

Lay's Experience in Thailand

Bringing a Global Product to a Local Market

PepsiCo has been operating in Thailand for over 50 years. There's no one secret to their success at marketing global brands in Asia and there's not one magic formula employed across different countries.

There is, however, one big reason that PepsiCo brands have longevity in Thailand and Asia, and that is empowered people. PepsiCo may market global brands, but their local teams and bottling partners like Serm Suk are empowered to adapt their local marketing strategies and go to market plans to local needs.

In fact, it's appreciating the differences and knowing that "one size doesn't fill all" that allows the brands to prosper.

ADAPTING PRODUCT DEVELOPMENT

An example of just such a success would be Lay's brand potato chips. Lay's first came off the production line in Thailand in 1995, and ever since its launch Lay's has been the best selling snack brand in Thailand.

Lay's potato chips are the world's best selling chip, and the base design is the same world over. Lay's uses both a proprietary potato and proprietary technology in every country, but flavors and flavoring systems are tailored to local market needs. Through its studies of Thai food, especially the fine balance between flavors used to perfect local dishes, the local team discovered a vital insight. It was discovered that in Thailand, perfecting the salt level drives a very high degree of liking. So, by slightly reducing the salt application from the global design Lay's scored big wins with Thai consumers. A small change, but an example of how global formats, while providing a blueprint for successful brands, must be flexible to meet the demands of local consumers.

GETTING IT JUST RIGHT - THE NORI SEAWEED PHENOMENON

PepsiCo Thailand experienced their biggest ever snack innovation back at the start of 2003. An idea that was originated and executed first in Thailand is now regarded as one of the best pieces at innovation throughout the global system.

It started with an insight – that flavors developed in the west for global brand Lay's were not maximizing the market potential in Thailand. Thai food and eating habits are very different to those in the U.S.,



*Lay's packaging
in Thailand.*

therefore a sour cream and onion flavor, highly successful in the States just wasn't igniting the volume potential locally. To do that more Asian flavors were needed.

The team discovered seaweed was a big flavor on local snacks in Japan, a country to which Thai consumers look to as a trendsetter. Seaweed was mild, subtle and well balanced and in research had universal appeal. It provided a contrast (balance) to the rest of the flavors on offer and in research groups appeared to be a flavor that Thai consumers were able to eat more of. With many western flavors the taste intensity was a barrier to growth that a local flavor like seaweed was able to overcome.

Once the flavor was identified, Lay's needed a strong concept with local relevance. Given the roots of seaweed snack-

ing in Asia and the positive association and influence of Japan, Lay's Seaweed became Nori Sarai (Nori = Seaweed in Japanese, and Sarai = Seaweed in Thai). The creative executions leveraged strong Japanese associations to communicate balance, uniqueness and even a sense of well being – subtle cues that had specific meanings to Thai consumers in relation to their snacking habits.

The team then employed a Lay's global best practice by leveraging celebrity endorsements to insure cut through in a media frenzied world. For an Asian concept such as Nori Seaweed it was critical to have a local celebrity, and a person whose character closely assimilated brand Lay's. Entertainer Cathaleeya (Mam) McIntosh was signed to star as the Lay's celebrity and her first appearance was to launch Nori Seaweed. The mix of flavor and star was so powerful that consumers quickly started to ask for "K.Mam flavor"! Today, Nori Seaweed accounts for nearly 1/3 of all Lay's sales.

The result achieved with the Nori launch was a testament to PepsiCo's focus on local relevance. Lay's is without doubt a strong global brand, and everything from the design to testing procedures and protocols were textbook global standard. But the creative expression and execution was 100% local. All executed by a highly capable team of local Thais who truly understood the consumers and what drives them to snack. A team who understood the power of a global brand, but the magic of a local expression. ■



Emma Beale is Snacks Marketing Director at PepsiCo Thailand. She can be reached at Emma.Beale@intl.fritolay.com