

Emami
Oil for all

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The branded edible oil market of Rs 10,000 crore per annum has caught Kolkata-based personal care provider Emami's attention. It has launched not one but six variants of edible oil for consumers (and not bulk customers) — soyabean, sunflower, palmolein, mustard, soyabean blend and palmolein blend — under the brand Healthy & Tasty. This is Emami's first foray into food products, and it is all too aware of the need to play the health card.

Emami Group Director

Aditya Agarwal says: "AC Nielsen reports show that edible oil sells only 2 million tonnes in consumer packs (less than 5 kg), which is less than 15

EMAMI HAS FORAYED THE FOOD PRODUCTS MARKET WITH THE LAUNCH OF SIX EDIBLE OIL VARIANTS

percent of the total consumption. The market is mostly unorganised, which leaves scope for national brands to grow. Quite often, different brands lord over different oil variants." He adds that national brands have miniscule shares of the market.



Emami hopes to sell edible oil worth Rs 300 crore in the first year. The key driver will be the six variants. "In this business, you need to have all variants to be a national player. Different geographies have different favourites for consumption. While mustard oil is preferred in the east, palm oil is used in the south and west, soyais in demand in central India," says Agarwal.

Agarwal wants consumers

of unbranded edible oils switch to his produce. That's why Healthy & Tasty is available in Rs 5 (75 ml) and Rs 10 (100 ml) packs. "The daily wage worker, for example, buys loose oil every day," says Agarwal. The brand will soon bring out advertisements in Doordarshan and newspapers to tell this segment about the ills of buying loose oil prone to adulteration.

The prices have been kept low for popular packs as well — between Rs 50 and Rs 80 a litre. This has put it at loggerheads with Adani's Fortune and Cargill's Gemini. "We will still be making money at these prices," says Agarwal. Packs for now are restricted to below 5 litre to address the household segment before it turns to the commercial audience.

To establish Healthy & Tasty as a more mass brand, it has roped in Preity Zinta and MS Dhoni to broaden the appeal. "It also inspires confidence in

trade circles, since celebrity endorsements mean that we are willing to invest in the brand," adds Agarwal. While Fortune has used Sharmila Tagore and her daughter Soha Ali Khan, brands such as Saffola bank more on health-oriented activities such as camps and check-ups. Emami too has organised mobile kitchens to initiate bystanders to its oil. Activities in apartments and restaurants have also been planned.

Emami will have to tweak its distribution a little for the new foray. "We have chosen distributors who frequently serviced the retailers because while our other products require replenishment of stocks every 7 to 15 days, edible oil requires it every week if not every three days," says Agarwal. It has got new distributors on board who will work in tandem with its own sales force and service 5,00,000 outlets directly. Healthy & Tasty has been launched in West Bengal, and will go national over the next eight months. ▲