

# Finolex rides reputation, drives distribution to grow FMEG share

**AMIT MATHUR,**  
*President - Sales and Marketing, Finolex Cables* tells RIYA SETHI that the target is to be in the top three across categories including electrical goods in three to four years.



**F**inolex Cables, which started with electrical wires 65 years ago, saw its turnover rise to over Rs. 4,500 cr in the year ending March 2023. Its foray into fast moving electrical goods (FMEG) including lighting, fans, water heaters, room heaters and iron over the last three years was a logical extension. The segment is growing but understandably contributes only a small percentage to revenue, given the dominant wires business.

The brand launched a campaign featuring young Bollywood actors Kiara Advani and Kartik Aaryan last year. Parallely, it expanded its retail presence to over 200,000 outlets.

"We have grown by almost 20 pc last year and our growth was 31 pc the year before. So we are on a growth path and enjoying our leading position in electrical wires, submersible cables and many of the communication cables. And we want to be in the top three in the new product categories in three to four years," says Amit Mathur, President - President, Sales & Marketing, Finolex Cables.

The brand has almost 5,000 channel partners and 650-odd distributors.

"They wanted to deal with more products under the brand of Finolex because they trust this brand. Also, after the pandemic, we observed that customers want to work smart. They want a stress-free life. So we came up with many innovative products in the last three years and that is why our campaign is, 'No stress, Finolex'," he adds..

He cedes that there was a disconnect between the new generation and the brand, and hence the choice of young brand ambassadors. Post the campaign, he believes there is a stronger connection for Finolex with young cohorts.

The brand is in discussions to continue with the Bollywood stars in its campaigns in the current fiscal.

## DEEPER DISTRIBUTION & DATA

Online is a big opportunity with consumers buying appliances like fans, irons and water heaters through the channel, says the spokesperson. Finolex has its brand page on Amazon and is also revamping its website.

Offline, shifting from working only with channel partners whom it billed, and who in turn sold to end customers four or five years ago, Finolex rang in the changes. It now bills these retailers through a distribution management software and controls the

secondary data.

The company has launched products to work as starters in smaller towns. A tape roll at Rs.5 or Rs.6, for instance. Another product introduced to initiate the FMEG folio into these markets is the immersion rod water heater. Given that there are many unorganised players in such categories, Finolex has launched switch accessories, extension cords and doorbells for tier 2, 3 cities and beyond.

## THE FMEG PLAY

Among product launches was a BLDC (Brushless DC) motor fan, that Mathur claims consumes only 28 watts per hour as against a normal fan that consumes 70 watts. "We want to be in that category because the customer is looking for energy-saving products," reasons Mathur.

In the next two to three months one will also see many smart products in the category of home automation, he assures.

As it expands, is the legacy of the brand something Finolex has been able to leverage?

"The legacy of this brand of 65 years is helping us. Everyone is aware about Finolex. We have increased the visibility in the market by having a scientific display at the counters. We are on our toes and this distribution really works well because the legacy wire is working as a starter somewhere and then the lighting, fan, water heaters, switches and switchgear are going along with wires," he explains.

The brand spends 1 pc of its turnover on marketing but it can be significantly higher in order to establish a new product. The major chunk of spend is still going to television. On digital, Finolex spends on social media, influencer marketing and search. An app for customers to visualise the products in their premises and one for electricians have also been launched.

All of this seems to have helped. Albeit on a small base, Finolex claims to have witnessed sales growth in the new categories of 20 to 25 pc. The spokesperson notes that Finolex is very new in the FMEG categories and underlines that the market is big.

"Our market share is hardly 2 to 3 pc as of now in this category and we want to be in the top three in all the product categories in the coming three to four years," he reiterates.