

# Case study: snapple brand audit



The purpose of this report is to conduct a brand audit for the brand Snapple by examining the brand's portfolio and also by exploring consumer perceptions and the companies that have owned Snapple.

## **Snapple Brand**

Snapple is a brand that was founded by three acquaintances who realized there were more possibilities with fruit than just consuming it. Their ability to see more possibilities in fruit launched the start of non-carbonated beverages within the United States. Today Snapple is a part of Dr Pepper Snapple Group, Inc. Snapple is a beverage that is available in a wide variety of juices, teas and flavored waters and has been on shelves for over thirty years. Snapple beverages are famous for their quirky image, use of glass bottles and “real facts”. Snapple is known for their slogan “Made from the Best Stuff on Earth”, which refers to their use of all natural ingredients. ()??

### **INTRODUCTION**

## **Brief History and Background**

Unadulterated Food Corporation, now known to the world as Snapple, was born in Brooklyn, New York in 1972. Hyman Golden, Arnold Greenburg and Leonard Marsh are known as the creators of this non-carbonated fruit and tea beverage. These three inventors started by selling Snapple beverages in various health food stores within the New York area (About Snapple, n. d.).

Unadulterated Food Corporation eventually changed names to Snapple Beverage Corporation. The Snapple Beverage Corporation conducted business well, grew fast and the brand name Snapple became well known to many beverage drinkers by the early 1990's. Most of Snapple's sales were

made within a network of smaller independent distributors. The Snapple Beverage Corporation choose to allow sales in only a small portion of supermarket channels and stayed out of outlets that primarily sold top selling brand names such as, Coke and Pepsi. The market soon became aware of the Snapple brand and in 1992 a private based investment firm from Boston purchased Snapple. A year later the Snapple brand became public and went national (Jackson, 2008).

Two years later Snapple Beverage Corporation was purchased from the Boston based investment center by Quaker Oats. Quaker Oats management and strategy of the Snapple brand differed greatly and many changes were made including the distribution of the brand, which had proven to work so well for the brand in the first place. This change of ownership and strategy caused a great deal of damage to the Snapple brand. The brand's image and reputation were hurt and sales faced a large decline (Jackson, 2008).

Snapple was sold once again in 1997 to Triarc Companies. Triarc Companies incorporated back Snapple's original corporate strategy and most importantly went back to using similar distributors. Triarc successfully recreated a positive brand image and increased Snapple's sales just in time to sell it to Cadbury Schweepes in 2000. Today the Snapple brand is apart of the Dr Pepper Snapple Group which was formed in 2008 after Cadbury Schweepes separated from their Americas Beverages business (Our Brands Snapple, n. d.).

## MARKETING MIX

## **Product**

Snapple's product line offers consumers over fifty different varieties of Snapple beverages to choose from. Snapple's beverages consist of five different types of drinks that include; Tea, Water, Juice, 100% Juice, and Diet. Snapple beverages come in a wide range of flavors that include Original, Berry, Citrus, Fruit and Mixed Fruit. Each flavor category offers a full range of flavors. All products are claimed to be "Made from the Best Stuff on Earth". In addition Snapple products are made by using all natural ingredients and marketed as being "100% Natural" (Products, n. d.).

## **Price**

In 1982 Unadulterated Food Corporation was selling their products at a fairly high price of a \$1 per bottle (Snapple Beverage, n. d.). Today Dr Pepper Snapple still employs a premium pricing strategy for the Snapple brand when compared to similar drinks on the market. The average selling price for a bottle of Snapple tends to range anywhere from a \$2. 00 to \$3. 00. Snapple's price per bottle varies on location of purchase and size of bottle. Snapple's use of a premium pricing strategy is an indicator of the quality that can be found within each of their beverages. Snapple is also able to employ this type of a pricing strategy due to their claim and leadership of being the leader in great-tasting premium beverages (Dr. Pepper Snapple, n. d.).

## **Promotion**

From the beginning and still today Snapple differentiates itself as being an alternative choice to carbonated beverages. The brand promotes their premium beverages as being "100% natural", fun, real and personal. Snapple has used several successful promotion strategies throughout the

years that have consisted of a spokes model, celebrity endorsements, media advertisements, contests and other traditional methods of advertising ( )??.

The earlier years of Snapple's history featured Wendy Kaufman, known as "the Snapple Lady". Wendy Kaufman became Snapple's spokes model, Wendy heavily promoted the Snapple brand in many different ways for several years. Snapple also incorporated celebrity endorsements such as Howard Stern and Rush Limbaugh to promote the Snapple brand. In later years Snapple launched new media advertisements that featured Snapple bottles known as "Little Fruits" who played characters that helped bring back Snapple's quirky image. Snapple's also created a contest titled "What's Your Story". The contest allowed consumers to share their own experiences with the Snapple brand. Snapple then awarded the winner with a new Snapple commercial that was based on that individual's Snapple experience. Snapple has also uses many forms of traditional advertising such as their website, radio, and outdoor promotions at bus shelters or with billboards (Manning-Schaffel, 2003).

## **Place**

From the beginning Snapple was sold within a network of smaller independent distributors, such as mom-and-pop shops with limited sales in supermarkets. This allowed the brand to build great relationships with their distributors. Distributors were changed throughout the years due to the various ownerships of the brand. Today Dr Pepper Snapple distributes its products through their own company's bottling and distribution network, through third-party distributors and through foodservices. Snapple is

available worldwide and can be purchase just about anywhere; convenience stores, supermarkets, malls, online and through vending machines.

Increasing accessibility of Dr Pepper Snapple products has been the company's goal and main focus throughout the last five years. In order to achieve increased availability of their products Dr Pepper Snapple, Inc. added 175, 000 coolers and vending machines throughout the last five fiscal periods, added more vending machines within food outlets and had made their products more available within fast food restaurants (Theodore, 2009).

## COMMUNICATION

### **Website**

Snapple's website can be located at [http://www. snapple. com/](http://www.snapple.com/). Snapple surfers can find out all the information they ever wanted to know about their favorite Snapple beverage on Snapple's website. The website details information about every type of drink and flavor available on the market, nutritional information and upcoming new flavors. The website also provides Snapple fans with an automated item locator for those who need assistance in finding their favorite Snapple products. This interacted tool allows Snapple lovers to locate their favorite product any day and hour of the week (Snapple, n. d.). ( )???

For fans of Snapple's " Real Facts" the website provides surfers with an achieved list of the now retired 675 " Real Facts". One can also register on their website to get the latest Snapple news, events and offers sent directly to their email or cell phone. For those who don't wish to register the site does provide information on current special offers and promotions. In

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addition Snapple's website includes a frequently asked questions section, current press releases and a link on how to contact the company (Snapple, n.d.).

## **Other Forms of Communication**

Snapple's other forms of communication include social networking, sales promotions, advertising, events, and public relations. Social networking has become very popular and is now used by many companies as a form of communication. Social networking is a free form of advertising that can reach millions of people across the world. Snapple currently can be found on Facebook and Twitter. The company encourages Snapple fans to become their friend on Facebook or to tweet on Twitter.

Snapple's sale promotions include consumer promotions that provide free samples or coupons to consumers. The company also utilizes trade promotions, contest for consumers and sales reps. In addition the company will offer product promotions at supermarkets, schools and athletic clubs (Chan, 2007).

Advertising of the Snapple brand can be found all over. Snapple is known for their use of network media, print media and radio commercials. The company also uses various types of display media such as promotional displays on their products, billboards, posters at mall kiosks, bus shelters and even air banners as a form of advertising their brand. Snapple also supports and sponsors many public events and community service programs, especially within New York City where New Yorkers adore the Snapple brand (Chan, 2007).

In addition to the above forms of communication Snapple also utilizes public relations as a form of communication. For example one of Snapple's past public relations includes the introduction of Snapple's White Tea. In order to create brand awareness of their new product Snapple hired Ruder Finn to introduce the new product in different cities. Coverage of the event was found in major newspapers and different television stations across the United States. Free samples were handed out and over 32, 000 consumers' attended the tour (Snapple White Tea, n. d.).

## BRAND INVENTORY

### **Brand Attributes**

Brand attributes are the basic criteria that establish a brand's identity. They display associations that consumers assigned to a brand. These associations can be either positive or negative and also can have different meanings and levels of importance to different customers segments, cultures and markets (Brand glossary, n. d.). One of the most important brand attributes a consumer expects when purchasing a Snapple beverage is for it to taste great. Other common brand attributes that consumers have assigned to the Snapple brand are great flavor, 100% natural, " Made from the Best Stuff on Earth", authentic, premium beverage, quirky, personal and fun. These brand attributes are a few of the common features that are shared by Snapple's consumers and they have characterized and defined Snapple's identity.

### **Brand Portfolio**

Dr Pepper Snapple group's portfolio contains over fifty different brands and hundreds of different flavors. Their portfolio includes many different types



and flavors of carbonated and non carbonated drinks, teas, waters, mixers, juices and other premium beverages. Some of Dr Pepper Snapple's key brands include:

Carbonated Soft Drinks (CSD):

Dates back to 1885 and is the oldest soft drink in the United States.

Rated #1 in its flavor category.

Rated #2 in overall flavored in the United States.

Dr. Pepper beverages are available in regular, diet and Cherry.

Dr Pepper Snapple Group's Core Four Brands:

Rated #1 orange flavored CDS in the United States

Sunkist beverages come in diets, oranges & other fruit flavors.

Licensed as a CSD by Sunkist Growers Association for over 95 years.

Founded in 1992.

7up comes in diet, regular & cherry.

Rated #2 lemon-lime CDS in the United States.

Rated #1 root beer in the United States.

Flavors are available in cream soda, diet & regular.

Known as all American Beverage.

Rated #1 ginger ale in the United States and Canada.

Is available in club soda, green tea ginger ale, tonic & other mixers.

Born in Canada in 1904 & introduced in the United States in 1919.

Other CDS Brands:

Rated #2 orange CSD in the United States

Available in orange, diet and other fruit flavors.

Invented in 1906.

Rated #2 ginger ale in the United States & Canada.

Available in tonic, club soda & other mixers

Created in 1783 the first carbonated beverage in the world.

Ranked #1 carbonated mineral water in Mexico.

Available in different flavors, twist and natural.

Was created in 1938.

Ranked #1 grapefruit CDS in the United States.

Non-Carbonated Beverages (NCB):

Wide range of tea products that includes; premium, super premium & value teas.

Snapple also offers a wide variety of premium juices and juice drinks.

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A leading tea beverage in the United States.

Ranked #1 fruit punch in the United States

Available in reduced calorie and offers a variety of fruit flavors.

Ranked #1 mixer brand in the United States

Ranked #1 Bloody Mary brand in the United States

Considered to be a leading mixer brand.

(Dr Pepper Snapple 10-K, 2010)

## **Brand Line Extensions – Inventory**

The below figure displays the flavors and types of drinks included within the Snapple line:

### **Figure 1: Snapple Flavors, Drinks and Purpose**

#### **Flavor Drink Consumption Purpose**

Acai Mixed Berry Red Tea Immunity

Apple Plum White) Tea

Asian Pear Green Tea Metabolism

Compassionberry Tea

Diet Green Tea

Diet Lemon Tea

Diet Lemonade Iced Tea

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Diet Lime Green Tea

Diet Mango Green Tea Metabolism

Diet Peach Green Tea

Diet Peach Tea

Diet Plum-a-Granate Tea

Diet Raspberry Tea

Diet Trop-A-Pocka Tea

Earl Grey Black Tea

English Breakfast Black Tea

Green Tea Metabolism

Lemon Black Tea

Lemon Tea

Lemonade Iced Tea

Mango Green Tea Metabolism

Mint Tea

Nectarine White Tea Refresh

Peach Green Tea

Peach Pomegranate Red Tea Immunity

Peach Tea

Pineapple Peach Mango Oolong Tea

Pomegranate Raspberry Red Tea

Raspberry Tea

Raspberry White Tea Refresh

Acai Blackberry Juice Drink

Cranberry Raspberry Juice Drink

Diet Cranberry Raspberry Juice Drink

Fruit Punch Juice Drink

Go Bananas Juice Drink

Grapeade Juice Drink

Kiwi Pear Juice Drink Metabolism

Kiwi-Strawberry Juice Drink

Lemonade Juice Drink

Mango Madness Juice Drink

Noni Berry Juice Drink Metabolism

Orangeade Juice Drink

Peach Mangosteen Juice Drink Immunity

Pink Lemonade Juice Drink

Pomegranate Raspberry Juice Drink

Raspberry Peach Juice Drink

Snapple Apple Juice Drink

Summer Peach Juice Drink

Fruit Punch 100% Juiced

Grape 100% Juiced

Green Apple 100% Juiced

Melon Berry 100% Juiced

Orange Mango 100% Juiced

Strawberry Lime 100% Juiced

Agave Melon Antioxidant Water Restore

Dragonfruit Antioxidant Water Awaken

Grape Pomegranate Antioxidant Water Defy

Orange Antioxidant Water Protect

Snapple LYTeWater Hydrate

Strawberry Acai Antioxidant Water Awaken

(Snapple Products, n. d.)

## BRAND EXPLORATORY

### **Customer Knowledge**

Snapple is company that achieved brand recognition fairly quickly and it didn't take long for customers to retain knowledge of the brand name. In order to increase customer knowledge the company hired Wendy Kaufman when they discovered she had been answering fan mail on her own. Wendy Kaufman then took it upon herself to spread the word about the Snapple brand. She made appearance at retail and supermarket stores. Wendy also started accepting Snapple drinker's invitations through fan mail. She attended sleepovers, bar mitzvahs and even proms (Deighton, 2002).

Customer knowledge also involves companies having knowledge and an understanding what their customers want. In order to gain that knowledge Dr Pepper Snapple Group has a research and development center that is responsible for gathering consumer insights. For example, most recently after conducting consumer research the company decided to make a change to Snapple's glass bottles. This change was due to the fact that consumers expressed comments on how Snapple's glass bottle didn't fit in their cup holders. This was due to the fact that the bottle had been untouched since 1984 at a time when vehicles didn't have cup holders. Customer knowledge isn't just something Dr Pepper Snapple says they maintain, but it is

something they act on and this contributes significantly to the brand's equity (Theodore, 2009).

## **Mental Map Graph**

### **Figure 2: Snapple's Mental Map**

Quirky Flavors

Fun Little Fruits

The Snapple Lady Real Facts

Premium Variety

100% Natural Howard Stern

## **Sources of Brand Equity**

Snapple's has many sources of brand equity. Snapple was the first company to launch the start of non-carbonated beverages and introduce a new taste experience to consumers. Snapple originally build their brand equity through the distributors of their products and then later through their creative marketing. Throughout Snapple's history the brand has been able to differentiation themselves from other beverages by building a humorous eye towards their own products. Snapple's sources of brand equity also come from their use of natural ingredients and from their slogan " Made from the Best Stuff on Earth". In addition Snapple's use of celebrity endorsement and various marketing activities have built great sources of brand equity for the brand.



## **Marketing Activities**

Snapple's marketing activities have involved the use of celebrity endorsements such as Howard Stern and Rush Limbaugh. Wendy Kaufman originally hired to response to Snapple fan mail became very active in promoting the Snapple brand through a range of different marketing activities such as making public appearances at retail stores (Deighton, 2002). Snapple also engaged in a marketing program that invited consumers around America to try a complimentary Snapple beverage. This marketing activity involved visiting high traffic areas and various markets while distributing a free sample of Snapple and was intended to make Snapple a national brand (Snapple Launches, n. d.).

In order to advertise new products the company has also conducted city tours that were used to bring brand awareness to their new products. In addition in 2003 Snapple paired up with New York City. Snapple and New York City became marketing partners which gave Snapple the opportunity to sells their beverage through vending machines and concessions on New York City property in exchange for a way to help the city bring in revenue (Chan, 2006).

## **Points of Parity and Points of Difference**

The following table illustrates attributes that are shared by beverages and also displays what makes the Snapple brand unique.

## **Figure 3: Snapple's POP's & POD's**

### **Points of Parity (POP)**

### **Points of Difference (POD)**

-Use of similar distribution channels

-Available beverage sizes

-Packaging

-Variety

-Use of Glass bottles

-100% Natural

-Flavors

-Premium Beverages

-Brand's quirky image

-“ Real Facts”

CBBE PYRAMID

## **Customer Brand Resonance**

Resonance refers to the relationship that is formed between the customer and the brand (Keller, 2001). Snapple customers have demonstrated high degrees of loyalty through various ways of interacting with the brand. For example Wendy Kaufman the Snapple Lady use to received more than 100,000 letters per year (Gattuso, 1995). When Snapple launched their tour for

the introduction of Snapple's White Tea thousands of consumers' attended the tour. This displays customer's loyalty to purchasing and consuming Snapple's brands on a regular basis.

## **Customer Judgments**

This represents the opinions and evaluations customers develop in regards to the brand itself. Snapple's taste, product, design and quality are all examples of judgments and feelings that can favorably or unfavorably impact consumer opinions. Customers who express high judgments towards the Snapple brand are likely to make additional purchases.

## **Customer Feelings**

Customer feelings characterize customers' reactions and emotional responses to a brand. These feelings can represent fun, excitement, warmth, social approval or security (Keller, 2001). Snapple's "Real Facts" provide customers with feelings of fun and excitement. Snapple can also provide a feeling of refreshment when consuming their beverages. In addition certain Snapple beverages are design to provide feelings of immunity, energy, and hydration.

## **Brand Performance**

Brand performance relates to customers assessments of the quality of the brand. The Snapple brand focuses on using no preservatives and all natural ingredients unlike many of its competitors. Snapple has always offered a consistent variety of popular flavors and original recipes. These represents ways that Snapple attempts to maintain positive assessment of their brand's performance.

## **Brand Imagery**

Brand imagery relates to how customers think about the Snapple brand theoretically. It also represents the visual images that customers associate with the brand. The Snapple brand reflects a fun and quirky image that stands out in mind of their consumers. Snapple will always be remembered by “ The Snapple Lady”, Wendy Kaufman and known as “ The Best Stuff on Earth”.

## **Salience**

Brand salience refers to customers’ awareness of the Snapple brand. Brand salience consists of customers’ ability to link the brand name and logo together. The Snapple brand can be easily recognized and recalled in the minds of consumers. Snapple continuously works on maintaining a high level of brand awareness through their promotional activities.

## **BRAND ANALYSIS**

### **Core Competencies and Sustainable Competitive Advantages**

Snapple achieved a huge competitive advantage from the start when they introduced the first Snapple beverage in 1972. Their launched of Snapple products was the introduction of non-carbonated beverages within the United States. Today this competitive advantage still remains strong for the Snapple brand. Carbonated soft drinks are declining because consumers are becoming more health conscious and have changed their purchasing behaviors. Snapple’s use of all natural ingredients presents consumers with a healthier option which in return provides the Snapple brand with another

competitive advantage in comparison to their competitors. In addition one of Snapple's core competencies has been their ability to connect with their consumers in meaningful and lasting ways ()??.

## **SWOT Analysis**

### **Figure 4: Snapple SWOT Analysis**

#### **Strengths-**

First to market non-carbonated drinks Authentic

Strong heritage Reputation of quality

Celebrity endorsements

All Natural

Large variety of products

Brand associations

#### **Weakness –**

Various ownerships

Snapple full range of flavors aren't sold everywhere

Lack of advertising all their flavors

Pricing strategy

#### **Opportunities –**

Expansion into more markets

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Easy to go single drink mix packets

Variety of more antioxidant water flavors

Threats –

Large number of competitors

High costs of marketing

Price of ingredients

Possibility of losing distributors agreements

### **Long Term Brand Value – Brand Mantra**

Snapple has worked hard to achieve its long term brand value and its brand mantra of being all natural. Due to the various ownerships of the brand Snapple has struggled with maintaining a strong brand image. In order to maintain long term brand value Dr Pepper Snapple, Inc. is committed to staying focused on brand development and new innovations. Not only are they committed to new developments, but the company has also increased advertising spending during a vital time when most companies are pulling back on marketing due to economical reasons. The additional resources being spent on marketing and brand development will help ensure a positive future and long term brand value for Dr Pepper Snapple, Inc brands.

### **COMPEITION**

The beverage industry is highly competitive and continues to develop and make changes in order to respond to consumer preferences. Snapple's

competition is based on many factors such as brand recognition, taste, quality, availability, price, and convenience (Dr. Pepper Snapple 10-K, 2010). The non-carbonated beverage business continues to grow and Snapple now has to share shelf space with many other brands. Some of Snapple's key competitors include, Napa Naturals, Lipton, Natural Quenchers, Nestea, SoHo, Fruitopia, Arizona, Sobe and Ocean Spray.

## RECOMMENDATIONS

Snapple needs to remain focused on the qualities of why its brand is valued. To continue to grow and elaborate innovation will be required. The enhanced water category continues to remain popular and is growing at a fast rate. It is recommended that Snapple takes advantage of this market growth by creating more flavors within their antioxidant water drinks. Despite the types of new developments engaged Dr Pepper Snapple, Inc. must remain focused on the core brand value. This will allow consumers to easily identify any new products. It is also recommended that Snapple invest more on advertising their current products as many customers are unaware of the fact that Snapple has over 50 varieties of different beverages to choose from. Lastly, Wendy Kaufman strongly contributed to Snapple's brand awareness and many Snapple drinkers love hearing her answering fan mail. Dr. Pepper Snapple Group, Inc. may want to consider bringing Wendy Kaufman back in order to build back Snapple's brand awareness.