

News monitored for: Pepsi - Corporate



Pepsi makes a fresh bid in diet colas with Max

JAYASHREE MAJI

New Delhi

PEPSICO India on Monday launched its no-sugar cola 'Pepsi Max' to strengthen its healthy beverage portfolio in the domestic market.

The zero-calorie cola is targeted at health conscious individuals in the age group of 25 and 35 years, executive director, marketing, PepsiCo India, Punita Lal, told a media conference. She, however, pointed out that PepsiCo had no plans to phase out its existing health offering Diet Pepsi, whose "production had been suspended for a while".

Lal said Pepsi Max was not targeted at competition but was a new offering aimed at building a new category altogether. The diet category is very insignificant in India constituting less than 1 per cent of the cola category.

"Pepsi Max is billed as a category creation. I would certainly like it to grow faster than the diet category," said Lal.

When asked about the need to launch a product on the same platform as Diet Pepsi, executive VP, cola & media, Sandeep Singh Arora, said, "Diet Pepsi did not connect to young adults but the new Pepsi Max is closest to Pepsi in terms of taste with maximum cola stimulation and no sugar. Of course, there will be cannibalisation. But it would add incremental consumers."

Lal however claimed that the company "had not completely stopped Diet Pepsi production". She said, "Both products would be in circulation and the company would review their performance and take a call accordingly."

Asked to specify what went wrong with Diet Pepsi, Lal said, "It was not cool enough. It does not have the



Diet plans

- The zero-calorie cola is targeted at individuals in the age group of 25 to 35 years
- The product is aimed at building a new category and is not targeted at competition
- Pepsi Max would be available in two formats – a 250 ml can and a 500 ml jar

right attitude."

Pepsi Max would be available in two formats – a 250 ml can priced at Rs 15 and a 500 ml jar available at Rs 25. FMCG consultant Harish Bijoor said, "Most diet beverages do not find acceptance in the mainstream. However, there is certainly space for a zero-calorie drink."

As of now this is less than one per cent of the estimated Rs 8,000-crore market. There is room to take this to about four per cent over the next few years."

Lal also said it could take months to finalise the structure of its joint venture with the Tatas, which was announced in April this year.

"We are still in the process of signing the agreement. When we will do it? I don't know. It might take two, five or six months."

Asked about the categories the company is likely to enter through the JV, Lal said it was too early to talk.

jayashreemaji
@mydigitalfc.com