

Sanitisation and food innovation to be top priorities for Marico in post-COVID world

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Representative Image

Sanitisation and innovation in food are two key areas that will take precedence for Rs 7,315 crore homegrown FMCG major Marico, in a new normal post coronavirus. Like most other FMCG majors, Marico's first move in the sanitisation space was a hand sanitiser, which it launched under the Mediker brand, which was followed by Veggie Clean, a food and vegetable cleaner. "We are looking at a more sustained play in sanitisation, but we won't make run-of-the-mill products," Marico's MD, Saugata Gupta, told Business Today.

Gupta expects a significant growth in the ready-to-eat and ready-to-cook food categories where Marico has a presence under the Saffola brand, with products such as Masala Oats and Saffola Fittify Gourmet, that offer a range of nutritious food products. "The demand for healthy ready-to-cook meals will be on the rise with concepts such as work from home becoming a way of life. I can see many more Saffola food opportunities than what we earlier had."

While the innovations in the food or even sanitisation space will be long-term strategies, in the short-term, Gupta's obvious focus has been to ensure that his products reach his consumers during the lockdown. Like most other FMCG brands, Marico's supply chain and distribution also came to a halt and the company has partnered with third party supply chain companies as well as the likes of Swiggy and Zomato to ensure that its products reach directly to the consumer. Gupta, however, is extremely proud of the tele-calling facility that his team has launched during COVID, wherein the Marico call centre calls retailers, takes orders and the company delivers the inventory to them. "I am not very sure whether the other associations will last in the long-term, but I definitely find tele-calling a scalable model," he says.

Gupta calls COVID-19 a black swan and says while the future is certainly uncertain, he does expect changes in the way business is done. "Firstly, the mindset of working with abundant resources will be a thing of the past." He says that companies across industries would recalibrate their business and risk-management would be given utmost priority. "For instance, we source from multiple locations, we may from now on look at a single source in order to increase efficiencies." Gupta also imagines the possibility of moving from annual planning cycles to quarterly planning cycles in order to be able to mitigate risks better.

Marico, in the fourth quarter of FY20, reported a revenue of Rs 1,496 crore, a 7 per cent decline year-on-year. The company's India business declined by 3 per cent, vastly impacted by disruptions in the last fortnight of March, due to the lockdown.