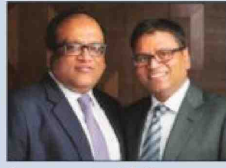


Published Date:	31 Jan 2024	Publication:	Financial Express [Mumbai]
Journalist:	Akanksha Nagar	Page No:	1
MAV/CCM:	19,250/7.30	Circulation:	40,578



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'Emami will focus on food & paper in 2024'

The group's promoter directors discuss ambitions and plans for the year

■ BRANDWAGON, P9

Published Date:	31 Jan 2024	Publication:	Financial Express [Mumbai]
Journalist:	Akanksha Nagar	Page No:	9
MAV/CCM:	261,250/118.64	Circulation:	40,578

● INTERVIEW: ADITYA V AGARWAL & MANISH GOENKA,
promoter directors, Emami Group

'Emami will focus on food & paper in 2024'

Last month, Kolkata-based Emami Group roped in McKinsey & Co to help it identify new growth opportunities. In this interview to Akanksha Nagar, the group's promoter directors Aditya V Agarwal and Manish Goenka discuss ambitions and plans for 2024. Edited excerpts:

You are working with consulting firm McKinsey to identify future areas of growth. What exactly is the game plan?

Agarwal: Emami has partnered with consulting firm McKinsey & Co to explore and identify potential areas of growth, of which food happens to be a major one. The company has given McKinsey a specific mandate to look into two to three categories within the food industry that we could potentially enter. The focus of this exploration includes packaged staples such as atta, rice, sugar, and salt, as well as ready-to-eat and ready-to-cook products, gourmet packaged food, and perhaps even kitchen appliances. We also aim to leverage their expertise to pinpoint emerging sectors and capitalise on the potential for success in the evolving landscape of the food industry.

Goenka: This year, we are actively exploring new ventures and conducting studies in seven or eight sectors. The final decision on the sectors will be made after a careful evaluation, aligning with the overarching goal of driving business growth. The intention is to select one or two of these sectors for initial investment and expansion. The flexibility to operate under existing

entities like Emami Ltd or Emami Agrotech or even establish a separate company highlights the strategic approach to business expansion. The main focus area for the

group in 2024 will be centred around the food and paper sector.

A major focus area for Emami has been direct-to-consumer (D2C) brands – from pet care to premium personal care and skin care brands. What is the opportunity here?

Agarwal: The whole market dynamics has changed, especially post-Covid. D2C is the latest buzz word and every consumer-facing company today is into it, including us. We not only have invested in D2C brands but also have our own D2C products under our existing brands such as Navratna, Kesh King, Zandu etc. Innovation, be it in the infrastructure of an organisation or its products/offering including services is necessary for existence and growth. We are a legacy organisation, but innovation has been in our DNA right from the beginning.

The first-ever Emami product, launched by us in 1974, was completely different from every product available in its category. We innovated in packaging, fragrance, and positioning, which made our first Emami products of talcum powder and vanishing cream a runaway success within two years of its launch. The diversification into paper in the early

80's is also based on this innovative thought process. That apart, we pioneered in-film advertising in the early 80s with our products in the movie *Agar Tum Na Hote*.

Can you share a more recent example?

Agarwal: In December 2023 we introduced a range of mustard oils with three distinct variants – mild, strong, and super strong – with the pungency level mentioned on the pack to allow the consumers to make an informed choice. This disruptive and innovative concept will redefine the mustard oil landscape. This is the first time that any edible oil brand is offering such information. That apart, the group is strategically leveraging technology to bolster its sales and distribution endeavours, with a focus on integrating tools that harness data and insights.

What are those three things that have helped Emami hold its own amid competition from both homegrown players and global FMCG behemoths over the last five decades?

Goenka: It takes a combination of vision, adaptability, and resilience to establish a five-decade legacy in business. One of the key contributors to the group's journey has been its consumer-oriented mindset, which has allowed us to build a stronghold in the FMCG sector. The success of brands like BoroPlus, Navratna, Fair and Handsome, and Zandu reflects our commitment. Emami Agrotech, the edible oil arm of the group, stands out as another high point, contributing significantly to the overall turnover. Its diversification into spices and the recent foray into soya chunks showcase the desire to expand its presence in the food industry. This diversification not only enhances revenue streams but also positions us as a player in multiple sectors. This strategy is crucial for sustaining long-term growth and mitigating risks associated with over-reliance on a specific industry. That said, adapting to market dynamics, economic fluctuations, and evolving consumer preferences are constant challenges in every sector, in particular the FMCG sector.

THE GROUP IS LEVERAGING TECHNOLOGY TO BOLSTER ITS SALES AND DISTRIBUTION ENDEAVOURS & INTEGRATING TOOLS TO HARNESS DATA, INSIGHTS"



Aditya V Agarwal (left) & Manish Goenka