

New owner of Pringles needs to bring brand into 21st century

Pringles is broken, but fixable.

That's the consensus of brand gurus and marketing experts, who say the brand sold by Procter & Gamble to Diamond Foods for \$1.5 billion on Tuesday, needs a complete image overhaul.

"You can be polite and call it a classic brand, but the consumer sees Pringles as being old," says Robert Passikoff, founder of the Brand Keys consulting firm. The company's brand index gathered from consumer surveys finds that consumer perception of Pringles has been flat for five years. But the image of Kettle chips, owned by Diamond Foods, has been fastest-improving in the chip category. So has Kettle's sales.

Since Diamond acquired Kettle potato chips in 2010, the brand has posted double-digit sales growth. Pringles, which is a \$1 billion-plus brand, saw its sales slide slightly in the past 52 weeks, reports SymphonyIRI Group. Now, with the Pringles purchase, Diamond virtually triples the size of its snack business.

Snacking is huge. It's a multibillion-dollar category, and major foodmakers and big restaurant chains all are clamoring for any piece of it. It's why McDonald's Snack Wraps are so successful, and why Starbucks and Dunkin' Donuts just rolled out new snacks.

For P&G, the sale is about exiting the food business and focusing on home-cleaning and personal-beauty products. But for Diamond, it's all about swallowing more snacks.

Consumption of salty and savory snacks ranks among the top 10 fastest-growing food trends and will increase by 16% by 2018, research specialist NPDI Group projects.

But change won't come easily for the 45-year-old brand, originally created for — but never used by — the U.S. Army. P&G has managed the brand in "a very traditional way" despite the fact that the perfectly shaped chips in a canister are a very non-traditional snack food, says brand consultant Martin Lindstrom. Now, he says, Diamond Foods needs to think way outside the canister. Some suggestions:

- Think entertainment. Pringles, which folks buy for fun, should integrate "fun," youth-targeted computer games into its packaging design, says Lindstrom.

- Fix the recipe. "They need to come clean about what Pringles are made from — or fix the ingredients," says brand consultant Jonathan Salem Baskin. "This stuff isn't even potatoes."

Actually, it's about 42% dried potatoes that's cooked from baked dough — not from potato slices.

- Add functional benefits. While it would be dumb to claim that Pringles are good for you, the new owners should consider adding positive "functional" benefits that, perhaps, give more energy, says Lindstrom.

- Tweak social media. While Pringles has a Facebook page and Twitter account, it needs to up the social ante, Passikoff says. "It needs to really resonate on a social platform."

- Extend the brand. Slap chocolate coating on them. Squirt cheese filling between them. Maybe even sweeten them up into a cookie line, says Lindstrom.

- Update the marketing. Diamond needs to find more "emotional" ways to position the brand, says Passikoff. "They need to look at the category and the



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competition and understand there are big changes in how young consumers snack."

- Improve the texture. Everyone knows what a Pringles chip feels like in the mouth, Lindstrom says. Diamond should offer alternatives with more snap.

- Kill the character. The familiar mustache man on Pringles cans must be replaced, perhaps via a social media vote, Lindstrom suggests.

