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Business Standard

PepsiCo bets big on small Kurkure pack

Set to roll out ₹2 pack nationally, target small, traditional outlets

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After test-marketing ₹2 packs of its Kurkure brand for about a year, PepsiCo India is set to roll out the product nationally. The move comes against the backdrop of most packaged food companies grappling with lower discretionary food spends by customers over the last few months.

While PepsiCo has a low-cost foods business under Lehar, as well as a ₹3 price point under Kurkure, the strategic ₹2 price point would be the company's first under its mainline brands.

Vidur Vyas, marketing director (foods), PepsiCo India, says the strategy would be to increasingly drive affordable price points wherever possible, across brands. "The idea is to try and get as many consumers under the fold,"

Volumes of packaged food companies in categories such as biscuits, noodles and snacks have fallen three to four per cent. In such a scenario, the emphasis, say analysts, would be on thinking small. PepsiCo is expected to push the product in small, traditional trade outlets. "Once the consumer is hooked to your product, the endeavour is to try and push him up the price curve, since ₹2, ₹3 and ₹5

price points act as recruiter packs," says Abneesh Roy, associate director (research), Edelweiss.

However, Vyas insists the company would not vacate The company would not the upper end of the market, even as it focuses on the lower end. For instance, Kurkure would also introduce a ₹30 pack of the Kurkure brand.

Currentlly, the highest price point for Kurkure is ₹20. Vyas says while affordability is critical, products at the upper

vacate the upper end of the market, even as it focuses on the lower end. It plans to introduce a ₹30 pack of the Kurkure brand. end of the market cannot be ignored. PepsiCo's brand Lays has a ₹60 party pack in its portfolio, even as the regular packs are priced at ₹5, ₹10, ₹15, ₹30, etc.

For now, nobody is denying the importance of small packages. In the oats market, in which products are priced at about ₹15 or more, PepsiCo has launched singleserve packs at ₹10 (both flavoured and reg-

ular oats). It has also launched new flavours under brands such as Aliva, experimented with a baked portfolio under Lays and is considering more launches in the breakfast segment. All these products would be competitively priced.

Analysts say a key reason for companies such as PepsiCo to drive down price points is the need to increase volumes. The trend is no different with other food companies. Nestle is aggressively pushing the ₹5 Maggi pack it launched last year. While the company chose not to play up this price point last year, this year, the scenario is clearly different, as consumers focus on essentials.

