



Brand Strategy and Ideas for a new drink from PepsiCo



By Geeta Sundaram

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Background

- In the latest set of corporate earnings from [Pepsico](#) for the full year 2022, the Company reported a higher revenue and net income, based on higher prices
- Volume growth for Pepsi cola drink itself is not available, but PepsiCo Beverages seem to be growing faster in Latin America, AMESA (Africa, Middle East and South Asia) as well as in the Asia Pacific region, including China, albeit on a smaller base, I would presume
- Pepsi's market share against Coca Cola in the carbonated soft drinks category in the US is 25.6% against 46.3% respectively in 2021 according to [Statista](#)
- It would be good to know Pepsi cola drink's contribution to PepsiCo's revenue and profits, though that information doesn't seem to be available online
- [Media reports](#) have been suggesting for a few years that US consumers in particular are moving away from carbonated drinks, especially colas, for health reasons
- Pepsi cola brand's market share in the carbonated soft drinks category by volume in the US has been declining according to [Statista](#)
- PepsiCo's own vision as stated by Indra Nooyi years ago was to provide drinks and snacks that are good for you and better for you
- To that extent it would have made sense to retain Tropicana, a fruit juice brand that was acquired from Seagram under Indra Nooyi's watch. Tropicana seems to still be marketed by PepsiCo in India.

It is with all these considerations in mind, that I thought it is perhaps time for PepsiCo to rethink their main brand, Pepsi. All indications from the market seem to be a shrinking space for colas and carbonated beverages, especially in developed markets, though they are still growing in other regions around the world.

Time for a new, healthy and refreshing drink from PepsiCo, even as the company becomes increasingly a snack and foods company.

Change of strategy for PepsiCo's lead brand

The most effective and impactful way for a company to signal change towards a healthier future for its consumers is to actually make and market healthier beverages and snacks. In this case, though, Pepsi, the main brand of cola comes in the way of creating that healthier future.

Now that consumers too are indicating a clear preference for non-carbonated soft drinks, perhaps it is time to take that bold step. To signal change with their main brand, Pepsi, itself. For no matter how many new healthier variants and line extensions PepsiCo introduces, such as zero calorie, diet, zero sugar, and decaffeinated, etc. the fact remains that Pepsi is still a carbonated cola drink.

Is there a way that PepsiCo can innovate and change their main product itself?

A recommended new product idea for Pepsi

When I first thought of this new product idea for Pepsi more than a decade ago in 2010, I wasn't sure whether it was possible to make such a product, sans alcohol. A few years later I discovered that it is indeed possible, as a beer brand had just used a new process to create a non-alcoholic beer.

The idea for this new product is that it uses healthier, natural ingredients that consumers actually consider "refreshing", such as coconut water, fresh lime, iced tea, and passionfruit. These would appeal to consumers from different parts of the world, and could provide Pepsi a base to start with.

The drink itself is made using a fermentation process akin to sparkling wine or beer, so the finished product retains a sparkling, bubbly quality. However, it has no alcohol. I was thinking of something along the lines of Seagram's wine coolers or Bacardi's breezers, which are refreshing, sparkling drinks, but without alcohol in our case.

This new drink must retain some kind of umbilical connection with Pepsi, for the parent company's brand, PepsiCo, is itself derived from it.

The new brand concept

The new brand concept for the new beverage brand must retain some of the main characteristics of the Pepsi brand, while adopting new attributes as well. These would have to reflect the changing tastes and preferences of consumers today and those of the future.

I recommend, therefore, that the new drink be called Pepzi, with a z replacing the s, in a way that is typically American.

The new brand would retain some of the key Pepsi brand characteristics of being the choice of the new generation, as well as being irreverent and individualistic. And since it is sparkling, it also retains Pepsi's youthful effervescence, without carbonisation.

However, Pepzi is irreverent and individualistic in a cool, self-assured way now. It doesn't have the rebel's rough edges anymore. What's more, Pepzi is healthier and more refreshing!

Brand strategy for Pepzi

Since Pepzi will replace Pepsi, the carbonated cola drink, the Company must aim to make this new brand the main focus and thrust of their "good for you, better for you" strategy.

To this extent, Pepzi will be a more premium offering when compared to the old Pepsi, as well as other carbonated soft drinks from Coca Cola and other brands. The brand positioning, pricing and the communication of Pepzi must all indicate that this is a truly new drink, made through a new innovative process and with healthier, more refreshing ingredients.

The company must see this as their chance to premiumise their beverage offering while making it healthier and more refreshing. This would mean talking to the upper end of their young consumer base, and helping others upgrade to a better, more wholesome and refreshing drink. For Pepzi is the new, cool and more exotic cousin of Pepsi.

I am not a designer, and this is by no means a packaging design recommendation, but I have just created Pepzi packs for use in the campaign videos and layouts, which you will see separately. These help to indicate the kind of premium brand positioning and imagery that Pepzi ought to create for itself through communication.



Not packaging designs, just a sense of the new brand, Pepzi

Target audience

- As just mentioned above, the target audience for the new brand, Pepzi, ought to be the upper end of Pepsi's existing consumer base
- Young, urban affluent individuals who see themselves as making their own consumer and brand choices, even setting the trend for their peer group
- Upper middle class and above of Gen Z and millennials in the age group of 16 to 30 years
- Young adults who drink Pepsi and other carbonated beverages but would prefer a healthier alternative
- In the US, where a cola is often consumed with a meal, we must pay attention to the drink and dine offerings, including at PepsiCo's own Yum! Restaurants
- People for whom a drink brand is more than the drink itself, as a marker of imagery and lifestyle
- Since Pepzi would be priced at a significant premium over Pepsi, we must be prepared for consumption volumes to drop a little. As long as

consumers prefer Pepzi on important social consumption occasions, we ought to be fine.

Competition

Primarily, the competition would be Coca Cola, as it has been for decades! Not merely Coke, the cola drink, but all their other brands as well.

In this context, I must mention that in recent years I notice Coca Cola trying to be younger and cool, a la Pepsi, and Pepsi trying to be Coke, including indulging in a bit of nostalgia sometimes. I think nostalgia belongs to Coca Cola.

I think both brands suffer from an identity crisis, and perhaps the new drink, Pepzi is one way to settle that once and for all.

In the context of non-carbonated and healthier drinks, it is important to also consider Snapple, Dr Pepper and several water brands as competition.

How Pepzi will create and strengthen brand differentiation

In many ways, then, Pepzi is the opportunity PepsiCo has been waiting for.

- A chance to shift out of colas and carbonated beverages, without damaging the lead brand's consumer following
- A chance to display their innovation prowess and premiumise their beverage offerings
- An opportunity to help millions of consumers move up to healthier alternatives and to attract new consumers and consumption occasions
- An opportunity to build the new brand around healthier and more upbeat lifestyles and attitudes

Brand positioning for Pepzi

Pepzi, the new refreshing and healthier twist to Pepsi

Brand promise

Only Pepzi has the natural and healthy taste of a refresher, and the sparkle to go with it.

Tone and manner

- Individualistic trend-setter
- Young and stylish
- Upbeat and exotic

Creative Idea for Launch

Dramatise the uniqueness of Pepzi, by focusing on the taste and the sparkle as well as the Americanism of using z instead of s.

Pepzi Launch Campaign

The new Pepzi drink launch campaign ought to break mainly on social and digital media as well as the launch advert in mainline newspapers and magazines.

On the digital medium, Pepzi ought to use animated gifs/video as the main advertising format. The adverts can lead viewers to the Pepzi website, where the company might want to share more information on Pepzi, why it is healthier, how it is made, etc.

The company might want to also run an introductory offer on a four-pack of Pepzi, featuring all the flavours. It would also be a good idea to have a celebrity endorser of Pepsi appear on the website to talk about the new Pepzi, its great taste, health and refreshment attributes, sparkling quality, etc.

Digital Launch Advert for Pepzi

Headline: If this is the Pepsi you grew up with, meet the Pepzi you'll fall in love with.

Subhead: All the sparkle, without the soda.

New healthy and refreshing

Pepzi

Pepsi with a twist

Visually, the gif advert features the Pepsi logo nice and large from which a cola drink glass emerges. This changes into an iced tea drink, followed by close up of a sparkling drink and dramatization of the letter s changing to z. Ends on tagline: Pepsi with a twist.

Print Launch Advert

Headline: The new Pepzi you'll fall in love with.

Subhead: All the sparkle without the soda.

Body copy:

You, the Pepsi generation, told us that you wanted a healthier drink that isn't cola and isn't carbonated.

Well, we heard you. It's time to let new Pepzi – with a healthier and more refreshing twist – into your life.

It's all sparkle and no soda. Coconut water, fresh lime, iced tea and passionfruit.

Cool and exotic. Get ready to fall in love with Pepsi all over again.

Sign-Off: Pepzi

It's pepsi with a twist

Digital Campaign (video)

A set of four short videos of around 15 seconds duration each, present Pepzi and its new healthy and refreshing flavours in a visual dramatization of s changing into z and its sparkling quality. Music ranges from funky reggae to latino, depending on the flavour of the drink.

Digital video advert #1:

Headline: Why fantasise about an island holiday, when you have the taste right here?

Ideally, the second s in fantasise should flip or rotate to form a z in the final execution. However, for purposes of just sharing the idea in short videos right now, I have struck out the letter s, while a z zooms in to replace it.

Dissolve to dramatic representation of colourful bubbles in liquid form, on which the new Pepzi can and coconut water details appear.

Super and VO: New Pepzi Coconut Water Drink.

Dissolve to actual drink close up, highlighting its sensory and refreshing feel.

Super and VO: All sparkle, no soda

Oh yeah! Said with a z not an s, the American way

End on Pepzi logo stomping in, with sign off line and a lemon twist at the end to go with the idea of a twist.

Super and VO: It's pepsi with a twist.

(Note: The other three videos follow in the same vein, with each focusing on the s changing to z and the sparkling quality of the new Pepzi drink.)

Opening lines of the remaining three videos:

Video 2: Summers are getting hotter than you realise. Your drink should be cooler, no?

Video 3: Not your mum's tea party, but a new way for the Pepsi gang to socialise.

Video 4: You may not be in Copacabana, but it's sure to energise and refresh your day.

Follow-up Campaign for Pepzi

Let's say the launch campaign for Pepzi, focusing on the new product and its key differentiators runs for three months, or a quarter. After three months, a follow-up campaign ought to immediately break in print and digital.

This follow-up campaign now places Pepzi in the lives of its consumers as the healthy, sparkling beverage for today's youth. It allows us to cue certain kinds of consumers and lifestyle imagery we want for the new Pepzi brand. Most existing Pepsi consumers ought to immediately identify with these drinkers, though the settings and their depiction is slightly more premium. At the same time, new consumers ought to be attracted to the brand proposition and lifestyle connotations as well.

Follow-up print/digital campaign for Pepzi

Advert #1:

(Visual of a young guy and gal enjoying a Pepzi together, out in the city on a sweltering day)

Headline: It's time to fall in love with Pepsi all over again.

Subhead: All sparkle, no soda.

Body Copy:

Nothing like new Pepzi Iced Tea drink to bring friends together. Try its new and refreshing healthy taste that's all sparkle, all the way.

Sign off: Pepzi

It's Pepzi with a twist.

Advert #2:

(Visual of a group of young friends enjoying a Pepzi by the poolside)

Headline: Dive into the goodness of a sparkling new taste.

Subhead: All sparkle, no soda.

Body copy:

New refreshing Pepzi Coconut Water Drink is sure to cool you down on a hot summer's day. Go for its healthy, delicious taste that's all sparkle, all the way.

Sign off: Pepzi

It's Pepsi with a twist.

Advert #3:

(Visual of a group of youngsters just shooting the breeze on a summer's day)

Headline: Enjoy the sparkling company of natural refreshment.

Subhead: All sparkle, no soda.

Body copy:

New, refreshing Pepzi Fresh Lime Drink is what you need to liven up your mood even while cooling you down. Feel the tingle of this sparkling drink, all the way.

Sign off: Pepzi

It's Pepsi with a twist

Advert #4:

(Visual of a group of young adults around a small campfire by the side of a river and enjoying a Pepzi)

Headline: Pepsi gang, get together over a healthy new sparkle.

Subhead: All sparkle, no soda

Body Copy:

New Pepzi Passionfruit Drink is sure to infuse the party atmosphere with its healthy sparkle. This exotic Latino refresher is pure sparkle, all the way.

Sign off: Pepzi

It's Pepsi with a twist

Theme/Brand Campaign for Pepzi

The launch and follow-up campaign ought to run for an entire year, along with any sales and image promotions that Pepzi might run during that time.

A year into launch, and Pepzi is now ready to launch its theme or brand campaign for Pepzi, which actually helps to build the Pepzi brand in consumers' minds. It will do this by making Pepzi play a more important role in consumers' lives, while subtly reminding them of some good old Pepsi brand values which, reassuringly, haven't gone away. In the process, Pepzi will be building a relationship with consumers, old and new.

The theme or brand campaign for Pepzi will mainly be video, used both in digital and social media as well as on TV and streaming sites.

Creative Idea for Pepzi Brand Campaign

To make Pepzi the bonding spirit of the young generation, by demonstrating how every drop of this great-tasting and sparkling drink counts.

Video advert #1 (To the rescue)

Film opens inside a café or diner type restaurant, where many young people are gathered around tables, chatting, enjoying a drink and food and having a good time. There's upbeat music playing in the background.

There's a young girl, around 20 years of age, sitting at a table by the window, all by herself. Looks like she's waiting for a friend to join her, from the way she keeps glancing at her watch every now and then.

At a table right next to hers, are seated a bunch of guys who are having a good time, chatting and drinking. One of them notices the girl alone at the next table, and says something obviously not very nice to his friend. They burst out laughing. Soon the joke or whatever it is spreads around the table and they all laugh at what looks like a bawdy or lewd joke or remark.

We are seeing all this from another table nearby, where a young man appears to be waiting all alone. As the waiter brings him his order, he cancels it and walks towards the young girl's table, Pepzi can in hand. They exchange a few words, which we don't hear. But while the young man is smiling and talking to her, she looks a little nervous or worried.

Next thing we know, they appear to be leaving. The chaps at the next table stare at them, as they walk out of the café.

The young man and girl walk towards his bike parked a little distance away, when her mobile rings. She answers it and tells the young man that her friend is arriving. She looks pleased as her friend arrives and she makes the introductions. And almost immediately, they say bye to each other and leave for their own ways.

Cut back to the young girl's table at the restaurant, where we see a can of Pepzi, with a piece of paper stuck in it. Obviously, a message for the chaps at the next table who were hassling her.

The message reads: Good company counts.

End on Pepzi refreshing sparkling drink being poured into glass, with bubbles rising as in a sparkling wine.

Sign off: New Pepzi

Every drop counts

Video advert #2 (To class)

Film opens on a class full of students inside college. They're waiting for their lecturer to show up, and chatting meanwhile.

Suddenly, one of the students calls to the others to step outside and see what's going on.

From the balcony corridor of a college building, we look down and see a whole lot of lecturers walking in a silent protest march, carrying placards asking for better salaries.

One of the students thinks of an idea and asks all the rest to follow him.

Soon, we see a group of students also marching in protest around the college campus. Their placards are about classes not being held.

More students from other classes file out and join them.

We see the two protest marches in the college campus from an elevated area – possibly one of the building's terraces.

Cut to someone rushing into the college principal's office to alert him of the situation. He rushes out as well.

Before we know it, the two protest marches are face to face, around the corner of the college building. Teachers and students.

This is no ordinary face-off, though. The student group offers the leader of the lecturer protest march a can of new Pepzi. The lecturer accepts it with a sheepish smile and takes a sip.

He almost immediately turns around to his followers and asks them to return to their classes.

As the place clears of the crowds, we notice the Pepzi can lying on the ground with a piece of paper next to it.

The message reads: To class!

End on refreshing sparkling Pepzi pouring into a glass, the bubbles rising as in sparkling wine.

Sign off: New Pepzi

Every drop counts

Video Advert #3 (Advantage Pepzi)

Film opens at a tennis club, where people have gathered on a Sunday to watch a match. It's a lovely, fine day with the sun shining in a cloudless sky. Lots of young people in attendance.

As the match is in progress, we watch long rallies being played across the court, and also catch reactions of spectators as they look this way and that, as often happens in a game of tennis.

One youngster walks in to take his seat, carrying a can of new Pepzi with him. He settles to watch the match and every time, the umpire calls out the score, he takes a sip of his Pepzi.

15 love... sip of Pepzi.

30 love... sip of Pepzi

40 love... omg it's going to be a love game... sip of Pepzi.

Match point... sip of Pepzi.

We hear the umpire call out the winner of the match, winning in straight sets, and there is much excitement in the crowd.

At the end, the crowd rises to offer a standing ovation to the players. Our Pepzi hero too exchanges high-fives, fist-bumps etc with those around him, despite the fact that he was cheering for the underdog.

As people start to leave the tennis ground, we notice the empty can of Pepzi left behind on one of the empty chairs. A crumpled piece of a newspaper on which our hero had scribbled something in haste, flutters in the breeze.

The message reads: Love game. In between the two words is inserted “for the” to read Love for the game - the only thing that counts.

End on refreshing and sparkling new Pepzi being poured into a glass... the bubbles rising as in sparkling wine.

Sign off: New Pepzi

Every drop counts

Other ideas for New Pepzi

Youth innovation award/grant:

At the time that I first thought of these ideas, including a new drink Pepzi, in 2010, I had also thought that it might be a good idea to get youngsters to get together and start-up new ventures or innovations. Since it was in the aftermath of the 2008 Financial Crisis, and I had read about how young people, especially millennials were the worst affected, I thought PepsiCo could spur youngsters to innovate and start something new.

Perhaps now, it might still make sense for PepsiCo to institute an award/innovation grant for youngsters in various fields. This could be on an annual basis, and perhaps Pepzi is the brand to associate with this new endeavour. Or else, it could be on a corporate platform, but the launch of a new healthy and sparkling drink from PepsiCo gives the company an opportunity to launch a youth innovation award/grant like this.

Engaging with consumers on Metaverse:

I read that Pepsi is already finding various ways to engage with consumers on Metaverse, the shiny, novel idea in the digital universe. In that context, I think that Pepzi, the new drink too should be on Metaverse and should find ways to connect with consumers, old and new.

In this context, it would be great if Pepzi could also invite youngsters to create a whole range of art, inspired by Pepzi the sparkling new drink. They could create anything from writing a poem or a song, to creating art, shooting pictures or short videos or just about anything inspired by Pepzi, and share it

with their friends and social network. If they can do this on Metaverse, even better.

Association with celebrity endorsers:

In light of the fact that Pepzi is a new, healthy and sparkling refreshing drink made from natural ingredients, PepsiCo ought to be a little more careful and discerning when signing up big celebrity endorsers for the brand.

Keeping in mind the slightly more premium brand personality as well, celebrity endorsers ought to be those who have a clean image, are health or fitness conscious, and are vivacious. This, in addition to the Pepsi requirements of being someone who is not afraid to speak his or her mind.

Drink and dine offers:

Pepzi should make the most of its association with other snacks and food brands within the PepsiCo portfolio.

The brand should especially focus on running promotions at all the Yum! Restaurant dining places. These are not only ways to sample the new brand in its initial years. They can even be customized around the kind of food served at the various restaurants. For example, if KFC, Pizza Hut and Taco Bell can think up refreshing drinks on their menu, using Pepzi as the base, it would add to the variety and the appeal of the new brand, Pepzi.

PepsiCo ought to also gain from institutional sales and partner with other premium dining places to serve Pepzi, including airlines and at airport restaurants and lounges.

These are ways in which a new brand Pepzi could revitalize the soft drinks market, shifting away from carbonated drinks, in line with consumers' preferences. These are also ways in which New Pepzi can help PepsiCo reinvent itself as a company for the youth of tomorrow.

The brand strategy for a new drink brand from PepsiCo, Pepzi, and the campaign ideas contained in this document are written by Geeta Sundaram, advertising professional and blogger at www.peripateticperch.com who can be reached at geetasundaram08@gmail.com and through <https://www.linkedin.com/in/geeta-sundaram-aka-wise-owl>