

Emami rejuvenates Kesh King to consolidate pole position

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Keen on maintaining its leadership position in the Ayurvedic hair oil category where competition is intensifying, Emami has decided to spruce up the Kesh King brand this quarter by modifying its formulation and a more premium packaging.

In an investor conference call, Mohan Goenka, director of Emami Ltd, said, "We all know that there has been intense competition in this category. We have taken proactive action because everyone knows that it (Kesh King) is high on wholesale (sales channel) dependency; now that wholesale is back on track and we have also taken some corrective actions - we are re-launching Kesh King this quarter."

The re-launch, which Priti A. Sureka, director at the company, termed as "rejuvenation", involves reinforcing the formulation of the hair oil to

help new hair growth in addition to the company's claim of checking hairfall. A new packaging for the brand has also been made which is likely to be introduced this quarter itself.

"We want to reach out to a broader cross section of society cutting across all socio-economic strata, right from urban top-end to rural households. The formulation has been developed in-house and our research team has been working for long on this based on Ayurvedic and natural ingredients," she said.

The company's claims will also be certified by an Ayurvedic institute and be appearing on the new packaging.

Sureka hopes that such certification will help the company reassure the consumers about its claims.

Moreover, Emami will also add the applicator to Kesh King which Indulekha - from the HUL stable - has already introduced.

Kesh King, one of the company's power brands which drive growth, is the market leader in the Rs 7.5 billion Ayurvedic oil market. It commanded a 27.5 per cent market share at the end of June this year.

In the first quarter of the current fiscal year, it grew by 10 per cent and Goenka expects this brand, besides the Navratna brand and men's grooming range, to lead the firm's growth in the coming months.

Kesh King offers Emami a gross margin of 75 per cent and an EBITDA margin of 40-45 per cent.

The renovation of the brand comes at a time when Patanjali's Kesh Kanti, which is a direct competitor of Kesh King, has lost market share in the past few months, primarily to Garnier's herbal range.

"Competition from one of our competitors is reducing now. So, I think we should get the benefit," Goenka said in the conference call.