

Beverage Battle

RETAIL: New parent Sunny Delight expected to have healthy drink maker Bossa Nova dancing with big boys.

By JOEL RUSSELL *Staff Reporter*

Pom Wonderful and all the other healthy drinks on the market will be doing battle with a competing juice that has just added some high-powered marketing muscle.

The recent purchase of acai berry juice-maker **Bossa Nova Beverage Group Inc.** by Cincinnati-based **Beverages Holdings LLC** – parent of Sunny Delight orange-flavored drink – might seem like an odd mix. Bossa Nova is a Mar Vista company with 15 employees that claims its juice has serious health benefits thanks to the presence of anti-oxidants. Sunny Delight is sugar water for kids.

Odd as it seems, the deal shows that the battle for consumers who seek health benefits from their juice drinks is stepping up all the time. Bossa Nova is now poised to take shelf space and market share from other juice companies that



Bossa Nova CEO Alton Johnson

'Pom Wonderful has staked its reputation on pomegranate juice as the maximum anti-oxidant, and now here's Bossa Nova. They can really give Pom a run for their money.'
LLOYD GREIF
Greif & Co.

until now have had greater marketing and distribution resources.

“It’s going to result in stepped-up competition between warring juice companies in Los Angeles,” said Lloyd Greif, chief executive of investment bank **Greif & Co.**, who represented Bossa Nova in the takeover.

“Pom Wonderful has staked its reputation on pomegranate juice as the maximum antioxidant, and now here’s Bossa Nova, a historically undercapitalized company, with a deep-pocketed parent behind it. They can really give Pom a run for their money,” Greif added.

Financial terms of the transaction were not disclosed. Bossa Nova will remain in Los Angeles for the foreseeable future.

Bossa Nova had revenue of more than \$10 million last year, compared with Sunny Delight’s more than \$575 million.

Bossa Nova has put the Brazilian acai berry on the radar for health-conscious shoppers. But both Bossa Nova and Pom claim health benefits due to their drinks’ antioxidants – which are believed to rid the body of harmful chemical byproducts.

Pom is owned by **Roll International Corp.**, the holding company of billionaire couple Stewart and Lynda Resnick, and was the pioneer in developing the pomegranate juice market. Pom executives did not return phone calls for this article.

Flood of juice

Los Angeles has produced an abundant crop of healthy juice companies. Besides Bossa Nova and Pom Wonderful, there is **Naked Juice Co.** in Azusa, which has a pomegranate blend on the market; **One Natural Experience** in Westwood, which also specializes in acai berry blends; **Hansen’s Natural** juices in Corona, which sells a pomegranate drink; and **Sunkist Naturals**, a division of Sherman Oaks-based **Sunkist Growers**, which offers various health-berry beverages.

“Beverage in general is an extremely competitive, fickle grocery category,” said Kevin Miller, vice president of marketing for Sparta, Mich.-based Old Orchard Brands, a large juice producer that has both pomegranate and acai berry products. “For a company like Bossa Nova, the difficulty is to transcend the trend and become a brand that has staying power.”

Alton Johnson, chief executive of Bossa Nova, said Beverages Holdings’ state-of-the-art distribution and massive marketing power will be a big help.

“Those things have never been a priority for Boss Nova because, when you’re small, you put your money elsewhere,” he said.

Greif acknowledged that Bossa Nova and Sunny Delight come from opposite ends of the health-food spectrum – Bossa Nova is a premium health drink

while Sunny Delight is a sugary beverage for children.

“But this transaction is a recognition by Sunny D of where the market is moving,” he said.

Johnson, a former global manager for electronics company **Harman International**, first learned about the acai berry during a trip to Brazil in 1999. He started the company the same year but didn’t really pursue it until he lost his job in 2002.

He obtained funding from **Greenmont Capital Partners**, a venture capital firm in Boulder, Colo., and later from **Coca-Cola Co.**, which bought a minority stake in 2007.

But Greif, who had brokered the Coke-Bossa deal, said it wasn’t a good match. He described Coke as a “coat-and-tie corporation” that wouldn’t swing to the rhythm of Bossa Nova. So Coke sold its share to Beverages Holdings.

Miller, the marketer at Old Orchard, said that even with big-money resources, Bossa Nova still faces the challenge of converting a niche luxury item into a mainstream product.

“People don’t know how to pronounce acai, much less use it,” he said. (It’s Ah-SIGH-ee.)

Bossa Nova now has the resources to educate consumers. But price remains a barrier for mainstream juice drinkers.

A 10-ounce bottle of Bossa Nova costs about \$2.99 – the same as 64 ounces of Sunny Delight.