



Tempest Advertising Pvt Ltd

Hyderabad Bangalore Pune

PEPSI FOODS LIMITED

USE OF SALES PROMOTION TO CONSOLIDATE SHELF SPACE AND GAIN MARKET SHARE ACROSS ALL BRANDS AND PACKS

Background : In Mumbai, India, Pepsi was a market leader in the soft drink market. However the company faced two problems

- a. Its visibility in the retail outlet was disorganized. Its various brands were displayed disjointedly resulting in the consumer having to search the shelves for their brand.
- b. Pepsi had to pay huge sum of money, to put up display signage, to the retail shop owners.

Pepsi wanted to ensure that all its brands were displayed at one location within the retail outlet viz. grocery stores, bakeries and soft drink outlets. Pepsi also wanted to occupy space within the retail outlet without incurring costs. In as much space that it would be able to gain, the company wanted the retailer to stock every single brand and pack. In addition, it wanted the displays to be arranged in a specific manner so that the consumer would find it easy to locate and buy their favorite brand.

The Brief : Tempest Advertising was appointed by Pepsi, to develop and design a scheme which would consolidate its display with the retail outlet. In addition, the scheme was to actively involve the retailer as well as Pepsi's staff right from the junior most Route Salesman to the Unit Head. *(Pepsi awarded this work to Tempest after a pitch between us, HTA and two other Mumbai based agencies)*

Our Solution : Tempest suggested two separate schemes to achieve the twin objectives as mentioned earlier.

For consolidating the Display at the retailer level we suggested the "Pepsi Space Club" (This was the time when Star Wars II was popular). Under the Pepsi Space Club the route agent would motivate the retailers to become members of the Pepsi Space Club. The Club was to be run for a period of six months. On agreeing to participate, the retailer would receive the following from the company.



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- a. A participation certificate which could be displayed prominently in the retail outlet.
- b. A Pepsi wall clock.
- c. A Visi-cooler (Refrigerator with a glass door).
- d. A display stand.
- e. A sign board displaying “Pepsi Cool Zone”.
- f. A display manual explaining the way in which the products had to be displayed at all times.
- g. A manual explaining the terms and conditions at participation and the various awards that could be won periodically by the retailer.

As a member of the Pepsi Space Club the retail outlet would be visited, randomly, by Pepsi personnel, to check whether the retailer was fulfilling the various requirements at participation. If the retailer fulfilled the requirement, a prize on the spot by the Pepsi personnel was given to the retailer. One of the most important requirement at participation was that the retailer should stock each and every brand of Pepsi and should also have on display, each and every pack of the brand.

In addition to this, the display should be as per the manual that was provided.

There were 10 such criteria on the basis of which the retailer was awarded points. In case the retailer scored a perfect 10, Pepsi would give the retailer “Free Liquid”, which was equivalent to the product that was displayed by the retailer. This meant that the more the product that the retailer displayed perfectly, the more free liquid he would get and more the profit that he could make.

In addition to the “Free Liquid” that could be won, the retailer could also win gifts like free music cassettes, gift hampers and invitation to Pepsi parties. The scheme ended with a prize distribution ceremony in which the winners were announced and larger prizes were distributed.

Involving the Staff : In order to make the Pepsi – Space Club successful, the Pepsi team was divided into four different teams. These teams were named Mars, Venus, Jupiter and Pluto. These teams were made to compete with each other under the “Pepsi Store Wars” program.

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Under the Pepsi Store Wars (PSW) program, each team was given sales volume target. In addition, there were targets that were set for involvement of the retailers into the Pepsi Space Club program. Points were also awarded to the teams, based on how many retail outlets scored perfect 10's in their individual zones.

Each and every member of the four teams had a separate target and achievement of these targets was linked to their annual performance review. Salary increments were linked to the performance of any individual employee in the Pepsi Store Wars program.

The winning team was declared as the ruler of the Universe and the leader of the winning team was crowned the Superior of Space.

Our Responsibility :

- a. Development of the programs and framing the rules and regulations.
- b. Design of all collateral for the scheme.
- c. Design, development and execution of the launch program for announcing the programs to the Pepsi field force. This included production of two launch films that were used as curtain raisers for the field force conference.

Results : The Pepsi Store Wars and the Pepsi Space Club, turned out to be the largest promotion initiative of Pepsi, in Mumbai during 1999. The scheme concept was then extended across the country. In Mumbai, brands which were never stocked by the retail trader received a fillip and Mumbai achieved the highest volume growth in the country. While the overall beverages market grew by 5-6 percent, sales in participating outlets grew by almost 60%.