

CAN KWALITY WALLS BEAT THE HEAT?

Ice cream majors have aggressive plans to gain bigger market shares. Here's how Hindustan Unilever hopes to stay ahead with Kwaliti Walls

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Unilever is the undisputed world leader in ice creams. Its Heart-brand ice creams — Cornetto, Magnum, Ben & Jerry's, Solero, Carte d'Or and Breyers — recorded sales of \$11.08 billion in 2008. Annually, the Anglo-Dutch company spends around \$70 million on ice cream research. To strengthen its global position, it last year acquired Inmarko in Russia.

In India, the story is slightly different. Hindustan Unilever, which is owned 51 per cent by Unilever, has a 14 per cent share of the 100-million litres and Rs 1,200-crore per annum ice cream market, which makes it the second largest player after Amul (38 per cent market share). The gap is no less than 24 percentage points.

But this perhaps is not the full picture. Hindustan Unilever executives claim the company's ice cream business is growing at almost 25 per cent per annum. (Last quarter, sales hit Rs 90 crore). Volumes have almost doubled in the last three years. And the company has taken strategic initiatives to outwit its rivals, most of them homespun players.

Homespun they might be, but the rivals are no rabbits. Market leader Amul has a huge emotional connection with Indian consumers as it was the nerve centre of the White Revolution in India. Its ice cream is available in no less than 70,000 stores across the country — a number it plans to raise to 100,000 in the next one year. Its growth target for the year is 20 per cent. (The market has grown at 15 per cent per an-

num in the last five years.)

Vadilal, the third largest player in the ice cream market with a share of 12 per cent and a strong player in western India (Maharashtra, Goa and Gujarat), has drawn up aggressive growth plans. It will raise Rs 50 crore to expand its capacity by 40 per cent and spread out to new geographies. "New launches, better availability, accessible prices and better awareness as we doubled our advertising spends on television have helped us grow 40 per cent this summer," says Vadilal Managing Director Rajesh Gandhi.

Mother Dairy (market share: eight per cent) has fanned out from its stronghold of North India to the eastern and western parts of the country in the last few years. Its strength is the 4,000 pushcarts out on the streets of the country at all times. As a large category of consumers buy ice cream on impulse, this fleet has helped Mother Dairy grow 35 per cent this summer. Mother Dairy Chief Executive Officer Paul Thachil makes no bones that this is a strength he plans to leverage in the days to come. "We will grow our pushcarts 25 per cent and increase our distribution reach," says he.

Tough fight

Where does this leave Hindustan Unilever? Ice cream volumes have grown at a much faster pace than the rest of its FMCG business. While overall FMCG volumes were up a paltry two per cent in the



KWALITY WALLS DECIDED TO FOCUS ON THE TOP SIX METROS OF THE COUNTRY AND HAS OVER THE YEARS EXPANDED TO THE TOP 30 CITIES

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