1. **Settings:**

   Snapple was a disaster for Quaker. When Triarc acquired the business, the damage had been done. The product was much less well-received due to bad publicity. The distribution channels were messed up, with high disapproval coming from middlemen. The annual sales of the product had taken a noticeable dip from $674 million in 1994, when Quaker bought the business from Thomas H. Lee Company, to $440 million in 1997, when Quaker grudgingly sold it to Triarc.

   Imagine that the acquisition happened, instead, in 2017. Now, Triarc is no longer a holdings company. Instead, it has fully transformed into a purely foods and beverages company, under the name Wendy's. Television has fallen out of the grace of the public, giving way to the Internet. The pace of socio-economic changes is impressive. Same-sex marriage get legalized; and sexist jokes are no longer considered humor.

   Considering such radical shifts in all aspects of the business landscape, in this paper, I will propose two suggestions to turn the Snapple's business around, revolving around redefining the product and leverage advantages in distribution channels, and analyze them under the perspective of the marketing mix.

2. **Get the product right:**

   Quaker made a mistake treating Snapple and Gatorade as if they were a single product. They wanted the two to share the same distribution channels, wholesale packaging, and traditional marketing approach. There was one thing Quaker executives got right, however: Snapple could no longer be the same as it was before. Fashion trends wane, and the once beloved beverage could easily fall into the oblivion without radical changes being made. But treating a "fashion" product similarly to a "lifestyle" product does not magically close the gap between the two.

   Fundamentally, unlike Gatorade, Snapple is a hollow product - a perfect candidate for a one-hit wonder. It is no more than just a glorified sugary drink with sales boosted thanks to ingenious marketing. Thus, one first aspect that Wendy's might want to seriously revise would the "real" value of the product.

Nutrition Facts

For 16 fl oz: Kiwi Strawberry

Calories	190	
Total Fat	0 g	0% DV
Sodium	15 mg	1% DV
Total Carbohydrates	46 g	15% DV
Sugar	45 g	
Protein	0 g	

Ingredients:

FILTERED WATER, SUGAR, KIWI JUICE CONCENTRATE, CITRIC ACID, STRAWBERRY JUICE CONCENTRATE, NATURAL FLAVORS, ACACIA GUM, VEGETABLE JUICE CONCENTRATES (FOR COLOR), ESTER GUM

Fig 1: Snapple Nutrition Facts (Snapple, 2018). The product is high calories with high added sugar content.

Differ from the 90's, customers in the 21st century is much more health conscious (Gustafson, 2017). As Snapple is originally associated with being healthy, starting from its own name (Snap + Apple), it would be beneficial to release a line of sugar-free Snapple drink for health conscious consumers, which I temporarily called Snapple Weightless. As a side note, Snapple did release a line of sugar-free drinks named Diet Snapple, but it seemed too little too late considering the earliest known product of this type was released in 2003 (Collins, 2003). Moreover, the name "Diet" does not go well at all with the product's identity of being energetic and non-traditional, while "Weightless" invokes a seamless feeling, indicating freedom and comfort in actions. Not only that, while Snapple only adds the diet choice to broaden its product mix, I believe Wendy's should revolve its marketing efforts around this sugar-free product also.

This fundamental change in the Product quadrant of the marketing mix leads to changes in customer segmentation. While we still focus on individualistic, offbeat, quirky customer segmentation, the health conscious aspect restricts us to younger, more educated customers who, correlationally. This is, fortunately, in harmony with the Price quadrants, as health-conscious customers are also high spenders and are willing to pay more for a premium product. To this end, I propose two promotion campaigns targeting such customers:

One, Snapple should reenact its sponsorship to US high schools in an attempt to replace soda (Burros, 2003), starting from New York. The benefit is twofold. First, there is a chance that the next generation would grow up with Snapple instead of soda, thus turning into a reliable stream of loyal customers. Second, the program further emboldens the health value of the drink, differentiating it from the sugary carbonated soft drinks, which are on the decline trend (Nunes, 2017). As we have chosen to focus on Snapple Weightless, Wendy's could avoid potential controversies, unlike the initial version of the program, when people discovered that the sugar content of Snapple exceeded even that of soda (Nunes, 2003). One of this campaign targets is parents, who once enjoyed Snapple. Driven by the nostalgic memories associated with the drink, as well as a rising awareness of healthy diets, parents are believed to be supportive of this campaign, as well as allowing their children to spend money on the drink. On the other hand, millennial students driven both by health awareness and a taste for sugary drinks, thus preferring Snapple over other soft drinks.

Two, a similar campaign could be enacted in startups, whose free snacks and lunches are becoming a norm. Snapple can resonate well with entrepreneurs and startup tech workers, identity-wise - fashionable, daring, sometimes even to the verge of being quirky. The health-conscious aspect, now that we have adopted Snapple Weightless, makes the connection even stronger.

These two campaigns could be made possible by leveraging the company's Board of Director (WallStreetJournal, 2018). The Vice Chairman, Peter William May, also sits in the Board of Director for schools and theaters around the East Coast, including the University of Chicago. Even though ideally we would like to introduce the drink to middle and high schools, a university is also a good start. An Independent Director, Michelle Spradlin, sits in the board of tech startups such as Oanda and Bitium, so we could prototype the promotion campaigns to startups.

Distribution-wise, these campaigns set up for the drink's distribution through both cold channel, retail price (vendor machines at schools) and warm channels (startups, as they would want to buy in bulks to stock up kitchens on their own). Quaker could not balance this before due to its connections are comprised of mostly warm channels. Thus these campaigns could potentially establish and rebuild the drink's connections with both retail middlemen and wholesalers.

3. **Stay Glassy:**

Quaker relied on traditional marketing strategies and stayed away from controversies. While this is understandable given that the corporate is so large that it does not want to get into PR nightmares, this approach did not work well with Snapple, whose image is built entirely on quirky influencers.

However, considering the public sentiment in 2018, it is also not advisable for Wendy's to re-employ Howard Stern or Wendy the Receptionist, whose behaviors are too radical for our current era. Instead, fortuitously, Wendy's could associate the drink with itself, for the two share considerable similarity. Wendy's, whose Twitter roast has been so successful it has established a new image of being witty and sassy to the company (Cheng, 2018), could leverage this fact to bring Snapple into their franchises' product mix. The franchise's recent attempt to appeal to healthy eaters, such as allowing for user-customized menus, as well as introducing healthy and premium items to its menus (Lutz, 2014), means that it is almost effortless to add Snapple to its menu. There is also no pressure on lowering price, now that both Wendy's and Snapple are catered towards premium customers. At the same time, room for discount is ample once the drink is part of a meal combo, given that the product enjoys a rather high margin ($2 of profit before SG&A, with $6 COGS per 24 bottles).

Promotion-wise, this decision allows for interesting interactions between the food chain and the beverage. For example, I propose the #BEYOURSELF marketing campaign, inspired by the real facts feature of the original Snapple bottles. Now, instead of facts being printed on the inside of bottles caps, there are spontaneous challenges that encourage customers to walk out of their comfort zones and express themselves. Challenges could range from dancing in the public to making a stranger smile. Customers who record themselves opening a new Snapple bottle (which is characterized by a catchy "Pop" - according to Packaging World, 2018)[1], reading the challenge out loud, accomplishing it, and sharing it on their social media with the hashtag #BEYOURSELF, are rewarded free treats at Wendy's. The videos the customers record could function both as a proof for the free treat and a viral video for the brand, which are easily accessed and connected thanks to the hashtag feature on multiple social media channels.

Another promotion idea could be "Make Your Own Snapple", in which laser engraver machines are placed in front of selected Wendy's restaurants (which are, naturally, popular ones in big cities). Customers could upload their own images to the machine to get them engraved on a Snapple bottle. This idea takes advantage of the fact that Snapple bottles are one of the few that have a wide smooth surface that could be

[1] This is to ensure they indeed buy a new Snapple for the video instead of reusing one.

engraved on. Customers, while waiting for the laser engraver in front of the store, are naturally drawn inside. Thus, the benefits are twofold: more customers know about Snapple, while Wendy's also enjoys a slight boost in sales.

Also, now that the company no longer rely on crass, rude personalities, they are now more accessible, ideology-wise, to a wider range of customers. This means that it could now think about expanding to other cities, maybe together with the Wendy's franchise. Alternatively, market analytical models are also a good approach to decide an expansion. I suggest using statistical models on market demographic data to decide which states are worth focusing on.

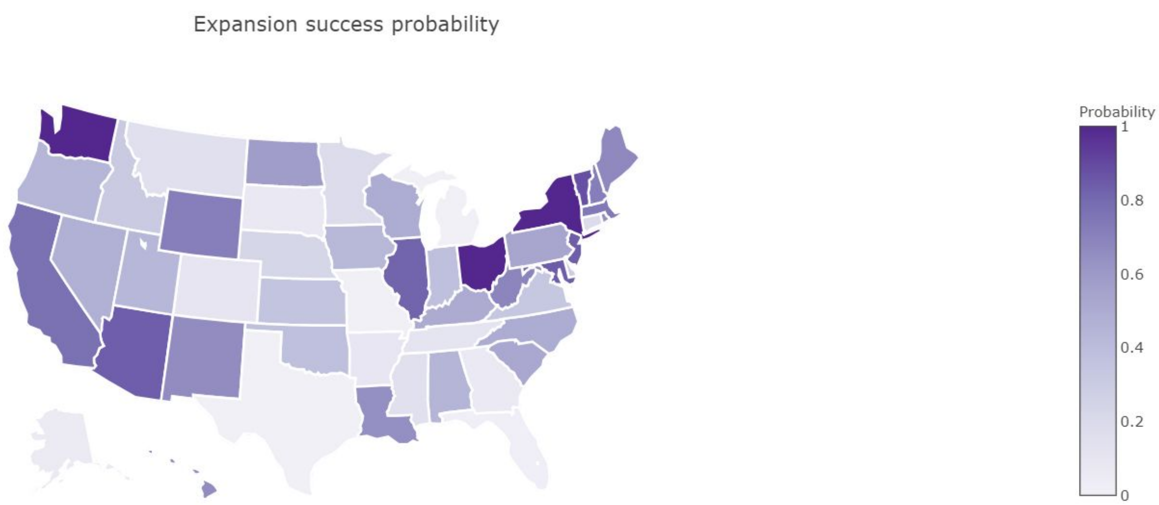

Fig 2: Model result. As recommended, Wendy's could expand the other states in the East or the West coast, while the South and the Midwest display low predicted success. Ohio is one exception as Wendy's headquarter is situated there. Model is built using demographic data (population, annual income, male/female proportion), collectivism index (Cohen, 1999). I also use a hypothetical market share of beverages for the fruit beverage segment (similar to Statista, 2018) due to a lack of data. But I believe Triarc (Wendy's) have the correct data set from their previous market research attempts. Also notice that the collectivism data set might not be correct or up-to-date. The data is collected in 1999, and indicates that California and New York has a rather high collectivism score, which is not quite convincing. An improvement to the model could be to further localize the data, as determining success rate by county could be more precise.[2] The code is code be accessed here.

4. Conclusion:

[2] #dataviz: illustrate a suggestion with a data visualization generated from a statistical model.

In this paper, I propose two recommendations to resolve Quaker's mistakes in the Snapple deal - in particular, underestimating the product's identity and committing marketing debacles. While each recommendation focuses on a slightly different customer segments - the first on health conscious high spenders such as startups and schools, and the second on regular customers, the two are not necessarily exclusive, as they share the same thread being the product's identity. These strategies give Wendy's leeway to not only revive the declining drink, but also to establish a lifestyle brand with it.

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