

**GENERATING**

**SOME**

**FAD**

**CONVENIENCE STORES  
SELL NOSTALGIA BY  
THE SODA BOTTLE**  
*By Stephenie Overman*



# A

re your customers checking out cooler doors for Moxie, Avery's Swamp Juice, or Capone Salted Caramel Root Beer? If you've never heard of these labels, you better find out soon. Much like the craft beer boom exploded onto the beer scene, craft sodas are bringing bold flavors and innovation to the multi-billion dollar carbonated soft drinks industry.

Whether produced by worldwide brand Pepsi or small-batch regional producers, customers are seeking out craft sodas with wacky flavor combinations. And as the craze grows, expect to see even more craft soda producers bottling healthier soft drink options, giving consumers plenty of carbonated varieties made with natural ingredients.

### Definition of Craft

So what exactly makes a soda a craft soda? Is it the flavor? How it's made? What's its served in?

"Craft soda is loosely defined. Lots of folks calling themselves craft have artificial flavors. They're calling themselves craft [just] because they're in a glass bottle," said Neal Cohane, senior vice president of sales for Reed's Inc., maker of Virgil's Root Beer, Original Ginger Brew and China Cola. "We brew from fresh raw ingredients. You won't find preservatives in our sodas. There are no artificial dyes. We small batch brew our sodas."

Christopher Reed, chairman, president and CEO of the Los Angeles, California-based company,



added: "It's crazy that people went from soda to energy drinks when there are more interesting and better-for-you sodas out there." For example, "[Reed's] ginger ale has a heavy dose of ginger," which has a long history of being used as a spice or medicine.

POPS, a restaurant, gas station and convenience store located on the historic Route 66 in Arcadia, Oklahoma — complete with a 66-foot-tall steel sculpture of a soda bottle — carries more than 600 types of soda, according to General Manager Marty Doepke. While he's yet to see varieties of the healthier craft soda offers take off, he sees plenty of interest in "the gimmicky type with food flavors like bacon or ranch dressing."

### Sharing Stories Over Soda

"A lot of what we do is about nostalgia," Doepke said. "Grandparents are bringing their grandkids in and telling them how [a particular soda] reminds them of their childhood or a certain vacation. They pass those stories on over a bottle of soda."

Jones Soda, based in Seattle, deliberately bills itself "a retro soda,"

# “Boredom in the CSD category has fueled craft soda growth, as well as other specialty products such as craft beer.”

according to CEO Jennifer Cue. “Some kids grew up on our sodas” and are now seeking them out as adults.

“The Moxies of the world are still available but a lot of people don’t realize they are still being produced,” Cue said.

Moxie, invented and patented in 1885 as Moxie Nerve Food, claims to be the first bottled CSD made in the United States. It’s now owned by The Coca-Cola Bottling Company of Northern New England Inc.

With what Cue called the resurgent interest in craft sodas, Jones keeps adding exotic, sometimes limited edition flavors such as Blue Bubblegum, Peanut Butter & Jelly and Bacon. The company recently introduced Poutine soda — a hit with Canadian customers.

“We’ve definitely seen a real interest from convenience stores, a willingness to bring us back in. They’re looking for

something unique and different,” she said.

Chris Taylor, senior vice president of Boylan Bot-

tling, based in Moonachie, New Jersey, sees boredom in the CSD category as a factor for fueling craft soda growth, as well as other specialty products such as craft beer. “People just want a differentiator, not just a red or blue soda company. They’re willing to pay a premium,” Taylor said.

## Earning Shelf Space

POPS doesn’t worry about craft soda taking up too much space, Doepke noted, “The obvious draw is the sheer amount we have.” But he acknowledged that for most convenience stores, inventory and shelf space is a constant worry. “Space is always a concern in our industry. You need to find that right mix for what you do.”

Cohane said some c-stores are now cutting back on Coke and Pepsi products to make room for craft sodas.

Reed’s soda had been primarily sold in supermarkets and natural markets but recently moved into convenience stores. Promotion is largely word of mouth, according to Cohane. “When people find us, they get super excited, they say, ‘I found your stuff in a 7-Eleven!’”

Boylan is selling soda in 300 of 400 Sheetz’s convenience stores, according to Taylor. The stores have “one door of just cane-sugar sweetened sodas and we have a shelf,” he said, adding that the company works with the convenience retailer on timing and promotions. “[Sheetz] helps us with advertising,” such as clings at the pumps, he said.

## REGIONAL FAVORITES

Craft sodas have strong regional followings, said Jennifer Cue of Jones Soda. “We tend to be strong in the West and Midwest. We’re strong in Canada.”

Chris Taylor of Boylan Bottling agreed that different flavors and producers tend to dominate in different regions. “Black cherry is our number one best seller in the Northeast.” He noted that Cheerwine, introduced in 1917 in Salisbury, North Carolina, remains especially popular in its home state.

And, by working with Altoona, Pennsylvania.-based Sheetz, Taylor has learned that “birch beer is a very Pennsylvania Dutch flavor.”

For an ultra-regional touch maybe nothing can top Poutine, Jones’ flavor based on the Canadian dish of French fries topped with a gravy-like sauce and cheese curds.







Jones Soda promotes its products with creative consumer contests, according to Cue. “We provide POS materials that can be displayed on coolers. [Convenience stores] have to do no execution at all. We take care of all the prizes, everything.”

### Beyond the Bottle

As the craft soda trend evolves, so does its movement beyond the glass bottle. Just last month, Jones Soda announced the official launch and expansion of its premium Jones Cane Sugar Soda fountain program. Jones is working with its retail restaurant and foodservice customers to create custom designed, co-branded fountain equipment that incorporates

both neighborhood-specific images submitted by consumers, as well as retailer-selected photographs that reflect the theme of each location.

“There has been a recent increase in interest for premium craft soda, making this the perfect time for Jones Soda to launch our new margin enhancing program,” said Cue.

For Reed’s, Cohane said that “we can confidently say that, sooner rather than later, [Reed’s soda] will be in 5 gallon bag in a box.”

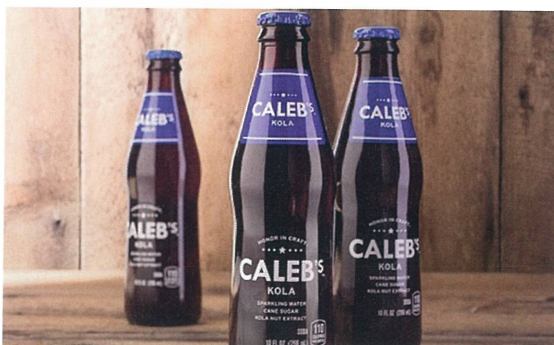
Boylan Bottling is also on forefront for bag-in-the-box sales, according to Taylor. “A lot of small independent stores, as well as larger ones, own those fountains themselves. When they own their own foundation, they can put in offerings that are not the usual. It helps set them apart.”

Can craft sodas do for soft drinks what craft beer did for the beer industry? While it remains to be seen whether bacon-flavored or old-fashioned flavors stick around, people are gravitating toward products they feel use real ingredients and that includes craft sodas. One thing is for certain: More of them are finding their way onto convenience store shelves. **NACS**

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## A MAJOR CSD GETS CRAFTY



PepsiCo CEO Indra Nooyi agreed that traditional soda has lost some of its “cool” factor. She shared this sentiment while introducing the company’s recently launched Caleb’s Kola in late 2014 at Beverage Digest’s “Future Smarts” conference.

Named for Pepsi recipe inventor Caleb Bradham, the craft soda uses a formula that includes cane sugar, kola nuts, spices and hints of citrus. It also comes in glass bottles reminiscent of a bygone era.