Background

Today PepsiCo ranks among the world’s five largest food and beverage companies with 16 brands, revenues of about US$ 27 billion and over 143,000 employees. PepsiCo International includes the snack businesses of Frito-Lay International and beverage businesses of PepsiCo Beverages International. PepsiCo brands are available in nearly 200 countries and territories. In India, PepsiCo has come a long way since it began operations in 1989.

PepsiCo and its partners have invested more than US$ 700 million in India - building businesses, which today provide direct or indirect employment to more than 60,000 people.

Owns some of the largest brands in India

Since Pepsi’s entry into the Indian market in 1989, several brands from its portfolio have become established category leaders. Brand Pepsi is now the 2nd biggest brand in the country. PepsiCo has established a strong portfolio of brands, a vast and flexible distribution network, and provided the consumer with a supply of innovative, refreshing and nutritious products.

Pepsi Cares - Corporate Citizenship

PepsiCo is committed to developing educational and health programmes for communities near its bottling plants. The company runs health programmes such as setting up village clinics, health camps, eye check-up and blood donation drives in several communities throughout the country.

While rainwater harvesting, recycling and water conservation initiatives at plant locations are a business practice, the company is also initiating partnerships with specialist NGOs to develop strategic plans to support implementation of community water projects with community participation that would enhance both quantity and quality of water available through rejuvenation of traditional systems, water recharge structures, check dams etc.

PepsiCo’s US$ 1.5 million investment to cooperatively develop a comprehensive agro-technology programme with the Punjab Agriculture University has helped thousands of farmers across India improve the yield and quality of their agricultural products.

Factors for success

PepsiCo’s success in India centres around a strong focus on satisfying and delighting Indian consumers. This was achieved by forging strong relationships with local franchise partners, distributors and suppliers and building a talented local workforce.

Building strong brands

A strong portfolio of brands has helped establish
PepsiCo as a leader in India’s beverages market, offering a variety of high-quality products providing refreshment and nutrition. It has regularly released popular advertisement campaigns to coincide with popular Indian festivals. Additionally, the company through association and advertisement, has created a distinct identity for each of its brands.

Partnerships
PepsiCo entered India’s hot beverages category in 2003 through a tie-up with Hindustan Lever Ltd., a leader in hot beverages and owner of the Lipton brand. To produce its beverages, PepsiCo has 37 bottling plants in India, including 17 company-owned plants and 20 owned by franchisee partners. The flavour concentrates used to make soft drinks are produced at a separate state-of-the-art plant at Channo in the Sangrur district of Punjab and supplied all across South Asia.

Diverse product portfolio
PepsiCo’s portfolio of beverage brands in India includes the flagship cola brand Pepsi; Diet Pepsi; two flavours of Mirinda – Orange and Lemon; 7UP; Mountain Dew; packaged drinking water – Aquafina; variants of the fruit drink brand Slice; the 100 per cent fruit juice brand Tropicana in several variants and the world’s leading sports drink Gatorade. It also includes the local brands Lehar Evervess Soda, Dukes Lemonade and Mangola. Through its tie-up with Hindustan Lever Limited, the company also markets and distributes ready-to-drink beverages such as iced tea, green teas and herbal teas.

Local manufacturing
PepsiCo has invested heavily in building local production facilities and transferring agro technology to the country. PepsiCo and Punjab Agro set up a 9,600 sq ft greenhouse at the Agro Research and Development Centre at Jallowal, Punjab, to commercialise citrus cultivation in the state. Additionally, the company also undertakes contract farming across the country to source raw materials for its products.
Leveraging the India Advantage

Using local talent to run operations in India

Since its entry into India, PepsiCo has provided direct employment to more than 3,000 people in India. Indirect employment, including services, suppliers and distributors, is estimated at more than 60,000 people.

Sourcing and manufacturing base for exports

Today PepsiCo is amongst the major multinational exporters. Cumulative exports over the last 10 years have crossed US$ 504 million. Pepsi's export business today supports the company's core food and beverage businesses: Pepsi has emerged as a high quality, competitive supplier to the worldwide PepsiCo system.