

Ice-cream players eye a 'cool summer'

After the 2020 meltdown, firms bet on demand revival, likely harsher summer

MEENAKSHI VERMA AMBWANI

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After facing a completely washed-out summer in 2020 due to the pandemic-induced lockdown, ice-cream players are banking on a strong revival in the upcoming season. Early onset of the season, projection of a harsher summer in the country and a uptick in the out-of-home consumption channel are making players bullish about this season's sales.

The organised ice-cream industry in India was projected to grow at a CAGR of 18-20 per cent between 2019-2025. But the pandemic put brakes on the category's growth. Now, industry players are hoping to get back to double-digit growth, and expect the industry to achieve a growth of 12-13 per cent in 2021.

RS Sodhi, Managing Director, Amul (Gujarat Cooperative Milk Marketing Federation - GCMMF), said, "We are expect-

ing to witness a growth of 25-30 per cent in sales in the ice-creams business over 2019. We expect to see revival in demand in both the out-of-home consumption channel as well as the HORECA (Hotels, Restaurants, Catering and Events) channel."

Focus on expansion

From expanding distribution to launching new products, ice-cream players are pulling out all the stops to clock in sales.

Sanjay Sharma, Business Head - Dairy Products, Mother Dairy, said, "The early onset of summer has already pushed the sales of our ice-creams business in February. We expect the category to bounce back strongly. We plan to launch 8-10 new products. We will also be ramping up distribution by launching our products in 150-200 new towns across the country."

A report by Edelweiss Securities released on Wednesday



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stated that "Hindustan Unilever's ice-creams, foods solutions and vending businesses are improving progressively as out-of-home consumption occasions increase."

Ice-cream at home

While the resurgence of the number of Covid cases in certain States have made the players a bit cautious, the industry expects take-home packs to continue seeing strong demand on the back of rising in-home consumption.

Vincent Noronha, VP-Marketing & Business Head, Parlours at

Havmor Ice Cream, said, "We expect to see business getting back to the pre-Covid levels in the upcoming summer season. In the past two months, we have already seen strong footfalls at our exclusive outlets."

With acceleration in adoption of digital platforms, ice-cream players are also increasingly focussing on reaching consumers through the e-commerce channel. "Nearly 40 per cent of our revenues at our exclusive branded outlets now come from aggregators such as Swiggy and Zomato," Noronha said.