

**OBJECTIVE**

To emphasise the quality of Sanitarium’s flavoured soy So Good milk range compared to its competitors.

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|------------------------------------|
| <b>Student 3: Low Merit</b>        |
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**MARKETING AIMS**

- 1 To increase supermarket respondents’ brand recognition of flavoured soy milk.
- 2 To establish the flavoured soy milk as the number one brand in the flavoured soy milk market.
- 3 To re-survey at the end of the year and see a 20% increase in the awareness of flavoured soy milk.
- 4 To see a 50% market share increase with the first-time buyers of the flavoured soy milk range.

1

**MARKETING AUDIT**

Sanitarium divides their products into four main sectors. My product fits in under the beverages section. It is one of six products Sanitarium sells under this category. So Good flavoured soy milk comes in chocolate and vanilla bliss. This gives it more originality over the normal soy milk as the flavour is more appealing to customers.

*The analysis of product, price, promotion and price has been omitted from this exemplar.*

*Market share*

A market share is the percentage of the market that the company captures. Sanitarium owns the entire market for the flavoured soy milk range as they are currently the only supplier. In the marketing aims I have specified that Sanitarium should aim to get a 50% market share of first time buyers of the product range of flavoured soy milk. I think this is an achievable aim as with some small changes to the marketing of the product. They should be able to increase the number of new buyers by at least 50% within the next year.

2

*Threat of new entrants*

There is a huge threat for Sanitarium that another supplier is creates new flavoured brand of soy milk. This would affect the sales of the Sanitarium brand. It would be easy for another company to take over the whole market share of the flavoured soy milk range as Sanitarium does not do a lot of branding for the product. Their main focus is to keep out other manufacturers of the product. However, the way Sanitarium is going the threat of new entrants is high.

*Threat of substitutes and bargaining power of buyers have been omitted from this exemplar.*

**MARKET RESEARCH**

*Market research design and research results have been omitted from this exemplar.*

3

**SWOT ANALYSIS**

**Strengths**

- Sanitarium’s flavoured soy milk range is the only flavoured soy milk currently being sold.
- The product is low in glucose and it reduces cholesterol.
- Sanitarium has good marketing strategies for their other products and these could be adapted to the So Good flavoured milk range.
- Sanitarium has established a good brand name and reputation.
- An internal factor that benefits Sanitarium is that their flavoured soy milk range is the healthiest option of all flavoured milk currently on sale.

4

**Weaknesses**

- Sanitarium has failed to market this product effectively.
- The product is currently only being targeted at lactose intolerant people.
- Sanitarium is not looking at the benefits of being the only supplier of flavoured soy milk, therefore opening up the opportunity for a competitor to come in and capture the market.

**Opportunities**

- Sanitarium has the opportunity to own the whole market share in the flavoured soy milk range.
- The company has the potential to start marketing its So Good range more effectively and therefore increase their percentage of first time buyers.
- Sanitarium has the opportunity to convince dairy drinkers who drink normal flavoured milk to convert to drinking flavoured soy milk.
- The new trending thing to do is to live a more vegan or vegetarian lifestyle, therefore there is enormous potential for Sanitarium to grow its market by appealing to people with those lifestyles.

**Threats**

- Sanitarium may open up the market for Vitasoy or Home Brand to create a range of flavoured soy milk and join them in the market share.
- That a better-marketed new range will be introduced to the market and Sanitarium will fall behind.
- Social backlash to the soy milk range as there are some people who believe that soy is unhealthy.

*Marketing Mix omitted from this exemplar.*

**MAIN FINDING OF THE MARKETING AUDIT**

2

- 1 Sanitarium need to focus solely on marketing their range of flavoured soy milk. This is important because my primary research showed that nobody had heard of the flavoured soy milk range that Sanitarium produces. This means they are losing a majority of the potential business they could get as people have not heard of the product.
- 2 Sanitarium need to open their product up to new markets such as dairy drinkers. This is important because it could see a new area for Sanitarium to focus their promotion on. They could also promote to people who are trying vegetarian and vegan lifestyle as these are the people who are mainly purchasing the product along with people who are lactose intolerant. This is important because Sanitarium can be targeting many different markets as their flavoured soy milk range is the healthiest type of flavoured milk.

### MARKETING STRATEGY

Detail has been omitted from this exemplar – the marketing strategy can be summarised as focussing on two areas:

- 1 Increasing promotion to the same level as Sanitarium’s popular products of Weetbix and Marmite
- 2 Introducing an option of a smaller box to appeal to different parts of the target market

In the table below I have calculated all the expenses related to the So Good flavoured soy milk range. These figures show how much each year in the next two years they will have to pay towards marketing the product, and the income they are hoping to make. These figures are higher in the second year as they will be able to promote the product to more people as the product will have greater recognition. I have calculated the income to be over a million dollars in the first year as there is a growing market for people to be buying flavoured soy milk and with the health benefits and the flavours that Sanitarium have produced I think that this is a realistic target. In the second year the income increases as I believe that Sanitarium would have increased the number of consumers they have for the product and converted many new people to flavoured soy milk. I have also increased the spending for Sanitarium in the second year as Sanitarium will hopefully be dealing with a wider range of people within their target market.

| Estimated Receipts      | Year 1 \$ |           | Year 2 \$ |             |
|-------------------------|-----------|-----------|-----------|-------------|
| Sales                   |           | 1,746,000 |           | 2,205,000   |
| Less Estimated Payments |           |           |           |             |
| Product development     | 195,000   |           | 206,000   |             |
| Advertising             | 267,000   |           | 280,000   |             |
| Sales promotion         | 235,000   |           | 247,000   |             |
| Distribution costs      | 202,000   |           | 233,000   |             |
| Market research         | 178,000   | 1,077,000 | 197,000   | 1,163,000   |
| Net Surplus             |           | \$669,000 |           | \$1,042,000 |

### CONTINGENCY PLAN

If these figures do not produce the outcomes I have described in my marketing strategy, the following contingency plan could be implemented:

- 1 I would adjust the figures for advertising because that way Sanitarium can spend more on advertising the product to the specific target market. This may need to be changed as I believe with the growing market for vegan and vegetarian lifestyles, I may not have allowed sufficient for advertising.
- 2 Another plan that Sanitarium could implement if the sales volume estimate is not working they could change the target market. This will work Sanitarium as there are many different groups of people that they can target for this product.

### ACTION PLAN

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| <b>January Year 1</b> – Launch two main types of advertising for So Good soy milk range. Advertising on TV and radio, the first at around 8.30pm when mothers (target market) are watching TV and on the radio between 7.30 and 8.30am.   |
| <b>March Year 1</b> – After three months of advertising the product Sanitarium bring alternative flavours of the product into the market. This will open up a wider variety of customers.   |
| <b>June Year 1</b> – After a six month trial period of promoting and selling the product, conduct a survey on the So Good flavoured soy milk range. This will help Sanitarium identify what is working well and what needs to be changed. |
| <b>September Year 1</b> – Reflect on advertising to date to check it is working and reaching the target market.   |
| <b>January Year 2</b> – Measure how budgeted income and expenditure matched actual, and adjust the year 2 budget where necessary.   |

### MONITORING

To monitor the success of the marketing plan over the next two year period Sanitarium will have to conduct primary and secondary research to monitor what is going on and whether the marketing plan is working and what areas they may need to tweak or change. Sanitarium could conduct a face-to-face survey in the three main supermarkets, Countdown, New World and Pak’nSave. This will help Sanitarium get detailed comments from people who purchase their products. Following this, Sanitarium could move onto doing an online survey to get more feedback from people all over the country. Secondary research could assist Sanitarium to come up with inventive ideas for soy milk products.