

MARKETING PLAN FOR TROPICANA POMLIFE

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LETTER OF TRANSMITTAL

DATE: **May 1, 2006**

TO: **Larry Graham, Marketing Program Professor**

FROM: **The PomLife Group**

SUBJECT: **MARKETING PLAN FOR TROPICANA 'POMLIFE'**

One of Canada's biggest manufacturers of juices - Tropicana, will launch Pomegranate juice called "PomLife" for the varied consumers ranging from 14-50 years. This marketing plan analyses the following:

Company Analysis: About Tropicana as a Company, all the other products that it produces and its market position

Competition: Four major beverage companies, their products and market share has been taken into account as they are the prime competition

Target audience: All age group of people and from all different walks of life are target audience for Tropicana's new product. Anyhow, a complete analysis on different target segments has been carried out

Market environment: Demographics, psychographics, economic, political, technical and cultural factors that would effect the launch of PomLife and eventually its success

Marketing Mix: A complete package of marketing activities is suggested for Tropicana to undertake in order to make this juice successful among the target audience in the defined market scenario.

After a thorough research and interpretation, we have come to a conclusion that there is a huge market for "PomLife" and it will be very successful in the Canadian market if an effective marketing mix is followed. It will be great if you take a look at the marketing plan enclosed and approve it. Any changes or suggestions will be appreciated.

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EXECUTIVE SUMMARY

Opportunity:

Tropicana, a brand from PepsiCo, is the world's only global citrus juice business. Tropicana is the top juice producer in the United States for over 50 years now. It has now expanded to Asian and European countries. Tropicana has almost all flavors of juice except Pomegranate juice.

The Concept:

We plan to launch a new flavor of juice - pomegranate juice called “PomLife” in Toronto, Canada. Considering the fact that pomegranate juice’s market is unoccupied as of now, we plan to cover at least 75% of the market. PomLife will not be priced too high. With all the health benefits and tastes, PomLife is bound to be a success.

Strategic Advantages:

PomLife would be marketed based on the following grounds:

- Canadians spend a lot on juices
- Besides being very tasty, Pomegranate juice is also nutritious, has less calories, aids in controlling cholesterol and protects against cancer
- The only competition is “Pom Wonderful” which is available in very select stores

We aim to reach almost all age groups of target audience, primarily focusing on the health conscious middle-aged people and the taste conscious young Canadians.

Circulation:

PomLife will be distributed at all local stores where Tropicana is present already. This will be another advantage over the competition, as that is available at very select outlets.

Marketing and Strategic Alliances:

PomLife will not leave any stone unturned in the effort of reaching the target audience. A strategic combination of electronic, print and outdoor media will be used. Tele vision commercials are used through out the year distributed evenly over the news and health channels. Regular placement of ads in magazines and papers like Toronto Star and Sun on the weekends will help us reach out to a larger audience.

To have a consistence web presence for the first year has been decided upon. The outdoor advertising will also be used as a promotion tool to launch the new flavor of juice including billboards and free sampling.

Management Team:

Our management team combines the experiences of executives and an advisory board with extensive backgrounds in managing and developing successful businesses.

Tropicana currently has the following staff who contributed in this marketing plan:

- Two Executives – Nitasha Pania and Turgut Tezir
- Business Development – Shipi Kapur
- Technical Implementation - Abhishek Mandal
- Administration – Lynn Raposo

3. SITUATION ANALYSIS

3.1. COMPANY ANALYSIS

3.1.1. The Pepsi Company

PepsiCo was founded in 1965 when Donald M. Kendall, President and Chief Executive Officer of Pepsi-Cola and Herman W. Lay, Chairman and Chief Executive Officer of Frito-Lay merged the two companies. Tropicana was acquired in 1998. Being World leader in convenience food and beverages, PepsiCo is growing continuously. “In 2005 its revenue reached more than \$32 billion followed by more than 155,000 employees.” The company manufactures markets and sells a variety of salty, convenient, sweet and grain-based snacks, carbonated and non-carbonated beverages and foods. Its brands are available in nearly 200 countries and territories in the world. Pepsi Company reports that the company has a tremendous market share of 31.7% in 2004, followed by an incredible growth in its profits. In 2004 PepsiCo had operating profit of \$150 billion and revenue of \$27 billion (PepsiCo Overview).

3.1.2. Mission Statement

PepsiCo’s mission statement is:

To be the world's premier consumer Products Company focused on convenient foods and beverages. We seek to produce healthy financial rewards to investors as we provide opportunities for growth and enrichment to our employees, our business partners and the communities in which we operate. And in everything we do, we strive for honesty, fairness and integrity (PepsiCo Overview).

PepsiCo’s mission statement is brilliant. In this, PepsiCo intensifies its focus on what they do i.e. producing convenient foods and beverages, which indicates PepsiCo is very market oriented. It also shows PepsiCo’s responsibility to satisfy its partners, employees and environment. It is a motivating mission statement for its employees and also takes into account the social responsibilities of being honest and fair.

PepsiCo competes in multiple markets. It has many SBUs, which are generally their branch units such as Frito-Lay, PepsiCo Beverages, PepsiCo International and Quaker Foods, North America and each one of them have their own specific SBUs. For example, Tropicana is a SBU of PepsiCo Beverage North America and Tropicana, itself, has its SBUs that are its juice lines.

3.1.3. Tropicana Overview



Tropicana Products Inc. is the world's only global citrus juice business. It has been nearly fifty years that Tropicana is the top juice producer in the United States and over the time has expanded their business to the Asian, European and Latin America. Tropicana was found in late 1940's by the entrepreneur Anthony Rossi who was searching an ideal business. Creatively he began to prepare gift boxes of Florida Citrus in Florida, sunny state. Soon he was selling them to department stores, including the legends Macy's and Gimbel's in New York City. Since then the company has made successful history by producing innovative and quality acclaimed products.

On August 25th, 1998 it was incorporated by PepsiCo in a big \$3.3 billion acquisition which gave more strength to the company (The PepsiCo Family). Tropicana has an impressive track record of continuous innovation in its main business of producing, packaging, marketing and distributing chilled juice drinks in the United States in 2004 (PepsiCo 2005 Annual Report). Tropicana has eight different lines, which appeal to the taste of different consumers and this wide range of product is in continuous development.

To launch and promote its products, Tropicana takes advantage in a strong communication and advertising mix. It uses advertisements on TV, magazines, Internet and provides sponsorships for different events for promoting its products in market. "Tropicana in has a market share of 31.7 and reached a net revenue of \$9,862(millions) in 2004" (The PepsiCo Family).

3.1.3.1. Current Company Product Analysis

Tropicana produce juices from different kinds of fruits such as apple, banana, black berry, cherry, cranberry, grape, grapefruit, lemon, mango, orange, peach, pineapple, red raspberry, strawberry, tangerine and watermelon. According to Tropicana's web site, Tropicana has over 70 different kinds of juices. These are:

List of Current Products**Orange Juice** (Tropicana Pure Premium)

Original
 Homestyle
 Grovestand.
 Calcium + Vitamin D.
 Glovestand Calcium.

Grapefruit Juice (Tropicana Pure Premium)

Sweet
 Ruby Red
 Golden

Orange Juice Blend (Tropicana Pure Premium)

Orange Pineapple + Calcium.
 Orange Tangerine + Calcium.
 Orange Strawberry Banana + Calcium
 Orange Tangerine

Tropicana Essentials

Light 'N Healthy Calcium
 Light 'N Healthy with Pulp
 Fiber
 Low Acid
 Healthy Heart
 Healthy Kids
 Immunity Defense

Chilled Juices and Juice Beverages - Assorted

Orchard Style Lemonade
 Cranberry
 Orchard Berry
 Homestyle Lemonade
 Orchard Style Apple
 Grape
 Cranberry Cocktail

Refrigerated Juice Drinks

Fruit Punch
 Lemonade
 Berry Punch
 Orangeade

Non-Refrigerated Juices

100% Orange Juice
 100% Apple Juice
 100% Orange Juice with Calcium
 100% Ruby Red Grapefruit
 100% Grape Juice
 100% Fruit Punch
 100% Strawberry Orange
 100% Pineapple Orange
 Light Apple
 Light Mixed Berry
 Cranberry Cocktail
 Grape
 Ruby Red Grapefruit
 Pineapple Orange

Tropicana Fruit Smoothies

Mixed Berry
 Strawberry Banana
 Tropical Fruit

Tropicana Twister

Tropical Fruit Fury
 Orange Strawberry Banana Burst
 Strawberry Kiwi Cyclone
 Orange Cranberry Clash
 Orange Citrus Spark
 Cherry Raspberry Riptide
 Watermelon Strawberry Swirl
 Strawberry Lemonade
 Raspberry Lemonade
 New Cherry Berry Blast
 Grape Wild Strawberry Whirl
 Apple Berry Blast
 White Grape Kiwi Wave
 Blue Raspberry Rush
 Light Strawberry Spiral
 Light Lemonade Lightning
 Light Berry Fusion

Tropical Punch
 Peach Orchard Punch
 Light Lemonade
 Light Berry Blend
 Light Fruit Punch

Tropicana Pure Premium Original Orange Juice contains (1.89L):

100% pure squeezed juice and per 25ml 110 Calories, 450mg-13% Potassium, 26g-9% Total Carbohydrate, 22g Sugars, 2g Protein, 120% Vitamin C, 2% Calcium, 10% Thiamin, 4% Riboflavin, 4% Niacin, 6% Vitamin B6, 15% Folic Acid, 6% Magnesium (Tropicana Pure Premium Orange Juice Original).

Tropicana just not sells juice but it sells health. Consumer health is of utmost importance for Tropicana. It launched its first Orange Juice with Fiber on December 14, 2005. Tropicana, in its wide line and range of juices does not have juice from Pomegranate. This fruit is the best protection for cancer and heart diseases. Producing juice from pomegranate will be distinguishing Tropicana from its competitors. Tropicana's concern about its consumer health can bring a drastic upswing in its sale.

3.1.3.2. Marketing Activities

Marketing also occupies a great space in Tropicana's success. Everyone remembers their TV commercials:

“Fruit farmer gives fresh orange juice to a woman who tries to find orange juice on the supermarket's shelf”

This commercial gives impression to consumer that Tropicana's juices are always fresh. Latest Tropicana's TV commercial which states that **“Have a Tropicana Morning”** is very successful and conveys very smart message that consumers should have Tropicana juice every morning at breakfast (Tropicana Ads and Promotion). Newspapers, magazines and other advertisements of Tropicana's products contain similar messages about Health, Freshness, 100% juice and Tastes.

Another good marketing strategy is the Tropicana's Field stadium from St. Petersburg Florida host baseball games, concerts and other sporting events. It has about 45360 seats. This giant stadium has entertainment center, shopping plaza, food cord and lots of Tropicana products offered for sale (Tropicana Sponsorship).

3. 1.3.3. Market and External Environmental Analysis

Different Types of market

- Commodity markets
- Consumer markets
- Capital and good's markets
- Industrial markets
- Service markets

Type of market for our product: Consumer's Market

Type of product: Fast moving consumer goods.

3.1.3.4. Market Share

According to Canada's Population Clock, Canada's population as on April 14, 2006 at 12.00 AM is 32,506,004.

2001 Census of Canada represents the marketing mix as shown in the diagram below. The Size of national market: Market mix of every nation is divided under these proportions. To get better idea about the national market mix and categories included in it, here are some figures which analyze Canadian market size and growth:

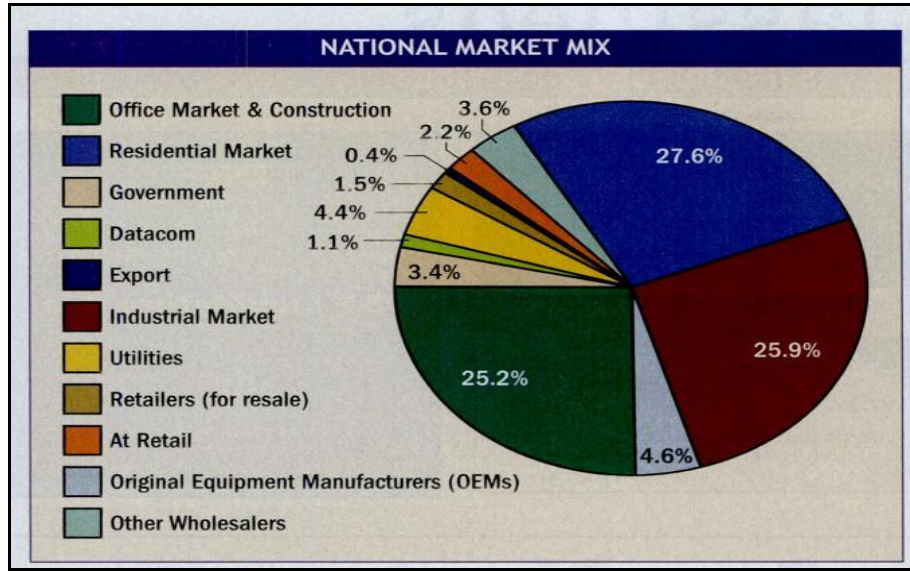


Figure 1: Canadian Marketing Mix (2001 Census of Canada)

Categories in which POM life falls:

- 1 Residential Market
- 2 Export
- 3 At Retail
- 4 Other wholesalers

Trends in average weekly expenditure of consumer on household goods.

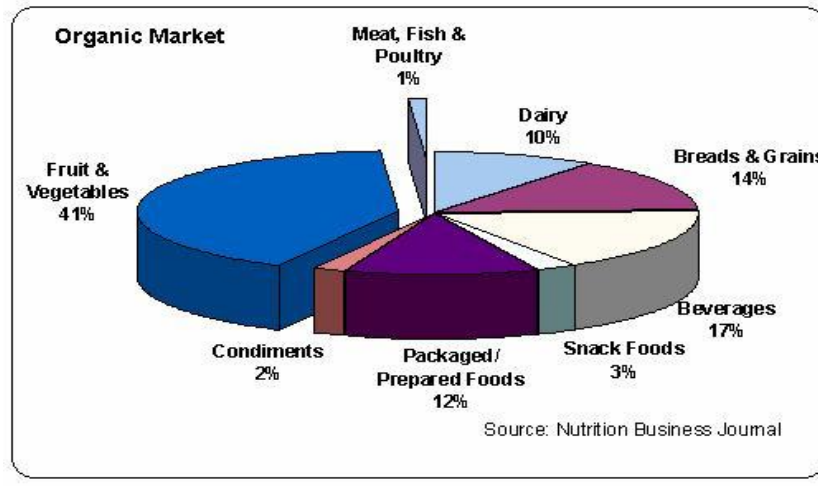


Figure 2: Composition of the US/Canadian Organic Retail Market (Consumer Trends in Organic Food)

We can clearly analyze that from all different types of household foods, maximum expenditure of consumers is on fruits and vegetables. Consumers spend more than two fifth of the amount of their weekly expenditure on fruits and vegetables. It shows that people are health conscious, so our product can derive benefit from this in Canadian market.

Trends of Juice consumption in Canada

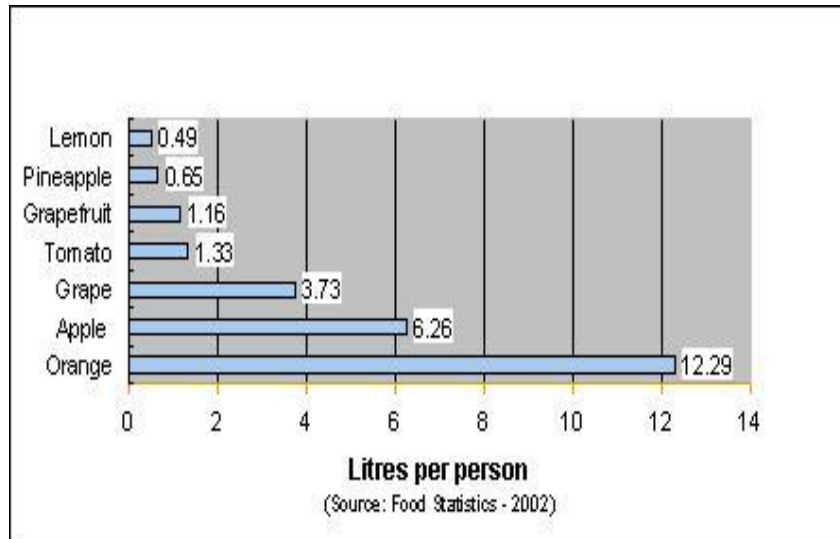


Figure 3: Juice consumption in Canada (Consumer Trends for Fruit and Vegetable Products)

From the given statistics it can be inferred that consumption of orange juice is maximum in Canada. There are different types of juices in the market with respect to different fruits. Pomegranate juice is not present in the statistics, because not even a single company has taken an initiative to introduce this juice in Canadian market. An American based company 'Pom Wonderful' in 2004 launched pomegranate juice under the brand name of Pom Wonderful in Canada. But 'Pom Wonderful' is available only at few stores. So Tropicana can conquer whole Canadian Market with its Pomegranate juice.

3.1.3.5. External environmental analysis

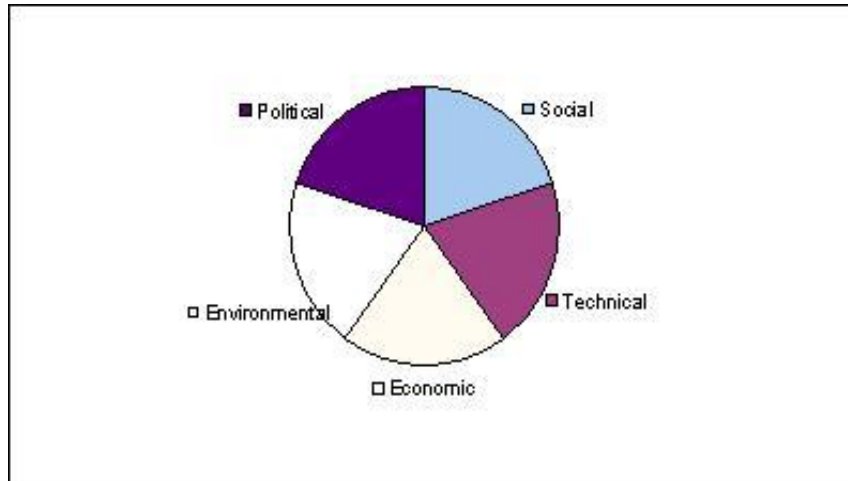


Figure 4: Factors effecting external environment and industry in Canada (Consumer Trends for Fruit and Vegetable Products)

Social, Cultural, demographic and lifestyle trends

Canada has a multi-cultural society so it has different types of consumer with respect to their religion and eating habits. But these days' consumers are more conscious about their health. This is because of education and awareness everywhere. Consumers demands for foods, fruits and juices which are more nutritive and provide health benefits. The people belong to different category of classes' i.e. upper class, middle class and low class but everyone is sensible about his or her health. So consumer may belong to any of the above-mentioned classes, his maximum expenditure is on fruits and vegetables.

Technical

Technology is changing day by day. Due to advancement in technology healthy and nutritive juice can be extracted from different fruits. Attractive packing and labeling also plays a vital role in product promotion, the technology for which is easily available.

Legal

Political forces are more concerned about the people's health. It has passed a Food and Drugs act under which it has clearly defined it terms and conditions which are more focused on health and nutrition. But now government has been changed recently. It may make some changes in the Act, but the changes will definitely be in favor of consumer's health.

3.1.2.6. Analysis of Customer Environment

There are a variety of customers for our Pomegranate juice and the needs are different from segment to segment. The segments include Kids, Adults, Health Conscious (including Dieters) and Youth. The following table shows the segments for Pomegranate juice.

SEGMENTS	BENEFITS	DEMOGRAPHICS	BEHAVIOUR	PSYCHOGRAPHICS
ADULTS	Nutrition, Health, Price Convenience	25 – 50	Taste <u>Drinkers</u> Nutrition Alternative <u>Drinkers</u>	Professionals On the Go Parents
HEALTH CONSCIOUS	Health, Nutrition, Less Calories, Controls Cholesterol, Protection against breast cancer	18+	Diet and Health Conscious <u>Drinkers</u> Long life <u>oriented</u>	Dieters Health Professionals
YOUTH	Trendy Taste	14 -18	Trendy <u>drinkers</u> Taste <u>Drinkers</u> <u>Mobile</u>	Not a child yet not an adult Possibly wanting to drink what adults drink but without the adult taste

The needs of different target segments could be explained as follows:

Health

Consumers have become increasingly health conscious creating a demand for healthier products. They are aware of the fact that soft drinks do not provide essential nutrients; this causes them to choose fruit juice or water as beverage alternatives.

Convenience

Customers demand proper packaging for separate activities. They address this situation by creating the same products in different packaging. For example, some juices are sold in larger bottles for home and also lunch size boxes.

Taste

Taste is essential for all consumers as it is among one of the important reasons why they purchase the product.

Age Appropriate

Youth is one of the major segments for beverage consumption. Adults would also be our major target audience as they are very health conscious and with all the benefits that PomLife has in store, it sure would hit the jackpot.

3.2.COMPETITIVE ANALYSIS

3.2.1. PepsiCo.

PepsiCo International is the worldwide leader in beverages with the revenue of more than 32 billion in the year 2005 (PepsiCo Overview). Its products are well known in the world ranging from Frito-lay Brands, Gatorade Brands to Quaker Brands and best range of Tropicana juices under the Tropicana Brand in the juice market. Recently, PepsiCo has also acquired Star Foods, one of Poland's leading savory snacks maker by January 2006.

3.2.2. Pom Wonderful

POM wonderful is the key company that is heavily involved with sale of Pomegranate juices and fresh pomegranates. “The headquarters of pomegranate is in Los Angeles, California that has 8 ranges of POM juices from Antioxidant powers, 5 fabulous flavors, 100% Pomegranate, POM Blueberry, POM cherry, POM Mango and POM Tangerine”. (Pom Wonderful)

POM wonderful has been awarded by Wabby Awards in October 2003 for best branding and design of website ([Pom in the News](#)). In fact, the focal point of the war between Minute Maid (the brand of Coca Cola) and Tropicana (the brand of PepsiCo) has centered on the functionality of ingredients such as vitamins protection. Nowadays, low carbohydrate and healthy beverages also have great impact in the changing trend of North American juices and drinks.

POM is almost 25% more expensive than national orange juice brands at 26 cents per fluid ounce (Juice boxing: Naming Battle of the Brands). POM wonderful is quite competitive in market and has monopoly in the pomegranate juice in US and Canada. Hence, POM Wonderful will pose to be one of the major competitions.

The promotional strategies of Tropicana are quite competitive. It uses various modes of communication and advertisements where as POM wonderful has historically not taken much advantage of advertising. Introduction of POM Life will have a good competitive advantage over other market players in the beverage industry. Another strong competitive advantage is that PepsiCo has unlimited access to the various stores for their products and to the consumers worldwide but POM wonderful has very select stores for

its products. In Canada we can find POM wonderful only in stores like Wall Mart Super Centre, Loblaw's and other few fine stores. This shows that POM wonderful has a weak channel of distribution and limited access of its products to consumers which would not be the case with PomLife.

3.2.3. Coca-cola

The top competitors to PepsiCo International is Coca Cola Company which owns four of the top five soft drink brands and stands #2 with nearly 400 brand ranges running in 200 countries. It has a market capital of 98.95 billion and revenue of around 23.10 billion in the year 2005. The growth rate for Coca Cola was 5.60% in the year 2005 (The Coca-Cola Company). To counter Coca-Cola's products like Minute Maid Juices, Minute Maid Lemonade and Fruit Drinks and others, PepsiCo introduced Tropicana products throughout US and Canada. The famous Minute maid orange juices of Coca Cola have tremendous success all over the world. To compete this, PepsiCo introduced Tropicana Pure Premium Orange juice that sells no#1. Coca Cola has run several types of advertisements and promotional programs that still outsell Pepsi in some particular brands. The Pepsi-Cola war had shown dramatic changes in PepsiCo's Market share. The introduction of POM life in Tropicana will have great competitive advantage over Coke Cola's range of juices under its premium brands as Tropicana will be the only brand that will serve consumers with healthy POM Life juice.

3.2.4. Cadbury Schweppes

Another leading competitor Cadbury Schweppes plc which is no# 3 and a leading confectionery group and soft drink producers in the world after Coca Cola. It has the market Capital, which is 20.48 billion and the revenue is 12.04 Billion in the year 2005. The growth rate for Cadbury Schweppes was 5.30% in the year 2005, which was higher than anticipated (Cadbury Schweppes). It is famous in North America and Western Europe and includes brands like 7 UP (US only), A&W Root Beer, Canada Dry, Dr Pepper etc. Cadbury

Schweppes has strong competitors in confectionery market like Mars, Hershey and Nestle. Simultaneously it counters the big brands like PepsiCo and Coca cola and has fair competition in the market of soft drinks and juices. Schweppes's Mott's fruit juice, Orangina and Snapple is a tremendous success in the market. So, a small share of various ranges of juices available in Tropicana Brand, PepsiCo still outsells Cadbury Schweppes. But in future if Cadbury Schweppes also introduces some variety of Pomegranate juices then, the competition will be stiffer in Canadian market.

In the nutshell, introduction of POM life in the family of Tropicana will be advantageous and a big threat to POM wonderful, Coca Cola, and Cadbury Schweppes. This will increase the market share of Tropicana in the whole world and it will have global and effective leadership in the various ranges of juices in the beverage market.

3.3. GAP

These days consumers are considered as the king of market. Their need varies from time to time due to change in technology, fashion, tastes, behavior and lifestyle. Customers demand 100 % calorie free juices now from which they can derive potential health benefits. PomLife is 100 % fruit juice that contains no sugar and has following health advantages:

- Delicious and energetic juice which boosts energy
- It is a healthy energetic: Pomegranate juice which is considered the best alternative against breast cancer.
- It plays role in lowering the risk of heart diseases.
- A daily glass of 8 ounces can provide surprising benefits as it contains Antioxidants, which help in preventing the cells and tissue damage that leads to any disease

Rationale

Not many consumers are aware about benefits of Pomegranate juice. Tropicana will be creating awareness among the consumers about the benefits that Pomegranate juice can provide them through its marketing strategies and educating audience.

4. SWOT ANALYSIS

Major Competitor: Pom Wonderful

Minor Competitors: Minute Maid and others

STRENGTHS

1. Fresh
2. Energetic
3. High on minerals
4. Attractive packaging
5. Reasonable price
6. Brand Equity
7. Health conscious image
8. Anti-oxidant

WEAKNESSES

1. New Flavor
2. Acceptance by a Target Audience

OPPORTUNITIES

1. One major competitor in the market, Pom Wonderful
2. Distribution of Pom Wonderful is weak; only selected stores.
3. Aggressive ongoing research and development for pomegranate fruit

THREATS

1. Established image of Pom Wonderful in the market
2. Less availability of pomegranate fruit in Canada.

5. MARKETING OBJECTIVES

Goal: To increase pomegranate juice market share and product awareness

Objective: To obtain 21% market share of the pomegranate juice market in Toronto within January 2007 to December 2007

Future: Tropicana's will develop new marketing strategies end of 2007 and promote Pom Life for other cities in Canada and the USA.

Corporate objectives

- We aim for a ROI of at least 15% over the next year.
- We aim to increase earnings per share by at least 10% every year for the foreseeable future.

Functional objectives

- We aim to build customer database of at least 250,000 households within the next 12 months.
- We aim to achieve a market share of 10%.
- We aim to achieve 75% customer awareness of our brand in our target markets.

Overall Marketing Objectives:

- Predicting and satisfying customer needs.
- Analyzing marketing trends.
- Monitoring competition.
- Anticipating change and overcoming its effects.
- Increasing positive perception among its customers.
- To identify distinctive, compelling and competitive positioning in promoting Tropicana PomLife.
- To increase overall awareness of Tropicana PomLife by aggressive advertising.

6. MARKETING STRATEGIES

Tropicana will diversify their market by producing pomegranate juice.

Pomegranate juice reduces the formation of fatty deposit on artery walls. It helps to reduce heart attack and stroke. The combination of vitamins in pomegranate juice is higher than any other natural juices.

6.1. Target Market

6.1.1. Primary

ADULTS: Between 25 to 50 years old age - Professionals and parents

- Becoming more concern about their health
- Preferred organic juices
- Chosen rich nutrition than better taste
- Concern about price and quality

HEALTHY CONSCIOUS: Between 18 to up year's old age; Health professionals and people who are conscious or want to improve their health.

- Find solution for health problem
- Heart, cancer, hardening of the arteries and related diseases
- Influence by the fact and scientific research
- Want to live longer
- Don't care about price
- Concern quality minerals
- Brand image is important

6.1.2. Secondary

YOUTH: Between 14 to 25 year's old age.

- Likes to drink cool stuff
- Preference depended on fashion
- Drink for style
- Purchase cheap drink
- Easily influence by TV, magazine and online advertisement

6.1.3. Positioning

Positioning statement:

Slogan: *“The ultimate lifeguard”*

Strategy:

Promotion:

- January 2007 to December 2007: Start brand and product **awareness** program by using TV, radio commercials, news paper and magazine ads in Ontario beginning of January 2007 to end of December 2007.
- Research studies and historical fact about pomegranate juice are also very important consideration for consumer **interest**.

Product:

- Launching 14 oz plastic bottle container with clear message.

Distribution:

- Use same distribution channel as Tropicana Orange Juice.

6.2. Features/benefits

Features: Combination of rich minerals

Benefit:

- Keep blood vessels healthy
- Help to prevent heart disease and improve heart health
- Help to prevent cancer
- Reduce cardiovascular diseases
- High antioxidant ability
- Reduce retention of LDL
- Slow down cholesterol
- Good for cleansing system
- Effective for hypertension, premature aging, Alzheimer’s disease

Features: Brand Name: PomLife

Benefit

- Easy to remember product name for future buy
- Image is to drink for better healthy life projection image
- Can translate different languages.

Features: Best Quality

Benefit

- Quality amount of health minerals and good taste.

Features: Packaging

Benefit

- Easy to read information on the container. Customers have clear idea about the product when they see it at the first time.
- Clear message in the design.
- Design takes customer attention and makes them interested on product.
- Easy to store.

6.3. Brand name & rationale

Brand name is **PomLife**. Pomegranate fruit is associated with life on a whole. In ancient times, pomegranate fruit was a symbol of life. Scientist approved that this fruit reduces heart attack, cancer and related diseases. They are still researching for more health benefits of this drink.

PomLife falls into new product category in existing brand name – Line Extension

Brand name: Tropicana

Product Category: Pomegranate Juice

Product Name: PomLife



Figure 5: Tropicana PomLife

6.4. Packaging

PomLife will use 14 oz Plastic bottles as similar as 14 oz plastic orange juice bottle. Design of the bottle will be different. Pomegranate trees and bird under the trees will emphasize life. The symbol of the heart will emphasize health.



Figure 6: Bottle Design for Tropicana PomLife

6.5. Competitive Advantage

- PomLife will have the advantage of being introduced by Tropicana, which is known and is an established brand in Canada and the USA.
- Tropicana will produce Pomegranate juice cheaper than its competitor.
- Quality level of the Pomegranate juice will be higher than its competitor
- Innovative
- Tropicana has the knowledge of fruit juice industry. So development of PomLife will be easy.
- Tropicana will use all the distribution channel to distribute PomLife

6.6. Place strategy

PomLife will be introduced in Toronto, Canada. It will be distributed at same outlets as Tropicana orange juice in Toronto. Vending Machine will be placed at places for selling where there are people concerned about their health such as sport, spiritual, health places.

Pom Wonderful Stores in Ontario

A&P, Highland Farms, Loblaw's, Longo's, Sobey's, and other fine stores

6.7. Price strategy

Price strategy is Value-Based Pricing. Tropicana will set the price based on buyer's perception of value. Price strategy is also based on competitor's price. PomLife will be slightly cheaper than PomWonderful. Competitor price on pomegranate juice is very expensive. PomWonderful has the market and there is no other competitor. PomLife's price strategy would penetrate the market and will win a big percentage of market shares.

Expected retail price for 14 Oz PomLife is \$5.55 compare to Pom Wonderful \$5.75. PomWonderful might reduce their prices to compete with Tropicana. Tropicana brand is well known and distributed to more places to compete with Pom Wonderful. Tropicana is a division of Pepsi Co. They have very strong competing power.

6.8. Promotional Strategy

Promotion: Free PomLife offer on Eaton Center, selected stores and Young Street in Toronto on January 2007. Free PomLife t-shirt will be distributed if customers purchase the product on selected stores. This promotion is only happens on January 2007.

Public relation: Publicized the health facts of pomegranate juice. Associate these facts with PomLife to create its image as health and relate to longer life. Consumer health stories related to PomLife might be a good idea to arouse interest in others. EX: Consumer reduces cholesterol by drinking PomLife.

New interactive web site and discussion board will be design.

Advertising Goal: To highlight the health fact of PomLife

Persuade: Drink PomLife continuously to derive its benefits

Remind: Make consumers think and get used to the product

Tropicana will produce pomegranate juice at a more reasonable price than Pom Wonderful. Lower budget customer cannot purchase pomegranate juice because of the high price strategy of Pom Wonderful. There is no company in the market at the moment that competes with Pom Wonderful. Our aim is to make Pom Wonderful customers switch over to Tropicana PomLife and attract new market as well.

- Reasonable pricing will change the market share on pomegranate juice. PomLife will take over some part of the market share.
- PomLife will offer combination of the best quality and the best service.
- Price strategy is based on customer value

6.9 Promotion (IMC) Strategy

Advertising:

Pomegranate juice is not very well known in Toronto. Most of the consumers don't know about how it tastes and what are the health effects of this juice are.

Sales Promotion

In store sampling program: Sampling price strategy

Public Relation

Stories about PomLife - New health benefits and research findings; Development of new PomLife website will include discussion board and interactive features.

Direct Marketing

Television, Radio, newspapers and magazines will be used to advertise PomLife in Toronto. Health benefit of the PomLife will be the main focus of the advertisement.

Feedback from customers

Conducting focus group to analyze the PomLife for future product development.

6.9.1 Television Commercial for PomLife

<u>Video</u>	<u>SFX</u>
<p><u>SCENE1</u> The scene opens with a bunch of young people surfing on the beach. The atmosphere is energetic and lively</p>	<p>Sounds of chit-chatting, children screaming, waves roaring</p>
<p><u>SCENE2</u> We see people surfing on small waves, either falling or getting scared of the big ones.</p>	<p>Waves of roaring, people screaming</p>
<p><u>SCENE3</u> Suddenly a little kid surfing is swept away by a big wave and shouts for help!!!</p>	<p>Shouting</p>
<p><u>SCENE4</u> People on the beach panic and start to call for help, there is a huge commotion on the beach. Then suddenly we see people wide eyed and pointing and looking towards something far away.</p>	<p>Sounds of people talking and shouting for help.. Whisperings and people talking</p>
<p><u>SCENE4</u> Cut to the next scene we see a surfer riding a huge wave and save the kid like superman. Close up we see a handsome, well built healthy looking hunk who walks out of the water confidently with his surf board and the kid. he hands the kid to his mom.</p>	<p>Whisperings and people talking continues</p>
<p><u>SCENE5</u> All eyes are on him as he moves toward his chair which is the lifeguard's chair Apparently he is a lifeguard.</p>	<p>More talking</p>
<p><u>SCENE6</u> He sits on the chair wipes his wet face and then takes out the bottle of pom life from his bag. We see people stare at the bottle with wonder. The lifeguard notices that and brings the juice bottle in focus and says "The ultimate lifeguard!!"</p>	<p>Walking sound and whispering</p>
<p>And the camera focuses on the bottle</p>	<p>Lifeguard speaking</p>

6.9.2 Marketing Implementation Schedule

	JAN	FEB	MARCH	APRIL	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
PRINT	X	X	X	X	X	X	X	X	X	X	X	X
TV	X	X			X	X	X	X				
RADIO	X	X			X	X	X	X			X	X
SAMPLING	X	X	X									

6.9.3 Promotion Timing Chart

Media		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Magazine ads Only appear at the weekend.	Metro	X	X		X		X	X		X			
	Sun	X		X		X		X	X				
	Now	X	X	X		X	X		X	X			
	Toronto Star	X	X		X			X					
TV commercial before or after	Heath programs	X	X	X	X			X	X	X			
	News	X		X		X		X		X			
Billboard where the crowd of people and health concern	Subway	X	X	X	X	X	X	X	X	X	X	X	
	Hospitals	X	X	X				X	X	X			
	Gym	X	X	X			X		X		X		
Free Sampling	Eaton Center	X											
	Young St	X											
	Bloor St.	X											
Web Cost \$	Msn	X	X	X	X				X	X	X		
	Pepsi / Tropicana	X	X	X	X	X	X	X	X	X	X	X	X

7. MEDIA AND PROMOTION COST**Financial Statement:**

<i>Income Statement</i>			Total
	<u>Assets</u>	<u>Expenses</u>	
Revenue	\$100,000,000		
Costs of Good Sold			
Production		\$9,800,000	
Packaging		\$7,840,000	
Raw Materials		\$15,680,000	
Distribution		\$2,744,000	
Storage		<u>\$3,136,000</u>	
Total		\$39,200,000	
Promotional Budget			
Web Page		\$300,000	
Print Ads		\$1,296,000	
Sampling		\$500,000	
Radio		\$800,000	
Television		\$6,000,000	
Outdoor Advertising		<u>\$450,000</u>	
Total		\$9,346,000	
Grand total			\$48,546,000
Margin			\$28,000,000
Total Cost			\$76,546,000
Profit			\$23,454,000

Assumptions:

1. Cost per piece: \$4.00
2. Pieces expected to be sold the first year: 25,000,000
3. Advertising costs:
 - Web Page: Updation of the website – including web page for PomLife on the existing website of Tropicana
 - Print: \$279.46 per print
 - Radio: \$180 per jingle for 30 seconds
 - Television: \$310 per 30 seconds

- Pomlife makes a 25% profit in the first year on account of the fact that Tropicana as a brand has substantial brand equity and has its own band of loyal customers.
- After the initial success of the 14Oz bottle, Tropicana will later introduce 18Oz and other 24Oz bottle charging a competitive rate.

8. EVALUATION AND CONTROL

PomLife will be distributed in Toronto beginning of 2007. Our goal is to gain 21% market share of Pomegranate juice by the end of 2007. Our major will competition will be Pom Wonderful Company.

Sales analysis

Monitor the total sales and sales activity to improve profitability. Identify most profitable and less profitable customers. Categorize most profitable region and less profitable region. Depending on the sale analysis, improve marketing strategy and sales forecasting.

Market Share Analysis

We are launching PomLife in Toronto. Marketing share analysis includes each neighborhood across Toronto. Sale strategy will have to change depending on the sales results in each region. Sales strategies would be more comprehensive in stronger areas. This analysis will show a percentage of customers who will buy PomLife. Marketing campaign, such as free sampling will focus on specific neighborhood.

Distribution Analysis

Sales and order process will be recorded. Representation of this record will be shown as a graph. All the sales through distribution will show amounts of orders and sales in specific locations. Distribution costs will be included in this analysis.

Customer Analysis

Identifying customer - who are they, what they need and want. Customers will be segmented depending on their value. Monitor life time value, improve customer satisfaction and increase profitability. What are the customers' buying habits? How often do they buy PomLife? Why do they prefer Pomegranate juice instead of other juices? Where do they buy the product from?

Program analysis

Customer reaction to promotion and advertisement will be evaluated. How many customers will purchase PomLife in promotion period? How they react on TV and magazine commercial. Customer satisfaction survey will be generated May 2007.

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