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Surf Excel is Now a \$1-billion Brand

HUL BRAND becomes the 1st in India's home & personal care category to breach the mark

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Mumbai: Hindustan Unilever's Surf Excel detergent brand crossed a billion dollars in annual sales in 2022, the first brand in India's home and personal care category to reach that mark. Surf Excel posted more than ₹8,200 crore in annual sales last year, becoming also the first HUL brand to top that mark, driven by the company's increased focus towards premium products. HUL's second largest brand is Brooke Bond at ₹5,000 crore annual sales. The Surf detergent brand, launched six decades ago, now controls more than a fifth of India's overall detergents market worth ₹35,000 crore.

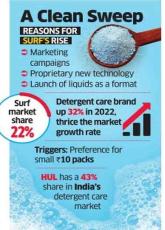
worth ₹35,000 crore.
Deepak Subramanian, executive director, home care at HUL, said the company's efforts towards premiumisation of the segment through liquid detergents and fabric conditioners yielded strong results as consumers increasingly shifted to higher-priced products and innovative formats.

A host of reasons, including marketing and innovation in the market with Surf bars and liquids, helped the company reach the milestone, he said. "So, we have taken purpose, performance and innovation and then really de-averaged it through our winning in many India strategy."

Surf, the original market leader in the detergent category, was evicted from the top spot in 1985 by Ahmedabad-based Nirma's eponymous brand. This led HUL to launch the lower-priced Wheel to take on the new rival, capturing the top spot back. It held on to the position from the early 1990s till 2012, when Kanpur-based RSPL's Ghari brand edged it out. Surf, however, upstaged both Wheel and Ghari three years ago.

HUL, which also owns Rin and Sunlight, had a 43% share in 2022 in India's detergent care market — the highest in more than a decade, according to the company's estimate.

The company said despite inflation, the Surf Excel brand expanded 32%, thrice the market growth rate, helped by increasing preference for the



small ₹10 packs, a price-point that now accounts for 40% of its category sales.

"Typically, local players tend to be at the mass market, and because there's an upgrade happening to premium, that is where we gained from them," said Subramanian.

There is also a sharp shift away from pricing and ad war in the laundry category, especially with global rival Procter & Gamble that challenged it in the early years of this century, forcing HUL to step up spending on marketing and advertising to levels which no rivals could



match. A decade ago, HUL engaged in a no-holdsbarred campaign when it blatantly showed P&G's brand Ti-

de and claimed that laundry brand Rin was better.

"The way in which consumers are processing advertising today is far more sophisticated than years ago. Consumers are far more savvy. If you look at the growth of influencer marketing, digital recommendation, or word of mouth, they become more important. So, I think ad war is less impactful for consumers," said Subramanian, who joined HUL in 1995 as a management trainee. HUL said Surf mainly gained shares from smaller players as most of them could not hold their price lines in the wake of inflating input costs.

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