Citrus Promotion and FDOC’s Triple Crown Program

Daniel L. Santangelo

A year ago, we kicked off our Triple Crown campaign. As many of you know, the Triple Crown is our partnership with three of the nation’s most prestigious health organizations — the American Cancer Society, American Heart Association and March of Dimes — in an education initiative to raise public awareness of the vital role of diet in the prevention of serious, life-threatening diseases.

But before we could go forth with the public relations, advertising, and promotions programs, we had to lay the groundwork. We worked closely with our retail trade. Orange juice shelf spacing was on the decline. We needed detailed, individual account data.

We saw that orange juice out-of-stocks were close to $195 million. The orange juice section looked like a war zone, with a mix of Chiquita, Sunny Delight, Dole, blends, drinks, and lemonades. Every possible new beverage item was taking a piece of the section with heavy slotting allowances and high-margin products being pushed with the retailers.

Armed with full category data on orange juice velocity and profitability research, we put together a category management presentation that was account-specific. We reviewed the entire chilled section, from milk to eggs, including cheese, butter, margarine, and chilled bakery items.

Orange juice shelf space was reduced to 50%. The retailer had been sold a bill of goods. These new sugar beverages didn’t turn as fast as orange juice. Orange juice accounted for 72% of the dollar sales.

Frozen was even worse — we now had only a third of the frozen shelf facings. However, we accounted for half the dollars — the most profitable item in the cabinet.

Armed with this data, we used the old analogy — would you rather have a fast nickel or a slow dime?

GMROI (gross margin return on investment) — the name of the game at retail. The retailer is in the real estate business. His measure is not into slotting allowances or high margins, but inventory turns and profit per foot.

With the limited retail chilled and frozen space and the heavy capital cost, we knew we could not request additional cold cabinets.

Our objective was a true category management study:

- How does the consumer shop?
- Retailer’s role — profits yes, but a variety of offerings;
- What’s going on in the surrounding real estate?

We had to develop a true understanding of category in order to develop an overall strategic game plan.

We compared the space allocation of the individual items in the category to their dollar sales and profitability contribution.

Only eggs and milk exceeded orange juice in dollar sales per linear foot. From this data, 40 separate, individual retailer presentations were prepared.

For example, we demonstrated to a major New York retailer a $32 million dairy opportunity and a $9 million orange juice opportunity. This could be accomplished by a full category reset, giving eggs, yogurt and orange juice their due share. We provided this data to the industry for all to use.

Now let’s look at the results.

Out-of-stocks down 50% — a savings of $125 million, from $195 million down to $70 million.

Retailer space — chilled orange juice shelf space grew 4.2 linear feet per retailer. This was an unbelievable accomplishment. I’d match our sales team to any.

The Triple Crown: Last year at this time, sales were down 5.7% and retail prices up 7%. We introduced our three partnerships at Carnegie Hall, with the presidents of the American Cancer Society, the March of Dimes, and the American Heart Association. The public service announcement spot made by Lauren Bacall has one of the highest PSA pickups ever.

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The turnaround investment by our growers in the Triple Crown campaign, and our Florida Sunshine Tree commercial, with mentions of all three health organizations, improved sales. With the American Cancer Society announcement and the “Baby in the Back Seat” commercial, sales improved again.

But what do we do with a year’s supply of grapefruit juice?

We hadn’t seen a positive number on grapefruit for some time. Consumers were leaving by the millions. In fact, penetration was at its lowest. We had lost 20% of our users in five years. The core heavy user-base was eroding. Consumers’ attitudes continued to decline on every measure — taste, health, diet, convenience, etc.

Of over 40 possible positionings, consumer research revealed one key benefit that could turn this around. The heart-healthy benefits of lowering cholesterol — a claim we could make. The “Beating Heart” spot and public service announcement by Chris Evert initiated the grapefruit juice turnaround.

Now the objective was to take the campaign to the consumer at retail with tie-in in-store events with health officials. Virtually all retailers responded, along with the side panel health message promotion.

In the spring, we released the March of Dimes birth defects spot, “Before thinking pink or blue, think orange.”

Let’s take a look at the results. A.C. Nielsen retail sales data tracked the dramatic results: from -5.7% at the time of the Triple Crown launch to +6.4% one year later, a net change of +12.1%. Our Nielsen representative had never seen this kind of turnaround from a category of this size.

This year’s health news kickoff was a major news story presented at the International Nutrition Symposium in Toronto, Canada, by Dr. Ken Carroll, of the University of Western Ontario. Dr. Carroll’s research demonstrated dramatic results from citrus consumption in the prevention of breast cancer and in lowering cholesterol levels in animal subjects.

We will be even more aggressive this coming year. Our staff have been meeting with you to help coordinate the planning events. We must keep working together. We have a huge crop to move, and by working together, we will accomplish our goals.