

# BEVERAGE DIGEST

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## Special Issue: Top-10 U.S. CSD Companies and Brands for 2003.

### Pepsi Out-Performs. Sierra Mist Joins Top-10. Diet Pepsi and Diet Coke Post Strong Growth. Cott Also Gains Share and Grows Volume. Red Bull Continues Energetic Results.

In 2003, U.S. CSD industry volume grew +0.6%, slightly worse than 2002's growth rate of +0.8% (BD 2/28/02). Total volume was about 10.1 bil 192-oz cases, according to BD/Maxwell all-channel data. PepsiCo out-performed both the industry and the other two big brand owners, Coca-Cola Co and Cadbury Schweppes Americas Beverages.

PepsiCo. PepsiCo had a number of successes last year, which contributed to its CSD volume growth of +1.8% and its +0.4 market share gain. Sierra Mist -- which gained nearly national distribution at the start of 2003 -- became a top-10 brand. It posted

#### Top-10 CSD Companies and Brands

2003 Rank	2003 Companies.	2003 Market Share	2002 Market Share	Share Change	2003 Cases (millions)	2002 Cases (millions)	Volume % Change
1	Coca-Cola Co.	44.0	44.3	-0.3	4459.8	4468.1	-0.2%
2	Pepsi-Cola Co.	31.8	31.4	+0.4	3227.7	3170.1	+1.8%
3	Cadbury Schweppes	14.3	15.0	-0.7	1452.1	1515.5	-4.2%
4	Cott Corp.	4.7	4.2	+0.5	477.9	419.2	+14.0%
5	National Beverage	2.4	2.3	+0.1	244.0	233.5	+4.5%
6	Big Red	0.4	0.4	flat	41.7	41.7	flat
7	Red Bull	0.2	0.1	+0.1	20.7	14.3	+45.0%
8	Hansen Natural	0.1	0.1	flat	12.9	9.6	+34.4%
9	Monarch Co.	0.1	0.1	flat	9.1	8.8	+3.5%
10	Carolina Beverage (Cheerwine)	<0.1	<0.1	flat	5.3	5.1	+4.0%
	Private label/other	2.0	2.1	-0.1	191.7	201.1	-4.7%
	Total Industry	100.0	100.0		10142.9	10087.0	+0.6%

2003 Rank	2003 Brands	2003 Market Share	2002 Market Share	Share Change	2003 Cases (millions)	2002 Cases (millions)	Volume % Change
1	Coke Classic (Coke)	18.6	19.3	-0.7	1889.4	1947.8	-3.0%
2	Pepsi-Cola (Pepsi)	11.9	12.6	-0.7	1210.3	1267.3	-4.5%
3	Diet Coke (Coke)	9.4	9.0	+0.4	950.5	905.2	+5.0%
4	Mt. Dew (Pepsi)	6.3	6.4	-0.1	638.7	648.4	-1.5%
5	Sprite (Coke)	5.9	6.2	-0.3	598.5	630.0	-5.0%
6	Diet Pepsi (Pepsi)	5.8	5.5	+0.3	586.0	552.3	+6.1%
7	Dr Pepper (Cadbury)	5.7	5.9	-0.2	573.7	596.9	-3.9%
8	CF Diet Coke (Coke)	1.7	1.7	flat	171.7	168.3	+2.0%
9	Sierra Mist (Pepsi)	1.4	0.7	+0.7	140.2	74.6	+88.0%
10	7UP (Cadbury)	1.2	1.7	-0.5	126.3	174.5	-27.6%

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volume of about 140 mil cases. It now ranks #9, ahead of 7UP. Additionally, Diet Pepsi posted strongest growth of any cola in top-10 brand listing. Diet Pepsi moved ahead of Dr Pepper into the #6 brand spot. Pepsi now has four top-10 brands, up from three last year. Pepsi's corporate market share is the highest it's been in over a decade. It stood at 31.8 in 1992, declined throughout early 1990's and began to recover ground in 1998. Plus. On less bright note, as industry's big regular brands continue to struggle, brand Pepsi and Mt. Dew were down in volume and share. New brands. Beyond Sierra Mist, Pepsi's recent brands showed mixed results. Mt. Dew Code Red, introduced in 2001, was down -32.7% last year. But Mt. Dew LiveWire, introduced last year, posted volume of 35 mil cases. Pepsi Twist regular/diet declined.

Coca-Cola Co. Coke in 2003 was cycling its 2002 introduction of Vanilla Coke and posted slight overall volume loss. As a result, its market share was down -0.3. It had gained +0.6 share points in 2002. Diet Coke was among the strongest growing brands, with volume up +5%. However, as with Pepsi, Coke's big regular brands lost ground. Both Coke Classic and Sprite declined. New brands. Vanilla Coke was down -21% last year. However, Sprite Remix, which was introduced last spring, posted first-year volume of about 55 mil cases. Diet Coke With Lemon was down -56%.

Cadbury. Last year was challenging for industry's #3 company. Its volume was down -4.2%. Its market share declined -0.7. Hurting its results was a steep decline for brand 7UP. Last year, much of the Pepsi system switched from 7UP to Sierra Mist. As a result, brand 7UP declined -27.6%. Plus. Consistent with industry-wide decline in regular CSDs, Dr Pepper -- once a growth brand -- lost volume and share. However, on bright side for Cadbury, Diet Dr Pepper posted strong volume growth; it was up +8.4%, and it just missed the list of top-10 brands. Also, 7UP line extension dnL posted volume of 10+ mil cases; bottlers have noted dnL is performing well.

Cott. Industry's largest CSD private label producer continued extremely strong performance. Its 2003 volume was up +14%. BD estimates about 12 percentage points of that was from organic growth and two percentage points from acquisitions. Cott supplies private label soft drinks to a number of major grocery chains plus Wal-Mart.

Plus. Red Bull continues to ride wave of consumer interest in energy drinks; Red Bull virtually created this category. Its volume was up +45% last year. Also. Hansen Natural is included in top-10 CSD companies this year; in previous years, BD included all of that company's volume in other categories; this year, Hansen "natural" CSD and carbonated energy drink volume are included in the CSD data. BD estimates Monarch posted growth of its brands, as reflected in the table, and that the company sells about another 2.5 million cases which is counted in the private label/ other line.

Brand rankings. In 2003, there were notable changes in brand rankings: 1) Diet Pepsi moved into #6 spot, trading places with Dr Pepper. 2) Sierra Mist joined top-10, moving into #9 spot. Last year: 7UP was #8; CF Diet Coke was #9; and Diet Dr Pepper was #10. Retail value. BD estimates retail value of CSD business in U.S. last year was up +1.5% to \$63.8 bil from \$62.9 bil for 2002. Consolidated industry. Top-three companies now account for 90+% of industry volume.

Flagship colas. 2003 was another tough year for Coke Classic and brand Pepsi; both lost significant volume and share. Each dropped -0.7 share points.

Table; data. Shows rankings, market shares, share changes, volume in 192-oz cases and percent volume change vs 2002 for companies and brands. BD/Maxwell CSD data covers all channels of distribution: take-home, cold-bottle, vending, fountain, institutional, etc. Data compiled with contributing editor Jack Maxwell. More. Complete BD/Maxwell data will be available in BD's "Fact Book 2004"; spring publication.

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