

Snapple case study solution essay



**ASSIGN
BUSTER**

1. From 1972 to 1993, why did Snapple flourish when so many small start-up premium fruit drinks stayed small or disappeared? As described in the case study, Snapple flourished throughout 1972 and 1993 due to various reasons. Firstly, as the owners of Snapple realized that the popularity of no preservative fruit juices was increasing, they seized the opportunity and decided to make a business out of it. As they were the first ones in this business, they got a chance to charge high prices and experiment products. Secondly, the owners of the small premium drinks had the vision to exit via an acquisition as they thought that the other companies that would acquire them would have their pockets full for future investments. However, the owners of Snapple decided to cope with the next level of growth and make major investments to stay in business like hire professionals who had the expertise to run such a business. Thirdly, over the years Snapple built up a successful distributing system with its products readily available in the markets and to the consumers. Not only this, but they heavily marketed using advertising and PR activities. Fourthly, Snapple kept their advertisements simple and real with no real marketing stunt that would make consumers suspect Snapple's intentions.

2. Now look at the period from 1994 to 1997. Did Quaker make an error in buying Snapple or did they just manage it badly? In my opinion, Quaker was unable to manage Snapple. This was because the owners of Quaker assumed that changing product perception was an easy task. They wanted to change Snapple from a fashion drink to a lifestyle drink. This was a really bad move because Snapple was already making successful sales and the change wasn't required. Further, they tried to rationalize distributions of both

Snapple and Gatorade and negotiate deals with distributors and distributor councils which were unsuccessful. Quaker already had a successful distribution channel for Snapple and there was no need to rationalize them. However, they could have used these resources to improve distribution of Gatorade alone. Moreover, several management changes further added to a continuous decline in the in Snapple sales. 3. Roll forward to 1998. What can Triarc's managers learn from Quaker's experience? What can they apply from their own experience?

As per the case study, the research done provided Triarc's with a lot of information both in terms of what went wrong previously and what could/should be done next. It mentions that there was a time when consumers did connect really strongly with Snapple. This was because of their realistic and simple advertising techniques which the consumers trusted. However, Quaker was unable to do the same and so the bond that had developed between Snapples and its consumers got really weak. Therefore, the managers at Triarc's should move their advertising strategy back to the way it was and gain back consumer trust which is one of the most important factors for a product to be successful. 4. What three things would you start doing tomorrow if you were in Mike Weinstein's shoes? Justify them. In my opinion, I would have first of all held a press conference to clarify to the consumers and in general to the public of why the merger took place.

Further, during the same, reassure the consumers that the merger shall not effect the old perception and essence of Snapple. Secondly, I would go back to the distribution system that was being followed and implement that in the Snapple reviving plan so that Snapple is once again readily available to its

customers. Thirdly, to strive further and get Snapple back at the top, I would use advertising and PR activities which focus more on interactions with the consumers so that the product is as close to its consumers as possible.