

The Scotsman
Sat 13 Dec 2003

Diet Coke is top of the pops

by Jim McBeth

- 1 - It was once regarded as a pale imitation of its sugar-laden stablemate, but
Diet Coke has raced ahead of the real thing to become Britain's top soft
drink. Strengthened by health consciousness and a summer of
unprecedented temperatures, sales of Diet Coke leapt 16.4 per cent this year
5 - to £210 million.

In the big consumer surprise of 2003, "mainstream" Coke managed only
£198 million. Diet Coke also outstripped its nearest competitor, Diet Pepsi,
which enjoyed an 11 per cent increase in sales.

- 10 - Coca-Cola executives are delighted, describing Britain's market as second
only to the United States.

The Diet phenomenon was not entirely unexpected, according to Tom
Cairns, an industry analyst, who said: "Their marketing people did great
work and, given the culture change, it will stay ahead."

- 15 - It is another first for Coke. Earlier this year, it finally won the lion's share of
Scotland's £525 million market, knocking Irn Bru, the domestic champion,
from top spot. Scotland was one of the few countries where the domestic
brand outsold Coke.

- 20 - But Coke has led the way from September, when its diet version was also
showing signs of coming up on the inside. It became the top grocery section
brand with sales of £24.4 million.

Health conscious consumers have also hiked bottled water sales by some 21
per cent and fruit juice by 13 per cent. Designer water reached £263 million,
with Highland Spring, Evian and Volvic leading the way as Britain bought
one-quarter of its water in bottles.

- 25 - But there were losers, according to the survey of the most popular products
by The Grocer, a trade magazine. Some chocolate brands plummeted; Kit
Kat biscuits fell by 8 per cent, but cereal bars leapt 20 per cent. Sales of
coffee and tea fell below the £1 billion mark for the first time in a decade, as
we embraced coffee-bar culture. And, healthy or otherwise, crisps remain
30 - popular, with Walkers dominating a £2 billion market with sales of £510
million.