

Lay's to stick to prices despite rising costs

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LAY'S, the world's and India's number one potato chips brand, will not be increasing the prices of their brand even as the company feels the pinch of spiralling commodity cost.

"Manufacturers have to cope up with the increase in prices of potato and also rice bran oil. As of now, we are trying to absorb the input cost and don't intend to increase prices," said PepsiCo India (Frito-Lay India division) marketing vice-president Ruchira Jaitly. She added that the company was working with farmers in Karnataka, Maharashtra, West Bengal, Punjab and Madhya Pradesh.

In Punjab, the company is working with 400 farmers on over 3,000 acre land to grow potato (popular variety being Golden Atlantic). Also, the company plans to increase its capacity of the three existing units in Channo (Punjab), Pune (Maharashtra) and Sankrail (West Bengal). The Channo unit is the oldest unit whereas the Sankrail unit has the largest capacity, according to Ms Jaitly who didn't share the capacity figures and investment to be made in the year ahead.

However, she informed that 30% of 2010 budget of Lay's will go in promoting a programme, 'Give Us Your Dilecious Flavour' which is aimed at getting Lay's its next potato chips flavour from the Indian consumer. Launching the programme, Ms Jaitly on Tuesday in Chandigarh said that the campaign will give the consumer an opportunity to co-create the flavour they like on Lay's and also become rich and famous.

The winner will receive a mega prize of Rs 50 lakh plus 1% of the sales turnover from the new flavour, which will be launched by the end of May 2010.

"Considering the diversity of tastes in our country, the campaign surely will be exciting engaging millions of Indians to come and express their individuality, tastes and choices," she said.