

News monitored for: Pepsi - Brands

THE FINANCIAL EXPRESS

Despite health push, cola earns most for PepsiCo

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HEALTH may be wealth, but not always in cola economics. Despite its emphasis on healthy foods and beverages it calls 'good-for-you', good old fizzy cola is still the indisputable breadwinner for PepsiCo. The company's India chief Manu Anand told *FE* in an interview that this year,

its beverages basket with greater focus on health brands. Apart from the flagship Pepsi and other carbonated products like Mirinda and 7Up, PepsiCo has an array of brands including Tropicana, Nimbooz, Lipton Ice Tea and Gatorade. However, consumers seem to prefer the carbonated cola beverage most, which is not sold in schools.

"All carbonated drinks have been growing. But this year, Pepsi has had an exceptionally fantastic year. I think it started with the great work on the cricket World Cup advertisement campaign. Expanding and sharpening distribution channels has helped too. This year, we introduced one-litre bottles. Until now, only 600 ml and two-litre packs were available. We expanded to rural markets and added new coolers in these regions for better distribution," Anand said.

Without giving specific figures, he said two-thirds of PepsiCo sale comes from carbonated drinks, with the balance from non-carbonated products, which are broadly labelled health products.

Explaining why non-carbonated drinks have failed to match the growth of carbonated drinks in India, Anand said per capita consumption of beverages here is quite low; so, consumers largely do not feel the need to substitute high-calorie products with healthier ones. "In most western nations, per capita consumption is much higher," he said.

However, this does not mean that PepsiCo will drop the focus on the 'good-for-you' strategy. The company has forged alliances with Tata Global Beverages and Hindustan Unilever to produce and retail healthy beverages.

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Manu Anand,
PepsiCo India chairman

BRAND PEPSI'S CONTRIBUTION TO GROWTH HAS DOUBLED FROM LAST YEAR. MOST GROWTH HAS COME FROM REGULAR COLA, NOT DIET PEPSI

brand Pepsi's contribution to the company's growth has doubled from last year. Even within the brand, most of the growth has come from the traditional product — not the Diet Pepsi variant. ■ See Food caFE on Page 9

"This year has been spectacularly good for us. The contribution of brand Pepsi to our beverage business has doubled from what it was in 2010," said Anand, who took over from Sanjeev Chadha as PepsiCo India chairman in January.

In the last four-five years, PepsiCo has vastly expanded

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PepsiCo recently launched Lipton Ice Tea in a JV with HUL. NourishCo, a PepsiCo-Tata Global Beverages partnership has just rolled out its first product, Gluco Plus, in Maharashtra. Anand said the focus on India – which ranks among the top five markets outside US – would continue as the company believes it will be key to its achieving the \$30-billion revenue mark globally from health products by 2020, up from the current \$10 billion. Every year, the company invests around \$200-300 million in India and will continue to do so, he said.