

# Do Real Men Drink Diet Cola? Pepsi and Coke Duke It Out

By CHAD TERHUNE

**T**HE BATTLE between Coca-Cola Co. and PepsiCo Inc. for diet-conscious drinkers hits overdrive this holiday weekend, but the biggest prize isn't women worried how they look in a swimsuit. It's men.

The latest cola war pits Coke's C2 against Pepsi Edge. Both new sodas have about half of the sugar, calories and carbohydrates of regular cola, and are aimed at consumers who have cut back on or ditched sodas due to weight or other health concerns. In particular, the dueling soft-drink giants are going after male consumers who normally shun existing diet sodas either because of taste or the feminine image of those beverages.

Ground zero for marketing to those men will be the Pepsi 400 Nascar race tomorrow in Daytona Beach, Fla., one of the biggest events in the sport. (Coke has been careful to call it the "July 3 Nextel Cup race" to avoid mentioning Pepsi—Nextel Communications Inc. sponsors the overall 10-month racing series, which includes the Pepsi 400 and the recent Coca-Cola 600 race in May.)

Pepsi airs its first TV ads for Edge during the prime-time broadcast of the race and all three are geared to guys. One ad created specifically for the race features star driver Jeff Gordon at the wheel of his car. Another 30-second spot shows a young man struggling to twist open a pickle jar and another depicts a guy remembering to flip the toilet seat down with his foot. TV sports anchors Stuart Scott and Rich Eisen give a play-by-play rundown



**Geared to guys:** Coke and Pepsi try to persuade men to stay trim by drinking their new diet sodas—with a variety of advertising.

of both household tasks. The ads close with the tagline, "This moment deserves a Pepsi Edge."

Coke's first TV ad for C2, backed by the Rolling Stones classic, "You Can't Always Get What You Want," began airing in late May and depicts common male experiences, such as incurring the wrath of a girlfriend over a bad remark and meeting a girl's parents for the first time. Coke's tagline: "Half the carbs. Half the cals. All the great taste."

Mr. Gordon will try to drive his Pepsi-painted car into victory lane during the actual race. And Pepsi plans to pour 20,000 samples of Edge today

and tomorrow and hand out 30,000 cans at the end of the race tomorrow night. Pepsi also will pitch Edge at other high-profile sporting events such as Major League Baseball's All-Star Game on July 13 and National Football League games later this year.

Coke's high-octane strategy at Daytona includes decking out eight race cars in the black-and-red colors of its C2 cola, and riders on six Harley-Davidson motorcycles will motor around the city with free samples of the new soda.

The number of men drinking regular cola starts to decline once they hit their 20s—and they don't switch to diet sodas as eagerly as women do, according to market-research firm TNS NFO. As a result, "males who are first-time health seekers are an ideal target" for the new middle-of-the-road colas, says Gus Valen, chief executive of the Valen Group, a Cincinnati consulting firm. The typical C2 or Pepsi Edge drinker "doesn't want to sacrifice taste and he knows it's time to watch what he's eating."

Coke and Pepsi are quick to point out that women aren't being ignored, and that auto-racing isn't the boys-only bastion it once was. In addition,

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tion to ads in ESPN the Magazine and Sports Illustrated, both Coke and Pepsi are advertising their new drinks in publications that cater to women, such as InStyle.

Dave Burwick, chief marketing officer of Pepsi-Cola North America, says a campaign targeted at men doesn't tend to alienate women as much as vice versa. "Leaving the toilet seat up is a pet peeve of all women, so women get it and men get it," Mr. Burwick says. "We are being careful to make sure while it is a bit male-skewed, it appeals to women too."

Pepsi has tried making calorie-cutting appealing to men before, but has met with little success. The company tested Jake's diet cola in 1987 and the so-called midcalorie Pepsi XL in the mid-1990s. Pepsi One, launched in 1998 and targeted at men with ads featuring actor Cuba Gooding Jr., has struggled to build a huge following.

C2 and Pepsi Edge, available in stores since mid-June, have gotten mixed reviews so far. Pepsi Edge "ends up tasting too much like Diet Pepsi, which defeats the purpose," according to a review on Carbwire, a Web site for carbohydrate counters. "Coke C2 wins the battle of the midcarb soda." Pepsi responds that Edge offers "full flavor," noting that company taste tests found it provides the "perfect balance of taste and calories."

Other reviews and consumers have complained that C2 is "flatter" than Coca-Cola Classic, the company's original cola, and leaves an unpleasant aftertaste from the artificial sweetener aspartame, also an ingredient in Diet Coke. Coke says the level of carbonation in C2 is the same as regular Coke and that aspartame was necessary to get the right

taste. Pepsi Edge uses a blend of high-fructose corn syrup and Splenda, a sugar substitute and favorite of low-carb dieters that is marketed by Johnson & Johnson's McNeil Nutritionals unit. C2 is made with a smaller amount of Splenda.

Sales of C2 and Pepsi Edge have been sluggish so far, according to some retailers. Coke and Pepsi say it's too early to judge how sales are going. "This is really creating a new category," says Don Knauss, president and chief operating officer of Coke North America.

It also isn't clear that consumers will pay extra for a midcalorie cola, as Coke hopes. The biggest Coke bottler is charging retailers about 15% more per can for C2 than regular Coke, meaning the retail price will be about 15% to 25% higher. Coke has vowed never to sell C2 in two-liter bottles, one of the most steeply discounted packages for bottlers. It will try to divert attention from C2's premium price by selling the cola in packs of eight and 18, not the heavily advertised 12-packs that consumers are accustomed to.

Pepsi executives think Coke is foolish to charge substantially more while building awareness for a new brand, adding that cola drinkers will see through Coke's pricing stunt. "It's pretty tough to trick the soft-drink consumer," says Eric Foss, president of North American operations for Pepsi Bottling Group Inc., Pepsi's biggest bottler. Pepsi Edge will be sold in traditional six- and 12-packs and two-liter bottles at prices in line with its other soft drinks.

Coke insists it's got the formula right. David Van Houten Jr., chief operating officer for Coke's biggest bottler, Coca-Cola Enterprises Inc., says Pepsi "doesn't see the opportunity we do."