

Marico to expand brand Saffola, push edible oils

Plans to offer ready-to-cook breakfast mixes

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Home-grown FMCG major Marico Ltd looks to ramp up offerings under the 'Saffola' brand.

The company is working towards new offerings in foods, like ready-to-cook breakfast mixes. It is also planning to push the edible oil category.

Saffola edible oil accounts for nearly 17 per cent of Marico's India revenues, and has had a roller-coaster ride in terms of value growth over the past 10 quarters.

For instance, in Q1 FY18 the edible oils portfolio witnessed a nine per cent de-growth year-on-year. A year later in Q1 FY19, there was a 10 per cent value growth. In the just concluded Q1

FY20, Saffola saw three per cent growth.

Edible oils segment

According to Vivek Karve, Chief Financial Officer, the company is eyeing 6-8 per cent annual growth across the Saffola edible oil portfolio.

"For Saffola (edible oils), we have taken a slightly longer term view. We have always grown (for Saffola) in the range of 6-8 per cent, if you look at it in the last 4-5 years. So, on our part, we are looking to grow the availability and access of our brand," he told *BusinessLine*, in an interview.

According to a report by Edelweiss Securities, the FMCG company (Marico) remains "cautiously optimistic" and edible oil growth slowed down further due to sluggishness in the traditional urban channel.

"Growth during the quarter was led by the new-age channels



Vivek Karve, CFO, Marico Ltd

of modern trade and e-commerce. The brand also gained significant traction from the step-up in media spends that accompanied a new campaign for the mainstay variant, Saffola Gold," the report maintained.

Market sources said that Marico has, over the last few quarters, come up with a variety of consumer offers to push sales of edible oils. New price points, such as a ₹99 pack for Saffola Active (a premium offering), have been introduced, as it also looks to "recruit new con-

sumers". The company prototyped a specific pack for general trade differentiated packaging at ₹699 for 5 litres in general trade as against a ₹825 pack for modern trade, where it offered 5 litre plus and an additional litre for free. "We will come to know the response over the next couple of quarters," Marico's Karve said.

Foods portfolio

According to the Edelweiss report, during the quarter, Marico piloted in Delhi its breakfast offerings under 'Saffola Perfect Nashta' brand. These were mostly, 3-minute ready-to-cook mixes of traditional Indian breakfasts such as idli, dosa, upma (semolina) and poha (rice flakes). "For profitability, (Marico) is looking to scale up food category. (It is) looking at ₹400 crore food business over next few years," the report maintained.