

Cadbury brings in lower price points for Oreo

Our Bureau

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Cadbury India, now a part of Kraft Foods Group, is entering the premium cookie and cream category with the launch of Oreo biscuits with a special discounted price for the Indian market.

The Oreo packs would now be available at lower price points of Rs 5, Rs 10 and Rs 20 unlike the more expensive imported packs (pegged at Rs 45) which are currently available in the market. Globally, Oreo generates revenues of more than \$1 billion annually.

Speaking to *Business Line*, Mr Anand Kripalu, President, South Asia & Indo China, Kraft Foods, and Managing Director, Cadbury India, said, "The Oreo brand is being made and priced for India and in the past Kraft had appointed distributors for the brand which cost a lot more. We are introducing the Oreo mother cookie right now and this will be the second Kraft brand after the drink brand of Tang which was launched last month."

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Cadbury would be subcontracting the manufacturing of Oreo to the Punjab-based Mrs Bector's Food Specialties. Oreo would be riding on Cadbury's existing distribution chain and would be made available nationally next month.

"Unlike Tang which is being manufactured by us, Oreo would be made by a third party manufacturer. Oreo is the number one biscuit in the world by value and enjoys market leadership in many markets including the US and



China," added Mr Kripalu.

According to a Nielsen study, the biscuits category grew at 17 per cent in 2010, with creams and biscuits leading overall growth.

Cadbury's Oreo would have Britannia as its main competitor in the cookie cream category. "Our competitors would be all the big biscuit majors, including Britannia. But, we believe we have a unique offering with Oreo," added Mr Kripalu.

In fact, Cadbury has taken Britannia to court in a copyright infringement case for the latter's Treat-o brand which it says is an Oreo look-alike. A press release by Cadbury India stated, "In addition to investing in its existing brands like Cadbury Dairy Milk, 5-Star, Perk and Bournvita, the launch of Oreo is part of the company's long-term strategy in India to gradually expand the business operation from a pure play confectionery company to a broader foods company that will leverage the global scale and expertise of Kraft Foods to win in India.

"Cadbury India's sales approach, sales infrastructure and extensive consumer insights enables the company to introduce new Kraft Foods products as it enters new categories and transforms its local business."