

How Marico is using analytics, AI to enhance its business prospects

The FMCG company uses technology and data analytics to deliver better and new products, expand categories

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Jalaram Jyot Agencies, a leading distributor for fast-moving consumer goods company Marico Ltd, has been serving 6,000 outlets between the western Mumbai suburbs of Dahisar and Goregaon for the last 10 years. However, till even a few years back, the distributor had to routinely stock inventory for 4-5 days.

Those were the days when a 25-person sales team (known as distributor sales representatives or DSRs) would use pen and paper to book orders, recalls Anir Thakkar, a partner at the agency. These orders would, then, be manually punched in the computer's software system. The entire exercise would take 3-4 hours. "Now our DSRs book their orders on PDAs (personal digital assistants) and the orders are exported to our system in 3-4 minutes," says Thakkar.

The automation has not only helped the distributor reduce the inventory days from around 4-5 to just one but also pare costs by helping trim the sales staff strength to 20 and doing away with the need for data entry operators. Further, "using geo-tagging that is part of the integrated sales route optimization (ISRO) software that



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Marico has provided", Thakkar can ensure that the agency's sales use the best routes to serve the numerous outlets.

Jalaram Jyot is simply a case in point to demonstrate how Marico is not only using automation but also relying heavily on analytics and artificial intelligence (machine learning, in particular) to grow its own business and that of its distributors. "We are moving away from just getting new apps to an age of getting into analytics—a stage where the world is moving beyond

descriptive things to diagnostics, predictive and to prescriptive (which also recommends a course of action)," explains Sanjay Mishra, chief operating officer at Marico. For instance, a distributor could be facing financial trouble and potentially drop out of business. "In such cases, we need to take action else it will also mean loss of business to us. This is the descriptive and prescriptive technology that I'm talking about," says Mishra, adding that Marico uses AI to seek patterns and predict behaviours.

How FMCG firms are using technology to improve businesses

► Marico's Project Retina is a sales assortment analytics model that enables it to garner higher volume growths through the recommendation of cross-sell/upsell opportunities

► Its integrated sales route optimization (ISRO) system is a historical data and algorithm-based scientific solution to optimize the best market route for its sales persons

► Hindustan Unilever Ltd (HUL), the country's largest consumer packaged goods company by sales, has implemented its so-called programme "Connected 4 Growth" (C4G), to harness opportunities in a changing world, according to its 2017-18 annual report

► Procter & Gamble (P&G) is addressing consumer needs with its cognitive technology-based Olay Skin Advisor app, which allows women to take selfies, have their skin age analyzed, and receive recommendations for the most appropriate Olay products

called Studio X under its male grooming brand, Set Wet, on Amazon in May, and another brand True Roots on Flipkart in September. "For instance, if Marico wanted to launch a product at an India level, it would have been a very expensive affair, involving a critical amount of fixed investment and a media plan," explains Mishra. However, e-commerce has "changed the game". "I could now run a campaign for only those consumers who put a product in the online shopping cart but did not buy it eventually—it could be because of pricing, endorsement, subscription model, etc. I can take these learnings and launch nationally," says Mishra.

Marico is also using the real-time online insights to launch new offline products, expand categories, and even create new categories.

"For example, as an FMCG company, we traditionally never sold subscription-based products. Today, I can do that—at least in modern trade. E-commerce (which contributed over 1% to the company's domestic business in fiscal year 2017-18) has also taught us to build a loyalty programme and make an offer in modern trade. Eventually, it will also happen in general trade," says Mishra. "The future of any category lies in segmenting and creating an offer that is specific to the category."

Marico's exclusive launches with e-commerce companies are also helping it in this "predictive and prescriptive analytics" task by leveraging the real-time insights that online companies provide. The company launched a new range of premium products