

Name:

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## Snapple Case Study

### **1. Introduction**

#### *1.1. Background Information*

Snapple is an all-natural apple juice brand which was availed to the consumer through health food stores. It was successful at its tender age in the market leading to its acquisition by leading companies like Quaker. The new owners failed to increase sales with the Snapple brand. Triarc Beverages, the new brand owner, also indicated that Snapple had no potential in making sales. The product has been branded unfashionable but some customers think differently. Therefore, the most likely problem is the marketing functions applied to the product. Changes in ownership have led to rebranding of the product. For instance, it changed from Snapple 100% natural to Snapple Mantra. Ideally, changing a branding name can confuse customers thus leading to reduced sales.

In terms of operations, there were cases where production and product development services were outsourced. The original owners of the brand were no longer in the picture. There was also a problem with distribution, promotion and advertising. The acquisition of the brand meant different marketing strategies which might have affected the acceptability of the brand in the market. However, the brand has achieved significant success at some instances. This shows its potential to thrive when the right marketing strategy is in place.

#### *1.2. Objectives*

This study aims at identifying problems facing the Snapple brand by evaluating its weaknesses and threats. It also seeks to identify the strengths of the brand and opportunities

in the market. The study also seeks to provide solutions and recommendations for a new direction.

## **2. Situational analysis**

The Snapple brand is best evaluated by applying the analytical skills and knowledge depending on what is known about the firm. The analysis helps in identifying the directions for a marketing strategy. It captures aspects like organizational culture and structure, financial resources, staff, company culture and image, operations capacity and efficacy and brand awareness.

From the available information the brand has demonstrated that the owning companies have the ability to create right capacity of distribution. Snapple can be easily sold alongside other foods and beverages in chain stores, pizza stores and gas stations. There is also the success achieved in advertising which indicates the ability of the product to gain prominence in the market. Snapple shows great strength when it's attributed with the term 100% natural. It can be bought in many locations even alongside other beverages. The acquiring companies have the right supply chain expertise, packaging experience and modern information systems. Snapple is considered real and lacking market slickness.

On the other hand, Snapple has been owned by different companies which made it difficult to the brand to achieve steady success. The aspect of changing prices and flavour upon ownership is a disadvantage. There are instances where distributors have been changed. Replacing large distributors with small distributors means less distribution, poor market coverage and less sales. The product is also price sensitive where an increase in price will shy away customers. Consumers also express their discontent based on allegations that Snapple does not quench thirst. This makes it undesirable for people looking to quench their thirst especially in team settings. The owners are considered against many social beliefs in the society like sexuality

The glory days indicate that the brand has a lot of customers in the east coast and west coast. Both zones have shown competition of the product which increased sales. The brand has the ability to increase sales volume in some regions up to million cases a year. There are also media endorsements which will help promote the brand. There is a lot of opportunity today for natural drinks. This is because the modern consumer is more concerned with health and safety. Snapple has the ability to thrive as a fashion brand. The middle-aged consumers are very receptive to the brand. People are also looking for a variety of flavours which Snapple provides.

Some distribution channels like supermarkets need service allowances and service calls which are expensive to provide. Many brands have entered the market over the years. This means competition has increased and the Snapple brand would need a better strategy to deal with competition. Competitors include Coke, Pepsi and Mistic. Snapple also has a tendency of falling victim to things like poor distribution negotiations and display space. Apparently, increasing the pack size of the product is not favourable in the cold channel.

### **3. Solutions and recommendations**

#### *3.1. Recommendation 1(Maximizing Strengths)*

There is need to improve distribution by identifying key distributors. A good relationship with distributors will also help in obtaining feedback how the product is performing in the market. Snapple is provided in ten flavours with the lemon tea flavour being the best performer. The company can consider concentrating of selling the main flavours and improving the non-performing ones using information from consumers. The drink should be restore to its natural for it to compete with unnatural beverages like Cola. Distribution needs to be reinforced to ensure that customers are capable of finding their flavours and variety again. Improving distribution will also improve regional differences. The

advertising needs to be intensified by looking for more individuals who can communicate attributes like fun, genuine, personal, natural and creative.

### *3.2. Recommendation 2 (Addressing Weaknesses and Threats)*

The new brand owner should consider improving the packaging further. This is to ensure that its appearance allows the bottle to be noticed easily by customers at the beverage display. There is need to introduce a promotional tagline which will make Snapple less offbeat among consumers. In terms of competitor threat and price sensitivity, the company can consider lowering the price of the beverage in order to acquire a larger customer base before going premium. The branding and labelling should be evaluated for any possibilities of raining conspiracies which might discourage consumption. There is need to cultivate a new organizational culture to ensure company owners or employees are not associated with social negativity which might affect the brand in terms of sales. Social reinforcement is needed to make the beverage psychologically addictive. The company need to make the drink more sharable among consumers.

### *3.3. Recommendation 3(Exploiting Available Opportunities)*

Consumers are looking for healthy and rehydrating drinks. The company should consider restoring the natural aspect of the drink and increasing its capability to quench thirst. Improving product differentiation will make it more compelling for use. The young and middle aged consumers are looking for something which is refreshing and tastes good. There is need to improve the taste of the beverage. More samples can be provided through a promotional campaign in order to increase its presence in the market.

### *3.4. Recommendation 4 (Competitor Benchmarking)*

The company can its conceptual coherence by adopting descriptions of products from other brands. For instance, Gatorade uses intensity and replenishment. Snapple can move from simply fashion water to and with more benefits and better image like Coke, Pepsi, and

Sprite. The owners of these brands have been able to appeal to different consumers demographically and economically. Brands like Coke are built on social integration and attributes like refreshments through rigorous advertising.

#### **4. Conclusion**

The analysis has demonstrated that Snapple has the potential of becoming influential in the market. This can be achieved by improving distributions to eliminate regional deficiencies in flavours, quantity and variety. There is need to focus on the aspect of a natural beverage. This will make Snapple more acceptable among consumers who are becoming more concerned with health. The brand organizational culture and corporate image should help individuals feel better socially. Improving the attributes and functions of the beverage is also key. The advertising and promotional initiatives should focus in building the character of the brand. There is need to emulate best practices by leading brands like cola in order to improve Snapple's competitiveness.