

News monitored for: Emami Group

'Health & hygiene segment is seeing increased interest'

ABHISHEK LAW

Kolkata, September 14

Home-grown FMCG company Emami Ltd has witnessed good traction in the personal care and health and hygiene segments. In fact, the Kolkata-based company is hopeful of new categories making up for the slowdown in demand across discretionary items. According to Harsha V Agarwal, Director, Emami, this will strengthen the health and hygiene portfolio, including its Ayurvedic immunity-boosting offerings.

In an interview with *Businessline*, he spoke about the existing consumer trends, new launches and rural versus urban scenario among others. Excerpts:

What have the consumer trends been like during the unlocking months?

Month-on-month things are improving now, compared to what it was in April or May of this year.

THE
BL
INTERVIEW

In March and April, the lockdown impacted sales. Since opening up, there's been gradual improvement in many segments like health-care – specifically in the immunity and Ayurveda space. Personal hygiene is another growing category. In fact, anything to do with health and hygiene is witnessing increased consumer interest. Offtake in discretionary categories is much lower than expected. These trends are similar across urban and rural markets.

How is growth in the rural markets, and was there any impact of the pandemic?

The rural market is witnessing good growth. In many categories, apart from health, hygiene and personal care, rural is doing better than urban markets. (Covid) impact is lower in rural areas and there was reverse migration. A lot of people have gone back to the

villages, so we see a shift in consumption from the urban to the rural areas too. Also, the agri sector is doing well and the government is putting money in the hands of the people there.

So is it safe to say, demand is back to pre-Covid levels?

For June and July, we have done better than pre-Covid levels. We launched new products, entered new categories and some of our existing offerings are doing well.

Will all the current fast-moving categories, such as disinfectant sprays or hand sanitisers, be able to sustain this high growth trajectory?

The larger category of personal hygiene is a long-term play. Yes, we are new entrants into the segment. But, personal hygiene has been growing, with players like Dettol being well entrenched in it. Maybe we will see some slowdown in the growth trajectory, but demand in personal hy-



For June and July, we have done better than pre-Covid levels. We launched new products, entered new categories and some of our existing offerings are doing well

HARSHA V AGARWAL
Director, Emami

giene categories will continue to remain much higher than pre-Covid levels. It is very unlikely that the segment will see numbers similar to the pre-Covid levels anytime soon.

What is Emami's outlook in the personal care and health & hygiene space, where it is

a relatively new entrant?

We extended the BoroPlus brand into personal hygiene with soaps, sanitisers and hand washes. We see a lot of potential. Other adjacencies are being explored. New offerings in Zandu, such as immunity-boosting solutions for adults and kids, have either been launched or are under consideration.

It is difficult to put a number to the expected turnover from these segments. Some of these categories are new habits that consumers are picking up; and hopefully they will stick to them as they see benefits.

So will entry into new categories make up for the demand slowdown in discretionary categories?

Overall the trends are on the positive side. And with the entry into new product categories and extension of existing offerings, we believe that we can more than make up for the losses in the discretionary spend segment.

And what about ad-spends this year?

I don't think our focus will be on conserving cash by reducing marketing spends. We are a debt-free company. Yes, in Q1 (April to June) we did reduce marketing spends; but going forward we will be aggressive on the marketing front to build the brands in existing and newer categories. There are new launches happening.

Cost reduction, wherever possible, will happen. This will include negotiating better with vendors or buying more efficiently – for raw and packing materials.

What is the outlook for international operations?

In the international markets things have improved a lot. I don't see much of a challenge either in the supply chain or demand or even our performance. After the first two-three months, when there were pandemic-induced hiccups, things are closer to normal now.