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'We won't have regional brands in our portfolio'

India's leading food & beverage maker PepsiCo on Tuesday signed a memorandum of understanding (MoU) with the Maharashtra government to promote citrus-fruit farming and manufacturing in the state. This follows Hindustan Coca-Cola Beverages and Jain Irrigation's orange-juice manufacturing MoU with the state government last week. **D SHIVAKUMAR**, chairman and chief executive of PepsiCo India, tells *Viveat* Susan Pinto there are more MoUs in the pipeline. Edited excerpts:

Q&A

D SHIVAKUMAR
Chairman & Chief Executive,
PepsiCo India

You have signed an MoU with the Maharashtra government. Are you looking at more such agreements, in keeping with the Make in India objective?

We are going in the direction that uses our core knowledge — material, material transformation, forging, machining, assembly, sub-systems. That's where our expertise lies. The MoU with the Maharashtra government is to promote citrus-fruit farming in the state, besides driving joint investment with our partners to help create best-in-class fruit processing here. We already have a citrus processing plant in the Nanded region of the state. The first product, called Tropicana Mosambi, has just rolled out from that plant and there will be more such products, tailored to local tastes with locally produced 'fruits of India'. The challenge clearly is to get more processable varieties of citrus fruit from the local farmers, which is what the agreement endeavours to do. By training and educating the local farmers, we hope to achieve that, something we did with potato farming in Punjab earlier. As far as more agreements go, yes, we are looking at signing more MoUs with other states. That will come in due course of time.

What is PepsiCo doing to respond to the challenge of regional brands in foods? Many of them are a force to

reckon with in foods...

You can either have a strategy, which is purely local in nature. If you have that, you could end up with 30 brands in every single category, which is unviable. Or you could have a national brand with regional blends strategy. Typically, companies that are represented nationally, such as us, go with the national brand, regional blends or extensions strategy. Local or regional brands are not something we intend to have in our portfolio.

Indra Nooyi (PepsiCo's global chairperson & CEO) has given a clear mandate to all her teams across the world to focus on the health-for-you segment. How is PepsiCo India fulfilling this objective?

We are taking this very seriously. Our product Revive, which is an isotonic drink in the hydration category, has lower sugar levels in comparison to rivals. We are pushing healthy beverages such as Lipton Ice Tea (in a joint venture with Hindustan Unilever) and Gatorade (sports drink) that give clear functional benefits.

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