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BRAND EXTENSIONS

Spicing up the market



Emami Agrotech aims to shake up India's ₹80,000-crore spices market with its new range of *masalas*

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EMAMI AGROTECH, THE food arm of the Emami Group, recently made its way into the spices category with the launch of Emami Healthy & Tasty Mantra Masala. With this debut the company is eyeing the ₹80,000-crore spices and *masala* market, which is a veritable battlefield for players such as MDH, Everest Food Products and Badshah Masala.

Krishna Mohan Nyayapati, director, Emami Agrotech describes the launch of the spice range as a natural extension to the company's existing edible oils business. "We have been in the edible oils business for almost a decade and wanted to get into categories that have strong growth potential and complement the existing business," he explains.

Organising the market

Despite the segment's massive size and potential, branded spices currently hold a smaller share of the overall market at an estimated ₹32,000 crore. Nyayapati says that the large, unorganised sector pre-



sents both a challenge and an opportunity going by changing consumer trends. "In the last couple of years, we have seen that consumers are becoming increasingly conscious about what they eat and the quality of ingredients they use. Hygiene and safety have never been more important as they are now. This will definitely help drive a shift in consumer behaviour in the next

3-5 years. The organised market, which is now about 40% of the market, may be 50% in the next five years," he predicts. Companies within the unorganised segment that consistently ensure high quality products will continue to thrive, but Nyayapati expects players dishing out suspect quality products to bite the dust. The revenue ambition for the new Mantra range is to reach ₹1,000-crore in the next five years.

To get to that mark the brand plans to highlight certain attributes that Nyayapati hopes will set it apart from others in the market. The first is the use of cryo-grinding

SPICES INDUSTRY AT A GLANCE

- Size of the industry: ₹80,000 crore
- Branded segment size: ₹30,000-32,000 crore
- Organised market growth rate: 10-15%; overall industry: 7-10%
- Major players: MDH, Everest, Badshah, MTR

Source: Industry



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— K M NYAYAPATI, DIRECTOR, EMAMI AGROTECH

in the production process, which allows the spices to retain a higher level of natural oils as compared with traditional techniques. The second is Mantra's zip-lock packaging, which ensures better freshness for a longer period of time.

A fresh outlook

Consumers in the post-pandemic market are relying more on home-cooked meals and are seeking to

simplify the cooking process, notes Anand Ramanathan, partner at Deloitte India. This is driving them to choose packaged spices rather than loose *masalas*. "The branded market is growing faster at 10-15%, whereas the overall market is growing at 7-10%," he says. This trend augurs well for branded *masala* players, though because of the diversity in regional palates, there are definite challenges for new entrants. "Competition is high, with many regional brands dominating within every local market. Moreover, expansion beyond tier-II cities could be a challenge, as consumers choose local brands that cater to local palates," Ramanathan points out.

Nyayapati says Emami Agrotech is specifically targeting markets across the Hindi belt such as Uttar Pradesh, Haryana and Punjab, as well as eastern states such as West Bengal, Jharkhand, Bihar, besides Maharashtra. It will leverage its existing distribution network and make the Mantra brand available in more than 5,00,000 outlets over the next three years. It will also be present in modern trade and on e-commerce platforms.

To keep the buzz going, the brand has chosen Bollywood actor Katrina Kaif as ambassador. "Our research shows Katrina Kaif cuts across age groups and consumer segments. This is a competitive market, and with our campaign and brand ambassador, we will showcase differentiation even in our messaging," explains Nyayapati, adding that the campaign also brings a fresh take on an everyday category that is not necessarily glamorous. While he is unwilling to disclose the brand's advertising budget for this fiscal, he says that the company has earmarked ₹200 crore for the next five years to reach the ₹1,000 crore revenue mark, and may increase that budget if required.