Brand Doctor

Brand Check-up

Tupperware

As of October 8, 2024

Status: Bleeding

A famous name sold through a channel fewer customers used, with debt and late filings that left no time to fix it.

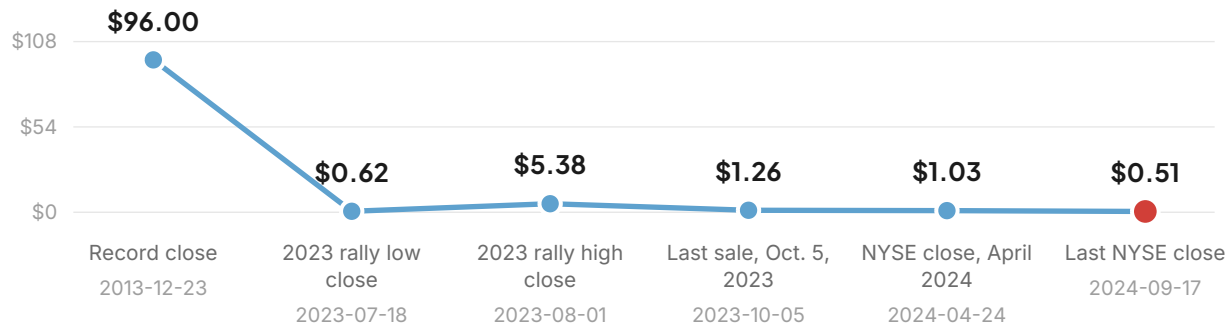
About this check-up

Brand Doctor reviews well-known brands the way we review a client's marketing: symptoms, diagnosis, treatment. This check-up uses public information available on October 8, 2024. It is brand and marketing analysis, not investment advice. Sources are listed at the end.

Vital signs

Share price

USD, at the dates shown [13, 4, 15, 16, 17]



Share price

Suspended

NYSE suspended trading Sept. 18, 2024, after the Chapter 11 filing; last NYSE close $0.51 on Sept. 17; removal from the exchange set for Oct. 15, 2024 [2, 3, 16]

Change from record close

-99.5%

$96.00 record close, Dec. 23, 2013 (actual close, not dividend-adjusted) vs $0.51 last NYSE close, Sept. 17, 2024 [13, 16, 18]

Latest annual revenue

$1.30 billion

Fiscal 2022 net sales, down 18.5% from $1.60 billion in 2021; $2.67 billion at the 2013 peak [5, 18, 14]

Latest reported sales

$828.3 million

Nine months to Sept. 30, 2023, down 16% from $990.4 million a year earlier [6]

Average active sales force

About 313,000

2022, down 18% from 2021 [4]

Estimated liabilities

$1B to $10B

Range listed in the Chapter 11 filing, against $500 million to $1 billion of estimated assets [11]

Timeline

1946	Chemist Earl Tupper founds Tupperware; the company later says its container created the modern food storage category. [11, 4]
1951–04	Tupper sets up Tupperware Home Parties, the party-plan sales arm. [12]
2013–12	Shares reach a record close of $96.00 on December 23; net sales for the year peak at $2.67 billion. [13, 18, 14]
2022–10	Tupperware products go on sale in more than 1,900 Target stores in the U.S. and on Target's website. [10]
2022–11	Third-quarter net sales fall 20%; the company says its risks raise substantial doubt about its ability to continue as a going concern. [7]
2023–04	The company repeats the going-concern warning and misses its annual report deadline; shares fall nearly 49% on April 10. [8, 9]
2023–08	Shares close at $5.38 on August 1, up from $0.62 on July 18; the company enters into a debt restructuring agreement on August 2. [4]
2023–10	The delayed 2022 annual report is filed, with a going-concern warning; Laurie Ann Goldman becomes CEO. [4, 11]
2024–09–17	Tupperware files for Chapter 11 in Delaware and says it will seek court approval for a sale process. The shares close at $0.51, their last NYSE close. [1, 16, 17]
2024–09–18	The NYSE suspends trading and starts delisting; removal is set for October 15. [2, 3]

Symptoms

- Net sales down from $2.67 billion in 2013 to $1.30 billion in 2022
- Average active sales force down 18% in 2022
- Going-concern warnings in November 2022 and April 2023

- The 2022 annual report filed in October 2023, more than six months after its extended deadline
- A two-week share spike from $0.62 to $5.38 in 2023 while sales kept falling

Diagnosis

1 Distribution tied to a shrinking party channel

Tupperware Home Parties began in April 1951, and the party system worked so well that the company eventually removed its products from stores. In 2022 the company still said it primarily used a direct selling model, and its average active sales force fell 18% to about 313,000; the third-quarter active sales force was down 12% from a year earlier. [12, 4, 7, 17]

2 Retail came late and stayed small

Products reached more than 1,900 Target stores in October 2022, and the CEO said younger customers were less familiar with direct sales. Retail still made up four percent of revenue that year. [10, 4]

3 Weak finances and reporting drained credibility

The company raised substantial doubt about its future in November 2022 and again in April 2023, when it also missed its annual report deadline while restating earlier results. It had $705 million of borrowings under its credit agreement at the end of 2022. [7, 8, 9]

4 Attention mistaken for demand

Shares rose from a $0.62 close on July 18, 2023 to $5.38 on August 1, which the company said came with reports of atypical retail investor interest, including on social media. Sales for the first nine months of 2023 still fell 16%. [4, 6]

Prognosis

As of October 8, 2024, Tupperware is operating under Chapter 11, selling through consultants, retail partners and online, and has said it will seek court approval for a sale process for the business. Its shares no longer trade on the NYSE. The name may outlive the company, but its value now depends on a buyer's plans. What to watch: who bids for the brand and on what terms, whether consultants and retail partners stay through the process, and whether a new owner makes retail and online the lead channels.

Treatment

- Make retail and online the main routes to buy, and keep consultants as a service and community channel.
- Give shoppers a plain reason to pay more for the Tupperware name than for an unbranded container.
- Report clean numbers on time so retailers, lenders and sellers can plan with the company.
- Use the brand's history as a hook while aiming products and messages at younger households.

Lessons for growing companies

Your channel is part of your brand

If customers stop using the channel, the brand loses reach even while its name is still known. Review channel fit as often as you review messaging.

Track the leading signals

Active sellers, repeat buyers and new-customer share move before revenue does. Tupperware's average active sales force fell 18% in 2022, two years before its filing.

Attention is not demand

A spike in buzz, followers or share price can hide a business that is still shrinking. Judge the brand by what customers buy.

Sources

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About Brand Doctor

Brand Doctor is a marketing strategy consultancy founded by Cliff K. F. Lin. He has spent 17 years in marketing and managed more than $30 million in spend for SaaS, tech and lead-generation companies.

A Brand Check-up applies the method we use with clients to a well-known brand: the symptoms you can see from outside, the root causes behind them, and the treatment we would prescribe. For your own company, we look at six areas (positioning, messaging, customer journey, channel mix, budget and spend, and measurement) and rank what to fix first.

$30M+	135+	8×	17
In marketing spend managed	Campaigns treated	Growth achieved	Years in marketing

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