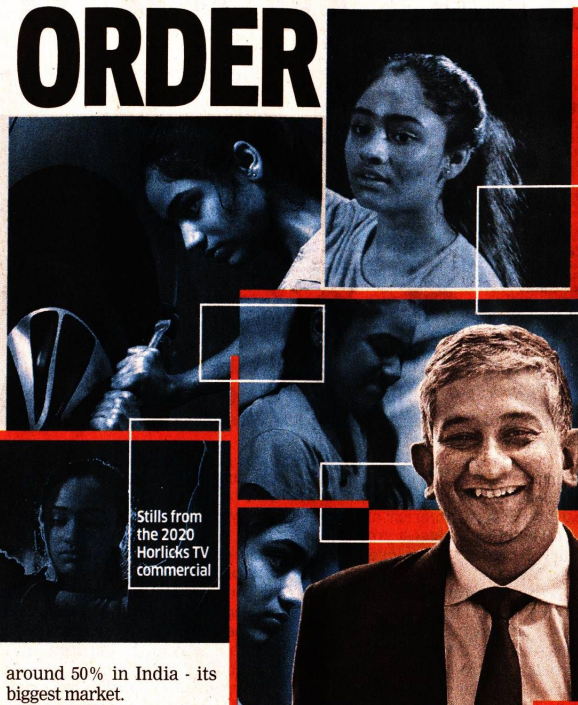


A TALL ORDER

In an exclusive interaction with **Brand Equity**, HUL's Sudhir Sitapati reveals, for the first time since the acquisition, how the company plans to make brand Horlicks 'taller, stronger, sharper'

By Delshad Irani

The taste of Horlicks has always reminded Hindustan Unilever's executive director and VP for foods & refreshment, Sudhir Sitapati, of his childhood. Every time he fell ill, Sitapati's mother gave him the sweet malt-based beverage to drink. The best part was scooping out and eating the gooey leftover at the bottom of the glass. "I'm a Tamilian. So, Horlicks is in my blood," he says, spotlighting the popularity of the brand in households of South India, which is Horlicks' traditional stronghold. After a long break, Sitapati began drinking Horlicks again around 2018, not too long before it was announced that GSK Consumer Healthcare will merge with HUL in an all-stock deal, valuing the Indian unit of GSK at ₹31,700 crore. It brought in brands like Horlicks and Boost to give HUL a strong foothold in the food and nutrition business in the country. In health food drinks, Horlicks commands a volume market share of



around 50% in India - its biggest market.

In April 2020, Unilever completed the acquisition of Horlicks. The timing of its completion coincided with a raging health crisis and a big boom in nutrition awareness among consumers desperately seeking ways to strengthen the body's immunity. Covid-19 gave the over century-old brand Horlicks, which in its early days was pitched as a guard against 'nightstarvation', a boost in a challenging year for many marketers. Its recently launched pandemic-relevant offerings - Horlicks with extra zinc and a new Protein Plus variant, are meant to shore up the body's defences and guard against viruses, though the brand makes no overt claims to fight the coronavirus. Horlicks' beverage-

stablemate Boost, too, did well this year, as in-home consumption soared.

As ET reported, one of the key takeaways from HUL's June quarter earnings was that the food and refreshment segment of the company benefited from the Horlicks acquisition as revenue jumped 52% to ₹2,958 crore at a margin of 20%. Excluding the merger of GSK Consumer Healthcare, the segment saw a drop of 4% YoY.

THE SHARPER PICTURE

"What really attracted us to Horlicks was the size, the scale and the purpose, in terms of being India's foremost nutrition brand, and the number of

people in India who didn't drink it," says Sitapati, drawing attention to the headroom the brand has to grow. In the South and the East of the country, Horlicks has been the go-to drink in sickness and in health for decades. South Indian and Bengali parents were convinced it helped their kids to grow physically and intellectually. We wrote in a 2018 Brand Equity article that the beverage was reserved for guests and the most "studious" child of the house. "The regimented family structures ensured that kids too embraced the drink without much protest," recalled an ex-GSK consumer brand manager who wished to remain anonymous. The brand became part of food culture and cemented its position in the Indian home. But, even in markets it dominates, Horlicks is under-indexed and penetration numbers are far from saturation. The obvious opportunity lies there.

Now, HUL is putting its marketing and distribution might behind the brand, to take Horlicks deeper into India and to build "brand love" and relevance. Sitapati agrees that Horlicks is "an under-leveraged brand. Our focus is in market development of Horlicks first and innovation next." He adds, "This acquisition in totality has been a ₹42,000 crore deal. It has to deliver big value for HUL. We are not going to shy away from investing in these brands. HUL and Unilever are big believers in mass marketing and Horlicks is a brand that needs mass marketing."

THE STRENGTH OF MARKETING

In the past, the marketing campaign 'Epang, Opang, Jhapang' (2003), which was part of a full restaging of Horlicks - from product to packaging, helped revive a brand which was losing relevance among younger audiences

and turned around its decline.

In today's marketing parlance we call it a 'viral campaign', given how popular 'Epang, Opang, Jhapang' was among kids. But virality, these days, is often "not a good judge of what has worked for us as marketers," says Sitapati. "Virality is not an objective. We want to take up the relevance of nutrition in India and that's what the new advertising does," he says, referring to the 2020 campaign and film featuring a bold and quick-thinking young girl who can change a car tyre under stressful conditions. What matters most is that consumers take away the long-standing promise of 'Taller, stronger, sharper' from the ad, says Sitapati. For Horlicks Protein Plus, the company recently roped in Bollywood actor Akshay Kumar as the brand ambassador.

In India, Horlicks has always been marketed as 'the great family nourisher' and is mainly consumed at home. In some international markets like Hong Kong, however, Horlicks is a popular beverage in restaurants and cafes. In a recent music video by Hong Kong-born rapper and K-pop singer, Jackson Wang, the artist, seated in a restaurant with his posse, orders two glasses of Horlicks in the opening scenes. That's a far cry from consumers' perception of Horlicks as a 'sleeping aid' and comfort food in markets like the UK.

Last month, Unilever announced new targets for its Future Foods initiative, committing to halving food waste and raising nutritional standards across its brands. "Horlicks," says Sitapati, "will play a very crucial role" in these new ambitions. "It is a very big brand even in the context of Unilever now. It sells in several countries outside India. So, even globally, Horlicks will be at the forefront of Unilever's foray into positive nutrition." He adds, "Horlicks is the main weapon we have. Not just for HUL."

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