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Insights On Brand Development From The Marketing Front

Lessons From The Lemon-Lime Wars—Part 1

As it's now the dog-days of summer, with some extended blazing temperatures across the U.S., we thought something a little refreshing was in order. Since we both were active participants in the relatively short-lived (and unsung) "lemon-lime wars" of the early 1980's, we decided to summarize our lessons learned from them...principles, mainly, that in any competitive market today would still apply. We say that these lemon-lime wars were largely unsung, greatly overshadowed by the "cola wars" of that same era that lasted a decade or more and about which a good many articles, university cases, and books have been written. But very little if anything has been recorded publicly about the "war" between Lemon-Lime Segment Leader, 7-Up, and distant Lemon-Lime Segment Challenger (at the time with only 33% the volume of 7-Up), Sprite.

To be completely accurate, the original lemon-lime wars didn't pit Sprite versus 7-Up. It was in the late 1960's that 7-Up began a war of sorts with Coke and Pepsi...positioning itself for the very first time as an "Uncola" and a more refreshing choice. As noted in the "The Devil's Tale" (from Duke University's Rare Book and Manuscript Library blog) of December, 2017:

"It was 1967 and people weren't drinking 7-Up. Well, a few were: consumers mostly thought of the bubbly beverage as a mixer or a tonic to calm an upset stomach. But executives at the St. Louis based 7-Up Company were anxious to tap into a wider market. The company wanted to re-brand its product as a common soft-drink like the more well-known cola beverages, Pepsi or Coca-Cola."

Forging a partnership with the J. Walter Thompson advertising agency, the "Uncola" advertising campaign was born and continued throughout much of the 1970's.

While this novel repositioning of the 7-Up brand **did** enable 7-Up to "steal" more cola occasions and, more importantly, add some much-needed excitement to the 7-Up bottler-system (which resulted in periods of much greater 7-Up retail merchandising support), the gains 7-Up made from colas were beginning to be offset by the "leaky bucket effect" instigated by Coca-Cola's upstart lemon-lime drink, Sprite. Coca-Cola launched the Sprite brand in 1961; but it wasn't until the early 1970's that Coke management—with some significant successes behind them in their cola wars against

Brand Pepsi—turned its attention to little Sprite. They came up with a simple but powerful concept: Co-Promotion of Sprite with Brand Coke. The bottler system no longer sold hot feature prices and gigantic retail displays with *only* Brand Coke; rather, all features and displays also included the “same deal” for Brand Sprite (and, also, for Brand Tab, which was Coke’s 1-calorie precursor to Diet Coke).

So effective was this Co-Promotion Strategy that, while 7-Up had entered the 1970’s with a growing 7% share of the total U.S. soft drink market, by the mid-1970’s 7-Up’s U.S. share of total soft drinks had dropped to 5%...virtually all at the hands of Sprite. But there was something else at play. Since the early days of its U.S. launch, Sprite, looking for a “fighting chance” against a 7-Up brand with no natural lemon-lime enemies, had aimed to differentiate itself from 7-Up’s relatively light lemon-lime taste. The way Sprite did this was through the invention of a “mythical fruit,” half lemon, half lime which, of course, was named “Lymon.” If you look back at Sprite advertising campaigns from the 1970’s, you will certainly see and hear mention of Lymon; but that was about the extent of Lymon’s role in the brand’s communications. It was clearly a differentiating “reason-to-believe” in Sprite’s tangy lemon-lime taste, but not too much was made of it as THE reason why Sprite’s taste was generally preferred to 7-Up’s—not yet anyway.

So, after seeing gains against the colas dissipate at Sprite’s hands throughout the 1970’s, as 7-Up entered the new decade of the 1980’s, management decided it was time to start another war—and once again versus the “big dog” colas, but also including lesser caffeinated brands such as Dr. Pepper and Mountain Dew. At that time, growing public awareness and concern around the consumption of too much caffeine (especially among children) became an unexpected gift for Brand 7-Up. With zero percent caffeine in its formulation, the brand launched its “No caffeine. Never Had It. Never Will” TV campaign which, quite literally, “shocked and rocked” the U.S. soft drink market. First run in 1982 and very cleverly featuring the brand’s well-recognized “Uncola” spokesperson, Geoffrey Holder, the effects were virtually instantaneous: 7-UP advertising recall skyrocketed from a running rate of roughly 50% to 82%; and within a single share period, 7-Up’s U.S. share of soft drinks leaped from 5 to 5.5%.

Suddenly, the big dog colas (and their smaller caffeine-containing cherry and citrus competitors) were confronted with a dilemma of significant proportion: How to respond to “SURPRISE! The soft drinks your kids are and have been consuming in ever-increasing quantities contain a potentially unsafe ingredient.” But these caffeine-driven brands were not the only ones confronted with a dilemma because Brand Sprite now also found itself in a tough spot. Over the first three quarters of 1982, 7-Up’s share among “Usual Sprite Users” had held consistently at around 18.5%; but by the end of just one quarter after the “Never Had It. Never Will.” bombshell, 7-Up’s share among “Usual Sprite Users” had ballooned to nearly 27%. And while 7-Up’s advertising awareness was running at 82%, Sprite’s dropped from a running rate of approximately 50% to only 34%.

Of course, we know what Coke and Pepsi ultimately did to defuse their volatile situation. They both rather quickly introduced caffeine-free versions: Caffeine-Free Coke and Pepsi Free. But what's not so well-recalled nowadays is what Sprite did to respond. Since its launch as a more flavorful, lemon-lime alternative to 7-Up, Sprite also contained no caffeine; it never had. Something needed to be communicated about Sprite's equally caffeine-free formulation; otherwise even "Usual Sprite Users" might conclude that Sprite contained caffeine. But to merely copy 7-Up's no/never caffeine claim was not likely to provide much traction...especially considering the enormous gap between 7-Up's and Sprite's advertising awareness. No, Sprite needed to give lemon-lime consumers something more than a "me-too" announcement. It was time to make Lymon into a much more potent weapon. In the lemon-lime wars, with 7-Up once again fixated upon the colas, it was time for a "Sprite Sneak Attack."

NEXT UP: The Sprite Sneak Attack and Lessons Learned from the Lemon-Lime Wars. Stay tuned.

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