

News monitored for: Pepsi - Corporate



EXCLUSIVE BY CNBC-TV18

We have seen robust growth

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The India arm of PepsiCo has risen to be the fastest growing beverage unit in its global portfolio. Sanjeev Chadha, chairman and chief executive of PepsiCo India Holdings Pvt. Ltd spoke in an interview about the company. Edited excerpts:

I know you don't share numbers but give us a broad sense in terms of where sales have been, how much volume expansion you have seen and the kind of a revenue push you managed in the summer season.

It has been a great summer for PepsiCo on the beverage front. I can share the quarter one numbers; in quarter one we grew in the high 20s in terms of volume, and over 30% in revenue terms.

Which are the brands that drove revenue and volumes?

Right across the board we have seen very robust growth, both on juices as well as carbonated soft drinks. Our hydration portfolio and indeed



HARIKRISHNA KATRAGADDA/ MINT

Three-point strategy: PepsiCo India CEO Sanjeev Chadha.

INTERVIEW

the newer brands that we have introduced, like Nimbooz, have done outstandingly well.

You have done about 20 launches last year, largely variants, some of course new categories. What can we expect in 2010? Pretty much the same or is it going to be a lot more aggressive?

Time will tell.

Are you not going to say more than that?

I am afraid I can't reveal our exact plans about new launch-

es but there is a lot of excitement in store.

Are you going to be able to beat the kind of numbers that you posted in 2009? Is that the sense that you are getting, or is that the confidence that you currently feel?

Right now, we are tracking along the same lines as 2009 and we are exactly at the mid-year point. So that's what I am asking our sales and marketing guys to deliver.

Everybody seems to be talking about the rural push; you are looking at sort of deepening your engagement with the rural markets

as well. What is the strategy there and how do you intend to go from the current 20% to 40-50% over the next decade or so in sales from rural India?

Our three-point strategy is to really increase the relevance of the products for rural consumers. The second is to improve the access of the products so that they can find them more easily available and the third is affordability.

How big a concern is fake fizzy drinks and how do you intend to battle it?

It is a serious concern for us and for the industry at large. Our product reputations obviously are at stake. We don't want consumers to open a bottle of Pepsi or any other of our brands which is fake because the reputation and credibility of PepsiCo goes down. That is why it's an ongoing effort as an industry body to be able to identify and be able to get these people to book. It is very difficult to track down each one of those but with the help of the authorities, the work is improving and they are being brought to book increasingly.

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