

Marketing plan soft drink company 1st half assignment

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Executive Summary The following plan is intended to provide a basic marketing communications plan for a fictitious company. The company in question operates in China and produces soft drinks, particularly adult soft drinks. The information in the plan has been sourced from various textbooks and online research including the National Bureau of Statistics China. It has been found that the company should target the market aged 18 to 44, married, living in urban China, and purchasing for personal use.

In order to address and leverage the current internal and external situation, the recommended marketing communications objectives have been set as follows: 1. Increase awareness of the brand name to 50% of the target market 2. Increase awareness of the portability and attractive design of the product to 25% of the target segment

Introduction The following plan has been compiled in order to provide the basis for a comprehensive marketing communications plan for a fictitious. The company produces and sells soft drinks. It specializes in adult soft drinks.

The company and brand are new to the market. In order to provide a useful plan, the target segment has been identified and defined, a SWOT analysis has been carried out for the brand and organization, and marketing communications objectives have been set. The plan identifies the target market through segmentation variables. Following this is an analysis of the strengths, weaknesses, opportunities, and threats that the company must either address or leverage. Finally the marketing communications objectives are set in the final section.

Segmenting the Market

In order to develop a sufficient marketing communications plan, it is necessary to first know the target market that marketing messages will be directed toward. The market for this company's offering can be defined according to the segmentation variables discussed by Schiffman et al(2005). The variables most relevant to this market are age, family life cycle, geography, awareness level, and user-situation(Schiffman et al, 2005). By using these variables it is possible to define the market as aged between 18 and 44, single or newly married, living in urban areas, unaware of the brand, and buying for personal use.

Within this market it is possible to further segment the preferred target market for this company's offering. Age can be used to further segment the market. Although older members of the family have a large influence on purchase decisions in China, Duncan(2005) implies that these older people are part of the 'late majority' group, which is not an attractive group for new products(Duncan, 2005 p229). Therefore the age of the target segment will be 18 to 44, as these individuals should be more likely to adopt new products or at least be influenced by 'early adopters'(Duncan, 2005 p230).

These individuals make up almost 35% of the total population(National Bureau of Statistics China, 2004), and so form a profitable target segment. The target segment can be further limited to those in the 'young marrieds' and 'parenthood' stages of the family life cycle(Schiffman et al, 2005). Geography is another useful variable. The target segment will live in the inner city or suburban areas of cities, and not on the outskirts of major urban areas or in rural areas.

The income gap between urban and rural areas is substantial, with urban households averaging CNY9421. 6 per annum, and rural households CNY2936. 4, in 2004(National Bureau of Statistics China, 2004). By using the above segmentation variables we now have a target segment at which to direct the marketing communications strategy. SWOT Analysis In order to reach useful marketing objectives it is necessary to analyze the strengths, weaknesses, opportunities, and threats that can be leveraged or addressed by the communications effort.

This is known as a SWOT analysis(Duncan, 2005). The external environment will be considered first. According to an analysis of the external environment, two major opportunities exist. These are an increase on sales of adult soft drinks over the past year, and a minimum of new adult soft drink products being marketed by competitors. According to an article in China Daily(2006), sales of adult soft drinks increased by 47% in 2006. This shows that there is an increasing market for ' adult' soft drinks. Internal factors are also evaluated in the SWOT analysis.

Analysis of this company has revealed two major strengths and one major weakness. The strengths are a devotion to customer service, and the design and innovativeness of the products. Customer service is something that is still at a basic level in China in terms of building relationships with new customers. This company offers outstanding after sales service, with teams located in every major Chinese city who are available 7 days a week and after hours on weekdays. This level of after sales service is not common among drink manufacturers in China.

The company also has a follow-up strategy that includes phone calls and emails to new customers giving them the chance to open dialogues with the firm. The other strength, the design and innovativeness of the products, is more tangible. This company produces only adult soft drinks and is therefore able to allocate more time and resources to improving only one line of product, unlike other soft drink manufacturers. The look of the adult soft drinks in this company's range is modern, using metallic colours on slim bottles, rather than the traditional images of fruit.

There is one major internal weakness that should be addressed by any marketing communication efforts: brand awareness. Being a new brand, there is 0% awareness of this company's brand in the target segment. This will almost certainly present a weakness that will have to be addressed by the marketing communications effort. The above SWOTs can be prioritized to reveal which should be leveraged or addressed by the marketing communications effort. These are brand awareness, the appearance and functionality of the product, and the lack of attention to the adult soft drinks in the market.

These factors will now be considered in relation to marketing communications objectives. Marketing Communications Objectives According to Duncan, marketing objectives should be specific, measurable, achievable, and challenging(2005, p180). In order to address the major weakness of the brand, increasing brand awareness should be a high priority. According to the AIDA decision making hierarchy(Duncan, 2005), communications cause

customers to begin a process which moves from awareness to interest to desire to action.

Since there is 0% awareness of the brand, communications will begin by creating brand awareness, particularly awareness of the brand name. This will be the first of the company's marketing communications objectives: Increase awareness of the brand name to 50% of the target market. The achievement of this objective will create awareness, which will be transformed into interest and desire through the second objective. The second objective will be: Increase awareness of the portability and attractive design of the product to 25% of the target segment.

According to the AIDA hierarchy, 'making people aware of a brand is much easier than persuading them to buy a brand or take some other action'(Duncan, 2005 p182). The figure of 25% is set due to this theory. Aiming to create awareness of the products tangible qualities will ideally create interest in the brand, which may result in action on behalf of the target segment. With these objectives set it will be possible to create marketing messages that are directed and can be evaluated in terms of their effectiveness and ability to achieve the company's objectives.

The objectives have been set in close attention to the SWOTs that were revealed earlier, in order to maximize the effect of the marketing communications effort. Conclusion In conclusion it can be seen that the first half of the marketing communications plan has been completed. The target market has been identified as aged between 18 and 44, married or married

with children, residing in urban areas in major Chinese cities, and purchasing the product for personal use.

The SWOT analysis revealed that the company's major advantages are the lack of attention to the adult soft drink market in China, and the attractive design and functionality of the product. The company's major disadvantages are the domination of the market by major manufacturers, and the lack of brand awareness. However, the marketing communications objectives set in the plan will ideally address and leverage each of the pros and cons that exist in the situation.

References Schiffman, L. t al, 2005, Consumer Behaviour, Pearson Education Australia, Frenchs Forest. China Daily, 2006, Soft drink sales cooling down, www.chinadaily.com.cn, viewed 4th April 2008 http://www.chinadaily.com.cn/china/2006-10/06/content_702416.htm Duncan, T. 2005, Principles of Advertising & IMC (2nd ed.), McGraw-Hill/Irwin, New York. National Bureau of Statistics China, 2004, www.stats.gov.cn, viewed 4th April 2008 at <http://www.stats.gov.cn/tjsj/ndsj/2005/indexeh.htm>