

KS Oils to create national brands

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THE Rs 2,000-crore commodity player, KS Oils, is looking to create national mustard oil brands with two brands — Kalash & Double Sher riding on the dual mode strategy of heavy above the line communication as well as aggressively pushing the two brands across major modern trade formats across India. The emphasis on brand creation, according to Sanjay Agarwal, MD, KS Oils, is to move up the value chain, from a manufacturing and commodity player to a company in the branded mustard oil space. Along with presence in the branded mustard oil segment, the company is also looking at possible forays into various other edible oil categories.

Mr Agarwal said that the branding strategy is part of its plans to grab the vacant position of a national brand in mustard oil. "The new marketing thrust of the company, be it, through improved packaging, aggressive marketing activities or creating a deep distribution muscle, is in line with our strategy of becoming a leading FMCG player in the Indian edible oil space," he says.

Sunil Alagh, chairman, SKA Advisors says thrust has been made to capitalise on the two brands by revamping through the FMCG route and focused positioning. "The objective is to make Kalash a flagship premium brand for KS Oils, commencing with mustard oil. Double Sher is positioned as price challenger to national and regional players," explains Alagh.

On the distribution front, the company has ap-

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pointed over 650 distributors in key markets across India and is focusing on modern trade, apart from pushing the brands in the conventional grocery channel. "Modern trade is a key strategy for ensuring retail led small pack sales because of the convenience factor, easy to shop and prominent shelf display," says Alagh.

The company has identified formats like Big Bazaar, More and Spencers to stock the two brands and modern trade is expected to contribute 15 % of the overall volumes in the time to come. The company is focusing on creating visibility and trial through in-shop activities and on ground promotions which supplement the advertising campaign on air. "The company is targeting to be present in 200,000 outlets by the end of the year," states Alagh.

While the branded mustard oil may be a potential market, market observers believe that the road to creating national brands will be challenging. "Mustard consumption is largely a East and North phenomenon and even in these markets, the company will be up against established regional players. Taste is an important element is establishing trust and it cannot be intruded upon by a new player so easily," remarks a senior marketing official from a FMCG company. Also, marketers believe that the returns will have to be manifold to justify the huge marketing spends currently undertaken by KS Oils.