



Frito-Lay eyes growth

PepsiCo's food division is repositioning its brands and launching marketing initiatives to fuel growth in India. >P5



SNACK TIME

Frito-Lay to push growth targeting youth, health

PepsiCo's food division is launching marketing initiatives, investing significantly to improve its market share

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NEW DELHI

Frito-Lay, the foods division of PepsiCo India Holdings Pvt. Ltd, is repositioning its brands and investing significantly in growing its market share in the country.

"We aim to increase our production capacity by a third by next year," said Gautham Mukkavilli, managing director of Frito-Lay in India.

"To do that, we are focusing and investing strongly in product innovation, and aggressive marketing initiatives so that we can differentiate Frito-Lay from its competition," he said, declining to specify exact amounts it would invest.

The Indian snack food and biscuits market is worth Rs14,000 crore, and adding Rs5,000 crore in value every year, he said.

Frito-Lay, that sells brands that include Cheetos, Kurkure, Lays, Uncle Chipps, Lehar and Quaker Oats breakfast cereal, is now marketing these products on platforms such as youth, and health and wellness, to reach distinct consumer groups, Mukkavilli said.

Starting next month, Cheetos will be available in two new flavours with added vegetables, reduced fat and seasonings to appeal to health-conscious youth. Similarly, two new flavours were recently added to Lays chips that is now being marketed by brand ambassadors actor Saif Ali Khan and cricketer M.S. Dhoni in an ad blitz called "fight for your flavour," where consumers get a chance to vote for their favourite flavour.

Kurkure has also been launched in a new tomato fla-



Vision ahead: A file photo of Gautham Mukkavilli, managing director of Frito-Lay in India. The firm has brands such as Cheetos and Kurkure.

avour and is now being positioned as a youth brand rather than its earlier avatar of a family snack. Further, south Indian actor Simran has been roped in as the brand's new face over current brand ambassador actor Juhi Chawla.

"We are strengthening the brand's presence in the South where the response for Kurkure has been very positive," said Mukkavilli.

An "aspirational" positioning was taken for Stax, which was launched in six new flavours this February to appeal to "consumers with modern and expensive tastes".

The four new flavours it added to Quaker Oats in December worked well for the brand as it "doubled in volumes", he said. The company is now exploring opportunities in bringing to India other products under the Quaker brand that include oat-based breakfast bars and cookies.

The innovative initiatives, however, come at an increased

cost to consumers.

The firm has hiked prices across brands by 10%, which Mukkavilli said "may increase further depending on inflation".

According to a media buyer close to the developments, Frito-Lay's ad spends increased close to 15% from last year to about Rs70 crore this year to accommodate its new plans. PepsiCo's market share in the salted snack food segment is 60%, followed by ITC Ltd at 10% and other players such as Haldiram's Foods International Ltd and Balaji Wafers Pvt. Ltd filling up rest of the branded market, he said, declining to be named.

"While Frito-Lay will never really be categorized as a health food brand, its initiatives are basically trying to prove that its quality is higher than its competitors," he said.

"These initiatives are measures to combat the growing awareness of obesity and health issues in the country."