

Cadbury enters biscuit market with Kraft's Oreo

Confectionery giant aims to transform into a broader foods company

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CADBURY India, part of US-based Kraft Foods, on Wednesday announced its entry into the Rs 12,000-crore biscuit market with the launch of Oreo biscuits. Over the last two years, several new players like Glaxo Smithkline Consumers, UK's United Biscuits and PepsiCo India also entered the biscuit market.

Oreo is the second Kraft brand after Tang to be launched in the domestic market. While Tang is manufactured at Cadbury's Hyderabad plant, Oreo will be made by a third party, Ludhiana-based Bector Foods.

"Introducing Oreo marks the beginning of our journey in this growing category and we intend to make Oreo a preferred choice with consumers. The Indian biscuits market continues to show remarkable growth, a testament to



MUNCHING TIME: The company is introducing the dark chocolate biscuits at three affordable price points

rapidly developing consumer tastes," said president- South Asia & Indo-China, Krafts Foods, and managing director of Cadbury India, Anand Kripalu.

Oreo is a 100-year-old American brand and generates revenue of \$1 billion globally. In India, the firm will be launching the biscuit in dark chocolate

flavour.

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

Cadbury is introducing the brand at three price points keeping in mind the pricing strategy of other biscuit brands. While a pack of three Oreo biscuits

is priced at Rs 5, a pack of seven Oreo biscuits will be available at Rs 10 and a pack of 14 biscuits at Rs 20.

"The biscuit market in India is divided into two segments, basic and premium. While the glucose market and marie market is in the hands of domestic players, the upper-end, which is driven by aspiration and taste, is becoming a favourite of both national and global biscuit players. However, premium biscuits will have to grow at the cost of mass biscuit brands, as the low-unit pack strategy is good to start with," said Harish Bijoor, CEO, Harish Bijoor Consults.

The launch of Oreo is part of the company's long-term strategy in India to gradually grow into a broader foods company that will leverage the global scale and expertise of Kraft Foods, said a company statement.

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