

Battle-Ready

Saugata Gupta is unafraid of carrying out bold experiments at Marico to drive growth and innovation in the male grooming and health food segments

◆ By SALIL PANCHAL



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On a pleasant October morning in Mumbai, Saugata Gupta is frantically responding to emails and going through digital-related presentations at his Grande Palladium office in Bandra-Kurla Complex. It is only 8.30 am and like most days, the 51-year-old has his hands full. Twelve years after being elevated

to lead Marico's India business from being a sales marketing head, he is preparing for a new battle: To add muscle and volume to the consumer goods manufacturer's newest categories of premium personal care, male grooming products and health foods. The challenge is even more daunting considering the economic slowdown and demand for consumer goods falling to a seven-year low. But Gupta remains unperturbed. "We are successful because we punch above our weight. We are an insurgent company and the trick is how to become a scaled insurgent for the long term," says Marico's managing director and CEO.

Marico is among a select group of Indian blue-chip companies to have seen double-digit revenue growth and return on capital employed each year since 2009. It enjoys a stable market share for its flagship products Parachute coconut oil (53 percent) and Saffola (73 percent). One out of every three Indians' lives is touched by Marico, the company claims. In fact, it is No 1 or No 2 in at least 95 percent of the product segments it operates in, except deodorants and skin care.

"Leadership helps us focus on volume growth and gaining market share. We don't focus on margins early on; they will come with scale, not just in product cost but also advertising and distribution," explains Gupta.

The company commands a market capitalisation of ₹47,752 crore at the BSE and it has rewarded its

shareholders well: ₹100 invested in Marico in 1996 was worth ₹16,909 as on March 31, 2019.

THE DISRUPTOR

Harsh Mariwala, founder and chairman of Marico, led the disruption by selling Parachute brand rigidids (oil sold in round blue bottles) in the market in the 1980s. It was a time when coconut oil was sold loose or

in tins as a commodity. A decade earlier, Mariwala had joined the family-run business, Bombay Oil Industries (Boil), which manufactured and traded in coconut and vegetable oils and chemicals. Marico, set up in 1990, later entered into an agreement with Boil to use the Parachute and Saffola brands, before acquiring them in 2001.

It was in these early years that both Mariwala and Marico safeguarded Parachute from rival Hindustan Unilever (HUL) which was flush with funds and pushing its own brand of hair oil (Nihar), apart from trying to buy out Parachute. Armed with new marketing campaigns, Mariwala not only defended his turf by increasing his distribution network on the ground but also won the corporate battle by buying out Nihar

from HUL in 2006 for ₹216 crore. Gupta was new to Marico then, but a vital cog in the battle of the corporate giants. Gupta was part of the core team which decided on the Nihar acquisition at that time. "We went all out for this acquisition... ₹216 crore might have seemed as too high a price at that time, but it gave us significant presence across various regions. It definitely strengthened

SAUGATA GUPTA
Managing director and CEO, Marico

INTERESTS OUTSIDE WORK:
Travelling, food and stand-up comedy shows

WHY HE WON THIS AWARD:
For innovating to build new growth engines in skin care, male grooming products and health-focussed packaged foods. He has strengthened the structure Harsh Mariwala has created by institutionalising Marico further through stronger corporate governance, transparency and digital transformation