

The Marketing Society Forum

If Innocent Drinks sells a stake to Coca-Cola, will it harm the brand?

The drinks giant is reportedly in talks with small-scale operation Innocent over acquiring a £30m share in its business. But would the smoothie firm regret allowing Coca-Cola to buy into it?



No

Kellie Fernandes
Global marketing director,
Green & Black's

Small brands being acquired by bigger companies is always going to have its critics, but for a brand to expand overseas, the right financial investment and strategic leadership is critical to success – and it does not have to be detrimental to the smaller brand.

Cadbury's involvement with Green & Black's has given us the best chance of delivering accelerated growth globally, while allowing us to retain the integrity of a smaller business and staying true to our founding principles, which is important to our consumers.

While Innocent may consider involving Coke to achieve global growth, it is crucial for Innocent to maintain the credibility, integrity and entrepreneurial spirit that made it a success in the first place. That said, it is in Coke's financial interest to keep the brand as a separate entity to its existing soft-drink empire. It has got it this far, after all.



No

Andy Nairn
Planning director,
MCBD

I was dead against Innocent's partnership with McDonald's a few years ago. The brand was riding high, feelings about the fast-food giant were very negative and the realistic volume opportunity seemed small. But, without wishing to be contrary, I actually think the potential deal with Coca-Cola is a smart move.

For a start, Innocent's business is now in freefall – down 20% (£27m) in 2008. So it has some very pressing commercial problems on its hands that it must address – or it won't have much of a brand to protect in the first place.

Second, one of the key factors behind Innocent's decline has been PepsiCo's highly aggressive launch of Tropicana smoothies – so a deal with Coke should level the playing field, give it some distribution clout, accelerate international expansion and drive grocery and impulse sales in a way that the McDonald's deal has not done.

Coca-Cola does not attract the same level of hostility as McDonald's, so I suspect the perceptual downside will be minimal, rather like it has been with Cadbury's purchase of Green & Black's.



No

Andrew Hawkins
Managing director,
DCH

'It's a bit like Cliff Richard hooking up with Pamela Anderson,' says one of my partners. I disagree.

Three years ago, while on holiday in California, I became addicted to a drink called Vitamin Water. Coca-Cola bought the brand in 2007 and now I get the same product in London.

It's called mutual advantage, where everybody wins. This model isn't new and I'm convinced big doesn't necessarily have to mean bad; both Craig Sams of Green & Black's and Anita Roddick of The Body Shop, have claimed that an acquired ethical company can influence its new parent to improve its corporate behaviour.

I have to – want to – believe that Innocent will endeavour to maintain its integrity. Given that Coca-Cola's success is as much to do with distribution as with production, then – as a fan – surely I win again?

I'm not one of those naysayers who condemn Innocent's founders for taking Coca-Cola's shilling (well, seven cents). I say to Mr Reed – enjoy!



No

Claire Stokes
Managing director,
Circle Agency

It's natural to assume bijou brands such as Innocent must retain independence to protect authenticity. We tend to believe behemoths such as Coca-Cola might stifle the creativity for which Innocent is now renowned.

Yet plenty of similar brands have successfully navigated minority and sometimes majority share transfers to much bigger corporate brands. Consumers are mostly unaware that Ben and Jerry's is now part of Unilever; Pret A Manger customers don't agonise over McDonald's stake before diving into their sandwich; and in 2007 Coca-Cola bought Glacéau – the trendy New York State-based health-drinks firm, which owns the popular Vitamin Water.

Innocent is struggling to grow its UK market share and must set its sights on international markets. Countenancing Coca-Cola's investment is a business decision, not a brand-alignment exercise. Like Glacéau, Innocent will retain autonomy and doubtless build on the brand values it holds dear.

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