

Company targets 16-17% topline growth by focusing in rural areas and raising dealer margins

# Emami plans new brands to beat slowdown

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**Kolkata:** Emami, maker of personal and healthcare products, plans to launch about 7-8 brands during 2014-15 in a bid to return to 16-17% topline growth rate.

"We would come up with new brands and extensions also, which would start flowing from the next one or two months. We would be very aggressive on new launches, at least 7-8 products," director Mohan Goenka said.

"Our target this year is simple -- to get back to 16-17% topline growth and we are fully focusing on that. A lot of initiatives like growing in rural areas and raising of dealers margins

are being taken," Goenka told analysts today.

"With the launch of the face-washes, we are going to ride on the brand strengths of Boroplus and Fair and Handsome, each having large consumer bases," Goenka said.

The recent launches would help Emami raise its full-year topline by at least 4% in the current year. Its recent launches have been vitality offering Zandu Vigorex, face-washes under Boroplus and Fair and Handsome brands and '7 in 1' hair oil with actor Yami Gautam as brand ambassador.

A general slowdown in the consumer spending has hit Emami during whole of FY14



with topline or net sales growing at just 7.2% at Rs 1821 crore with fourth quarter sales at Rs 446 crore even declining marginally by 1.2%.

"Unfavourable season and

moderation in growth in FMCG sector continues to impact all our categories while erratic winter and delayed summer impacted seasonal brands leading to decline in revenues in the

March quarter. However we continue to successfully strengthen our market share," Goenka said.

Product categories like cooling oil, talcum powder, balm, and male fairness cream, Fair and Handsome, degrew in the fourth quarter pulling down the overall revenues, Goenka said.

Amid tepid sales, the health-care range under the Zandu portfolio, stood apart with a 52% sales growth during the fourth quarter following gradual shift of consumers towards natural wellness products.

With just one month into FY15, Goenka said the year has started with a positive note with summer being particularly

harsh indicating higher sales of summer brands.

"There are positive signs about strong summer and numbers would be encouraging if the trend continues," Goenka said.

In a bid to ensure higher RoI (return on investments), Emami has implemented customised software at the dealers' end as part of an outreach campaign.

"We have taken major steps to improve profitability of dealers by cutting down distributors' stocks from an average 27 days to 17 days, and plans to bring it further to 10-11 days. The idea is that we don't want dealers to carry dead stocks like winter products in summer."