

# FMCG firms see surge in e-comm channel growth

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Leading players in the FMCG sector have witnessed an increase in the share of the e-commerce channels in their sales and have stepped up their focus on ramping up their online presence, as adoption of digital channels for purchases has accelerated in pandemic times.

FMCG companies have also begun launching "digital only" brands in some of the new-age categories and have also been leveraging the e-commerce channel to gauge consumer response for new products before scaling up their distribution on other channels.

RS Sodhi, Managing Director, Amul, said that in the past six months, e-commerce has mul-

tiplied by nearly two-three times for the sector. "E-commerce was (earlier) contributing only 3 per cent to the market and just within six months...it is contributing 7-8 per cent," he had said during a panel discussion at a FICCI event.

Pawan Agrawal, CFO, Marico Ltd, said that e-commerce sales for the company grew by nearly 40 per cent in the first half of the current fiscal year and the e-commerce channel contributed 8 per cent to the total turnover in the second quarter of the current financial year. "Marico has witnessed healthy growth across core categories as well as the newer categories such as foods, hygiene and immunity products on e-com-



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merce platforms. With the steady rise in the adoption of online shopping, we expect this channel to continue as a strategic growth enabler over the medium term," he added.

Last week, Nestle India said that the company continued its strong performance in the e-commerce channels, which grew by 97 per cent and contributed nearly 4 per cent to its

domestic sales in the third quarter. In the first half of 2019, e-commerce channel's share in Nestle India's domestic sales stood at about 1.5 per cent.

According to a recent Edelweiss Securities report, Hindustan Unilever saw e-commerce contribution growing by 2x since June 2020, helping the company gain share on the e-commerce channel compared with pre-Covid-19 period.

## Exclusive products

Dabur India has launched several new products exclusively on the e-commerce space, such as apple cider vinegar, eight new products in the 'Dabur Baby Range' and Dabur cold-pressed mustard oil. Adarsh Sharma, Executive Director,

Sales, Dabur India Ltd said, "In the post-Covid world, e-commerce has emerged as the most-preferred contactless method of making purchases, among consumers. And this trend is likely to stay. We have seen our e-commerce business more than doubling and had a saliency of over 6 per cent in Q1 2020-21 compared to 1.5 per cent in Q1 of 2019-20. We expect the saliency to remain at around 5-6 per cent this year."

Companies have also been stepping up focus on direct-to-consumer channels. Angelo George, CEO, Bisleri International said that the company's direct-to-home delivery service through its e-commerce platform now contributes about 25-30 per cent to the business.