

BETTING ON NEW-AGE SHOPPERS

Godrej Consumer Products is eyeing growth from e-comm-first product innovations and digital native brands, says its CEO (India & SAARC) Sunil Kataria p2



Targeting growth from e-comm-first products: Godrej Consumer's Kataria

'We have been investing strongly in digital business'

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As consumers increasingly turn to online shopping, Godrej Consumer Products believes e-commerce is not just a channel but needs to be treated as a separate business to meet the evolving needs of these new-age omni-channel shoppers. In line with this strategy, the FMCG major has been focusing on launching digital native brands, e-commerce-first innovations and also experimenting with the D2C channel. In an interview with *BusinessLine*, Sunil Kataria, CEO - India & SAARC, Godrej Consumer Products Ltd, spoke

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on demand outlook for the FMCG sector, inflationary pressures and innovations. Excerpts:

What's your outlook for rural and urban demand?

While the first wave generated anxiety, the emotion associated with the second wave has been fear as a much larger population got affected and the wave has been much more widespread geographically. In the first wave, more of the urban regions were impacted but in the second wave, rural regions have also been impacted. Also, the scale and intensity of the second wave were much larger in terms of the pressure on the health of the country. So, in terms of consumer confidence it is a bit of a fluid situation.

Having said that, in the

second half of last year, we clearly saw recovery in terms of consumer sentiment and business performance, especially in the FMCG sector. The January-March period turned out to be a very strong quarter. While we saw the same momentum of demand spilling over to April, May was obviously impacted due to multiple, staggered State-wide lockdowns. But from June onwards, we witnessed a sharp recovery. While it has been a fluid year, I believe the demand fundamentals remain strong and may have not got

impacted as badly as we had thought.

What has been your strategy to tackle inflationary pressures?

Global commodity inflation pressures are at a decade-high level. But we cannot pass on commensurate inflationary hikes in the form of price increases. Our key strategy, therefore, has been

not to let price hikes impact the volume-led demand momentum and at the same time try our level best to manage and deliver decent EBIDTA margins.

There has been a lot of focus on e-commerce and D2C strategies. How are you leveraging on this trend of accelerated adoption of online channel? Are you seeing recovery in modern trade channel?

Two years ago, we set up a separate business unit for e-commerce and have been investing strongly behind the digital business. We are targeting growth from e-commerce-first product innovations and digital native brands. Some of our new products launched as part of this strategy such as HIT Anti-mosquito Racquet, Goodknight Nat-

urals IV and Godrej protekt masks have done well. We are also experimenting in a limited way in the D2C space.

Modern trade channel is witnessing a gradual recovery. But as consumers have now become omni-channel shoppers, modern trade and other such channels will also need to adopt a more omni-channel approach, in line with this shift in the consumer behaviour.

How does the innovation pipeline, in terms of new launches, look like for this year?

In terms of our innovation funnel, once a new product is launched we focus on nurturing it for at least 36 months till it reaches a certain level of scale. Last year, we launched more than 10 new products especially in the hygiene segment. We expanded the

Godrej protekt portfolio with a complete new range of personal and home hygiene products. We also launched our new brand called Godrej ProClean. In the insecticides space, we have been heavily investing behind our innovative product called Goodknight Gold Flash – which is an effective vaporiser.

In the first half of the year, we have been focusing on bolstering our low-unit pack range with two new products. We are currently test-marketing Goodknight Jumbo Fast Card in Maharashtra. Just a month ago, we have also rolled out a new product called Godrej Nupur, which is a henna-based hair colour. This is targeted at the section of consumers who are shifting from non-branded to branded hair-colour products. There are a couple of more launches lined up for the second half.



Modern trade and other such channels need to adopt a more omni-channel approach, in line with shift in the consumer behaviour

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