

[Transcript] My First Million / MFM Mini - How Ben & Jerry's Turned Misfortune Into Fortune

All right.

Quick break to tell you about another podcast that we're interested in right now, HubSpot just launched a Shark Tank rewatch podcast called Another Bite.

Every week, the hosts relive the latest and greatest pitches from Shark Tank, from Squatty Potty to the Mench on a Bench to Ring Doorbell, and they break down why these pitches were winners or losers, and each company's go-to-market strategy, branding, pricing, valuation, everything.

Basically all the things you want to know about how to survive the tank and scale your company on your own.

If you want to give it a listen, you can find Another Bite on whatever podcast app you listen to, like Apple or Spotify or whatever you're using right now.

All right.

Back to the show.

I was at an event once, and Ben, I think it was Ben, Ben from Ben and Jerry's was there, and he was talking about the story of Ben and Jerry's, you know, the ice cream brand, and he was talking about the beginning.

All right.

So I have a bunch of notes from it because I had never heard this anywhere.

So let's rewind the clock, 1978, you know, a gallon of gasoline is like 79 cents, a pound of bacon is \$1.20, Kobe Bryant is born, it's 1978, you know, ultrasounds are used for the first time, you know, tweets were just a sound that birds used, and this is when an ice cream revolution was born.

All right.

So here's the story of Ben and Jerry's, as told to me by Ben himself.

And okay, so these two guys became friends back in school.

He told the story.

He's like, it was PE class, and everybody had to, like, you know, run the mile.

And he's like, I was a terrible runner.

And so, you know, this was sort of like a daily ritual of humiliation for me.

I would just be at the very back while everybody else ran way further ahead.

But so was Jerry.

Jerry was there too.

And that was, like, where they formed their bond was just walking behind a whole bunch of other people running.

And so they became friends kind of like in their teens or whatever.

And they got reunited because Jerry was trying to apply for medical school.

And I think he was rejected like 20 times from, you know, applying to medical school.

And every time you apply, you have to wait like another cycle to reapply.

And so in between cycles, he reconnects with Ben.

And these two guys basically said they have nothing in common except for they both worked as ice cream scoopers while in school to earn a little bit of money.

And so even though they're ice cream scoopers, they knew nothing about ice cream.

But they decided like, you know, what if we opened up an ice cream shop, our own ice cream

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shop instead of med school?
And so they enrolled in a class called ice cream making.
It was a correspondence course at Penn State.
It was \$5 to attend the course.
And by the way, they didn't even order two seats.
They bought one.
They split the bill, \$2.50 each.
And that was the only formal training that these guys ever had before building, you know, like a multi-billion dollar brand of ice cream.
So like any entrepreneurs, they get started to make their fair share of mistakes.
So they get 12 grand from kind of friends and family-ish.
And they buy an ice cream shop in Vermont.
But it's the middle of winter and it's Vermont.
And so it's freezing cold.
So nobody wants ice cream.
So they open up and nobody's coming in.
And so they, you know, they start brainstorming and this is where their real genius is in the marketing.
And so they create this campaign called APOPCBWE.
This is long acronym.
What did this stand for?
It stood for a penny off per Celsius degree below zero winter extravaganza.
Right?
So for every degree below zero, you would get a penny off your ice cream.
And it was just sort of this goofy marketing campaign that kind of spread a little word of mouth.
And it was just enough to get them through the winter season.
But you know, that still didn't, they didn't make it, of course.
You know, it got a little bit warmer, but their equipment was shitty, you know, sales were slow.
And most of the ice cream was just melting in the shop basically every day.
And so they needed to come up with a plan.
And so Ben said, you know what?
Ben loved to drive.
That was like his favorite thing.
Get in a car, drive, pop the cassette player in and listen to music and drive.
And so he said, look, give me some of the ice cream, I'll go sell our melting ice cream to restaurants and convenience stores nearby.
I'll just put them in little pint jars or whatever, and I'll sell the ice cream by the pint if you can see where this is going.
And so, and that demand was actually quite pretty high.
So nobody wanted to come to their shop, but restaurants wanted their ice cream.
They liked it.

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And so the convenience stores, and so they got distributors all throughout Vermont. And this kept growing. One day they got a store in Boston who had heard about it. And in Boston, they started picking up Ben and Jerry's, and it became the most popular brand of ice cream in the store. And so Ben and Jerry's, the pints are flying off the shelves. And you know, but there's a little bit of a problem. There's a company called Pillsbury, right? Pillsbury, you've heard of the Pillsbury Doughboy. Pillsbury owns Hog and Doss, which is like a premier brand. They had just bought it for \$70 million, and they were trying to increase sales. And the executives at Pillsbury noticed, oh, in Boston, there's a shop where we're not moving as much Hog and Doss as we used to, and they found out it's because Ben and Jerry's was getting sort of premier placement in the store. And so they go to the owner, and they say, hey, you need to sign an exclusive agreement with Pillsbury. If you want any Pillsbury products, you need to promote Hog and Doss, and you need to stop selling Ben and Jerry's. And so the owner, they're like, well, shit, I can't afford to lose Pillsbury products. So he's like, sorry, guys, Pillsbury came to me, I got a level with you, I have to go with them, I love your ice cream, but I just can't do it. He had met the founders before, he had met Ben and Jerry, so he felt obligated to kind of tell them what this big corporate giant had done. And they started doing this in other stores, and so Ben and Jerry, they were like, shit, this is a problem. But they did the right move here, and this is the move you want to learn. They turned their misfortune into fortune. So what most people do is some adversity or misfortune strikes, and they just try to limit the bleeding. Right? OK, it's bad, let's just make it not so bad. But when you say, if you ask a different question, how can we turn this misfortune into fortune, you say, I don't want to just stop the bleeding, I want to actually turn this into a benefit. And so they came out with this campaign, and you can look this up on Google. It's called, they launched this campaign called, What's the Doughboy Afraid of? And they had all these images of the Pillsbury Doughboy, or even just like his hands. And they had an image of the Pillsbury Doughboy, he's got that fluffy white body or whatever. Just the hands of the Doughboy strangling a pint of Ben and Jerry's with the text saying, What's the Doughboy Afraid of? Brilliant marketing campaign. They didn't say, oh, we got, you know, we're the victim right away. They said, what's the Doughboy Afraid of? And so you kind of, it's attacking Pillsbury, it gets curiosity.

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What are they talking about?

What's going on here?

And this turned into the rally cry.

So they start buying billboards and banners and bus ads, and they're just always showing what's the Doughboy Afraid of.

And they took out an ad in the Rolling Stone and it said, help two Vermont hippies fight the corporate giants.

Right?

You love that positioning there, David versus Goliath.

And so they put a number, like a 1-800-CALL-IN number, and they said, look, if you want to find out how two Vermont hippies are fighting corporate giants, call this number.

And you would call in and they would tell the whole story about, you know, how they were growing, and they're just small little brand, and then Pillsbury is strong-arming their distributors, and they take that story, and then they say, hey, give us your name.

If you want to, at the end of the voicemail, I would say, leave your name and address and we'll send you a mailing kit.

That was paraphernalia that basically tells Pillsbury to, you know, pick on someone your own size.

And then Jerry himself would go and he would protest in front of the Pillsbury headquarters in Minneapolis.

He had a sign that said, what's the Doughboy afraid of?

And it was just him standing there, and that got picked up by the news because he called the news and said, hey, look, this is what's happening.

And so they shifted, you know, the battle here, right?

So Pillsbury had all the leverage, but they also had everything to lose in public perception and PR, and they created a PR firestorm for them.

And if they had just said, oh, Ben and Jerry versus Haagen-Dazs, that's an ice cream war.

But instead they said, the little guy, the two Vermont hippies against the big corporate giant, that created like a relatable and sort of remarkable, worth talking about marketing campaign.

And so, and then they would literally put flyers out that said, do you think the Doughboy is afraid of two guys and 23 people working in 4,000 square feet of rented space?

Is the Doughboy afraid that his 185.3 million in profits is not going to be 185.4 million this year?

Is the Doughboy afraid of the American dream?

And so this story catches on, it starts getting run in the New Yorker, Wall Street Journal, and consumers just sort of start to find out about Ben and Jerry's.

This became the number one growth driver of awareness about Ben and Jerry's.

All the other distributors wanted to check it out.

What is this ice cream brand that is that much better than Haagen-Dazs that they had to do this?

And so Ben and Jerry's goes on, it ends up getting bought for 326 million by Unilever, sort of joins the big guys, joins the corporate side.

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But I thought this was an amazing story, right?

From PE class, you know, from the chubby kids at PE, they can't run the mile.

To rejection from med school, starting an ice cream brand in the freezing cold in winter of Vermont to ultimately turning Pillsbury's mistake on its head and using that as their number one growth driver and pivoting into the pints business.

This is the Ben and Jerry story.

It's a story I love, and it's a story about turning your misfortune into fortune.

So the next time that bad news hits your company or your brand, don't just try to limit the damage.

Don't just do damage control.

Ask yourself, how do we use this, how do we turn this disadvantage into an advantage?

All right, that's all for me.

I hope you enjoyed this mini.

If you like these types of stories and business case studies, subscribe to my newsletter.

It's just my name, SeanPurri.com.

I'm trying to grow this baby.

I'm at, I think, 40,000 people now and trying to get to 100 by the end of the year.

And I'm really like trying hard.

I'm putting out a lot of good content there.

So if you like these minis, you'll like that newsletter.

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All right, that's all.