

The HEALTH

As consumers get health conscious, brands are leveraging the demand by launching healthier variants and choices



HY Choice

By RUCHIKA KUMAR

A guilt free trip to the kitchen and back with a cornucopia of lip smacking goodies to satiate those hunger pangs is now a possibility. In a paced life with little time to exercise, brands, across categories, are realising the importance of offering healthy variants. Be it *atta* (flour), or juices or snacks, all are vying the huge health and wellness foods and beverages market in India.

According to a Tata Strategic Management Group (TSMG) report, the Health and Wellness (H&W) foods and beverages market in India, currently stands at Rs 10,150 crore, and has a potential to grow up to Rs 55,000 crore by 2015. TSMG cites new product developments, government mandated fortifications, technological advancements in ingredient introductions and regulatory support, as potential growth enhancers.

Recipe for good health

The reasons for growing appetite for ready-to-eat healthy packaged foods are many. One of them is the fact that India is the diabetic capital of the world and is home to roughly 60 per cent of world's heart patients.

Thus, there is an increase in consumer consciousness in terms of eating habits, food safety and hygiene and a willingness to consume more processed and packaged foods. In addition, rising medical expenses induce consumers to opt for alternative mechanisms for prevention and alleviation. "Packaged food companies are capitalising on these shifts with various product introductions on the

health and wellness platform. The future would see action in this space further intensifying as new products are introduced and existing products find higher penetration," explains Pankaj Gupta, Practise Head-Consumer and Retail, TSMG.

What's cooking?

With the industry graph moving upwards, the time is ripe for brands to dish out healthy options for the Indian gastronome. While Nestle's Maggi is a classic case of being one of the first movers to offer healthy variants like *atta* noodles, under the positioning – *Taste bhi Health bhi* – many others since then have followed suit. Gayatri Yadav, Marketing Director, General



Mills India, opines that health, today, is a transformational mega-trend in packaged foods in India as every segment of packaged food is evolving 'better for you' health propositions. The company recently kick started a television campaign (TVC) to promote Pillsbury *Atta* with Multi-Grains (PMAG), which consists of wheat, soy, oats, maize, ragi (finger millet), chana dal (black gram) and barley enriched with calcium, iron and protein.

Also, riding on the health wave are players in the ready-to-consume breakfast cereals market. Kellogg India, which claims to occupy 70 per cent of the market share in the ready-to-consume breakfast cereals market, sees an opportune time to expand its presence in the country owing to the evolving consumer preference for nutrition, taste and affordability. "With increasing urbanisation, disposable incomes, nuclear families and more hectic lifestyles there is a continued emergence and growth of healthy packaged foods. An organisation such as Kellogg, whose core strategy is nutrition, stands to gain from this," explains Anupam Dutta, Managing Director, Kellogg India.

As an attempt to venture into the non-biscuit category of 'namkeen' (salted savoury snacks), Parle Products, launched Parle Monaco Smart Chips. Shalin Desai, Senior Product Manager, Parle Products, says that the company contemplated the creation of a niche category for a specific brand riding on the taste and health wave. He adds, "Snacking is an integral part of the Indian eating culture. Smart Chips enters this space by offering a healthier option." The product is a baked, wheat based low-fat option for the calorie conscious

TSMG Estimates

- Top 5 fastest growing food categories: Curd/yoghurt, flour, savoury snacks and edible oils that are pegged to grow at 22 per cent annually to reach Rs 17,350 crore by 2015 from Rs 5,150 crore in 2009
- Prime movers in the beverage category will be yoghurt drinks, fruit juice, energy and sports drinks
- Beta-carotene, lutein, lycopene, fibres, flavanols and pre / probiotic bacteria could emerge as popular fortification ingredients. Products likely to add ingredients like zinc, proteins and vitamins A, C D and E
- 'Better for you' plank likely to be successful for items considered less healthy, while for healthy categories, functional variants will do well
- Fruit juices, breakfast cereals, curd/yoghurt, nutritional biscuits and packaged/flavoured milk to push volumes for functional foods category. Edible oils and savoury snacks to drive volumes in the better for you category

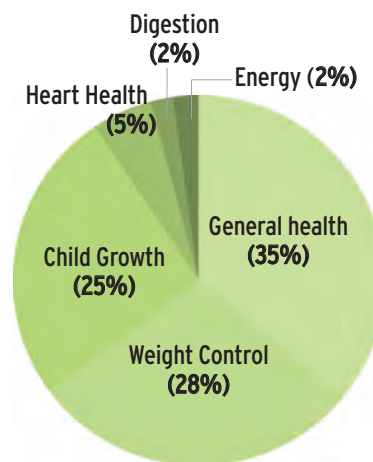
consumers, and has been positioned against the regular fried chips.

Among the baked snacks category, PepsiCo India launched Aliva as a healthy cracker with zero trans-fats, using wheat and lentils in four Indian flavours. "With Aliva we hope to replicate the levels of success we have had with Kurkure and create a new category of snacks," informs Vidur Vyas, Executive Vice President, New Business Development, PepsiCo India (Frito-Lay division). Aliva, according to Vyas, is being targeted at "young, couples and adults who are into new experiences and are always on the lookout for innovative offerings."

The next one to bite into health is the Rs 2,000 crore chocolate industry. The launch of Cadbury Perk with glucose, as Cadbury India believes, will give consumers more reasons to consume the chocolate. V Chandramouli, Executive Director, Strategy, Cadbury India adds, "One of the key objectives for the launch is to expand the chocolate category by providing superior value to consumers in the form of taste and price. With the added benefit of glucose, we want chocolate consumption occasions to be regular amongst non users and thus expand the category." The company aims to accelerate market growth by five per cent annually, with the new launch.

The bait

Benefit planks used by brands in the last decade



Source: TSMG

Targeting the moms

Holistically, while most of the brands are targeting the middle class couples, 30 years and above with hectic lifestyles, it is the children and the mothers particularly, through whom the brands are looking forward to reach out to the family.

Real from Dabur, for example, has always operated in the health space.

REAL

Sweet temptation

- Réal, since its inception in 1997, has operated in the health space and is the first brand to create variants suited to Indian palate
- Dabur Réal invests heavily in high-grade packaging and introduced Tetrapacks and prisma packs on Activ and the double-seal spill-proof caps on Réal
- Priced at Rs 15, Kids' 200 ml packs will adorn Mickey Mouse graphics across all 8 variants



Targeting kids, Réal has come out with special kids' 200 ml packs. As part of promoting this pack, Réal has joined hands with Disney Consumer Products to use the image of Mickey Mouse to adorn the packs. Through this tie-up, Réal juices aim to spread the message of "nutritional power of fruit juices" to the kids and families.

"All our fruit beverage brands address specific consumer needs. For instance, our range of 100 per cent juices with no added sugar, under the Réal Activ brand, is a fitness brand targeted at young working adults, while the Réal fruit juice range meets the nutritional needs of consumers, particularly kids," says KK Chutani, Marketing Head, Foods, Dabur India.

Kellogg's cereal basket targets women on the weight control front with its 98 per cent fat free Special K cereal. Moreover, there are other low-fat and high fibre offerings for adults such as Kellogg's All Bran Wheat Flakes, Kellogg's Oat-bites and Extra Muesli. For children Kellogg's Chocos offers vital nutrients providing 75 per cent of RDA (Recommended Dietary Allowance) for calcium, while Kellogg's Honey Loops is a multi-grain cereal.

Catering to the Indian palate

"Understanding the cultural nuances of a market and adapting to them is critical for a company's success. Indian consumers like consumers all over the world prefer their food to taste great. Hence we have flavours which provide this variety and taste which is acceptable to the Indian palate," says Dutta.

Santosh Desai, marketing analyst and Head of Future Brands, feels that the breakfast cereals brands are



"Kids, generally are not enthusiastic fruit eaters. That is where packaged fruit juices like Réal come to the rescue"

KK Chutani, Marketing Head, Foods, Dabur India

catering to a small but rapidly growing sector. The growth potential is high, however, when it comes to the Indian consumer, there is a vast difference between preaching and practicing as far as health is concerned. The Indian consumer takes up cereals for specific benefits such as weight management and not as a routine breakfast habit. Thus, he says, the challenge for cere-

als brands is to alter the mindset of the consumer when it comes to changing the breakfast habit from a local palate to an international concept. The health platform is the best way to encourage consumers, provided the brand is able to convey affordability, convenience and taste.

Rajesh Ramakrishnan, EVP, New Business Development & Consumer Insights, PepsiCo India, agrees. "It is important for a brand to leverage existing habits and rituals and integrate itself well with them rather than fight them," he says. Oat has been an integral part of Indian food for long. However, the Indian green revolution propagated in the '70s and '80s laid more focus on wheat and oat took a back seat. PepsiCo with its brand, Quaker, is trying to reintroduce oats as a part of the Indian breakfast.

According to Ramakrishnan, Quaker Oats has become the market leader in oats on the back of a healthy affordable product, consumer relevant proposition and widespread availability. As India has a high incidence of cardio vascular diseases, Quaker oats

is carrying out a mission to make India heart healthy. "For this we would like to make the brand relevant and accessible to as many Indians as possible and encourage them to lead active lifestyle with a healthy diet," says Ramakrishnan. Quaker has a dedicated website that allows consumers to check the state of their heart and gives them on-going advice

and suggestions on how to lead an active lifestyle and have a healthy diet. Quaker Oats has built a 360-degree campaign around the concept “Make India heart healthy.”

In its 14 years of existence in India, the Pillsbury manufacturer feels that though all consumers are the same in their desire for healthy, convenient and tasty food, the one difference in India is the diversity of culture and hence the diversity in food culture. “Pillsbury was one of the first brands to adapt the product to local needs, providing products customised for each region in the country,” says Yadav. For example, the company, carrying the baseline ‘*Sadda Taste, Saadi Roti*’ (My taste, my roti), launched Pillsbury Punjabi Atta, about five years ago - customised to suit the Punjabi palate.

The company has taken the health route for Pillsbury attracting the urban consumer on the convenience plank. Elaborating on the above, Yadav adds that “It’s easy for mothers now to provide extra nutrition to their families with this unique offering.”

For the record, ITC too has rolled out Aashirvaad *Atta* with six multi-grains. The branded wheat flour category is pegged at Rs 800 crore in India.

Premium pricing?

Market watchers believe that more than the health positioning, it is a game of volume, affordability and



“Healthy products get limited to a niche set of consumers. It is very difficult for a brand to get a buy-in from a wider audience”

Nadia Chauhan, Joint Managing Director and CMO, Parle Agro

PILLSBURY MULTI GRAINS

Grain gain

- General Mills launched Pillsbury Atta with Multi-Grains, a blend of wheat, soy, oats, maize, ragi, chana dal and barley enriched with calcium, iron and protein
- One of the first brands to adapt to local needs and tastes, Pillsbury has taken the health route attracting urban consumers on convenience plank
- Is priced at a marginal premium to regular whole wheat flour
- The latest TVC, with tagline ‘*Aaj ke bacche aaj ka poshan*’ targets modern day mothers



proper distribution network that can drive sales for the branded wheat flour category. Yadav feels that PMAG is an added value offering thus the pricing has been pegged at a marginal premium than regular whole wheat flour. TSMG’s Gupta suggests that for healthy categories, such as cereals, it is important for the brand to understand the prevailing health concerns of buyers and introduce ingredients to address their concerns, along with an affordable price tag. According to General Mills India’s Yadav, “it is critical that in delivering health, brands should not compromise on affordability and authenticity of taste.”

So, how does one break the price barrier? One of the options is to come up with smaller packs at a lower price. Kellogg has done exactly that with its Kpak – an affordable offering in different variants at Rs 10, which is being positioned as a low-fat evening snack for children, moving away from the traditional breakfast option. “Kpak

has helped us achieve penetration into new households while also tapping into a new consumption occasion. As a result, the brand has grown rapidly and today contributes to a significant percentage of sales,” says Dutta.

Nadia Chauhan, Joint Managing Director and CMO, Parle Agro, feels that “Healthy products are perceived as expensive and not affordable by all.” Parle Agro launched Hippo, wheat based baked munchies, recently. Hippo, which is available in pack sizes of Rs 5, 10 and 20, is targeted at those who are seeking economy in terms of price and those who are looking at consuming smaller portions.

However, the zero cholesterol and zero trans-fat snack is not positioned on the health platform despite its healthy constitution, as Chauhan says, “We did not want to enter with a ‘me too’ product. We wanted to introduce not just a new product, but an innovation in the category of snacks - something unlike anything that existed in the market.”

Réal too has come up with smaller packs – priced at Rs 15 for a 200 ml pack. The ‘Réal Mickey Fruit Power’ pack, targeting kids is available across all leading retail chains in India.

Therapeutic Communication

A look at the recent launches will show the changing communication strategy among brands to promote food items that could never be imagined as healthy. Rice, for instance, has been a dieter's dilemma, however, the Rs 2,390 crore FMCG player, Marico has changed that perception. It has launched Arise rice under its Saffola brigade of products. The company has an informative website (www.saffolaarise.com) on Arise that helps consumer understand the special features of the rice and even buy it online. Saffola Arise, according to the website, has a low glycemic index, because of which it releases glucoses steadily through the day making the consumer active. It contains lesser carbohydrates and calories than other rice. While Saffola Arise is available at Rs 69 for one kg and Rs 345 for 4.5 kg in retail shops; consumers can buy it online as well.

Pillsbury though targeted at the entire family, uses kids in its communication to drive the message home. Yadav of General Mills, says that the insight is based on a simple truth that today's kids are different and are more demanding. "Moms often struggle to keep pace. This led to the creative idea of 'Aaj ke Bacche, Aaj ka Poshan'. Pillsbury Multi-Grain Atta seamlessly fulfils that need," she says. The campaign has been released across national and regional channels, which according to Yadav, will help create the extra nutrition segment in the branded atta market.

Hijacking the slot for snacking before dinner, Hindustan Unilever (HUL) offers a new approach and communication strategy for its Knorr soups. The latest TVC targets the

Indian mothers and kids, positioning soup as the ideal, healthy and tasty snack with real vegetables that satisfies the 7 PM pre-dinner hunger pang. Sidharth Singh, Category Head, Foods, HUL, says, "The big strategic thrust for Knorr in this re-launch is to find a role for soups in the daily Indian menu. Therefore, the aim is to leverage the vacant spot between 5-8 PM as the perfect time for a pre-dinner snack." The TVC, which has roped in Kajol as its

them active. "Fruits are the natural source of many nutrients and provide energy. But the non-availability of great tasting fruits all through the year and then the more cumbersome exercise of squeezing fresh juice at homes turn out to be big stumbling blocks," adds Chutani. Real caters to SEC A, B families in the age group of 22-44 years with kids in the age group of 4-14 years.

Dabur has also signed Bollywood actor Bipasha Basu to endorse Real

BROOKE BOND SEHATMAND

What's brewing?

- In a bid to enter the lower end of the tea market, Sehatmand was launched in Uttar Pradesh, Madhya Pradesh, Bihar, Jharkhand and Chhattisgarh
- Offers affordable nutrition at Rs 20 for 100 gm and Rs 39 for 200 gm
- TVC created by Ogilvy, 'Sehatmand Parivaar - Sehatmand Bharat' campaign is being run in these states to spread awareness through education on health and nutrition



brand ambassador, has been created by Lowe Lintas and tries to induce consumers to alter unhealthy snacking trends before dinner.

Real's latest campaign talks about the benefit of fruit power, targeting the kids. According to Chutani, kids, generally are not very enthusiastic fruit eaters. That is where packaged fruit juices like Réal come to the rescue, offering kids the power of fruits to keep

Activ's new 'Snack Healthy' campaign. Snack Healthy talks about how one can replace the existing habit of unhealthy snacking with healthy snacking using Réal Activ juices. "Réal Activ juices make a perfect snack choice as they have 50 per cent lesser calories compared to some of our favourite snacks like samosa or sandwich. It also provides instant hydration and energy which is much needed especially during the summers," explains Chutani. He feels that there is a perfect match between the



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Gayatri Yadav, Marketing Director, General Mills India

brand and Bipasha Basu, with both epitomising health and fitness. “Bipasha is unarguably the fittest of the Bollywood stars of the current era. We aim to create awareness among consumers on the need to snack healthy and how Réal Activ juices make an ideal snack,” he elaborates.

There has been growing activity in the H&W beverages category too. TSMG pegs this segment to grow at 22 per cent to reach Rs 17,350 crore by 2015. The latest campaign, a TVC, by Hindustan Unilever (HUL) for its latest offering – Brooke Bond Sehatmand tea takes the therapeutic route. The tea contains vitamin B, and is available in select markets of Uttar Pradesh, Madhya Pradesh, Bihar, Jharkhand and Chattisgarh. The campaign is targeted at families that may not always be able to afford or consume a nutritious diet. Shrijeet Mishra, Executive Director, F&B, HUL, says, “Our reason to introduce ‘Brooke Bond Sehatmand’ is to allow people in these states to have access to a healthier product. While they may not always be able to afford or consume a nutritious diet, they do tend to have their daily cup of tea. This is where Sehatmand fits in. It gives 50 per cent RDA of important B vitamins through three cups of tea. Vitamins help in proper functioning of your immune system and protect your family from weakness and common illnesses.” The tea is priced at Rs 20 for 100 gm pack and Rs 39 for 200 gm pack.



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Santosh Desai, Marketing Analyst and Head, Future Brands

SMART CHIPS

Baked bonanza

- Through Smart Chips, Parle Products ventures into the namkeen snacks business riding on the health and taste wave
- Priced at Rs 5 for 25 gm and Rs 10 for 50 gm, Smart Chips is available in four flavours - Macho Masala, Simply Salted, Tangy Tomato and Crazy Chat
- A baked, wheat based low-fat option, it is positioned against regular fried chips
- Aamir Khan has been signed as brand ambassador for its TVC created by Thoughtshop



Challenges ahead

TSMG’s Gupta feels that amongst all, in the H&W category, savoury snacks could become the fastest growing, which could drive conversion of unorganised to organised and fried to roasted/diet versions. However, players would have to keep in mind that a H&W variant in an indulgence category like snacks should not lose out on taste attributes, while simultaneously remaining affordable. Gupta explains that indulgence products that are perceived by consumers as less healthy need to be positioned on a ‘better for you’ plank promising consumers lesser adverse impact. “Trying to position such products on a plank of fortification with additional nutrients is likely to be rejected by consumers,” he adds.

Chauhan of Parle Agro, while feels that the health and wellness is becoming a priority in consumer decisions, she at the same time, spells the downsides to health-positioning of snacks. “Firstly, in the snacks category, taste

is the most primary pull factor. But it is a common consumer perception that healthy snacks do not taste good and have a very acquired taste. Secondly, healthy products get limited to a niche set of consumers. It is difficult for any brand to get a buy-in from a wider audience,” she adds.

Desai of Future Brands agrees that the road for the snacks category is not bereft of challenges as there lays the problem in terms of product delivery. “The fervour for trying something new dies down quickly as people go back to satiating their palate with the regular fried snacks. So, it is here where a brand should be able to deliver in terms of quality and as a real substitute for the unhealthy options,” he adds.

TSMG estimates that by 2015 the H&W savoury snacks category could go up to Rs 800 crore in the Rs 6,500 crore branded snack market.

Thus, while the industry is witnessing an array of launches in the health and wellness foods segment, TSMG believes that it is important for brands to avoid spurious claims without scientific backing, which can lead to increased consumer scepticism about the category as a whole. ■

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