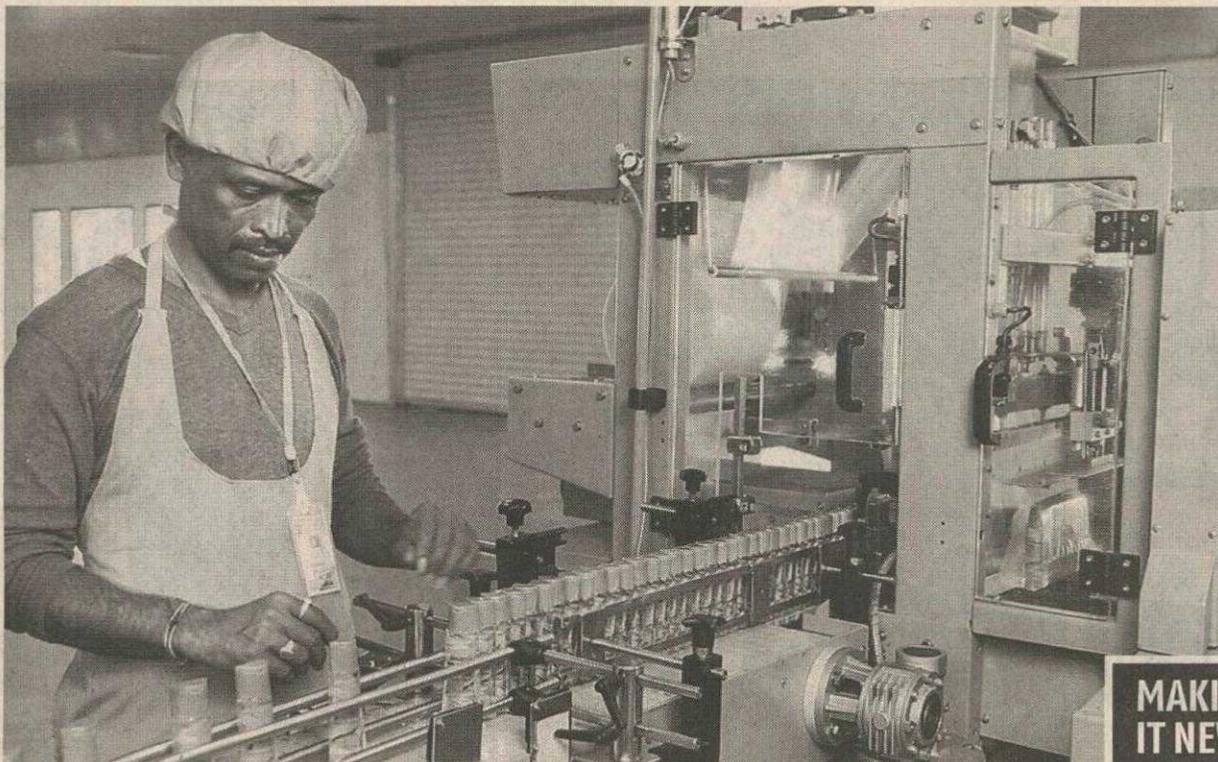


Brand extension drives Emami

The company is sharpening focus on health care and men's grooming – segments that are poised to grow exponentially



MAKING IT NEW

SANGEETA TANWAR

Emami Limited is sharpening its focus on health care and men's grooming space to drive future growth through product extensions of its fastest selling products such as BoroPlus, Zandu and Fair and Handsome. Over the last six months, the company has launched as many as eight new product variants of its existing mother brands. For example, Emami introduced BoroPlus Perfect Touch and BoroPlus Zero Oil Zero Pimple Face Wash as an extension of mother brand BoroPlus over the last two months. Similarly, it has come out with new health care product Zandu Snez-Cure under the mother brand of Zandu in September. At the same time, Zandu Gel, Zandu Spray and Zandu Roll have been launched in the market in July — all an extension of Zandu.

So, what explains Emami's focus on investing in its existing product portfolio through extensions as well as new categories under an established mother brand?

Harsha V Agarwal, director, Emami Limited, says, "From an overall growth perspective, we believe our existing power brands

like Zandu, BoroPlus, Navratna, Fair and Handsome, and Kesh King offer a lot of headroom for growth. We're also focusing on product extensions through these brands."

Emami is keen on launching products in wellness-health care and men's grooming that are poised to grow exponentially.

Emami is test marketing a product that promises to help boost immunity among children and youngsters. The focus is on developing a product that's not only healthy but rich in taste and ensures the head of the house (mothers) do not have to coax

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Director, Emami Ltd



kids. Hence, Emami is test marketing the product in a jelly form, which will eventually be a part of Zandu Chyawanprash.

According to Rini Dutta, founder, Centric Brand Advisors, "Brand extension makes sense if the brand is strong and if there is a significant catchment area for the brand to tap into. Also, they make sense to the extent that the company does not have to invest money in creating brand awareness and marketing for a new brand in a crowded market." At the same time, Dutta points out that one has to be pragmatic while going for brand extensions. For example, in case of BoroPlus, it is important to consider how far the company can go with the product without its therapeutic value. Can BoroPlus become a pure play brand sans its medicinal value?

Also, a player like Emami needs to guard against over-extension of particular brands as it could lead to dilution.

While planning new product launches, Emami does not attach too much premium on the minimum or maximum number that it is going to achieve. Rather, it focuses on developing new products depending upon how best a new idea (the planned launch) fares on consumer research, the need gap and value it delivers to customers. The product proposition has to be strong for an idea to translate into a product.

The company is also keen on getting into new product categories. For instance, Emami entered the hair colour segment with Emami Diamond Shine this August.

Equally, the company continues to be confident about delivering growth through its diverse product portfolio based on ayurvedic formulations.

Unlike competitors' new-found focus on ayurvedic products, Emami has for long been promoting products based on ayurvedic formulations. Undeterred by increasing competition in this segment, the company believes the market will only grow with the entry of new players.

Agarwal says, "We got an early entry into this space through our brand Zandu. Patanjali's entry into the market has contributed in increasing the acceptance of ayurveda products. A lot more people are considering ayurveda products as an option. There are enough opportunities for all to grow in ayurveda-based products. It is for the companies to make the most of the available opportunity."

Dutta says established companies such as Emami need to be wary about new and emerging competition. People today are eager to try new things. Take for instance, Indulekha. From being a local oil brand it appears to have made a huge debut nationally. For some of the old brands such as Navratna and Zandu, the company also has to see what chance do they stand

in terms of distribution in the south where *desi* (read local) brands rule.

It appears that Emami is conscious of this challenge and hence it is working towards strengthening its distribution footprint in urban as well as rural areas. The company covers 30 urban towns across the country and plans to increase its reach by adding 100,000 more outlets across these towns by 2018. At the same time, Emami is strengthening its rural direct reach and plans to add another 100,000 stores under rural coverage by the end of next year.