When we go wrong, we are bold enough to sunset brands: Sai Ponugoti

campaignindia.in/article/when-we-go-wrong-we-are-bold-enough-to-sunset-brands-sai-ponugoti/4war5evtnhp6q1v9q62dsthc5b

Vinita Bhatia

Watch on YouTube

A retailer recently described to Piramal Consumer Healthcare's CEO Sai Ramana Ponugoti a seemingly straightforward cohort: households with children aged eight months to eight years. The reality, however, is anything but simple. A parent in Gurugram might prioritise 10-minute delivery for baby wipes, while a counterpart in Birampur could be encountering the category for the first time. For Ponugoti, that divergence is where contemporary FMCG strategy begins; not with broad segmentation, but with granular context.

At Piramal Consumer Healthcare, part of Piramal Pharma, this translates into decoding consumer signals at the pincode level. Data is used to determine whether content, assortment, ratings or search will influence decisions.

"Firstly, you need to know how to win this consumer, with drivers like content, product assortment, ratings or search, at the pincode level," Ponugoti tells *Campaign*. "Secondly is using real-time data scraping to know about product availability... Third is working with retailers to come with the right branding, marketing and advertising for communication that resonates with consumers and wins them."

Precision over scale

This shift towards precision is reshaping how the company allocates capital and measures outcomes. Ecommerce, once 25% of the business, now exceeds 30%, with quick commerce accounting for more than half of that share. This underpins that efficiency is no longer optional. Every impression, click and conversion must justify its cost.

“The online business is different because there is zero moment of truth, since it is all about search,” Ponugoti notes, contrasting it with the “first and second moment of truth” in general trade. In physical retail, visibility and post-purchase experience shape loyalty. Online, discovery, relevance and fulfilment operate as a single, compressed funnel.

This structural difference has implications for marketing. Broad-based messaging gives way to targeted interventions, often calibrated to micro-markets.

The payoff is visible in the numbers. Innovation contributes 11–13% of annual revenue, sometimes higher, while ecommerce continues to scale. “So innovation is a revenue growth engine; it's not just a buzzword for us,” he says.

Innovation, but not indiscriminate

Velocity is central to Piramal Consumer Healthcare’s product strategy, with around 50 launches annually. Yet, Ponugoti emphasises that speed without discipline is counterproductive.

Each innovation is assessed on three parameters: “The first is… repeat rates, distribution footprint and contribution margin in 12-18 months. The second one is assessing whether the innovation is resonating with the consumer… And finally, you have to be brutal and sunset a few innovations.”

Execution is driven by cross-functional teams, called ‘Innovation Task Force, or crack teams, which are designed to shorten development cycles. But speed is only one part of the equation. Relevance and brand alignment remain non-negotiable.

“If I take Lacto Calamine’s identity, our positioning is that it’s an oily skin expert… ensuring that you are consistent with your brand positioning is important,” Ponguti claims.

This discipline extends to decision-making. Not every product succeeds, and Ponugoti acknowledges as much, “When we go wrong at times, we are bold to be able to sunset them.” The emphasis is on maintaining momentum while avoiding the drag of underperforming bets.

Reworking legacy for new consumers

The tension between continuity and change is evident in Lacto Calamine, a legacy brand dating back to 1971 that has recently undergone a refresh. The objective is not reinvention for its own sake. “Let's not over hype the change because its formulation and science remain intact,” Ponugoti says.

Instead, the repositioning focuses on five areas: refreshing identity to bridge legacy and contemporary appeal; communicating ingredients through a science-led lens; targeting digital-first consumers; expanding into a broader skincare regimen; and strengthening omnichannel availability. The product portfolio now extends to cleansers, moisturisers, face washes, sunscreens and treatment-led formats, reflecting a shift towards multi-step skincare routines.

“The consumer is now using a regimen of products, and we need to be able to cater to them,” he notes. The move mirrors a broader category trend, where single-use products are giving way to integrated routines driven by awareness and experimentation.

Media, measurement and the changing funnel

Marketing strategy is evolving alongside these shifts. With advertising and trade promotion spend at INR 125 crore in FY25, allocation is increasingly guided by audience behaviour rather than legacy channel priorities. “The media choices of consumers are changing at a frantic pace,” Ponugoti says. “It's extremely important to have the right media mix to follow the consumer.”

Digital now accounts for a significant share of the mix, with certain campaigns skewing heavily towards online channels. Social platforms have emerged as both discovery and transaction environments. “The traditional approach was search, but now the consumer is a lot more on social... educating themselves, and even clicking to purchase in that environment.”

This has implications for measurement. The focus has shifted from tracking impressions and reach to linking media spend with business outcomes. The objective is to ensure that every marketing investment delivers measurable returns, reinforcing the broader emphasis on efficiency.

In healthcare categories, however, messaging cannot rely solely on persuasion. “If you do too much of education, you risk the consumer getting too educated and choosing some other brand. And if you do too much of brand building, then you do not build trust,” Ponugoti says.

To address this, the company follows a “learn, relate, choose” framework. Education builds awareness, storytelling drives relevance, and brand positioning influences decision-making. Experiential and on-ground activations play a complementary role, underlining their importance in building trust and engagement.

Building towards FY30

Piramal Consumer Healthcare has set a target of reaching $200 million in revenue by FY30 while maintaining double-digit EBITDA margins. The roadmap is built around six priorities: evolving media strategy, accelerating innovation, scaling ecommerce, strengthening go-to-market execution, driving operational efficiencies and building organisational capabilities.

“The first is constantly and directly investing in media vehicles that the consumer is opting for,” Ponugoti says. This is paired with a focus on fewer, bigger, better and faster innovations, alongside profitable online growth and a more refined offline distribution model. Operational discipline remains critical, with an emphasis on cost structures and efficiency.

Equally important is organisational culture. Customer-centricity, collaboration and accountability are positioned as core principles, supported by investments in digital capability building. The objective is to align structure and culture with the demands of a rapidly evolving market.

Ponugoti’s approach is shaped by experience across multiple geographies, including Singapore, Vietnam and Switzerland. He draws parallels between India’s diversity and regional variations in other markets. “If you're not designing for that consumer... and are not granular enough, you are not going to win.”

He points to differences within Vietnam as an example, where consumer behaviour varies significantly across regions, which mirror India’s own complexity. The lesson is clear: uniform strategies rarely translate across diverse markets.

Another takeaway is the importance of organisational capability. Empowering teams with the right tools and skills is essential for execution. The third is cultural, which calls for embedding a mindset of continuous learning. “You’re constantly bringing outside into the business... and encourage leaders to learn outside in and reapply something that is good.”

The limits of scale

For Piramal Consumer Healthcare, the focus appears to be shifting from scale alone to precision at scale. Data signals, innovation discipline and channel strategy are increasingly interconnected, shaping how the business evolves.

Yet, the challenge is structural. As consumer journeys fragment across platforms and geographies, the cost of inefficiency rises. Ponugoti's emphasis on "making every investment and click count" reflects a broader industry shift, where growth is less about reach and more about relevance.

In a market often driven by volume, the question is whether granularity can sustain scale, or whether it introduces complexity that offsets its benefits. The answer may not be immediate. But the direction is clear: in an increasingly segmented marketplace, precision is becoming the new proxy for growth.