

POWER MOVES

Yakult Danone

Spreading far and wide

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Yakult Danone India, a 50:50 JV between Danone of France and Yakult Honsha, Japan, has trained its guns on smaller towns as it looks at a three-fold increase in the sales of its probiotic health product (probiotics are beneficial bacteria which helps to keep our digestive system healthy) by 2015. The company, which has a strong foothold in north India, is working to strengthen its presence in Hyderabad and Chennai this year, followed by Kolkata and tier 2 and tier 3 cities next year.

Yakult, which sells a range of products in the global markets, began marketing its probiotic drink in India in 2008 when the market for probiotic products was at a nascent stage. While the product was new, its distribution was no less innovative. In addition to retail stores, Yakult Danone has put in place a parallel distribution model that engages women to deliver its product to consumers at their doorstep. The Yakult drink is priced at ₹50 for a pack of five bottles.

There is a band of 250 women



(known as Yakult Ladies) spread across the national capital region of Delhi besides Jaipur, Chandigarh, Pune and Mumbai, who are associated with the company as special agents. They criss-cross their respective sales regions in scooters that are fitted with chiller boxes to ensure the

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Mukta Sanjeev, assistant general manager, home delivery, Yakult Danone India.

product reaches the consumer without any spoilage. "The model has been successful globally and we believe it is a more focused way of creating awareness and increasing sales," says

These Yakult Ladies (also known as ambassadors for good health) contribute almost 50 per cent of total sales of the company. Internationally, this system has been the backbone of distribution for Yakult with more than 80,000 Yakult Ladies engaged in the countries where it has a presence.

The company has a presence in 32 countries and it claims that more than 30 million people drink Yakult every day. "We interact with consumers at the point of purchase to help them make an informed choice. We let them sample the product while explaining the concept of probiotics to them," says Shefali Sapra, senior general manager, corporate communications and marketing, at the company. Yakult had signed on actress Kajol as its brand ambassador in 2009 and launched a television campaign in September that year to give the product the initial push.

From the looks of it, the market for probiotic

products is beginning to take off in India. According to a Technopak report, the probiotic market is estimated at \$25 billion globally, growing at a CAGR of 12-15 per cent. The Indian market for probiotic products is growing at a much higher pace of 25 per cent. This market in India stands at \$100 million and is poised to reach \$250 million by 2015. The major players that have a presence in the segment either through drinks, yogurts and ice-creams are Nestle, Amul and Mother Dairy, besides Yakult Danone.

A Frost & Sullivan report titled Probiotics in Foods and Beverages—Strategic Assessment of the Indian Market, says the market for probiotic food and beverages in India is "beset by issues of strain stability, low product shelf life, and challenges in the development of probiotic application technology." The report warns, "participants should be prepared for high costs of establishing operations." 🐘

