

TROPICANA: SOCIAL MEDIA TEACH MARKETERS A BRANDING LESSON

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Neil Campbell, president at Tropicana North America in Chicago, part of PepsiCo Americas Beverages, sat with his head in his hands. He had been reviewing a barrage of emails from his key marketing staff indicating significant consumer displeasure with the newly-launched packaging for the division's flagship product, Tropicana Pure Premium orange juice. The new product design packaging had been on store shelves less than six weeks, and the Internet had already been flooded with articles, postings, and comments regarding the new product packaging. The company had invested \$35 million in the new package design and associated advertising campaign, yet sales had dropped precipitously since the new packaging was launched. What went wrong? What should Tropicana do now?

Tropicana Brand History

Tropicana was the largest orange juice brand on the market when PepsiCo purchased the product line from Seagram Co. Ltd. in 1998. PepsiCo felt Tropicana was a superb addition to its beverage portfolio, competing with and surpassing Coke's Minute Maid orange juice brands. Further, while orange juice margins were thinner than those of soft drinks, sales of orange juice products were expanding at a much faster 8% rate than the soft drink beverage business, due in part to a growing awareness among adults of the health benefits of orange juice (Light, 1998). At the time of the acquisition, Tropicana's 42% orange juice market share dwarfed the 24% share owned by Coke's Minute Maid orange juice brand. However in 2001, Coca-Cola responded by launching a new premium orange juice line called "Simply Orange." By 2006, Tropicana found its market share dropping steadily from 42% in 2006 to 33.6% in 2009, while