

Brand Genericization: A Tale of Two Outcomes - Tupperware's Decline vs. Google's Dominance

Introduction

What is Brand Genericization?

Brand genericization is a unique phenomenon that impacts a small minority of extremely influential companies. This process, which has played an integral role in some of the largest success stories in the 21st century, is the process by which the name of a brand and the function of the service or product it provides become synonymous. The most prevalent cause of this may be observed through the technology giant Google, who, over the past two decades, developed a search engine universally regarded as the best-in-class by a wide margin. Due to this unforeseen market dominance, the adjective “googling” developed through the urbanized English language and became synonymous with the function of performing an internet search.

Despite their differences, the term has remained ingrained in the minds of many individuals today, who continue to use varied alternative search engine software such as Bing, Yahoo, and MSN, while maintaining the guise of “googling” whatever query they pose. When a trademarked product or service becomes so widely used to describe any items of similar caliber it loses its distinctiveness and individuality. It then begins to refer to a general class or category of products rather than that of a single company or brand. Depending on the management and business structure of the given company, this phenomenon can propel companies to perform at a level leap and bounds above their competition or spell a downward spiral into a pit of irrelevancy leading to eventual insolvency.

Company Overview:

Google:

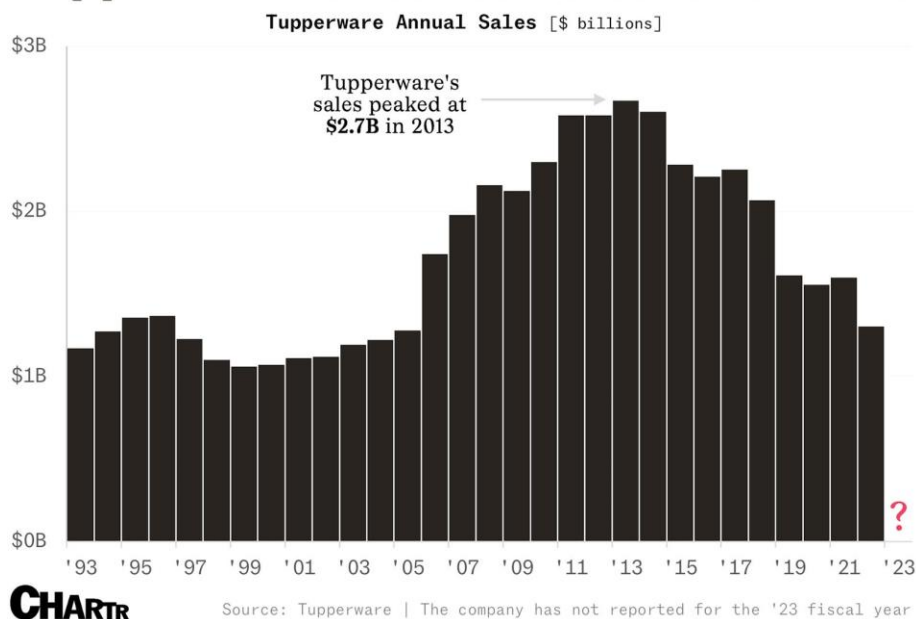
Google (NASDAQ: GOOG) got its start as a search engine software. Founded in 1998, the company originally possessed a single function and now has an array that spans over 30 distinct products across webmail (Gmail), online storage, navigation systems (Google Maps), and most recently, physical cell phone technology. However, the search engine remains the crown jewel of its transnational corporation, as it alone commands over 70% of the global market share for online searches. Throughout its lifespan, the term “Google” became synonymous with the act of searching the internet, and thus the adjective, “googling” was inaugurated into the English dictionary. Led by its proprietary search engine and technological property, google continues to be a market leader and expand healthily into various branches of the technology space by fostering an environment of innovation and development. Investing heavily into industry-driving products, google has a rich history of successful launches of various innovative technologies, some of which were inspired by the data collected from the millions of daily searches on its engine. Google has also scaled its operations through inorganic means, with notable acquisitions including Marc Broadcasting, Applied Semantics (AdSense), and DoubleClick, all of which are world-leading Web advertising firms, which helped aid Google in its rampant expansions, ensure a steady stream of development and potentially for growth with consistency improving means of analyzing and satisfying consumer needs.

Tupperware:

Tupperware (NYSE: TUP) is a food packaging company based out of Massachusetts, USA. Founded in 1946, the company has established itself as a leading vendor in the plastic container industry with consistent innovation finding itself the market leader in the industry, capturing an impressive 14.7% at its peak in 2012. They followed this with a strong 2013, their most profitable year to date. The company remained competitive by launching innovative products each decade and building off its existing network of successful launches. The Wonderlier Bowl, introduced in 1946, remains iconic today, while creations such as the Servalier Bowls and FridgeSmart Containers kept them relevant throughout the late 20th century. Some of their most popular items included the Bell Tumblers, small plastic sippy cups that were introduced in 1948 but have remained an industry staple since their release. Additionally, their line of Modular Mates containers revolutionized the plastic container space, as these stackable containers revolutionized pantry organization and food storage.

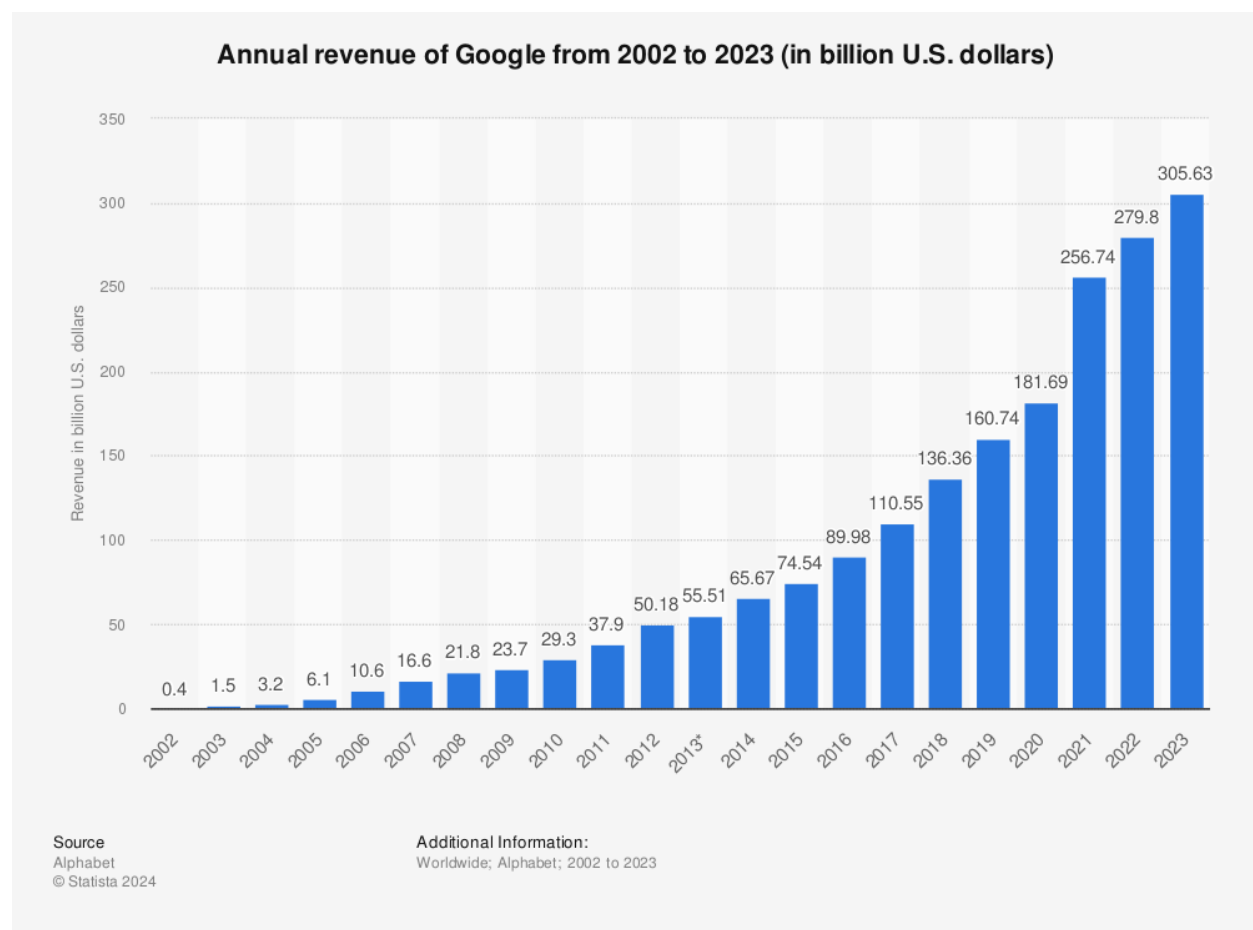
Throughout the following decades, the company attempted to expand into other areas, such as its Lunch 'N Bag sets and Sandwich Keeper in the 1980s with an emphasis on sustainability. Although this did well to improve their brand image, their overall output of innovative items stagnated through the remainder of the 20th century. Their most recent attempts at expanding their product range were with the Mando Chef series and Microwave Pressure Cooker. The Cooker remaining prevalent to some degree today, as variation of the original commodity may be purchased on both their Australian and Canadian websites. However, since then the company has faced competitive challenges to remain innovative, leading to financial difficulties as it fell behind its competitors. The company based its success on being an innovator in a copycat industry and failed to expand its operations into new branches to build on its early market dominance. Since 2013, the company has seen a fall in revenue of 50%, and on September 18, 2024, the company filed for bankruptcy.

FATE: SEALED Tupperware® Sales Looked Stale For Years



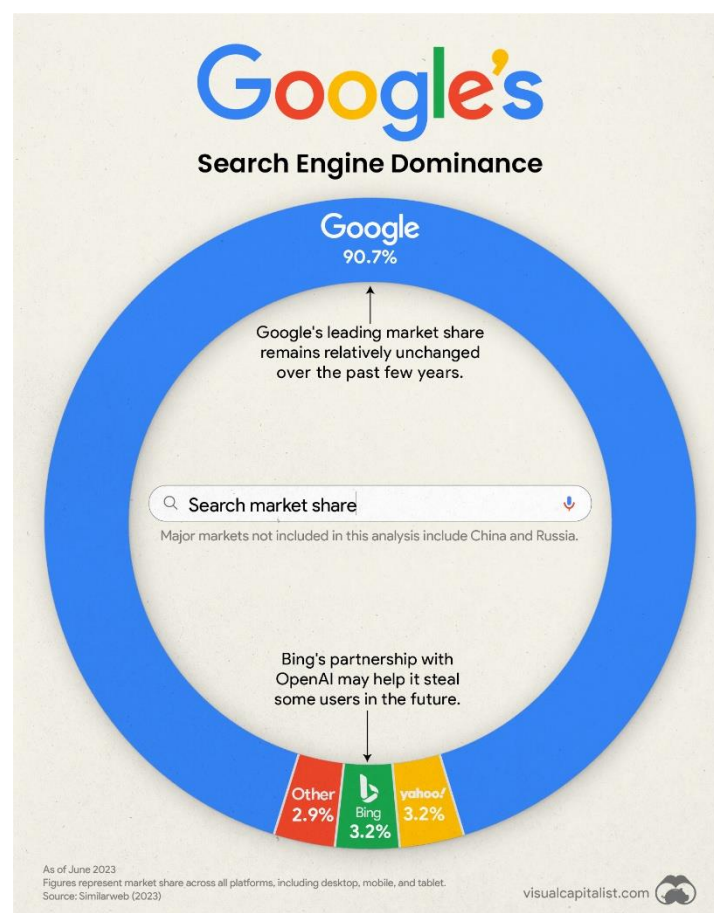
Competitive Advantage (Economic moat):

Google has consistently generated increasing revenue margins year on year since its formation in 2002. This unprecedented success can be attributed to its various competitive advantages. One such advantage is the network effect. This is a phenomenon by which a company can bolster the profitability and usage rates of all its products by creating an ecosystem wherein all its services coincide or serve a function uniquely complementary to another. This allows them to invest heavily in innovations, while simultaneously seeing margins increase in different sectors of their product line with little to no year-on-year growth in investment into that division. Google embodies this mechanism with its strong network surrounding its big three flagship apps, Google Maps, Gmail, and YouTube, and can be seen by the following chart below, depicting Google's advertising revenue across all platforms from 2003-2023.



One of the most powerful network effects that can be seen in Google's product empire is that of the complimentary products/services effect. This arises as the increase in usage of one product reinforces and increases the value of a complementary, but separate, product which in turn increases the value of the original. Although this applies at the product level and not the company

level, complementary network effects can often reinforce the network effect moat source. Google is similarly benefiting today as its search engine complements strong networks around Google Maps, Gmail, and YouTube. Speaking further on their flagship service, the Google Internet searching software, let's take a look at what catalyzed its success and propelled it to the top on the search engine food chain. Google initially bested competitors such as Yahoo, who provided a very similar service to Google, by offering a more effective user interface and more accurate results. Since then, they have expanded on this network greatly, but still maintain that the search engine has been and will always be their main source of revenue. To understand why, we must look at another type of network effect, the data effect. Although the company will never disclose exact figures, we can use figures provided by media sources to gain a better understanding of the breadth of its operations. In 2024, Google processes approximately 8.5 billion searches per day, which translates to about 3.1 trillion searches annually.



This figure depicts the total market share of all major search engines as of June 2023, demonstrating Google's unprecedented dominance over its competition in this field.

This unprecedented data aggregation creates a comprehensive digital fingerprint of global internet users, transforming Google into a bottomless repository of digital data, creating an enigma of behavior and interaction. This comprehensive understanding of individual user preferences allows Google to build off its ecosystem and feed specified, targeted advertising to customers across its multitude of platforms, further increasing its reach and ensuring long-term financial vitality.

Another powerful network effect is that businesses that boast a strong ecosystem of products offer the ability to scale up or down operations very quickly and efficiently. For example, let's assume Google introduced a new program that produces podcasts. If started by an independent company, this service would almost certainly be blown out of the water by industry giants such as Spotify and Apple podcasts. However, since Google possesses a wide range of existing, profitable programs, it can incur substantial short-term financial losses to carve out market share and built notoriety. Alternatively, they may decide to simply integrate this function into an existing product, such as YouTube. This was the scenario that played out in reality as YouTube officially released its podcast feature in 2023, as their failed product, Google podcasts, a standalone service released in 2018, failed to become a competitive player in the industry and was forced to cease operations in 2023, deciding to instead integrate the service into YouTube, under the YouTube music section. As of July 2024, the YouTube Music platform has 100 million subscribers, including both free and premium versions, and plans to continue this growth into the upcoming fiscal year.

Due to their vast wealth of consumer data at their fingertips, businesses with a strong ecosystem are often highly scalable. As Google's search engine provides them with intimate insights into millions of individuals' wants and needs daily, it can effectively alter its algorithm consistency to garner optimized personalization in results. This incentivizes more people to use their software, further increasing their existing market dominance and creating something of a flywheel effect. A smaller-scale example of this can be TikTok, the media powerhouse that has broken into the scene recently with its short-form content and captivating videos, carving out an impressive 22% market share in the social media space in 2022. Through its advanced data processing algorithm, TikTok alters the videos it feeds to users millions of times a day to capture retention for as long as possible. I am sure many of you have found yourself in a scenario where you are "doom-scrolling", a perfect example of how powerful corporations can benefit if they utilize their network effect correctly.

Google has done an incredible job of maximizing the utility of its network and building on its strengths to tactically scale up its operations into one of the largest global companies in the world. The strongest indicator of a powerful and optimized network effects positive usage can be characterized when the product or service in question is so attractive to its users that the product or service can't help but bring in more users and/or usage. Many companies can grow their businesses based on network effects, but firms cannot claim network effects as a source of competitive advantage as they are not able to leverage these into excess returns on capital over time. In the case of Google, they have all but embodied this idyllic use of their advantage, as they are currently the fifth valuable company in the world by market cap, being worth a monstrous CAD 2.996 trillion as of November 22, 2024.

Tupperware:

Tupperware derived its prominent market presence from a variety of different sources, all of which have combined over the years to synthesize the marketing strategy of one of the largest retail plastic container suppliers in the world. To start, let's begin by discussing the most prominent factor, brand recognition. It is no secret that brands strive to get their name out and into the homes of everyday people. The ability to have your brand name become synonymous with the product you supply can ensure that you maintain a strong front in this sector. However, it also risks the

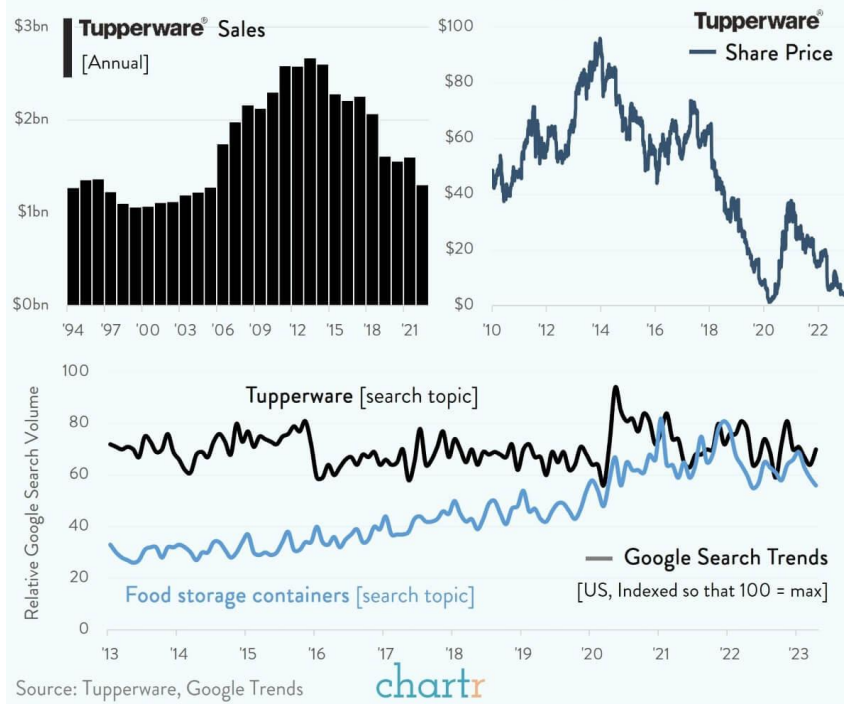
alienation of the product from your brand. In the case of Tupperware, this alienation, complimented by poor foresight from upper management leading to an inefficient allocation of internal investing, spelled Tupperware's financial doom as it failed to remain a staple in the plastic container industry.

For the better part of their lifespan, and in the golden age of urbanization that swept across the North American landscape. In the late 1950s, coinciding with the popularization of the nuclear family, people strayed more towards long-term storage solutions to fit their food-storing needs. They thus turned to plastic containers, and Tupperware used this market demand to position itself at the pinnacle of the container market. They also took this influx in capital and invested in expanding their operations across emerging global markets, introducing their brand to China, Canada, and all across Europe.

Their global presence partnered with their direct sales model through consultants and home parties allowed for personal and rapid global expansion of their brand as they coincided with their marketing campaigns with the global trends sweeping across the world. During this time, they ensured to advocate for all vested stakeholders by shifting their product lines in different regions to better suit the needs of the local populace. For example, they remodeled their flagship Modular Mates product line to feature round-shaped containers in regions across South Asia, demonstrating strong leadership abilities by their executive team, as well as a progressive and inclusive mindset in production.

Throughout all this success, Tupperware remained aware of its weaknesses. They knew they were susceptible to falling behind and invested heavily in R&D throughout their lifespan to try and stay ahead of the curve. They prided themselves on their quality and product durability, and this single factor alone drove most of their expansion and allowed them to maintain an economic moat from most of their short-run competitors. However, mounting debt due to several failed launches back to back prevented them from investing aptly in R&D, leading to a fall-off in innovative technologies being produced. Tupperware fell out of style with the modern consumer, who sought out sustainable products and found ones of similar quality elsewhere, with brands of much more efficient supply chain systems. As is displayed by the following chart, Tupperware saw the beginning of their decline in the early 2010's, and as their sales and share price went down, so too did their global relevance in their industry.

Tupperware Is Losing Its Crown As The King Of Food Storage Containers



Impacts of Gentrification:

Google:

Genericization of the Google name took place throughout the early 2000s, and the verb “Google” slowly became widespread across urban communities and cities alike. By 2006, the Oxford English Dictionary, one of the world's leading language suppliers, included the term “Google” in their official annual publication. However, this effect did not come without any speedbumps, and Google and its associated product line were faced with countless lawsuits featuring their trademark as a result of their widespread popularity.

The most prominent case that arose in recent memory is that of *Elliot v. Google, Inc.* in 2017, whereby the plaintiffs, under the citation of the Lanham Act, created a website called googledisney.com. The act states that a registered trademark can be canceled if it fulfills certain external requirements constituting it as a generic name for the goods or services, or a portion thereof, for which it is registered. Some precedent cases that were brought to light featured those concerning the terms “Band-Aid”, Aspirin, and Zipper, all three of which were ruled to be genericized and thus lost trademark protection rights under this act.

Therefore in 2012, it was seemingly feasible that the protection may be removed from the company's portfolio, and thus Google took swift and effective action to address this threat. Google countered these claims immediately with a complaint filed through the Uniform Domain Name

Dispute Resolution Policy (UDRP) alleging that these registrations were created in bad faith, and constituted cybersquatting. The plaintiffs countered with the aforementioned Lanham Act and moved for the court to recognize the verb “Google” as a generic term that simply describes the act of internet searching, as opposed to referencing the prominent brand. On May 16, 2017, a full five years after the initial suit was filed, the Ninth Circuit rejected the plaintiff's position on the grounds of genericide theory. The court ruled that although the term had been incorporated into the mainstream vernacular, it had not yet reached a point of definite definition, as the term was not empirically proven to be used to describe a search of any search engine and was still only used in the context of an individual “Googling” using the google search engine.

The outcome of this case highlights the dominance of the “Google” brand – as the court did recognize it as a term used by the general public only to describe the function of using their engine – it also highlights the economic moat around its brand Google has built. Google had become so dominant in their field that whenever someone used the term “googling” the odds were likely enough for them to actually be using Google that the court ruled in their favour. To prove empirically that others use this term to refer to other search engines would be an extremely costly and strenuous endeavor, and even then since Google maintains a monopoly on the internet search market, a fair and evident study will likely only reveal that a small minority use it for this purpose, while the vast majority mean it to be through the Google engine, simply because the Google engine is the market standard.

Empowered by the results of this case, Google continued to move forward with its business plans and continued to capitalize on this phenomenon. Google’s genericization heightened their already dominant brand awareness and enabled them to launch a compelling campaign from 2017 to 2024, where they saw a 23% global market share increase of its flagship product, the Google search engine. Although these figures may vary from different sources, the consensus remains that Google has solidified its current position of market dominance and has been rapidly improving upon it since 2017, directly after the aforementioned ruling. While genericization has threatened its trademark at times, the synonymity coupled with a brand that has proven to possess highly informed and educated leadership, as they routinely roll out innovative product lines, and remain aware enough to invest heavily in their new successful launches and integrate or terminate unsuccessful launches. This ability, coupled with their billion-dollar corporate empire, places them in a seemingly infallible position within not only the search engine market but the greater tech industry.

However, a recent ruling by the US District Court for the District of Columbia ruled that Google had violated antitrust laws by engaging in monopolizing behavior within the search engine marketplace. They did so by purchasing the rights to become the default search engine of almost all popular web browsers available to consumers, effectively preventing their competitors from even sniffing a look at their crown. Build by sophistication and empowered by an ironclad will to remain on top of the food chain, this move was a natural progression to solidify their position at the top of the industry food chain. This ruling opened the doors to numerous possible penalties, including a fine or the mandating of a “choice screen” available to users upon opening their web browser. Although no ruling has been made, as this requires a separate court case altogether, it is our belief that the company will face financial punishment but will not be forced to upend the way in which it provides its service, which is fundamentally a free choice. People have the option to use the Google search

engine to look for their preferred provider. This relationship is twofold, and more often times is observed playing out in the opposing manner, where a user prompted by competitors such as Bing or DuckDuckGo, uses this to search on the Google engine despite which appears as the default. The most feasible outcome currently is one of a compromise, where Google is able to retain the rights to be a default engine for some of the web browsers, but is mandated to relinquish some of its market control to competitors. However, since Google owns Chrome and has strong influence over other providers such as Firefox and Safari, it is unlikely that any such mandate will severely impact Google's financial outlooks moving forward.

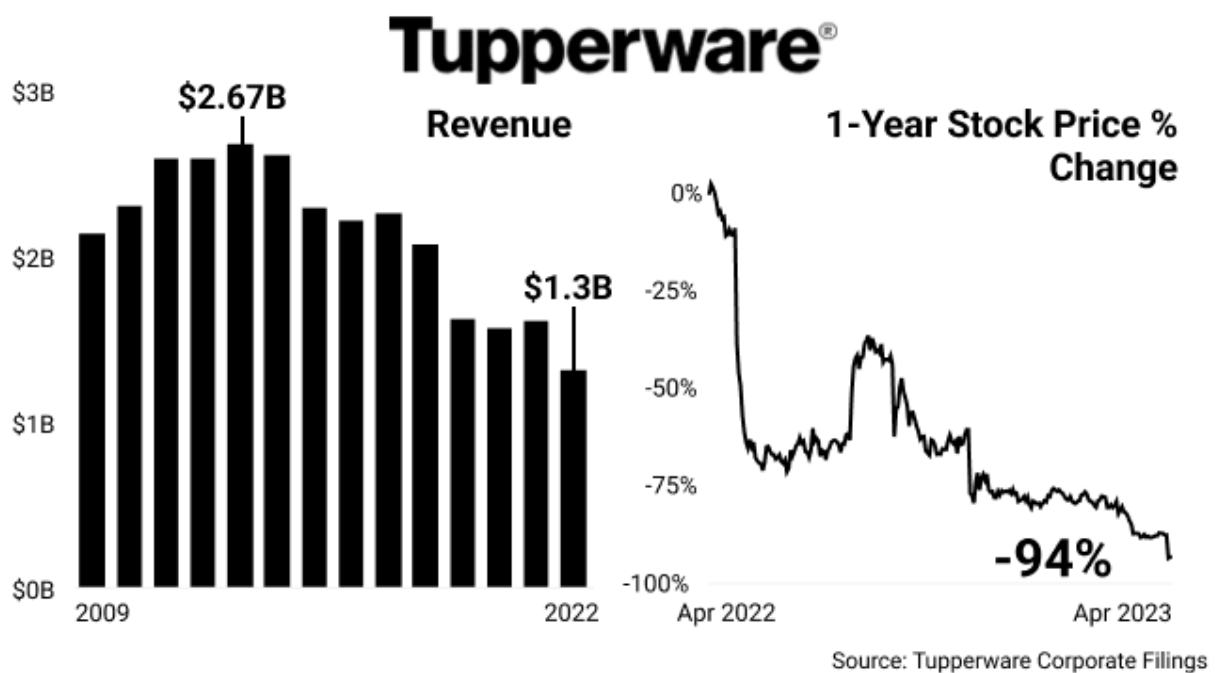
Tupperware:

Tupperware, a once iconic brand within the plastic container space, fell dramatically from its once infallible position of prominence and faded into obscurity as shifting market trends and more innovative and cost-efficient alternatives overcame the once ubiquitous brand. The effects specific to genericization were simply catalysts that excelled Tupperware's trajectory towards its inevitable doom, as it remained a relic, rooting itself in the marketing and business model of the 1950s and refusing to adapt to modern consumer preferences. However, in this section, we will focus predominantly on the direct impacts the genericization had on the company, rather than focusing on the enigma of issues that spelled their downfall.

Tupperware was the brand most similar to the "Kleenex" of its industry, as it raked in so much retention that the brand became the shorthand for the product itself throughout the 1950's. However, over the following decades, the company refused to innovate, allowing competitors to flood the market with cheaper, innovative, and more sustainable alternatives. The once distinct Tupperware brand faded into mere plastic containers, lost in a sea of irrelevance as the market oversaturated itself with similar and more effective models. Tupperware suffered from a combination of outdated sales and distribution modeling combined with the negative externalities of a product no longer viewed by the mainstream as unique lost its most potent asset, its individuality. The market became diluted with copycat products that offered a more modern design, with brands such as Rubbermaid, OXO, and Pyrex eroding much of Tupperware's market share throughout the late 1990s and early 2000s. Even newer brands such as Stasher, a brand focused solely on advertising the sustainability of their products, garnered widespread popularity as a result of the innovation, with a brand like Tupperware becoming overshadowed by these altruistic alternatives.

Tupperware's downfall began when it failed to adapt to key technological changes in the 21st century. As the concept of home parties fell out of fashion and new technologies emerged, Tupperware was slow to capture the digital sales market. By the early 2000s, it had remained committed to its traditional direct sales method, with up to 90% of its sales coming from in-store purchases as late as 2023. Meanwhile, competitors like Amazon and Rubbermaid recognized the potential of online sales, securing global partnerships to expand their reach. Tupperware's reluctance to embrace e-commerce decimated its competitiveness, as alternative brands offering more affordable products quickly eroded its market share. Moreover, Tupperware failed to address the growing consumer demand for environmentally friendly alternatives, such as glass containers, further diminishing its relevance.

Ultimately, the biggest failure on the part of Tupperware was its inability to capitalize on its product's ubiquity and remain competitive by producing innovative products and services. Much of what contributed to Tupperware's early success can be categorized by its unique marketing and exclusivity, as its once iconic Tupperware party, which gained rapid popularity across urban North America throughout the 1950s, slowly fell out of fashion in the following decades, while the brand seemingly refused to let go of the activity. Once the brand finally decided to enter the mainstream, appearing in stores such as Target in October 2002, the brand became lost in the sea of similar products all producing essentially the same service. The once indistinguishable brand had now fallen into a realm of uncertainty, but a lack of progressive thinking and a severe lapse in judgment by its leadership solidified its downfall, eventually leading the company to file for insolvency in 2024. Below, a graph emphasizing the fall off in revenue in the early 2010's, leading to a sharp decline in both revenue and stock price leading up to April 2023.



Comparative Analysis

Tupperware and Google serve as contrasting examples of how companies can succeed or fail based on their ability to adapt to changing market dynamics, technological advancements, and evolving consumer preferences. While Tupperware once dominated the plastic container industry, it failed to innovate, which ultimately led to its decline. On the other hand, Google has continuously adapted, capitalizing on emerging trends allowing it to thrive in the bloodbath of competition that is the tech world.

When Tupperware filed for bankruptcy in September 2024, it had accumulated over \$800 million in debt, which had up until this point, significantly hampered its ability to innovate as rising costs of operations combined with a focus on debt repayment over investment combined to crush any

hopes at a new flagship product to resurrect the company from its certain doom. Its failure to adapt led to a steady decline in sales and expensive, increasingly drastic turnaround attempts led the company down a difficult path. Ultimately, the competitive pressure of other companies who capitalized on the “Tupperware” brand, intentionally omitting their company names from their products allowed them to further envelop the Tupperware brand and prevent any attempts and self-identification from reemerging.

The COVID-19 pandemic, which initially gave Tupperware a temporary sales boost, exposed the company’s ongoing struggles. Despite attempting to pivot to online sales, Tupperware could not match the existing infrastructure of competitors like Rubbermaid or smaller local brands offering more cost-effective options. As a result, Tupperware’s global market share continued to shrink, and the company’s inability to innovate or adapt to changing consumer expectations led to its eventual downfall.

Conversely, Google has continued to integrate features into their network such as Google Duplex AI, which integrates results from millions of Google searches each day, into their flagship products, which only builds on its existing network of powerful tools and adds to Google’s arsenal of product lines that threaten market leaders across several different emerging industries. Google is placing its investments in strategic growth markets, with its main focus on AI but also the areas of support around this expansion to ensure proper backing and stability of these products. Aside from direct R&D in AI, Google is placing significant funds towards cybersecurity, data centers, and sustainability, all feature modern consumer values, indicative of a well-informed leadership panel and a team of individuals who seek to capitalize on the growing TAM for AI technologies. Although direct numbers could not be sourced, these moves solidify our confidence in Google’s business strategy moving forward, indicating them as not necessarily a buy-now company, but one with strong forward momentum to keep an eye on if ever it becomes undervalued.

A pivotal moment for Google came with the *Elliott v. Google* case, which confirmed that “Google” as a verb could not be used generically and remained protected by copyright laws. This legal precedent solidified Google’s brand identity and reinforced its competitive advantage. By maintaining exclusive rights to its namesake, Google not only protected its intellectual property but also reinforced its control over the market. Its algorithm, fueled by an extensive network of data, allows Google to capture consumer preferences and capitalize on emerging trends faster than any competitor. The company’s ability to adapt to shifting consumer demands—backed by a vast repository of data—positions it to remain at the forefront of technology.

While Tupperware faltered due to its failure to innovate and adapt to new trends, Google thrived by constantly evolving and embracing the digital age. Tupperware’s reluctance to embrace e-commerce and environmentally conscious products left it vulnerable to more agile competitors. Meanwhile, Google’s ability to leverage its data and invest in new technologies ensured its continued dominance in the tech space, showcasing the importance of adaptability and foresight in today’s rapidly changing business landscape.

Conclusion

Tupperware had its name become synonymous with its flagship product, a solution that was quickly replicated and improved upon by many of its competitors. Google has thrived by embracing

change and staying ahead of market trends. While one company failed to innovate competitively and swamped itself in increasing levels of debt in vain attempts to resurrect the once-dominant brand, the others success can be attributed to a combination of factors, including its dominant search engine, strategic investments, and proprietary data-driven algorithms. Today, Google's global market share in the search engine space is unparalleled, with a commanding 90.91% in 2024. The company has also expanded its reach through ventures in AI, cloud infrastructure, and exclusive partnerships with browser developers, cementing its place as a leader in the tech industry.