

"The unit economics of food brands doesn't work in the D2C space"

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Marico has Fittify, a direct-to-consumer food brand, which plays the role of a meal replacement through its range of protein shakes and soups. However, MD & CEO, Saugata Gupta, believes that a D2C food brand isn't viable as a business. "For food you need a ticket size of \$8-\$10. Unless you are in nutraceuticals, traditional food has lower ticket size and lower gross margins. Food requires scale. The unit economics of a D2C food brand doesn't work," explains Gupta.

The Marico MD says that barring Licious which has successfully branded a completely unorganised segment like meat, most digital foods brands have had to explore brick-and-mortar. "Very few food brands have scaled up just as a standalone e-commerce brand," points out Gupta.