**Mini-Case: Tropical Fantasy and the Sterility Rumor**

Tropical Fantasy, a line of fruit-flavored soft drinks, went on the market in 1991 and made $12 million in its first year. It gave the big guns, Coca-Cola and Pepsi, a real contest for the consumer dollar, because a 20-ounce bottle, at the time, cost only 49 cents.

Then someone started an outrageous rumor. Leaflets began appearing in low-income neighborhoods, where sales were the highest, claiming that the Brooklyn Bottling Corporation was linked to the Ku Klux Klan, and that it laced its soft drinks with a mysterious ingredient that caused sterility in black men. The rumor went further by claiming, falsely, that the television news show 20/20 had reported this as news.

The rumor is outrageous, because if there were a substance that would cause sterility in black men, wouldn't it also cause sterility in men who are not black? Why would a small, independent company making $2 million every month take steps to wipe out its future customers?

The FDA considered the matter to be outlandish. Even the Ku Klux Klan’s Imperial Wizard, James Farrands, said, “The KKK is not in the bottling business” (“A Storm Over Tropical Fantasy,” 1991, p. 34). Customers, however, were buying the higher priced drinks instead.

Competitors were the suspected sources of the rumor. Coca-Cola and Pepsi management denied involvement. However, route drivers for Coca-Cola and Pepsi may have capitalized on the rumor and helped to spread it. One former route driver for YooHoo said that, when Pepsi produced a new drink in the 1960s, “All the (Yoo Hoo) drivers would get together in the bar after work every day and compare notes. We’d go out the next day to spread the best rumor anyone could come up with ... Nothing’s changed. This is a cutthroat business.”

The effect was devastating to Tropical Fantasy. Sales dropped by 70 percent. Ironically, the employees who stood to be hurt the most by the rumors were

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African–Americans, Hispanics, and Asians who worked for the bottling company and would lose their jobs if the company went under.

Eric Miller, the owner of the bottling company, went to battle. He sent employees back into the neighborhoods where the leaflets were distributed. They were armed with “truth fliers” designed to dispel the rumors. The New York City Health Department declared the drinks safe. Mayor David Dinkins, a black man, drank the drink in public.

Miller never found out who started the rumor. The counter-campaign was so successful that Tropical Fantasy earned $3 million in 1992. Sales were broadened to the Midwest and California in 1992.