



“We have introduced the Jivana brand for our sugar, salt and turmeric products”



Samir Somaiya
CMD, Godavari Biorefineries

Samir Somaiya, CMD, Godavari Biorefineries, which has entered the branded foods category by introducing the 'Jivana' brand for its sugar, salt and turmeric products, speaks to Progressive Grocer about the growth prospects of his products and its plans to expand the reach across markets and consumer segments

Tell us about your foray into the food industry. How did a maker of biofuels and specialty chemicals come into the food business?

Our roots have always been in agriculture. We started in 1939 as a company that processed sugarcane to make sugar. Over time, we also took up the manufacture of ethanol, biofuels, renewable power and chemicals to our product mix. But even now, sugar and agriculture are an important part of our business. We have also been in the business of making salt for many decades now. Recently, we decided to enter the branded foods category by introducing our 'Jivana' brand. Our sugar, salt and now turmeric products will be sold under this banner to consumers.

You started with salt and sugar and now into turmeric. Are there any special and particular reasons for getting into these categories?

Sugar and salt have been our 'bread and butter' for many decades now. And our products have always been acknowledged in the wholesale market as having good quality. We thought the branding of the same would be a natural extension of our offering. We have always promoted

the growing of turmeric among our farmers as a rotation crop and, in some cases, as an inter-crop. In our country, farmers have smaller land holdings, and it is important for them to be able to get good value from their land. This crop combination would add value to the farmer's income. As the programme grew, we naturally thought of buying the turmeric, processing it, and offering high quality turmeric to our 'Jivana' consumers. Turmeric is also among the most commonly used spice in most Indian kitchens because of its medicinal properties, which dates back to the ancient Vedic culture of India.

What is special about your products in these categories that sets you apart from your competitors?

We look at our foray into food products in two ways – creating access for farmers and food producers to the retail markets and providing individual consumers with food, which has been grown through sustainable means and is of good quality. This is very important to us. In all the areas that we work in, we maintain a close relationship with our farmers, and work to advance their social and financial sustainability. Our processing is also done in very good facilities, so that the product is hygienically packed, and is pure.

What is it that makes Jivana more appealing to consumers?

Jivana products appeal to the customers as they are of good quality, come in attractive packaging and at a competitive price. These factors ensure consumer trials and repeat purchase for Jivana products.





Which consumer segments and demographics are your products targeted at?

Our target group is decision makers for grocery purchases in Indian homes. In 98% of households, this target group comprises women. We started with branded sugar and salt, and have recently launched turmeric. Since these are the most basic food items in every kitchen, the opportunity for growth is limitless. We aim to be the favoured brand of foods in most if not all Indian kitchens. In recent times, SEC A,

Supplier

B & C homes are seeing an active shift from loose to packaged/branded products and this segment is going to grow exponentially. We are targeting this consumer household. Placements have been done in stores catering to these kinds of homes in metros, mini-metros and class I towns across a few states.

What is the retail presence of your brand in these product categories?

Jivana is present in general & kirana stores across the states of Maharashtra, Gujarat, Rajasthan, and Karnataka across metros and mini metros and a few class

I towns.

What is the consumption pattern, growth rate and market size for your product categories?

Jivana sugar was launched in January 2015, followed by Jivana salt in April 2015. We



In recent times, SEC A, B & C homes are seeing an active shift from loose to packaged/branded products and this segment is going to grow exponentially. We are targeting this consumer household. Placements have been done in stores catering to these kinds of homes in metros, mini-metros and class I towns across a few states

have seen very encouraging response for a new brand. We have recently been nominated as one of the fastest growing brands of 2015. Turmeric was launched in January 2016.

Sugar sells the most as consumption is the highest. The branded sugar space has few large players and a very large loose sugar market open for capturing. Salt, though a challenging product due to very low costs/margins, is also an amazing product category. Jivana salt has seen good growth as it competes well on price with the market leader TATA and several regional brands across the target cities. An increase in sales will make it more cost effective.

How do you see the demand for these products in the future?

Branded retail foods/ staples is a sector that is going to grow leaps and bounds in the coming years. Consumers are choosing better & safer food options for their homes. This translates to choosing packaged/ branded foods over loose. Like water, atta, oil, etc., most commodities will switch to being branded in the next few years. We expect good growth for Jivana sugar and salt, and are also confident about expanding into the spices category.

How do you see the growth trends for your products in urban versus rural areas?

We are a new brand. The major markets to start with for any new brand would be ones that can bring in the volumes. We have started with metros, mini-metros and class I towns and have seen good growth there. Our smaller SKUs are seeing good response in smaller towns too. Our plan is to have a systematic growth plan for both urban and rural areas.

What are your plans for strengthening the market share and consumer reach of your products?

Our promise is “purity in foods”. The aim is to provide good quality foods for Indian homes and



that will remain our primary focus. Jivana Foods would be synonyms with purity, quality and consistency at all times. To strengthen market share and reach, aggressive placements are the first step followed by a clever marketing plan, as also relationship building with our channel partners and retailers. All these together will ensure our sustained growth.

Which are important factors for the retail pick up of products?

Good quality of products, aggressive placements, right price and effective promotions/ retail schemes will ensure that Jivana is purchased repeatedly.

What is your strategy for retail outreach?

Jivana comes from The Somaiya Group, a company known for its honesty, strong values and a will to uplift the community. Our strategy is simple – to make and retail foods that we want our country to eat and flourish with.

Basic foods like sugar, salt and spices are bought from the neighbouring grocer so it is very important to be present there. The sheer number of retail/ kirana outlets bring in the volumes and reach. Visibility in modern retail is also important, so being present in the Big Bazaars, D-Marts and Reliance stores, etc., is also imperative.

We believe that good quality products are the first stepping stone to building sales, followed by aggressive placements, good promotions for the retailers as well as consumers.

As a young brand, what do you think will be the challenges in distribution?

Price sensitive commodity brands, despite having a good distribution, can be quickly replaced by competitive brands. The challenge in distribution is to be present on the retail shelf each time. Distribution is cost intensive and there is high attrition in sales, which can be minimised by creating volumes and a good incentive structure. **PG**

