

Political: us. it is
down to poor diet



Political: These are all about how and to what degree a government intervenes in the economy. i. e. Government Policy – Political Stability or Instability in overseas markets – Tax Policy – Foreign Trade. Obesity is a huge problem in many countries. It's become an epidemic in the US. It is down to poor diet and the consumption of unhealthy high calorie and sugar foods.

Who fault is this threat, it's very hard to blame anyone but one way of helping people avoid obesity is by discouraging the unhealthy fast food option and provide healthy tasty options. Vit Hit has been attempting to execute the latter since 2000 and now the government is helping with first. A tax on sugary drinks will be introduced around April 2018 and this is great news for Vit Hit, all drinks containing 5g/100ml or more will be taxed. With Vit Hit at only 1.3 grams per 100ml, the company will thrive with the introduction of this tax. Driving up the prices of its competitors and highlighting Vit Hit in a positive light that it contains such low sugar.

According to an article in the Irish independent Lavin told the newspaper that he expects his turnover to jump from €8m to €12m next year. Economic: These factors are determinants of an economy's performance that directly impact a company and have a resonating long-term effect.

E. g. Economic Growth – Interest Rates – Exchange Rates – Inflation – Disposable Income of Consumers & Businesses.

The economy has had a big effect on Vit Hit. When it began Lavin was earning very little and was at a loss for the first 7 years. Because of the

Celtic Tiger, Lavin relied on his property investments. With the crash in 2007 Vit Hit was in serious trouble and almost failed entirely.

It was then that Lavin looked for help from O'Rourke who rebranded restructured and renamed Vit Hit. Since then there has been a slow steady organic growth in the company and it is seriously taken off since. Social: Also known as socio-cultural factor, are the areas that involve that areas that involve the shared beliefs and attitudes of the population. These factors are of particular interest as they have a direct effect on how marketers understand consumers and what drives them. E. g. Population Growth – Age Distribution – Health Consciousness – Career Attitudes.

We know the healthy lifestyle is getting more and more important and popular. It was firstly cool and trendy to know the latest diets and healthy options but now it's become the norm for so many people. Families are consciously making the healthier more expensive decision in their shops, buying organic products, local produce. This is ideal for Vit Hit, as they took the risk of using the best nutritional products and sacrificed low prices. It took a while for this risk to pay off but the trend to took off. It started in the US and for the first 7 years Lavin's Vitz wasn't succeeding in the Irish market. Until the US mind-set swept Ireland.

Now its exploding and Vit Hit is receiving great interest. Vit Hit also made some trading decision on what countries had the “ young mind-set” they were looking for and what countries had no prospects of changing their ways. With this research on the social behaviour Vit Hit begun to import into several other European countries, such as Sweden Denmark and Iceland.

Vit Hit saw that the Scandinavian market were a lot more receptive to change where are old age countries such as France and Germany were hopeless. Technological: These factors pertain to invocation in technology that may affect the operations of the industry & market favourably or otherwise. Effecting marketing & management. E. g. New ways of producing & distributing good and services – New ways of communicating with target markets.

The technological requirements in business are shifting, hugely. Now a large social media foot print is needed. People are quite easily influenced on what is best for them dietary-wise. It is very important for Vit Hit to employ the bright fresh faces that they are using to promote their product if you look on their Facebook page you can see a massive following of 60, 000 people, and you can see on that page Vit Hit are teaming up with people who look good for their image, with gym's like FlyFit who are very popular at the moment amongst the young hip population, and colour runs with 98fm with is a great fun way to promote themselves. This is how a successful company reaches their target market.

Environmental: There factors have come to the forefront in the past 15 years or so. They have become important die to the increasing scarcity of raw materials, pollution targets ect. Doing business as an ethical sustainable company has become very important for the consumer. More and more consumers are demanding to know where their source of their products is. Vit Hit takes this strongly into consideration. On their website they clearly state that Vit Hit was created for this reason. There was not enough drinks available that didn't have “ buckets of sugar”. Their drinks contain 100% of

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the recommended daily allowance of 8 vitamins as well as a range of healthy teas and fruit juices.

It's not just for enjoyment and taste its benefits the consumer and this is what Lavin intended. To add to this something they don't promote but is also very good for both the consumer and the producer. Vit Hit isn't produced using aseptic packaging meaning there is no need to boil their drink to kill all the harmful bacteria, something the likes of Coca-Cola would have to do.

Therefore they don't need to use plastic as thick as the other soft drinks. This saves Vit Hit times and money, and the environment and customer are better off. Taking into account environmental friendliness is a key trait of Vit Hit and it shows care and concern. I'm sure it's competitors will soon follow.

Legal: Legal factors include – health & safety – equal opportunities – advertising standards – consumer rights and laws – products labelling & safety.

It's clear that companies need to know what is and isn't legal in order to trade successfully. When Vit Hit is trading with such competitive high functioning markets, they must be fully aware of what's allowed and what's not. For example the Nordic countries have lower RDA's when it comes to Vitamins, so their juices were reformulated. Similarly when they began trading with the US they had to remove the ingredient L-carnitine from their formula because it was not allowed.

These were two crucial changes that help succeed in said markets. People are now a lot more interested in moving towards a healthier lifestyle but this

was not always the case. Vit Hit struggled for years because the need for a healthy alternative was not there.

Threats of New Entrants: There are little barriers to enter this industry, due to the open market, small start-up cost, low capital requirements. The main issue for Vit Hit is the constant flood of new entrants with similar ideas as the craze health products clearly increasing many more entrepreneurs are coming forward with healthy new alternatives. Since there is no switching cost for the consumer, it is important for Vit Hit that they have a head start on these competitors. They must command a strong relationship with their consumers and continue to deliver. Heath drinks are based on innovation and forward thinking so regular rebranding, looking at different ways of promoting, sponsoring the correct events and people will help keep Vit Hit the leading fresh, vigorous and gleaming product in the eyes of the consumer, and will keep them reaching for the unique Vit Hit bottle.

Threats of Substitutes: Substitution is a big threat for Vit Hit. Since it is a truly nutritional drink that only uses the best ingredients and provides key vitamins this means their cost of production is quite high. On the other hand there are unhealthy sweet soft drinks that can easily tempt the consumer.

Since there is no switching cost on the difference in price, this poses and major threat to Vit Hit, These mass produced sugar and artificial ingredient fuels drinks are something Vit Hit need to keep an eye on, and structure most of their competitive strategy against.

Buyer Power: This represents how easy the buyer can drive down the price of the said good, in this case, Vit Hit. The buyer may be an individual consumer, to whom only a small amount of power would rest in their hands because they only buy on unit every now

and then and make up only a small amount of the market. Whereas something bigger like supermarkets and shops buys in bulk from the supplier (Vit Hit) and therefore have more influence of how Vit Hit operates. Also, the market in which the buyer functions can change their power. For example in Ireland, there is little competition for Vit Hit in the health drinks niche pocket of the overall beverage market, but in the US the health option has been blooming for a while now. And there are many alternatives. This was an issue at the beginning of Vit Hits career but the bargaining power will lessen as Vit Hit grows.

Supplier Power: On the other hand, supplier power is determined by how easily Vit Hits suppliers can raise their prices. As Vit Hit clearly states its soul ingredients are “ Water, Juices, Teas and Vitamins”. These ingredients are easily sourced and therefore not a worry for Vit Hit. If there are many substitute suppliers for Vit Hit if their current supplier demands higher prices they can easily work with someone else. This is an advantage for Vit Hit, they don't need to worry about it. **Competitive Rivalry:** Competitive rivalry Is the final and most important force of Porters Five Forces and something Vit Hit must pay most of their attention to if they are to survive. In the Irish market, Vit Hit is not yet pressured too much by other Vitamin drinks so that is not where they must focus their competitive energy, whereas the sugary alternative soft drinks are a large worry, both in Ireland and abroad.

In the US Vit Hit shouldn't even focus on soft drinks such as Coca-Cola, Mountain Dew and Dr Pepper because the vitamin drink markets aren't so small there. With big brands such as VitaminWater and Bai, Vit Hit must surpass these drinks before focusing on the bigger targets. At the end of the

day, all these beverages are sitting on a shelf and it is put to the consumer which one they find most appealing. For Vit Hit to survive and compete they must stand out. The trademark Red and Black contract of Coca-Cola will always catch the eye of the consumer, so Vit Hit must try something else. As stated in the case study O'Rourke noticed people preference the wider bottle and the wider mouth. This was phase one of separating it from its competition.

The different experience of drinking from a wide bottle head distinguished itself. The Vit Hit liquid is itself colourful and each flavour has its own unique colour. O'Rourke and Lavin then decided to use a white label in order to contrast with the colourful liquids and design of the bottle. This created a "rainbow effect" which when all the different Vit Hit flavours stood together presented an eye-catching rush of colours and fun which would draw in the consumer. Vit Hit has many other techniques of deciphering itself from its rivals such as its interesting flavour names. Unlike other drinks, it didn't name its different product by what fruity ingredients were used but by its nutritional effect it has on you, such as "Detox", "Boost", "Lean & Green".

This was refreshing for the consumer and clearly has an effect on them. They also had quirky, witty descriptions on the back of their bottles which tried to convince you to buy their product this showed care and fineness. Showed that they really cared about their customer and wanted to help them.

This innovation that Vit Hit shows time after time is very promising and if they continue with their current structure care and originality I am sure they are going to thrive. 3. Assess VITHIT's strategy of internationalization in the

light of your analysis. A lot of Vit Hit's international success is down to the valuable insight and decision making of O'Rourke. Before the duo joined forces, Lavin was making these decisions on his own.

He was exporting haphazardly with no solid foundation or structure in Belgian Dutch and UK markets. This was not working. A cutting-edge product was failing due to poor marketing. Ian O'Rourke noticed this and decided to join Lavin and take care of the sides of business Lavin had not yet mastered.

O'Rourke's first step in internationalization was to first secure home base. Vit Hit must first have strong roots in Ireland before expanding into European and beyond. O'Rourke had an honest realistic outlook and he shared this with Lavin, who was possibly overambitious.

O'Rourke set distribution goals and continuously met them. After the first year of the new partnership, sales boosted to 43, 500. The product was then introduced to canteens and vending machines which were good exposure for Vit Hit and by 2009 the product was beginning to see the feedback it deserved. In 2010 Vit Hit felt as though their product and the health drink craze had taken off, both in Ireland and the UK.

They took keen notice of this and committed entirely. Both partners moved to the UK in hopes of connecting stronger foundations there as they had done in Ireland. They saw the UK as the Shepherd and Europe as the Sheep. They invested in the UK in the hopes that the rest of Europe would follow. It took around 3 years for any big retailers to believe in Vit Hit, until 2013 when Tesco took them on.

Their product struggled on the back shelf in over 500 stores and took until the end of 2013 for Vit Hit to deserve its spot in the front fridges, selling 54 cases per week. Vit Hit then expanded into Boost 600 stores and then to Sainsbury's and a variety of pharmacies. This was proof of Vit Hit conquering the UK as well. Phase three was in front of Lavin and O'Rourke and they intended to approach it with the same caution, control and composure as in Ireland and UK. Not just going in blindly. They did their research.

They knew the US was still too big to attack and also, they knew countries such France and Germany were too old fashioned and not interested in the new health trend and therefore hopeless in their goal of continuous expansion. Scandinavian countries and other European countries were more versatile and open-minded, such as Spain, Portugal, Denmark, Sweden, Finland, Iceland. Iceland was especially receptive.