

**Eastern University, Sri Lanka**  
**Faculty of Commerce & Management**  
**First Year First Semester Examination in**  
**Master of Business Administration – 2016/2017**  
**(July 2017) (Proper/Repeat)**  
**MBA 1043 Marketing Management**

Answer all 05 questions

Time: 03 Hours

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**Q1. Read the following case study and answer the questions given below.**

**What to Learn From Tropicana's Packaging Redesign Failure? *Tropicana's packaging redesign failure: Branding through packaging design.***

**Introduction**

Tropicana is a very famous brand that sells fruit juice worldwide. On January 9<sup>th</sup> 2009, the PepsiCo-owned brand decided to replace the existing packaging design for its best-selling orange juice with new packaging for the North American market.

However, this new packaging design was rejected and criticized by the majority of Tropicana's consumers. The launch of the new packaging was indeed such a failure that Tropicana had to drop it to come back to the original version of the packaging.

**Recap of the facts**

First of all let's summarize the facts to better understand the reasons for this packaging failure.

1. Tropicana invested 35 million dollars in an advertising campaign that promoted the new packaging for the fruit juice brand. Both the packaging design and the advertising campaign were created by the same agency; Arnell.
2. On January 8th 2009, Tropicana launched the new packaging for its best-selling product in North America – Tropicana Pure Premium, with sales revenues reaching more than 700 million dollars per year. A few days later, consumers started criticizing the new design, especially on social networks. Two months later, sales dropped by 20%, and this spectacular decrease in sales represented a lost of 30 million dollars for Tropicana.
3. Meanwhile, Tropicana's competitors took advantage of the "Tropicana crisis" and gained the sales lost by the fruit juice brands.

4. On February 23rd 2009, Tropicana announced that it would return to its original packaging design, and within a few months, the old packaging was back for good on supermarket shelves
5. In total, this initiative costed Tropicana more than 50 million dollars.

### **Differences between the original packaging and the new one**

To understand this strategy failure, it is important to analyze what did Tropicana change in its packaging design.

“We thought it would be important to take this brand and bring it or evolve it into a more current or modern state.” stated Peter Arnell, director of the creative agency, Arnell in his speech explaining the strategy chosen for the Tropicana product.

Perhaps one of the most important changes is the fact that a big transparent glass full of orange juice replaced the orange and its straw.

“Historically, we always show the outside of the orange. What was fascinating was that we never shown the product called the juice.”

#### **The lid**

The agency decided then to take the orange and move it to the lid of the bottle. The idea is creative and interesting, as we can see that the cap really has the shape and texture of half an orange you can squeeze to obtain a fresh orange juice. This message goes along with the new advertising campaign launched by the same time, and both the packaging and the ad include the statement “Squeeze, it’s a natural”.

“We wanted to take the orange and put it somewhere. We engineered this interesting squeeze cap at the lid, so that the notion of squeezing the orange was implied ergonomically.”

#### **The logo**

Another important difference between the two packs is the new logo design.

The original one was horizontal followed by the product name “Pure Premium”, while the new logo is vertical with a simpler and more modern font. The logo size was also reduced to highlight the message: “100% Orange Pure and Natural”

#### **The advertising campaign that was released with the new packaging design**

Tropicana released a new advertising campaign along with its packaging strategy. The main message communicated in this campaign was “Squeeze, it’s a natural”.



“The whole idea of ‘squeeze,’ ” Mr. Campbell said, is to play up “the functional benefit” of orange juice in providing fruit for people’s daily diets “and the emotional connection people have with Tropicana.”

## **Understanding the consumers’ reactions: what went wrong?**

### **Emotional bond with the brand**

“We underestimated the deep emotional bond they had with the original packaging” [...] “What we didn’t get was the passion this very loyal small group of consumers have. That wasn’t something that came out in the research. [...] Those consumers are very important to us, so we responded.” explained Mr. Campbell, president at Tropicana North America in Chicago.

### **The role of packaging in purchasing decisions processes**

Perhaps the problem goes beyond this emotional bond consumers had with the old packaging. It is very important to consider the role of packaging design in branding, and its link with merchandising. Young and Ciummo stated in their article that packaging redesigns often come with a small decrease in sales, but this tends to be temporary and has never been as severe as the 20% decrease experienced by Tropicana.

In this case, many consumers didn’t recognize the product on supermarket shelves. Some loyal consumers saw the “100% Orange Juice” and asked themselves if the product was still the same as the Tropical Pure Premium they always trusted. Then appeared a series of confusions in consumers’ minds who lost their main reference elements to recognize the product. These include:

- The orange with the straw
- The original logo
- The focus on “100% Orange” instead of “Pure Premium”.

### **The look and feel of the new design**

To finish, and because the packaging had a more simple design than the original one, most consumers described it as “ugly”, and explained it seemed to be from a low-range supermarket brand. Consumers were confused by this new look that made the brand seem to be cheap, as Tropicana had always been perceived as a premium brand.

### **Conclusion**

The Tropicana redesign illustrated the considerable power of packaging. While this was a distinctively negative example, it’s important to keep in mind that this same power does often work in a positive direction.

The takeaway for marketers and brand strategists should be an even greater respect for packaging and a deeper commitment to leveraging this brand asset with a methodical procedure. This will ensure consumers accept the change in a positive manner!

**Questions:**

1. Explain the role of a **brand in a competitive environment**. And the **brand ele** choice criteria (Mar)
2. What are the lessons that you can learn from this case study? (Mar)
3. '*Packaging is the silent salesman*'. Comment on it (Mar)
4. '*Advertising and Packaging Design have different communication rules*'. Discuss statement citing this case study and with your experiences. (Mar)

(Total 26 M)

**Q2.**

Along with the passage of time, parents have manifested a different attitude toward children, trying to offer them everything they wanted when it concerned with toys. Therefore, the toy market is constantly expanding, and the tough competition leads to quality improvement of the toys and enforces certain standards on the market. It influences the marketing environment components, i.e.: marketing internal environment, marketing environment and macro-environment.

- i) In order to sustain and grow in the market, analyse the impact of **Marketing Environment components**. (Mar)
- ii) Apply Porter's **Generic strategies** in this regard and illustrate on your application. (Mar)
- iii) Discuss '**Marketing Intelligence**' and explain how Marketing Intelligence improved citing the case. (Mar)

(Total 20 M)

**Q3.**

- i) '*Organizational buying has focused largely on the buying behaviour of business buyers*'. Briefly explain the participants in the **Business Buying Process**. (Mar)
- ii) Illustrate the five **Product Level Hierarchy** with an example. (Mar)
- iii) Using Boston Consulting Group (BCG) approach a company classifies all its products according to the growth-share matrix. Demonstrate the **BCG matrix** with an example. (Mar)

(Total 18 M)

- Q4. i) 'Marketing needs to identify, evaluate and select market opportunities and lay down strategies for capturing them. One useful device for identifying growth opportunities is the product/Market expansion grid'. Explain this **grid** with suitable example of your choice. (Marks 06)
- ii) 'Companies today recognize that they cannot appeal to all buyers in the market place. Market segmentation involves dividing a market into smaller groups of buyers'. Appraise the **Market Segmentation** variables with examples. (Marks 06)
- iii) 'Marketing Research gives marketers insights into customer motivation, purchase behaviour etc.' Analyse the steps involved in **Marketing Research** with an example. (Marks 06)
- (Total 18 Marks)
- Q5. i) 'Marketing Management wants to design strategies that will build profitable relationships with target consumers'. Evaluate the five **alternative concepts** under which organizations, design and carry out their marketing strategies. (Marks 06)
- ii) Discuss the application of **Customer Value Perceptions** when setting prices. (Marks 06)
- iii) 'Marketers can choose from two basic promotion mix strategies – **push strategies** or **pull strategies**'. Discuss these strategies citing examples of your choice. (Marks 06)
- (Total 18 Marks)