

Business Standard

Pepsi: From 'Yehi hai right choice...' to pushing people

REUTERS
New York, 30 April

In the 1980s Michael Jackson pitched it as "the choice of a new generation." In 1990 Ray Charles told people they "had the right one, baby." Now, Pepsi wants people to "Live for Now."

A multi-year campaign featuring that tagline, as well as various online components, ads and partnerships will roll out globally for the cola brand this year, starting on Monday in the United States.

The campaign is the biggest evidence to date of a renewed focus on marketing at PepsiCo, which has faced pressure from Wall Street to improve North American beverage sales. The company is spending an additional \$500 million to \$600 million this year on marketing a dozen of its brands, starting with its flagship cola.

"PepsiCo is two letters away from Pepsi," said Brad Jakeman,

chief creative officer of PepsiCo Beverages Americas. "It needed attention first ... It's the 800-pound gorilla in the room."

Jakeman, who hails from Australia, joined PepsiCo last year from video game maker Activision Blizzard Inc, where he was chief marketing officer. He said he has wanted to work on the Pepsi brand for the past two decades.

"When it's at its best, it's telling people what's important in pop culture," Jakeman said in a recent interview at the company's "beverage lab" just outside New York City. "From a brand perspective, I want this brand to regain its rightful place as a true pop culture icon."

To that end, the first commercial in the "Live for Now" campaign will feature hip-hop artist Nicki Minaj singing her song "Moment 4 Life". Minaj - known for her wacky outfits and dramatic performances — recently



While the campaign is global, its commercials will be relevant to particular markets. PHOTO: BLOOMBERG

released her second album, which debuted at No. 1 on the Billboard 200 chart. She also performed with Madonna during the Superbowl's

half-time show.

Over the next several years, the campaign will feature other artists and entertainers. While the cam-

paign is global, its commercials will be relevant to particular markets, Jakeman said.

Another facet of the campaign is the "Pepsi Pulse," an interactive website that will feature pop-culture information, entertainment news and original content.

Pepsi also signed a music-related partnership with Twitter.

Use of the "Live for Now" slogan and Nicki Minaj seems to be an attempt by Pepsi to regain the affections of the younger generation, said Robert Passikoff, president of Brand Keys Inc.

"It's something they absolutely need to do," Passikoff said. "It's so hard to be able to differentiate yourself generally, and specifically in a category that has ultimately become ubiquitous."

Passikoff, who tracks brand loyalty of Pepsi and rival Coca-Cola Co, does not have a lot of confidence in Pepsi's ability to reignite the brand into something very cool again.

News monitored for: Pepsi - Corporate

Business Standard

to 'Live for now'

"I think it's real tough in those kinds of relatively undifferentiated categories to come back," he said.

Hoping to gain share

PepsiCo posted better-than-expected first-quarter profit last week, with beverage sales volume falling 1 percent in both the Americas and Europe, excluding the impact of a recent acquisition. Volume rose 2 percent in the Asia, Middle East and Africa unit, fueled by India, Saudi Arabia and the Philippines.

Emerging markets have buoyed soft drink sales as mature markets slow due to changing tastes and a growing health-consciousness.

In the United States, carbonated soft drink sales grew about three per cent a year through most of the 1990s, but began to slow in 1999. Sales have been in decline since 2005.

Amid that backdrop, PepsiCo has worked on a range of healthier

products, such as juices, hummus and oatmeal.

But the company's traditional soft drinks have suffered, with Pepsi-Cola dropping to the No. 3 spot in the United States in 2010, getting overtaken by Diet Coke.

"In the face of a category that's in decline, growing share is obviously something that is very important to us," Jakeman said about the carbonated soft drink market.

The way to do that, Pepsi says, is by boosting the relevance and love of the brand, said Simon Lowden, chief marketing officer for PepsiCo Beverages Co.

"These campaigns are about driving sales, share and, ultimately, pricing power. It's going to take a while, but we're here for the duration," Lowden added.

In addition to increasing its marketing spending, PepsiCo reduced its earnings growth target and said it would cut 8,700 jobs.