

Himalaya bets on personal care to overtake pharma

The company wants to take its success with its neem facewash to other categories by targeting a younger audience

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Bangalore, 24 December

Himalaya, the maker of Bonnisan and Liv 52, was already present in Indian households in 1999 when it launched its personal care range. In over a decade, the company's personal care products have widened the brand's appeal. Its neem-based facewash is the bestseller in the anti-blemish category, a ₹340-crore market, and is present in over a million households. Personal care contributes to 45 per cent of Himalaya's about ₹1,200-crore revenue. The company wants to raise its share so that it overtakes the pharmaceutical sector in 2016. Revenue too is growing faster, at 33.2 per cent, while the pharmaceutical division is growing at 23.2 per cent.

Himalaya is undertaking a number of efforts to attract the youth to meet its target, to attract its consumers at a younger age. "The transition we're trying to make is moving the brand Himalaya away from its image of an aged brand to a much younger one," says Rajesh Krishnamurthy, head of consumer products at Himalaya.

From being positioned as the choice of the women in the role of a wife or mother — one who understands the value of natural remedies — Himalaya will now talk to those aged between 15 and 25 years. It believes they are not only the ones to spend more on looks and beauty but also increasingly inclined towards taking healthy routes to look good.

But a young target group is also the most elusive — brand loyalty is low and aspiration for international brands high. "Hence, we are undertaking initiatives to make the brand more vibrant, stay with the trends," says Krishnamurthy.

Himalaya has already taken small steps to build a bridge to the youth. The brand has recently entered the whitening segment — a fad among the youth — with a 'no chemical bleach' claim and may expand its offering in the rapidly



It is spending more on digital too, apart from TVCs

growing whitening segment. Last month, the company launched lip balms that are not only extremely popular with teenagers, but also used by them several times in a day. With the men's personal care market growing at 21 per cent and estimated at about ₹3,800 crore, Himalaya is also mulling an entry.

Krishnamurthy says, "We are evaluating a lot of opportunities and trends to ensure we do not stay behind in the market. If there is a new trend emerging among our target group and it is profitable and in-line with the philosophy of the company, we will make all our

efforts to be there in it."

Himalaya has largely been seen in the natural remedies segment with players like Lotus Herbals, Emami and Dabur, while the mainstream cosmetic market has been dominated by larger players like Hindustan Unilever's (HUL) Fair and Lovely and Pond's and L'oreal's Garnier.

Himalaya has also released TV commercials to relaunch its existing products such as facewashes to highlight a

revamped packaging and featuring a young target audience.

The company is increasing its promotional spends on the Internet. Himalaya had never been on the digital platform since its inception. The company has now realised that it is the easiest and most effective way to reach its target. "We used to spend about 0.5 per cent on digital advertising and now that share has increased to about 7-8 per cent of the total media spends. The young target market is on Facebook and Youtube," Krishnamurthy says. The company spends about 11 per cent of its revenue from personal care on marketing, that amounts to around ₹50 crore.

With the forecast for the personal care segment, such spends can only increase to break the clutter. Euromonitor expects the market to grow at 8-10 per cent from \$9.65 billion (₹59,600 crore) in 2013 to \$13.45 billion (₹83,100 crore) in 2017.

Brand experts believe Himalaya faces a stiff climb to get itself heard and seen above MNCs and large players like Dabur. Himalaya's distribution network reaches about 360,000 outlets, while HUL's spans over 2 million outlets.

When Himalaya entered the market, herbal products were relatively new, says Sridhar Ramanujam, CEO of brand consulting firm, Brand-Comm. "In a way, they were early entrants in the space and grew the category to a large extent. More often than not, in such cases, larger players can walk in and reap the fruits of the work of smaller early entrants, by virtue of their muscle," he says.

"Historically, Himalaya has not been a large advertiser, while its competition is widely established with very deep pockets,"

Ramanujam says. In such a case, Himalaya should take a closer look at its offering, markets and evaluate its strengths and play to them better while taking on the clout of larger players.

"They definitely have to look at more young advertising, strong revised positioning, but it would be prudent to focus on select markets where they hold a greater franchise rather than compete with MNCs with big pockets in markets where competition will be more intense," he adds.

Miscellaneous.