

THE ECONOMIC TIMES

FREEWHEEL

FOR PEPSICO INDIA, CONSUMER ENGAGEMENT IS THE KEY, SAYS PUNITA LAL

We're moving towards healthier refreshment: PepsiCo India



PUNITA LAL

AS THE New York-based beverages giant PepsiCo looks to markets like India to keep the growth momentum ticking, the Indian arm is trying to pull out all stops to keep its recent track record intact—high double-digit growth. PepsiCo India executive director (marketing) for beverages Punita Lal spoke to Ratna Bhushan about challenges like higher pricing and keeping consumers engaged, as the season kicks in. Excerpts:

PepsiCo took up pricing after a long gap in the beginning of this year. Won't the growth momentum be impacted? What are you doing to ensure consumers keep coming?

Beverages had a great year but since we have taken up pricing now, we need to ensure we keep consumer demand robust. We are attempting this in several ways. Enhancing value is one. Our one-litre pack for carbonated drinks which we rolled out a month back—priced at Rs 32 each—is a good value proposition. We are positioning it as a small celebration for the family, and we've called it the home pack. Our slim can at Rs 15 again

offers great value. Then there are glass bottles and 600-ml PET packs. So value, affordability, penetration—we are addressing all these. We are also looking at new channels to reach the consumer. The one big learning is that you just can't do a monologue... consumer engagement is key. A clear shift is happening in brand communication, and consumers should not just be recipients of marketing messages but partner us in creating content. As for pricing, in the Indian context, the penetration of our category is still so low that we would want to do everything we could to hold prices. We have taken up prices reluctantly this year; we did not last year when most other FMCG companies did. The way inflation costs are these days, I don't see a roll back of prices soon.

The company's US headquarters announced last month that it would list detailed calorie content on beverage container front packs. Are you looking at similar plans for India?

We are in the process of evaluating the bene-

fits front-pack labeling would give consumers in India. While we are totally committed to offer the consumer transparency, we also need to understand how much he/she understands and relates to such information. It's a dialogue we are having currently. We are trying to factor in the consumer's relative awareness to nutritional information into the labeling initiative.

The company often talks about portfolio transformation to 'good for you' and 'better for you' products. How relevant is that for India?

We are certainly addressing healthier needs of consumers. As you know, we are working on a bottom-of-pyramid product which is in progress, though I don't think the timeline for launch is formalised yet. Then we have the Tropicana 100% juices, Gatorade with specific functional benefits, Nimbooz (nimbu pani) which is known to be a hydration product. So we are certainly driving the change to, as you say, 'healthier' refreshment. Also, we will be looking at

more sugar-free products and we hope regulatory approvals for alternate sweeteners come soon. But at the same time, while the consumer is showing more trends of being health and wellness conscious and there certainly is a lot of talk, she is not walking the talk that much. Even when we do have no-sugar variants or low-sugar variants, it's not as if that becomes the first choice of all consumers. I don't think that change has happened as yet, and between intention and behaviour, there exists a gap. There is also a taste challenge that one needs to deal with when non-natural sweeteners are used. And consumers clearly do not want to compromise on taste.

Any plans to include social messaging in the advertising?

Our water-balance initiative is one which we are communicating on Aquafina packs (water balance, as in we are saving and replenishing more water than what we are using). We already focus a lot on performance with purpose.

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