

News monitored for: Pepsi - Brands



NUTRITION | FRITOLAY

# Carb curb

With baking lessons from a subsidiary in Mexico, an Indian team whipped together masala and local spices into a made-for-India snack, aimed at consumers trying to avoid a growing obesity-diabetes-heart disease trap. The cracker has now caught the fancy of PepsiCo's global headquarters

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Executives at FritoLay India, PepsiCo India Holdings Pvt. Ltd's snacks division, had some years ago come to a realization after a market survey: Indians in their

mid-30s crave snacks with local flavours.

PepsiCo understands the pull of indigenous flavours in India, having successfully developed the Kurkure snack.

Three years ago, looking to develop a new snack for India, the maker of Lays chips was keen on offering a healthier op-



Indigenous flavours: T.S.R. Murali, FritoLay's R&D head in India.

tion in a population growing conscious of its bulges.

India's obesity problem has been increasing in line with economic growth, disposable incomes and the adoption of urban lifestyles.

The brief to the team: Cook up a health snack that won't put off the taste buds. Keep the spic-

ey but dump the oil.

Kurkure was FritoLay's first big hit in India and succeeded by making a host of Indian flavours possible and popular. But it was tagged an unhealthy addiction, though the company argued it was made with healthier rice bran oil.

Developing a snack from scratch posed a challenge, especially if it couldn't be fried. FritoLay India tapped PepsiCo's global research and development (R&D) for help.

One way to understand customer needs, says T.S.R. Murali, FritoLay's R&D head in India, is to use a survey method developed by PepsiCo's research team in Dallas. Rather than asking "What do you like?", ask "What don't you like?"

That led to the second brief: Make a biscuit-snack.

Having no expertise in biscuits, the India team consulted PepsiCo's Mexican subsidiary, Gamesa Biscuits, a huge Mexican brand, helped FritoLay India learn how to bake. It's never

been easy to add hard flavours in baked foods, but the India team, with Gamesa's help, got around this by adding the flavours after the baking.

After some two years of R&D, in mid-2009, FritoLay India introduced Aliva in four distinct Indian flavours.

"Getting the waves of flavour in the biscuit was the key for us," says Murali, known as "Doc" to his team.

FritoLay's marketing efforts for Aliva have so far centred on the taste and uniqueness, but its USP could well turn out to be the health card. As PepsiCo

aims to triple revenue from nutritious products to around \$30 billion (Rs1.40 trillion), it will rely on innovations such as Aliva.

Vidur Vyas, vice-president, marketing, FritoLay India, has an ambitious target for Aliva: "To grow bigger than Kurkure in a shorter period of time."

India's Rs10,000 crore snacks market offers opportunity but Aliva faces rivalry from similar products. Parle Products Pvt. Ltd's Monaco Smart Chips—also "baked, not fried"—comes in four flavours.

Parle Agro Pvt. Ltd launched its Hippo snack the same time as Aliva last year. It, too, is made from wheat and is baked.

Still, FritoLay India's third innovation for the local market after Kurkure and Nimbooz, its non-aerated lemon juice, has caught the fancy of headquarters. Recently, Indra Nooyi, PepsiCo Inc.'s chief executive, challenged the firm's subsidiaries with this: "Why can't you build a product like Aliva?"

YES WE CAN

PepsiCo Holding India Pvt. Ltd

Started operations (in India): 1990

Made in India: Aliva, a healthy biscuit-snack in distinct local flavours; Kurkure, a finger snack; Nimbooz, packaged lemon juice.