



HOME CARE
PRIYA NAIR

'Big brands have opportunity to create, lead conversations'

SUMMARY

IN CONVERSATION WITH

Executive director (home care) at Hindustan Unilever, India's largest listed consumer packaged goods company by sales

TALKING POINT

On the art of selling more detergents in a 100% penetrated category. Home care, of which laundry is a major contributor, contributes nearly a third of the company's overall revenues

NEWS POINT

HUL's ad campaign for Wheel has a message on financial empowerment of women even as its *Daag Achhe Hain* campaign has turned more serious by addressing the taboo subject of failure

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Detergent is the first cleaning agent that enters a consumer's home. It is used by everybody right from the bottom of the pyramid to the top. Yet, this well-penetrated category is anything but saturated. Also, doing laundry is not just about getting a whiter or cleaner wash. It is also about being relevant, connecting over issues from financial empowerment of women to accepting failure to sustainability and conservation of water, says Priya Nair, executive director (home care) at Hindustan Unilever Ltd (HUL), which has a 40% share of the ₹20,000 crore laundry category with products such as Surf, Rin and Wheel.

For HUL, with brands like Fair & Lovely, Pond's, Dove, Pears, Kissan and Knorr, home care, of which laundry is a major contributor, contributes nearly a third of its overall revenues. In an interview, Nair speaks on how marketers have developed the category and the evolution of the category over the years. Edited excerpts:

In a category like detergents how do you get further growth beyond population growth or consumption-led growth?

I think the answer lies in the fact that the living standards measure pyramid of our country is reshaping. Consumers are becoming more affluent today, their aspirations are changing, and that change is a key opportunity for a highly penetrated category like detergents. For the detergents category in India, low-priced or mass products account for two-thirds of the category. The opportunity for growth lies in how you give consumers more value and up-trade them to more value-added offerings.

How do you do that?

Detergents are a household's first basic sanitation product. It's the first general-purpose cleaning product likely to enter a home—detergents are used for cleaning floors, bathrooms, the kitchen and sinks. Its use goes beyond clothes, especially when you look at the bottom-of-the-pyramid consumers. As affluence grows, consumers seek more specialist solutions for their home-care needs.

So, the opportunity is at the bottom of the pyramid?

I think the first part is about getting consumers who use basic cheap detergents to use better value-added products. I think that has been the first leg. The second is creating new categories and segments such as fabric conditioners and liquid detergents. While everyone uses detergents to wash their clothes, the penetration of fabric conditioners is in low-double digits in India. Likewise, the penetration of detergent liquids is in single digits. Over the last few years, we have focused on developing these segments with the objective of getting detergent users in the country to add fabric conditioners, liquids to

their shopping basket.

What is the rate of growth for the premium category compared to the mass market?

The premium segment is growing at more than twice the rate of the mass market. I think the point is that premiumization in a category depends on the efforts marketers are putting in these categories to premiumize, where consumers are in their evolution of the income pyramid, what benefits consumers are seeking and how you design brand offerings that meet these consumer needs.

Consumers don't just pay for the same benefits, but when you offer them value-added benefits, benefits that are distinctive and relevant in their lives, they will be willing to pay more for it. The key is in understanding what these consumer benefits are, and which set of consumers are willing to pay for this value addition.

Can you give an example?

Take Rin, for instance. It is at a price premium for the low-income consumer. One of the challenges in India is water scarcity. And the consumers who really face water-related challenges are the low-income category. We created an innovation—smart foam technology, which uses half the amount of water and also halves the effort required for rinsing clothes, which is a very relevant need for consumers who wash clothes by hand. Imagine the effort required in rinsing heavy bedsheets.

In some of the water-scarce regions where we introduced this product, we realized that women, there, spent an hour a day washing clothes. Just imagine the number of years of her life that goes into washing clothes for her family. Anything you can do to reduce effort and time is a hugely relevant benefit.

Will it be fair to say that your new launches are more skewed towards premium products?

As a company, we are successful as we straddle the pyramid of India with our portfolio. In India, every segment is growing, even the mass segment. So, we don't just focus on our premium brands like Surf Excel, but also on Wheel. Our most recent campaign on Wheel focuses on the issue of empowering women financially.

What connection does laundry have with women empowerment? Why did you choose Wheel to address this?

Big brands have the opportunity to create and lead conversations. The insight we worked with is that women today in rural homes want to partner in adding financial income for their home and are often held back due to regressive thinking. Our new Wheel advertisement shows a conversation in which the husband is complaining about life being hard because he can't make financial ends meet. His wife suggests that she start stitching uniforms for the nearby factory and help in increasing their household income. The idea is that a brand like Wheel, which reaches millions of rural women, can make a huge difference in changing a conversation that is so

important in this country—financial empowerment of women, and so we are putting the message not just on television, but even on the packaging.

Starting with Surf, most of your brands today are looking at making topics relevant to the consumer, be it environment or social issues.

Absolutely. There is empirical data to show that brands positioned on sustainable living grow faster than those that are not. So, it drives sales and business.

Even with Surf Excel, the brand is having a more serious conversation with the consumer.

We have stayed the course on Surf Excel's "Dirt is Good" campaign for nearly 13-14 years now. The latest campaign has been #HaarKoHarao, for which the idea really came from what we picked up from parents and the parenting tensions—the constant pressure on children to do well in exams and succeeding always is a big challenge. In an achievement-oriented society such as ours, failure is seen as a taboo. In the #HaarKoHarao campaign, we have highlighted that one should not fear failure, but learn from it. That's the key message—"Agar haar ko harane mein daag lag jaayein to daag achhe hain."

Are shopping habits also changing according to where the consumer is? Is online playing a big role in laundry?

Digital penetration in the country is growing rapidly, with over 450 million people online. Grocery e-commerce is still comparatively small but growing very rapidly and consumers are fast moving to buying grocery online especially in large metros. I think home care is a very convenient and a natural category to adopt e-commerce as these are high frequency categories.

What is the opportunity online?

The opportunity with e-commerce is to also create distinct solutions for consumers. A good example is our fabric conditioner Comfort Pure for babies' clothes. The opportunity online and with e-commerce is that you can reach the target audience of mothers with infants in a way that is focused and relevant to their life stage and needs.

Over the last five years how has your marketing strategy changed to keep up with the evolving consumer?

I would argue that our marketing strategy as the leader has led to the changes in market structure.

Really, how?

For example, if nobody was marketing a fabric conditioner for babies, the need would exist for soft clothes, but the market would not. When marketers gauge a latent need for any category, create relevant brand offerings that fulfil the consumer need, that's when markets are created. Of course, while that's one vector, the other is naturally the macroeconomic factors, executional prowess of the organization, and when these vectors converge, that's when the category grows.

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CHEAT SHEET

40%

Hindustan Unilever's share in the laundry category, according to the company

75 billion litres

The amount of water that using Rin would have saved so far with its water-saving technology