

Frito lays in india



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Lays was launched in India in 1995 and since has become the largest snack food brand. Lays has established itself as a youth brand and it is still growing its image as an indispensable bit of the snacking culture.

Lay's has been known for its captivating & innovative promotions and campaigns. The brand baseline "No one can eat just once" has been the biggest hit in the Indian market. They switched their campaign to "what's the program?" which made Lay's - the main food of every program!

Main campaigns include

"Fight for your Flavor" - it enabled consumers to vote for their choice of flavor to sustain. Consumer votes let the chosen flavor to continue in the market. Two brand ambassadors endorsed the campaign: Saif Ali Khan & M S Dhoni.

Lay's Chip-n-Sauce pack - It was another headway innovation. The pack was especially designed keeping in mind cricket lovers. Lay's Chip-n-Sauce was introduced in two flavors Chilli Chinese + Schezwan sauce sachet and Chatpata Indian + Tamarind sauce sachets.

Campaign Dillogical -The Dillogical concept made the consumer be dillogical. The campaign deals with the ongoing tussle between head and heart. Lays introduced their new flavor Lime n Masala Masti along with it.

Lays Marketing Profile

Youth Brand

Lay's target young generation and the brand have positioned itself as a youth brand. The major chunks of its consumer are of age between 13-18

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and 18-26. The youth brand ambassador endorsing the brand carries the young imagery forward. Lays target the health conscious too. By its 'snack smart' program they are targeting the health and wellness area.

Price Strategy

Lays come in many price variants. It has packets of Rs 5, Rs 10, Rs 20 and Rs 25. This shows that lays offer different packet sizes. Lays also started giving 20% extra on few of its packets.

Promotional Strategy

Lay's focus is on consumer engagement modules and crowd sourcing strategy to promote our brands. Its various promotional strategy like " Chala Change Ka Chakkar", " Fight For Your Flavor" and " Campaign Dillogical" are all consumer interaction driven. All its campaigns are supported by mega 360-degree communication medium on TV, Radio, Print, Viral, Outdoor and Cinema.

Distributional channels

The company functions over 40 distribution centers, serving more than 2, 500 stockiest, reaching approximately 1 million retail stores that makes the product available on a mass scale and is easily available. And now they have plans to extend more the existing distribution network to reach out to 3 tier towns and villages in India.

Infrastructure

Lays is made in automated plants in three locations -

Channo (Punjab),

Kolkata and

Pune.

All these plants are audited and certified with various quality standards like

HACCP (Hazard analysis & critical control point),

Certification by TQCSI (Australia),

ISO 14000 &

OHSAS 18001.

Lays is now planning to grow across the country with a new plant coming in Karnataka and West Bengal. Plans to increase their Contract Farmers from 15000 currently to 90000 are also there. This strategy will meet their procurement demand for volume growth.

Brand analysis

Brand analysis can be further divided as-

Customer Equity

CRM: Customer Relationship Management

Customer Equity

The customer equity model allows marketers to decide which of the main factors would let the customer drive to their brand / product or their company. The three main drivers of customer equity are

Value Equity

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Brand Equity

Retention Equity

Customer Equity helps to determine the customer lifetime value of the consumer. Higher the customer equity, higher is future revenues by its customers in the lifetime of their existence. A company with higher customer equity is more valuable than a company, which has lower customer equity.

The Three Drivers of Customer Equity

VALUE EQUITY

It is the consumer's objective evaluation of the value of a brand, supported by the perceptions of what is provided against up for what is given.

The value equity of lay's, according to the survey was very high.

The 3-sub driver on which it was assessed are-

Quality - High

79% of the respondents believed that the quality of Lays was High.

Price - Justified

72% people felt that lay's is worth its price.

Convenience - Easily Available

Comparing it with Kurkure, Kurkure is more easily available.

BRAND EQUITY

Brand equity can be defined as the effects and outcomes that is received by a product due to its name of brand compared to those that would have accrued if the same product did not have the brand name. Brand equity is an intangible asset to the company; it cannot be recorded in the financial books as no number can be given to the profit achieved by this. Because of the brand recall any company can charge premium pricing for the same product.

The brand equity of Lays was noted as High.

The 3 Sub Drivers on which Lays was assessed were:

Customer Brand Awareness - Very High 91% of the sample respondents were able to identify and recall Lays, when they were asked: "Which one is the No 1. Brand of Potato chips?"

Consumer's Attitude - 39 % of the respondents were loyal enough to move to the next shop if Lays were not available in the present shop. 59% of the respondents perceive Lays as a Healthy snack. And a major mass of the sample believes Lays to be a value for money brand.

Customer Perception - Question regarding the brand image of Lays was asked to the respondents.

Brand Image

Percentage

Cool

48

Classy

25

Imaginative

18

Trustworthy

32

Mischievous

10

Above is the chart showing the percentage of respondents identifying lays with mention adjectives.

RETENTION EQUITY

It is the customer's aspect about the influence a brand has on the connection between the company and the consumer. It can also be said that retention equity can be the tendency of the consumer to be glued to a certain brand. It is basically a symbiosis between both the consumer and the firm. The firm provides value to the consumer whereas the consumer provides him sales.

The main question to be asked is: Is the customer satisfied with the brand? , Does the product benefit the consumer? , Does the relationship between the consumer and the firm benefit both the parties? Etc.

The sub drivers on which the assessment of the brand was done was

Loyalty programs - these include rewards, gifts, discounts awarded to the consumer on frequent purchase of the product.

Special recognition

Affinity programs

Community building programs

Knowledge building programs

Assessing all the above drivers, the respondents as the consumer of lays were very satisfied by the product. As lays has maintained its value , its brand image and most importantly the relationship with the customers and so with the distributors.

CRM: Customer Relationship Management

CRM: Customer relationship management is a vastly executed strategy which helps to manage the company's complete interaction with its customers, vendors, distributors, clients, etc. Various businesses related processes such as organizing, automating, networking and synchronizing etc. are carried through CRM, using different technological software. The main activities involved are particularly sales of the product, customer servicing, marketing of the product and services and also for maintain technical support. CRM as the name suggest is the customer-focused activities and largely involves finding new customers, attracting and then winning them. And to those who are already the customer of the company's

product and services, retaining and pampering such customers. And also enticing back the former customers and reducing cost of general marketing, sales activities.

Lays CRM Programs –

Customer touch points are any occasions on which a customer encounters the brand and product – From actual experience to personal or mass communications to casual observation. The touch points in case of lays are:

Website (dillogical)

Internet has swept all the sectors and all the business by the potential of services it renders all across the company and outside of it. Internet now has become one of the biggest sources for consumer interaction platform. It is a well-bred communication channel which is converged in all the sectors and all the major business processes. Communicating to the customer is a primes important factor. Social media marketing and advertising is gaining its momentum in a huge way and this area should be harnessed in a wide way. Whereas lays fails to do so, the website for the campaign Dillogical is not properly marketed. Only 2 % of the given respondents have actually visited the website. This probably indicates that the site lacks the element of interactivity and is not being promoted correctly on a whole.

Competition-fight for your flavor

Lays launched a very unique concept. It was based on major interaction with the customers and then involving them for the same. Customers were demanded their personal recipes and send it across to lays. This recipe was supposed to launch a new flavor of potato chips in the market.

The winner recipe was the one, which got the maximum votes after a slew of choices given to the pother consumers. And not only that, the winner would get a share of profit on the sales of his / her created flavor. This strategy seemed to work for lays as large number of consumer participated. Not only this strategy worked for the present users, but it also helped lays to acquire new customers.

The survey indicates, as 63 % of the respondents were aware of the “ fight for your flavor” campaign. The campaign is considered as an excellent touch point as it involved direct communication with a lot of consumers. 32% of the sample that were aware of the campaign averred that the campaign created a personalized feeling towards the brand. This campaign was successful in capturing attention as, 49% claimed that the idea of trying different flavors captured their attention. Chances to win and be famous was the major reason for around 22% to participate.

BAV Model: Brand Asset Value Generator

Brand Asset Valuator is a database system managed by Young & Rubicam Advertising Agency. It collects a data about the brand perception of the subjected brand. It enables company to improve, sustain or modify their marketing strategy based on the result form this model.

Brand Asset Valuator model delivers relative measures of numerous brands across different countries and of various categories based on their equity value. This can be also referring as a strategic brand management tool, which is used for designing various plans and strategy for the brand asset implications.

Brand Asset Valuator has 4 different components, based on which a company's brand is evaluated

DIFFERENTIATION

Differentiation is the capability of any brand to differentiate itself from any similar product, brand or its competitors. The individuality of the brand is highlighted on this referencing point, and it determines how unique and distinct the brand is. No consumer would pay the similar or higher price for the same product, and it may lead to a poor brand health in the long run. By this method a certain parameter is standardized and these parameters are to be sustained by the firm for a consistently better brand value.

39% of the sample agreed that the brand Lays stands out in front of its competitors and are loyal towards the same.

RELEVANCE

Relevance is the difference in the real and the comprehended significance of the brand to the masses and the perceived market segment. This component measures the breadth of the brand and its appeal to the consumer. This relates to the penetration of the brand in the normal household, as in counts are per household or how many houses have bought the product in percentage. This also highlights the personal appreciation for the product and how appropriate it is the brand for the consumer.

Relevance together with the differentiation factor determines the brand's future value. In this scale Lays have a very high Brand Strength.

ESTEEM

Esteem of the brand helps the consumer to determine the quality and the perception of the brand based the growth and the popularity of the brand. This also deals with the intangible affect of the brand on the consumers mind, such as how much the customer admire the brand and does the customer respects the brand? Etc.

In the field Lays was fairly admired and respected by its customers.

KNOWLEDGE

Knowledge about the product means. How much a customer is aware of the brand. It suffices the knowledge about the brand identity, brand retention etc. it shows the how familiar the customer is to the brand. Building of the brand equity relies on the challenge that the customers recall the brand, its logo or its tag line. It may also include recognizing or relating to its brand ambassador.

Lays customer very well recognize the brand, about 88% of the respondent recall the tagline ' No one can eat just one.' And 97% of the sample could recall Saif Ali Khan as lays brand ambassador.

Ad Campaigns and Celebrity Endorsement

Lays take their advertising campaigns very seriously; it is evident by how much resources they spend on these campaigns. Once they build the image, they easily could price a premium from its customer. Lays with cola easily took over Tea and Samosa in the youth segment of the country. Initially the market sentiments were against the pricing of lays, but gradually they adapted to the change with the market scenario.

Lays ads were very attractive and it appealed to the young generation of the country. They were musical, adventurous and zestful. The ads positioned very well, as it targeted youth, it got to youth.

No one can eat just one: this tagline took India in a sway, it has been one of the most successful taglines in Indian Market till Date. And the tagline is as true as its words, the taste, the texture and the crispiness was such that everyone was tempted to have more. The ad got the young stars Saif Ali Khan and Preity Zinta to endorse the product. It also positioned the product perfectly. This ad drew the new generation, and suddenly eating lays became the new 'cool' style of living.

Soon after the 'No one can eat just one' campaign, Lays came out with 'Har Program ka main Food' Campaign. This change of tagline made lays the essential food for all the programs (events). This tagline failed to redo the effect the first tagline 'No one can eat just one' did to the brand. It deviated from the positioning of the Taste to the Availability and the Usage Occasion. This gave away the main and the best differentiator the brand had. The campaign may not have been such a success but the consumers loved the new flavors they launched along the campaign.

In 2008, Lays changed their Tagline again to "Be a little Dillogical". This was a direct message to the consumer, mostly the youth, who were stuck in the middle, to think from the heart. This became the new mantra for the brand, which also meant ho to be logical from the heart. The tagline could not clearly differentiate itself in terms of the positioning. Lays tries to ad Hinglish

words, to make a direct contact with its consumer. This promotion introduced new brand ambassador, MS Dhoni the Indian Cricket Captain.

Most recent one is Give Us Your Dillicious Flavor (GUYDF), launched in October 2009, and gave the consumers an opportunity to co-create the flavor they like on Lays potato chips. Four shortlisted flavors from a whopping 1.3 million ideas came from four winning consumers, each of whom got `5-lakh for their dillogical flavor ideas: Cheesy Mexicana, Tangy Twist, Mastana Mango and Hip Hop Honey & Chilly. An elite panel of judges selected these four winners. They were launched in the market across India supported by a mega 360 degree communication. The flavor that elicits the maximum consumer votes will not only continue to stay in the market as the mega winner, but its ideator would be awarded a grand prize of `50-lakh and 1% of sales revenue.

SWOT Analysis:

SWOT stands for strengths, weaknesses, opportunities, and threats.

Strengths and weaknesses are internal factors. Opportunities and threats are external factors.

Strengths

- Well established brand

- Good distribution network

- Innovative - Continuous introduction of new flavors

- Marketing Campaigns generating interest among common man

- A SNACKSMART product with ZERO Trans Fat
- Strong brand awareness due to Brand Ambassadors like Saif Ali Khan and M. S. Dhoni.

Weaknesses

- Strong competition leading to creation of undifferentiable flavors
- Western flavors may not appeal to the masses

Opportunities

- has a chance to develop, ethnic Indian tastes among the masses and appeal to the consumer.
- can create high brand awareness by the inclusion of common man through the new campaign.

Threats

- Introduction of too many flavors can impact on the brand image if new flavors are not successful.
- New entrants such as Britannia, Balaji etc
- Expansion of regional players into chips market.
- Price reductions in market can cause a stir in the existing system.

Conclusion

Lay's is not only competing head on with the branded-unbranded players in the market, it is competing even with the snacks from our own kitchen. It is interesting to see how this brand has succeeded in the commodity business.

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It followed all the rules to perfection. Based on the survey results we conclude that Lay's is the leading Snack Product with Kurkure fast catching up. Lay's still enjoys the Youthful image due to the Brand ambassadors and various promotional campaigns. By involving customer in co-creating the products Lay's has achieved the goal of Consumer engagement. With a good brand awareness & recall, high customer & brand equity, it's only poised to grow further in an ever-expanding and highly competitive market.