

Campa Cola

Reliance's fast-moving consumer goods (FMCG) company Reliance Consumer Products' (RCPL) has clocked Rs 3,000 crore sales in FY24, its first full year of operations, ET has reported based on information from industry executives. To put in perspective RCPL's performance, Emami with five decades of operations reported Rs 3,400 crore sales in FY23, while oral care market leader Colgate-Palmolive (India) posted revenue of Rs 5,226 crore the same year which marked its eighth decade of operations. The revenue includes Rs 1,000 crore earned from more than 200,000 kirana stores where it sells its products and the remainder from Reliance Retail's network of grocery stores

Amid this revenue growth leap, Campa Cola, the heritage Indian brand which Reliance has brought back from history, has emerged as a star. The beverage brand alone has contributed Rs 400 crore to the sales of RCPL, the FMCG arm of Reliance Retail Ventures (RRVL), the holding company for all retail businesses of Reliance Industries.

Coca-Cola India, which is a rival for RIL's beverages business and also sells Thums Up, Fanta, Limca, Sprite and Kinley bottled water besides the eponymous drink, had revenue from operations of Rs 4,521.31 crore. In its first full year, Campa Cola, a new entrant, has generated sales worth nearly one-tenth of the Coca-Cola company's revenue, which is a feat for a newbie, given the tight grip of Coca-Cola on the market.

RCPL, established in November 2022, has an array of brands, which include dishwashing bars, laundry detergent, Campa, Sosyo, Lotus chocolate, staples and processed foods brand Independence, Alan's Bugles chips, Maliban biscuit and Sri Lanka beverages brand Elephant.

RIL's FMCG brand strategy

Reliance had acquired the then defunct Campa brand in 2022 for just Rs 22 crore. Well before Reliance bought iconic desi soft drink brand, declaring its intent to take on industry leaders Coca-Cola and PepsiCo, it hired former Coca-Cola India chairman T Krishnakumar in 2021. Krishnakumar had worked with Coca-Cola for 17 years before he left in March that year. A year later, Reliance bought Campa Cola, the home-grown brand that had lost its fizz after Coca-Cola had reentered India in 1993.

Campa is an important piece in the overall FMCG strategy of Reliance which wants to revive heritage brands in addition to creating new ones to capture the vast Indian market. Campa is part of the consumer products portfolio Reliance is building by buying such heritage brands. In January last year, it bought 50% interest in Gujarat-headquartered Sosyo Hajoori Beverages with a legacy of about 100 years in carbonated soft drinks and juices. Lotus Chocolate from the Pai family, Sri Lanka's leading biscuit brand Maliban, 82-year-old Ravalgaon candy brand, and its own JoyLand confectionery, and Independence and Good Life food brands are other important pieces of its portfolio. Reliance has identified almost two dozen potential brands which can be acquired or for joint ventures to strengthen the FMCG business. For a brand revived from 30 years back, Campa has done well in its first year. The name recall plays a big role in RIL's FMCG business and that's why it has been keen to buy heritage brands even if defunct for long.

How RIL is putting fizz in a revived brand

Reliance has pushed Campa Cola into the market when it is shifting. Coca-Cola, which leads the Rs 50,000-crore packaged carbonated soft drinks market in the country, is increasing its ad spends significantly as it moves to deseasonalise its business as well as diversifying, for instance, into alcoholic drinks. Campa Cola has come back when consumers are moving away from sugary drinks. A revived Campa Cola will have to negotiate a world vastly different from the times when it ruled the Indian market decades ago. But Reliance has the money as well as the chops to push a new brand into the market.

At present, Campa Cola is widely available in the country's largest cola market Andhra Pradesh, while in most other places, supplies are still a constraint, including Reliance Retail stores. RCPL may raise Rs 500 crore to Rs 700 crore this fiscal from its parent company to set up bottling plants for Campa Cola to boost capacity amid supply constraints, ET has reported. RCPL wants the new bottling plants to be based strategically so they can cater to consumers across the country including kirana stores, the industry executives have told ET

Reliance plans to take Campa brand global, starting with Asia and Africa, Isha Ambani had said last year. In April last year, RCPL had inked a strategic partnership with beverage can and filling company Ceylon Beverages, promoted by former cricketer Muttiah Muralitharan, to co-pack and manufacture Campa soft drinks, and this partnership is expected to be leveraged for Campa's foray in markets outside India as well. Ceylon Beverages has partnerships with international, national and regional companies, including those making mineral water, energy drinks, soft drinks and juices.

Early this year, the Board of Control for Cricket in India (BCCI), announced Campa as the official partner for its India home cricket season for the period between 2024-26. Cricket is a major vehicle for cold drink sellers in India.

Source: Brand Equity