

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 Chasettes, bought home-grown Unilever Chippies, tried out namkensis, but nothing has matched the success of Kurkure's stovetop sticks. It had launched Kurkure to bridge the gap between potato chips and traditional namkensis. 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 Mukkavilli puts it succinctly.

Positioned in-between

It has been positioned between biscuits and namkensis — 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 namkensis 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

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 namkensis 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-

lished 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 upped 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 a 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 Shorajai, thodi Shorajai" (Part decent, part naughty), which symbolises health represented by lentils and wheat as well as taste represented by the flavours.

The Aliva campaign is a bit more serious in comparison, which may not gel with the mood of a snack food. 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.

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

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



occurs. 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&A 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 namkensis 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