

Seven up, inc



Dr. Pepper/Seven Up, Inc. is the company which produces the brand Squirt. “ Squirt is a caffeine-free, low sodium carbonated soft drink brand with a distinctive blend of grapefruit juices that gives it a tangy, fresh citrus taste. Squirt is the best selling carbonated grapefruit soft drink brand in the U. S. ” (Kerin and Peterson, 2010) Kate Cox, the brand manager responsible for Squirt believes that market targeting and product positioning are key elements in Squirt’s advertising and promotional plan development.

This case study will provide a summary and analysis of Dr. Pepper/Seven Up, Inc. ’s options and the examination into the company’s strengths, weaknesses, threats, and opportunities. Problem Identification One of the key problems which need to be addressed is the decreased market share by Dr. Pepper/Seven Up, Inc. Some reasons for this are several issues related to the advertising and distribution of Squirt. Dr. Pepper/Seven Up, Inc’s current program is not reaching the largest target audience available. Squirt is not focusing on valuable characteristics such as ethnicity, demographics, and target audiences.

America’s consumption of soft drinks is on the rise per person and therefore with effective advertising to the correct target audience, increased market share is achievable. Another problem is that Squirt’s distribution is currently not represented in all the top 10 cities throughout the United States with Hispanics and studies have shown that Hispanics prefer the fruit flavored carbonated soft drinks. Dr. Pepper/Seven Up, Inc. , has asked Kate Cox to draft the annual advertising and promotion plan for Squirt in the U. S. and then present this to senior management for review and approval prior to implementation.

Case Analysis Dr. Pepper/Seven Up, Inc. is the largest division of Cadbury Schweppes PLC who is the world's third largest soft drink company. This company's head quarter office is located in England with the distinction of being the world's first soft drink manufacturer and the largest non-cola soft drink producer and marketer. Dr. Pepper/Seven Up is the largest non-cola soft drink enterprise in North America and is ranked third in sales with 14.7% market share. Squirt's current advertising uses a variety of media including spot television and radio, freestanding inserts in newspapers, and cable television.

Squirt also used retail, consumer, and trade promotions. Squirt focuses more on retail, trade and consumer promotions and cooperative advertising than media advertising expenditures similar to the competitors. However, by missing the target audiences, Squirt's marketing efforts are not as beneficial in gaining market share as some of the other companies. Some of Squirt's strengths are the fact that Squirt is represented in about 83% of the U. S. and has the highest consumer brand awareness in the U. S. Unfortunately, the advertising that is currently being done is viewed as juvenile instead of young and hip changing with the times.

A strong marketing and development team which adapts the positioning and packaging to meet local consumer preferences and target the correct market can help to maintain and improve upon these strengths. In the past this has not always been accomplished which is a big weakness for Squirt. Another weakness for Squirt is the limited product line that is being offered. By having a small product line, inadequate marketing and advertising can have a negative effect on the company. Squirt currently is not represented in all of

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the top 10 cities throughout the U. S. where the target audience is represented.

The target audience should be young adults ages 20 to 49, also keeping in mind that ethnicity has been shown recently to have a large desire for this type of a product. Hispanic and African Americans have also been known to follow brand names more closely than other ethnic groups. This is very important research that should be used and developed into the advertising strategy in order to reach the correct audiences who will consume and purchase the product. By correctly representing Squirt in the top 10 cities throughout the U. S. with the highest Hispanic ethnic groups per capita, this could improve market share almost instantaneously.

Externally Squirt follows the top two competitors with a much lower percentage of sales in the U. S. By having such a smaller percentage in sales with a new product a competitor could easily overtake the third position in the United States if Squirt is not careful in executing a successful marketing strategy. In contrast, Squirt has many external opportunities which are not currently being sought through the market strategy. One opportunity is to gain market share and percentage of sales in the U. S. by focusing on the correct target audience and their wants and needs as previously discussed.

America's consumption of soft drinks per person is on the rise. Also citrus flavored soft drinks have not been introduced to all of the areas of the country which leaves the opportunity to gain market share. Studies show that consumers want more fruit flavored beverages which are exactly what Squirt products are. This is an opportune time to lay the ground work for a

national campaign which will target increased ethnic groups and capture a larger market share. Identifying the Root Problem Components There are two root problem components currently for Squirt. First Squirt is not being offered in all areas of the U. S.

A focus should be placed on the top largest consumption areas to be sure distribution is being done in those locations, but also a focus must be on the nation as a whole to be sure that from coast to coast there are no large areas being missed in sales and distributions. Secondly all the advertising cannot be universal. A general theme and slogan should be developed, however, from there the advertising must focus on the target audience's age, ethnicity, and region which they live in.

An example of this is if the commercials were constantly shown in a tropical location, this would not be relatable to someone who lives in the central U. S. which does not have beaches and the tropical backgrounds. The advertisements should focus on appropriate age and trends for this age and ethnic group. Evaluation of Alternatives Squirt has three choices in regards to market targeting and positioning. They can continue market targeting and positioning with the strategy that they currently have or they can use a refinement in Squirt's target marketing and positioning as recommended by Foote, Cone, and Belding consultants (FCB) or they can adopt a completely new market targeting and positioning strategy.

With the current strategy which is being used, Squirt is not focusing on ethnicity and therefore is losing potential market share in the heavier populated ethnic areas. According to the case study, " Ethnic markets are a

huge growth opportunity”. The current strategy is also in need of changes as the audience views the advertisement as juvenile. Finally, the current strategy is not reaching all areas of the U. S. One example of this is Squirt does not have a bottler in the New York City metropolitan area.

FCB recommendation of refining the current strategy would consist of developing a strategic platform to help grow volume and maintain Squirt’s leadership as the number one grapefruit carbonated soft drink. (Kerin and Peterson, 2010) The new position Squirt would use to build a creative advertising execution would be “ For young multicultural adults who thrive on the excitement and spontaneity of living up to the max, Squirt citrus soda fuels your thirst for living life loud, with an exhilarating taste that’s powerfully thirst-quenching! (Kerin and Peterson, 2010) By using this platform, market share would be gained almost immediately once these ethnic groups began using the product and the product was available in their region of the U. S. This new campaign would also update the image of the advertising to abolish the view of Squirt as being juvenile. By concentrating on these particular audiences more distribution would occur.

A downside to this would be that since the focus is so strongly on the ethnicity, Squirt could lose some of the current customers that were previously focused upon and do not seem to be a part of the target audience as much anymore. Finally, Squirt could develop an entirely new marketing strategy. By doing this, research would be done again in order to develop the best possible means of who the target audience is, where concentration should be focused, and how to execute the strategy in the best, most efficient way possible. Recommendation

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Currently since Squirt is the third largest soft drink company and they have 83% representation throughout the U. S. , the marketing strategy must have some pretty good techniques implemented. The concern is the missed ethnic audiences. It is recommended that the current strategy be kept, however, the FCB recommendations be meshed into the strategy as well to help improve the loss of audience and adopt a new improved, and up to date image. By keeping the best points to each strategy, the advertising and marketing will be better than ever and will achieve the goals which are desired.

The new strategy therefore will be maintaining the current target audience age and concentrating more on the African American and Hipic groups in the areas of higher concentration of these races in order to gain additional market share. By creating the new advertising to aim at the youth in an up to date trendy way, Squirt as a brand will not be viewed as “ juvenile” any longer. The decision to adapt the current strategy and meld it with the suggestions from FCB was made due to the potential benefits outweighing any risks that there are.