

DISPATCHES™

Insights On Brand Development From The Marketing Front

Lessons From The Lemon-Lime Wars—Part 2

In our last DISPATCHES we had been recounting the little-remembered story of 7-Up's "wars" against the big colas, Coke and Pepsi, during the 1970's and early 1980's. Just as a quick summary, 7-Up's first attack came in the form of their legendary "Uncola" ad campaign...which had a lot to do with their growth to a 7%+ share of the U.S. soft drink market. But Coke's co-promotion strategy, which for the first time made its lemon-lime offering, Sprite, part of every retail feature and display promotion, helped to whittle 7-Up's U.S. share back down to around 5% by the mid to late 1970's. It was not long after that when U.S. consumers began hearing of the dangers of consuming too much caffeine—especially by their children. And, having no caffeine in its formulation, 7-Up seized upon that golden opportunity to attack the big colas for yet a second time: with their bombshell "No Caffeine. Never Had It. Never Will." ad campaign...resulting in virtually instantaneous (and impressive) share growth for 7-Up.

But the lemon-lime wars were not to be limited to attacks by 7-Up against Coke and Pepsi. With 7-Up's stunning news about being caffeine-free, Brand Sprite was default-forced into the fray...because Sprite consumers, only hearing so far that 7-Up "never had it, never will" began switching to 7-Up, at an alarming clip. Urgently needing to reassure its consumers that Sprite was just as caffeine-free as 7-Up, the brand had to come up with a compelling but believable message—not merely a me-too one. Fortunately, Brand Sprite possessed an asset that 7-Up did not: its trademarked *Lymon* ingredient.

While it was true that this Lymon word, cleverly inventing a "mythical" half lime, half lemon fruit, was fabricated, the "Lymon" notion was actually based upon something tangibly differentiating—and potentially very meaningful to lemon-lime consumers. There was a simple reason why for years so many 7-Up drinkers preferred it as a mixer or to settle an upset stomach: its light, rather bland taste. But Sprite was formulated with a considerably higher concentration of lemon and lime oils, providing a tangier, tastier "bite" and flavor. Knowing of this difference in formulations, the first move Brand Sprite made to reassure its consumers about its caffeine-free formulation, then, was to communicate this: *"Of all the caffeine-free soft drinks, **only** Sprite has the great taste of Lymon."* Research quickly showed that this communication resonated well with Usual Sprite Users, but also with Usual 7-Up Users. It was this finding that led to yet another "surprise" battle in the lemon-lime wars: The Sprite Sneak-Attack Strategy.

Internally, the Sprite Sneak-Attack Strategy had 5 planks, articulated as follows:

1. Beat 7-Up at its own game—with a Product Benefit-based positioning **not** based upon something missing (caffeine) but on the most important Product Benefit: Taste.
2. Focus the entire marketing mix against the 7-Up user.
3. Surprise 7-Up with Comparative Advertising—based upon a national taste test.
4. Significantly reduce the historical media spending gap between Sprite and 7-Up.
5. Introduce new “Lymon Taste”-driven package graphics.

The cornerstone of this strategy was, of course, the national TV ad campaign, which was marked by its Key Copy Words, *“Only Sprite.”* The campaign launched with a “major announcement” type thirty-second commercial that scrolled these words (read by a newscaster-like voice) across the screen:

“Recently, an independent research firm ran a taste test between Sprite and 7-Up. And the taste people chose most often was the taste of Sprite. That’s because Sprite is the only caffeine-free soft drink with Lymon. And people just seem to love that great Lymon taste. We like to look at it this way...we gave the people a choice and more of them made the Sprite one. It’s Only Sprite for you.”

Behind the Sneak Attack Strategy and its direct-hit campaign, within just two Nielsen bi-monthly share periods, Sprite volume was +11% (versus a -3% six-month base period) while 7-Up’s volume was -1% (versus a +9% similar base period). And these trends kept going...and growing. What 7-Up had twice started as a lemon-lime/cola war had turned into something 7-Up never expected: a lemon-lime war.

Lessons from the Lemon-Lime Wars

As we mentioned at the very beginning of our recounting these lemon-lime wars, while they occurred well over 30 years ago, there are some lessons learned during those wars that stand up well today. Call them “principles” if you will. Though there are a good many, here are the ones we find most relevant:

- I. **When a Segment Leader focuses eyes ahead on the Market Leader, it’s a good idea to keep one eye on the rearview mirror.** It’s easy to understand 7-Up’s move against the colas. Colas, dominated by Coke and Pepsi, represented well over 50% of the U.S. soft drink market; yet, while it was the largest segment after colas, the lemon-lime segment dominated by 7-Up, had remained at roughly 11% of the U.S. soft drink market for years. As the Segment Leader (and feeling pigeon-holed by a longstanding “mixer” positioning), you could rightly say that 7-Up had a *responsibility* to try to grow the lemon-lime segment. Perhaps 7-Up management, lulled by years of the Coca-Cola Company’s relative under-marketing of Sprite, never imagined they would use Sprite to sneak up from behind and force a “two-front” war

on their brand. Today, in our on-going era of “mass customization,” virtually every product category and class is so intricately segmented, there are even more opportunities for a Segment Leader to take on a Market Leader. With such an opportunity it’s also wise to “watch your back” and have a plan should a Segment #2 or #3 get feisty.

- II. **When your number one competitor strikes first to exploit the advent of marketplace “sudden bad PR,” never settle for an “us-too” response. Raise the ante.** As we noted, when 7-Up exploited the growing U.S. anti-caffeine PR with its caffeine-free shock wave, Sprite found itself in an “act-fast or else” situation. It would have been easy to knee-jerk respond by simply adjusting the current, action-vignette Sprite TV campaign (“Reach for Sprite”) with something like “Reach for Always Caffeine-Free Sprite.” And also by stickering packages with a similar burst until inventories ran down and new packages could be introduced. But, sensing an opportunity get more than a “fair-share” of 7-Up’s caffeine-free bounty, Brand Sprite actually raised the ante—twice. The first time was with its new see-you-and-raise-you communication, *“Of All the Caffeine-Free Soft Drinks, Only Sprite Has the Great Taste of Lymon.”* And the second was Sprite’s decision to conduct a national taste test versus 7-Up and then announce Sprite’s win via the *“Only Sprite”* campaign. Being second to exploit—anything—doesn’t mean you can’t win.

- III. **Never underestimate the value of *owning* a Reason Why/Reason-To-Believe for your brand.** By “owning” we mean that no other brand in your class has the same attribute or feature...or at the very least cannot use the same language to describe that attribute or feature because it’s trademark-protected by your brand. Sprite had created Lymon™ not merely as an ownable expression, but also as a consumer-friendly way of communicating the more robust concentration of lemon and lime oils in its formulation. (What consumer would want to hear about lemon and lime “oils” anyway?) It may be that the brand never imagined that, one day, Lymon would also prove that Sprite’s taste win over 7-Up was legitimate. What matters is that Sprite **had** Lymon when the brand needed it most. So, whether its “German Engineering,” “Pure Rocky Mountain Spring Water,” “1/4 Moisturizing Cream,” “Packed with Peanuts,” or a “No More Tears Formulation,” it’s being the only brand with it that can make the difference...sometimes when you least expect it.

As a final thought, it may be that you’re thinking, “Well, the lemon-lime wars are all very interesting, but that was then...when the marketplace and some of its FDA regulations were much more open to *comparative* communications.” Perhaps. But the principles still apply: when Sprite raised 7-Up with *“Of All the Caffeine-Free Soft Drinks...”* it wasn’t

being directly *comparative*. But it sure was being **Competitive**. That's always a good thing—especially should you find yourself in a war.

Richard Czerniawski & Mike Maloney