



Unit: Principles of Marketing

Assignment title: Fizz-ee Soft Drinks

June 2016

Important notes

- Please refer to the *Assignment Presentation Requirements* for advice on how to set out your assignment. These can be found on the NCC Education website. Click on 'Policies & Advice' on the main menu and then click on 'Student Support'.
- You must read the NCC Education documents *What is Academic Misconduct? Guidance for Candidates* and *Avoiding Plagiarism and Collusion: Guidance for Candidates* and ensure that you acknowledge all the sources that you use in your work. These documents are available on the NCC Education website. Click on 'Policies & Advice' on the main menu and then click on 'Student Support'.
- You **must** complete the *Statement and Confirmation of Own Work*. The form is available on the NCC Education website. Click on 'Policies & Advice' on the main menu and then click on 'Student Support'.
- Please make a note of the recommended word count. You could lose marks if you write 10% more or less than this.
- You must submit a paper copy and digital copy (on disk or similarly acceptable medium). Media containing viruses, or media that cannot be run directly, will result in a fail grade being awarded for this assessment.
- All electronic media will be checked for plagiarism.

Introduction

Ali-Kan Holdings is an American mining company and aluminium manufacturer, owning mines in the USA, Canada, South Africa and Jamaica. The company's biggest profit generator is aluminium cans, whose sales rose during the 1990s and 2000s. However, over the past 5 years sales have been declining at a steady rate. Worldwide production for all beverage cans is around 475 billion cans per year worldwide, with around 50 billion per year in Europe. 75% of soft drinks cans are now made of aluminium. Aluminium is a very cost effective material to recycle and around 70% of all aluminium products ever made are still in circulation. Consequently, adding value to aluminium, rather than mining it, is the most profitable way of managing this business.

New Managing Director, Will Butler-Smith, was hired in 2013 to devise and implement a business strategy to halt the declining sales and introduce innovative new products with good profit and growth potential. Butler-Smith was formerly Vice President Europe for Pepsi Soft drinks and this is a market he knows well. A wide range of diversification options, takeovers and new product ideas have been considered by the Board based on adding value to the core product of aluminium. The company has grown its portfolio by taking over companies in growth markets in the areas of bike frames, computer parts, car trims and golf clubs. The latest acquisition is Jamacian-based Fizz-ee Soft Drinks.

The Fizz-ee brand is well known in the Caribbean and in central and South America, but has not yet penetrated the big markets of Europe and North America. Fizz-ee owns very large fruit plantations and a manufacturing facility on Jamaica. It grows many well-known and more exotic fruits (e.g. citrus, pineapple, guava, pomegranate, coconut, banana, ackee, etc.) and processes them into soft drinks. The company also owns a natural spring water source. The company carbonates this water (to make it fizzy), then bottles and sells. Worldwide sales of non-alcoholic beverages are growing by about 2% per year, but most of this growth is being fuelled by sales of bottled water. Fizzy drinks are fast being abandoned by consumers as news comes to light about how they contribute to tooth decay in children and obesity, being full of sugar and generally contributing to an unhealthy lifestyle. Manufacturers have reduced sugar content, introducing zero sugar variants, but now there is growing concern over the health effects of sweeteners, such as aspartame, and the impact on a body's metabolism. Natural and carbonated water is the fastest growing sector of the soft drinks market with an annual volume growth of 3%.

In summer 2015, the corporate Marketing Manager, Susan Morgan, carried out market research in key Fizz-ee target markets (America, Caribbean, Europe) which revealed that consumers are:

- turning away from traditional flavours of soft drinks
- increasing demand for exotic flavours
- concerned about adopting healthier lifestyles
- drinking more bottled water

In 2016, a new range of exotic flavoured fizzy canned and bottled drinks (*Jamaican Joy*) will be launched to help penetrate existing markets and appeal to health-conscious customers in North America and Europe. The new range will be sold through the usual outlets (e.g. to drinks wholesalers and large supermarkets chains).

Scenario

You have been commissioned as the new marketing assistant to prepare a briefing document for Ali-Kan's board to help plan the launch of the new *Jamaican Joy* range.

Task 1 – 25 Marks

- (a) Illustrate how marketing can help drive improvements for Ali-Kan with the launch of this new range of soft drinks. (5 marks)
- (b) Explain how FIVE (5) factors in the organisation's macro environment could impact on the success of this new *Jamaican Joy* range. (20 marks)

Task 2 – 25 Marks

- (a) Discuss the advantages and disadvantages of adopting a product orientation towards the new range of *Jamaican Joy* drinks. (10 marks)
- (b) Show how Ali-Kan could adopt a societal approach with its new range of drinks, illustrating your answer with TWO (2) developed examples. (15 marks)

Task 3 – 25 Marks

Develop a suitable marketing mix (covering 4Ps) for the launch of a new premium *Jamaican Joy* range of canned drinks and bottled waters. This will be available to buy from leading supermarkets in autumn 2016. (25 marks)

Task 4 – 25 Marks

- (a) Ali-Kan will sell its *Jamaican Joy* soft drinks to retailers (e.g. supermarkets). Discuss TWO (2) marketing communications tools that could be used to encourage supermarkets and wholesalers to stock the new range. (10 marks)
- (b) Explain three factors that have driven the growth of the supermarket service sector. (6 marks)
- (c) Outline the importance of Key Account Managers at Ali-Kan and identify TWO (2) ways in which they could help drive sales and improve the marketing of the new range. (9 marks)

Guidance

Consult with your tutor if you are uncertain about any aspect of this assignment. Please note that this is a fictional company.

Submission requirements

Your answers should be presented in a clear and professional manner, ideally in a business report format.

The total word count for the assignment is **3000 words**.

Candidate checklist

Please use the following checklist to ensure that your work is ready for submission.

- Have you read the NCC Education documents *What is Academic Misconduct? Guidance for Candidates* and *Avoiding Plagiarism and Collusion: Guidance for Candidates* and ensured that you have acknowledged all the sources that you have used in your work?
- Have you completed the *Statement and Confirmation of Own Work* form and attached it to your assignment? **You must do this.**
- Have you ensured that your work has not gone over or under the recommended word count by more than 10%?
- Have you ensured that your work does not contain viruses and can be run directly?