

Reliance

1) Peshwa Acharya, Marketing and Retail Expert



Peshwa Acharya, Marketing and Retail Expert

Peshwa Acharya , Marketing & Retail Expert , with 20 years of Marketing & Business Experience across : Procter & Gamble , Reckitt & Coleman , Dabur , Reliance Retail . Peshwa Acharya, Marketing & Retail expert, has driven business in MNC's like Procter & Gamble , Reckitt & Colman , Hutchison Whampoa , and also Large Indian Conglomerates like Reliance Retail , Dabur Group etc . He brings to the table about two decades of through professional experience across FMCG (CPG), Retail, Telecom sectors in Product Marketing, Brand Management, Sales, and Business Operation roles. As Vice President & Head Marketing and Consumer Experience of Reliance Retail, he has built the “Reliance Digital business” from scratch, which now spans approx 50 stores across Reliance Digital, Reliance Digital Express, iStore formats from 2006-2010.

He has earned a name for himself in networking across organizations and Industries. He has a passion for Teaching, and has been a Guest faculty across Management Institutes like IIMC, BIMM, NIMIC etc, and been a keen career counselor to students and corporate colleagues alike.

Peshwa is a Leader, Networker Mentor, Educationist and an avid Traveller, Social Observer and Art Afficionado. Prachi Srivastava of AudienceMaters.com got privilege to talk to him. Here are the excerpts.

Q. How has been your journey from FMCG to Telecom to Retail so far?

I think the distinct professional advantage that I have is that I have mix of FMCG, Retail and Telecom experience. Early in my career, I was in FMCG for 10 years when I picked up the tricks of FMCG marketing, Sales and distribution working on very strong brands like Ariel , Dettol, Mortein etc that gave me great grounding on what is really Brand Marketing is in INDIA and how to establish Power Brands. Later, I was very fortunate to be on the early part of the telecom revolution, I was with Hutch and at that time we were rolling out the Mobile Telephony concept in India. It gave me an idea of how to introduce a New Technology Concept to Indian consumers, how to drive affordability, establish VAS and other new services, and thus make technology services approachable.

I was extremely fortunate to work on retail sector. I had my Initial understanding of Modern Trade, as Marketing or Category Head at Dabur selling into Grocery Modern Retailers. Since last 5 years, I am at Reliance Retail handle multiple Retail formats, from Grocery to Technology/ Electronics format. So, it has been a great learning experience and journey for me.

Q. What have been the similarities and differences between the industries?

Typically, similarities have always been that if you have a customer orientation, then marketing and sales is very similar across Industries. Do what is right for the customer, try to provide what the customer wants and build your processes, products and services in line with customer expectation. This is similar across industries. So, whether it is FMCG or Telecom or Retail, it remains exactly the same.

Talking about differences, FMCG has always been the Mecca for Marketers. That means the basics of the consumer marketing has always come from FMCG. In terms differences, usually FMCG companies have more established marketing processes and savvy. Retail, on the other hand where all the understanding of FMCG marketing has to be converted at the store level. That is where the moment of truth happens! So, it's slightly different. Retail is not so much about overall Brand strategy. It is lot more about execution and actually doing it Right at the store front. Telecom on the other hand is a combination of "Strategy and Action ". Telecom also has changed over time, In fact for me one of the learnings has been PACE in the telecom, very execution driven, fast and also local action.

Q. How have you seen retail business growing in past few years?

If you look at a scenario 7-8 years ago, India did not have too many organized retailers. Around 5-6 years ago, Reliance came in and off course lot of other Companies also came in to the retail sector. So, it actually changed the Stature of the retail sector. Reliance Retail launched large number of formats: from Reliance Fresh to Reliance Mart, Reliance Super, Reliance Digital, Reliance Time-out, and Reliance Auto Zone , Reliance Jewels. Possibly nowhere in the world one company has launched so many retail formats at the same time. Modern retail will grow. I have a strong belief that India is not one "homogenous Nation " , It actually is combination of various Countries, and each of our States/Provinces is actually a size of a country. So, we need a lot of localization, lot of Indianization of retail. Indian consumers are extremely value conscious. They understand the value of a global brand but they still have lot of affection for Local Brands.

Q. What impact does Retail have on mom and pop stores?

India has large number of outlets. Total Retail outlets in India is over 1 Crore (10 Million). We are talking of a huge number and therefore personally I don't think by having organized retail, mom and pop stores will be marginalized. I don't say that business will not get affected at all but the mom and pop stores have to get their systems, Products merchandizing, such that they can compete in that scenario so that both will coexist. At an overall view I don't think it will affect Overall business but at specific cases there would be pressures. At the end of the day the customer will get a better output and service.

Q. Are mom and pop stores partnering in the progress?

Mom and pop stores are fragmented so some of them are gearing up specially the ones which are in the metros. Actually, lots of Indian FMCG companies still mentally favor the mom and pop stores because most of their business comes from them. If you look at the negotiation table, the mom and pop store cannot necessarily negotiate with large companies like HUL or P&G, But on the other hand Large Retail Chains can actually sit down for negotiation. So, the power balance is always better for Brands or Companies when there is a mom and pop store. So, that's the situation which is dynamic, it is changing and we are evolving. That is the fun of country like India, we are everyday changing.

Q. What are the marketing strategies for Large Format Retailers?

Without getting into specifics about any particular Retailer, to be successful, Retail Marketing needs to be simple and direct. Try to do things which are good for the customers, provide value, provide right merchandise at the right price with effective promotions and simplify the life of the customers. Don't try to do so many things, do few things but do it well. Customize as much as you can for local requirements, be fairly at the cutting edge. Like in case of Electronics stores, you have to provide latest Brands or Models Products and services. It cannot happen that a model has been launched at the other parts of the country or other retailers and we are not giving that merchandise.

Q. Can you tell us more about Reliance value format?

Essentially it combines Retail formats which largely are in the Value & Grocery domain. So, Reliance Fresh, Reliance Mart, Reliance Super are primary constituents of the Reliance value format. It also has formats like Reliance Auto Zone, Reliance Living etc

Q. Please highlight the key points in Electronics or CDIT business?

CDIT is consumers, durable, IT and telecom. First fundamental of CDIT business is that this is the only business where all your cost of running the business will increase year on year. So, electricity cost, salary cost, people cost, rental cost, typically all your costs go up in a country like India. But if you look at your value realization, CDIT business is always coming down. Same LCD TV which would have cost 40,000 Rs 2 years ago must now be 30,000. This is the only business where your costs are going up but realization is actually coming down, so it's a very tricky business to manage P & L. So, there the strategy is that we must either sell higher quantity, upgrade the customers or get the customers to buy more accessory / products bundles etc .

Q. How does a retail outlet benefit to customers?

People in metros are time-starved consumers so any format or retail that gives you one stop solution rather than you hopping from one place to the other is always a great value. Especially in large metros, modern trade is a great boon. Modern trade makes brands, products very transparent to customers. That means you can actually walk in and check out 5 different shampoos. You can actually see, touch, and feel which you otherwise cannot in Traditional trade. Modern trade makes things transparent to customers, he has better chance to make a choice and for some of the smaller brands, modern trade is a great way to survive and grow. Overall customer becomes the king in the modern trade Scenario. 3

Q. What are the Future challenges that you are expecting from your competitors?

India is a vibrant country. There are 1.2 billion people, 1000 \$ plus per capita income, which will be growing to 2000-3000 \$, penetration level of consumer products, services is extremely low, huge amount of infrastructural change is required. All over the world, all over the industries people are waiting to enter India and serve the people here with their products and services. So, frankly I don't see this as a competition. India is too important a market not to enter. It's important that as industry we grow better, learn from each other and the AAM ADMI is taken care of. Right now, modern retail in India is 5- 7 per cent so we should not talk about competition, we should think how the industry can be grown. Competition will happen when this will become 80 percent % and there is fighting for market share only.

Q. For any retail to survive or to move on we need to have strong logistic background and India is not so good when it comes to logistics, How do you tackle this issue?

I completely disagree that Indian logistics is not in good shape. I have a strong viewpoint that Indian logistics is anytime better than many of the western logistics. Our cost of delivery is one of the lowest in the world. Which country in the world would actually have FMCG delivered in dingy lanes on a bicycle where the salesman is earning only Rs 100 or something but is still doing a good job?

So, this wrong perception should be removed from stakeholders' mind that we are poor in terms of logistics. We are extremely cost efficient in terms of logistics that is how FMCG companies in India have survived and grown. In logistics we are very strong, what we don't have is IT benchmarking, that means the manager sitting at the top doesn't know where his products have reached etc We are fairly good in physical delivery, what we are not good at is we don't the method to tap Real time Information. This also is changing fast.

Q. Is Going to tier II, tier III cities the way to grow, especially for this type of sharp retail?

There are two viewpoints, one is Commercial and the other is Consumer viewpoint. Commercial viewpoint is that money still lies in the tier 1 cities, that is where consumer consumption is extremely high, so anything which is a premium product, it is tier 1 where people are investing but if you ask my personal viewpoint, there is a huge scope of product and service in India. It is semi-urban India, it is rural India, and it is smaller town where the scope is really high but that might require a different kind of business model. I am a very strong believer of taking products or services to rural India because I think still there is a divide between urban and rural consumers. There are lot of rural consumers who do not even get basics what we think as basics like banking and Insurance etc

PLS NOTE : This does not reflect the views of any Retail Organisation , and viewpoints expressed are personal viewpoints of Peshwa Acharya ..for Further details /
Conversations write into : peshwa.expert@gmail.com

Copyright Audience Matters Media Pvt. Ltd.

>>>