

# Distributors now working at 100% capacity: Marico CFO

ABHISHEK LAW

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Home-grown FMCG company Marico is witnessing a recovery in domestic sales on the back of healthy traction of its food and edible oil brand Saffola and coconut oil brand Parachute.

Personal care demand continues to be slow, according to the company's CFO Vivek Karve. In an interview with *BusinessLine*,

Karve spoke about channel normalcy and buying trends, among others. Excerpts:

## Has channel normalcy returned for Marico?

Most of the distributors are operating at 100 per cent levels or are fully into operations. General trade channels or the mom-and-pop stores have made a comeback as people are not willing to go to super/hyper markets. Rather, people are making trips to

the neighbourhood stores. E-commerce channels have also benefited.

In the initial days, the modern trade channels suffered because of social distancing issues. But the B2C channel is now coming back.

The wholesale channel has suffered a lot. My prognosis is that it will continue to suffer till the first half of this fiscal. In fact, traditional wholesale is slowly being taken over by organised players now.

## How was your experience with new delivery channels, such as tie-ups with food aggregators? Are they long-term scalable models?

We have been looking at new go-to-market models such as having telecaller facilities so that retailers can place their orders. Marico has also launched a consumer website



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VIVEK KARVE  
CFO, Marico

where people can place their orders online. We prototyped Swiggy and Zomato. Some of them will succeed depending on the scalability and profitability. Some will not be viable in the long run.

## Any buying trends you saw

## in the domestic markets, apart from increasing demand in the health and hygiene categories?

I don't think we are out of a full-fledged lockdown. But in terms of trends, the first two-to-three months have seen premium personal care and male grooming – which is largely discretionary – go through some rough weather. In the hair oils segment, the mass portfolio has done extremely well.

But the premium hair nourishment brands like Hair & Care or Livon have been a bit under the weather. Saffola Edible Oil has grown YoY, while Parachute has maintained the annual average monthly run rate from last year.

## Do you see any consumer down-trading happening?

In Parachute, we enjoy strong consumer trust and brand

equity. So we should be able to accelerate and gain market share there. Saffola also is a trusted brand. Consumption will be better with people staying indoors. Our hypothesis is that there could be better customer acquisition for Saffola edible oils. We also have plans to expand the Saffola foods portfolio over three to six months.

## What is your FY21 strategy for VAHO (value added hair oils) and premium male grooming?

The premium end of VAHO and a large part of male grooming are expected to be under stress this year. Therefore, we may go slow on innovation. But we will allow them to float. We may not invest aggressively in brand building here. Rather, we will re-prioritise our advertising spends towards foods and health and hygiene.