

Headline: Godrej Expects Revival in 2016 Sales

Description: Godrej Indonesia remains optimistic that the demand for its home and personal care products will continue to grow this year despite the country's economic slowdown.

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Godrej Indonesia, the local unit of the Indian consumer goods conglomerate Godrej Consumer Products Limited (GCPL), remains optimistic that the demand for its home and personal care products will continue to grow this year despite the country's economic slowdown.

The company expects sales will increase by 15 percent this year to Rp 4,02 trillion (US\$ 302 million) from about Rp 3,5 trillion in 2015, Godrej Indonesia president director Naveen Gupta said recently in a press conference. Godrej is confident about achieving the target as demand for home and personal care products remain relatively high in any economic circumstances. "The economy slowed down last year, but consumer goods are part of life," he said.

Godrej sells different kinds of personal care products in Indonesia, including well-known brands like HIT household insecticides, Stella air fresheners and Mitu baby tissues and baby care. The company recorded an annual growth of 21 percent from when it entered the Indonesian market in 2010 until 2014. Last year, the sales growth dropped to 10 percent as it only managed to make Rp 3 trillion in sales.

To achieve this year's sales target, Godrej will constantly innovate and introduce new products, expand its distribution network and continuously invest in its workforce development, Gupta said.

"We always introduce new products every year and keep innovating in each product category. This year we hope to increase the number our distribution points by 20 percent," he added.

Rishi Oberoi, Godrej's marketing projects manager, said that the company would launch new personal care products after the Islamic holiday of Idul Fitri, which will fall in early July this year. However, he declined to reveal details of the forthcoming products.

Besides product innovation, Godrej will invest Rp 263 billion in building a new factory in Surabaya, East Java, next year. Godrej currently has five plants in Indonesia, including a 30,000 square meter factory in Gunung Putri, Bogor, West Java, launched last year to produce Hit and Mitu with an investment of RP 1,3 trillion.

GCPL acquired PT Megasari Makmur Group in 2010. Since then, its personal care products have become market leaders in their respective categories. Hit, the insecticide product, has so far generated the most revenues for the company, with a market share of roughly 50 percent, continued by Stella air fresheners and Mitu wet tissues.

Before Godrej decided to expand into Indonesia in 2010, it did extensive research in the Indonesian market by visiting some cities in the country to find out the purchasing habits of Indonesian people in buying consumer goods.