SOFT DRINK MARKETING

...IS REALLY GOOD!

June 7, 2012
INTRODUCTION / PURPOSE

• Insiders view of the power of soft drink marketing
• Better understand why and how soft drink marketing works
• Use soft drink marketing tactics so that consumers connect more emotionally with fruits and vegetables
BUT FIRST, SOME BACKGROUND

• 25+ Years in Brand Management and Marketing
• 3+ Years @ Coca-Cola in Atlanta
• U.S Carbonated Soft Drink Marketing
• Vice President – Innovation – Coke brand
WHAT’S MY MOTIVATION?

• Not against soft drinks per se – but rather for creating emotional connections and increased consumption of healthier nutrition

• I’m for balance of power!

• Send a wake up call about how healthier foods are currently being marketing and innovated
SOFT DRINKS AND HEALTH

You all know better than I do...
## HOW ARE **SOFT DRINKS MARKETED?**

<table>
<thead>
<tr>
<th>THE GOAL</th>
<th>THE STRATEGY</th>
<th>THE EXECUTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>More ounces per day per person</td>
<td>Increase share of stomach</td>
<td>Everywhere and all the time</td>
</tr>
</tbody>
</table>

- Affordable
- Available
- Accessible

“Within an arm’s reach of desire”
SOFT DRINKS ARE AFFORDABLE
SOFT DRINKS ARE AVAILABLE

Available

McDonald's

360° MARKETING
SOFT DRINKS ARE ACCESSIBLE

ACCESSIBLE
**SOFT DRINK SPENDING IS HUGE**

**U.S. Soft Drink Advertising / Marketing Spending**

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
<th>2009</th>
<th>2011 Sugar Spending</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coke</td>
<td>$3.3 B</td>
<td>$2.9 B</td>
<td>$2.8 B</td>
<td>$2.3 B</td>
</tr>
<tr>
<td>Pepsi</td>
<td>$3.5 B</td>
<td>$3.4 B</td>
<td>$2.8 B</td>
<td>$2.5 B</td>
</tr>
<tr>
<td>Dr. Pepper</td>
<td>$.5 M</td>
<td>$.4 M</td>
<td>$.4 M</td>
<td>$.3 M</td>
</tr>
<tr>
<td>Total</td>
<td>$7.3 B</td>
<td>$6.7 B</td>
<td>$6.0 B</td>
<td>$5.1 B</td>
</tr>
</tbody>
</table>

**February Investor Calls**

- Pepsi announced an incremental $500 – 600 Million in 2012 spending – reallocating from job cuts of 8,700 people
- Coca-Cola announced an additional marketing spending of $650 Million over the next three years
- All dedicated towards carbonated soft drinks
HOW DO WE **COMBAT BILLIONS?**

- What if we used the same strategies to “brand” healthier options?
- What would happen to per capita consumption of fruits & vegetables or tap water?
- How do we get there?
WHY ARE THEY SO GOOD?

Two sides of communication

Intrinsic — Extrinsic
Rational — Emotional

GOOD FOOD/BEVERAGE MARKETING IS EMOTIONAL
ALWAYS EMOTIVE

Things go better with Coke!

Pepsi – The choice of the new generation

Always Coca-Cola

Open happiness!


Teach The World To Sing

Generation Next

Enjoy

Pepsi – Live now!

FUTURE PULL
Purpose Driven Innovation
VERSUS RECENT ANTI-SODA CAMPAIGN
LEARNING FROM SODA MARKETING

Rational
- California Almonds
- Cuties
- Got Milk?

Emotional
- Wonderful Pistachios
- Babycarrot.com

Purpose Driven Innovation
An Alliance led by WM. Bolthouse Farms, Inc.
LEVERAGING SODA MARKETING STRATEGIES

• Go Global!
  – Social media
  – Viral
  – Public Relations

• Emotional vs. Rational

• Collaborate to Greatness!
  – Innovative Partnerships