

Emami gears up for foods entry



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After years of considering the idea, Emami, the personal and health care products company, is preparing a plan for a foray into foods.

It has hired Vijay Bhaskar Reddy, ex-head of research and development at Dabur, who specialises in food products. He is to explore areas it can get into.

Emami Director Harsh Agarwal said some of the segments it was targeting were honey, juices, digestive supplements and candies. The company already markets Chyawanprash, an ayurvedic dietary supplement, under the Zandu brand name.

Reddy's task would be to prepare a plan of action, based on the company's strengths and vision.

Agarwal said the company would focus on food categories that were synergistic with its health care portfolio. "Honey and juices are two such areas," he said.

The plan is expected to be ready in a few months, with product development likely to commence after that.

Emami's entry into foods will pit it directly against Dabur, which has a similar health care-personal care-foods push, with an

ayurvedic-herbal base. The two companies already compete in the Chyawanprash space. A foray into honey and juices will mean additional areas where the two will take on each other. The Chyawanprash segment is crowded with national entities such as Dabur and Emami, as well as local ayurvedic companies. This is not so with honey, where Dabur is the preferred product among consumers, notably urban ones — the category is urban-centric.

In juices, Dabur is again a leading player, with its Real range (estimated to have a 52 per cent share), competing with PepsiCo's Tropicana and Coca-Cola's Minute Maid.

In recent years, competition in the foods space has grown, owing to the under-penetration of packaged foods and beverages in India. Packaged fruit juices alone is estimated to be a ₹1,000-crore market, growing at 25-30 per cent annually. Branded honey is only ₹200-300 crore in size, with Dabur commanding a 70 per cent share.

Beside developing products in-house, Agarwal says his company might consider acquisitions in foods. "It is a growing area and we will look at all levers of growth," he said.