Name: Jacinta Rebelo
Student ID: 8858501
Case: Crescent Pure
Word Count: 1310
Due Date: 14 April 2016
Tutor: Scott Gibson
Tutorial time: 3 – 4pm, Thursday
1. Problem Statement

*From an advertising perspective, there is an apparent absence of clear positioning of Crescent Pure in the market under new PDB ownership.*

As with any product launch, a strong positioning strategy will determine the category in which the product will compete. Essentially, PDB must decide which boxing ring Crescent Pure will fight in. From a marketing perspective PDB faces the challenge of effectively segmenting and redefining the existing product to re-launch. This must be done in a way that will turn profit for PDB. Positioning the product must be done within the budget of $750 000.

Positioning is crucial to the success of a new product, failing to position correctly in the market may result in a significant loss of profits for PDB. Alternatively, effective positioning will generate revenue for the company while increasing brand awareness of the new Crescent Pure. The limited budget means that there is no room for error in making this decision.
## 2. Analysis if the key facts

<table>
<thead>
<tr>
<th>Key Fact</th>
<th>How it impacts the main problem</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product is already known and sold in Oregon, one of the soft launch markets.</td>
<td>PDB will have to ensure that they are careful with the positioning of Crescent Pure as any drastic changes may confuse consumers who already purchase it.</td>
</tr>
<tr>
<td>The objective for Crescent Pure’s creation was an organic, all natural beverage with herbal stimulants and electrolytes</td>
<td>Peter Hooper created Crescent Pure with the goal of supplied consumers with an organic beverage with herbal stimulants and electrolytes. The ingredients and purpose of creation is important in deciding a positioning strategy. Sometimes, an interesting creation story can create an engaging creative message.</td>
</tr>
<tr>
<td>High percentage of Oregonians support healthy, organic food choices</td>
<td>Organic food is an important attribute for one third of the test market. Consumers who support organic food choices are generally more loyal to organic products.</td>
</tr>
<tr>
<td>Demanding for lower caffeine energy drinks are rising due to consumer demand for healthier food</td>
<td>Consumer trends need to be taken into account when re launching and positioning a product. PDB must position the product in a way that will appeal to consumers.</td>
</tr>
<tr>
<td>Majority of people who currently drink Crescent Pure are aged 18-24 and male</td>
<td>PDB will have to decide upon a positioning strategy that will appeal to current consumers men aged between 18-24.</td>
</tr>
<tr>
<td>Functional, natural and refreshing were the highest ranking traits of Crescent Pure</td>
<td>The characteristics ranked highest by current Crescent Pure consumers are functional, natural and refreshing. Compared to energy and sports drinks which received a rating of 4-6% for the ‘natural’ attribute. Sports drinks ranked highly in refreshing, energy drinks ranked highly as functional but neither ranked highly as natural.</td>
</tr>
</tbody>
</table>
3. Developments and Evaluation of Alternative Solutions

<table>
<thead>
<tr>
<th>Alternative Solution</th>
<th>Pros</th>
<th>Cons</th>
</tr>
</thead>
</table>
| Positioning Crescent Pure as an energy drink | • Market has grown by 40% between 2010-2012  
• Average price is $2.99, unlike Crescent Pure ($2.75) which aligns with the company’s desire to be priced below standard RRP  
• Consumers are men 18-24, the same demographic as current Crescent Pure consumers  
• Organic certification provides the opportunity for Crescent Pure to strongly differentiate against competitors | • The drink is already established in one of the soft launch markets (Oregon) making repositioning confusing to current consumers  
• Concerns about safety and health among consumers have seen the decline of people drinking energy drinks  
• Competition already accounts for 85% of category revenue  
• Negative media surrounding energy drinks can decrease demand for products in the category  
• Energy drinks aren’t perceived to be affordable, natural or healthy. Three attributes PDB wish Crescent Pure to have. |
| Positioning Crescent Pure as a sports drink | • 42% people believed sports drinks can be consumed anytime of the day – not strictly after sport or activity  
• Sport drinks rate highly as refreshing and hydrating, similar to Crescent Pure  
• Sports drinks attract a wider consumer base than energy drinks. Half of men drink it and a third of women do too.  
• Ingredients allow for an energy boost and can enhance athletic performance that will appeal to athletic consumers.  
• Organic certification provides the opportunity for Crescent Pure to strongly differentiate against competitors | • Positioning Crescent Pure as a sport drink will mean the price of the drink is significantly higher than competitors in the category. Competitors are generally priced between $1-$2 for 12oz-24oz containers, respectively  
• 73% of market revenue is already accounted for by two major competitors  
• Packaging will pose as a challenge. Crescent Pure is sold in 8oz cans where competitors sell in 12-24oz containers. |
| Positioning Crescent Pure as a diet/low sugar sports drink | • Consumers are increasingly aware of health content. A low sugar/diet option may be the solution to their needs for a hydrating drink that’s healthier.  
• Low sugar sports drinks, established in 2009, have grown by 33% between 2010 – 2012. | • Legislation removed all sports drinks from school vending machines  
• Sports drinks appeal to 77% of people aged 12-17 who spend 5 days a week in school where they have no access to the product, due to legislation. |
<table>
<thead>
<tr>
<th>Positioning Crescent Pure as an organic beverage</th>
<th>This is a financially viable opportunity for Crescent Pure.</th>
<th>• Kids aged between 12-17 generally don’t have an income to purchase products. They are less profitable.</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 38% of respondents describe Crescent Pure as natural</td>
<td>• Organic beverages can charge premium prices over other beverages, increasing profitability</td>
<td>• PDB does not want to charge premium prices for Crescent Pure. Consumers struggle to believe that an organic beverage prices below $3 can be made with quality ingredients</td>
</tr>
<tr>
<td>• People living in Oregon, California and Washington are notoriously into health trends.</td>
<td>• Positioning as organic can increase the already strong awareness Crescent Pure as in Oregon</td>
<td>• Focusing only on natural ingredients may narrow the target market for Crescent Pure.</td>
</tr>
<tr>
<td>• Positioning as organic can increase the already strong awareness Crescent Pure as in Oregon</td>
<td>• PDB already manufactures organic juices, therefore it's logical that they continue to manufacture organic beverages</td>
<td></td>
</tr>
</tbody>
</table>
4. Course of Action, Recommendation and Justification

It is recommended that PDB use the allocated advertising budget to position Crescent Pure as an organic beverage. Crescent Pure is already established in one third of the soft launch markets therefore, it would be completely unwise for PDB to position the drink as anything else.

To achieve organic certification is incredibly difficult and Crescent Pure has already accomplished it. Consumers who have subscribed to an organic lifestyle are completely loyal to it. By positioning Crescent Pure, as an organic beverage, it will appeal to a wide range of these consumers, many of which live in the soft launch markets. Energy drinks, although a profitable market is not feasible in the long term as there is an increase in demand for healthy and organic products. Not to mention the ever-growing negative media promoting the dangerous effects of energy drinks.

Sports drinks, both regular and low sugar/diet would theoretically be suitable positioning strategies, however legislation has removed these products out of the target consumer’s reach. Additionally, for Crescent Pure to operate in the sports drink market PDB will have to alter packaging in order for consumers to consider purchasing it. This is costly and inefficient. Two things PDB does not want to be.

Positioning the product as an organic beverage allows PDB to leverage the current hype surrounding Crescent Pure while expanding and developing on previous brand positioning. Without drastically changing the positioning and segmentation of the product, PDB can distribute budgeted advertising funds more efficiently. It is common knowledge that retaining current consumers is certainly cheaper and easier than acquiring new consumers. Positioning Crescent Pure as an organic beverage is clearly the best course of action for PDB.

To implement this recommendation, PDB must ensure that the organic certification is visible on the Crescent Pure can and is promoted in store through point of sale collateral. Additionally, physically positioning Crescent Pure next to other organic beverages in store will guarantee that the positioning is mirrored in the mind of consumers and is included in the consideration set.