positioning, and details of new product's strengths, weaknesses, opportunities and threats. Following, this report will discuss the short-term and long-term development objectives and communication marketing mix. Finally, the report will come to conclusion and offer recommendations for Lipton regarding the launch of new Impulse. 2.

Energy drink market in the united Kingdom (K) The consumption of energy drink industry has increased significantly since the launch of Red Bull in 1997 (Mammalian's et. L. , 2007). The total convenience store beverage market demonstrates the total convenience store beverage market account for 20%. In this booming industry, the main brands, Red Bull and V, comprise more than 97% (Ganja & Brown, 2012). Milliner, one of the world's largest distributors of grocery goods with access to supermarket shelf space nationwide, decides to launch an energy drink under the Lipton Brand, which is a very strong brand with a world market share of 10% (Nostrums, 2012).

3.

Overview of category management by Lipton “ Category management is widely heralded process designed to help the retailer achieve overall category performance objectives by coordinating eying, merchandising and pricing decisions for products in the category’ (Bassoon et. Al 2001, pep).

Rational for replacing existing brands: Lipton is a strong tea brand. As a natural ingredient, year mate is used in teas and some energy drinks (Smith, 2010).

Leveraging the brand equity and profitable energy drink market, Lipton can extend its product range to energy drink for higher consumer sales and enhanced profitability (Kettle, 2010). . Product innovation Name: Impulse Size: ml Flavor: comparable to other energy drinks Target group: young adult consumers, especially 18-45 males Target market: the United Kingdom Packaging: leverage off brand strength of natural ingredients and labeling to communicate with consumers Product differentiation: natural drink Energy drinks such as Red Bull, Rock Star and Monster are designed to Offer the consumer an extra burst of energy by the combination of stimulants, including caffeine, terrine and acculturation (Horned & Renee, 2000).

However, “ the toxicity from caffeine overdose is being reported to hospitals and poisons centers” (Ganja & Brown, 2012, pep). The healthy issue is concerned by the consumers. Accordingly, adopting year mate and no affine, Impulse would be advertised as a healthy drink, which is a point of difference (POD).

5. SOOT analysis for Impulse Energy Drink in UK drinks market Strengths:

The development of new products requires expertise in all areas, including finance, marketing and business strategy (Trot, 2008).

Being a brand under Milliner, Impulse can leverage off the advantages from this multi-national company.

“ Has a better understanding of the market, proven to be essential for profit growth Has extensive resources which reduce the relative cost and risk of new product development Established brand names can be used to grant legitimacy to new emerging markets” Jackson et. Al. 2000, IPPP) Strong market association to natural ingredients Weaknesses Impulse is a new entrant into energy drink Limited product portfolio for flavors and packaging No sugar free option to address health concerns of the market (Finnegan, 2003) Opportunities The major energy drinkers are the youth who are willing to try new products so they are easily reached by marketing strategies Drinking energy drink is a defining trend for modern youth culture Leverage off the existing brand personality, including the natural ingredients, which can be used to differentiate Impulse against competitors in energy drink category (Liana & Lee, 2010).

The reads New entrants into Fast Moving Consumer Goods (FMC) sector which exists fierce competition: Leading brands such as Red Bull, Monster and Rock Star Start-up businesses like Cocaine and Hemp.

They have financial support by multinational companies which are hoping to access the growing energy drink market (The Communications Council, 2009) Indirect competitors come from other non-energy beverage companies

such as Pepsi and Struck coffee as consumers may consider them as alternate.

Potential political intervention to increase controls on energy drink market 6.

New product development objectives Short term Set up Impulse and link to product category, ensuring the brand grows in parallel with the energy drink category See a marketing mix that communicates to the target segments which purposively different from other competitors.