

The Brandfather Strikes Gold

Coca-Cola is promoting its new Full Throttle energy drink, PepsiCo Inc. is marketing energy drinks under its SoBe and Mountain Dew brands, and smaller companies are challenging the soft drink giants with products such as Powerade, Rockstar, and FUZE Mega Energy. With concerns about the amount of sugar in soft drinks and the negative health effects that can cause, brands such as Vitaminwater and Bai have garnered significant market share and have been acquired by soft drink giants such as Coca-Cola and Dr. Pepper.

The person behind the success of Powerade, Vitaminwater, and Bai is Rohan Oza. After graduating from the University of Michigan's business school, Oza began working at Coca Cola, where he worked on brands such as Sprite and Powerade. After Oza left Coca Cola for more entrepreneurial challenges, he scored a coup with Smartwater, where he was able to approach Jennifer Aniston to become the endorser of the product. He also was able to attract rapper 50 Cent as an endorser of Vitaminwater. On the arrangement with 50 Cent, he took no fees for the endorsement, instead opting for equity in the company. It looks like this was a sound strategy, since Vitaminwater parent Glaceau sold to Oza's former employer, Coca Cola, for \$4.2 billion in 2007.

Oza did not stop after the Vitaminwater success. He started Bai and partnered with Justin Timberlake to establish that brand. Just as he did with Jennifer Aniston and Smartwater, and with 50 Cent and Vitaminwater, Oza works on making sure that he has the correct strategy to match the features and benefits of the brand with just the right celebrity endorser. With Bai, a sparkling drink that features antioxidants as a product benefit, Oza was able to convince Timberlake, an entrepreneur in his own right, to invest in Bai. So Timberlake was not only an endorser but a part-owner, and he has been intimately involved in the brand strategy. This

partnership worked as well because Bai was sold to the Dr. Pepper Snapple Group for \$1.7 billion in 2016.

Critical Thinking Questions

- Oza has established several successful products in the competitive beverage industry. Why has he been able to achieve this success when large organizations with more resources, such as Coca Cola and Pepsi, are forced to buy these new successful brands?
- What types of unique marketing support helped to sustain Vitaminwater and Bai's tremendous growth?
- Suggest a celebrity endorsement with a beverage brand, and tell why that pairing would lead to success. What are the brand attributes and the reputation of the endorser that would resonate with specific consumer segments?