Strategic Planning – JUUL

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**Stakeholders**

JUUL stakeholders include regulators, distributors, manufactures, retailers, JUUL Labs, JUUL management and employees, device users and shareholders. JUUL regulators include the FDA (Food and Drug Administration) and FTC (Federal Trade Commission) who are the largest adversaries against the underage use of JUUL devices. Both the FDA and FTC issued 13 warning letters to companies saying that JUUL “misleadingly labeled or advertised nicotine-containing e-liquids as kid-friendly food products as juice boxes, candies and cookies.”[[1]](#footnote-1) The letters were issued out to distributors, manufacturers and retailers of JUUL products to discourage the distribution of the most popular e-cigarette in America.[[2]](#footnote-2) JUUL distributors include retail and wholesale options. As JUUL fell into controversy at the beginning of 2017 due to the FDA data revealing a 75% increase of teen vaping in the past year, and how in 2017 more than two million middle and high schoolers used e-cigarettes than ever recorded.[[3]](#footnote-3) Because of the regulations, in-store distributors were forced to stop selling fruit flavored nicotine pods but the JUUL website still can continue to sell all flavors after it verifys customers are over the age of 21. Retailors include convenience stores, specialty vape shops, gas stations, and the JUUL website. JUUL users can find other fruity nicotine flavors through alternative brands “selling their own versions of the nicotine pods that are compatible with JUUL pens.”[[4]](#footnote-4) JUUL Labs, Inc. is the manufacturer that has facilities located domestically and internationally with vendors such as Restriction of Hazardous Substances (RoHS) and Electromagnetic Compatibility (EMC) to “ensure international and U.S. safety and quality standards.”[[5]](#footnote-5)

Initially, JUUL management and employees were against the FDA regulations placed on the popular e-cigarette. But when the FDA statistics were released, disclosing the significant increase of teen vaping, the upper management of JUUL reconsidered the fruity END distribution. JUUL management shutdown the U.S. based Facebook and Instagram social medias and wanted to “remove themselves from participation in the social conversation.”[[6]](#footnote-6) JUUL Chief Executive Officer Kevin Burns stated JUUL’s intention was to help adult smokers quit smoking cigarettes but “intent [was] not enough” after the numbers of teen use was seen as a huge unintended consequence.[[7]](#footnote-7) JUUL’s management had a difficult decision to halt the distribution of fruity ENDS to retailors because by restricting sales, it is expected to cut instore retail sales by 45%.[[8]](#footnote-8) Although sales decreased, JUUL management decided on an ethical and socially advantageous solution to hinder teen vaping. JUUL’s decision was a two-way symmetrical decision because of the regulations put upon the organization and it created a way for the publics and management to have open communication about the effects of JUUL products. JUUL is also aware there are alternative brands that offer fruity nicotine pods that are compatible with JUUL that will still aid JUUL sales because customers need to buy the JUUL stick. JUUL device users include adult smokers with desires to quit smoking, 15 to 17 year-olds, 18 to 21 year-olds and college students. The Truth Initiative Study reported that the age group of 15-17 year-olds were 16 times greater odds to be current JUUL users compared to those aged 25-34. Reports and studies such as these encouraged JUUL management to halt in-store distribution of fruity pods and social medias. JUUL’s shareholders include Tiger Global Management, Fidelity Investments and Altria Group, Inc. JUUL Lab, Inc. is “one of the most highly valued technology startups, surpassing Space Exploration Technologies Corp. and Airbnb Inc.” making all shareholders involved highly motivated to invest or highly concerned with the success or failures of JUUL products[[9]](#footnote-9). JUUL management used a portion of the Altria “cash injection to pay dividends to its shareholders and give a cash bonus to its staff,” which produces an efficient way to keep stakeholders and employees satisfied with the JUUL organization.[[10]](#footnote-10) JUUL has strategically invested dividend payments, handled unforeseen issues and regulations and will most likely continue to be seen as an efficient company in public relations standards.

**Publics**

Based on Jim Grunig’s situational theory, JUUL’s stakeholders can fall under different publics categories of active, aware, latent or nonpublics. The JUUL regulator stakeholder group is particularly influential to JUUL because of the supervision and control administered upon JUUL Labs, Inc. and the organized actions that are a result of the active efforts of these regulators. Regulators such as the FDA (US Food and Drug Administration) and FTC (Federal Trade Commission) are active publics regarding JUUL because both organizations are aware of the increased teen vaping issue caused by JUUL Labs, and have organized and completed research over the effects of JUUL products and teen vaping levels. In the situational theory, Grunig outlines that PR practitioners must collect data to determine if organizational behavior affects its publics in any way, understand its publics’ levels of awareness of the issue and if the publics’ are organizing or communicating with one another to do something about it.[[11]](#footnote-11) According to the theory, JUUL regulators are clearly aware of the issue JUUL generated by restricting sales of fruity flavors of JUUL pods.[[12]](#footnote-12) To segment the JUUL regulators even more so based on the “Eight Kinds of Publics Defined by the Three Independent Variables of the Grunig Theory of Communication Behavior,” regulators are classified as problem facing.[[13]](#footnote-13) Problem facing behavior is when members of a public recognize the problem caused by a particular organizational consequence and face no constraints to do something about the consequence or issue.[[14]](#footnote-14) Members of publics with characteristics of problem facing behavior are likely to seek and process information, be affected by the information and have high involvement within the consequential organization, which makes that public active/aware.[[15]](#footnote-15) JUUL regulators exhibit problem facing behavior because they do not face any constraints to conduct research over the addictive qualities of JUUL, the increased number of vaping teens due to JUUL products or any other research questions proposed by regulators. JUUL regulators also are highly likely to seek and process information about JUUL Labs, JUUL products, employees, stakeholders and statistics to deter young potential users. Since JUUL regulators have high levels of involvement about any JUUL related issues, they are considered active/aware publics, making regulators one of the most important publics to the JUUL company.

Based on “How to Measure the Variables in the Grunig Theory that Identify Types of Publics,” it is necessary for JUUL stakeholders to measure problem recognition, constraint recognition and levels of involvement over each JUUL consequence. As stated above, JUUL’s consequences are the 75% increase of teen vaping, easy access to the fruity JUUL nicotine pods and JUUL’s ‘unintended’ push toward nicotine addiction and nonsmoking adults are four times liker to start smoking cigarettes after 18 months of vaping.[[16]](#footnote-16)[[17]](#footnote-17) These consequences are relevant but not limited to JUUL regulators because the FDA and FTC both accused JUUL Labs of advertising JUUL products to youth-based audiences. The questionnaire draft is as follows:

1. How often do you stop and think over each of following three issues from JUUL. Please indicate by circling if you think about each situation often, sometimes, rarely or never.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| PROBLEM RECOGNITION: | OFTEN | SOMETIMES | RARELY | NEVER |
| 75% increase of teen vaping due to JUULs | 4 | 3 | 2 | 1 |
| Easy access to fruity JUUL Pods | 4 | 3 | 2 | 1 |
| JUUL’s ‘unintended’ push toward nicotine addiction and adverse health risks for emotional and physical development | 4 | 3 | 2 | 1 |
| Nonsmoking adults are 4x liker to start smoking cigarettes after 18 months of vaping | 4 | 3 | 2 | 1 |

1. When someone feels constrained by an issue, they feel like they cannot do anything about an issue. This next question represents a measure of constraint recognition. Do you think whether if you could personally do anything about JUUL’s issues, would it make a difference in the way things are handled? If you wanted to do something, would your efforts make a great deal of difference, some difference, very little difference or no difference? Please circle what you feel:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| CONSTRAINT RECOGNITION: | GREAT DEAL | SOME | VERY LITTLE | NONE |
| 75% increase of teen vaping due to JUULs | 4 | 3 | 2 | 1 |
| Easy access to fruity JUUL Pods | 4 | 3 | 2 | 1 |
| JUUL’s ‘unintended’ push toward nicotine addiction and adverse health risks for emotional and physical development | 4 | 3 | 2 | 1 |
| Nonsmoking adults are 4x liker to start smoking cigarettes after 18 months of vaping | 4 | 3 | 2 | 1 |

1. To what extent do you feel you see a *connection* between yourself, personally, and each of these situations? A connection is there if you believe the issue has affected or could affect you, personally. Is the connection strong, moderate, weak or no connection at all? Please circle:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| LEVEL OF INVOLVEMENT: | STRONG | MODERATE  | WEAK | NONE |
| 75% increase of teen vaping due to JUULs | 4 | 3 | 2 | 1 |
| Easy access to fruity JUUL Pods | 4 | 3 | 2 | 1 |
| JUUL’s ‘unintended’ push toward nicotine addiction and adverse health risks for emotional and physical development  | 4 | 3 | 2 | 1 |
| Nonsmoking adults are 4x liker to start smoking cigarettes after 18 months of vaping | 4 | 3 | 2 | 1 |

This questionnaire[[18]](#footnote-18) will help me understand problem recognitions, constraint recognitions and level of involvements for each possible stakeholder I survey. By conducting research, the data collected helps me better perceive attitudes and behaviors of JUUL publics.

**Issues**

 Publics consequently create issues out of organizational problems, usually when publics are considered activist groups. JUUL Labs has many activist groups against the organization because the products contain nicotine, which has addictive, unsafe, adverse health risks associated with short and long term use of nicotine. The Truth is one of the largest activist groups against vaping specifically and exposing big tobacco to completely stop teen smoking.[[19]](#footnote-19) The Truth is “focused on spreading awareness and inspiring action in the fight to end smoking.”[[20]](#footnote-20) The Truth’s mission is based around the consequences of smoking cigarettes or vaping nicotine, so JUUL’s issue of increasing teen vaping by 75% is most in correlation with The Truth. The Truth actively creates advertising against the harmful effects of vaping and smoking. By The Truth focusing on big tobacco as ‘the bad guys’ in the negative smoking cycle, the organization creates a way for both nonsmokers and smokers to have a comfortable platform to ask questions and learn more about quitting. The Truth’s activism is focused on the younger population through puppets to encourage teens to stop smoking in a fun, interactive way.[[21]](#footnote-21) The Truth’s success could hurt JUUL’s sales if The Truth achieves its mission of completely helping stop smoking and vaping altogether. Nicotine and tobacco are both unhealthy, addictive substances, so though highly unlikely, if smoking does cease, it would not be the worst case scenario. But, JUUL Lab’s intention was to help adult smokers quit smoking cigarettes through the help of vaping a slick, fruity flavored e-cig. JUUL Labs should reach out to The Truth with why JUUL believes in its products and the good of vaping for adult smokers wanting to quit.

I was able to get 13 respondents over the JUUL Questionnaire, which gave me insights that the issue of “nonsmoking adults are 4x liker to start smoking cigarettes after 18 months of vaping” was not as important to survey respondents compared to JUUL’s other issues. Breaking up JUUL’s issues and evaluating the publics based on the issue is the most efficient way to understand public perception based on these issues:

1. 75% increase of teen vaping due to JUULs
2. Easy access to fruity JUUL Pods
3. JUUL’s ‘unintended’ push toward nicotine addiction and averse health risks for emotional and physical development

After recording all responses, JUUL’s publics are best deconstructed as such:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Issue 1: | 2 Non publics | 4 Latent | 4 Active/Aware | 1 Activist/Active |
| Issue 2: | 3 Non publics | 4 Latent | 3 Active/Aware | 1 Activist/Active |
| Issue 3: | 1 Non public | 4 Latent | 5 Active/Aware | 1 Activist/Active |

As the data displays, JUUL’s main issue falls under the unintended push towards the nicotine addiction by the sleek design of the device that hurts development, then following the 75% increase of teen vaping because of JUUL devices.

1. Keller and Heckman LLP. “The Continuum of Risk.” (2019). [↑](#footnote-ref-1)
2. “Juul, The E-Cigarette Brand, Is Shutting It’s Facebook and Instagram Accounts.” *Ad Age,* 13, Nov. 2018, *Bloomberg News.*  [↑](#footnote-ref-2)
3. *Ibid.* [↑](#footnote-ref-3)
4. Hanbury, Mary. “Flavored Juul pods will no longer be sold in retail stores — but here's where you can still buy them.” *Business Insider,* 2018. [↑](#footnote-ref-4)
5. JUUL Labs. “JUUL FAQ.” 2019. [↑](#footnote-ref-5)
6. “Juul, The E-Cigarette Brand, Is Shutting It’s Facebook and Instagram Accounts.” *Ad Age,* 13, Nov. 2018, *Bloomberg News.* [↑](#footnote-ref-6)
7. *Ibid.* [↑](#footnote-ref-7)
8. *Ibid.* [↑](#footnote-ref-8)
9. Zaleski, Olivia. “Tiger Global is Said to Get $1.6 Billion From Altria’s JUUL Deal.” *Bloomberg*, 2018. [↑](#footnote-ref-9)
10. *Ibid.* [↑](#footnote-ref-10)
11. Dozier, Grunig, et. al. “Manager’s Guide to Excellence in Public Relations and Communication Management.” 1991. [↑](#footnote-ref-11)
12. “Juul, The E-Cigarette Brand, Is Shutting It’s Facebook and Instagram Accounts.” *Ad Age,* 13, Nov. 2018, *Bloomberg News.* [↑](#footnote-ref-12)
13. Dozier, Grunig, et. al. “Manager’s Guide to Excellence in Public Relations and Communication Management.” 1991. [↑](#footnote-ref-13)
14. *Ibid.* [↑](#footnote-ref-14)
15. *Ibid.* [↑](#footnote-ref-15)
16. Juul, The E-Cigarette Brand, Is Shutting It’s Facebook and Instagram Accounts.” *Ad Age,* 13, Nov. 2018, *Bloomberg News.* [↑](#footnote-ref-16)
17. Fraga, John. “The Dangers of Juuling.” *The National Center for Health Research.* [↑](#footnote-ref-17)
18. Dozier, Grunig, et. al. “Manager’s Guide to Excellence in Public Relations and Communication Management.” 1991. [↑](#footnote-ref-18)
19. The Truth. “About Truth” 2019. [↑](#footnote-ref-19)
20. *Ibid.* [↑](#footnote-ref-20)
21. *Ibid.* [↑](#footnote-ref-21)