

Marico eyes 'healthy' in-between snacking segment

ABHISHEK LAW
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FMCG major Marico Ltd is looking at food, especially the in-between snacking segment, as one of its growth drivers this fiscal.

This apart, increased offerings in male grooming and premium edible oils are the other big bets.

According to Saugata Gupta, Managing Director, Marico will look at "healthy" in-between snacking options in foods.

During an analysts call, the MD had spoken of "hybrid" categories like multi-grain flakes (between muesli and cornflakes), where the company will invest. Saffola Multigrain Flakes, in the breakfast cereal space, has been introduced in Mumbai and Bengaluru.

"We will target the in-between meals segment. Apart from the multigrain flakes, there could be something within the oats and in some other categories within the next 6-7 months," Gupta told *BusinessLine*.

Market sources say preferences are for "crunchy" offerings over cold-milk ones and



Saugata Gupta, MD, Marico

in this context, flavoured oats have helped expand the category. Accordingly, Marico tasted success with Saffola masala oats. The company will now seek growth in the food vertical through adjacencies, they add.

"We have to increase the pace of product innovation and drive more consumers into the health basket. As market leaders, we have to create the category and make it more relevant," Gupta said, adding that growth (for Marico's food division) should be back in FY-18.

Incidentally, Marico did not see much growth in the

second-half of last fiscal. A report by Edelweiss Securities point out, while Marico has not lost market share in the oats category (it has 27 per cent market share), the product format is yet to penetrate at a family consumption level. Incidentally, the oats category did not do well in the second-half of FY-17.

"Growing in the food category will not be an easy job. Market acceptability of offerings is something that has to be looked into. So the products will have to very different," said Abneesh Roy, Senior Vice-President, Institutional Equities - Research Analyst, Edelweiss Securities.

Male grooming

Marico will look to widen its male grooming / styling products portfolio. Investment in innovations will continue and, the company will keep exploring options of introducing other styling products or explore adjacencies.

While investments will continue in categories such as hair gel and creams - where the company sees growth opportunities; it

might slow down on investments (like above the line advertising) in a cluttered category like deodorants.

'Set Wet' deos had around 3.3 per cent market share by volume in FY17 and Set Wet hair gels had 58 per cent market share (value).

Other hair styling products from Marico's stable include Parachute hair cream and leave-in conditioners like 'Livon' and 'Silk and Shine'.

E-commerce is expected to give the vertical further push.

In edible oils, Marico is eyeing at least 10 per cent growth for its Saffola (edible oils) portfolio. In FY-17, the category saw a 8 per cent volume and value growth.