'Foray into health and hygiene for the long haul'

Focus is on consolidating position in these categories, says Marico's CMO Koshy George

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FMCG major Marico's flurry of launches in the first quarter of this fiscal, which marked its foray into the health, hygiene and immunity space amid the coronavirus pandemic, are part of its long term-strategy, and not just a tactical move, said a top company official.

Its focus for the rest of the year will be on consolidating and strengthening its position in these categories.

"There are a lot of categories that we have got into — honey, vegetable cleaning, disinfectant sprays, sanitisers, etc. Obviously, it has been a learning curve for us because we never played and operated in some of these categories.

"So, I think it's a critical chance to consolidate, build our brands and build better consumer understanding. We are in this for the longer term and hence it's important that we direct our efforts into building what we have already launched," Koshy George, Chief Marketing Officer, told *BusinessLine*. Keeping up with the increasing shift towards health, hygiene, immunity and well-being amid Covid-19, Marico's launches include the Mediker Hand Sanitizer, Veggie Clean — a naturally derived vegetable and fruit cleaner — KeepSafe, a range of premium personal and out-of-home hygiene products, the Protect range of surface disinfectant sprays and Saffola Honey.

Immunity boosters

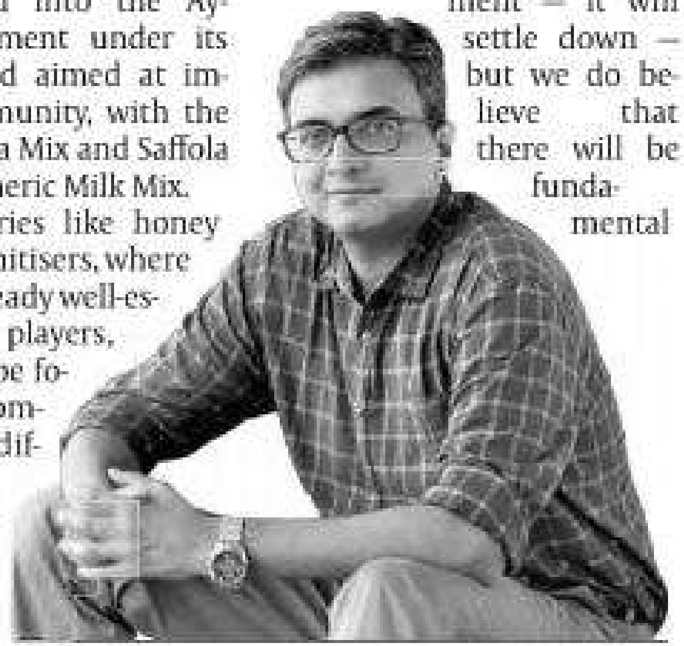
Apart from this, Marico has also forayed into the Ayurvedic segment under its Saffola brand aimed at improving immunity, with the Saffola Kadha Mix and Saffola Golden Turmeric Milk Mix.

In categories like honey and hand sanitisers, where there are already well-established players, Marico will be focusing on coming up with differentiated product offerings, while in the vegetable cleaning and disinfectant spray segment — which are more nascent categories — it will be focussing on category development, George explained.

Contrary to the flurry of launches it made in the first quarter, going forward, the focus will be more towards building these brands and categories, he said.

"All the entries that we have made is to play a more strategic role in these categories, it's not a tactical play. We do believe that it is for the long haul.

These trends are here to stay, not at the same tailwind that you are seeing at the moment — it will settle down — but we do believe that there will be fundamental shifts in consumer behaviour and you will see more impetus and tailwind behind these categories as we go ahead...," he said.



These new launches contributed 1.5 per cent to the company's top line in the first quarter of this year, he said.

Recent trends

Down-trading by consumers, preference for health and hygiene products, shift towards trusted brands and an increase in in-home food consumption are some of the clear trends that have emerged due to Covid-19, said George.

"You will see most of these trends continuing to play out — some of them will soften, but my sense is that they are here to continue for another 12-18 months — and hence a lot of our resource allocation will be behind some of these trends that we are betting on," he said.

Barring the foods category, which can benefit from the declining preference for out-of-home consumption amid Covid, George expects the upcoming festival season to be muted due to the overall dampened economic sentiments.