



ICM

DECEMBER 2016

INTERNATIONAL MARKETING STRATEGY – PRE-ISSUED CASE STUDY & GUIDELINES

Important notes for candidates regarding the pre-issued case study

The case study is designed to assess knowledge and understanding of the International Marketing Strategy syllabus in the context of the relevant case study. The examiners will be marking candidates' scripts on the basis of the questions set. Candidates are advised to pay particular attention to the mark allocation on the examination paper and to plan their time accordingly.

Candidates should acquaint themselves thoroughly with the case study and be prepared to follow closely the instructions given to them on the examination day. Candidates are advised not to waste valuable time collecting unnecessary data. The cases are based upon real-life situations and all the information about the chosen organisation is contained within the case study.

As the case represents a real-life situation, anomalies may be found in the information you have before you. Therefore, please state any assumptions you make that are reasonable when answering the questions. Remember, you are going to be tested on your overall understanding of the case issues and your ability to answer the questions that are set in the examination.

In order to prepare for the examination, candidates will need to carry out a detailed analysis of the case material ahead of the examination. Candidates will have sufficient time during the examination to answer all the questions, but this means that detailed analysis should have taken place before commencing the examination. The examiners are looking for clear evidence that candidates have a good understanding of the case and can use the relevant course ideas from the syllabus to answer the questions.

The copying of pre-prepared 'group' answers, including those written by other third parties, is strictly forbidden and will be penalised. Thus, questions will demand analysis in the examination itself and individually composed answers are required in order to pass.

Candidates are only allowed to take their analysis into the examination room which should be no more than TWO pages (four sides) of A4. These notes should be attached to the answer script at the end of the examination and returned.

A copy of the pre-issued case study material will be available in the examination. Candidates are NOT permitted to take into the examination the downloaded case study or any other notes. Candidates should not attach any other additional information in any format to their answer script. Any attempt to introduce such additional material will result in the candidate's paper being declared null and void.



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INTERNATIONAL MARKETING STRATEGY CASE STUDY – INNOCENT SMOOTHIES

How do you turn a product into a brand, a brand into a UK market leader and then set your sights on European domination?

Welcome to the world of Innocent Drinks, the UK's leading smoothie brand, which dominates the market with a 73 per cent share, up from 63 per cent in 2006.

The story began just 16 years ago. In the summer of 1998, Cambridge graduates, Adam Balon, Richard Reed and Jon Wright bought £500 worth of fruit, turned it into smoothies and sold them from a stall at a little music festival in London.

They put up a big sign saying "Do you think we should give up our jobs to make these smoothies?" and put out a bin saying "YES" and a bin saying "NO" and asked people to put the empty bottle in the right bin. At the end of the weekend the "YES" bin was full. They went into work the next day and resigned.

Today, the basic principles of the company remain the same: to produce smoothie drinks simply made of fresh fruit and juice, with no concentrates.

However the company now has an annual turnover of £100 million with sights for expansion set on Europe and the US.

"Interestingly, when we launched we were the only smoothie producer in the market to offer drinks made from just fresh fruit and juice in our products," Head of Communications for Innocent Drinks, Charlotte Rawlins, told us. "However over the past nine years, other brands have come into the market and our USP is now about development of the product."

"So, for example, we were the first smoothie brand to bring out a kids' range and a breakfast recipe. It's about getting the product right and then building the brand around that."

One of the secrets of the brand's success has been a clarity of purpose to the business with employees across the board, from the most junior to senior, buying into the values of the brand and its modern way of marketing.

Another has been to ensure that the product and brand are completely in sync for complete consistency.

The brand's closest rival is PJs but the brand still falls far behind Innocent's market dominance.

"PJs have been investing in the brand recently but, generally over the past nine years there has neither been investment in product innovation or brand communications," said Rawlins. "They also have completely different brand values to Innocent. We've always been open to interacting with consumers and encouraging a one-to-one dialogue."

Ethics are a critical lynchpin to the company with a desire to "leave things better than when they found them". Meanwhile the company donates 10 per cent of its profits to charity with a large proportion allocated to the Innocent Foundation to help communities from where fruit is sourced.

It's a message that Innocent is keen to communicate in its advertising through retained agency Lowe. The latest TV campaign 'Carlos Cockerel' aims to both explain the contents of the product as well as the sustainability of source.

"Any brief takes its lead from the product and talking about sustainability was something new we'd never done before," Rawlins explained. "But it's all got to be done with a lightness of touch. Rather than coming across as some CSR campaign from some corporate, we needed to demonstrate it's something we simply do as a brand."

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When the company launched 16 years ago, the target market was twenty-something urbanites in London looking for a health fix but entry into grocery distribution – with 1 litre and kids' packs – has widened the parameters.

Reaching a broader demographic of shoppers means that smoothies are more on their radar and Innocent's unique message of sustainability has never been more important as brand value. A recent move has been to introduce bottles that are 100 per cent recycled and sourcing bananas from the rainforest alliance.

As the company continues to reassess its carbon footprint, its ultimate aim is to become not an FMCG but an FMSG – with the S standing for 'Sustainable'.

Rawlins told us, "There's no rule book to building a brand. You have to build from your principles and make sure there's a good product at the heart of it. If that's the case, a good reality and image will follow."

"It's also important to pay attention to detail. For example, we carry fun messages and engaging messages on our bottles and say "enjoy by" as opposed to "use by". It's a small thing but our customers pick up on it and it builds loyalty. We talk about 'sharing the love'."

She continued, "We say that 'new ideas are our life blood' and are consistently looking at doing genuinely interesting things to generate talkability."

Innocent's relationship with its consumers is all-important and the company works hard to make them feel well treated. eCRM plays a major role in this with a newsletter sent to 120,000 subscribers.

"We're perhaps not as sophisticated in database management as we'd like to be but we do realise the value of direct contact and are aiming to make our newsletters more personalised," Rawlins told us.

The programme provides on-going support for the brand's ATL activity on TV and in the press.

"We still feel we have to crack outdoor. We always feel we have more to say than can be taken in from a billboard," she admitted.

So what next for the brand? Plans to bring Innocent wholesomeness to skincare, ethically produced clothing?

"We never say never in terms of brand extensions but really for the next few years our plan is to become Europe's favourite smoothie company and market leader," Rawlins concluded.