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BRANDWAGON, P9

1 The Man Company drives
Emami's premiumisation



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PUSH FOR GROWTH

Donning the war paint

The Man Company is central to Emami's premiumisation plan

TOSHIRO AGARWAL

WHEN EMAMI COMPLETED its acquisition of The Man Company (TMC) this August, Harsha V Agarwal, vice-chairman & MD of Emami Ltd, said the brand has "positioned us advantageously to leverage emerging opportunities in the D2C space, driven by widespread digitalisation and a shift of consumer preference towards premiumisation".

The opportunity is hard to miss. At ₹16,000 crore or thereabouts, the men's grooming market is roughly around 10% of the women's market so there is a huge headroom to grow. As the segment matures, the use of unisex products will decline and men will start using more products that are made for them and category premiumisation will follow, say analysts.

Emami says now is the time to push for growth. For all practical purposes, the Kolkata-based company created a whole new category when it launched Fair & Handsome, a fairness cream for men, in 2004. Hindustan Unilever (HUL) fought back with a men's Fair & Lovely product in 2006, which was rebranded in 2020 as Glow & Handsome. The category really took off after the Covid restrictions began to ease. The men's fairness market size is now approximately ₹600 crore, and Emami is a leader

ON AN UPWARD CLIP

₹19,500 cr

Size of overall grooming market by 2026

Source: Euro-monitor



with 65% share.

The overall grooming market for men has been on an upward clip for sometime now. According to market research firm Euromonitor, the segment is expected to reach a staggering ₹19,500 crore by 2026 from a market size of ₹12,500 crore in 2021. The segment breakdown reveals that shaving products hold the largest share at 43%, followed by toiletries at 42%, and fragrances at 15%. The compound annual growth

rate (CAGR) between 2021 and 2026 paints a promising picture, with shaving products projected to grow by 6-7%, toiletries by 10-11%, and fragrances by 12-13%.

So what does TMC bring to the table? For one, it will give the new owner a wider portfolio to speed up growth. TMC describes itself as a head-to-toe brand, offering face, hair, body, beard, shaving products and fragrances. It competes with the likes of Bombay Shaving Company, Ustraa, and Marico-owned Beardo,

and added star power when actor Ayushmann Khurrana invested in the start-up in 2019. It reported a turnover of ₹183 crore in FY24.

For another, as a digital native, TMC knows a thing or two about how to leverage influencer marketing and TikTok-style videos, besides personalised communication and product bundling. That will give Emami a head start in the digital space, where the bulk of its target audience resides now. As Agarwal said, "TMC has the required capabilities to grow and the acquisition will strengthen its presence in the fast growing digital-first premium male grooming segment".

Opportunity & challenges

In its latest annual report, Emami said that 45% of its topline in FY24 came from acquired brands, and the proportion of revenues coming from non-rural geographies has increased. That gives a fair idea about where the new brand fits in. Emami says it aims to grow TMC to a ₹500-crore brand in three years, and over time to a ₹1,000-crore brand. The company plans to launch TMC in international markets by 2028.

While the opportunities are plentiful, the challenges for brands

in the space are not easy to negotiate. Faiza Deshmukh, founder of Fiore, points out that "the challenges are mostly brand loyalty related" — that is, while it is easy for brands to attract customers it is equally difficult to retain them as a bevy of brands vie for their attention. "Men may take grooming seriously, but they often lack knowledge about specific skin needs and the ingredients in products," she adds.

The plethora of choice for the consumer also means a dog-eat-dog fight out there for brands. Roshan Singh Bisht, co-founder & CEO of Asort.com, notes that scaling is a challenge due to market saturation, so the focus should be on product differentiation. "Consumers today seek not just another grooming product but one that aligns with their lifestyle and preferences," he says. Prices are a significant consideration too, especially outside major urban areas. So if Emami is looking at premiumisation, it must give consumers a significant "reason why", say product managers.

The brand can stand out in a cluttered market by swapping corporate jargon for real stories and genuine customer testimonials, says Prabhat Maheshwari, co-founder & director of Amocare. Successful men's toiletry brands such as Gillette ("technology that gives the smoothest possible shave") and Lynx ("makes you smell more attractive to the opposite sex") have shown that benefit-led marketing works better with men. So highlighting immediate benefits in its communication can go a long way in creating mindspace.

On the product side, offering fresh home-grown solutions, or blending traditional ingredients with modern science will help it create a niche for itself, says Adrine D'Mello, creative director, strategy, White Rivers Media.