

News monitored for: Pepsi - Corporate

MAIL TODAY

PepsiCo is fine-tuning its strategy to reposition itself as a health beverages firm for stronger growth

Unveils sugar-free Pepsi Max to take on Coke Zero & plans to take away cola products from schools

Next-level cola war **Pg 35**

A photograph of a woman with dark hair, wearing a dark top and a lanyard, smiling and holding a bottle of Pepsi. The background is dark and out of focus.

MAIL TODAY

Health drink mkt to be PepsiCo's new frontier

Unveils sugar-free Pepsi Max to take on Coke Zero

By **Anuradha Shukla**
in New Delhi

WHEN PepsiCo entered the Indian market in 1989, its aim was to promote the cola culture in the country. Over the years the US food giant managed to successfully lure the Indian consumers to the cola culture. And now with PepsiCo clocking quarterly growth rates of above 20 per cent, it is fine-tuning its strategy. PepsiCo is repositioning itself as a health beverages company.

"Apart from promoting its regular cola brands, bringing healthy and non-packaged drinks like *nimbu pani* and *lassi* into packaged bottles market remains the next challenge for the global beverages giant," Punita Lal, executive director, marketing, PepsiCo, told MAIL TODAY.

For Punita, who joined PepsiCo India as head of marketing for the South Asia beverage business in November, 2004, the journey had been exciting.

The association of this graduate in economics from St. Stephen's College and MBA from the Indian Institute of Management, Kolkata, (IIM-C) with PepsiCo dates back to her J. Walter Thompson (JWT) days where she developed Pepsi's successful "Are you ready for the magic" marketing campaign.

"India has been a very interesting and important market for us. We are doing well. Bringing non-packaged categories like lassi or buttermilk will be part will be our next growth area as

Pepsi will remove colas from schools by 2012

well as our challenge for the next five years," said Lal, who is pegged as the next head of PepsiCo's bottled water joint venture with the Tatas.

"To keep such products within the affordable range is the next level of challenge. I wish I could reduce the price by at least ₹5," she added.

In view of its change in positioning, PepsiCo has decided to remove all cola products from schools by 2012. In its place, it will promote healthy foods in schools in an effort to burnish



THE LATEST BUZZ: Punita Lal is pegged to be the next head of PepsiCo's bottled water joint venture with the Tatas.

its image of being a 'responsible' and 'health-conscious' firm.

"We want to change the perception about the firm. We are already on a campaign to promote this category, which includes products like Tropicana. But there is a need to add more variety," Lal said.

"We are very happy with the response received by our latest product, Nimbooz, which is a refreshing change from the cola category. We would like to add many such products," Lal said after the launch of Pepsi Max, the sugar-free international cola.

Pepsi Max is slated to take on global rival Coke Zero — a sugar-free drink from Coca-Cola.

Launched with the tag line

"Maximum Kick, No Sugar", Pepsi Max will be available in both can and PET pack formats. The 250 ml can will carry an introductory price of ₹15, the 330 ml can ₹25 and the 500 ml PET ₹25.

Pepsi Max is sold in the US and European countries and is marketed as an alternative to the Pepsi and Diet Pepsi colas. However, the firm will continue to market Diet Pepsi in the country.

"The market of low-calorie aerated drinks is still very niche in India. So we are not looking at market share and numbers but it will stoke the demand for this category. We have to wait for at least two to three years before we launch a complete new cola in this category," Lal said.