



How do you get from No 1 in a state to a National No 1? More importantly, should you?

BY RAVI BALAKRISHNAN AND AMIT BAPNA
MUMBAI

At some point in their history, every brand we think of as national was a scrappy regional brawler. Here's how some of them navigated that journey. And also why sitting tight and staying regional may sometimes be the best option.

Nothing beats being there first

However there's more to it than literally being the first — even a brand that's the first to offer a convenient delivery or storage mechanism stands to gain. Saugata Gupta, MD and CEO, Marico attributes a lot of its early success to Parachute being the first coconut oil to make the move from tin to plastic cans and bottles.

If your brand can't crack a key market, acquire a brand that has cracked it already

Gupta counts Marico's acquisition of Nihar and Dabur acquiring Balsara as classic cases where the brands did better, once they got acquired. Nihar was passed on from Tomco to Hindustan Unilever who finally sold it to Marico in 2006. It helped Marico crack the East, a market it was not traditionally strong in. Gupta says, "A brand needs equity for the scale up. Brands that are BTL or based merely on trade push don't have longevity."

Some products are inherently more 'national' than others

Consider Manforce condoms, a brand

that apparently came out of nowhere to claim a leadership position in its category. Arjun Juneja, director, Mankind Pharma points to two big inflection points which helped it become "a brand with a market share of 40%-45%." In the late 2000s, Manforce started its own manufacturing unit, which helped in quality control and product innovations. And in 2012, it brought on board Sunny Leone as brand ambassador. The keys here were to flip the brand communication to a female icon and talk about flavours with a hitherto unseen degree of candour. And then innovating on the actual flavours themselves. A little paradoxical, considering local flavours are the stumbling block for many brands attempting to go national, but in some categories, there's no accounting for taste.

If your product isn't 'national', even a national celebrity won't help

Aditya V Agarwal, director, Emami Group recalls the time it decided to go national with the launch of Healthy & Tasty, one of the four brands in its edible oil folio. Emami roped in Preity Zinta and MS Dhoni. Agarwal recalls, "Along the way, we realised that edible oil is a different animal and national campaigns may not work. We ourselves had to learn a lot about packaging, and even pricing." Emami decided to consolidate in a regional market, focusing on the East in general and West Bengal in particular. After 3 or 4 years of learnings, he feels the brand is finally ready to make the leap and is roping in Amitabh Bachchan. He says, "Today H&T is worth ₹400 crore and is largely present in Bengal only."

In acquisitions, a badly managed good brand is better than a bad to average, but well managed brand

Saugata Gupta, Marico

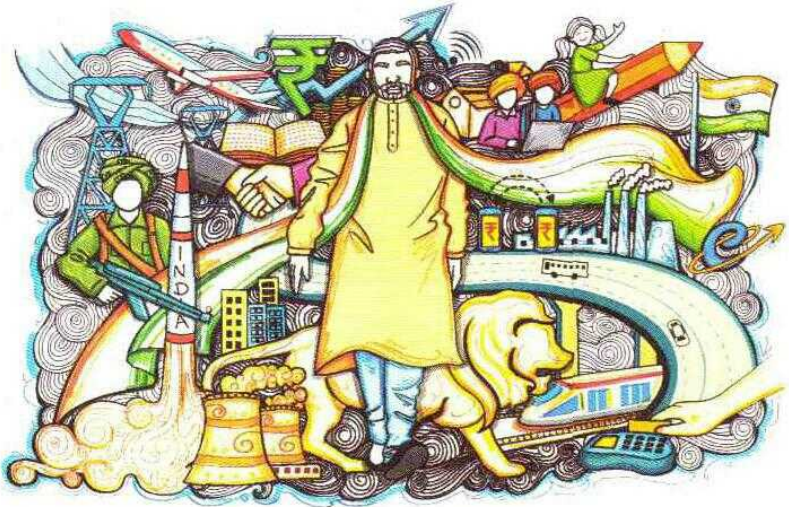
We realised edible oil is a different animal and national campaigns may not work

Aditya V Agarwal, Emami



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FROM REGIONAL TO NATIONAL



If you want to take a brand national, try regional celebrities

Agarwal recalls the time his father wanted markets across India to match the per capita consumption of Emami's Navratna oil in its flagship states of Bihar and UP. Agarwal says, "He took some bold steps: Amitabh Bachchan and Shah Rukh Khan for the national launch; Chiranjeevi for Andhra Pradesh; Suriya for Tamil Nadu and Mahesh Babu for Karnataka. Today it's a ₹700 crore brand with all 4 zones contributing equally.

The real battleground is not marketing but distribution

Marico's Gupta puts a high stock on IT processes in sales and attracting people beyond the entrepreneur, who have a consumer insight driven as opposed to trade push oriented approach. He says, "Entrepreneurs need to invest in people, process and systems. Many falter there. They underestimate the power of distribution. It's a huge source of competitive advantage and creates entry barriers." Especially true for a new category like oats and muesli, as Aditya Bagri, director, Bagrrys India discovered: "The toughest part was convincing channel partners – from distributors to retailers to stock the brand."

Decide if and why you want to be national and what the word 'national' means for you

Ambitions of going national have frequently done more harm than good. As marketing consultant Sunil Alagh points out, "The mistake is they want to be national and have neither the patience nor the money." It makes sense when Jio (which appears to have both patience and money in

abundance) decides to take on Airtel and Vodafone, but that's more exception than rule. Alagh argues No 1 in a state is a lot better than being a minor player across India. He cites the example of Bakeman's, a dominant biscuit player in the North who spent ₹20 crore on advertising in a single

year, pursuing national ambitions. Alagh says "When you do that, you should ask yourself if you have ₹20 crores to spend every year."

It collapsed in year 2 since Bakeman's had to raise prices to fund its campaigns and Britannia and Parle were waiting there at a lower price. As Alagh puts it, "Each state in India is the size of a country in Europe. Why do companies feel they have the fundamental right to be No 1 in India?"

ravi.balakrishnan@timesgroup.com



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