

# Marico ups focus on digital brands

VIVEAT SUSAN PINTO

Mumbai, 9 November

Consumer goods major Marico intends to continue investing in digital brands after tasting success with the acquisition of Beardo in the men's grooming category.

In the June quarter, Marico acquired the remaining 55 per cent shareholding in Zed Lifestyle, Beardo's parent firm, after first picking up a 45 per cent stake in the company three years ago.

The men's grooming category, according to experts, has grown over three times in the past four years to touch ₹10,000 crore, led by a number of start-ups. Marico's rivals such as Emami, Wipro Consumer Care, and Colgate-Palmolive have already picked up minority stakes in firms such as The Man Company, Ustraa, and Bombay Shaving Company, respectively, to increase their digital presence in the category. Saugata Gupta, managing director and chief executive officer, Marico, said digital brands were a good route to grow. "We will continue to look at digital brands from an acquisitions perspective. Investing behind entrepreneur-driven brands is great from both a learning as well as a growth point of view," Gupta said.

Among areas the company had identified for acquisitions, especially in the digital space, included seg-

ments such as hair care, skin care, male grooming, healthy foods, and nutraceuticals. Digital has increasingly become a key pillar for most fast-moving consumer goods (FMCG) companies after the Covid-19 accelerated adoption of online habits in the lives of consumers.

Marico has seen the share of its e-commerce sales within its domestic FMCG business increase to 8 per cent from 5 per cent in a year, thanks to the restricted lifestyle of people, triggered by the pandemic, which

has forced many to depend on online channels or neighbourhood stores for their grocery and other requirements.

Almost 77-78 per cent of Marico's overall topline comes from India, while 22-23 per cent comes from international markets.

A recent report by Avendus Capital estimates that the share of e-commerce for FMCG companies could get into double-digits in the next three to four years as online adoption grows steadily.

Gupta says Marico would continue to offer differentiated products using the digital channel as it sought to tap the online momentum.

During the pandemic, Marico launched a slew of new products on e-commerce platforms as well as the company's new direct-to-consumer platform.



**"WE WILL CONTINUE TO LOOK AT DIGITAL BRANDS FROM AN ACQUISITIONS PERSPECTIVE. INVESTING BEHIND ENTREPRENEUR-DRIVEN BRANDS IS GREAT FROM BOTH A LEARNING AS WELL AS A GROWTH POINT OF VIEW"**

**Saugata Gupta,**  
MD & CEO, Marico