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**Sent:** Monday, August 14, 2017 7:26 AM  
**Subject:** Week 193 Learning's- The Magic of Food and beverage Brands

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Dear Friend and Colleague,

[REDACTED]

This week we got two recognitions for brand work: The Himalayan Sparkling bottle was picked as one of the best 200 new designs across the world and the Fuel for the real fit ad from Quaker oats became the Top 5 most watched ads on Youtube. [REDACTED]

[REDACTED] Quaker is also sponsoring the Onam boat race - we sponsored the Kerala blasters last year and now this race. Integrating with local pride is important for brands in India. I am sure we will do more of this.


Our brands have won accolades across a wide variety of initiatives : Lays, Kurkure, Pepsi, Mountain Dew, Mirinda, Tropicana, the list goes on. I have been involved with more than 50 brands across personal care, food and beverage, baby care, fem care, household care, durables and non- durables. My top ten lessons from the food and beverages brands:

1. Value is critical in food and beverage since the housewife has an alternative personal mix for the same product, be it a home-made snack or a home-made drink.
2. Indian household size is 4.4, that means there are two kids in every household. No brand enters the house if it doesn't taste good, hence the taste appeal to kids is crucial.
3. Packaging has both a functional and emotional reason for purchase. The best natural packaging is the coconut shell. Consumers rarely pay for expensive packaging. Reusable packaging is a big initiative. The tea and coffee markets have grown for years on the back of PET packaging. The chocolate and hard boiled sweets industry has used PET as secondary packaging to drive impulse sales at point of sales.
4. Freshness is paramount in Food and beverage brands. Consumers do not pick sensitivity around soap lather that is off or toothpaste foam that is off, but they recognise the staleness of a food brand very quickly.
5. Money is made or lost in the supply chain in Foods and beverages. So, having good buying, a lean supply chain is absolutely crucial. Stocking up in food and beverages is the surest way to having losses. Lays this year is a great example of this point.
6. As a household becomes richer, food moves more into the need space and outlay on food experiences increases, e.g. eating out, QSRs, etc etc.

7. Exotic ( not local) food is normally tasted outside of home before it comes into the home. Airport food counters are a great example of this. The HORECA ( Hotels, restaurants and Clubs) is important. Red Bull was built with clubs.
8. The centre of the plate in foods takes decades to change, i.e. if you are a rice eater, that's unlikely to change, if you are a roti eater, that's again takes time to change. On the other hand in apparel, most young people have moved to jeans and other attire from their previous local attire. In personal care they are moving to liquids faster.
9. The winners in food and beverage tend to be local, i.e. brands that address local needs. Food competitors change every 100 kilometres in most markets. The more local we are and the more we win in distribution locally, we will be a stronger company.
10. Health and safety are emerging as important issues for society and consumers. I see more regulation in food today than when I was brand manager or marketing director. Expect more labelling in the future.

Food is central to Indian society. I was talking to a few real estate people and architects last week. I was enquiring about the apartment buyer's specification on kitchens and kitchen appliances. You won't believe it, but most new buyers of homes at every price point want a good kitchen, well- furnished and modern. In many cases , kitchen size is increasing ! So, the love of cooking and the love of good food will not go away.

The top ten food categories in India account for 146,000 crores while the top ten categories in personal care and household care account for 86,000 crore per annum. The only product category that has dropped out of the top ten food list is noodles and we know why; the scare around Maggi.



Warm regards,

Shiv