

More people shopping expensive Marico items online as FMCG firm embraces e-commerce rage

By: Prachi Gupta | Updated: December 6, 2019 3:26:20 PM

While online shopping has changed the face of retail across the globe, FMCG major Marico has been using the platform to drive the growth of its premium products.



Marico's popular coconut oil range Parachute. (Representative Image: Bloomberg)

While online shopping has changed the face of retail across the globe, FMCG major Marico has been using the platform to drive the growth of its premium products with almost one in every two products sold online coming from its comparatively costlier product lineup or the company's new business. Marico has identified e-commerce as one of its key focus areas and as a distribution channel. The channel has also been helping the company to serve customers who can afford premium products thanks to rising affluence, according to the company's quarterly report and other statements. Of lately, Marico has been ramping up its e-commerce presence and has launched products such as Saffola FITTIFY, Coco Soul, Kaya Youth O2 and Set Wet Studio X on platforms such as Amazon and Flipkart.

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Marico's e-commerce business has quadrupled in a span of a year and now contributes to about 5% of Marico's India Business. The same has recorded 75% growth in Q2FY20. The FMCG major remains bullish on the future prospects of e-commerce business as well.

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The e-commerce channel is expected to grow to \$4 billion by 2022 for fast-moving consumer goods sales. As of now, the channel contributes about 2% to the current FMCG sale, information, data and measurement firm Nielsen India said on Wednesday. "In this rapidly evolving world of commerce, India's FMCG industry is now making its presence felt in the e-commerce channel — appealing to

consumers' need for convenience, and in sync with increasing smartphone and internet penetration," Prasun Basu, South Asia Zone President, Nielsen Global Connect, said.

Most of the FMCG items sold on e-commerce channel belongs to the food category with sales of food items amounting to about 44% of total e-commerce FMCG sales. Following this is personal care at 40% and household care at 13%, Nielsen said.