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TURNING SUMOL INTO A WORLDWIDE BRAND FOR LOCAL CONSUMERS IN THE FRENCH MARKET – **PRODUCT AND PRICE**

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Abstract

Product and price present important elements of the marketing mix and require careful management. This paper provides a theoretical deep dive into the two marketing mix elements, including the discussion of several theories relevant to the case at hand. Moreover, the literature will be applied to Sumol and will help to solve the overall management problem of "how to turn Sumol into a worldwide brand for the local consumer in the French market".

Key Words

Master Thesis; Sumol; Geographic Expansion; Marketing Mix; Product Strategy; Pricing

1. Product

a. Introduction

The product plays a key role within the marketing mix (Reynolds, Netkach, and Taranyan 2020). It is not only a tangible offering but can include services, experiences and people, among others (Kotler and Keller 2013). According to Dolan (2015), a unique superior product can be described as a differentiated product with a strong value proposition, and it is the main driver for profitability. Due to an increasingly competitive environment and challenges in terms of product development (e.g. tighter governmental regulations, environmental and health-conscious consumers), superior product performance matters more than ever today (Reynolds, Netkach, and Taranyan 2020).

b. Classification

Traditionally products have been classified on aspects such as durability, tangibility and use (Kotler and Keller 2013). Sumol, as a carbonated soda, can be characterized as a non-durable consumer good that is purchased frequently and with minimal effort (convenience good, low-involvement product). Further, according to Kotler & Keller (2013), products can be classified based on five different product levels, with each level adding more customer value. First, the *core benefit* for Sumol is the ability to satisfy thirst and the need for a sweet refreshment. Second, the *generic product* includes Sumol's basic characteristics of being a sweet, carbonated and fruit flavoured drink with pulp. Third, the *expected product*, which is the set of attributes consumers expect at a minimal level, comprises a cooled, refreshing drink with good taste. Forth, the *augmented product* is expected to surpass customer's expectations through product differentiation. Sumol's products are slightly differentiated through its modern packaging, exotic flavours and naturalness (e.g. the omission of artificial flavours and preservatives, as well as use of natural fruit juice). Last, the *potential product* describes all possible augmentations the product might undergo in the future. Within the soda category the brand is the major focus, and the user is the hero rather than the product itself (Mohren et al. 2021). Therefore, future augmentations are not built on the product but include brand related offerings such as competitions organized by Sumol promoting youth impact, or the podcast "*Au-delà des balaçoires"* (Beyond the swings) (Mohren et al. 2021).

c. Differentiation

While in fast moving consumer goods (FMCG) differentiation is key (Sharma 2013), tangible products vary in their potential for differentiation (Kotler and Keller 2013). Sodas lie between the two extremes of little capability for differentiation and high variation. Product differentiation of sodas can be evaluated based on features (e.g. flavours and ingredients), form (e.g. size and shape) and style (e.g. packaging) (Kotler and Keller 2013). Nowadays, packaging becomes even more important at point of purchase due to an increasing number of products sold in the supermarket. Especially for new brands, it is crucial to capture customers' attention and to create a favourable first impression (Gore 2020). Thereby, colours can play a strategic role in affecting people psychologically (Shimp 2010). For example, Sumol's green bottles are very visible and stand out on the shelf, being surrounded by otherwise transparent bottles.

Following, the product mix of Sumol will be described, while a rationale for each product choice will be given, referring to the differentiation criteria (features, form and style) mentioned above.

d. Product Mix

The product mix or product assortment is a "set of all products and items a particular seller offers for sale" (Kotler & Keller, p. 381). A product mix includes several product lines, where width refers to the number of lines and depth to the number of products per line (Kotler and Keller 2013). For Sumol, the product assortment constitutes all products being sold in France, targeting "The Active"[1] as explained by Mohren et al. (2021). A single line (original carbonated sodas) with 4-8 SKUs, is recommended for the projects' launch in May 2022 (depending on flavour choice). Concerning the scope, recommendations are aligned with the company's conservative attitude towards product investment (Mohren et al. 2021).

i. Product width decisions

Neither secondary nor primary research show enough evidence for Sumol to launch zero versions of its carbonated sodas. While product launches with more natural propositions succeed, light versions turn out to be less successful. Moreover, consumers tend to favour original versions, because they do not belief that light options are "healthier" and prefer the original taste (Mohren et al. 2021). Hence, Sumol should focus on one line only, being its original carbonated sodas.

ii. Product depth decisions

[1] The market was not segmented based on soda characteristics. Hence, "the Active" includes varying preferences for sodas which are assumed to be covered by Sumol's different flavours.

Features (flavours and ingredients) – Flavour is very important to consumers when choosing a carbonated drink (Mohren et al. 2021). In France, *orange* presents an entry ticket to the market, while *passion fruit* is Sumol's star product, distinguishing the brand from competitors. As taste testers opinions on Sumol's *pineapple* flavour varied, further taste tests should be conducted before launching this flavour in France. In addition to Sumol's current portfolio, *lemon* is very relevant in the French market (Mohren et al. 2021). Hence, this flavour should be tested[2] with the French target and introduced if taste tests prove to be successful. Overall, Sumol should further improve its formulas by for example, reducing the amount of sugar and increasing natural fruit juice in order to meet the consumers' shifting preferences (Mohren et al. 2021).

Form (size and shape) – Sumol should keep its current formats and sizes (1.5l PET bottles and 0.33l cans) for now, being in line with competition and consumers expectations. However, as secondary research reveals a downsizing trend, Sumol should test 1.25l PET bottles and 0.25l cans in order to respond to consumer's increasingly nomadic and on-the-go consumption (Mohren et al. 2021).

Style (packaging) – First, Sumol's can design is perceived as cool, artistic, edgy and modern (Mohren et al. 2021). However, regarding PET, the target seems to prefer transparent over green bottles. While participants changed their opinion when knowing why the bottle is green (Mohren et al. 2021), Sumol should actively communicate the reason on its label using a QR code[3] in order to avoid information overload on the product ("Want to know why we are green – find out here"). Second, to respond to consumer's environmental concerns, Sumol should switch from plastic films to cardboard overpackaging around packs of cans and PET bottles, as

[2] Requiring minimal investment as this flavour was already sold a few years ago in Portugal
[3] Directing the customer to a landing page where all information on the bottle is available

Coca Cola did (Monnier 2019). Moreover, the company needs to react to future regulations, requiring the use of 25% recycled PET by 2025[4] (Monnier 2020). Third, to gain consumers' trust and boost their perceived value of the products, Sumol should add natural claims on its label ("No artificial preservatives", "Natural fruit juice"). A similar logic applies to the use of a certified label in the future. However, as long as not mandatory, Sumol should avoid the Nutri-Score, as the products would currently receive the lowest score (E), thereby preventing sales from potential customers.

e. Product/ Channel Choice

Generally, all formats and flavours should be introduced in each channel chosen for Sumol (Mohren et al. 2021). However, smaller formats (1.25l PET and 0.25l cans) should be tested exclusively in convenience stores and exchange the other formats, if proving successful. Assuming that Sumol will enter convenience stores only at a later stage (Mohren et al. 2021), 0.5l PET bottles present another future format. Lastly, primary research suggests a misfit of glass bottles and large retail chains (e.g. supermarkets) as the channel choice, hence, Sumol should disregard that format until entering the HORECA channel.

f. Roadmap

In a dynamic and competitive environment, such as the soft drink market, new innovations are key and need to be brought to market quickly. According to Reynolds, Netkach and Taranyan (2020), nowadays, companies need to rethink product testing in order to be more cost efficient and better meet customer's needs. With regard to Sumol, the company should leverage on open innovation[5] in order to gather ideas on new flavours/ editions and more sustainable packaging

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[4] A decision that effects the entire company and all markets not only France
[5] Similar to the L'Oréal Brandstorm competitions among students

solutions. This means gathering insights from experts and consumers outside of the company (Gupta 2013). Thereby, Sumol would not only be able to develop an in-depth understanding of consumers' preferences, but to quickly and successfully introduce new and innovative products with relatively low investment. A suggested roadmap of further product launches and changes over the next three years can be found in Appendix B.

2. Price

a. Introduction

In contrast to the other elements of the marketing mix (product, promotion, and placement) that work towards creating value, price aims to convert that value into revenue (Nagle and Müller 2018). According to Zawada, Baker, and Marn (2004), setting prices is one of the most important and profit-sensitive tasks in management. Therefore, it must become an integral part of strategy (Nagle and Müller 2018). Moreover, today's access to information and hence the transparency in prices has even increased the necessity for an effective pricing strategy. In order to set an effective strategy, it is crucial to not only understand the value offered but making sure it is actually understood by potential customers (Nagle and Müller 2018).

b. Perspectives

According to the literature studied, several perspectives to pricing exist, including a cost-driven, share-driven and customer-driven approach. A brief explanation of each perspective can be found in Appendix C. However, as the described methods seem to be flawed, a strategic pricing method is suggested by literature and hence should also be adopted for Sumol.

Strategic pricing aims to create sustainable profitability and comprises three principles, being profit-driven, proactive and value-based (Nagle and Müller 2018). "*Profit-driven*" captures the company's evaluation of success based on what it earns relative to alternative investments, while "*proactive*" means setting and adapting prices in anticipation of disruptive events (Nagle and Müller 2018). According to Smith and Nagle (1994), managers should therefore systematically analyse early warning signals of external forces, including competitors as well as consumers reactions. Further, "*value-based*" implies that differences in pricing account for variations in the value to buyers. Research revealed that companies using a value-based pricing approach achieve 24 percent higher profits than competitors (Nagle and Müller 2018). Hence, this method will be described in more detail in the following paragraph.

i. Value-based pricing

The value-based approach builds on three critical inputs: the company's cost of goods sold (COGS), the true economic value (TEV) of a product and the perceived value (PV) by customers. The TEV is "the value that a fully informed buyer would or should ascribe to the product" (Dolan and Gourville, p. 6). However, the PV is usually lower, accounting for the fact that customers are usually not aware of all the benefits and features of a product or might be sceptical of their truth and relevance. The goal of any marketing efforts should therefore be to move a customer's PV closer to the TEV (Dolan and Gourville 2014).

Putting the pieces together, the viable range of a price is bounded by a price ceiling and a price floor. Thereby, the upper bound constitutes the PV, while the lower bound is set by the company's COGS (for a negatively differentiated product) or the price of the next best competitive alternative (for a positively differentiated product) (Nagle and Müller 2018).

c. Strategies

Before jumping into the recommended prices for Sumol's products in France, a pricing strategy needs to be chosen that is in line with the broader marketing objectives of the firm. There are three alternative strategies to choose from: skim pricing, penetration pricing and neutral pricing. On the one hand, s*kim pricing* aims to capture superior margins by charging a relatively high price in comparison to what most buyers are willing to pay, thereby targeting rather insensitive customers. On the other hand, *penetration pricing* attempts to capture a large base of buyers by setting relatively low prices with regard to the targets' perceived value (Nagle and Müller 2018).

Primary research found that price is not as important to the target as brand and flavour, when buying soda. Hence, a *neutral pricing strategy* will be chosen for Sumol, which avoids the use of price to gain market share. In addition, neutral pricing is specifically relevant in industries where customers are rather *price sensitive*, but competitors are protective of market share, which precludes both of the other two strategies named above (Nagle and Müller 2018).

ii. Understanding price sensitivity

In order to set prices effectively, a company needs to understand the price sensitivity of its target (Dolan and Gourville 2014). Especially for small expenditures, like soda, customers use heuristics when making purchase decisions, as evaluating all the alternatives is not worth it (Nagle and Müller 2018). Probably one of the most relevant decision-rules used by customers when buying soda is the "Competitive-Reference Effect", which implies using competitive references in order to assess a product's relative value. Moreover, according to this effect, customers are more price sensitive the higher a good's price relative to alternative offerings (Nagle and Müller 2018), which highlights the importance for Sumol not to differ too much from competitive offerings in terms of price. Overall, soda buyers are assumed to be quite price sensitive, as little differentiation exists between alternatives, prices can be easily compared (prices per litre are indicated in supermarkets) and consumers are able to switch easily (the only thing that holds them back is brand loyalty) (Dolan and Gourville 2014).

d. Sumol's prices

Following the reasoning above, the launch product's prices (for orange and passion fruit; 1.5l

PET and 0.33l cans[6]) will be justified using the value-based approach, the neutral pricing strategy as well as managerial judgement. The pricing decision will be exemplified on large retail chains (supermarkets and hypermarkets like Carrefour or Leclerc), while all other prices per product-channel combination can be found in Appendix D. Moreover, the recommended retail prices include a VAT rate of 20% and sugar taxes of 0.08€ per litre for orange and 0.07€ per litre for passion fruit, respectively. The main distributor holds a margin of 10%, while large retail chains hold 43%. All alternative margin set-ups for each product-channel combination can be found in Appendix E.

Sumol orange 1.5l PET – The recommended retail price constitutes the average price charged for Orangina orange (1.5€ per 1.5l PET), as consumers perceive the value to be very similar. "[T]aste testings did not suggest any evidence of Sumol being perceived better or worse" (Mohren et al. 2021, p.51). This results in a contribution margin for Sumol of 32% (0.18€ respectively), while the distributor receives 0.06€ and retailers 0.49€.

Sumol passion fruit 1.5l PET – Primary research suggests a positive differentiation of Sumol's passion fruit flavour (Mohren et al. 2021). Hence, the recommended retail price equals 1.60€, set above the next best alternative (NBA; Fanta passion fruit at 1.45€ per 1.5l PET). Taking into account the "*Competitive-Reference Effect*" (Nagle and Müller 2018), the chosen price lies below the calculated ceiling (1.67€), thereby minimizing the risk of losing price sensitive consumers. Further, the consumer price is translating into a contribution margin of 37% (0.23€), with the distributor gaining 0.07€ and the retailers 0.53€.

Sumol orange 6x0.33l cans – The chosen retail price of 3.80€ indicates a positive differentiation, compared to Orangina orange (3.40€ for 6x0.33l cans) as the NBA. The premium (+12%) results from interviewees preference for Sumol's cans, which were described as modern and artistic. Consequently, this leads to a contribution margin of 47% (0.72€) for

[6] The full version, including the price rationales for pineapple and lemon, can be found in Mohren et al. (2021).

Sumol and a gain for the distributor of 0.17€, while retailers receive 1.29€.

Sumol passion fruit 6x0.33l cans – On top of the premium for flavour, an additional mark-up accounts for the packaging differentiation. The recommended retail price of 4.00€ is thus higher than the price of the NBA (Fanta at 3.70€) and leads to a contribution margin of 50% (0.82€) for Sumol. With a margin value of 0.18€ and 1.37€ for the distributor and retailers respectively, passion fruit cans present not only the most profitable product to Sumol but also to the other players.

i. Contribution margins

The contribution margins depicted above capture the ratio of price that affects profitability. The goal of pricing is to at least cover variable costs, while finding prices that will achieve profitability (Smith and Nagle 1994). For Sumol[7], the contribution margins for passion fruit (flavour-wise) and cans (format-wise) indicate a higher profitability and thus should be more heavily advertised in order to increase profits. Taking into account Sumol's current share of sales per format (adapted to the elimination of glass for now: 23% 0.33l cans, 77% 1.5 PET bottles) and an estimation of 25% of sales coming from passion fruit, an overall contribution margin of 38% was calculated for the brand.

a. Communicating prices

As a final step it is crucial to justify the prices charged, making sure that the value and benefits offered are understood by the target (Nagle and Müller 2018). Coming back to product, this highlights again the necessity of using for example a certified logo on the package and the use of natural claims in order to move consumers PV closer to the TEV. However, it is not enough to justify value via the product only, but it needs to be a combined effort of the other elements (place and promotion) of the marketing mix.

[7] And also for its players involved

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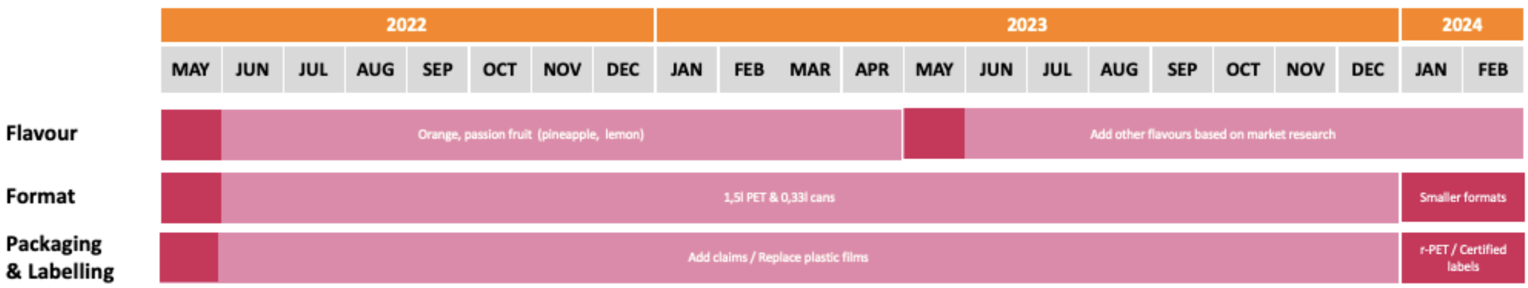
Appendix

Appendix A – Sumol's Product Assortment (Launch Formats)

Appendix B – Roadmap for Sumol



Appendix C – Pricing Perspectives

The **cost-driven perspective** is a very common and easy method to use and usually takes the form of cost-plus pricing. This simply means that a pre-determined mark-up is added on top of the costs of a good in order to derive price (Dolan and Gourville 2014). However, this method is seen as flawed, as it does not account for the fact that unit costs change with volume and that hence, sales volume should be the beginning assumption (Nagle and Müller 2018).

The **customer-driven perspective**, accounts for the need of prices to reflect market conditions. Prices will be set based on what the customer is willing to pay, usually leading to under-priced products. With regard to that method, price is often misused to achieve short term sales, thereby depressing long-term profitability (Nagle and Müller 2018). According to Nagle (1994), it should be a combined effort of marketing and sales to raise customer's willingness to pay so that prices reflect a product's value.

The **share-driven perspective** sets prices based on competitive offerings. Under this perspective, pricing is used to gain market share. However, according to Nagle and Müller (2018), price should not be used as a competitive weapon as price cuts can be easily matched by competitors and therefore only offer a short-term advantage (Nagle and Müller 2018).

Appendix D – Recommended Retail Prices for all Product/Channel Combinations

Prices in €	**1.5l PET**			
	Supermarkets & Hypermarkets	**Ethnic**	**Discounters**	**Online**
Orange	1.5	1.35	1.65	1.65
Passion Fruit	1.6	1.44	1.76	1.76
Pineapple	1.5	1.35	1.65	1.65
Lemon	1.5	1.35	1.65	1.65
Channel price	-	-10%	+10%	+10%

Prices in €	**1.25l PET**	**0.5l PET**
	Convenience	
Orange	1.65	0.78
Passion Fruit	1.76	0.83
Pineapple	1.65	0.78
Lemon	1.65	0.78
Channel price	+20%	+20%
Format price	+10%	+30%

Prices in €	6x0.33l PET			
	Supermarkets & Hypermarkets	**Ethnic**	**Discounters**	**Online**
Orange	3.8	4.18	3.42	4.18
Passion Fruit	4.0	4.4	3.60	4.4
Pineapple	3.8	4.18	3.42	4.18
Lemon	3.8	4.18	3.42	4.18
Channel price	-	-10%	+10%	+10%

Prices in €	0.25l cans
	Convenience
Orange	0.63
Passion Fruit	0.67
Pineapple	0.63
Lemon	0.63
Channel price	+20%
Format price	+10%

Appendix E – Alternative Margin Set-ups

Large Retailers: Passion fruit cans	
Price per litre	2.00
Final Consumer Price (6*0,33l)	4.00
VAT	20%
Sugar Tax	0.14
Consumer Price without VAT & sugar Tax	3.19
Retailer Margin Value	1.37
Margin %	43%
Retail Price	1.82
Distributor Margin Value	0.18
Margin %	10%
Distributor Price	1.64
COGS	0.82
Sumol's Margin Value	0.82
% Contribution Margin	50%

Large Retailers: All other cans	
Price per litre	1.90
Final Consumer Price (6*0,33l)	3.80
VAT	20%
Sugar Tax	0.16
Consumer Price without VAT & sugar Tax	3.01
Retailer Margin Value	1.29
Margin %	43%
Retail Price	1.71
Distributor Margin Value	0.17
Margin %	10%
Distributor Price	1.54
COGS	0.82
Sumol's Margin Value	0.72
% Contribution Margin	47%

Large Retailers: Passion fruit PET	
Price per litre	1.07
Final Consumer Price (1,5l)	1.60
VAT	20%
Sugar Tax	0.11
Consumer Price without VAT & sugar Tax	1.23
Retailer Margin Value	0.53
Margin %	43%
Retail Price	0.70
Distributor Margin Value	0.07
Margin %	10%
Distributor Price	0.63
COGS	0.40
Sumol's Margin Value	0.23
% Contribution Margin	37%

Large Retailers: All other PET	
Price per litre	1.00
Final Consumer Price (1,5l)	1.50
VAT	20%
Sugar Tax	0.12
Consumer Price without VAT & sugar Tax	1.13
Retailer Margin Value	0.49
Margin %	43%
Retail Price	0.64
Distributor Margin Value	0.06
Margin %	10%
Distributor Price	0.58
COGS	0.40
Sumol's Margin Value	0.18
% Contribution Margin	32%

Online Retailers: Passion fruit cans	
Price per litre	2.20
Final Consumer Price (6*0,33l)	4.40
VAT	20%
Sugar Tax	0.14
Consumer Price without VAT & sugar Tax	3.53
Retailer Margin Value	1.41
Margin %	40%
Retail Price	2.12
Distributor Margin Value	0.21
Margin %	10%
Distributor Price	1.90
COGS	0.82
Sumol's Margin Value	1.08
% Contribution Margin	57%

Online Retailers: All other cans	
Price per litre	2.09
Final Consumer Price (6*0,33l)	4.18
VAT	20%
Sugar Tax	0.16
Consumer Price without VAT & sugar Tax	3.32
Retailer Margin Value	1.33
Margin %	40%
Retail Price	1.99
Distributor Margin Value	0.20
Margin %	10%
Distributor Price	1.79
COGS	0.82
Sumol's Margin Value	0.97
% Contribution Margin	54%

Online Retailers: Passion fruit PET	
Price per litre	1.17
Final Consumer Price (1,5l)	1.76
VAT	20%
Sugar Tax	0.11
Consumer Price without VAT & sugar Tax	1.36
Retailer Margin Value	0.54
Margin %	40%
Retail Price	0.82
Distributor Margin Value	0.08
Margin %	10%
Distributor Price	0.74
COGS	0.40
Sumol's Margin Value	0.34
% Contribution Margin	46%

Ethnic Retailers: Passion fruit cans	
Price per litre	2.20
Final Consumer Price (6*0,33l)	4.40
VAT	20%
Sugar Tax	0.14
Consumer Price without VAT & sugar Tax	3.53
Retailer Margin Value	1.23
Margin %	35%
Retail Price	2.29
Wholesale Margin Value	0.16
Margin %	7%
Wholesale Price	2.13
Distributor Margin Value	0.21
Margin %	10%
Distributor Price	1.92
COGS	0.82
Sumol's Margin Value	1.10
% Contribution Margin	57%

Ethnic Retailers: Passion fruit PET	
Price per litre	1.17
Final Consumer Price (1,5l)	1.76
VAT	20%
Sugar Tax	0.11
Consumer Price without VAT & sugar Tax	1.36
Retailer Margin Value	0.48
Margin %	35%
Retail Price	0.89
Wholesale Margin Value	0.06
Margin %	7%
Wholesale Price	0.82
Distributor Margin Value	0.08
Margin %	10%
Distributor Price	0.74
COGS	0.40
Sumol's Margin Value	0.34
% Contribution Margin	46%

Online Retailers: All other PET	
Price per litre	1.10
Final Consumer Price (1,5l)	1.65
VAT	20%
Sugar Tax	0.12
Consumer Price without VAT & sugar Ta	1.26
Retailer Margin Value	0.50
Margin %	40%
Retail Price	0.75
Distributor Margin Value	0.08
Margin %	10%
Distributor Price	0.68
COGS	0.40
Sumol's Margin Value	0.28
% Contribution Margin	41%

Ethnic Retailers: All other cans	
Price per litre	2.09
Final Consumer Price (6*0,33l)	4.18
VAT	20%
Sugar Tax	0.16
Consumer Price without VAT & sugar Ta	3.32
Retailer Margin Value	1.16
Margin %	35%
Retail Price	2.16
Wholesale Margin Value	0.15
Margin %	7%
Wholesale Price	2.01
Distributor Margin Value	0.20
Margin %	10%
Distributor Price	1.81
COGS	0.82
Sumol's Margin Value	0.99
% Contribution Margin	55%

Ethnic Retailers: All other PET	
Price per litre	1.10
Final Consumer Price (1,5l)	1.65
VAT	20%
Sugar Tax	0.12
Consumer Price without VAT & sugar Ta	1.26
Retailer Margin Value	0.44
Margin %	35%
Retail Price	0.82
Wholesale Margin Value	0.06
Margin %	7%
Wholesale Price	0.76
Distributor Margin Value	0.08
Margin %	10%
Distributor Price	0.68
COGS	0.40
Sumol's Margin Value	0.29
% Contribution Margin	42%

Convenience Retailers: Passion fruit can

Price per litre	2.67
Final Consumer Price (0,25l)	0.67
VAT	20%
Sugar Tax	0.02
Consumer Price without VAT & sugar Tax	0.54
Retailer Margin Value	0.19
Margin %	35%
Retail Price	0.35
Wholesale Margin Value	0.02
Margin %	7%
Wholesale Price	0.33
Distributor Margin Value	0.03
Margin %	10%
Distributor Price	0.29
COGS	0.10
Sumol's Margin Value	0.19
% Contribution Margin	65%

Convenience Retailers: Passion fruit PET

Price per litre	1.41
Final Consumer Price (1,25l)	1.76
VAT	20%
Sugar Tax	0.02
Consumer Price without VAT & sugar Tax	1.45
Retailer Margin Value	0.51
Margin %	35%
Retail Price	0.94
Wholesale Margin Value	0.07
Margin %	7%
Wholesale Price	0.88
Distributor Margin Value	0.09
Margin %	10%
Distributor Price	0.79
COGS	0.33
Sumol's Margin Value	0.46
% Contribution Margin	58%

Convenience Retailers: Passion fruit PET

Price per litre	1.66
Final Consumer Price (0,5l)	0.83
VAT	20%
Sugar Tax	0.04
Consumer Price without VAT & sugar Tax	0.66
Retailer Margin Value	0.23
Margin %	35%
Retail Price	0.43
Wholesale Margin Value	0.03
Margin %	7%
Wholesale Price	0.40
Distributor Margin Value	0.04
Margin %	10%
Distributor Price	0.36
COGS	0.13
Sumol's Margin Value	0.23
% Contribution Margin	63%

Convenience Retailers: All other can

Price per litre	2.53
Final Consumer Price (0,25l)	0.63
VAT	20%
Sugar Tax	0.02
Consumer Price without VAT & sugar Tax	0.51
Retailer Margin Value	0.18
Margin %	35%
Retail Price	0.33
Wholesale Margin Value	0.02
Margin %	7%
Wholesale Price	0.31
Distributor Margin Value	0.03
Margin %	10%
Distributor Price	0.28
COGS	0.10
Sumol's Margin Value	0.17
% Contribution Margin	63%

Convenience Retailers: All other PET

Price per litre	1.32
Final Consumer Price (1,25l)	1.65
VAT	20%
Sugar Tax	0.02
Consumer Price without VAT & sugar Tax	1.36
Retailer Margin Value	0.47
Margin %	35%
Retail Price	0.88
Wholesale Margin Value	0.06
Margin %	7%
Wholesale Price	0.82
Distributor Margin Value	0.08
Margin %	10%
Distributor Price	0.74
COGS	0.33
Sumol's Margin Value	0.41
% Contribution Margin	55%

Convenience Retailers: All other PET

Price per litre	1.56
Final Consumer Price (0,5l)	0.78
VAT	20%
Sugar Tax	0.04
Consumer Price without VAT & sugar Tax	0.61
Retailer Margin Value	0.21
Margin %	35%
Retail Price	0.40
Wholesale Margin Value	0.03
Margin %	7%
Wholesale Price	0.37
Distributor Margin Value	0.04
Margin %	10%
Distributor Price	0.33
COGS	0.13
Sumol's Margin Value	0.20
% Contribution Margin	60%