

Marcio plans online-only brands

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Mumbai, Dec 13 () To cash in on huge opportunities in the digital space, homegrown consumer goods company [Marico](#) is planning to create a number of brands purely for online sales over the next few years.

"For consumer packaged goods (CPG), digitisation is more of an opportunity rather than a disruption threat. While CPG has been lagging in digitisation, I think there is huge opportunities not just for productivity and efficiency but also for long-term growth," Marico MD & CEO [Saugata Gupta](#) told an IMAI-organised industry meet here today.

[Gupta](#) said Marico is viewing digitisation as an opportunity for accelerating growth rather than a disruption.

"We recently launched a brand internally to test this market. What we intend to do in future is actually have a series of digital brands which will be only in e-commerce and limited physical availability at modern trade. We advertised this brand 100 per cent non-mass," he added.

The city-based compay recently launched a meal replacement beverage Saffola Nutri-Shake that is a digital- only product, he said.

Reportedly, Marico, which sells hair oil brands like Parachute and [Nihar](#), has created a new team internally called the Engine 2 that will enable it to create and incubate new categories.

"It is at the preliminary stage of digitisation. As far as revenue generation is concerned, we are setting up a new team that will work in a different way, by experimenting with some horizon projects of tomorrow. The risk appetite will be higher there," he said.

He said between now and the next two-three years Marico may start a lot of initiatives, some of them will be digital brands, some of them will be disruptive.

"It is not that digitisation is happening only in Engine 2, it is more of a revenue generation which is the Engine 2," he added.

On the success of digital brands, he said, "if after three years, I've two-three scaled up digital brands that will be a big success. I don't think in the next three years they will have enough revenue to actually move the needle but I think from here if two-three initiatives can contribute beyond 5 per cent revenue by 2022, that's good enough."

He observed that given the digital penetration, companies can have their business models in both offline and online in an effective manner.

"You can have brick and mortar and digital brands co- existing, and given the nature of the domestic market, the two models will co-exist. It is not that one will eat up the other. I think the two models have to work paralely just like traditional kirana and modern trade," he said.

Identifying go-to-market as a huge untapped opportunity in terms of digitisation, Gupta said the company has invested significantly into this and has integrated the supply chain opting for a pull rather than push approach. DS BEN BEN