

News monitored for: Emami Group

Covid fast-forwarded demand for Emami's ayurvedic products'

ABHISHEK LAW
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Home-grown FMCG company Emami Ltd is looking at new offerings in the healthcare segment, which is witnessing increased demand. Immunity boosting has emerged as a major category among ayurvedic products, says Harsha V Agarwal, Director, Emami Ltd.



According to him, margins are set to improve with the on-going cost-cutting measures, while advertising spends are back to pre-Covid levels. In an interview to *BusinessLine*, he talks about the change in consumer trends over the last nine months, growing focus on e-commerce channels, and margin improvement. Excerpts:

period of unlocking, when sanitiser, hand-rubs and personal hygiene offerings were in demand, the intensity has gone down quite a bit. The panic over non-availability of such products is also down. Alternatively, people have become more conscious about their health. Offerings in ayurvedic or natural solutions are doing well.

The pandemic has accelerated the acceptance of these products. With growing consciousness, ayurvedic products were previously gaining popularity. The pandemic fast-forwarded the demand by three-to-four years. For instance, offerings like chawyanprash are no longer seen as seasonal products; immunity boosting 'kadhas' are popular, and so on.

So are these trends going to hold-on?

In personal hygiene, sales are expected to be much higher than what they were at pre-Covid levels. But the intensity of purchase may go down. This means that there will be some slowdown in demand and sales, but since the overall market-size of these offerings has increased, the numbers will be higher on a comparative basis. Habits like washing hands or using sanitisers will stay, even if people panic less.

Healthcare though is the segment with tremendous potential, especially ayurveda-based solutions in wellness and immunity-boosting categories. As lifestyles change, people will be more conscious about health, lifestyle diseases and the natural solutions (ones without side-effects) surrounding these ailments or issues.

Emami entered the home hygiene category through Emasol brand in November. It



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HARSHA V AGARWAL
Director, Emami Ltd

is early days and pan-India launches are happening. Home hygiene is a growing market that will see increased acceptance in the coming months.

Since you sound bullish about healthcare, what are Emami's plans in the category?
In the healthcare segment, the near 100-year-old Zandu brand has created a name in ayurvedic products and we

have extended it to different categories (within ayurveda) in the last few years. In fact, between April and September, there were 18-19 launches in the healthcare vertical; some of them being digital first ones.

How have online channels performed in the new normal?

Our e-commerce sales have more than doubled and the trend continues in this segment. There have been digital first launches across categories too. In 2021, we will continue with the momentum (on digital channels) and focus on e-commerce.

Most offerings here will be through our mother brands - which already have a good traction in the market. There could be online specific sub-branding or new category specific branding depending on customer needs.

Are discretionary category items witnessing traction?
There has been a month-on-month increase in discretion-

ary category item sales like premium and value-added hair oils and deodorants. In the initial period (post Unlocking) sales were low. But over the last four-odd months they picked up.

Emami is known for its ad-spends. How are they playing out?

As we enter new categories, there will be advertising and branding initiatives. At present, ad-spends are at pre-Covid levels.

What is the impact on margins?

Margins are expected to expand over last fiscal. We witnessed margin improvements in both Q1FY21 (June quarter) and in Q2FY21 (September quarter). Cost-cutting measures adopted over the last few quarters will help (improve margins) further.