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# HUL eyes ₹100-crore run rate for D2C brands

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Hindustan Unilever (HUL) expects a run rate of ₹100 crore for its digital brands over the next few months. The fast-moving consumer goods (FMCG) major has eight direct-to-consumer (D2C) sites, which are across beauty and personal care.

Its brands in the D2C space include Dove Baby, Love Beauty and Planet, Simple, Dermalogica and Lakme.

"Lakme has always been one of the foremost beauty brands of this country and

we've also got D2C for Tresemme, Ponds and Indulekha. And now, the premium business unit has added three brands," said Kedar Lele, executive director, customer development.

During the company's conference call after its results, Ritesh Tiwari, chief financial officer (CFO), said, "Lakme has the highest number of Instagram followers across any beauty brand in the country. It is a true digital brand and which is why there's no surprise that it has basically more than 30 per cent of the turnover which comes from e-com-

merce pure play, Amazon-Flipkart-Nykaa equivalent. Lakme also has its own D2C site and we get 2 million unique visitors every month on that site."

Lele added that over a period of time direct-to-consumer is a beautiful way to serve a niche set of consumers with specific requirements and demand. They (consumers) are also more aware and they are more demanding, he added.

The company also has five nano factories for its D2C brands. Lele said these are not standalone factories but have

created dedicated spaces within existing factories to be able to do justice to the scale of D2C brands.

The company has invested not more than a few ₹100 crores for its nano factories. But the exact investment figure has not been specified.

"We have started using a very different approaches of agile innovation cycles, speed-to-market, failing fast and pivoting something if it doesn't work," Lele added.

He explained, when there are smaller volumes, it allow the team to fail fast using these online systems and close the

loop better with consumers. And, by closing the loop better with consumers, the company can bring in a very different energy into the organisation.

HUL also intends to bring in more of its global brands into India and introduce them through the D2C mode.

While the company has its own set of D2C brands, it also started its own venture called Ushop, which it started during the pandemic to sell its products online. It also has Shikhar, through which its supply chain or distributors and retailers can order HUL products online.