

Growth And Corporate Identity: The Case Of Ocean Spray

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ABSTRACT

To explore the assumption that a firm's strategic initiatives must fit with its corporate identity in order to ensure their success, we conduct an in-depth case study of Ocean Spray's ventures in new products.

Keywords: growth, corporate identity, case study

1. INTRODUCTION

Corporate identity describes what is central, distinctive, and enduring about an organization. It thus refers to organizational characteristics that remain relatively stable over time (Albert and Whetten, 1985). Identity is thus the unique character of an organization that develops as a result of its history and experiences (Dutton and Dukerich, 1991). Zook and Allen (2001) argue that, in order to be successful, growth initiatives undertaken by a firm must be related to their core business. Since the core business is an integral part of a firm's identity, it may be assumed that there needs to be some fit between its identity and its growth strategies to ensure their success.

To explore this assumption, we conduct an in-depth case study of Ocean Spray's growth strategies. Ocean Spray, founded almost a century ago, has grown from a one-product company to a multi-product company selling worldwide. It seemed an interesting case to analyze since the company introduced a large number of new products on the market.

In section 2, we present the methodology used in this study. In section 3, the elements of Ocean Spray's identity are identified while in section 4, the fit between identity and growth strategies is explored. We conclude with a summary in section 5.

2. METHODOLOGY

The methodology used in this study is based on the historical method which is a process of assembling, critically examining and summarizing the records of the past (Gottschalk, 1969; Golder and Tellis, 1993). The primary advantage of historical analysis is that it focuses on information collected at the time the events occurred. The second advantage is that it relies on multiple observers, which strengthens the validity of the results by triangulation.

In order to analyse the diversification strategies of Ocean Spray, we gathered usable information from numerous business press articles as well as press releases and the Internet site of the company. We extracted significant citations in regards of two themes:

- Ocean Spray's corporate identity; and
- Ocean Spray's growth strategies.

Some degree of uncertainty is inherent in the historical method because the researcher may face evidence that is diverse, complicated and sometimes contradictory (Nevett, 1991). Therefore, we used four criteria in evaluating and accepting information (see Gottschalk, 1969): (i) competence; (ii) objectivity; (iii) reliability; and (iv) corroboration.

The four criteria are met. The competence criterion was satisfied by relying on publications specialized in the food sector as well as business press written at the time Ocean Spray made decisions. The objectivity criterion was satisfied by relying on sources of information provided by third parties who had no vested interest. The reliability criterion was satisfied by using information from respected sources. The corroboration criterion was satisfied by using information from multiple sources.

3. OCEAN SPRAY'S CORPORATE IDENTITY

Ocean Spray's corporate identity is made up of different elements which are presented in this section.

3.1 King Of Cranberry

Ocean Spray is the world's largest cranberry producer. The cooperative of growers controls approximately three quarters of the world's cranberry supply and has thus created a high barrier to entry on the market (Croft, 11/3/2003; Kosman, 11/8/2003).

3.2 Health Benefits

Cranberry is quite unique in terms of the health benefits it provides. On top of containing a large quantity of vitamin C, the fruit is helpful in maintaining a healthy urinary tract (Beverage Industry, 7/2000). Some reports mention that cranberry juice combats bladder infections (Walsh, 11/4/1994).

3.3 Cooperative Of Growers

Ocean Spray was founded in 1912 and became a marketing co-operative in 1930 under the initiative of three cranberry growers. The cooperative is now owned by more than 900 cranberry and citrus growers in the US and Canada. (Marketing Week, 8/9/2001; Sidel, 10/8/2004). Its growers own the cooperative. They thus share in the profits and all major decisions must be put to a vote of the growers (Aoki, 9/6/2004).

3.4 Expertise In New Product Development

Over the years, Ocean Spray has developed an expertise in new product development. The company conducts focus groups with consumers who provide input on which juice drink flavours or new food products consumers are likely to buy. This is the first step of a highly structured series of stages to test an idea before an actual product is introduced on the market. Between 1989 and 1996, Ocean Spray has introduced 48 new products, seventy percent of which were a success (Stevens, 18/11/1996).

3.5 Strong Brand Equity

According to many observers, Ocean Spray is the most durable brand in agriculture (Lord, 9/6/2004). Stu Gallagher, Chief Marketing Officer of the company, mentions that the brand is unlike any other in the juice aisle as the Ocean Spray name and logo evoke clear, distinct images and emotions from consumers – crisp vibrant colors, thirst-quenching taste and down-to-earth sophistication (www.craisins.com). Consumers also link the Ocean Spray name with products they can trust (Masters, 7/1999).

3.6 Core Segment: Woman Of The Household

According to Andrea Foote, editor-in-chief of Beverage World in New York, Ocean Spray has traditionally been a grocery-store brand, appealing to the woman of the household (van der Pool, 23/2/2004).

4. OCEAN SPRAY'S GROWTH STRATEGIES

In this section, we present Ocean Spray's growth strategies and examine their fit with its corporate identity.

4.1 Sauce

The first Ocean Spray's initiative to expand its market for its cranberry crops was the development of a cranberry sauce (www.oceanspray.com). The sauce became a classic to dress up Thanksgiving turkeys. In 1959, cranberry sauce represented 80% of Ocean Spray's revenues (Stevens, 18/11/1996). This product may be seen as one step to establish the corporate identity of the company and is compatible with all the elements mentioned in the previous section.

4.2 Beverages

The creation of cranberry juice made Ocean Spray's business year-round (Pereira, 9/11/1995). Over the years, Ocean Spray developed many variants and also ventured to other fruits (Aoki, 9/6/2004).

4.2.1 Cranberry-based juice drinks

Ocean Spray's flagship product is obviously its cranberry juice drink introduced at the end of the 1950s. In the 1960s, Ocean Spray started blending cranberry juice with other fruit juices starting with a cranberry-apple blend it called Cran.Apple and launched later on a range of pure fruit juices all with cranberry as the dominant flavour (Amanor-Boadu et al.; Grocer, 24/7/1999). Ocean Spray also developed low-calorie juice drinks including the Cranberry Classic Light juice drink (Grocer, 1/3/2003). In a move building on cranberry's health benefits, Ocean Spray released in 2000 its Cranberry Juice Cocktail Plus, a cranberry juice with added calcium (Beverage Industry, 7/2000). In 2001, Ocean Spray launched a line of white cranberry juice drinks which have a smoother and milder taste than red cranberries (Marketing Week, 8/9/2001) as well as a new kids' drink named Crantastics Cocktails (Marketing Magazine, 3/12/2001).

4.2.2 Non-cranberry juice drinks

In 1976, Ocean Spray expanded its membership to include some Florida grapefruit growers. In the following years, the cooperative introduced new products including *Ocean Spray Grapefruit Juice* and *Ocean Spray Pink Grapefruit Juice Cocktail* and *Ocean Spray Ruby Red Grapefruit Juice Drink* as well as some blends (www.oceanspray.com). Ocean Spray applied the same product development process to grapefruits as the one used for cranberry-based products (Stevens, 18/11/1996).

4.2.3 Other beverages

Ocean Spray also developed types of beverages including a 4-flavour line of Wild Cider beverages targeted at 18- to 22-year-olds launched in 1996 (Khermouch, 15/1/1996) and Juice Spritzers, a line of single-serve carbonated juices launched in 2002 (www.oceanspray.com). The overall game plan is to take on a more mainstream positioning and attract younger people to the brand, while pushing the message about the 40% fruit juice content (Grocer, 5/5/2001).

4.3 Craisins

Ocean Spray used its product innovation expertise to develop Craisins Sweetened Dried Cranberries which were introduced in 1995. This product quickly became a hit and is found in hundreds of supermarket and bakery products around the globe (www.oceanspray.com). In 2004, Craisins' annual sales had grown to \$100 million. Promotion efforts continue to target mothers and position Craisins as a smart alternative to chips and candy (van der Pool, 26/1/2004).

4.4 Ingredient

Ocean Spray is partnering with other firms to include cranberries in their products through licensing agreements. According to one of the cooperative's officials, licensing gives Ocean Spray the opportunity to leverage its brand into other areas they feel are a good fit with the brand position. To support these partnerships, the Ocean Spray Ingredient Technology Group services the food industry and commercial clients with frozen cranberries, sweetened dried cranberries, flavoured fruit pieces and other fruit ingredients for use in a variety of products (www.oceanspray.com).

5. SUMMARY: FIT BETWEEN OCEAN SPRAY'S GROWTH STRATEGIES AND ITS IDENTITY

Table 1 summarizes the link between the various growth initiatives undertaken by Ocean Spray and the elements of the corporate identity of the firm.

Table 1: Link between Ocean Spray's growth initiatives and its corporate identity

	Cranberry	Health benefits	Coop	Product development	Brand	Woman of the household
Sauce	+	+	+	+	+	+
Cranberry-based juices	+	++	+	+	+	+
Non-cranberry-based juices	-	+	+	+	+-	+-
Other beverages	+-	+-	+	+	+-	-
Craisins	+	+	+	+	+	+-
Ingredient	+	+	+	+	+	+-

AUTHOR INFORMATION

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