

THE ECONOMIC TIMES

PepsiCo looks to add below-the-line fizz

UNCONVENTIONAL MARKETING



- Pepsi kiosks at retail outlets invited shoppers to sample its Tropicana juice.
- In Delhi-NCR, the effort was replicated by roping in resident welfare associations (RWAs).
- **15,000:** No. of consumers Pepsi says it reached out to with the pilot RWA project
- "We plan to spend over 8% of our overall advertising and promotional spends on below-the-line media other than television, like digital media and in-store activities," said PepsiCo executive director, marketing, Punita Lal

WHY NOW?

- Pepsi hiked prices of some beverages by up to 20%, giving in to surging sugar costs
- PepsiCo raised rates by Rs 2 of all its 200-ml, 300-ml and 600-ml bottles across brands.

KEY MARKET

- PepsiCo India's beverage business grew 32% last year, the highest in a decade.
- India has been identified by its New York-based parent as a key emerging market along with China.

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PEPSICO India is spreading the word on the nutritional benefits of its products among discerning consumers to sustain robust volume jumps as the beverage and snacks maker looks to stem the potential fallout of a price hike necessitated by boiling rates of sugar, a key soft drink ingredient.

In a first, the company recently set up kiosks at retail outlets and invited shoppers to sample its Tropicana juice. The move, which took off in Mumbai, was complemented by nutritionists appointed by the company. In the Delhi-NCR region, the effort was replicated by roping in resident welfare associations (RWAs).

PepsiCo, which deems this as unconventional marketing, says it reached out to 15,000 consumers directly with the pilot RWA project and more such efforts are in the works. "We plan to spend over 8% of our overall advertising and promotional spends on below-the-line media other than television, like digital media and in-store activities," said PepsiCo executive director, marketing Punita Lal, adding that the expenditure on unconventional media will grow in the coming days.

Like rival Coca-Cola, Pepsi too raised the prices of some beverages by up to 20%, giving in to surging sugar costs.

The move could stain the growth of beverages and foods companies, especially PepsiCo India, whose beverage business grew 32% last year, the highest in a decade.

Indeed, Pepsi has become accustomed to a 20-30% volume growth in recent quarters. Maintaining the growth momentum is vital to PepsiCo India as the country has been identified by its New York-based parent as a key emerging market along with China.

Analysts said the rationale behind PepsiCo's marketing bustle across media is illuminated when viewed against this backdrop. Though she had no comment on absolute numbers, Ms Lal said PepsiCo's marketing costs would rise this year in line with addressing the growing beverages category. The company's annual ad and promotions budget is learnt to be around Rs 120 crore. It is also among the country's top 10 ad spenders, according to media tracking firm TAM. For its flagship cola, Pepsi, the company kicked off a campaign late last year linked to social networking sites such as Facebook, Orkut and Twitter. The 'What's Your Way' campaign invited consumers to co-create ways to communicate to consumers. This was also Pepsi's first major campaign that kept out television.

PepsiCo's fresh marketing moves come as rival consumer goods companies too are waking up to the importance of digital media, though Indian examples are few and far between. While Unilever has jumped onto social networking to push the sales of Close-up, its toothpaste brand, in Vietnam, Coca-Cola recently kicked off a campaign on Facebook inviting consumers to create flavours of its vitamin water Glaceau in the US.

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