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Shasta fights crowding in juice market

By JENNIFER PENDLETON

HAYWARD, CAL.—Shasta Beverages' Capri Sun maintains its No. 1 position among the marketers of drinks in aseptic packages in the U.S., but has watched its market share erode as competition in the category proliferates.

While Shasta virtually had the field to itself when it introduced Capri Sun in the then-unusual packaging in the U.S. five years ago, it has been losing share lately as major competitors such as Coca-Cola Foods; R.J. Reynolds; Borden Inc.; Ocean Spray, and Thomas J. Lipton Inc. have taken low-juice drinks in aseptic Brik Pak cartons into the market in full force. According to Brik Pak Inc., Dallas, the U.S. arm of Sweden's Tetra Pak, the pioneer of aseptic packaging in the U.S., there are 35 companies marketing products in its Brik Pak cartons.

Capri Sun's flexible Doy-N-Pak packaging offers distinct advantages over traditional cans and bottles—it's portable, lightweight, unbreakable and has a longer shelf life—but offers few attributes that set it apart from Brik Pak packaging, with the exception of its eye-catching flashy graphics and ability to be frozen. At the same time, retailers generally are more receptive to products in Brik Paks, because they are easier to stack on shelves and less apt to leak.

According to industry sources, Capri Sun held a 29% share (in volume, not unit sales) of the domestic low-juice, aseptic-packaged market as of February/March, a full 10 points behind its position in the same period the previous year. Close behind Capri Sun were Coca-Cola's Hi-C with a 25% share, R.J. Reynolds' (Del Monte Corp.) Hawaiian Punch with a 17% share and Ocean Spray with a 10% share.

While officials at Shasta acknowledge the growing number of big-spending competitors has made the fight to maintain market position much tougher, they are optimistic that Shasta's consistent, year-round marketing efforts are helping to arrest the trend. Capri Sun has been on the air with tv commercials aimed at its primary users, children. The animated spot, which describes Capri Sun as "great-tasting fun," emphasizes the product's "take-along" quality. Tv ads aimed at the primary purchasers, the children's mothers, emphasize Capri Sun's all-natural content and convenience. Needham, Harper & Steers/USA, Chicago, is Shasta's agency.

In addition, Shasta since early in the year has been pursuing the U.S. Spanish-speaking market. In February, it began a tv and radio ad drive geared to Hispanic mothers, positioning the juice-based drink as "unique and sensational" (AA, Feb. 27). That campaign since has gone off the air, but Shasta is continuing a vigorous promotional campaign featuring Capri Sun giveaways at schools with large Hispanic populations.

Consumption of juices, juice-based drinks and nectars is higher among Hispanics than the general U.S. population. San Jose & Associates, a Chicago-based ad agency that specializes in the Hispanic market, is the agency.

Rob Cohen, Shasta's marketing director, declined to say if the company intends to intensify Capri Sun ad spending in light of the competition, but it seems likely. According to Leading National Advertisers, Shasta, which is owned by Chicago-based Consolidated Foods, spent $5.5 million in advertising for Capri Sun during 1983.

Shasta, which gained the exclusive right to market the Doy-N-Pak in the U.S. several years ago from the West German-based Wild Group of Companies, has been marketing Capri Sun on a national basis for more than a year. Shasta has expanded the line to include six flavors (fruit punch, grape, orange, apple, lemonade and the newest, watermelon). Shasta has four Capri Sun plants, one here, two in the Midwest and one outside Atlanta.

Two years ago, officials at Shasta predicted that Capri Sun would generate $60 million to $100 million in annual sales (AA, Oct. 1, '82). According to Mr. Cohen, the brand has achieved that goal.

To Shasta, Capri Sun's continued strong performance undoubtedly is a necessity. For the fiscal year ended June 30, Consolidated Foods Beverage Group experienced both sales and earnings declines. Sales were $1.44 billion, compared to 1983's $1.45 billion; earnings were $48.6 million, a decline from the $68.8 million level of the previous year.

A spokesperson for Consolidated Foods attributed the decline to problems at Douwe Egberts, a Dutch coffee company, and Shasta, which faced intense competition due to the "cola wars."

Shasta is estimated to have annual sales of around $400 million.#

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