

Memo

To: Chris N. Charge
From: Taylor P., leading salesperson
Subject: Happy Bunny Energy Juice
Date: March 18, 2020

Since Happy Bunny Energy Drinks sells one of the world's best selling energy drinks, our company has made the correct decisions to make us a top competitor; however, I fear the creation of Happy Bunny Energy Juice will make us lose this position. Even though the creation of this new product may earn us a revenue of \$30 million in profit, the risks our company will take for this profit may end up damaging the company in the process. Below I have listed reasons as to why it would not be wise for us to open up ourselves to this new market.

Cancel Culture

Once someone has a problem, it is known immediately as social media makes it easy for information to spread. Cancel culture has made it so there is truly no difference between the type of backlash someone will receive no matter how big or small the problem is. Because of how dangerous and present cancel culture is for brands, it would be of no surprise if Happy Bunny Energy Juice was "canceled" right before it is even sold.

- **Marketed to Children.** Even though Happy Bunny will not be marketing an energy drink to children, people will have a problem with this new product because it is so similar to the products this company is known for. There is a widely held negative opinion towards giving children energy drinks because they are linked to health problems. Because of this people will think that we are acting unethical and putting children in danger.
- **Intense Backlash.** As with anything that gets "canceled," the anger and negativity spreads quickly and the topic will soon be on the trending page. People would easily be able to read negative comments about our new product and company if we appeared on the trending page and Happy Bunny's name would be tarnished within a matter of seconds. This intense hate we would receive would also carry on for the rest of our company's existence. As history has shown, no matter how many times a brand apologizes for their mistakes, people never forgive them and will continuously bring the situation up, forever ruining the brand.
- **Decreased Sales.** The negativity we would receive would instantly decrease our sales. Not only would this effect the possible revenue we could earn from the Happy Bunny Energy Juice, but this would significantly decrease the revenue we earn from our already existing products. Our name would be ruined because of the energy juice and would in turn lead people to not trust our name and no longer buy our products.

Legal Liability

Adding fruit juice can avoid some of the legal liability but it will not eliminate all of it. The possibility of having a lawsuit against Happy Bunny because the product involves energy drinks as well as children is very strong. In the longterm, this would be costly for the company as it will have to pay for high lawyer fees and possibly even settlements or court fees if the case is strong enough.

- **Angry parents.** Even though it is not Happy Bunny's responsibility to protect children, parents will try to blame us for endangering their children. Whether the reason is that there is a negative side effect or parents simply don't like the fact that we are known for selling energy drinks, angry parents will not hesitate to bring a lawsuit against us if they think it will protect their children.
- **American Beverage Association.** According to the *American Beverage Association* website, "energy drink manufacturers will not market their energy drink products to children under 12 years of age" (*ameribev.org*). While Happy Bunny Energy Juice is not directly an energy drink, this rule could still get us in trouble as the drink is an energy juice and we are a company known for being a best seller in energy drinks.
- **Lawyers against energy drinks.** There are several different websites already in existence to file lawsuits against energy drink companies such as *aboutlawsuits.com*, *energydrinklawsuit.com* or *youhavealawyer.com* to name a few. If these types of websites already exist for adults who are fully conscious of their own decisions, these websites would surely dramatically increase as people are always trying to protect innocent children.

Harsh Competition

There are already countless brands that market their juice to children so it would be hard for us to distinguish our juice from the rest. On top of that, it would be hard for us to be a front runner because we are getting into this market so late and the other front runners have been on top for many years.

- **Large competition pool.** According to the CNN Health page, there is a minimum of 34 different juice options aimed towards children as a headline for one of their articles reads "top 34 bestselling 'fruit' drinks for kids deemed unhealthy" (*cnn.com*). If there is already at least 34 best selling different options, it doesn't seem like our brand has much of a chance to stand out when there are already so many options flooding the market.
- **Front runners.** Some of the front runners for this market include Kool-Aid Jammers as well as Capri Sun Roarin' Waters (*cnn.com*). Both of these companies have been around for many years and have had a strong footing in the market for almost as long as they have been in production. Because there are already best sellers that have thrived in this market for several years, people would not easily be able to sway away from what they have known and loved for so long to give Happy Bunny Energy Juice a try.

The risks of entering a new market with Happy Bunny Energy Juice are far greater than the possible benefits the company may receive and because of that, I do not think it would be a wise decision for us to sell this product.