

# How Marico grew the hair nourishment market with premiumisation

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# marico

Pre-wash creme oil saves millennials time while keeping traditions alive

Even as premiumisation is helping bridge the gap between the luxury and mass market, and giving consumers access to

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innovative products, it is also proving to be a major growth engine for Marico.

The FMCG major is readying a raft of marketing activity to back its premiumisation strategy as it looks to capture the mindset of millennials.

Though it is incredibly tempting for brand leaders to grab premium semiotic codes and look to upgrade an existing brand or product, that approach is not without risk. Take the new-age consumer's hair-care routine: the battle for better hair has gained considerable traction in an age where appearance affects reputation.

## Various categories

"There is a big opportunity in hair nourishment in terms of premiumisation, if one looks across hair categories like shampoo, conditioner and serum," Koshy George, Chief Marketing Officer, Marico Ltd, told *BusinessLine* in a recent interaction. Though hair nourishment continues to be the core basic need, the big scope is in the new formats and new convenience measures, he added.

Premiumisation can add value back into often commoditised categories like hair oil. The company is aiming to reap the benefits of consumers' recent shifts toward premiumisation.

Explaining how premiumisation is a way to grow, particularly in mature categories where growth from penetration could be constrained, George said: "While the need for (hair) nourishment continues to be strong, the form in which we deliver the oil doesn't fit into the lifestyle of millennials," especially since they are pressed for time.

The company had to deliberate on many issues: how to premiumise, make the benefit available, ensure convenience and efficacy and make it fit better into consumers' lifestyles. And therein lay the big opportunity, noted George.

## Digital push

Given the fairly large modern trade and e-commerce segment, the company decided to pursue digital to propel the next curve of growth.

"What worked in the past — to premiumise and build new formats — was a very expensive proposition," he said. "Now, with both channels being available and with digital picking up, it has become much easier to target an audience more sharply, create stronger business models and drive much stronger engagement and category education programmes. That gives Marico the leeway to drive premiumisation more strongly."

Noting that consumers continue to swear by what hair oil does, George said it is "something that is handed down over generations and is the only category that consumers genuinely believe in. While shampoo is more for cleaning, oil provides nourishment. Consumers' swear by its efficacy."

## Culturally rooted

Referring to the credentials of oiling one's hair and the fact that it is "culturally rooted and scientifically borne out", George insisted that faith is unparalleled among consumers, even millennials.

Tackling the importance of nourishment, which George said is "a mainstay" for the hair oil category, and making it fit into a millennial's lifestyle was the big challenge for the company. "It is a huge journey and one of Marico's main strategy call-outs," he added.

The result: the launch of creme oil. The pre-wash Parachute Advanced coconut creme oil, promising nourishment in just 30 minutes, got "fantastic ratings with Amazon" almost immediately after launch. "Consumers spoke at length about the benefits, the ratings were exceptionally high and we were encouraged," said George.

The pre-wash oil launch enabled the company to master "the first step in the convenience format, especially with millennials with less time on their hands". The category still requires a lot of education and Marico is intent on building awareness, he added.

"With new formats, education is key. It is a bit of a slow burn, especially because this is a category which is culturally very sound and is replacing (hair) oiling, which has very strong roots — totally unlike handwash or soap. With the brand, consumers tend to skip oiling. It turned out to be a huge win for us," said George.

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