

FMCG major Marico plans to inject a booster dose to foods biz

With immunity-building foods and between-meal snacks, expects to boost sales in category to ₹500 crore in two years

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Saugata Gupta expects to be working out of home from his Mumbai apartment till the end of September. It's been like that since the pandemic started for the Managing Director and CEO of Marico Ltd. But now, work days on video and phone calls are long, stretching from 8.30 am to well past 9 pm as he strategises the launch of a clutch of new products, oversees marketing plans, and drives sales to new highs even as he worries over distribution.

With Covid-19 still raging, Gupta says consumption habits have now been reset into three broad categories: health and hygiene; the immunity plank for foods and, third, ready-to-cook foods or between-meal snacks. "Once things settle down, demand may come down in many categories though that level may be higher than what it was pre-Covid. But I see a permanent reset on these three planks," he says.

Immunity foods

The most ambitious plan that Marico has is in foods. Extending the Saffola franchise, it recently launched honey, which it claims is one of the purest in the market. "There will be some more launches in the immunity space and in foods, as also in the in-between meals category in the next couple of months. We have an ambitious plan for foods. We finished 2019-20 at ₹200 crore in foods and we want to take it up to at least ₹300 crore-plus by 2020-21. And, the attempt is to hit the ₹500-crore mark in the next two years," says Gupta. Marico's total rev-

enues in FY 19-20 were ₹6,161 crore.

Of the three planks that Gupta outlines, Marico does not yet have critical mass in health and hygiene and has now made its foray into the immunity space with honey. "Fortunately, 80 to 90 per cent of our portfolio consists of items of daily consumption where we can grab market share. And there is also a huge opportunity to quickly get scale in others so that they become a significant part of our portfolio," says Gupta.

New launches

The past few months have seen a flurry of launches from Marico, in response to the pandemic effects. Mediker hand sanitiser and Veggie Clean are a couple of the new products in the market. Veggie Clean, claimed to be an industry-first, is a soap/chlorine/alcohol-free



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MD and CEO, Marico Ltd

product that can be used to clean all kinds of vegetables and fruits and can remove any viruses on the produce.

Marico also launched KeepSafe, a range of premium out-of-home hygiene products that includes toilet seat disinfectant, multi-purpose disinfectant spray, hand sanitiser, hygiene hand wipes, feminine hygiene wipes and soon to be launched intimate wash, as well. Along with this, it also launched Marico's Travel Protect and House Protect, effective against viruses, bacteria and fungi on multiple surfaces without the need to wipe them down after spraying.

No tactical entry

Gupta is emphatic that new products need to have a differentiated proposition. For example, Marico hasn't entered the hand-wash segment in the domestic market.

"There are so many existing brands there's no point making a tactical entry. We need to have a more sustainable position so we are looking for differentiated spaces. It's easy to get short term volumes, but I would rather spend my energies in getting into something where I have a long-term right to it," explains Gupta.

With at least 250 brands of sanitisers in the market now, he says its current entry is merely a tactical move.

Consumers, he says, are looking for trusted brands, and top brands are likely to win. "Consumers' disposable incomes are down, so leader brands should ensure there is downtrading within the brand itself rather than outside. If you are providing the right value at lower price points, such as value packs at entry level, there will be downtrading within the brand," he explains.