Viewpoints

Sales history is made by a brand which didn't even exist 4 years ago

A soft drink which was only an idea less than four years ago became the 10th best selling packaged carbonated beverage in America last year.

In the 40 months since its introduction, it has developed a franchise network of 350 bottlers in 49 states, covering 90% of the total U.S. population.

Its annual business in 1980 approximated 75 million cases, good enough for a 1.5% national market share.

It is also the 8th largest sugar beverage in total industry sales, according to highly-regarded take-home studies. Totaling all the volume of its bottlers throughout the country, the product represents an average of one of 11 cases sold.

Finally, it has made orange the fastest growing flavor category in the industry.

That product, of course, is Sunkist, which for years has been a symbol of quality and excellence in citrus fruits. Yet, the Sunkist trademark is better known today as a soft drink and that single fact is ample testimony to the phenomenal growth of this new beverage.

To measure the enormity of the Sunkist accomplishment, consider that the product is on its way to a 2% market share sometime this year. That 2% may seem relatively insignificant to those outside the beverage business, but the number three and number four top selling soft drink brands, Seven-Up and Dr Pepper, each have less than a 6% market share.

What enabled Sunkist to crack the top 10 list so quickly? Not the least important factor was the overriding conviction of Mark Stevens, president of the Sunkist Soft Drinks div. of General Cinema, that flavor transference is a viable concept which could be applied to the soft drink industry— particularly in the orange category where there was no national brand.

Interestingly, Stevens first became enamored of the concept of flavor transference while serving in General Mills' product management sector in the mid-1960's. One of the big brand names he became intrigued with was Sunkist. General Mills has about 12 different products featuring the Sunkist label such as Sunkist Lemon Frosting Mix, Sunkist Lemon Cake Mix, Sunkist Orange Cake Mix, and Sunkist Orange Frosting.

Another major factor was the character of General Cinema itself, which was selected by Sunkist Growers over ten other major companies which were vying for the rights to use the Sunkist trademark for soft drinks. While these other companies were willing to come up with the same or better financial package for the cooperative, GCC had several unique things going for it.

First, it had the largest independent bottling system in the industry. It is the largest Pepsi-Cola and Dr Pepper franchise in the country, and the fifth or sixth largest Seven-Up bottler in the U.S. Secondly, it had a national sampling medium through GCC theaters (10% of the people in the country go through a GCC theater annually.) Third, it had no other franchise brand, and thus could give Sunkist a total commitment. Fourth — and perhaps as important as anything else — GCC had the ability and the willingness to cross franchises, and thus shoot for the top bottlers in every franchise category.

Sunkist franchises today include New York Coke, Westinghouse Seven-Up and several major Pepsi bottlers. The group is openly re-

Jerry E. Stevens, Executive Publisher

garded as the best bottler network of any franchise company. Indeed, the only reason Sunkist does not have full 100% national distribution today is that it is still conducting negotiations with what it considers to be the right bottlers in a few remaining markets. For example, just recently it closed deals with New Orleans Coke and Houston Coke.

Yet another major contributing element to the success of Sunkist is the thoroughness of the planning and research which were placed behind its development — bolstered by what is colloquially known as an open checkbook. In its latest annual report, General Cinema admits to a more than $20 million loss in 1979 and 1980 to back Sunkist introductions market by market.

research

The thoroughness of the planning and research is identifiable in many ways. The company retained the services of top marketing consulting firms to assist in the development of packaging graphics and advertising. It put together a basic body of information on orange soda which was incorporated into the packaging and the advertising. This involved consumption indices, attitudinal studies, and ethnic studies.

Working with Sunkist Growers, it developed literally scores of product samples, and each sample was meticulously checked for carbonation, brix, and acidity (tartness). It further retained the largest flavor organization in the country to develop even more prototypes.

It put together no less than six different major advertising campaigns each of which was test marketed. Moreover, every piece of advertising was tested (and is still being tested) against 14 "building blocks" to assure consistency.

Special tests also were conducted on different colorings to see which

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color was most preferred by consumers. (Artificial coloring is necessary in an orange drink — otherwise the beverage would look more like a pineapple drink. However, Sunkist is naturally flavored, although most other orange sodas are not.)

Then, over 300 different packaging designs were prepared before the present package was finally selected. The company also ran extensive market tests in both low and high orange soda territories. And, while all this was transpiring, Sunkist was structuring a national franchise organization under the direction of Peter Murphy, a former franchise executive with both Dr Pepper and Royal Crown.

winning in New York

Its strategy was so exacting the company confidently took the calculated risk of including New York in its initial product introductions — even though beverage marketing experts considered the Big Apple to be one of the toughest marketing places for new products in the beverage business. The Sunkist strategy was to convince the industry that "if we can make it in New York, we can make it anywhere."

It was also felt that a successful New York introduction would help Sunkist franchise other areas across the country rapidly. Its objective was to make the product national in two years and management considered the time factor critical because it was, in effect, attempting to preempt a non-patentable idea — a national orange soda.

Sunkist is indeed "making it" all over the nation today. So much so that the company feels it has a reasonable chance of becoming number nine in 1981; a good shot to become number five by 1985; and number three five years after that.

Even for a company which is fiscal 1979 started with a grand total of eight employees operating from the basement of Mark Stevens home (it now has a couple of hundred employees and a new office building in suburban Atlanta), these objectives cannot be easily dismissed considering its track record to date.

Furthermore, the recently introduced Diet Sunkist is doing extremely well on its own and is helping regular Sunkist sales to boot. The diet product has opened the door to the adult market and there is a spillover of adult consumers into the sugar version. In plants producing both sugar and Diet Sunkist, the latter presently accounts for one of every four unit sales of the brand, the company says.

With both the sugar and diet versions on the sales upswing, might management consider using the Sunkist trademark on other soft drink items?

Never, according to Mark Stevens. Says the Sunkist chief operating officer: "Every one of the top ten franchise brands stands for a single flavor. You cannot be a top ten brand and be a flavor house at the same time. You cannot have divided consumer and product loyalties. Consumers simply won't believe that any one company can make the best of everything."

Faygo appoints Franklin director of marketing

DETROIT, MI — Faygo has appointed John L. Franklin director of marketing.

Franklin joins the Detroit based soft drink producer and packager from the Chevrolet Div. of General Motors Corp. where he was advertising supervisor.