

Marico eyes e-commerce route for 10% of sales

After Beardo buy, in hunt for more acquisitions

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Mumbai, May 5

Marico is targeting 10 per cent of its sales from e-commerce. Having acquired a 35 per cent stake recently in Ahmedabad-based start-up Beardo, the FMCG major will be relying on such acquisitions to give a boost to its online sales in categories such as premium male grooming and hair fall.

During an analyst meet, Saugata Gupta, CEO, Marico, said: "We have a dedicated e-commerce team now and with the acquisition of a start-up like Beardo, we hope to learn digital marketing. We expect 10 per cent of our turnover to come from e-commerce for some of our premium categories. There will be significant contribution from categories like male grooming and even premium foods."

Earlier, Marico had been using the e-commerce platform to prototype and test market several brands such as Livon, Set Wet hair wax and Bio Oil .

"We are prototyping a virgin coconut oil brand now which could be sold through e-commerce. We could also use e-commerce for test marketing and cross pollinate for some of our international brands," he added.

While Marico may be reaching to 4 million outlets through direct and indirect distribution, e-commerce will get treated as an additional distribution arm.

GST impact

Meanwhile, with GST coming in, Marico expects to be in an advantageous position since it has organised direct distribution which will not get impacted by the disruption on the trade pipeline.

"We usually carry stocks of 12 days and are strong in direct and organised distribution. With GST, we see the trade pipeline getting impacted and not consumer demand. Today, our exposure to wholesale trade is less than 35 per cent," he added.

Marico posted 10 per cent volume growth during the last quarter. It took a 8 per cent price hike for its flagship brand of Parachute and another hike is imminent.