VPM's DR VN BRIMS, Thane

Programme: MMS (2015-17) (Mktg.) Fourth Semester Examination April 2017

Subject	Emerging Trends in Marketing		
Roll No.		Marks	60 Marks
Total No. of Questions	7	Duration	3 Hours
Total No. of printed pages	2	Date	12.04.2017

Note: Q1 is compulsory and solve any FOUR from the remaining SIX questions.

Q1) 20 Marks (Compulsory)

Background: Beverage and snacks company PepsiCo always tries to carve a significant niche in the non-aerated drinks space. PepsiCo India launched a product in the biscuits category, Lehar iron Chusti as well as a low-cost fortified beverage, Gatorade, specifically created for India, as a part of PepsiCo's innovation plank to introduce low cost, nutritional food products and drinks in the market. The low-cost snack option was a part of Project Asha announced by PepsiCo CEO, Indra Nooyi, in 2008 that aimed to fill the nutrition gap among Indian consumers. The planned launches in the two segments were a part of PepsiCo's global mandate to look at non-aerated beverages, particularly in the health and wellness space. To target this new set of customers, Pepsi planned to form new verticals that took care of the new low-priced products.

Objective: To reach out to the rural target group for its new low-cost products, Pepsico devised a spectacular strategy keeping in mind the health and wellness space of the target areas. The objective of PepsiCo's "Project Asha" along with introducing low priced nutritious products was also to raise nutrition awareness among women through educational programs such as films and seminars talking about causes, solutions and tips for iron deficiency. 7 out of 10 girls in Andhra Pradesh (Age group 12– 18 years) are Anaemic. The challenge that Pepsico took was reducing iron deficiency among girls in that age group.

Execution: The activity was divided into three phases, each working extensively towards the objective. Phase I included the activity of creating mass awareness; at relevant congregation platforms (Govt. & Pvt. Schools class 6 – 10 , Skilling Centres etc.) and through "EDUTAINMENT". Phase II focused on Behavior Change Communication; targeting individual households in villages (specifically R1 & R2) to ensure continuity and Female change agents ((ICDS worker, ASHA, SHG leader, NGO activist). And lastly, Phase III that looked at the Last Mile Distribution focusing on product availability to the target group in villages of >2k population and linking to the company's last leg of distribution system.

PepsiCo was well aware that selling such low priced products would not be a profitable business at the start and they could not play around with the quality. The company hoped that by mass production, they would be able to reach the efficient scale and turn this strategy into a profitable one.

Results: There was 100 per cent coverage in Guntur and Tenali towns and the surrounding 84 villages. 280 schools and 110 communities- directly contacted 75,000 girls (50 per cent of TG population in intervention geography). BCC Agents were appointed in all 84 villages who imparted education in 5,000 households.

PepsiCo India was also awarded Gold in the "Rural Engagement Program of the Year" category at the WOW Awards ceremony.

- a. What is the target segment for Pepsico in above case, discuss attributes of this segment.
- b. What do you think were the five major barriers to target this segment?
- c. Design an alternative communication plan for the above products.
- d. List success factors of Pepsico's strategy in above case.

