

Wipro Cons to Take on HUL, P&G



Wipro's consumer care and lighting business will expand its range of products to detergents, energy drinks and fabric conditioners, intensifying competition in sectors dominated by Hindustan Unilever and Procter & Gamble, reports **Ratna Bhushan**. "We will enter newer categories under existing brands, with existing formulations, manufacturing and supply," CEO Vineet Agrawal said. >>> 8

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Will expand product range to detergents, energy drinks and fabric conditioners

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Bengaluru: Wipro's consumer care and lighting business will expand its range of products to detergents, energy drinks and fabric conditioners, intensifying competition in sectors dominated by global giants Hindustan Unilever and Procter & Gamble.

"The focus will be on cross leveraging of assets. With backend integration, we will enter newer categories under existing brands, with existing formulations, manufacturing and supply," Wipro Consumer chief executive Vineet Agrawal said. The confirmation on extending the line of business follows an ET report this month that Wipro was seeking to reposition its brand in a manner that would provide consumer care and lighting business the primacy they deserve. Starting out as a domestic consumer company at Amalner in Maharashtra, Wipro has evolved into a diversified conglomerate that is known beyond India's borders as primarily a technology



company.

The ₹5,900-crore Wipro Consumer Care, which has done 10 international acquisitions in a decade, will adapt a similar strategy for all globally acquired brands – of tapping new categories under existing brands. The consumer goods arm of Wipro Enterprises, which sells soaps, baby care and lighting products, has identified

VINEET AGRAWAL
CEO, Wipro Consumer

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China, the Middle East and Malaysia as some of its key strategic markets.

"The focus will be on investing in new, under leveraged categories by leveraging existing ones across countries," he said.

With the division's acquisition of Chinese personal care maker Zhongshan Ma Er Daily Products last year in September, over 55% of

the former's topline is contributed by overseas markets. The acquisition of the Chinese firm, Wipro Consumer's second biggest buy-out since it bought Singapore-based Unza Holdings for \$246 million in 2007, has given it captive market share in shower products and liquid detergents.

Locally, though, the maker of Santoor soap and Aramusk male grooming products has not followed the acquisition strategy. "We are going more global because there's very little happening in India in terms of acquisitions. We can be an enthusiastic buyer but there has to be a willing seller of size and repute, at valuations that are workable," Agrawal said.

According to data by researcher Nielsen, Santoor is the No 3 brand within soaps with a 9% share, after HUL's Lifebuoy and Lux, and followed by Dettol from Reckitt Benckiser and Godrej Consumer Products' No 1.

On the consumption outlook, Agrawal said: "We need one more good monsoon and multiple drivers in the economy for consumption revival."