



JONES SODA Brand Audit

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“What flavor are you? Express Yourself - Jones Soda.”

Executive Summary

Introduction

By consulting trade magazines, internal and external business publications, company reports, analytic commentaries, and consumer surveys, our team investigated the integrated marketing communications and created a corporate profile of the Jones Soda Company. The company markets its unique products to youth markets which it feels are underrepresented and inadequately reached by its competitors. This is a difficult market for any company to communicate with, since today's youth are growing harder to reach, as they tend to avoid traditional media outlets. In order to overcome this obstacle, Jones Soda seeks to be seen not just as a beverage distributor and manufacturer, but also as a lifestyle company, promoting independence and alternative thinking. These marketing objectives are met by placing intense emphasis on consumer involvement within every aspect of the brand. For instance, customers directly influence product development and packaging. These tactics have successfully created a positive brand image for the company—one that seeks to avoid the more mainstream advertising and marketing avenues that other brands pursue. These strategies have also fostered strong customer loyalty.

Jones Soda uses creative methods to reach its target markets, primarily through the use of a powerful website that consistently features consumers and their various lifestyles. Additionally, the company employs the use of promotional recreational vehicles that travel to schools and alternative sports and music events across the country. Jones Soda builds and improves public relations by sponsoring professional alternative athletes and independent music artists. Also, the distinctive nature of the company's products is a key factor in creating brand awareness, and it serves to pique customer curiosity.

To date, the Jones Soda Company has experienced extensive growth. But in order to continue this trend, the company needs to adjust and expand its marketing communications strategies. Surveys revealed that the brand has weak public awareness levels, even within its chief psychographic markets. One of the major challenges facing Jones Soda is in developing advertisements that adequately increase brand awareness within all target markets, while retaining the company's underground and alternative image. The recommendations contained in this profile attempt to enlarge the scope of the company's reach while maintaining the consumer-focused identity that is uniquely Jones.



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Overview

Introduction

Despite its humble beginnings as an independent beverage distributor, the Jones Soda Company has established itself as one of the only alternative brands that caters directly to today's youth markets.

Today, Jones Soda produces a distinctive line of brightly colored beverages and other products, including the original Soda line, a series of energy drinks, juice blends, organic juice blends, canned sodas, lip balms, popsicles, and candy.

While the products consistently receive the attention of the press, and effectively draw customers to the brand, the company's strong emphasis on customer involvement is probably their best marketing dynamic. Consumers are involved with the product in every stage, from rating and reviewing current flavors, to suggesting new flavors, and submitting photographs for bottle labels. This strategy is undoubtedly one of the most creative and effective ways by which to gain customer loyalty because it gives consumers a sense of ownership over the brand, something that few other brands promote.



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History of Brand Marketing Communications

Situation Analysis

On August 1, 2000, the Urban Juice and Soda Company Ltd. officially changed its name to Jones Soda Company. The company was initially a distributor in western Canada of other successful beverages, such as Arizona Iced Teas. Using experience attained as a distributor, the company decided to create and distribute its own brands. The current Jones Soda line was originally launched with six different flavors in January 1996.

Jones Soda appeals to an “alternative” target market, and, as such, its marketing communications strategies have been anything but conventional. Peter Van Stolk, founder of Jones Soda, used a creative approach in building the brand. Van Stolk emphasized the need to create a relationship with the consumer. Having recognized the tendency of many marketers to believe that consumers need their product, Van Stolk instead chose to listen to consumers. He felt that the world didn’t need another soda; instead, young consumers needed a brand with which they could identify. In an industry that offers little to no opportunity for customer involvement, Jones Soda stands out as one company that directly used its consumers to build the brand.

Jones Soda first encouraged high levels of consumer participation by setting up the Jones Soda website in 1997. Through the Internet, young consumers (who spent more and more time on the computer) were able to virtually design the product themselves—voting on flavors and flavor names, contributing short quotes for use on the website and the undersides of bottle caps, and submitting black-and-white photographs for bottle labels. Using this approach in 1997 was innovative and creative, and it effectively set Jones Soda apart from the competition. By allowing consumers to assist in package design, Jones Soda became a brand that concerned itself more with the consumer than with the actual product. This has made consumers feel more relevant, has given them a sense of ownership over the brand, and has encouraged customer loyalty. With this approach, consumers have the final word.



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History of Brand Marketing Communications

Situation Analysis

Because of initial budget limitations, Jones Soda packaging designers chose a minimalist design, using a simple, clear glass bottle that would showcase the unconventional, bold color of the soda. The brightly colored, ever-changing flavors of Jones Soda, combined with the continuous changes in label photographs, have resulted in packaging that is easily recognizable, yet remains fresh and interesting to consumers.

Since its target market tends to avoid typical advertising outlets, Jones Soda has not delved into traditional advertising methods. Instead, Jones Soda uses a marketing strategy that is more promotions-driven. To attract customer attention, Jones Soda utilizes an “alternative distribution strategy,” selling soft drinks in venues such as clothing and music stores, tattoo and piercing parlors, sports equipment shops, and convenience and food stores. Using word of mouth, consumers served as the best advertisers for the product. Two of the brand’s strongest selling points are the relatively outrageous flavors and the emphasis on consumer participation. The distinctive nature of the brand itself proves to have been the most effective form of non-traditional advertising.



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Industry Analysis

Situation Analysis

Since the beverage industry is so competitive, Jones Soda came up with several ways to stay competitive in their designated field. Through distribution, brand name, brand image, price, labeling and packaging, advertising, quality of the beverage, and new ideas they have accomplished this. Jones Soda competes for customer appreciation, retail shelf space and for marketing focus by their distributors, who also distribute other beverage brands.

Jones Soda competes with all nonalcoholic beverages that consumers come into contact with. These include Cadbury Schweppes (Snapple, Stewarts, Nantucket Nectars, Mystic), Thomas Kemper, and Boylan's & Hansen's. It is also to be noted that Jones Soda competes with traditional soft drink vendors such as Pepsi and Coca-Cola. The biggest difference between Jones Soda and each of its competitors is in the amount of financial resources. Competitors have much larger budgets than Jones Soda.

With their competition running promotions such as the Coca-Cola Rewards Program and other deals, it is difficult for Jones Soda to compete for high brand recognition. Pepsi and Coca-Cola are able to advertise constantly, on a pulsating schedule, because of their budget. In addition to that they offer rewards programs and promotional giveaways. Jones Soda does not have the resources to do the same. Jones Soda sticks to the alternative New Age beverage side of the industry, and keeps their advertising and promotions alternative as well.

To be able to become part of and move up in the evoked set of consumers in the given field, Jones Soda believes they need to convince independent distributors that they are a leading brand for the alternative or "New Age" beverage industry and that they can compete with mainstream soda companies. Jones Soda has created a 12-ounce can that allows them to contend directly with these competitors. Jones Soda also intends to create new products, product extensions, and new brands to more closely compete in this field.

Jones Soda currently distributes their products in several retail outlets. These outlets include Barnes and Noble, Panera Bread Company, CostPlus World Markets, Starbucks and Target Corporation. As well as these mature locations, Jones Soda also distributes to other independent vendors.



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Market Analysis

Situation Analysis

The Jones Soda brand has positioned itself as a trendsetter and market demands show that it is indeed becoming increasingly trendy. In 2005, the company's earnings remained flat (mostly due to increased consumer and trade promotions tactics), but it saw a jump in revenues by 22 percent. This resulted in \$33.5 million in revenues compared to \$27.4 million in 2004. The more efforts Jones Soda seems to make to increase brand awareness, the more successful it seems to be. Obviously, the company's increased efforts paid off nicely. While Jones Soda did not record earnings in the first two quarters, in the fourth quarter of 2005, the company tallied record earnings of \$580,245, up from \$84,546 in the fourth quarter of 2004.

Jones Soda's increased success in 2005 also landed the business a listing on the Nasdaq Small Cap Market. This was a big step for the soda company after having been a member of the Over the Counter Bulletin Board. Since switching markets the stock has grown from within the 4 dollar range to a current stock price last quoted at \$7.78 a share.

Investors and consumers familiar with the brand have been praising the company and its growth potential. Jones Soda continues to look and fulfill its trendsetting image in the very competitive alternative beverage and carbonated soda markets.



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Target Markets

Situation Analysis

Jones Soda self-proclaims that it is the only independent manufacturer to focus exclusively on the youth demographic. Jones Soda's primary age group is 12 to 19-year-olds. However, the soda company also targets its consumers on a psychographic basis. The company is searching for youth that embrace the alternative. A few of the alternative psychographics Jones Soda specifically targets are skate and snowboarders, indie music fans, bikers, alternative filmmakers – basically anyone looking to express himself or herself in an alternative way.

While this is the group Jones Soda primarily markets to, its secondary market contains 20-34 year olds, again, specifically concentrating on “alternative” individuals. This group includes more trendsetters that see drinking Jones as an alternative statement that is hip and fun.

Jones Soda is smart to target alternative youths. While the alternative, generally speaking, is often thought of as a deviation of the mainstream - it is becoming increasingly popular. Extreme sports and indie music, for instance, have become so popular that they essentially are a form of the mainstream. As these alternative choices grow in popularity, Jones Soda's target markets continue to expand.



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Positioning

Situation Analysis

Current Branding Strategy



Jones Soda defines itself in the carbonated soft drink industry as an alternative and new age beverage. In the minds of the public, Jones Soda is certainly an alternative to major soft drinks like Coke and Pepsi and as far as new age goes Jones Soda is seen as a highly unique drink that is for younger, modern, and pop culture oriented consumers. Consumers and the young target market do not see Jones Soda as a competitor to big Cola competitors, but see it as a part of its own niche with other pop industrialists like Snapple and Cadbury-Schwepps. They equate it with other alternative beverages like all-natural teas and juices as well as energy drinks. To consumers it's not something you find in the soda fountain, but rather something sold at specialty stores or popular hang outs.

When asked, "What kind of people drink Jones soda?" it was very overwhelming to see how well Jones has positioned itself within its target market and how dead on its consumers were with the image it wanted to create. The target market responded with, "Someone who hates mainstream," "Trendsetters, alternatives," and "A very unique person." Consumers within the target market have the perception that Jones is not something you buy very often like Coke or Sprite, but rather something for the adventurous and people with a reputation for knowing what's cool and being trendsetters. People want to be those trendsetters, so they drink Jones. Jones is the alternative drink for the alternative person. Jones has tried to position itself with a certain psychographic of its target market which would be the "punk" group. The skateboarder, punk scene is becoming cool along with punk music and Jones is trying to ride that wave by endorsing punk and independent music such as Never Say Never, as well as sponsoring alternative, extreme sport athletes like Carey Hart and Sky Siljeg.

People consider Jones to have a unique reputation and they drink it to be associated with its unique image. By being sold in places like Starbucks and Panera Bread, Jones reinforces its "hip" position because those businesses are considered hip and cool hang outs. They are places to be seen and Jones is the drink to be seen with. People feel that Jones creates an individual flavor for them and that they can find a flavor for them that fits their personality as well as separates them from the crowd of big soft drink consumers.

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Product Development

Situation Analysis

Current Branding Strategy



Jones Soda is a brand that reflects the ever-changing needs and wants of its target markets. Consumers are heavily involved in the development of new Jones products. On the company website, customers can offer suggestions for future flavors and flavor names, as well as rate and review current flavors. Doing this ensures that the company is meeting the needs of consumers, since they have direct, honest customer input. Flavors that are not particularly popular or receive bad reviews are “retired.”

Jones Soda appeals to alternative youth markets, and one of the principal ways the brand achieves this is through the development of a variety of flavors. This often proves to be one of the principal selling points, and also creates public relations buzz, giving the brand some simple, low-cost advertising. Often the brand releases special sets of flavors around certain holidays. Most notable was the Holiday Pack. First introduced during the Thanksgiving season of 2003, the pack consisted of Turkey and Gravy, Mashed Potato, Green Bean Casserole, Cranberry, and Fruitcake flavors, and included free utensils—straws. Flavors like this tickle the curiosity of consumers, encouraging them to buy. In addition, the company donated \$50,000 of all Holiday Pack sales to the Toys for Tots organization.

As if the flavor distinction was not enough, each flavor also has a unique color—the Cream Soda flavor, for instance, is almost perfectly clear. The use of clear bottles and creative labels creates a stark contrast to the somewhat static designs of other beverages.

While most of the traditional flavors have fairly standard names, the Jones Soda “Naturals” juice blend line features more witty names, such as “Strawberry Manilow,” “D’Peach Mode,” and “Bohemian Raspberry.”

In addition to the Sodas and Naturals lines, Jones Soda also offers lines of energy drinks, organic blends, canned sodas, lip balms, popsicles, and candy.

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Packaging

Situation Analysis

Current Branding Strategy



Consumers and the target market agree that one of the most appealing qualities and characteristics of Jones Soda is its unique packaging and the creative license the Jones Soda Company gives to its consumers. Jones Soda is typically packaged in a glass, long neck bottle. The label is black with a white outline (unless it is the diet soda in which case it is a white label with a gray outline), but the name of the soda itself is usually in a bright color and matches the actual soda itself. For example, the Green Apple soda is bright green so the name of the soda is printed in a neon green color against the black background. The label does have one restriction and that is the nutrition facts and ingredient label which must be included on every package.

The unique and individualist design of the Jones Soda label is derived from the act of Jones asking its consumers and fans to submit pictures that they took for the chance that they will grace the label of Jones Sodas in their area. Consumers get excited to participate in this program and it creates the feeling that they are part of the Jones Soda Company. If selected, the photos may be placed in Jones' online photo gallery. The photos are resized and printed out in black and white on the label for the bottle. The photos must fit the "Jones attitude" and are selected based on their creativity. There is also the option of buying your own custom made labels if your picture isn't chosen. Always, "Jones Soda Co." is printed across the label in a particular Jones font and the cap features a "J" insignia and logo. Sometimes printed on the label are stories about the picture or a blurb from the Jones company about how it makes its sodas and how it feels about its customers. It's a very good way to make a consumer feel like they have a connection with the soda and the company.

In 2003, Jones Soda Company started a "direct to retail" distribution strategy with the Target Corporation. Jones had to create and start using packaging that would be easier for Target to stock, sell, handle, and display since the glass bottle would be easier to break and could only be carried in a six-pack cardboard carrier. Jones engineered a new can that was different from the bottles, but was just as appealing, featuring the black and white base colors with neon accents that brought the label to life. The cans come in a twelve pack which features one of the photos.

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Distribution

Situation Analysis

Current Branding Strategy



Jones Soda Company's business strategy is to increase sales and brand awareness by expanding distribution of their internal brands in new and existing markets, stimulating consumer trial of its products, and increasing consumer awareness of and brand loyalty to its brands and products. Jones has strong consumer demand in the United States and Canada, and that is where they primarily sell soda and focus their marketing efforts. Jones depends on strong relationships with a network of independent distributors and national retail accounts. In 2003, Jones started using a "direct to retail" business strategy as a complementary channel of distribution to its DSD channel, targeting large national retail accounts such as Barnes & Noble, Panera Bread Company and CostPlus World Markets. The company also has a licensing agreement with the Target Corporation in which it gave Target exclusive rights to market and sell 12-oz. Jones Soda cans. Jones also has a distribution arrangement with Starbucks Coffee company in both the US and Canada. The majority of Jones products are sold through a DSD distribution network, but the company also has a few DTR accounts.

Jones Soda Company products are sold in 41 states in the United States and 8 provinces in Canada, in which the majority of its products are sold in convenience stores, delicatessens, sandwich shops and selected supermarkets, as well as through national accounts with several large retailers. During 2004, sales in the U.S. represented approximately 88% of total sales, sales in Canada represented approximately 11%, and approximately 1% of sales were international. In 2005, Jones Soda may consider expanding sales to select international markets.

Jones Soda Company also distributes to "alternative" or "nontraditional" beverage retailers. The company has agreements with 250 independent nontraditional beverage retailers, including music stores, skateboard and surf shops, comic book stores, and clothing stores in San Diego, Seattle, and Vancouver, B.C. These retailers agree to exclusively carry Jones Soda beverage products. In 2004, the company entered into an agreement with Zumiez Corporation, an alternative skate/snow-wear clothing store chain, to sell its products in all 120 of Zumiez's retail stores in the United States.

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Pricing

Situation Analysis

Current Branding Strategy



“I think they taste great, but they’re expensive for the amount of cans/bottles in each pack,” said a customer of Jones Soda. The company’s beverage products can be a little more on the pricey side, but for how small Jones is, with the quality, unique characteristics, image, and taste, the prices are not bad - which most consumers agreed on. When consumers were asked what would make them choose Jones over other carbonated beverages, however, an overwhelming answer was a lower price. When creating pricing policies, Jones Soda Company takes into account competitors’ prices as well as what the company believes the consumer is willing to pay for each Jones product and the brand name. Jones tries to work back through the distribution chain so that suggested retail prices are proportional to the anticipated profit margins of the distribution process.

The retail prices for grocery and convenience stores in the DSD accounts are \$0.79-\$1.09 in the US and \$0.99-\$1.29 in Canada. For “direct to retail” channels Jones suggests prices of \$1.60-\$1.75 for Jones Soda. As far as pricing, Jones Soda’s main goal is to try to stay competitive with other New Age beverages. When it comes to the cola conglomerates like Pepsi and Coca-Cola, Jones Soda is not priced very competitively, and that sometimes hurts sales. When we asked, “what would make you choose Jones Soda over other other soda brands,” many of our respondents said “price” and “if it was cheaper than Coke, etc. But must have good quality.”

Marketing Communications

Situation

Analysis

Current Branding Strategy



Advertising

Jones Soda Co. has limited advertising in various mediums. The company does not utilize television or radio to advertisements like most of its competitors. Jones Soda opts for an alternative medium to the mainstream because their target markets do not spend as much time being influenced by those forms of media. Their consumers spend more of their time on the Internet. Jones Soda maintains a unique and very interactive website at <http://www.jonessoda.com>, a place where most consumers' brand loyalty first began.

Starting off as a consumer's ability to personalize their own 12-pack of Jones Soda, the company took this concept and brought it to a more commercial level. In 2002, Jones Soda launched an ad campaign called, "yourjones", that allowed customers to customize the front label of Jones Soda bottles for national distribution. Jones Soda cooperatively advertises with some of their independent distributors who also help fund a portion of their marketing budget. Currently, they have no slogan or real catch phrase that can allow for brand recognition or recall, however a common phrase that is used from time to time on their pages after mission statements is "Run with the little guy ... Create some change!"

Public Relations

In select cities, Jones Soda participates at a grassroots level to help create brand awareness and loyalty. For example, the image of Jones Soda is that of an alternative soft drink. The company reflects this image in their public relations efforts by attending specialized alternative sports events like BMX, snowboarding, and skateboarding competitions. However, the company does not just attend these events, they also sponsor many of the athletes that compete in them, and have an easy process online for other athletes to apply for Jones Soda sponsorships.

Jones Soda also uses two leased recreational vehicles and 5 vans painted with the Jones Soda labels and colors to create consumer awareness and help build stronger B-to-B communication. They use these vehicles as promotional tools by randomly showing up to high school and college events, and alternative or extreme sporting events.

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Marketing Communications

Situation

Analysis

Current Branding Strategy



Public Relations (cont.)

Through its main communication tool, the Internet, Jones Soda Co. also maintains a webpage for upcoming alternative artists at <http://www.myionesmusic.com>. It is a site that includes a database, resources and links to help promote and support upcoming artists as well as provide a haven for alternative music lovers.

In addition to these efforts, Jones Soda also supports environmental efforts near its headquarters in Seattle, Washington. In 2005, the company partnered with the Seattle Public Utilities Commission to increase public awareness of recycling, and to encourage local customers to recycle Jones Soda products. The campaign included two local television commercials produced by the Commission that featured Jones Soda, as well as links on the Jones Soda website that directed site visitors to fun facts and games containing information about recycling.

In 2005, Jones Soda participated in the American Diabetes Association's (ADA) "Tour de Cure," a series of cycling events held in more than 80 cities nationwide in an effort to benefit the association. Jones Soda partnered with the ADA to promote its line of sugar-free sodas and generate awareness for diabetes.

In 2004, for the second consecutive year, Jones Soda donated \$50,000 of revenue generated from the sale of the seasonal "Holiday Pack" to the Toys for Tots and Covenant House organizations. The unusual flavors included within the Pack ("Turkey and Gravy," "Mashed Potatoes," and even "Green Bean Casserole"), combined with the generous donations from such a small company, generated much attention from both the press and consumers alike.

Sales Promotions

Trade Promotions

Jones Soda implemented a cooperative merchandising agreement with Target, with whom they exclusively distribute Jones Soda cans. Jones Soda primarily uses point-of sale materials such as posters, stickers, table cards, shelf danglers and post cards.

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Marketing Communications

Situation Analysis

Current Branding Strategy



Sales Promotions (cont.)

Trade Promotions (cont.)

The company also entered into a similar agreement with the Kroger Corporation, giving the corporation exclusive rights to sell Jones Frozen Popsicles throughout its various grocery chains. Partnering with stores like Kroger and Target helps to build brand awareness by making the products more accessible to a greater number of consumers, and it encourages repeat purchases and customer loyalty to the brand both within those stores and at other locations.

Consumer Promotions

Jones Soda primarily uses point-of sale materials such as posters, stickers, table cards, shelf danglers and post cards. As mentioned before, Jones Soda launched an ad-campaign for Jones Soda users to submit their own photos for the front label of the bottles. This form of a contest allowed consumers to become an active part of the production process and members of the Jones Soda family.

Most of Jones Soda's consumer promotions occur through the company's website. Consumers who fill out online surveys can download layout templates for their MySpace profiles, calendars, and website development tools, and can often become eligible for Jones Soda merchandise discounts. In the past, the company has also conducted various contests, such as its "Under the Black Caps" promotion, where each of the five letters spelling "Jones" were printed on the underside of bottle caps, and participants had to collect all five letters in order to win. Prizes appealed to the youth market, and the contest encouraged repeat purchases and increased brand awareness.

Personal Selling

Jones Soda's sales team is organized into four regional groups. Senior sales personnel are responsible for large retail grocery accounts in their regions, while junior sales personnel work closely with the independent distributors and their sales representatives to help them start retail accounts and train them in national accounts. Jones expanded their sales program by recently hiring an executive vice president of sales. This shows that Jones Soda Co. is committed to making sales a function of management.

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Brand Awareness

Brand Equity Analysis

We conducted a survey of approximately 100 individuals who were within our target market of 12 to 25-year-olds to see what kind of brand awareness and brand image existed for the Jones Soda Company within its primary market. Nearly fifty percent of the individuals surveyed said they were familiar with Jones Soda and had brand name recognition. Jones Soda's name was easily recalled by consumers, however, advertising was not unless the consumer had a personal experience with the Jones Soda Company and their street team. Jones Soda was in the evoked set of choices and rated adequately in top of mind evaluations for a carbonated beverage other than Pepsi or Coca-Cola, but it was not top of choice brand. Sprite and Dr. Pepper rated high in top of choice brands as well as top of mind.

Ninety-two percent of the individuals we surveyed said they had never seen a Jones Soda advertisement. This indicates that advertising recognition and recall are very low. The primary market for Jones Soda is aware of the name, the brand image, and have a good sense of brand name recall and recognition, but Jones Soda ads have virtually no recognition or recall. One of the individuals surveyed summed it all up best, "I think that most of the flavors taste very good, but it lacks the advertising."



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Brand Image

Brand Equity Analysis

Jones Soda Company has worked extremely hard to create a concrete brand image for its product and company. Brand image is the most significant and effective marketing and advertising tool that the Jones Soda Company has. It was clear from our survey that consumers who were aware of the Jones Soda brand were also very familiar with the brand image of Jones and it was congruent with the image the company is attempting to convey to the market. Jones has created an image that it is in touch with not what is cool now, but what is going to be cool in the future. People who drink Jones Soda are trendsetters and opinion leaders. As an alternative beverage, Jones supports the extreme sport enthusiast as well as those who are into punk, indie, and anything but mainstream music. In fact, Jones is not about the mainstream. The company admits that it is “grassroots” and individualistic. Jones is about being young, being yourself, and being cool.

We asked the individuals that we surveyed, “What kind of person do you think drinks Jones Soda?” They responded with the type of person who Jones Soda wants people to think drinks their product. Consumers said, “Someone that is young, a rebel, into alternative things and are less into mainstream,” “cutting edge, not one to follow the pack,” “someone who is open to trying new things that aren’t run of the mill,” “someone artsy, down-to-earth,” “a more liberal person,” “less commercial, hippie,” “trendsetters,” “a very unique person,” “a COOL person.” These statements sum up the brand image of Jones Soda and express, from the consumers themselves, how they feel about the product and company.



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Positioning

Brand Strategy Recommendations

We believe Jones Soda's positioning stance to appeal to the alternative youth market by marketing itself as an "alternative" choice alongside other alternative sports, music, and trends is effective. While maintaining this position, we believe Jones Soda should expand its target market to individuals indulging in additional forms of the alternative that they do not emphasize, and should maybe even market their beverages as products that can help anyone be alternative. Trends in the United States show that the alternative is increasingly becoming part of the mainstream, and people want to learn how they can stand out.

This is why Jones needs to be seen as alternative, but available to anyone, and something that anyone could feel comfortable trying. We also maintain that Jones Soda's positioning stance will not be effective if enough consumers are not aware of their product.



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Product Development

Brand Strategy Recommendations

Product development is one of the strongest components of Jones Soda's marketing plan. Consumers are the main influencers of the company's decision-making process when it comes to adding new products or discontinuing old ones. This is a good tactic that makes people feel, once again, like they have a stake in creating these products.

Every 18-32 months Jones discontinues products and rolls out new ones. This constant stream of new product introduction helps keep the company fresh. Jones Soda also offers unique seasonal products like Turkey Gravy for Thanksgiving and Candy Corn for Halloween. Color differentiation in the soda is another big drawing factor that piques consumer interest and curiosity.

Jones strategic system for new product development and introduction is very effective as is and does not need revision.



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Packaging

Brand Strategy Recommendations

Currently, Jones Soda primarily sells single-serving beverages that come in clear bottles with labels adorned by selected pictures of its consumers. Underneath the caps of the bottles Jones Soda also adds humorous or inspirational quotes submitted to it by consumers. The beverage company sells soda cans; however, this is a trade promotion the company has only with Target.

We believe Jones Soda should be careful about venturing into the soda can industry and directly competing with carbonated sodas on that level because it could result in Jones Soda Company losing its premium brand image. It is fine for them to do this with larger retailers like Target, but they should resist expansion in this area.

However, we feel that Jones Soda could incorporate the selling of additional six-packs in grocery stores and some of its independent retailers. The company could maybe even make smaller-sized bottles for sale or consumer promotions (these would probably gain collectable status - another plus, and possible way of creating public relations buzz).



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Distribution

Brand Strategy Recommendations

Jones Soda's current distribution strategy targets independent cafes, delis, salons, skate and snowboard shops, tattoo and piercing parlors, delicatessens and coffee shops. Trendy hangouts such as Starbucks, Barnes and Noble, and Panera Bread also offer Jones Soda and are some of the company's larger independent retailers. Distribution for Jones Soda is based on consumer demand.

While Jones Soda is constantly trying to expand the number of vendors and retailers it works with, we feel there are many other areas in which the company could expand with success. We think it needs to expand more within college towns. There are many places in these towns where Jones Soda could be sold successfully; even certain places on campuses with a cooler, coffee shop feel could support Jones Soda products. We feel the company should look closely at geography and psychographics and use those elements to expand in certain areas even more than they primarily would, depending on the number of people in its target market that live there.



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Pricing

Brand Strategy Recommendations

Jones Soda's suggested pricing for retailers ranges from \$1.60-\$1.75. The company says their goal is to be on par price-wise with their competitors. This current pricing strategy works well in helping to develop the company's overall image. Jones Soda wants to be seen as a premium alternative beverage and we think this price range satisfies that image.

If they wanted, Jones could make smaller bottles and sell them at a less expensive price. This would reduce risk for consumers and eliminate some of the reservations they might have about trying the product. While it would probably be ineffective and costly to do this for an extended period of time, having a short trial of offering a "try it" sample size for, say, \$1 could be an effective way of increasing brand awareness.



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Marketing Communications

Brand Strategy Recommendations



Advertising

Jones Soda advertising is practically nonexistent. Almost all of our survey respondents said they had never seen an ad for the soda. The company primarily relies on word of mouth and public relations buzz to raise awareness of its products. However, it has been seen that this has not been effective enough in raising awareness of the brand.

We recognize that Jones Soda must be very careful about choosing to advertise because in some cases it could adversely affect its alternative image. In spite of this, we think advertising for Jones Soda could be successful and is necessary for developing an adequate level of brand awareness.

For advertising to be effective for this company the correct media must be selected. Jones Soda cannot advertise in mainstream media outlets. For instance, television commercials can be done, but the company should only buy time slots on particular channels for select programs. For example, MTV and ESPN (during X Games events) would reinforce Jones Soda's image and would be a good way for them to emphasize their current sponsorships more publicly. Magazines would be the most effective medium for print advertising. Specific magazines that could work for Jones Soda include: ESPN the magazine, Filter, Alternative Press, and other alternative entertainment or sports magazines. If they wanted to branch out more, they could also have ads in select pop culture magazines.

The second element needed in Jones Soda advertisements to retain and emphasize their alternative image is the continued cultivation of the grassroots creativity that shines through in their packaging and product development. Jones already has consumers submit commercials that they make on their own about its products, a select few of which are selected to be featured on their website. The company could use these submissions in its commercials, emphasizing the fact that its own customers created the commercial and that more can be viewed on its website. Jones Soda Company could add its own tagline, perhaps something like, "What flavor are you? Express yourself - Jones Soda." Similarly, print ads would use consumer photos and emphasize the same type of message.

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Brand Strategy Recommendations



Advertising (cont.)

Other areas where Jones Soda could have effective advertising opportunities include billboards, outdoor alternative options, and the Internet. The company could create a lot of buzz in urban areas by buying billboard space going into the city and just posing a question, “find out,” and their website on a white background – a good technique for creating curiosity and still keeping their alternative, trendy image. The same technique could be used on advertisements inside and outside buses and subways. The fact that Jones Soda’s most promising advertising material is on its website makes it that much smarter to direct people directly to that source. Because of this, the company should also advertise on the same medium as its source. We felt that websites like MySpace and Facebook would be the best sources for online advertising, targeting much of Jones Soda’s desired market.

Jones Soda could also look into some cooperative advertising opportunities. They have had cooperative marketing campaigns before with outlets like Getmusic.com, but very little advertising was involved. We thought a camera company might work well as a cooperative advertiser because it could emphasize the alternative image and do-it-yourself participation Jones Soda has with the consumer-submitted picture labels commercials and bottle-cap quotes.

Public Relations

Jones Soda has very effective public relations. Their new and unique product developments have landed them a lot of publicity. Jones Soda has many other great public relations activities, including lots of support for charities and charitable events, but often they do not communicate these things to the public effectively.

We suggest that Jones Soda take a more active position in promoting its athlete sponsorships and charity support. Jones supports many athletes and is a very altruistic company; this should not be a secret to the public.

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Brand Strategy Recommendations



Public Relations (cont.)

Other sponsorships that still are alternative but a little bit more mainstream in nature could be more effective in raising brand awareness in their target market. Specific examples of venues that could be successful for company sponsorships include a music tour for a specific alternative artist or group of artists, or maybe support for certain activist days – specifically those dealing with the environment and social awareness.

Then, finally, what we feel is most important is Jones Soda's development of a clear and more widely used slogan. Some suggestions we had for possible slogans included: "What flavor are you? Express yourself – Jones Soda;" or "Jonesin' for Jones."

Sales Promotions

Trade Promotions

Jones Soda uses trade promotions more sparingly than other competitors. We feel that the company should expand its trade promotions program to offer trade allowances (slotting fees for new retailers), trade incentives (cooperative merchandising agreements, premium or bonus pack deals for retailers purchasing a certain amount of Jones Soda) and maybe a select few vendor support programs (like cooperative advertising with particular brands or companies). Jones Soda already uses some point of purchase programs, but they could expand this to get more prominent displays in larger retailers like premium grocery stores and Target.

In addition, to help the company continue to emphasize its alternative image and bring a taste of that to the places that sell its products, Jones Soda could maybe sponsor events within its independent vendors. For instance, Jones could offer athlete meet and greet signings in skate shops; or they could sponsor an alternative artist to come into a café. This would not only be an opportunity for trade promotions but also consumer promotions.

These things could help Jones obtain initial distribution, get current vendors to increase their order sizes, and enhance their overall integrated marketing program.

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Sales Promotions (cont.)

Consumer Promotions

Jones Soda uses consumer promotions sparingly. They do have promotional vehicles on each of the coasts that visit schools and different events to give away free stuff. However, we feel that the company should offer more contests and sweepstakes. More specifically, Jones Soda could possibly offer opportunities to win tickets to sponsored concerts or extreme sporting events. The company could also give away items like DVDs featuring extreme sport sponsored athletes.

Coupons are another obvious promotion that could get more consumers to try their product. However, the company could also do a short campaign with taster size bottles that they give away to prospective customers. This technique would not only be a consumer promotion tactic, but also could work as a trade promotion, helping prospective retailers and vendors gauge consumer demand for the products and awareness of them.

Personal Selling

They seem to have a good system of personal selling. The organization of sales personnel is especially telling. We were very impressed to see that they recently added a position to their company - Executive Vice President of Sales. This is good because it shows their commitment to expanding the role of management in sales. However, we feel that this person should not just overlook sales campaigns, he should also at some point over the course of the year have contact with each of the individual vendors and retailers to prove to buyers how much they appreciate their business.

As for direct-to-consumer selling, Jones also has a very effective program in place with their online sales. Myjones is an effective tactic for drawing in new individual buyers and allowing people to buy directly from their website. In addition to Myjones, the company also has Yourjones, an opportunity for businesses to customize Jones Soda for their own personal selling. For this type of transaction, businesses contact Jones sales reps directly.

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