

# [Market leader of uk in fruit smoothies market marketing essay](https://assignbuster.com/market-leader-of-uk-in-fruit-smoothies-market-marketing-essay/)

Innocent : Innocent was founded by three persons named Richard Reed, Jon Wright and Adam Balon. Fruit smoothies are main products of innocent, they come in variety of flavors. Innocent also produces superfoods smoothies, they are called superfoods because they are high in particular type of nutrient. Also makes smoothies especially for kids and orange juice. Innocent is the market leader of UK in fruit smoothies market, it has 71% share of the £169 million market with a growth rate of 44%. It’s the first firm in the world to put recycled plastic bottle in the shelf. Innocent brand image represents simple, fun-loving and carefree approach to life which is reflected in their promotion and packaging (Bokaie n. d.).

Vemma : Vemma was founded by BK Boreyko. Vemma stands for vitamins, essential minerals, mangosteen and aloe. Vemma is a nutritional company in the united states known for its product vemma(company’s name as well as their breakthrough product name), it’s the most powerful liquid anti-oxidant. It’s a direct sales company. Its products comprises of nutritional supplements, energy powder for athletes and juices for kids(Vemma n. d.). The company does not believe in spending heavily on advertising, instead it depends on its customer to do so and it is because of the results its products delivers. Vemma has a very strong network marketing infrastructure, its encourages people to participate in their marketing process and earn money(Bernard n. d.).

## Innocent Booster (Co-branded Product)

Innocent Booster will be first Energy Drink in UK focusing on children Aged 6-15. This energy drink will be low on caffeine as children’s consumption of unhealthy Energy drinks like red-bull, monster, hiro worries parents about their impact on their children’s health. The caffeine content in booster will be 30mg, the exact rate recommended by doctors for optimal heart rate. Backed by nutritional supplement company Vemma, the product will also be high on Essential vitamins and minerals like B vitamins, anti-oxidants (A, C, E), Vitamin D, Organic tea, Organic Aloe Vera and plant source material blend. Children will enjoy this energy drink because of its sweet taste and parents will also be satisfied as it is nutritious.

In product advertising, emphasis will be on intrinsic attributes telling about the nutritional values. In extrinsic attributes Brand Image of Innocent(because it will be sold in UK) and Price will also play a major role. And purchasing motivation will be negative warning parents about negative impact of other energy drinks on their children’s health.

## Opportunity in the market

The energy drink market is a competitive market. But Innocent shows no indication to back out from the competition, instead they introduced a completely new product which is energy drinks for kids, as other energy drinks are not recommended for kids because of ingredients like caffeine and fructose corn syrup, these are ingredients which gives these energy drinks boost and leads to unavoidable crash after few time, you drink another one and cycle keeps on going(Williams n. d.) . There is a gap in the market when it comes to energy drink focusing only on children, there are many competitors like red-bull, monster and others but none are able to focus on children as these energy drink effect the health of children and are not even close in providing nutritional benefits. Today children don’t like to be treated like children, they want to be treated like grownups. Children learn by observing them. So if they are having energy drinks, they also want to do the same thing. Booster is a safe and nutritious option. It’s for kids aged 6-15(Demographic Segmentation).

## Competitors in the UK market

Innocent Booster has five main competitors in the UK market :

ACT Energy drink (335ml)- £1. 00 (Penetration Pricing)

Red bull (250ml) (Market Leader) – £1. 10 (Premium Pricing)

Hiro energy Drink(250ml) – £1. 10 (Premium pricing)

Monster Energy drink – £1. 50 (Premium pricing)

XS energy drink – £3. 20 (Prestige pricing)

## Pricing strategy

For Innocent Booster, penetration price strategy will be used. As the energy market is very competitive and is dominated by red-bull, monster and XS, artificial demand strategy will also be used to have a stand against these tough competitors.

## Brand name strategy

For Innocent booster, dualithic brand name strategy will be used. Endorsement dualithic brand name strategy will be used as the product will feature the name of both the firms.

## Brand Name Principle

Joyce principle of brand name will be followed as the name Booster draws some associations with the products as it’s an energy drink.

## Market Segmentation

Market segmentation is when a company divides the market into separate group of buyer with each having different needs, personalities and behavior, who may require different products or marketing mixes to fulfill their needs. Energy drinks are represented as life style products during marketing. The target customers are children aged 6-15, both firms tied up together to create a new energy drink booster, which is a safe as well as nutritious option for the sensitive target group(Masterson & Pickton 2004).

## Positioning

Brand positioning plays a very important role when major decisions in marketing are made. Positioning tries to create a brand value in order to guard itself against competition and competitive pressure. Brand positioning is a composite set of impressions and feelings a consumer links with the brand as compared with other competitors. Innocent already has a very positive brand image and brand identity, and will easily associate itself with the drink(Masterson & Pickton 2004).

## Considering All Factors (CAF)

Strengths: One of the major strength of the Booster is that is backed by a very powerful nutritional supplement vemma, which differentiates itself from its competitors in the market (Product Differentiation). Both companies have a positive brand image and loyal customers. Both are market leaders in their respective industry (innocent – 71% of smoothie market in UK : vemma – 78% of mangosteen juice industry in US). And both are good in maintaining their reputation and brand equity. Booster’s association with these brands is another major strength, because both are reputed brands.

Weaknesses: One of the major weaknesses of the product is that it is manufactured in United States only. And it will be difficult to change people’s perception about negative impact of such drinks on health, they can still feel that this product is like any other energy drink in the market. As a result, marketing budget will rise.

Opportunities: Opportunity lies when innocent decides to sell this product outside UK and compete with their competitors on an international level.

Threats: One major threat for this product is economic slowdown, as effect of recession in UK can halt the operations of the new product. Other low cost competitors and import issues are threats which cannot be ignored.

Innocent is a well established brand in the UK, it is known for delivering quality products, clearing all quality assurance tests for its products and regularly paying all the taxes on time.

Political: Government will react to this product in a positive manner as this energy drink is high in nutrition, as this product is for kids, it doesn’t restrict others to have it.

Regulatory: Government has some regulations before such drinks for kids could be introduced in the market. But as this drink is healthier, it will clear such hurdles.

Economy: Energy drink market is UK is dominated by 2 major players, industry is still growing at a very fast rate as energy drink consumption in million liters is increasing by 15% every year.

Social: Innocent is a socially aware company, it has launched various programmes to make people aware about the CO2 emissions. It also believes in transparency between company’s operations and its customers. On the other hand Vemma is very good in network marketing and its PR(Kbiri n. d.).

Technology: Innocent uses the most updated machines and technology to produce its products and they are properly tested before dispatching them into the market.

Competition: Competition is tough in the energy drink market, it is dominated by red-bull and monster.

Organizational: Innocent is also known for promoting healthy organizational culture, it employs 240+ people.

Market: Energy drink market is continuously showing growth both in terms of litres consumed and revenues generated. The market will be completely new for Innocent (Mintel n. d.).

## Perception Map

Innocent booster is the only Energy drink lying in the fourth quadrant of low cost

and High quality representing gap in the market (Appendix 1).