

BRANDSTAND

Natural Selection

Four years and seven flavors later, Izze is 'It.'

BY GREG W. PRINCE



Izze CEO Todd Woloson raises a bottle to his company's success.

A name can be a funny thing. It can tell you so much about somebody, but when it comes to a consumer product, the name is really more a matter of inferring rather than implying.

Think about almost any proper and familiar brand name, taking care to put aside the qualifiers (light, cola et al). We associate what we associate with it because of what we have learned to associate with it. If we didn't know any better, we'd think Dr Pepper works for a spicy HMO, that Budweiser is a chummy sort who knows a bit more than the rest of us and that Red Bull should be kept out of a China shop.

So what then to make of Izze, a name that doesn't represent anything other than a blank sheet of paper to a populace that has, until very recently, never heard of it before?

First off, to eliminate some mystery, Izze is short for Isabelle, the oldest daughter of Izze Beverage Company CEO and co-founder Todd Woloson. Not too many young ladies, when asked to produce two forms of

ID, can whip out a bottle of pear and a bottle of pomegranate.

Naming the product was easy. Categorizing it is where it gets more than a little involved.

It's technically a juice. It goes down like a soda. It's an alternative to what one usually thinks of in either category. It's New Age. It carries a bit of throwback to market given what preceded it and how long ago its descendants roamed the earth. It's premium. It's healthy. It's indicative of a way of life. Most importantly to Woloson

and his Izze bees, it's alive and kicking and drenched with possibilities.

So don't be fooled by the two Z's in the middle of the name. There ain't nobody asleep at the Izze switch.

"Things are going great," affirms Woloson. "We're in expansion mode and on a pretty aggressive growth trajectory. Izze is four years old now, mature enough to jump out of its crib and start reaching for the highest shelves it can imagine. This is really exciting for us."

Different usually translates to exciting, or at least interesting, and what makes Izze different is what gives it a little something extra in the marketplace. While the Boulder, CO-based beverage maker hasn't exactly invented a new category, it has cast a spotlight on a nook that had in all likelihood been begging to be filled if only somebody had taken the time to notice there was a void.

Izze isn't easily defined in everyday beverage terms, which is surely to its credit. Sparkling juice is a reasonably fresh concept; it's certainly been a long time since it's been executed this effec-

tively. When Woloson started Izze with co-founder Greg Stroh, they were inspired by European sodas. They loved the gourmet flavors but wanted a genuinely natural product.

Trial and error were their next obvious steps. The nascent company broke a lot of sweat mixing a boatload of sparkling water with a bushel of fruit juices. All that work represented a means to a blend: nourishing fruit and refreshing fizz, the company calls it.

"It's been sort of assumed that we were building a product to fill a New Age niche, a carbonated New Age niche," Woloson says. He's happier leaving the labels to others. "Consumers don't see Izze that way. They really look at us as a healthy alternative to carbonated soft drinks."

A juice with shades of a soft drink, a CSD that is all-juice, all the time, whatever Izze is, it is unique in the context of the beverage shelf. Izze comes in seven flavors. Five of them are almost unheard of in the sparkling universe. If you're gonna stand out, Woloson reasons, might as well stand tall and get yourself noticed.

"Clementine and pear target a curious audience," the CEO figures. "It's a self-selecting situation when you're as small as we are. People seem to love the more interesting flavors and they very much appreciate the fact that we've stayed on sort of a single-flavor mentality." That is to say that while there are seven different Izzes, each one is true to its nature.

Clementine, pear, blackberry, blueberry, pomegranate, grapefruit and lemon—all served straight up—compose the Izze roster. Grapefruit and lemon are familiar to anyone who has ever spent more than a minute perusing a soda machine, but the others are veritable newcomers to the mainstream—but then again, so is Izze.

"Our pear tastes like a pear,"

Woloson declares. "That's easy to do when you use pear juice. It's a matter of simplicity. There's no convoluted story and it's not unrecognizable." Mixing those juices with sparkling water is as complicated as Izze gets. "Blends are great," Woloson adds, "but people really like that true-to-the-fruit product positioning."

The truth is indeed in the fruit. Containing no preservatives, each Izze is made from "a simple blend" of 100-percent natural fruit juice and sparkling waters. All sugars and carbohydrates present are those that are naturally occurring. There is no caffeine and not a single artificial ingredient.

Izze started with a half-dozen originals in 2002 and added its seventh, pomegranate, in the spring of '05. "We're working on new flavors," Woloson promises. "We try all kinds of wild stuff."

Woloson yearns for Izze to be thought of in superpremium terms, both in price point and in stature. The brands he compares his to are not those that flank it in the refrigerated case but rather those with which it shares certain highbrow yet accessible attributes. "Within each individual category," he says, "you can pick out something that is clearly the quality-based breakout leader. Sam Adams, Starbucks, Grey Goose, Belvedere—you look to every category and there is one that has done it. We're trying hard to do it and are vying for that position now."

The natural foods outlets are Izze's best retailer friends right now, its alternative stance making it a glove-fit with the likes of Whole Foods. There's growth in grocery as well. You can find Izze hanging out in Starbucks the same as you can find it in Target. The only channel that's stumped Woloson to date has been convenience stores, but given his desire to fetch a superpremium price for a bottle of sparkling juice, maybe this isn't the best time to catch consumers paying more than that for a gallon of gasoline.

"Distribution has always been a struggle for a new product," Woloson acknowledges. "There are issues that are age-old and they create a difficult

barrier to entry." The best thing a veritable newbie like Izze has going for it is a successful if limited-to-date track record. The brand is second among all CSD selections when it comes to velocity in natural food settings, the CEO notes. Its presence in national chains gets other retailers' attention as well, as nothing breeds success like success.

Izze relies on a network of third-party distributors and beer wholesalers as well as outfits that specialize in the malleable field known in some circles as All Others. One of those is New Age Beverage in Denver, a supporter of Izze's from early on.

"When we brought it in," explains New Age chief executive officer Scott LeBon, "it was obviously a different



Six of the seven products in the Izze portfolio showed up for the photo shoot, except for newcomer Pomegranate, who can be a bit of a prima donna.

product, a juice-based sparkling drink, which distinguished it from a tea or a typical juice or another energy drink." Not that those are bad items to carry (LeBon is particularly charged up by the energy category), but being distinct is the key to staying alive.

If Izze reminds LeBon of anything, it's Clearly Canadian, which made waves in the early 1990s by playing up sparkle and flavor. Sundance, the original carbonated "New Age" juice, also strikes a chord. But what separates Izze from its predecessors in LeBon's view is not just its natural constituency but its agility at a young age. For

example, the Denver distributor is thrilled that Izze has added cans to its lineup, a packaging alteration unheard of during the first torrent of New Age beverages a decade-and-a-half ago. Izze, in turn, hopes to go to school on cans...literally. Its healthy-alternative positioning figures to give it a hall pass in districts concerned about mixing kids and soda.

Thinking ahead like that appeals to LeBon, who has seen plenty of new products come and more than a few go over the years: "I tell anyone who comes in that to get something new in the marketplace, they need three things: the price point, the packaging that draws the customer in and the taste that brings the customer back." In LeBon's eyes, Izze's line has all that and more going for it. "It's been a good build for us," he says.

Woloson knows his beverage may not change the world but he'd be happy if it could help save a little bit of it now and again. One of the core principles of Izze is to stay community-minded, while thinking of this particular planet as its community. In 2004, the company founded Project Reach, a program bent on bringing educational opportunities to farm families in the communities where it buys its fruit. Izze is also proud of its "cultural commitment," having donated product to more than 300 literacy, arts, conservation and health-related fundraisers along with several hundred more cultural and social gatherings.

"We're idealists and suckers for idealists," Woloson says. "If you're making a little difference one day at a time, it's time well spent."

The CEO's perception of how long it takes to change things will likely serve his company well in a hyper-competitive business where making a splash is hard enough and effecting a sea change is as easy as shifting the tectonic plates of the earth. But Woloson is up for any and all challenges. "We're trying to create an inspirational brand," he says. "We sort of think of Izze as representing something better than us in the aggregate."

All that...and in clementine, too. **BW**