

## EMAMI LIMITED: PRODUCT DEVELOPMENT – A CASE STUDY

Saloni Raheja\*

### Abstract

The present paper is the case study of Emami Ltd company of Kolkata based Emami Group, which is engaged in the business of manufacturing of the personal care and health care products from past 3 decades. They have introduced various products under various brands to beat the competitors. Product development is making changes in the existing product or developing the new products. We see the production development in almost all the business sectors but Emami places a different mark in the product development for its survival and growth and in order to fulfil its aim of satisfying the customers. Developing new products for an existing market is also more risky than market penetration. It is often most appropriate where the strength of the business lies in its relationship with customers. A successful product development strategy is dependent upon timing, planning, and realistic expectations. To achieve measurable product development results, the company bring innovative new products to market faster and more cost effectively.

**Key Words:** Emami, Product Development, Existing market

---

\* Assistant Professor in Commerce, Phillaur, Punjab.

She has participated in five National and International Conferences. She has six International Publications.

## Introduction

Emami Ltd. is the flagship company of Kolkata based Emami Group, which is engaged in the business of manufacturing of the personal care and health care products from past 3 decades and has diversified in the other SBUs like real estate, paper, bio fuel, cement etc. The company has over 30 brands under their portfolio. The company's product categories consists hair care, skin creams, soaps and lotions, talcum powder and ayurvedic healthcare products. Their product portfolio includes Navratna Oil, Boroplus Antiseptic Cream, Fair and Handsome, Navratna Cool Talc, Sona Chandi Chawanprash, Zandu Balm, Himani Fast Relief, Emami Healthy & Fair, Emami Malai Kesar Cold Cream, Lalima, Sardi Ja and Zandu Pancharisht. The company has ultra modern manufacturing facilities at Kolkata (West Bengal), Guwahati (Assam), Pantnagar (Uttarakhand), Vapi (Gujarat), Silvassa (Dadra & Nagar Haveli) and Talasari (Maharashtra).

Emami has an international presence which includes 60 countries in the GCC, CIS and SAARC regions. The company's exports grew by about 60% in 2008-09, contributing 13.6% to the top line. This contribution is likely to grow in future. EL has an extensive distribution network of more than 2700 distributors in the country, about 1200 sub distributors, 60 super stockiest and 4,00,000 direct retail outlets, covering almost every nook & corner of the country.

The case is about EMAMI ltd Company which is a leading player in the personal and health care consumer products in India. They have introduced various products under various brands to beat the competitors.

## Introduction to Industry

The FMCG sector in India is at present, the fourth largest sector with a total market size in excess of USD 13 billion as of 2012. This sector is expected to grow to a USD 33 billion industry by 2015 and to a whopping USD 100 billion by the year 2025. A look at some factors that will drive growth in this sector.

Increasing rate of urbanization, Rise in disposable incomes, resulting in premium brands having faster growth and deeper penetration. Innovative and stronger channels of distribution to the rural segment, Increase in rural non-agricultural income and benefits from government welfare programmes. Investment in stock markets of FMCG companies, which are expected to grow constantly.

Emami is one of India's foremost FMCG companies. From a modest start to the business in 1974 the company has walked a long way to become a leader in the FMCG sector in South East Asia today. For the past three and a half decades we are continuously nourishing, nurturing and nursing the world.

### **Product Development of Emami**

The inception of Emami Group took place way back in mid seventies when two childhood friends, Mr. R.S. Agarwal and Mr. R.S. Goenka left their high profile jobs with the Birla Group to set up Kemco Chemicals, an Ayurvedic medicine and cosmetic manufacturing unit in Kolkata in 1974. It was an extremely bold step in the early seventies when the Indian FMCG market was still dominated by multinationals. But against all odds with a vision of combining the age old wisdom of Ayurveda with modern manufacturing techniques for creating winning brands the company started with a meager amount of Rs. 20,000. A dream of reaching out to the Indian middle class; a target audience whom they thought will have increasing potential for consumption, the company started manufacturing cosmetic products as well as Ayurvedic medicines under the brand name of Emami from a small office (still retained) in Kolkata's business district of Bada Bazaar.

In 1978, Himani Ltd (incorporated as a Private Limited Company in 1949) had become sick unit and was up for sale. Himani, almost a 100 year old company with good brand equity in Eastern India and a well laid out factory in Kolkata, was producing a number of cosmetics. Mr. Agarwal and Mr Goenka acquired Himani though for their young organization it was a tough task to mobilize resources for buying a sick unit and even tougher to turn it around to a profitable venture and use this sick unit to produce different types of health care items and toiletries based

on Ayurvedic preparation. A decade later the company launched its first flagship brands Boroplus Antiseptic Cream under Himani. Currently Boroplus is one of the largest selling Antiseptic Cream in India and which also has presence in Russia, Ukraine, and Nepal. Boroplus Senior Brand Manager Pradeep Kumar says: “The mass end of the market keeps shifting between cold cream, petroleum jelly and antiseptic creams. It is warming up to the idea of value-addition to basic creams.”

Emami complements its strategy ‘Nukkad Nukkad pe Emami’ with its wide spread distribution channel. In 1995, Kemco Chemicals became a Public Limited Company and name was changed to Emami. Later in 1998 two companies namely Emami and Himani were merged into one to form Emami. In 2005, the company launched its product Fair and Handsome which was India’s the first fairness cream for men. They targeted the 15-35 age of men. The brand uses the tagline: “Be fair Be Handsome”

Later the company decided to venture into health care division. This division created brands like Navratna, Sona Chandi Chawanprash, Mentoplus and Fast Relief.

From its beginning till today, the Emami has grown into a huge Rs. 1000 crore Emami Ltd under the flagship company of the Rs.3000 crore Emami Group. EL launched Fair & Ageless Fairness Cream, Boroplus Healthy & Fair Winter Cream, which is being rolled out, addresses the need of fairness cream users who find their creams inadequate to battle dry skin brought on by the winter. This cream combines the promise of fairness along with winter protection. “We will retain the core promise of protection with all the Boroplus brands,” says Kumar.

and Body Lotion and Mr. Black and Mrs. Black, herbal Hair Dye Powder and Malai Kesar Cold Cream in the personal care segment. “Khul ke khilo”. This cream is for all men and women. Also, they launched Sona Chandi Chawanprash Himani wants to get the share in the premium segment of the chawanprash market and Fair Baby Massage Oil, Good Morning, an Ayurvedic laxative Churna, Sardi Ja, a cough syrup and Vaporub and Memo-plus, a memory booster, Sanjeevan Dhara - a digestive in the market. During the year, as per the scheme of amalgamation, JB Marketing & Finance Ltd, the erstwhile marketing company of the Emami Group was amalgamated with the company. The equity shares of the company were listed on the

National Stock Exchange Ltd. In May 2007, the company formed a wholly owned subsidiary company namely, Emami Realty Pvt Ltd. The company ventured into the realty business through this wholly owned subsidiary company.

In November 2008, the company acquired 68.9% stake in Zandu Pharmaceutical Works Ltd at a consideration of Rs 713 crore and de-merged Zandu FMCG business into the company. Simultaneously, real estate undertaking of the company comprising of their interest into Emami Realty Ltd and Zandu's non-core business comprising real estate was de-merged into Emami Infrastructure Ltd with effect from November 05, 2008. During the year 2009-10, the company launched new products namely, Boroplus Winter Lotion and Emami Malai Kesar Soap in the market. Also, they launched new product variants, Navratna Oil. They introduced Zandu Balm in a new bicolour plastic container. They opened a new depot in Coimbatore to widen South India sales. Also, they commenced operations in Bangladesh. The company plans to set up a new newsprint facility at Orissa at an investment of Rs 5 billion and will be set up by Emami Paper Mills Ltd, a group firm. Also, they plan to set up 200 to 300 mega watt power plant in Ethiopia with an investment of Rs 10 billion Rs 15 billion and the plant could be a hydro or a thermal power plant.

Analysts say the intent is not only to unleash the untapped potential of the strong Zandu brand — deploying a mix of marketing, distribution and operational strategies — but also to prepare the ground for Emami to play a bigger role in the consumer goods market. Emami ltd Company after making so many products under various brands, are now focussing on the health drinks. Developing new products for an existing market is also more risky than market penetration. It is often most appropriate where the strength of the business lies in its relationship with customers. A successful product development strategy is dependent upon timing, planning, and realistic expectations. To achieve measurable product development results, you will need successfully address the pressure to bring innovative new products to market faster and more cost effectively.

Emami Limited, a Rs 3500 crore diversified business conglomerate, has launched 'ZANDU GLUCO CHARGE' - a glucose based energy drink mix with Vitamin C- in the West Bengal market. N. Krishnamohan, CEO - Sales, Supply Chain & Human Capital of Emami Ltd. said,



“Zandu, a pioneer and trusted leader in the most ancient science of Ayurveda, has been providing holistic care to millions of Indians across generations in various health facets. We have strived to foray into new areas of product innovation with Zandu Gluco Charge, a glucose product that will keep you fit and active by giving instant energy and also help build immunity.”

Kolkata-based Emami is gearing up for a head-on clash with established players like Heinz and Dabur. EL launched in the West Bengal market this summer, the product aims to help its consumers in beating the heat and staying healthy. According to a release by the company, summer is a time of heat and humidity which saps all energy and makes the body weak and dehydrated. This is a cruel season when the body becomes vulnerable to various health hazards like attacks of germs, allergens, pollution and increased levels of stress. To counter all these and more, Zandu Gluco Charge will not only replenish your summer with the punch of energy, but will also help provide immunity against all summer illnesses as it comes loaded with the goodness of Vitamin C. As the tagline goes, “Energy se bharpur, Bimariyon se rakkhey duur”. The glucose fights lethargy and rehydrates the body, while the extra goodness of vitamin C in the product provides the much needed boost to the immune system. “The initial consumer and trade response from West Bengal has been quite encouraging. Apart from this, Uttar Pradesh, Maharashtra, Bihar, Andhra Pradesh and Tamil Nadu are also big in the consumption of glucose,” says Saroj Chakraborty, chief executive officer, Emami Biotech.

But it may not be an easy ride for Emami, as other new entrants like Glaxo Smithkline and Rasna are also in the race. “Competition is very fierce in the segment. The emphasis still remains on distribution-and-push strategy rather than demand-generated pull strategy. The reason: consumers still prefer ready-to-drink over to-be-made. Also, Glucon-D is already generic in the industry and traditionally it has always been difficult to break the generic product,” says Krupal Mehta, vice-president, brand management, Angel Broking.

However, Emami through its products like Himani Sona Chandi Chawanprash, Boroplus, Navratna, Fair and Handsome and Fast Relief had proved in the past that it is possible to take on generic products. Analysts say that the ready-to-drink concept could be one way of taking on the giants in a big way. The product is available in 3 variants – Classic, Orange and Pineapple. The

packs are priced at Rs 21 for 100 gm and Rs 40 for 200 gm respectively for the Classic variant and Rs 26 for 100 gm pack of Orange and Pineapple. Classic: Glucose, Sucrose, Minerals (Tricalcium phosphate, Dicalcium phosphate), Iodised salt, Vitamin C Orange: Glucose, Sucrose, Citric Acid, Trisodium citrate, Minerals (Tricalcium phosphate, Dicalcium phosphate, Potassium chloride), Iodised salt, Vitamin C Pineapple: Glucose, Sucrose, Citric Acid, Trisodium citrate, Minerals (Tricalcium phosphate, Dicalcium phosphate, Potassium chloride), Iodised salt, Vitamin C.

While accepting that it would be a tough battle ahead, Chakraborty says the focus for a new brand in an old category is to ensure a high degree of trials, for the consumers to feel the difference. As long as this is done well, market-share is a derivative." Emami expects the category to grow 117 per cent to Rs 1,300 crore from the current Rs 600 crore in the next five years, where all the brands have space to grow. "With the deep pockets that Emami has, I am sure it will attack the distribution channel of Heinz and Dabur and try to establish a strong brand connection with Gluco charge. Emami's initial test marketing and product positioning gives the perception of a very healthy competition," Mehta adds.

From the above discussion, it is clear about the product development of EMAMI company which launched various products. So the company will be in a good condition in future as well if they launched new and innovative products from time to time.

## Conclusion

The Indian domestic markets have become very competitive with many international brands and products making inroads into the market. In such a competitive scenario, Emami Ltd has the advantage of serving a diverse country like India, with their diverse product range and new products wherein consumers belonging to different regions exhibit different buying behaviour. This experience should help Emami to cater to emerging countries like Africa, south-east Asia and Latin America. Emami has recognized the need to expand to international markets and is making inroads and acquisitions that will a strategic fit to the organization and can help the company to achieve their future goals.

## References

- <http://www.emamiltd.in/about-us/the-journey.php>
- <http://www.emamigroup.com/Brands>
- <http://www.indiainfoline.com/Markets/Company/Background/Company-Profile>
- [www.business-standard.com/wapnews/storypage.content.php](http://www.business-standard.com/wapnews/storypage.content.php)
- <http://info.shine.com/Article/FMCG/FMCG-industry-overview/4261/cid780.aspx>
- <http://www.zanduayurveda.com/about-us/index.php>
- <http://microsec.accordhostings.com/Static/Pdf/634147844335468750>
- <http://info.shine.com/company/Emami-Ltd/791.aspx>
- <http://www.business-standard.com/article/management>
- <http://www.sify.com/news/emami-launches-zandu-gluco-charge-news-business-mecuoAiddec.html>
- [http://www.afaqs.com/news/story/34830\\_Emami-set-to-charge-up-glucose-drink-market](http://www.afaqs.com/news/story/34830_Emami-set-to-charge-up-glucose-drink-market),
- <http://smartinvestor.business-standard.com/company/>



Annexures

