

# BeverageWorld

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GLOBAL INNOVATIONS

## The Art of Innovation

From entire meals to skin (eek!) in a bottle, the beverage world is just brimming with new ideas. BY ANDREW KAPLAN AND HEATHER TODD

It's one of the oldest tales in the book: The older guy—many years successful—grows overconfident, lazy and sluggish. Then, suddenly, he is joined by a young upstart without much to lose and bursting with energy, enthusiasm and, perhaps most importantly, new ideas.

Who ends up the winner?

While Hollywood movies might have you believe the new kid on the block has the advantage, we'd like to suggest that both can come out winners. The title of this story is "The Art of Innovation" not only because the process of successful innovation itself can be much like an art—as the examples that follow will show—but because there is an inherent beauty in the way that innovation creates a competitive environment that, over time, benefits the entire industry.

If the "older guy" is Coke or Pepsi, then it is the young upstart—the Jones Soda or the Innocent Drinks—that is keeping the old-timers on their toes and pushing everyone to reach for that next big idea.

### Turkey & Gravy & Bubbles?

That's right, there was actually a soda launched in the US this past November called Turkey & Gravy. And it was one of the biggest beverage stories of the year. (And you thought you knew your consumer!)

Speaking to Peter van Stolk, the president and CEO of the Jones Soda Co. (Seattle, WA, USA) is a rather unique experience. While his skateboard-dude persona might be a bit unorthodox for the boardroom, his love and devotion to the beverage business could just be unsurpassed in the industry today.

"What can be more fun than launching a flavor before Thanksgiving, Turkey & Gravy, when it actually tastes like turkey

and gravy?" he says with a chuckle. "This is about looking at the beverage industry the way it should be looked at. It's a fun industry. It's not taking ourselves too seriously. We're selling beverages, we're not solving the world's problems."



True, but with the \$100 that a single bottle of Jones Turkey & Gravy is reportedly selling on Ebay these days, van Stolk probably could end up with more money than the United Nations, if he so chose. How's that for the rewards of innovation? (Van Stolk says he actually came up with the idea for the flavor himself while sitting in an Outback steak house talking with his Michigan distributors over a Bloomin' Onion.)

Now this is where the art comes in. While Van Stolk's enthusiasm for the industry might be unsurpassed, so might his genius when it comes to marketing. He understood that, sure, a turkey and gravy flavored soda isn't necessarily going to be the beverage of choice for any consumer ("Do I think people want to wake up in the morning and pound down a turkey and gravy soda? No," he says emphatically.) But that's never what he had in mind. He says the free press that Turkey & Gravy received—Katie Couric gulped one on the *Today* show, and radio station DJs throughout the US were all abuzz about it—is estimated to be around \$12 million at least.

"We really have the new soda thing down to an art now, and that's really what we want to do," he says, pointing out that this past Valentine's Day the company's

Chocolate Fudge Soda received a similar enthusiastic welcome from the media. Expect many more such surprises from Jones in the future. Only don't expect to find Turkey & Gravy anywhere in the stores anymore. That was a limited run just for Thanksgiving.

Will the much-hyped flavor make another appearance later this year? Van Stolk's not so sure. "We don't want to overdo our welcome," he says. "Turkey & Gravy was amazing and I'm sure somebody's going to try to copy it. But how can they copy it? In the beverage industry, everybody copies everybody, but it's hard to copy a company that's coming out with Turkey & Gravy."

### Seeds for thought: A pomegranate story

To all those who thought there was nothing new under the sun when it came to fruit juice, the little red pomegranate recently rolled onto the scene and has been turning shopper's heads ever since.

Much of the credit for that can go to the innovative look of the Pom Wonderful glass bottle, designed, as Fiona Posell, the brand's director of corporate communications, explains "to look like two pomegranates stacked one on top of the other."

First launched in Southern California in September of 2002, Pom Wonderful—named after the "Wonderful" variety of pomegranate found in California's San Joaquin Valley that the company uses to make its drink—is now available throughout the US in five flavors: plain pomegranate, and pomegranate with tangerine, mango, cherry or blueberry.

The idea for the brand was a natural outgrowth, literally,

