

Business Standard the strategist



PepsiCo wants to replicate Kurkure's success with Aliva

Shahana Joshi and Seema Sindhu

PepsiCo calls Aliva its biggest innovation after Kurkure in 1999. It is a new brand in an all-new product category after a gap of ten years from the maker of aerated beverages and snack food. The product has been developed, and the brand conceived, fully in India.

The inspiration is Kurkure. Prito-Lay, the snack food arm of PepsiCo, has promoted heavily its global brands like Lay's and Chinetos, bought home-grown Unilever Chippis, tried out namkeens, but nothing has matched the success of Kurkure's stovetop sticks. It had launched Kurkure to bridge the gap between potato chips and traditional namkeens. It opened a whole new category. "Consumers would refer to Kurkure as different from chips or any other snack food, and this gave the brand its own identity," says Prito-Lay Executive Vice-president (marketing, India snacks) Vidur Vyas. It is now the most successful product in the portfolio of Prito-Lay.

With Aliva, PepsiCo hopes to do something similar. "With Aliva, we aim to replicate the success we achieved with Kurkure in a shorter timespan," Prito-Lay India CEO and PepsiCo President (India region) Gautham Mulkavilli puts it succinctly.

cent per annum, the biscuit market is between Rs 9,000 crore and Rs 11,000 crore and is growing at 20 per cent per annum. The numbers show that Aliva makes more sense than a new brand of potato chips for Prito-Lay which has a 12 per cent share of the branded snack food market.

Prito-Lay could have picked from its large pool of global brands — SunChips, Doritos, Pritos and so on. But Kurkure's success seems to have influenced the product development plan. Also, the name has been very cleverly chosen — it has international appeal. It is the new survival mantra in the snack food business. "Aliva is a pertinent case of a blue

it did not push those properties aggressively. ITC, when it forayed into the snack food segment, exploited that gap to the hilt. It launched its potato chips with a handful of local flavours under Bingo and backed it with some innovative advertising. Bingo's success drove home the importance of Indian flavours amongst snack food companies. After ceding market share to Bingo, Prito-Lay first came out with Kurkure Desi Beats (a whole wheat snack food) and now Aliva.

Price matters
Mixed match, in other words, is the new survival mantra in the snack food business. "Aliva is a pertinent case of a blue

reference is that it is also positioned in the health segment," adds Technopak India analyst Parmendu Kumar.

Healthier option
The market, for sure, is moving very fast towards health-conscious products. And this

launched at popular price points of Rs 5, Rs 10 and Rs 20. Such prices are important if Prito-Lay wants to take market away from namken which has well-entrenched players like Haidiram and Bikaji as well as rash of local brands. Experts also point out the limited appeal of a snack food brand priced at Rs 12 in the rural markets. Hence, the brand might end up with somewhat limited mass appeal. And its ability to make people up-trade is doubtful.

At the moment, rivals seem unflustered. Parle Products Product Manager Mayank Shah says: "We don't find Aliva poses any threat to products like Monaco which is one of our strongest brands. It's an estab-

"WITH ALIVA, WE AIM TO REPLICATE THE SUCCESS WE ACHIEVED WITH KURKURE IN A SHORTER TIME SPAN"

GAUTHAM MULKAVILLI
CEO, PRITO LAY INDIA, & PRESIDENT, PEPSICO (INDIA REGION)



Positioned in-between
It has been positioned between biscuits and namkeens — the category is called crackers. Aliva's imperfect triangles are baked like any other biscuit, yet come in a synthetic pouch, not very different from the way namkeen is sold in the country. It could thus eat into both the markets — while the branded snack food market in India is worth Rs 3,200 crore and is growing at 15 to 20 per

Aliva has quickly been made available in a million stores across 100 cities and towns. In the stores, Aliva shares space with other biscuit brands. Homes in four Indian flavours — Special Pindi Masala, Original Salted, Mint with Herbs and Tomato, and Roasted Spices. The value proposition is a combination of taste and nutrition.

"It'll not so long ago, the 'Indian flavour' category was underexplored. The only product on offer was Kurkure, though

occum strategy. While most players are introducing new products, variants or brands to compete within a category, Prito-Lay has yet again launched a product at the cusp of two categories (the first being Kurkure)," says C&C Strategy Consultants Director Naimish Dave.

Rivals and some analysts say there is a chink in the Aliva strategy. At Rs 12, it is priced at a premium over namkeen packs of a similar size (Rs 5 and Rs 10) as well as comparable biscuit brands which are largely clustered around Rs 7 — Parle's Monaco is available at Rs 7, ITC's Sunfast Snacky at Rs 10 Britannia's 50-50 at Rs 7. Kurkure, in contrast, was

linked mass product at attractive price points, while Aliva is priced higher. "Monaco, moreover, is endorsed by film star Anamir Khan whose record in promoting brands is impeccable. Parle has also topped its marketing spend of late.

Prito-Lay says there is a well thought out reason for the premium. It is a healthy product with ingredients like wheat and lentils. "This product is value offering. The fact that it is made from wheat and lentils lends itself to a whole new segment which is focused on health. Our consumer feedback has been positive so far and this justifies our presence in the premium segment," says Vyas. Aliva is basically pitched against Bingo's Mad Angles, but the dif-

is visible across categories: Ice cream, chocolates, chewing gum, chyanprash and so on. The incidence of lifestyle diseases is on the rise and a growing number of people are looking for healthier options. With Aliva, Prito-Lay wants to tap this growing segment of the market.

KPMG Manager (business performance services) Anand Ramanathan says: "It's the health factor that is the strongest point the company can bet upon. Aliva is a baked snack made of wheat and pulses, contains no artificial flavours and has therefore will find a substantial number of takers in young adults. This segment is health conscious and prefers low calorie and nutritious foods."

Kumar of Technopak is not sure if the health proposition always works for a brand. "Other firms have also tried to enter the health segment. Nestle, for instance, had launched Maggi instant noodles made of wheat and rice; but maximum sales still came from the original maida (flour)," says he. But he is willing to give Aliva a fair chance of success.

There is little doubt that PepsiCo will be able to sail through very well with Aliva, as its marketing and promotional campaigning has always been very aggressive and extremely visible."

With this positioning, Aliva will fight in the lifestyle

snack food market with Safola Zest, Digestive Marie, and Nutrichoice, which cater to the mass as well as premium markets. This makes the role of promotion crucial — it is important for the brand to be seen as a healthier option.

Prito-Lay has roped in Bollywood actor Chitrangada Singh as the brand ambassador for Aliva. The television commercial on air positions Aliva as "Thodi Sharafat, thodi Shorarat" (Part decent, part naughty), which symbolises health represented by lentils and wheat as well as taste represented by the flavours.

targeted at young, modern couples who balance home and work. Prito-Lay may want to replicate the success of Kurkure here. The brand is endorsed by youngsters' film star Juhi Chawla, who plays her part in a fun-filled family but has a mind of her own.

The Aliva campaign is a bit more serious in comparison, which may not gel with the mood of a snack food. It is not an all-family commercial, but one that targets a very specific audience — young couples. Analysts feel that it will be interesting to see how a campaign, which is that specific in nature, especially for a snack food product, will fare in the market, as it has been seen that buyers for such products are either children of various age groups or joint families.