Marketing syrategy of sunny delight flashcard

For this assignment I am going to look at an existing product to make up a new marketing strategy.

The product that I am going to look at is Sunny Delight. Sunny Delight is not doing very well in the market so I will be looking at its old marketing strategy to make a new marketing strategy. I will be doing this to see if I can launch Sunny Delight again in to the maturity stage of its product life cycle. To carry out the research I will be using many marketing tools such as Ansoff Matrix, Boston Matrix and many more. Introduction to Sunny DelightSunny Delight is a refreshing real fruit beverage that contains Vitamins B1, and C. Sunny Delight can be a great drink to have on a hot, muggy day.

Each Vitamin plays a role in helping the body. Vitamin C helps the gums and the teeth to stay healthy and Vitamin B1 helps to convert food into energy. Also it contains as much calcium as milk. 1 serving (8oz) of Sunny Delight with calcium provides 30% of the daily value of calcium to help build strong bones and teeth. Sunny Delight was launched in 1998 with a £10 million promotional campaign, within months Sunny Delight had became the biggest selling soft drink in the UK behind Coke and Pepsi, with sales of £160 million a year.

Supermarkets used to run out of stocks and many children forced their parents to buy them Sunny Delight. Jane Bainbridge, a marketing magazine editor said, ” it was a phenomenon. This product came from nowhere and went in as the 12th best selling grocery product. I mean, in all the time our magazine has looked at these figures, no brand has ever done that”.

History of Sunny DelightSunny Delight was started in 1964 by Doric Foods in Mount Dora, Florida. Sunny Delight is a unique and refreshing citrus drink which is made up with 5% juice. In 1968, distribution of Sunny Delight was expanded. As the popularity of citrus beverages in Florida continued to grow, further expansion of Sunny Delight was needed to accomodate the growing demand. The Anaheim, California Plant began operation in 1974 and the Findlay, Ohio Plant in 1978. Sundor Brands based in Darien, Connecticut bought out Doric Foods Corporation in 1983.

Distribution expanded when the next new plant, Chicopee, started up in February of 1989. In March of 1989, Procter and Gamble acquired Sundor Brands. P&G has continued to expand the national market base of Sunny Delight Florida Citrus Punch as well as offer additional sizes and varieties. Sunny Delight is available in several flavors, including the original – Original Florida Style. P&G was established in 1837 and started as a small soap and candle shop in Ohio.

Today, P&G markets more then 250 products to billions of people worldwide. Procter & Gamble’s drinks brand Sunny Delight, now renamed Sunny D has experienced a rollercoaster ride since its UK launch in the late Nineties as “ the great taste kids go for”. Initially the most successful new product launch of the decade, sales began to fall after a series of negative press reports about the drink’s contents, almost halving over the three years to 2001. P&G relaunched the brand in the UK in early 2002 with a revised formula in a (largely unsuccessful) attempt to halt the slide.

The product was also forced to alter its marketing in the US after orange-growers protested over what they claimed was misleading marketing. It was put up for sale in 2003, and later acquired by investment company JW Childs. Marketing strategyA marketing strategy is the plan to achieve the company’s goal or targets for the future. It provides the framework within which it must operate and ultimately succeed or fail.

To get the plan right it should be carefully thought out and as realistic as possible. The aim of this planning is to carryout the jobs that are needed and not waste time to get the best returns for the business. A successful plan is when the company researches a new or existing product and then carries it out through the marketing mix – the 4p’s (product, price, place and promotion) and market segmentationProductProduct is the goods or services that the organisation offers to the marketplace. It needs to be superior in range needs to be high quality if it is to be a major product in its market. PricePrice is the amount of money that that a buyer has to pay the seller to purchase the item.

It is very important to set the price at the right level, as it is the main source of income to the organisation. If the prices are lowered for promotional purposes or even charged at a high level then the cash flow within the company, and its long-term profitability, could be seriously affected. There are many different type of pricing such as: Competitive pricingThe product is priced inline with the competitors to sell more products and to make profit. SkimmingCharging high prices for new products that at first have no competition or the company knows it will have a high demand.

For example, a new album. Penetration pricingPenetration pricing is normally used when a new business tries to break into an established market by setting its price below its major competitors. Once it has gained an acceptable market share, it will then increase its price to a suitable amount. Destruction priceKnocking out the competitors by cutting prices, a process commonly known as ‘ price wars’. Promotion pricesA product is sold at a very low price for a short time.

For example, there might be a summer sale offer ‘ buy one get one free’ to get ride of all the summer clothes. Psychological pricingMaking the price look cheaper by pricing it at, say £9. 95 and not £10. 00. Cost-plus pricingAdding the cost of manufacturing and profit make-up to make the final price. For example, a product is bought at 15 pence from the manufacturer, but the shopkeeper wants to make a profit of 10 pence, so it would sell that product at 25 pence.

Odd pricingUsing prices that ends in odd numbers such as, £1. 97, 95p. PromotionIt is a way of promoting and advertising the product to the customers by using different type of adverting media such as, television. Promotion supports advertising and encourage new or existing consumers to buy the products.

It is used in the short term to give a boost to sales, but it is not used over long period of time. An example of this might be when a new chocolate bar has been introduced onto the market and its being advertised on television. There are two types of promotion. Persuasive promotion- Persuading the customer in a formal way to by the product. Branding, packaging and other forms of product differentiation helps with persuasive promotion. Informative promotion- is giving enough information about the product to the customers, to make them buy the product.

PlaceWhere they build their shop or company for the consumers to come and buy their productsMarket segmentationThis is when the market is broken down to sub-groups, which share similar characteristics. For example, chocolates are eaten by children, teenagers and adults of both sexesThere are various ways a market can be segmented. Some of the most common ways are as follows.