

# News

## Making Soda Cool: Coke, Pepsi Rebrand in the Face of Slow Sales

By Candice Choi  
AP Food Industry Writer

NEW YORK — Coke and Pepsi want to shake their Big Gulp image and cultivate a more hipster appeal.

The two soda giants are trying to rehabilitate soda's cheap image and fetch higher prices as Americans keep cutting back on sugary fizz.

That means more stylized cans and bottles of Coke and the expansion of Mexican Coke, which is sweetened with sugar instead of high-fruc-

tose corn syrup. Pepsi is pushing "craft sodas" and even plans to open an eatery "honoring the kola nut" in New York City in the spring.

A press release for Pepsi's Kola House last month was peppered with marketing buzz-

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words, and said the lounge would have a "resident cocktail curator"

and "artisanal menu." The idea is that its mere existence could burnish soda's image, even if most people never go.

"At the end of the day, we just have to stay culturally relevant," said Seth Kaufman, chief marketing officer for

PepsiCo beverages in North America.

Soda remains a big



This rendering provided by PepsiCo shows the concept of what Pepsi's Kola House, the first experimental kola bar, restaurant, lounge and event space to open in the U.S. market, is expected to look like. This first-of-its-kind hospitality venture is set to open its doors in spring 2016, with its flagship location in New York City's Meatpacking District.

business, with the familiar sizes like 12-ounce cans and 2-liter bottles still accounting for the vast majority of the market. But Americans keep reaching for alternatives, with soda facing a proliferation of competitors and being blamed for fueling obesity. Between 2000 and 2014, U.S. soda sales volume fell 14 percent, according to industry tracker Beverage Digest.

If they're selling less soda, Coke and Pepsi at least want to charge more for it by giving it

more cachet.

It's why PepsiCo in 2014 introduced Caleb's Kola, which comes in a glass bottle with the words "Honor in craft." At a Beverage Digest conference soon after, CEO Indra Nooyi said soda had lost some of its "cool factor" and that drinks like Caleb's were helping bring it back.

That cool factor comes with a price. At a New York City grocery store, a 20-ounce bottle of Pepsi was selling for \$1.49, compared with \$1.99 for a 10-ounce bottle of Ca-

leb's.

PepsiCo also introduced Mountain Dew Dewshine that comes in a glass bottle and is made with sugar instead of high-fructose corn syrup, and displayed a soda called "1893" at a trade show. Like Caleb's, 1893 is a reference to Pepsi's creation by Caleb Bradham in 1893.

"It does address the coolness problem — or attempts to address the coolness problem," said Ali Dibadj, a Bernstein

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