

FROM OBSERVATION TO OPPORTUNITY: PUTTING BEHAVIOR AT THE HEART OF PEPSICO FOODS' HUMAN-CENTRIC R&D

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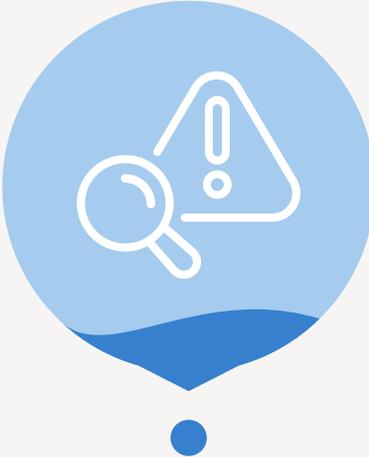
CONFIDENTIAL

THE GROWTH GAME HAS CHANGED AND GIANTS IN THE CPG SPACE ARE FACING HEADWINDS

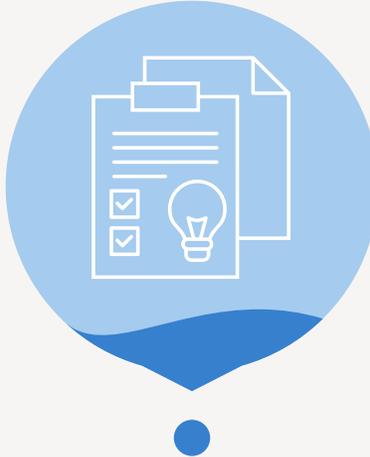
Mature categories + shifting consumer expectations are creating new headwinds in CPG

With PepsiCo foods reaching more than 90% of households in US, Growth now lives inside occasions, not demographics ¹.

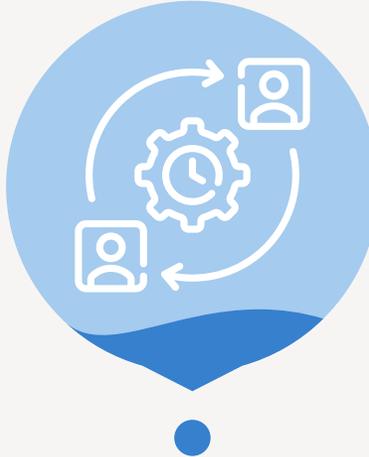
OUR MANDATE: WIN NEW OCCASIONS



Identify white space & emerging consumption moments



Deliver insights that directly inform innovation decisions



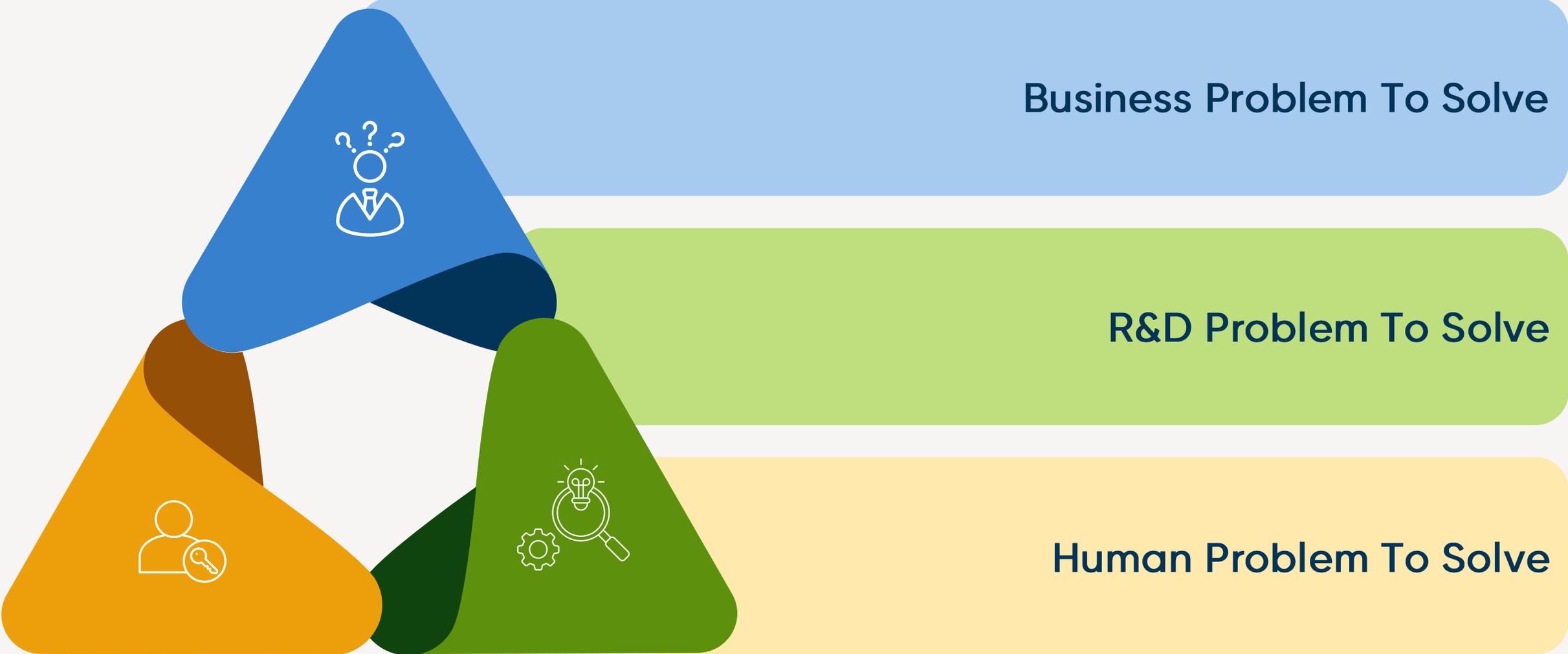
Shift focus from "products" to human experiences

TO SOLVE GROWTH, WE MUST SOLVE HUMAN PROBLEMS

Business needs \neq human needs –
unless we connect
them intentionally

PepsiCo Foods R&D must
understand not just *what* people
want, but how they behave
in context

TRUE OPPORTUNITY SITS AT THE INTERSECTION OF



WE WERE DILIGENT ON CAPTURING WHAT PEOPLE SAY... AND NOT ON WHAT THEY DO

To design for occasions, we must design for lived behavior, not claims.



●

Think



●

Feel



●

Behave

WELLNESS AND SNACKING EDITION

If Better For
You is so big,
why can't we
make enough
Cheetos?

FLNA
Insights

SPRING 2019

So, we started our upskilling
journey with our own best in class
provocation

IT'S A
CHEETOS
THING



The Answer

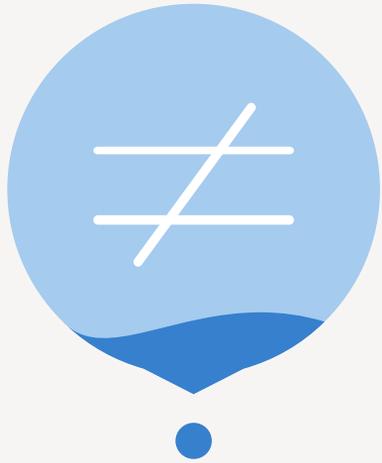
AND WE WENT TO THE HUMAN TRUTH THAT CHANGED EVERYTHING



The Human truth identified was that people **say** the Cheetle is a barrier, but their **behavior** suggested that the Cheetle and licking fingers was actually an asset to be leaned into

This insight based on observation led to a product design brief that didn't shy away from the Cheetle and ad briefs focused more on the product and less on Chester, leading to Award Winning communication

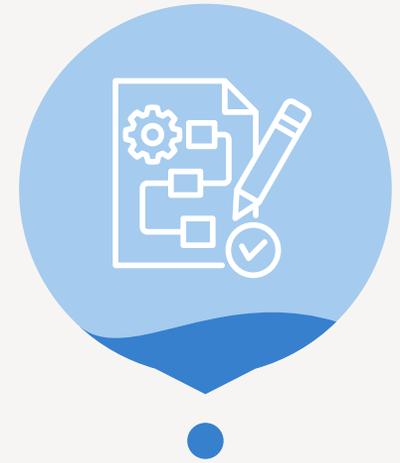
YET, THE SUCCESS OF THE PAST THAT GOT US HERE WOULD NOT GET US TO WHERE WE NEED TO BE



PepsiCo strongholds weren't the same as our future growth occasions



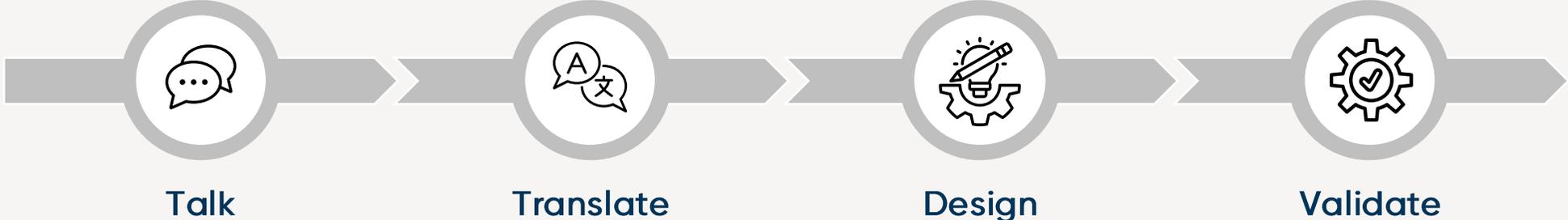
Behaviors, expectations, and emotional tone shift dramatically by moment



We needed a method that reveals the real occasion dynamics

SO, WE HAD TO INVEST IN UPSKILLING THAT BROUGHT BEHAVIOR INTO THE DESIGN LOOP

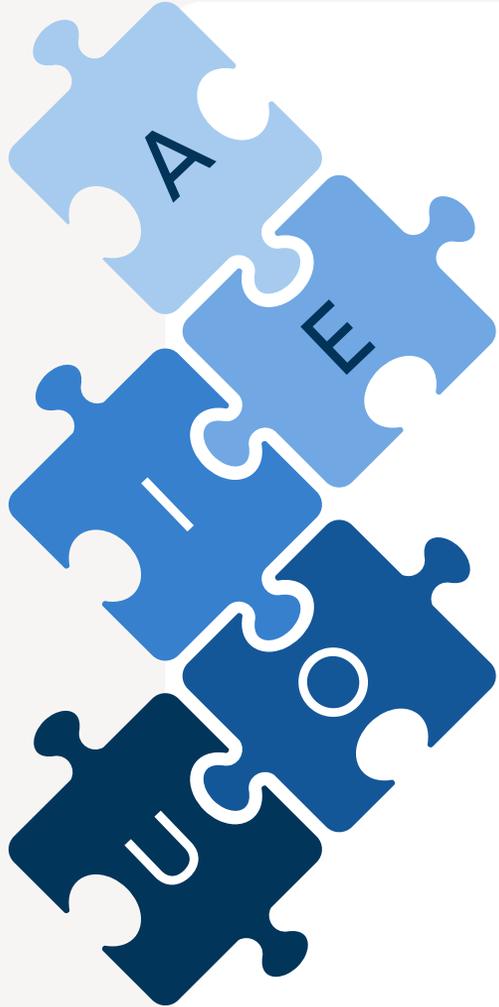
Old



New



TRAINED ON THE AEIOU FRAMEWORK THAT MADE BEHAVIOR VISIBLE AND COMPARABLE



Activities: What actions and behaviors are people taking to reach goals?



Environments: What is the overall setting in which the activities are taking place? How are people behaving in the environment?



Interactions: What are the basic interactions occurring for people to reach goals? What effect do people have on activities and environment?



Objects: What are all the details that form the environment? How do objects relate to people, activities and interactions?



Users: Who are the people being observed? What are their personalities like? How do they engage with other people to reach goals?

CHALLENGED TEAMS TO TRANSLATE OBSERVATION INTO DESIGN OPPORTUNITIES



Move from “interesting behaviors” to actionable levers.
And ask two simple questions



What should we keep in the packaging and foods we make?



What should we tweak in the packaging and foods we make?

OCCASION SNAPSHOT 1: BREAKROOM MOMENT



Individual observation

Behaviors observed

- **Micro reset:** the break is the purpose; the snack is the permission
- “Eyeing” the other person’s lunch
- Light social connection: small groups, familiar atmosphere

Design implications

- **Keep:** Single serve packs
- **Tweak:** Increase visual appeal to elevate status in the group

OCCASION SNAPSHOT 2: WATCHING SPORTS WITH OTHERS



Individual observation

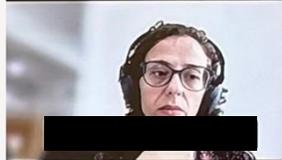
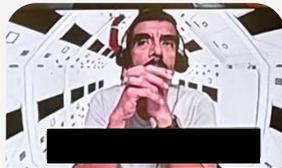
Behaviors observed

- High energy, collective atmosphere; food as a shared ritual
- Elevated mess tolerance; napkins & condiments are expected.
- Hands are busy – cheering, signaling, reacting.

Design implications

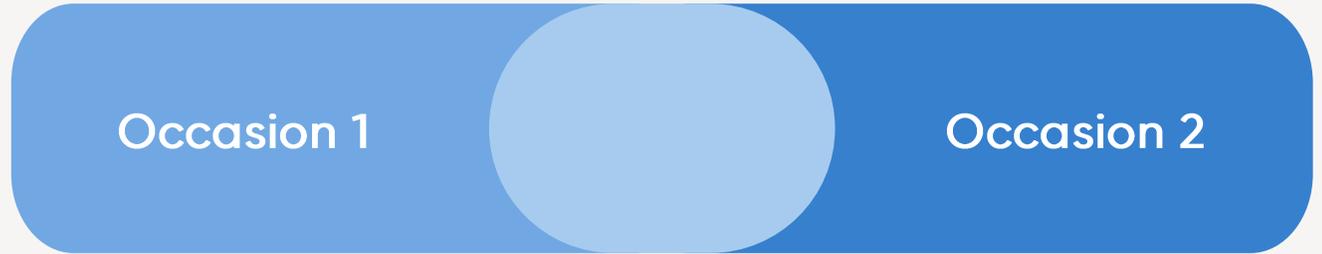
- **Keep:** Bolder flavors for high emotion settings
- **Tweak:** To one-handed formats

PARTICIPANTS RE-GROUPED TO SHARE THEIR OBSERVATIONS AND COMPARE AND CONTRAST LEARNINGS ACROSS OCCASIONS



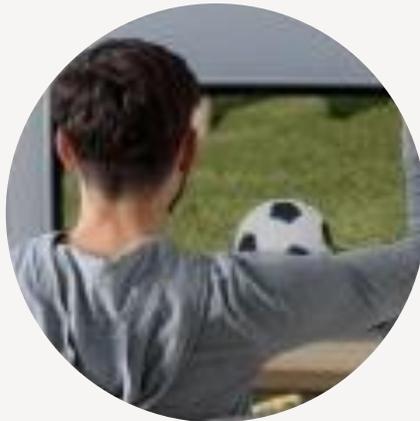
Workshops in Plano & the UK, Mexico & Brazil, covering:

- Identification of overlaps across occasions and implications



Group Reflection

COMPARING OCCASIONS REVEALED WHAT REALLY MATTERS



PepsiCo
Strength



PepsiCo
Growth Area

Human connection play an important role across different eating occasions.
Yet, the design implications for these will be different depending on the context

POST TRAINING – THE TEAMS TOLD US



“

“Thinking about the human experience for each work stream benefits the process.”

“We often look at things from a 30,000 foot view and this is a good reminder that it is important to look closer at the human experience.”

“This demonstrates that observing and sharing among one another should always be part of the formal project plan and carried all the way through.”

”

OBSERVATION ALONE ISN'T ENOUGH



Principle: Behavior without conversation is guessing. Conversation without behavior is theater



Observation helps us:

- Reveal unspoken needs
- Capture authentic behavior
- Validate assumptions in context



Conversation helps us:

- Understand intentions & motivations
- Build empathy
- Clarify the “why” behind behavior

NEW HABITS EMBEDDED ACROSS TEAMS

FROM

Talking to consumers to get feedback

Solely relying on verbal response

Uniform guide between sessions

TO

Beginning with a hypothesis on what do we expect to hear and SEE

Training the packaging and product development teams to observe and identify the friction points when interacting with package and product

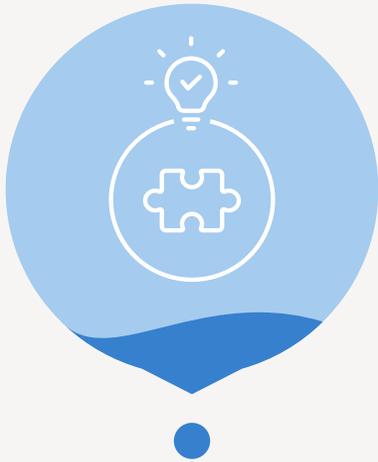
If we saw a say-do gap, be comfortable pivoting to- **Why do some people say X, but we see then doing Y?**



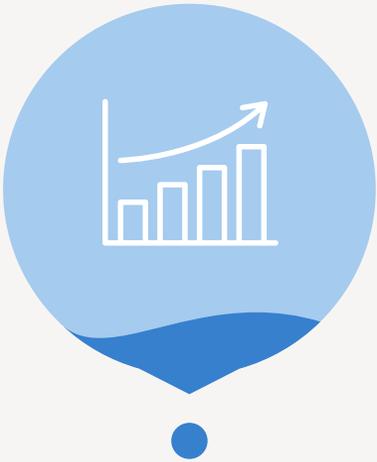
TO CREATE EXPERIENCES IN OCCASIONS FOR HUMAN-CENTERED GROWTH



Do we have a well-defined human-problem to solve?



After interacting with consumers, is this still the problem we set out to define?



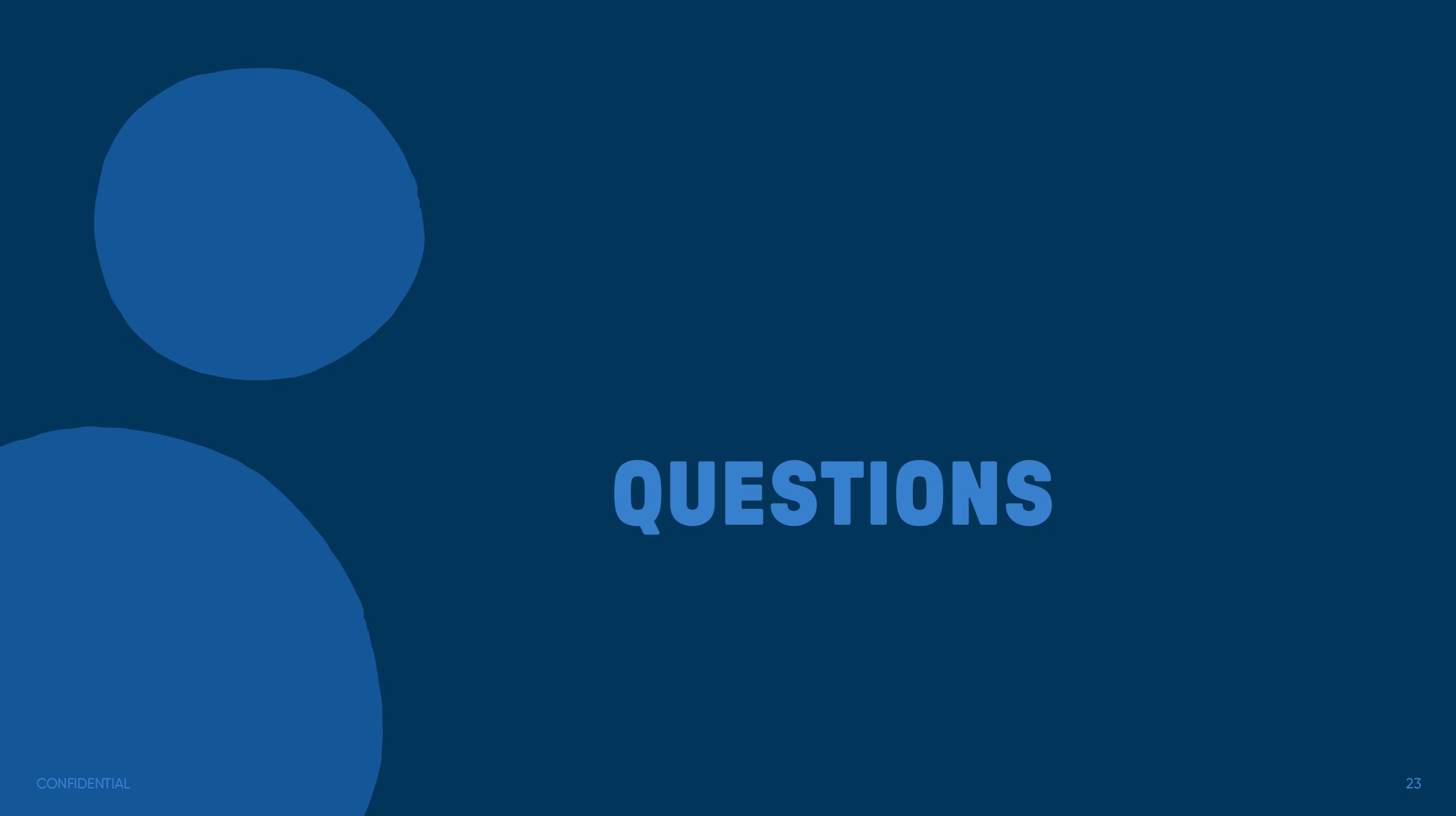
Will these human-problems drive incremental growth?

CLOSING THOUGHT



“Future growth will come from designing for the real moments people live – the messy, joyful, human ones.”





QUESTIONS