

Published Date:	8 Aug 2024	Publication:	The Economic Times [Kolkata]
Journalist:	Sagar Malviya, Chaitali Chakravarty	Page No:	1

HUL MD ROHIT JAWA TALKS STRATEGY

'Need New Plan for New India'

1



HUL MD Rohit Jawa said the strategy that made firm a market leader will have to be replaced with a more agile innovation model. **Sagar Malviya & Chaitali Chakravarty** report. ►► 5

Published Date:	8 Aug 2024	Publication:	The Economic Times [Kolkata]
Journalist:	Sagar Malviya, Chaitali Chakravarty	Page No:	5
MAV/CCM:	193,034/69.94	Circulation:	21,842

HUL Needs a Strategy Upgrade to Meet New India's Aspirations: MD

Says co needs to adopt more agile innovation model, lines of urban-rural divide blurring

Sagar Malviya & Chaitali Chakravarty

FUTURE READY

What got us here won't take us there, and the next journey, or next decade, will have to be different

ROHIT JAWA
MD, Hindustan Unilever

Mumbai | New Delhi: Hindustan Unilever managing director Rohit Jawa said the strategy that helped the company reach a market leading position and become India's consumer bellwether will have to be replaced with a more agile and faster innovation model, as product distribution channels get democratised and premiumisation trends in villages mimic that of cities.

"What got us here won't take us there, and the next journey, or next decade, will have to be different. It will be about the new India, which is about meeting the aspirations through upgrade as the main thesis. It's about offering brands at all price points and making new markets, going to high-growth spaces, especially in foods and beauty, where we have lots of white space," Jawa told ET. "It's about building strong digital capability and ability to innovate fast, experiment fast, pivot fast. A much faster business than in the past."

HUL's sales expanded 2% while net profit grew less than 2% in fiscal 2024, a steep decline from FY23 when its revenue and profit had increased 16% and 13%, re-

spectively. The company's performance is considered a proxy for broader consumer sentiment in India. With annual sales of over ₹60,000 crore, the Indian unit of Anglo-Dutch consumer giant Unilever is by far the market leader in laundry, soaps, shampoo, tea and skin care categories, and the second biggest in coffee and oral care.

Over the past two years, it has been under pressure from digital-first brands in the top end and local and regional players at the mass end of the market. In addition, top conglomerates from the Tata and Adani

groups to more recently Reliance Industries have all expanded their presence in daily essentials and groceries space, competing directly against multinationals such as Nestle, Procter & Gamble and Unilever.

The maker of the Dove soap and Rin detergent, however, remained unperturbed and said it couldn't have been in a better place than it is now to cash in on India's consumer story of the next decade. Jawa reiterated its strategy of competing in many Indias makes it difficult for competitors to copy.

"That level of deep consumer nuances, of habits, formulations, trade structures and competitive sets is extremely difficult for anyone to land and start doing. A strong, big fast-moving consumer goods company in an exciting market is one big tick.

We get to almost every outlet in the country. We have amazing R&D. Our big brands are only going to get bigger because of technology unlocks. Today, we are resilient in any kind of volatility, we can reach any part of the country and we can make anything. So, absolutely a source of competitive advantage as well," said Jawa, who took over as HUL's MD in June last year. "So, if you had asked me in 2010 that by 2024, would you like a company with that kind of a profile, I would have said, yeah, that's a dream."

Two quarters ago, FMCG sales growth in villages outpaced that in cities for the first time in nearly three years, an early indication of demand recovery, helped by a lower base and price cuts to offset hyperlocal competition.

In India, urban consumers still account for nearly 60% of consumer goods sales. HUL, which gets nearly a third of its sales from pricier brands, said the top consumer trend in the FMCG market has been upgrade and premiumisation, more pronounced in urban areas, although rural areas are fast catching up. "The line between premium product consumption in small towns and urban area has blurred," he said.



COMPANY PHOTO