

# PepsiCo goes desi

The company adding local flavours to push Tropicana and Quaker sales



SANGEETHA G  
Chennai

THE Indian arm of PepsiCo is aligning with the global agenda to drive sales of its products in the nutrition portfolio by making them appealing to the Desi palate. The company is increasing local flavours and developing India-specific products to push sales of Tropicana and Quaker.

As a global policy steered by chairman and CEO Indra Nooyi, PepsiCo's focus has shifted from its fun products, such as carbonated beverages and snacks, to "purpose-driven foods" like fruit juices and oats. PepsiCo's goal is to achieve \$30 billion sales revenues from nutritional products by 2020, up from \$10 billion in 2010, by developing new products and reformulating existing ones to reduce salt, fat and sugar. Nutrition as a category accounted for more than 25 per cent of PepsiCo's revenue in 2015.

In the health and wellness category, PepsiCo has Tropicana, acquired in 1998 and Quaker Oats in 2001. Though the two brands have multi-billion dollar revenues globally, in India both have less than 15 per cent market share in fruit juice and packaged breakfast market. According to Euromonitor, Quaker had a 13.3 per cent share

(value) of the packaged breakfast market and Tropicana had 8.9 per cent value share in the fruit juice market in 2015.

"The goal is to grow the nutrition category faster than the fun foods, which we have already achieved. Eventually we want to make nutrition the larger category," Deepika Warriar, Vice President, Nutrition Category - PepsiCo India said.

"Innovation has been the key driver of our nutrition brands with Quaker and Tropicana being the flag-bearers of our efforts to move towards a healthier portfolio. As part of this, PepsiCo has been creating and serving a range of food and beverages in India, keeping in mind that taste preferences in India change every 100kms, and consumers across age groups have a preference for familiar tastes and flavours," she added.

PepsiCo has launched four variants of Oats- Dosa, Upma, Idli and Khichdi. According to Warriar, while the south Indian variants will not just help Quaker grow in that region, but also make bigger strides in the rest of the country. By the end of the year, PepsiCo

plans to launch more local and regional variants in oats. Last year, PepsiCo had come up with another set of locally favoured oats, including Chaat Style, Curry Magic, Homestyle Masala, Kesar flavour with Kishmish and Tomato Veggie Surprise.

Similarly, Tropicana has also introduced Indian tastes like Slice Alphonso and Mosambi Delight. According to Warriar, Tropicana was the fastest growing brand of the company and 70 per cent of this growth came from new offerings.

It is further growing the portfolio with new offerings across different price points. PepsiCo has now launched premium range of 'Tropicana Essentials' that has 100 per cent fruit and vegetable content without added sugar, priced 50 per cent more than that with over 20 per cent fruit content. Tropicana also has drinks with 10 per cent fruit content.

The juice (with 20-100 per cent juice content) market is valued 10.7 billion and is growing at 11 per cent. Dabur's Real is the immediate competition for Tropicana.

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sangeetha  
@mydigitalfc.com