

Special Feature

'We're adopting a digital-first approach for premium foods'



Marico's Sanjay Mishra on how the company plans to grow its foods business, in both mass and premium categories, and enhance its men's grooming portfolio

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● **INTERVIEW: SANJAY MISHRA, COO - India Sales, and CEO - New Business, Marico**

'We're adopting a digital-first approach for premium foods'

FMCG major Marico is eyeing a bigger share in the foods category. From the sub-₹200 crore revenue it earned from the foods business in the last fiscal, Marico is aiming to clock ₹500 crore in FY22. Sanjay Mishra talks to Devika Singh about strengthening the company's premium products portfolio, launching 'mass products with differentiation', and its renewed focus on the men's grooming space.

Marico's expansion in the foods category has majorly been in the niche segment, which, typically, is not easy to scale up. What's the strategy there?

The big picture is that we want to be present in the foods segment, in the premium as well as mass categories. For the premium segment, we are going to adopt a digital-first approach. This calls for doing multiple things including creating new categories and tapping categories that are huge in the digital space. We started by prioritising Saffola Fittify and Coco Soul as digital-first brands to see the response we got. Over time, we have learnt that there is a demand for these categories, but at this time, the market size is very small in the country. Hence, we are focussing on creating categories digitally.

On the other hand, because of our larger

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ambition to grow our foods business, we are also launching mass products with differentiation. Our last three launches — soya chunks, chyawanprash and honey — target the mass segment. The market for soya chunks, for example, is unorganised and has very few brands; that's where we want to gain share. Additionally, these products offer a health proposition, which helps us given the rising health-consciousness amongst consumers.

So, e-commerce is a testing platform before you take the products to

the masses?

Yes, it is a way to test waters, but only for select premium consumer cohorts. For instance, e-commerce is our go-to channel for products like virgin coconut oil, and we do not need to get into general trade or mass advertising for it. Similarly, green coffee has latent demand in the online space and we will tap it. We would have taken both the categories to the masses, but then the pandemic struck and we decided to focus on the opportunity that the immunity portfolio offered. Hence, we are using mass advertising and distribution for products such as chyawanprash and honey.

Did your focus on premiumisation take a back seat in the past year as discretionary spends reduced?

Discretionary products have taken a hit, but they are still doing well on new-age channels like modern trade and e-commerce. E-commerce has a significant tailwind and it is providing the momentum for discretionary prod-

ucts. Our focus on premium products came from the observation that consumers want to upgrade, and we will stay on that path. Going ahead, we will keep enhancing our premium portfolio, too.

You recently acquired men's grooming brand Beardo. How will it be positioned alongside Marico's own brand Set Wet? The message we are relaying by being invested in both Set Wet and Beardo is that Marico is playing the male grooming portfolio holistically. Set Wet has a mass appeal, while Beardo is at the top end. Both these sets of consumers behave differently, and we plan to cater to both of them. In the future, Beardo will continue to be a significantly larger digital brand.

The premium men's grooming market has seen the entry of several start-ups. What differentiation will Marico bring to this space?

We are the first movers in the space. We will keep innovating to stay ahead of the curve. Beardo has the potential to become a cult brand for male grooming in India, and that is the space we will keep investing in. While we were worried about the impact the pandemic would have on the brand, it has successfully come through. We are now looking at opportunities to encash and create synergies with Marico. One of them is helping the brand out with modern trade since it does not have a big presence on the channel. Though Marico can push the brand in modern trade channels significantly, the larger focus will remain on direct-to-consumer and digital channels.

