

# Case Study

## CORPORATE CONNECT

### PROBLEM STATEMENT

Your client is global beverage manufacturer and they are looking to develop a growth strategy for next 5 years. Your client's product line includes bottled water, milkshakes, juices, and soft beverages.

While the industry as a whole is growing at a pace of around 8%, your client's growth has barely increased to 5%.

They have asked you to create a five-year growth plan for them, outlining any potential roadblocks to their rapid expansion and outlining a plan of action to reach a growth rate of 10% in that time. Provide workable and realistic answers to the identified issues.

The Coca-Cola logo, featuring the brand name in its signature red script.The Fanta logo, featuring the word "FANTA" in white block letters on a blue and orange shield-like background.The Pepsi logo, featuring a red, white, and blue globe icon followed by the word "pepsi" in blue lowercase letters.The Dr Pepper logo, featuring the words "Dr Pepper" in a red script font with "Est. 1885" in smaller text below.The Red Bull logo, featuring two red bulls facing each other with a yellow sun between them, and the words "Red Bull" in red below.The Sprite logo, featuring a green shield with a yellow lemon slice and the word "Sprite" in green script.The 7up logo, featuring a large green number "7" and the word "up" in white inside a red circle.The Mirinda logo, featuring the word "MIRINDA" in green block letters with a green leaf above the "i".

# DECIPHERING THE PROBLEM

## 1. Already existing competition

There are already many established global beverage companies and in order to compete with these giants, we need to offer something different that has mass appeal as well. Therefore, an enticing UVP (Unique Value Proposition) is needed.

## 3. Inferences drawn from statistics

- While some products have a really good growth rate, revenue is still low due to low market share
- Growth rate is lowest for our two major revenue generating products.

## 2. Lack of Uniqueness

- What makes a brand or business successful is the value that differentiates it from other competitors in the market.
- Offering the same products as others without any special value.

## 4. Analysing our Strengths and Weaknesses

- Our market share of milkshakes is considerable low despite a good growth rate which highlights one of our weaknesses.
- We have huge share in Soft drinks and Bottled water and improving it can help us in establishing a solid position in the market.

## 5. Performance of different Products

We can infer from the data provided that different product line needs a different strategy tailored specifically to deal with the root cause.

- For soft drinks and bottled water we need to increase growth rate. These generate the highest revenue as well as have the highest market share.
- For milkshakes, we need to increase the market share. We need to analyse what is the root cause behind our poor performance and devise a strategy based on the analysis.
- For Juices, we need to improve growth rate as well as market share and this has huge potential to generate large revenues.

# Current trends in the Global Beverage Market

## Regional Analysis

- Asia-Pacific is estimated to grow at the highest CAGR over the forecast period (2024-2029)
- Tea has been a dominant beverage in the Asian region, and many tea based drinks are gaining popularity

## Global Beverage Market

- The industry has experienced steady growth, driven by factors like changing consumer preferences, innovative product launches, and increasing demand for healthier beverage options.
- The global beverage industry is vast and diverse, encompassing various categories such as non-alcoholic and alcoholic beverages.

## Emerging Trends in the Beverage Industry

- **HEALTH & WELLNESS TREND** : Nowadays, customers are seeking healthier options that not only refreshes them but also replenish nutrients. There is a rise in demand for beverages with natural ingredients, low calorie and sugar content.
- **SUSTAINABLE & ECO-FRIENDLY PRACTICES** : Most companies are reducing use of plastic and going for minimal packaging to reduce waste generation.
- **LOCAL & CRAFT BEVERAGES** : Recently, it has been seen that preference for local flavours with packaging inspired by local culture is gaining popularity. Especially places with cultural heritage and significance are promoting this.

## Market size



The Beverages Market is projected to register a CAGR of 4.26% during the forecast period (2024-2029) Source

# UVP for the Client

Our growth rate is low and from the data provided it looks as if our growth is stagnant, therefore we need to rebrand ourselves and launch with a whole new strategy that differentiates our brand from the other competitors in the market.

We have come up with a new Unique Value Proposition for the company and the central idea behind our proposed UVP is Sustainability and Environment Friendly Practices and incorporating the concept cultural diversity and launching new flavours to fit the taste of people all across the world.

***Unparalleled Flavour Fusion & Sustainability in Every Sip***

Customers tend to feel closer to a brand if it can cater to their preferences and taste. Our UVP will make the customers feel associated with the brand and build long term relationships with them.

Alongside, we are also addressing a major issue that is Sustainable Development, which is very important to use resources wisely and with growing awareness, a large chunk of population is shifting towards environment friendly products.

# Areas to Focus on

- Existing Competitive landscape and upcoming competition as well
- Upcoming challenges such as resource depletion
- Offering healthy options
- Offering drinks for each age segment as per the nutritional requirement of that group
- Marketing through appropriate marketing channels
- Culture and region-specific planning
- Grow in regions where there are very few options available. The Indian Subcontinent is an ideal place for expansion since there is huge customer segment and options available are fewer.
- Supply and operation management. Keeping in mind the water scarcity problems in near future, set up factories in areas where we don't face any such issue.
- Collaboration with events such as World Cups and the Olympics that will expose us to audience world wide
- Events and competitions where we can understand the preferences of customers and directly engage with the customers
- Launch an application for our brand where users can gain loyalty points for their purchase and enjoy benefits by earning reward points that can be utilised later.



# Proposed Solutions

## Innovative Marketing Strategies

- Competitions for consumer-created flavors to know customer preferences as well as marketing.
- Collaboration with local influencers
- Participation in festivals and events for brand visibility

## Juices

- Provide sugar-free as well as normal options
- Introduce Different Quantities
- Introduce Creative and fun packing for kids
- Build trust
- Target Customers by offering special options for women, kids, and adults.

## Water Standardization

### Premium Water

- Distinctive sourcing
- Enhanced mineral content
- Premium packaging and design

### Regular Water

- High-quality purified water
- Standard mineral content
- Affordable pricing

### Specialty Water

- Infused with natural flavors or electrolytes
- Targeting health-conscious consumers
- Eye-catching packaging

## Crafting Beverages for Gamers

- Develop a specialized product line tailored to gamers, incorporating elements such as focus-boosting ingredients, hydration solutions, and unique flavors that resonate with the gaming community.
- Collaborate with gaming influencers

## Soft Drinks

- Provide low-Calorie options
- Provide more flavors (mojitos and regional flavors)
- Countries like India and Pakistan have limited flavor options and introduce new flavors by first knowing customers' tastes through data/Competitions/events.
- Better and appropriate pricing strategy.

## Sustainability Initiatives

- Implement eco-friendly packaging
- Communicate sustainability efforts to customers.
- Provide incentives that motivate customers to choose your brand

## Strategic Event Sponsorship and Marketing Plan

### Next 5 Years (2024-2028)

Sponsoring and collaborating with worldwide sports and entertainment increase our reach exponentially and also build trust in customers.

- Olympic Games (2024)
- FIFA World Cup
- Music Festival: Coachella Valley Music and Arts Festival (2024)
- YouTube Connect (2025)
- FIFA World Cup (2026)
- Cannes Film Festival (2026)
- Glastonbury Festival (2027)
- Global Leadership Summit (2027)
- Olympic Games (2028)
- Apple Worldwide Developers Conference (2028)

These events are known for attracting a large youth population and offering great marketing opportunities.

## Milkshakes

- Analyse where the faults lie (taste/options/Price)
- Understand what our competitors are doing

# Roadmap for our five year Growth Plan

## REBRANDING

This will help us create a fresh identity and with innovative strategy, we will be able to capture audience and acquire new customers.

## LAUNCH NEW PRODUCTS

Launching new flavours for soft drinks, healthier options, different products for people of different age groups.

## MARKETING

Select appropriate marketing medium such as Television, events/competitions where we can interact with customers directly, collaboration with local influencers.

## TRACK PERFORMANCE

Keep track of KPIs and if there is any negative trend affecting the business, investigate the cause and resolve it.

## REVISE THE STRATEGY

Analyse all the data and make informed decisions on the basis of it. Keep revising strategy as per the need of the hour.

## CASE SUMMARY

We have analysed the factors and causes why our company was not able to perform well in the market and formulated product-specific strategies to resolve the issues.

- While planning a five year growth strategy, we need to keep in mind that with constantly changing market scenario, our strategy needs to be flexible enough to accommodate changes as required.
- We have also kept in mind issues such as resource exhaustion and henceforth we have focused on sustainable practices which minimise waste of any resource. One of our central idea is to launch flavours according to regional preferences that will have huge appeal to the local customers.

During the whole five year tenure, our prime task is to track our growth and success through appropriate Key Performance Indicators (KPIs) that will guide us towards further planning.

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