

HOW I DID IT

Of course, we're also still innovating on the marketing front. Earlier this year we launched an initiative (#urwhatupost) designed to encourage healthful eating through the sharing of "food porn" images via social media. Perhaps our biggest achievement, however, has been to work through the Produce Marketing Association to persuade *Sesame Street* to lend its brand to us and other association members without a fee. If you make a five-year-old happy to eat an apple by putting an Elmo sticker on it, you've won over two customers—the child and his or her parent—perhaps for life.

The second prong of our strategy is *availability*. We want our products to be everywhere. Whereas we previously relied on grocery store chains for distribution, we're now

stores for time-pressed families in some neighborhoods.

Our third prong is *affordability*. Coke does well because it sells each can for less than a dollar. Frito-Lay does the same with a snack-size bag of Doritos. We want to make sure our products aren't any more expensive. Our Fruit Tubes, for example, cost 40 cents each. Our Veggie Snackers are 79 cents. As consumers become better educated about the importance of a healthful diet, we don't want price to be a stumbling block. So we have worked hard to improve efficiency, keep costs down, and pass those savings on to customers.

Joining Campbell's

In 2012, two and a half years into the implementation of this strategy (and before some of the success stories

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also working with big-box retailers, such as Walmart and Costco, and encouraging the two groups to establish or beef up "snack" sections in their produce departments, stocking both Bolthouse products and those of our direct and indirect competitors so that the scale warrants the retailers' investment. The goal is to give parents a destination in stores where they can reliably find fresh and healthful food for their kids, and pilot programs have been a success. Bolthouse was also an early convert to the idea of selling (and marketing) via online delivery services such as Peapod and Amazon Fresh. And we're making inroads into smaller shops, including 7-Eleven and Walgreens, that serve as grocery

I've described took place), Bolthouse's growth began to accelerate, prompting an acquisition offer from Campbell's, which Madison Dearborn accepted. My executive team and I were pleased with the deal for a couple of reasons. First, Bolthouse remains its own business. Back-office functions such as finance and legal have been integrated, but we've retained control of operations, sales, and marketing, with the understanding that headquarters resources are available to us. We currently have two Campbell's PhD food scientists on loan, and we take advantage of the company's well-established relationships with big retailers. Second, we benefit from Campbell's long-term outlook and

Bolthouse Farms Facts & Financials

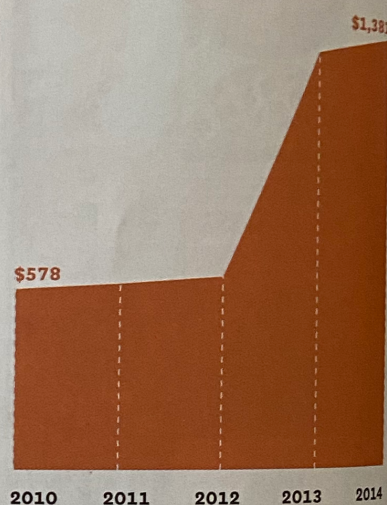
FOUNDED 1915

HEADQUARTERS

Santa Monica, California

NUMBER OF EMPLOYEES 2,100

NET SALES (US\$ MILLIONS)



financial strength. (Recently I was appointed the president of the Campbell Fresh division.)

Industry observers were initially puzzled by the acquisition, since there are no classic overlaps between the two businesses: Campbell's sells canned goods in the middle of stores; we sell produce on the perimeter. But the deal was a diversification play. Campbell's had the vision to see the potential in the fresh food category and in the Bolthouse brand.

We still don't have brand name recognition on the scale of soft drinks. But our customer base is intensely loyal and growing. The success of "Eat 'Em Like Junk Food" gave us the courage not only to advance our own corporate agenda but to lead our industry into competition with the world's less-than-healthful food marketers. Our aim isn't to demonize them. We're simply co-opting their tactics and, I hope, creating a healthier society as a result. ▀

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