

“Strong affinity from Millennials for Amway’s product range & biz opportunity”



With health, immunity, and nutrition-based searches registering a massive uptick in the last few months, brands have also realigned their marketing strategies to meet the evolving consumer needs. As leaders in the FMCG direct selling industry with dominance in health and wellness space, Amway India is leaving no stone unturned to swiftly respond to the fast-changing needs of its consumers, both when it comes to products and brand experience.

Offline to online: The unprecedented adoption of digital platforms across age groups and economies had led to emergence of online communities built around common passions such as health, fitness, beauty, lifestyle, etc. In line with this, many of Amway’s direct sellers are taking their offline network online to deliver personalized product experience, especially for nutrition and wellness categories. Amway is investing and helping its direct sellers to scale their communities and make online shopping experience for consumers easy and seamless.

Content driven communication: Considering the social media spotlight on wellness trends, Amway is customising its storytelling for its consumers across channels. By creating compelling content along with providing great virtual experiences, the company is bringing its seed to supplement journey alive. Amway is also leveraging various platforms to share interesting ways to make nutrition a part of one’s daily life.

Going by the current trend of prioritising holistic nutrition and wellness, the company is expecting that the nutrition category to grow faster with the current contribution of 56 per cent to go up to 65 per cent in the next couple of years. The company will continue to further strengthen the category with a special focus on immunity supporting products. Amway India has witnessed a tremendous upsurge of interest in their business model from the U-35 category in the recent past, who would otherwise opt for flexible roles in the gig economy ecosystem. The company foresees a rise in the gig economy as young people increasingly pursue entrepreneurship as a career opportunity.

In conversation with Adgully, Ajay Khanna, CMO, Amway India, speaks at length about the festive season plans this year, strategising for the pandemic period, future investments, increasing traction from the Under-35 age group and much more.

How are you geared up to woo your customers this festive season? Have you planned any tactical campaigns to heighten awareness about all your products?

Indian consumers are increasingly becoming more conscious about nutrition and hygiene. Brands, across categories, are leveraging emerging trends through innovative products and offerings to meet consumer requirement. Consequently, we believe the upcoming festive season is the perfect occasion to introduce exciting offers and products.

In line with the current consumer consumption trends, we have a strong pipeline of product launches in the beauty and personal care category under our brands, Attitude and Dynamite, respectively. Moreover, with nutrition taking the centerstage in today’s discourse, we will continue to promote immunity supporting SKUs through the #immunityeveryday campaign. Catering to the priorities of our consumers, we will also launch a 500 ml pack of the Persona Hand Sanitizer. In addition to the new product launches, we will introduce exciting combinations to our consumers in the beauty and personal care space. This will include the Attitude De-Tan Herbal Facial Kit, G&H celebration pack of body lotion and shampoo and the Glister promo pack (best-selling toothpaste certified by IDA). Most of these offerings are for a limited period – to add to the festive cheer and are scheduled for launch in October and November pan India.

Through digital-first customised storytelling, we will leverage social media to communicate and engage with the larger audience. We will also be integrating our product education efforts through live interactive webinars.

How have you been leveraging the digital and the social media space? Influencer marketing has been playing an important role to promote brands online. Are you using this social media vehicle to intensely engage with your audience?

The pandemic has accelerated digital adoption across consumer groups at an unprecedented pace. Increased ‘work from home’ periods have led to a rise in the time spent online by consumers. With social platforms having turned into powerful discovery and distribution channels, consumers have shifted online. Likewise, at Amway, we have witnessed growing online sales. We firmly believe that this trend is here to stay. With consumers who are more active digitally, there is also a rise in online communities of people who connect bases on their common interests

such as health and wellness, fitness, lifestyle, beauty, cooking, and more. We are working closely with our direct sellers, supporting them to engage with these emerging online communities, helping them bond with relevant people sharing common interests and passion. This movement is paving the way for social commerce, which is going to be a market breakout trend for brands in the coming years.

Over the years, the focus of our communication has been to make it more personalised and contextual while utilising the right mediums to deliver messages for consumer engagement. As a part of that process, we have been significantly leveraging the digital medium as it is disrupting the way brands communicate and interact with their consumers, especially the U-35. With 53 per cent of the Amway customers under the U35 category, Amway has observed millennials showing a strong affinity towards our product range and business opportunity. To engage with this target group, we have been using influencer marketing, particularly in the health and the beauty space. Influencer marketing is an important element of our social media strategy as it helps us engage with the right target group and build deeper connect and trust with our consumers. Riding on the success of our recent influencer marketing campaign for Artistry Vitamin C that garnered over 4.5 million impressions with an average engagement rate of over 4.7 per cent, we are now looking at leveraging influencers for our new launch Artistry Signature Select Serum, apart from the awareness campaign under the nutrition category.

What's going to be your overall media strategy for both mainstream and digital? How has digital evolved with Amway in the last 5 years? What's been your digital strategy and are you measuring digital performance and evaluating its benefits?

The continued universal adoption of technology has paved the way for continued digital transformation at every level of Amway India's operation. With the growing emphasis on digital, which has been one of our key priorities, we have progressed significantly towards a 'Digital-first' approach globally and in India. We have been strategically investing in building our digital capabilities and strengthening our online presence to enhance direct sellers' productivity, improve customer engagement, and product accessibility. The focus has significantly shifted to be more customer-centric and give our customers the best digital experience through our website and chat-bot.

In line with the trend of growing digital preference, our media strategy is largely skewed towards digital mediums. As per a recent report, there are nearly 700 million Internet users in India now, and the numbers are growing exponentially. With our target audiences increasingly going online, we, at Amway, have found it ideal to grow our digital presence while retaining mainstream platforms for creating lasting brand recall. We have built a significant presence on social channels to reach the target audience for brand awareness and engagement.

Being discoverable online is one of the key requirements for businesses today. Therefore, we aim to enable this for our physical stores and website, basing it on a focused search strategy, boosting our visibility in search results for audiences looking for products in the categories we operate in.

We are clear that we will continue to leverage opportunities that the digital world provides, which involves reaching out and engaging with our consumers as they navigate the entire buying journey from awareness to purchase to even re-purchase and measuring the impact of our brand scores as well as online and offline sales. Content and performance marketing are our key pillars in this engagement process. Through content marketing, the audience seek information that they are looking for in the format desired and at the right time. On the other hand, performance marketing allows us to keep a sharp focus on on-ground realities and help achieve business KPIs.

What's going to be your long-term strategy for growth in India and what could be the growth drivers that will help you achieve your goals?

We, at Amway, stepped into the new decade to transform our business by unleashing the power of entrepreneurship with social commerce. Our 10-year growth strategy is underpinned by the three global megatrends – rise in the gig economy, increasing demand for product experiences among consumers that support holistic nutrition and wellbeing, and the rise of online communities of people with similar passion and interests.

In the current scenario, our strategy holds more relevance than ever, and we are optimistic about the future. Going by the current trend of prioritising holistic nutrition and wellness, we foresee the nutrition category to grow faster with the current contribution of 56 per cent to go up to 65 per cent in the next couple of years. Hence, we will continue to further strengthen the category with a special focus on immunity supporting products. Amway India has witnessed a tremendous upsurge of interest in our business model from the U-35 category in the recent past, who would otherwise opt for flexible roles in the gig economy ecosystem. We foresee a rise in the gig economy as young people increasingly pursue entrepreneurship as a career opportunity. Furthermore, COVID-19 has proved to be a catalyst for the growing preference towards digital, leading to the smooth transition of our direct sellers from offline to online. The use of digital technology and social among direct sellers, their customers, and people at large has accelerated significantly. This trend will also help us reach out to a wider audience base and engage direct sellers and customers on a greater scale. We firmly believe these trends will be the growth drivers for Amway, helping us realise our multi-year growth and goals.

In direct selling, you need to continuously build your reach through your partners. What is the kind of reach you have today and how deep you have penetrated in the various markets in India?

As one of the leading FMCG direct selling companies in the industry, Amway, with over 20 years of successful operations in India, has been supporting over 550,000 direct sellers in the country, 60 per cent of whom are women.

As per IDSA, the Indian direct selling industry grew at a CAGR of 12.56 per cent between 2016 and 2019 and further holds an immense growth potential with the estimated projection to reach Rs 65,000 crore by 2025. The burgeoning young workforce with a positive inclination for entrepreneurship presents a tremendous opportunity for us, as we offer guided entrepreneurial opportunity. We have witnessed a tremendous upsurge of interest in our business model from the U-35 category across the country. In the second quarter alone, 64 per cent of the new registrations were from the U-35 category, which demonstrates a strong affinity towards our product range and business opportunity. This surge is owing to the organisation's unique business model that allows members to own and operate their own business and have a supplemental source of income through guided entrepreneurship. Additionally, at present, 53 per cent of our customers are under the U35 category, keen to consume our high-quality products.

A new category called 'immunity boosters' has entered the market during pandemic. Are you planning to launch any new product in this space as this is a great marketing opportunity? How did your flagship brand Nutrilite perform during the pandemic as vitamins help to boost immunity?

Products that support the immune system have always been there, however, over the last few months there has been heightened the awareness for strong immunity and overall wellbeing, drawing significant focus to the segment. This megatrend of a holistic approach to wellness is expected to drive category growth for Amway, therefore, we have coined the term 'What's IN', where 'IN' stands for Immunity and Nutrition. In line with the emerging trends, we have observed a spike in the sale of immunity supporting SKUs by almost 4 times along with an increase in demand for personal hygiene and home-care categories. We are further strengthening the category with special focus on immunity supporting and hygiene products by ramping up the production of our top-selling SKUs in these categories by 4 times in the next six months.

As a market leader with significant experience in nutrition and wellness space, we have been putting all our efforts to innovate and combine the strengths of ancient Indian wisdom with the efficacy of western science. To further bolster our immunity offerings in India, we forged a strategic partnership with ITC to co-create products in the nutrition, wellness, and immunity space. Guided by ever-evolving consumer trends, we will continue strengthening the category with product innovations to build a strong pipeline of launches in the nutrition space in the coming months.

For over 60 years, Amway has been a brand of choice among health enthusiasts with Nutrilite being the world's No. 1 selling vitamins and dietary supplements brand. The brand enjoys a strong legacy of over 80 years of pioneering and perfecting the plant-based approach to supplementation. Nutrilite provides a complete range of nutrition products intending to supplement the nutrient gap in a regular diet and support the immune system.

Amway has been in India for over two decades and is a familiar brand. The lockdown would have disrupted your operations. How did you manage the operations during these times and what were the challenges the brand was facing?

The global pandemic had significantly impacted businesses across industries, likewise, was for us. We also saw an initial slowdown owing to lockdown, but the business gradually picked up in May as we restored supply chain and distribution, ensuring last mile connectivity of delivery. Primarily driven by the growing demand for nutrition and hygiene products and owing to a significant shift of online sales from 33.6 per cent in February 2020 to over 70 per cent today, our business has almost come back to pre-COVID levels. We further expect consistent recovery and growth in the business through the rest of the year. Despite the initial roadblocks due to nationwide lockdown, we have bounced back with our growth mindset to bring alive our philosophy of helping people live better, healthier lives.

Your direct sellers are your biggest asset to promote your brand. How did you engage with them during the pandemic and what was the modus operandi deployed to reach your products to your end customers?

During the pandemic, we witnessed a strong and natural dependence on digital technology to run the business. Considering over 5.5 lakh direct sellers associated with Amway needed our support, we extended continuous assistance and engagement through online training programs. So far, we have conducted over 6,000 sessions reaching to over 10 lakh Amway direct sellers. We are also working with local and global training partners to create more such impactful training programs. To further encourage our direct sellers and keep the momentum going, we continue to organise exclusive and inspiring sessions with both India and Global leadership teams regularly.

As the engagement and product orders shifted online, we also had to adapt our supply chain strategy. Currently, we are doing over 2.8 lakh home deliveries and expect it to reach over 5-6 lakhs per month by the end of this year. With over 70 per cent online orders, we have been working to ensure seamless shopping experience and smooth last-mile delivery of orders. We will be investing Rs 30 crore to enhance the home delivery experience by adding warehouse space, manpower, new logistics partners, automation in warehouses, and other back-end processes. Furthermore, to accommodate the evolving supply chain scenario, we are working towards a robust supply chain and home delivery strategy. In line with this, we are building an independent last-mile delivery model under clearly structured multi-vendor national alliances. Currently, we are working with a combination of 18 local and national delivery partners and plans to strengthen this network by adding some leading national logistic partners by the end of 2020. We are also servicing 8,000 pin codes and aims to scale up to reach 15,000 pin codes by adding more national players and leveraging their network. We are also looking to add 40% additional third-party manpower across India to support and fulfill the online demand.