





By now everyone must have come across Innocent in some form. Their army of crazed apostles and remorselessly charming PR machine have turned them into everyone's favourite cuddly capitalists. But surely there can't be anything for proper businesses to learn from them? Stakeholder spoke to Ailana at their "Fruit Towers" HQ, and decided that there definitely is.

It's far too easy to dismiss Innocent as "nice". This is not to say that they are not nice, because they are, but like all one-word descriptions it hides a much more complex truth. On the one hand Innocent is a company that was set up by three mates who had the idea on a snowboarding holiday. But it's also a company that is talking about owning a 45% share of a sizeable and rapidly growing market. A company that's grown consistently at 50% year on year.

"The fact is that this company wouldn't be going five years later and employing this many people if we just hung around. We're really into business plans, and We're very good at numbers. It's not just a bunch of hippies - we all understand where we're going as a business and We're very rigorous in the way we run it, whilst being relaxed and informal. Those two things are not mutually exclusive."

That market share isn't taken for granted either - one wall of Fruit Towers is covered with bottles made by their competitors. A constant reminder that this is a competitive as well as an expanding market.

So what can we learn from Innocent? Ailana has a very clear vision of what it is that makes Innocent successful:

"Any question about Innocent has to

start with the products. The drinks have very much been at the centre of our business from the beginning. We've got a five-pronged business strategy, and in the middle is making the best possible drinks.

"The other things are keeping the people here happy, having good supply chain systems, building up a strong brand, and good customer relations. Those are all important, but not as important as the drinks that we make."

The drinks

It's somewhat surprising to remember that Innocent is essentially a manufacturing company. They may be a new breed of manufacturer - one that excels at communicating with its customers directly, but ultimately Innocent's success is built on their drinks. You'd be forgiven for forgetting this when reading the (frequent) press coverage of the company.

"It really annoys me, because fundamentally we are about the drinks, and we put so much passion and attention into the product. Sometimes that can get a bit lost. I think the press are just more interested in other things, but we are a drinks company and we make the best drinks on the market. When I die I'd much rather we were known as a company that made amazing healthy drinks than as a fantastic business idea or whatever."

Innocent's drinks are different from everyone else's. Why? Because they are utterly uncompromising on the ingredients. They refuse to use concentrates like most

of their competitors do. This makes them more expensive, but it also gives them a great deal of credibility. Particularly because they are upfront about the decisions they have made, and they expect their customers to be intelligent enough to accept that high quality sometimes entails high price.

Almost all of Innocent's business practices can be traced back to some decisions that were made very early on. Their refusal to compromise on the idea that they wanted to make a product that was as fresh as possible entailed a whole chain of new practices and also provided the basis for a very simple set of core values that permeate the business.

New products tend not to be born out of exhaustive consumer research, but from more informal sources. "Thickies" came about when Richard (Marketing Director) was blown away by a vanilla bean and honey yoghurt drink on holiday in Bali. "Juicy Water" was the result of feedback from shops and consumers that they could use something a bit bigger and more thirst-quenching than a smoothie.



"Every time these things happen the drinks that we make are hopefully the best drinks on the market, the most natural. We're really strict about that. We never compromise our principles."

People

Innocent's style as a company is one that is intimately bound up with the people, and they are very aware of the dangers that sometimes lie in wait for companies that grow too quickly. "The bigger you get the harder you have to fight to keep the passion, and not let it get diluted."

They're still small enough that they can have a meeting of everyone on a Monday morning, with far-flung staff phoning in. They also have a quarterly retreat for the whole company to discuss the bigger picture with a little bit of distance. There's definitely a sense of shared involvement: "We are a team, and there's 50 of us pulling together to do one thing."

"People do seem to expect us to be mostly hanging around in the park, not really doing anything. You just can't run a real business like that. Yes we have flexible working hours and all sorts of

things, but equally everyone here is really committed and really passionate and works really hard."

Innocent has a unique way of dealing with its people. The benefits vary from traditional things like private healthcare to free smoothies, cereal, toast and fruit. There's also the community-building things - every Friday night some money is put behind the bar at their local, and they have a tradition of going on holiday together once a year (harking back to the snowboarding trip that gave birth to the company in the first place).

Most important of all is that the company treats its staff like adults. What does that mean? How about complete flexibility in working hours. Shouldn't a company that really believes it has hired good people who want to do a good job let them do it when they decide they should, or work from home if that's more effective? Of course they should, but not many companies have really got the guts to take the



plunge.

Flexibility like that has to be accompanied by clear objectives, but that's something that Innocent are very big on (once again proving they're nobody's hippies):

"As a company we have a very clear overall aim of where we're going as a team. That's really important. This idea of objective-setting is one that's important, as a company and as an individual."

Innocent also recognises that passionate people are going to be passionate about more than just work. They run a quarterly "Innocent Scholarship", inviting staff to apply for a £1000 grant to do something they want to do. Examples have ranged from getting training to do football coaching to setting up a fish tank.

All of this comes after a very thorough induction process that is designed to make sure that people are quickly immersed into what Innocent is all about. An example of this in action is the bottle labels, which all have a distinctive quirky comment on them. I asked Ailana who writes them:





"Dan (the Creative Director) writes most of the labels, but I would say that most people in the office have either contributed an idea or written a label themselves. There is a process, but the idea is that everybody here is as likely to have a good marketing idea as anyone else."

The net result of all this? Innocent has recently added "employer of the year" to its longish list of awards.

Supply chain

We've already seen that some mixture of naivety, stubbornness and principles led to Innocent refusing to make their drinks from concentrated juices. This was not a decision that made their lives easy. Not only was it difficult to find a manufacturer that would work with them using fresh juices, but it also had implications for the shelf life of their products. Innocent is part of a revolution in retail towards a focus on freshness. To begin with Innocent had to spend a lot of time with retailers to persuade them that it was worth stocking these expensive drinks that would go off in a week.

Innocent is as concerned about its

relationships with retailers as it is with customers and staff. Its relationship with the big chains is based on giving them useful statistics and advice whenever possible about future products and the direction of the market. It is also keen to maintain a direct relationship with shops at the outlet level - for instance by inviting them to an annual "birthday party".

Brand

Innocent has a very powerful brand, with great recognition and a very consistent set of attributes. I asked Ailana what Innocent's goal was, as a company. To be "Europe's favourite little juice company". No plans to crack America? Not yet. But it's a revealing statement of intent. It's characteristic of the way they do business that the aim is to be "favourite", not "biggest" or "most profitable". You could argue that those things would be more or less synonymous, but the wording reflects their priorities. It also corresponds to received marketing wisdom - in a growing market grab as much market share as you can, even at the expense of profitability.

The second interesting word is "little" - which says a lot about their brand. The

Innocent brand is all about informality, friendliness and what has (rather unkindly) been described as "student wit". It's also based more on identity work and PR than it is on traditional marketing tools like advertising. Why?

"The packaging and the funny comments on the labels have mostly evolved out of necessity, because when the company started there just wasn't that much money to do fancy TV ad campaigns. So they were looking at the bottles and thinking 'if we wrote on the side of the bottles, then that's a fantastic way to have a chat to our consumers'."

The bulk of Innocent's (modest, given their level of recognition) marketing budget goes on sampling - "if you get the drinks into people's hands and they try them then that's all you really need to say". Innocent's fleet of cow and grass vans tour the UK in regional roadshows designed to engage consumers, get new people to try the drinks and support their retailers.

"Other people have tried to copy our style and our tone, the difference is with us it's genuine and that's how it began, it's not





made up. I think it's very difficult to fake that well."

It is very difficult to fake - and probably the reason is that Innocent have built so many different "touch points" between them and their consumers, and they all feel the same. Building such a consistent brand is notoriously difficult, and it can only really be done if everyone in the company lives the same values so that every interaction reinforces the same message. Innocent seems to intuitively grasp the importance of this. Talking about customers who come to look round Fruit Towers, Ailana comments:

"Hopefully they have as positive an experience when they come here and meet us as they do when they drink the drinks, so this idea of consistency is really important to us."

Customer relations

Innocent has, increasingly, made use of traditional methods of finding out about customers. Brand recognition and attributes are measured with survey research, focus groups are used to assess customer opinions and so on. But it is keen to stress that informal communication is at least as valuable.

If there's one area where Innocent is obsessive (other than the drinks of course) it's in its ruthless determination to interact with consumers at every possible opportunity.

Let me remind you again that Innocent is a manufacturing company. By rights it should have no direct contact with customers at all,

yet Innocent:

- Prints a phone number on every bottle, inviting customers to ring (and lots of them do)
- Invites customers to drop in on their head office (and some do)
- Offers to let people borrow books they like from their library (I have no idea if anyone does this)
- Publishes books about being healthy
- Has a user-friendly and well designed web site
- Has a chat forum on their site (would you have the guts?)
- Publishes real email addresses (e.g. ailana@innocent-drinks.co.uk, not info@innocent-drinks.co.uk)
- Sends (readable) weekly emails to anyone who signs up for one
- Sends Christmas presents to people who register for the email list (knickers for 2004)

"This woman made a quilt with our logo on it - that's obviously a great level of loyalty and excitement and passion for a company."

And it works - the first thing you see when you go into Fruit Towers is a pin board overflowing with emails, letters and postcards from customers. The "bananaphone" number printed on the bottles is not automated - it rings across everyone's desk. Customers are often surprised to find a real person on the other end.

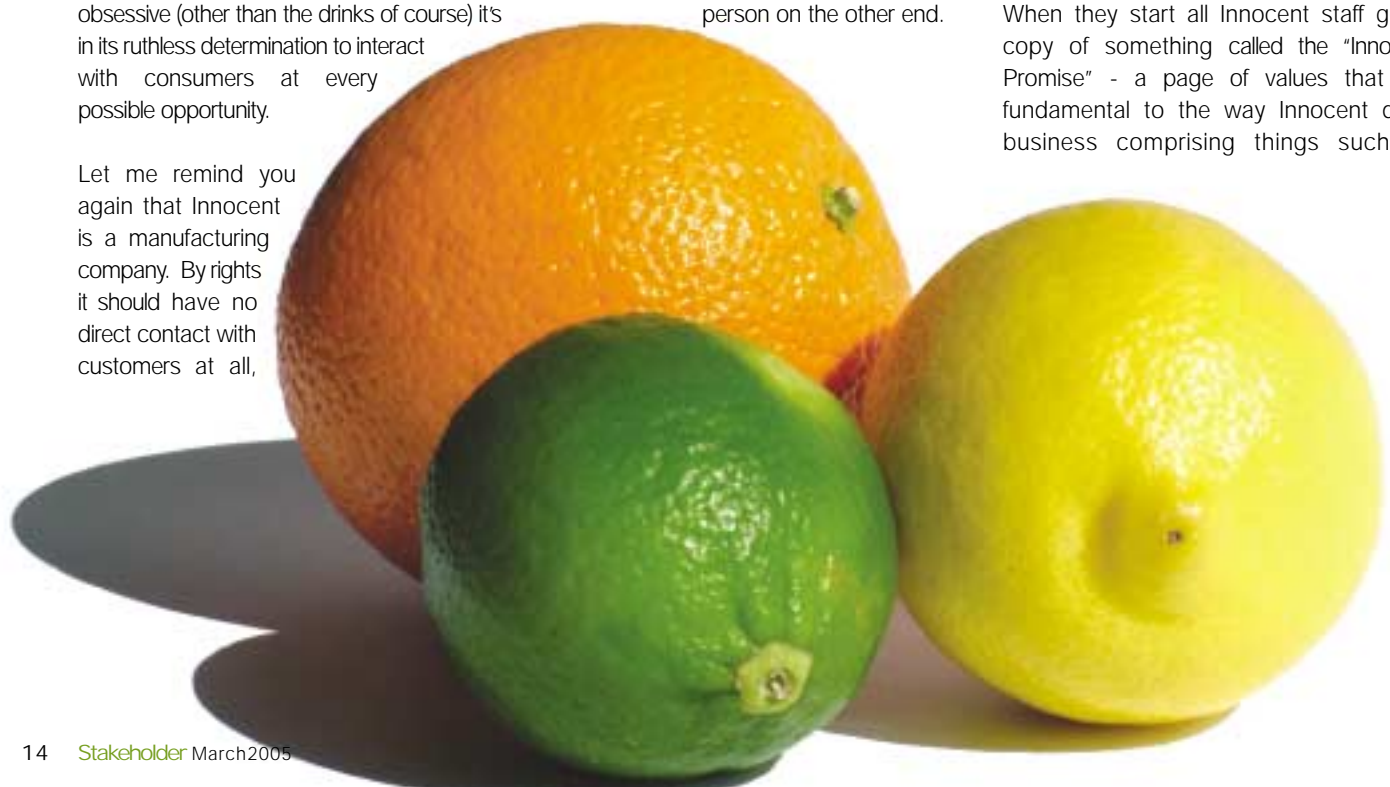
This dialogue with customers is intimately bound up with the brand that Innocent has managed to establish:

"The tone is very much how you talk to your mates, and that's what has evolved over time - this really accessible, open, funny tone is what engages consumers and keeps them coming back. We have an amazing two-way dialogue with our consumers. Lots of companies are saying 'how do you connect with your consumers, how do you talk to them?' and the answer is to be open and friendly and invite them to come in."

Sounds easy, but it is remarkably hard to build up the kind of relationship that Innocent has with its customers, and it seems there are no shortcuts. If you want it you'll have to make the investment in honest, open communications that Innocent has. Few companies really want their customers that close to them.

Values

I've mentioned values a few times in this article, and it seems to me that this is what binds Innocent's business together. When they start all Innocent staff get a copy of something called the "Innocent Promise" - a page of values that are fundamental to the way Innocent does business comprising things such as





practice to get the drinks to the stores in time.

honesty and the refusal to compromise that characterises their drinks.

It's really quite a simple way to approach things. If you hire nice people and keep them happy then you don't need to send them on week-long training courses on how to be nice to customers, they just will be. If you make your drinks with nothing but crushed up fruit then you don't need to market them as anything other than crushed up fruit in a bottle. You'll also hamstring any competitors who have to admit to using less "natural" ingredients.

But they walk the talk in other ways. Their commitment to nature is carried through in their bottles (they were the first company to use recycled plastic in drinks packaging), their office electricity (green), and the fuel for their vans.

Innocent has always tried to do good things as well, being involved in a range of initiatives like giving excess stock to the homeless, tree planting, sustainable development projects and so on. Recently a decision has been taken to formalise this activity by setting up the Innocent Foundation, a separate registered charity run by 6 volunteers from Innocent.

The remit is one that fits nicely with Innocent's values - bringing nature and communities closer together. Schemes they have already been involved with include preserving rainforest in Brazil, promoting beekeeping in Uganda and getting inner city kids into the countryside in the UK.

Conclusion - products and values

The success of Innocent is built on a small set of core values, on which they are uncompromising even if it makes life more difficult in the short term. Around this is built the curious mixture of informal "tone" and rigid, when necessary, business

The difference between Innocent and most companies is that Innocent behaves as if it really believes what everyone else says about honesty, about treating employees like adults, and about having a social conscience. It is a business model that works bottom-up, and is very close to the kind of approach advocated by gurus like Peters & Waterman and Jim Collins. If you get the right people and give them a great deal of freedom, but make it clear what your objectives are and what your

immovable values are, then success will surely follow. The result will also be a very consistent, and therefore powerful, brand. Does that make them "nice", or does it put them on the crest of a wave that represents a new way of doing business?

What is Innocent all about?

"From the beginning the idea has always been to run a successful business, but also one that they could be proud of."

I'd settle for that as an epitaph. S

