

Journal of Critical Incidents-Volume 4

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## 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 that of Simply Orange grew from 8.1% to 14.8% during the same time period. It was clear that Coca-Cola's focus on the fresh-squeezed orange juice experience of Simply Orange (Anonymous, 2001) was resonating with consumers, and Tropicana needed to react.

## Tropicana's Packaging

The iconic orange and straw graphic pre-dated PepsiCo's purchase of the Tropicana brand, and was originally conceptualized as part of Pixar's first animated television commercial, produced for Tropicana in 1989 (Pixar, 2010). When the Coleman Group incorporated the "straw in an orange" graphic into the Tropicana juice carton in 1997, EVP Jonathan Asher noted "We recognized we could strengthen the brand franchise by building on existing design equities, and create a more distinctive and ownable brand identity" (Anonymous, 1997).

On January 8, 2009, PepsiCo announced a package re-design and accompanying new marketing campaign for the Tropicana product line (Zmuda, 2009). Research showed Tropicana that about half of consumers thought orange juice contained added sugar, and brand managers felt that the fact that Tropicana was pure, natural, and 100% squeezed from fresh oranges needed to be highlighted. Noted Tropicana president Neil Campbell, "We wanted to create an emotional attachment by 'heroing' the juice and trumpeting the natural fruit goodness" (Hein, 2009).

The redesign was spearheaded by the Arnell Group ([Arnell.com](http://arnell.com), 2010), and in a press conference launching the new packaging, Peter Arnell noted the agency wanted to leverage the biggest single billboard available – the product's package (Levins, 2009). Tropicana packaging had never shown the inside of the orange, and designers felt that they could better emphasize the purity of the juice by displaying the juice itself. Arnell also explained "We no longer wanted to work with assets or parts that were not clear to the consumer. They might have identified with the orange and the straw on the old packaging but no one knew why it was there" (Hein, 2009:1).

According to Arnell, the design team was instructed to use "design language that was clear, simple and profound" (Hein, 2009 1). Thus, the words "100% orange pure and natural" were positioned front and center on the carton (Hein, 2009). Additionally, the carton's new cap was designed to mimic the outside of an orange, both in appearance and texture, and designers felt opening it implied the squeezing of an orange ergonomically. Arnell explained that, in keeping with the theme of Tropicana's new \$35 million advertising campaign, the new package design drew on the power of love through a squeeze or hug (Levins, 2009). (Note: images of the old and new Tropicana package designs can be found online (e.g., Edwards, 2009)).

## The Blogosphere Reacts

The new package design hit the shelves in early January, and consumer response was immediate, calling the new design "ugly," "stupid," and "resembling a generic bargain brand" (Elliott, 2009). Internet bloggers were particularly vociferous in their online postings about the new packaging, noting that "...a large, juicy, fresh orange with a straw stuck right into it... screamed freshness, while the new box looked like "a no-name brand orange juice made out of concentrate" (Meydad, 2009). Criticisms leveled by Matt Everson, founder of Astuteo, a design firm in Madison, Wisconsin, included the difficulty in distinguishing product variations (such as pulp, calcium, etc.), the "cold and corporate" logotype, and the scrapping of the "practically famous," "straw in the orange" (Everson, 2009).

Online readers of blogs and articles joined the fray, providing fuel for a blogosphere fire. Some of the more gentle reader postings included: "Even store clerks talk about how hard it is to see what's on the shelf"; "Do any of these people actually shop for orange juice? Because I do and these new cartons stink"; "This generic redesign doesn't have half the appeal of the 'straw in the orange' [Peter Arnell] so casually dismisses... Simply Orange will have the last laugh..." (Brandweek, 2009).

Not everyone agreed that Tropicana's new package design was a disaster. Brandweek's Todd Wasserman felt that Tropicana's redesign was "terrific" and that making the carton look like a private-label brand was a "brilliant strategy" to reinforce the idea of value in a tough economy (Wasserman, 2009).

### The Decision

Neil Campbell was lost in thought. Had Tropicana made a major mistake in changing its package design? In an interview just a few weeks earlier to discuss the new packaging, he had commented that "The straw and the orange have been there for a long time, but people have not necessarily had a huge connection to them" (Elliott, 2009). However, it appeared Tropicana had underestimated the emotional response to the disappearance of the old design. He noted that "what we didn't get was the passion this very loyal small group of consumers have. That wasn't something that came out in the research" (Elliott, 2009).

Campbell realized that with the Internet and social media, consumers can communicate with marketers more easily and quickly than ever before. In the six weeks the new packaging had been on store shelves, consumers had been able to declare their opposition in a manner impossible before the Internet. However, he wondered, was this simply a case of a small but vocal minority of consumers expressing their negative attitudes towards the new packaging through the easy availability of social media, or was there really something more fundamentally wrong with the new packaging?

He wondered what to do next. The company had invested \$35 million in the new package design and new advertising campaign, which featured shots of the new packaging (Young & Ciummo, 2009). However, initial sales figures appeared to be declining, not rising. Should Tropicana move forward with their existing advertising plans and press on with the new packaging, assuming consumers would grow to like it? Should they try to tweak the new redesign in some fashion? Or should they scrap the new package redesign completely, returning to the old "straw in the orange" theme?

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## **Tropicana: Social Media Teach Marketers a Branding Lesson**

TROPICANA: SOCIAL MEDIA TEACH MARKETERS A BRANDING LESSON Colleen P. Kirk, Mount Saint Mary College

9:14 AM, 10/22/2017

TROPICANA: SOCIAL MEDIA TEACH MARKETERS A BRANDING LESSON Colleen P. Kirk, Mount Saint Mary College Karen A. Berger, Pace University This critical incident was prepared by Colleen P. Kirk and Karen Berger, and is intended to be used as a basis for class discussion. The views presented here are those of the authors based on their professional judgment and do not necessarily reflect the views of the Society for Case Research. Copyright © 2011 by the Society for Case Research and the authors. No part of this work may be reproduced or used in any form or by any means without the written permission of the Society for Case Research. 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

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9:15 AM, 10/22/2017