



INTERNATIONAL DIPLOMA  
IN  
BUSINESS



**MODULE:  
MARKETING**

**ASSIGNMENT TITLE:  
THE MEMORY LANE SWEET COMPANY**

**DECEMBER 2009**

**Important Notes:**

- ❖ Please refer to the Assignment Presentation Requirements for advice on how to set out your assignment. These can be found on the NCC Education *Campus*. Scroll down the left hand side of the screen until you reach Personal Support. Click on this, and then on Policies and Advice. You will find the Assignment Presentation Requirements under the Advice section.
- ❖ You must familiarise yourself with the NCC Education Academic Dishonesty and Plagiarism Policy and ensure that you acknowledge all the sources which you use in your work. The policy is available on *Campus*. Follow the instructions above, but click on Policies rather than Advice.
- ❖ You must complete the ‘**Statement and Confirmation of Own Work**’. The form is available on the Policies section of *Campus*. Scroll down the left hand side until you reach Personal Support. Click on this and then click on Policies and Advice.
- ❖ Please make a note of the recommended word count. You could lose marks if you write 10% more or less than this.
- ❖ You must submit a paper copy and digital copy (on disk or similarly acceptable medium). Media containing viruses, or media which cannot be run directly, will result in a fail grade being awarded for this module.
- ❖ All electronic media will be checked for plagiarism.

**Marker's comments:**

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## Introduction

Despite having a name that evokes age and heritage, the Memory Lane Sweet Company was only established ten years ago in the north of England. The stated aim of the company is to “recreate the magic and nostalgia of the glorious childhood sweets of the past, for everyone to enjoy today”. The company currently has 35 employees, including a managing director, a production director, a financial accountant, a sales manager and a quality control manager. Most of the other staff members are employed in the production or distribution and sales of the products. Turnover last year was £3 million, but the net profit was a very disappointing £178,000.

Tony Johnson, the newly appointed managing director had recently expressed his views on why the company was performing so poorly:

1. The advertising and marketing budget of £1 million was not spent wisely enough.
2. The lack of marketing knowledge in the organisation was a significant issue.
3. The company had an inward looking production-focused orientation.
4. The company had recently attempted to export to France and Holland with very poor results. This was the first real attempt to export outside the UK market.
5. A lot of the products were not nostalgic at all, but just boring and unimaginative.
6. The company did not really understand who the ultimate target market was for the products. They tended to sell them to retailers who would take them.
7. Cost of sales was very high indeed and had been rising by 5% per year for the last 5 years.
8. Name and brand recognition of the company and its products was low amongst the retail trade, and non-existent amongst end customers.

“With these problems we need a total re-think of what this company stands for, what we deliver in terms of our value proposition, and which audiences in which country markets we aim at. I want us to be bold, and to become a marketing-led company. With the death of the founder of this company this year I have to create a sense of direction or we will run out of money very soon.”

## The Confectionery Market

The confectionery market structure can be broadly broken down into three segments:

1. The chocolate confectionery segment. Product examples include Dairy Milk, Flake, and Chocolate Buttons.
2. The snack/ chocolate sweet market, which is known in the trade as a crossover segment as it includes products that can be consumed as a sweet or a more substantial snack. A famous example is the Kit-Kat chocolate/snack bar.
3. The sugar confectionery segment. This segment includes all non-chocolate products whose main ingredient is sugar or sugar substitutes. Examples are Polo Mints and Jelly Babies. Some sugar confectionery products can crossover with medicinal products. An example is Tunes, a lozenge aimed at people with sore throats and a cold.

The sugar confectionery segment is growing less rapidly than the other two segments in the UK. The company only operates in the non-medicinal sugar confectionery segment, and they have a very small market share within this segment. They cannot offer products that are exactly the same as those of many years ago, as many dyes and additives used back then are banned. Also legal restrictions prevent them from doing this. They offer modern versions of sweets such as a “gobstopper”, which is a large round ball of sugar-coated candy with a variety of sticky fillings in the middle. This just about fits into the mouth of a child. Gob is a British slang term for mouth. Another of the 18 products offered by the company is called a snowdrop, named after a flower. This sweet is comprised of a fruit flavoured jelly that is sugar coated and chopped into bite-sized pieces to be served from glass jars by weight in traditional sweet shops.

Tony Johnson has seen a medical report on sugar confectionery. It shows that a high sugar content in sweets causes bad tooth decay in children, and can lead to sugar cravings, which can lead to obesity. He has also seen social research that suggested children thought traditional sugar-based sweets were old fashioned and boring. He wondered if the product could be targeted at adults as well, as they would remember the old fashioned types of sweets and could feel nostalgic about them.

Last year, as well as the usual trade advertising and sales activity, the company spent money testing out their products in two overseas trade fairs in France and Holland, and followed this up with some actual attempts at sales. Results have not been good. Also, the company made a television commercial that was shown in the UK. It cost a lot of money to make, and buying television advertising space was expensive as well. It consisted of a black and white scene of a boy and a girl walking in a street in about 1930 (79 years ago) and enjoying some sweets whilst they did so. The film then switched to colour and two young children were shown working on a computer in their own rooms in the present day (2009) and eating “Snowdrop” sweets whilst they did so. The voiceover gave a strap line “Keep your memories alive with Memory Lane sweets”, as the company packaging and brand name were put in close up.

The company used a local advertising agency to help them to make the commercial. They hoped it would generate a pull from consumers to support their own push in the trade. Sadly, the advertising made no impact on consumers, and was even called “an expensive waste of money” by one expert.

Tony Johnson has decided to call in an outside marketing consultant to take a fresh and objective look at the whole marketing approach, and come up with improvements. He is prepared to make any changes necessary to ensure the survival of the company.

(This is a fictitious organisation)

### **Task 1 – 30 Marks**

Give reasoned evaluations and analysis of these three key issues:

- a) How would you make this company marketing oriented?
- b) What should be done with the product range?
- c) What market research should be undertaken?

### **Task 2 – 30 Marks**

In terms of marketing communications, what would you do to improve the company’s:

- a) Branding and positioning
- b) Use of media and IMC
- c) Targeting of key audiences

You have to back up your views with academic thought and justification for your choices.

### **Task 3 – 30 Marks**

Is the company capable of becoming an international business?

- a) Critically evaluate the potential for overseas interest in the products, and how the company can improve its export approach.
- b) Does the company need to move into new segments with new products, or should it try and improve what it is doing currently?
- c) Produce a report on introducing a new product development process for the company that you believe would help it achieve greater commercial success.

### **Task 4 – 10 Marks**

Combine Tasks 1-3 into one written report that is properly structured with:

- Title page
- Table of contents
- Main body of the report
- References and bibliography
- Appendices (if necessary)

### **Guidance**

Consult your tutor if you are uncertain about any aspect of the assignment.

This assignment covers a number of topics contained within your Marketing module. You should ensure that you refer to the relevant module concepts and theories to demonstrate your understanding of the relationship between theory and practice.

### **Submission Requirements**

You must submit ONE report as indicated above in Task 4. Your report should answer Tasks 1 to 3 and should be around **3000 words**.

#### **Warning: All media must be virus free!**

Media containing viruses, or media which cannot be run directly, will result in a FAIL grade being awarded for this module.

**You must read and understand NCC Education's policy on 'Academic Dishonesty and Plagiarism'.  
You must complete the 'Statement and Confirmation of Own Work' form and attach the completed form to  
your assignment.**