

The trend of premiumization has been consistent and resilient and will continue: HUL CEO

Premium growth is outpacing total growth by nearly two times at HUL.

[Swaraj Singh Dhanjal](#) & [Deborshi Chaki](#)

August 08, 2024 / 06:00 IST



Quick commerce is now one-sixth of HUL's e-commerce sales: HUL CEO Rohit Jawa

[More](#)

Premiumisation in the FMCG industry is a consistent and resilient trend and is expected to continue to grow strongly as both in urban and rural markets customers are upgrading to higher value products across categories, said HUL CEO Rohit Jawa in an exclusive interaction with Moneycontrol.

"I believe the trend of premiumization has been consistent and resilient, and I expect it to continue. Both our portfolio and the market portfolio will keep shifting towards more premium offerings. Whether in urban or rural areas, the main driver of growth in India is upgradation," said Jawa.

According to Jawa, in urban areas, this trend is evident in e-commerce, where consumers are moving to masstige products, new segments, and categories. While in rural outlets, people are upgrading from brands like Clinic Plus to more premium ones like Dove, or transitioning to new categories such as laundry liquids, Jawa pointed out.

"For instance, you can already find Rs 10 laundry liquid sachets in rural areas, and in semi-rural or small urban cities, you see products like sunscreens and mayonnaise, which you consider urban in nature. In our beauty category, we're on a multi-year journey to build premium segments like serums and sunscreens, which have already reached 2000 crores in sales and are growing at high double digits by volume," said Jawa.

According to market research firm Kantar's Consumer Connection, 2024 report, premium centric product categories have seen a CAGR growth of 16 percent in volume terms over the last three years

and growth of 24 percent in value terms. The report highlighted certain product categories such as hair serums/conditioners, foods like muesli and granola, fabric conditioners and frozen foods as some of the categories that are seeing sharp growth in premium products.

You May Like

Talking about [HUL](#)'s portfolio, Jawa highlighted that over the past three years, HUL's premium segment has seen a significant increase of 300 basis points in contribution.

"This trend continues, with premium growth outpacing total growth by nearly two times," said Jawa.

"The aspiration to improve the quality of life is deeply entrenched in Indian society. As long as consumers are offered accessible and affordable opportunities to upgrade, they are willing to do so. Therefore, the trend of premiumization is a secular one, and while we do not expect drastic fluctuations, it will continue moving in this direction," he added.