

# The Application of Marketing Mix to Healthy Drinks

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## ABSTRACT

Health drinks are emerging products. The rise in demand for healthy beverages is global. The purpose of this paper is to explore how the Marketing Mix, especially the 4Ps, can impact healthy drink sales. Based on the review of the theory of Marketing Mix, especially summarized the impact of 4Ps. The result shows that the product and price among 4Ps have the biggest impact on healthy drink sales. Health drinks should have different effects on different consumer groups. The price perception of health drinks is also very important. A strategy that can adapt to long-term development should be adopted so that health drinks can occupy the market more quickly. The conclusions of this paper apply to all similar food production and help health food companies improve their sales strategies. The implication, limitations as well as suggestions are also discussed at the end of the paper.

**Keywords:** *healthy drinks, Marketing Mix, 4Ps, strategies*

## 1. INTRODUCTION

As people become more and more concerned about health issues, and people's views on health are constantly being refreshed. Eating healthily has become one of the most important concerns. Eating healthy includes more than just what people eat. It also includes what people drink. So there appear many healthy drinks in the market. Some of these healthy drinks focus on balancing the body's nutritional needs, while others lead to better exercise function. The introduction of these healthy drinks has quickly captured a portion of the market and is growing rapidly. This inevitably affects all traditional beverages.

Before entering the study, some research papers have been viewed. As one of the papers suggests: healthy drinks tend to be better in terms of health benefits; hence a favorable evaluation among urban consumers would lead to greater purchase intention [1]. Another paper suggests that over the past decade, consumer health consciousness is becoming an important factor driving the food market [2]. In the past few years, healthier foods have made a strong entry into the global market and rapidly gained market share. As a result, the food industry has responded to this trend by developing an increasing number of new products with health-related claims and images, including organic and functional foods. Consumers choose organic and functional foods for their health-promoting properties. Currently, the health food and beverage market is performing well. All of this shows

that healthy drinks succeed in capturing part of the market and that customers are increasingly inclined to choose healthy drinks.

But what affects the total sales revenue of healthy drinks? And what is the expected development of healthy drinks? This paper chooses to use this theory as a basis, first introducing the 4Ps of the theory and the current market trends of health drinks. Then, in conjunction with the 4Ps, the study summarizes the impact that the 4Ps can have on health drink sales and provides a perspective on the direction in which health drinks can be developed and improved.

## 2. LITERATURE REVIEW

### 2.1. Marketing Mix

Marketing was originally defined as "the combination of factors that must be considered before certain sales, or promotional activities can be undertaken" [3]. The essence of marketing is the combination of various factors. Marketing must be seen not just as a business practice but as a social institution. Marketing is essentially a way of meeting and satisfying certain needs of people [3]. It is a highly developed and refined system of ideas and practices. It is characteristic of a highly developed and refined system of ideas and practices during the development of a market economy. The development of marketing thought began early in the twentieth century with the conception of marketing. More

and more market theories and strategies were being invented. People were also becoming more aware of the economy, and there were many basic theories to help people plan their markets. The Marketing mix is one of them.

The Marketing mix is often referred to as the "4ps". It is originating from the single P of the microeconomic theory. Marketing mix can translate marketing planning into practice. The four Ps classification for developing an effective marketing strategy was first introduced in 1960 by marketing professor and author E. Jerome McCarthy [4].

The marketing mix is one of those marketing concepts whose origins and development are mysterious to most marketing researchers and managers [5]. The concept is a structural and pedagogical axiom in the field. It forms the framework for traditional introductory courses and their texts. Many practitioners use these concepts to develop marketing plans and execute initiatives. Much of the theoretical structure of the field has been developed around this skeletal framework [5].

The main reasons the marketing mix is a powerful concept are it makes marketing seem easy to handle. The marketing mix concept also has two important benefits [6]. First, it is an important tool used to enable one to see that the marketing manager's job is, in large part, a matter of trading off the benefits of one's competitive strengths in the marketing mix against the benefits of others [6]. The second benefit of the marketing mix is that it helps to reveal another dimension of the marketing manager's job [6]. All managers have to allocate available resources among various demands, and the marketing manager will, in turn, allocate these available resources among the various competitive devices of the marketing mix. In doing so, this will help to instill the marketing philosophy in the organization [6].

## 2.2. Product

A product is a good that is produced or constructed to meet the needs of an individual or group. A product can be intangible or tangible, as it can be in the form of a service or a commodity. "Fig. 1" Extensive research must be conducted before developing a product because a product has a certain life cycle that includes a growth phase, a maturity phase, and a sales decline phase. Marketers need to reinvent the product to stimulate more demand when it reaches the declining sales stage. It should create an impact in customers' minds that is unique and different from that of competitors' products.

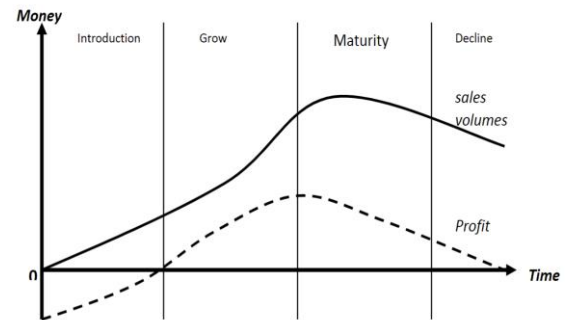


Figure1. Product life cycle

Customers are buying a product base on their marginal utility. So, the higher the marginal utility value, the more it can attract customers' consumption and thus prolong the life cycle of the goods, according to a product research paper [life cycle paper sees world file, five factors are related to aspects of product development. They are new product development, change management, concurrent engineering, green products design, and negative aspects of the involvement of suppliers.

## 2.3. Price

Virvilaite et al. (2009) expressed that a price is the most important factor determining customers' satisfaction. Customers estimating the value of obtained service most often think about the price. [7]

According to Nakhleh (2012), price has been given up getting a product/service. How much consumers are willing to pay to fluctuate due to their different needs. Thus, the price perceptions of the same service or products may differ among individuals.

Price is the amount charged for a product or service or the total value exchanged by the consumer to benefit from having or using the product or service. It is the fee paid by the customer to obtain the product or the cost of the product to the customer. Price is considered to be the most critical and influential factor. Because in all marketing mix elements, it is the only mix. Price is the only variable related to other Ps. Produce and design need costs, product's promotion needs costs, and product's distribution needs costs. In fact, pricing an item is very complex. Because all the independent relational variables, like raw materials, place rental, transportation, and logistics. They are constantly changing, back to customer's marginal utility. It is also related to the price. Higher prices can lead to higher profitability. In the short term, a higher price can increase profitability. However, in the long term, a higher price will decrease customer's marginal utility. This leads to lower sales and may cause the company to lose money. Chung & Shin revealed that more than half of customers switched because of poor price perception.[8] Therefore, to increase customer satisfaction, companies must actively manage their customers' price perceptions.

## **2.4. Promotion**

Promotion is a sales technique. It will be more likely for any marketing program to be successful by involving promotion. Promotion is defined as sales promotion, advertising, personal selling, public relations, and direct marketing. With the help of promotion, customers can find available products and services more easily. This means that products can better introduce themselves in the marketplace and faster development in the market. Promotion is one of the keys to the success of a product. Promotion mostly uses the business psychology on customers, after providing needed information and advice, persuading target customers of the merits of a specific product, and encouraging them to take action at a specific time. They can influence consumers' way of thinking, their emotions, their experience, and their purchasing.

## **2.5. Place**

Riaz & Tanveer wrote that Place refers to the product's availability to the targeted customers [9]. While Goi in 2011 stated that place strategy refers to how an organization will distribute the product or service they are offering to the end-user [10]. Muala & Qurneh, in 2012, quoted a definition of Armstrong and Kotler [11, 12]. They defined it as a set of interdependent organizations that caters to the process of making a product available to the consumers. Muala & Qurneh in 2012 cited that Hirankitti et al. considers place as the ease of access which potential customer associates to a service such as location and distribution [11,13].

It is important to have an effective place strategy for a firm. It needs to distribute the firm's products among the channels of marketing. Placement is important to an organization because production and consumption happen at the same time and in the same place, which is a place that provides all information of the customer, competition, promotion action, and marketing task. It is the bridge between consumers and intermediaries such as retailers. Having the right placement will help the firm increase sales, reduce shipping and external consumption. This can increase the firm's profit.

## **2.6. Healthy drinks**

Nowadays, there are many kinds of drinks on the market. Some are ordinary drinking water. In addition, there are a variety of drinks and alcoholic beverages. Among them, soda drinks and milk tea drinks are particularly popular among young people. However, it is also likely to grow rapidly and become one of the most popular drinks based on the growing trend of healthy drinks.

Initially, health drinks were functional drinks for athletes. They have all the minerals and nutrients that athletes need to strengthen their bodies through exercise.

Some can help athletes recover and replenish their strength more quickly during competition. With the rapid development of the world, people's quality of life has improved significantly, so health issues are beginning to be taken seriously. With the emergence of healthy foods, healthy drinks are also on the horizon. The first thing that appeared was some oral liquid or lemonade. They provided some basic vitamins to the body when people drank them. As people are choosing more healthy drinks, the variety of healthy drinks is gradually increasing. For example, A fermented grain drink has emerged, a health drink designed from probiotics, prebiotics, and symbiotic to nanoscience. It uses probiotic fermentation and specific biological activity to improve people's intestinal environment, thus improving their health. These more functional health drinks are more popular among middle-aged and elderly people.

Technology is another factor that can influence the healthy drink industry. Sugar reduction technologies are a great invention for healthy drinks. People love the taste of sugar, but there are many ways that sugar can harm people's health. First of all, sugar causes blood glucose to spike and plummet. Also, sugar increases the risk of obesity, diabetes, and heart disease. After that, sugar can accelerate aging. So, reducing the sugar content in drinks can also make them healthier. Israeli startup Better Juice has developed an innovative technological solution to reduce the natural sugars in fruit juices. The technology uses the natural enzymatic activity of non-GMO microorganisms to convert fructose, glucose, and sucrose in fruit into fiber and non-digestible natural sugars. According to the company, trials with several beverage companies have shown that the technology successfully reduces the sugar content in orange juice by 30 to 80 percent. In the future, with the revolution in wearable technology, biotechnology, and nanotechnology. We will all have access to a wealth of information about our bodies. This means that we will know which vitamins are suitable for our bodies and which are not. As a result, we will be able to personalize our drinks to suit our bodies. Healthy drinks will become very personalized.

Recently, health drinks that can boost people's immunity have become very popular due to the epidemic. This proves that healthy drinks are related to technological developments and people's choices and current world environmental trends.

## **3. RESULT & DISCUSSION**

After reviewing 4ps and healthy drinks in the market. What could a healthy drink company do to improve its profit? Because there are many types of health drinks, it's hard to develop a universal approach. First, from the product's perspective. To attract customers to buy healthy drinks, the company should investigate the market on a large scale and build a model that can adequately represent the current market consumption tendencies. On

this basis, launch health drinks that are targeted to each age group. For example, Teenagers like to play sports, so teenagers' health drinks should be supplemented with the nutrients needed for sports, strengthen bones or make users feel less tired. Moreover, the packaging and appearance of drinks should be more in line with the aesthetics of young people. Their appearance should be colorful and energetic. The same applies to other user groups. If the healthy drink is for older people, healthy drinks should focus on things like helping with intestinal digestion or boosting the immune system. Healthy drinks should also look more subdued and easier to use. All of this is to better meet the different needs of consumers for healthy drinks, thus making customers like healthy drinks and increasing sales. Another priority is that the company should accelerate its research and improvement of healthy drinks. Fast-paced product updates can lead to longer product life cycles. This can help healthy drinks grow in the market and capture more market share. Next is from a price perspective. Price can directly affect the sales of goods. Because the proportion of healthy drinks in the market is still on the rise, the pricing of healthy drinks cannot be too expensive. High prices can bring short-term profit, but in the long run, high prices can lead to a loss of customers, so it's not a good choice. Consumers have a common impression of healthy food and beverages in the current market, that goods with health labels are more expensive than general goods. This is not entirely wrong, as the technological content and raw materials required to manufacture some health foods alone can lead to higher product prices. However, this can also be used by the company. If the price of their own health drink is slightly lower than the price of other health drinks, this price advantage will be magnified, and users will pay more attention to the drink. In the long run, this will benefit the company. Of course, price regulation for healthy drinks is also essential. The company can ensure its profit and customer satisfaction through more frequent price adjustments of goods. Payment for drinks can also be elevated, but this is inextricably linked to placement, so it's important to mention the place first. A large portion of health drinks on the market today are sold in physical form. They are placed in supermarkets, together with all beverages. The large range of choices can make it more difficult for consumers to choose a healthy drink that is specific to them. Online sales can be a good solution to this problem. Online sales can display only relevant health drinks for the user's needs, greatly reducing the range of choices and increasing selection accuracy. As soon as online sales are mentioned, online payments come out as well. This fast and convenient payment method is more in line with young people's consumption concept and can help the drinks attract consumers. Online sales have another advantage which it can save a large portion of additional expenses. The physical sales portion can be reduced with online sales, thus reducing the expenses required for local rent and logistics. Reducing costs can further reduce the selling price of healthy drinks

and enhance their position in the market. Last is the promotion perspective. Advertising is essential to the development of a product. Because of the wide variety of health drinks, health drinks themselves are no longer the focus of advertising. The focus should be more on the effectiveness of different health drinks. The targeting of the advertisement should also be the same as the product itself, and the focus of the advertisement should be different for different consumer groups. Focus on highlighting the difference of the drinks to attract more customers.

From the above results, we can learn that the product's relevance and the customer are very important. For different groups of people, the efficacy and appearance of health drinks should meet the characteristics and needs of the target group. Therefore, online sales will be one of the goals for the future development of healthy drinks. With the help of big data analysis, it is easy for online sales to find the target users of health drinks and meet the needs of the target users for health drinks. Moreover, online sales are more in line with the consumption habits of the gradually growing young consumer group. Health drinks will become customized, versatile, and rapidly renewing specialty drinks.

Although all 4Ps are important for healthy drink sales in marketing, advertising seems to have a lower status in it than the other 3Ps. First of all, "health" is the unique label for these products. Consumers who want to consume such products must already have expectations of the target product. For example, if young people want a healthy drink, they must already have requirements for the product's function. Perhaps they need a healthy drink to help them reduce fatigue or improve their beauty. These requirements will then narrow down the target range for the consumer significantly. This will result in our targeted health drinks with such effects will be easier to sell. Furthermore, because we promote online sales, the focus of the advertising is not on the health drink itself. The website and branding will be more important. Finally, because the strategy of specifying prices is not to use high prices but high sales, these affordable prices will also become a kind of advertising, which has the effect of attracting customers.

#### **4. CONCLUSION**

This paper explores four factors that influence the sales of health drinks in the context of the globalized market of health drinks: product, price, promotion, and place. By reviewing the Marketing Mix theory and studying the performance and development of health drinks in the market. We can learn that a health drink is a special kind of drink because of its effects. Because of the increasing pursuit of health, health drinks are selling better than ever in the market. This attracts users of all ages to buy healthy drinks, so targeting users of health drinks is crucial. Health drinks for different age groups

should have the efficacy needed for the current age group of users, which can improve the quality of the product and user satisfaction. To further achieve this goal, additional online sales models are indispensable. The products will be available to a wider and more accurate range of customers by taking advantage of the internet. Of course, for other products similar to health drinks, such as health foods. This sales model can also be used. This article reviews the theory, presents the main points of the 4Ps separately, analyzes the characteristics of the current market, and proposes feasible sales strategies for health drink companies. The aim is to help health drink companies understand the market and improve their sales model to achieve better profits.

Marketing Mix theory is evolving all the time, and more points appear in it, such as 7P and 4C. This paper is based only on the 4Ps, and the theory contains a smaller scope than the whole. More market points can be added to further analyze the market accurately. The main content of this paper is to review and apply the summary of previous people. In future improvements, data surveys will be added. To solidify the conclusions more rigorously.

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