

Alliances to steer business & customer satisfaction

With increased instances where Retailers and Brands are joining hands to serve shoppers. And 'Collaboration' being the avid feeling around. We at Point-of-Purchase attempt to see the 'Let's work together spirit' from the Retailers glasses and thus decipher the thinking process behind it. Peshwa Acharya, Vice President & Head: Marketing & Consumer Experience, Reliance Retail Limited helps us do so, by sharing Reliance Retail's collaboration approach.



Reena Mehta

Shopper is the point of intersection where the Retailers and the Brands objectives happen to coincide. And this point of intersection is now being viewed as a sweet spot by both retailers and brands to 'shake hands' and work in unison; as this unison is proving to be the sustainable way to reach the Shoppers', mind, heart and wallet. But behind the hand shake lies, a thought process, a system, a set of dos and don'ts and some clear cut objectives. Thus Collaboration has a set framework which possibly is unique to each retailer, and this framework works as a foundation on which specific programs are built.



Peshwa Acharya
VP Head Marketing
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Sharing the Reliance Retail's approach to collaborations Peshwa Acharya, Vice President & Head; Marketing & Consumer Experience - Reliance Retail first disseminates the basic approach to indicate the categories where collaboration is considered.

Typically as a retailer we could divide Reliance Fresh merchandise into 3 buckets:

- First bucket is – Key value indicators (KVI), this category consists of commodities whose prices and promotions shoppers always remember. Thus the KVIs would be commodities like Onions, Potatoes, Cooking Oil, Sugar, Rice, Dal, Detergents, Shampoos, Toothpastes etc.
- The second bucket is called 'Other Items' which are Non-KVI but important
- The third bucket consists of Items which are not necessarily for everyday Pick – viz. Home Needs – Towel or Plastic Buckets.

Within these categories there are some which are heavily branded for instance the non-food FMCG categories like Detergents, Shampoos, Toothpastes

etc. And also there are processed foods and beverages; here the brands are as powerful as the category. "So any category which is heavily branded, we as retailers constantly want to collaborate and work together with the brand to ensure that we give maximum value to our shoppers. Whereas when you look at non-branded categories there we as Reliance Retail play a major role to drive conversion." highlights Peshwa. The classification of categories and the collaboration areas would differ as per the format, so Reliance Digital or Reliance Mart will have their own unique classifications.

The collaboration efforts and programs at Reliance Retail are usually an offspring of four main objectives which include:

- Offering great value to the shopper through unique pricing and promotion

Living this objective Reliance Retail last year went in for collaboration with HUL's brand 'Lux'. They together articulated a promotion scheme where the shopper could get one Lux free on purchase of 3 Lux bars. This promotion was available with any other retailer at that point of time. Thus this culminated into a unique value proposition for Reliance Retail shoppers.

- Occasion based programs

On the occasion of International Women's Day, Reliance Digital initiated an in-store event focused towards women. For the event Reliance Digital go together with 'Taurus', a leading European Home appliances brand. The entire event had special activities like 'Expression of women' a participative discussion where women could voice their opinions, 'Most active woman' a one minute fun game and a 'Technology quiz' that tested the TQ of the female patrons. Reliance Digital welcomed every women visiting the stores with Roses and smiling hosts wishing them



Cello Ad

‘Happy Woman’s Day’. In all, the event helped the brand Taurus to spread awareness and Reliance Digital was able to reinforce its proposition as a ‘Family store’ and also generate greater footfalls.

- A program for new product launches
PepsiCo had launched its new product called ‘Aliva’ which falls under a new segment called the ‘Snacking Segment’ which is somewhere in between biscuits and snacks. Thus before the product was fully launched across India a special and exclusive preview of ‘Aliva’ was arranged at Reliance Fresh stores. This helped the vendor company in understanding what is the consumer response, for Reliance shoppers it was the thrill of trying something new before it was out in the market and for Reliance it proved to be an upbeat period as they ran a major promotion - ‘Sona Jeeto’ offer wherein anyone who buys ‘Aliva’ would get a coupon and he/she can enter the slogan contest and stand a chance to win.
- Introduction of a new category or a growth driver for the existing categories

To build MWO – Micro Wave Oven and making shopping trip interesting Reliance Digital got along with LG and Oriflamme had planned an event called ‘Classic Cooking with Digital’. This event invited all the female patrons of Reliance Digital over the weekend; where they will get a chance to attend a cooking show, held by an expert chef who would teach them a range of delicacies that once can prepare using Microwave Oven. Further on Reliance ResQ people will guide them on microwave maintenance and after they have been tested for their culinary skills they get a chance to indulge themselves in a free makeover, nail art and beauty tips session from Oriflamme. And the shopper proposition was clear – ‘Take home more than what you pay’.

- In an attempt to complete the basket of the shopper

It was found that during the month of August when there is Onam in Kerala the shoppers set out to buy a fixed range of things which is called the Onam basket – it is combination of some amount of rice, oil and so on. It



so happened that if the shoppers' finds either of the ingredients they would walk out. Thus Reliance Fresh built on this and tied up with various vendors to complete the Onam basket.

Apart from these set objectives, Insight sharing also happens with brands. For instance Reliance Retail (Digital) format and Philips jointly did a research study. Philips had realized that one of its sub-categories an MP3 Player was getting badly battered from Apple iPod. Sharing this joint effort Peshwa says "We actually did a joint research at all our stores using video camera, observing shopping behavior, understanding hot spots and discussions. We wanted to find out that why people are not buying Philips and how are they buying this particular category. So one of the key insight we unearthed was the – Shoppers actually want a lot of assistance regarding MP3 players, it has to be in a place where you can provide assistance. The first thing that shoppers asked was 'What is it?' Also shoppers didn't know where to go thus the buying process had to be assisted. Further on it

was observed that shoppers' don't buy this category alone they always come in a group. Many such insights were found with this research. Thus we gave Philips a special permission to partner with us and share the insights."

All these objectives have one common thread running across them which is a strict benchmark that Reliance follows for all its collaborative efforts sharing the same Peshwa says "We have a very clear benchmark we only do collaboration if it is offering value our shoppers', we don't want to do anything which is not offering value. We don't do anything just because the vendor is paying for it." Spelling the preferred collaboration program he further adds "We have noticed in terms of collaboration it is ideal to do a promotion on pricing, which is adding value to the consumer and is different from other retailers."

The contribution framework when it comes to collaboration with Reliance Retail is very clear – 'Strategy is jointly worked on and owned whereas Execution is Reliance driven. The idea, the co-branded creatives are all agreed upon mutually and both the marketing team of Reliance and brand's sit together and conceptualize the idea, the creatives and decide on the time line. But the entire execution is done by Reliance they don't allow brands to do anything at their store. Reasoning the same Peshwa says "Execution is Reliance Retail's responsibility only, because we have SOPs to adhere to and in no circumstances do we compromise on them. Thus as the VP & Head of

Marketing & Consumer Experience it is important ensure everything happens within the SOPs and bring benefits." "We as Reliance Fresh or Reliance Mart sell around 7000 SKUs, 1000 brands, 500 categories in 1000 stores so if each of these brands and products have their own communication in the store it will be a complete mess. So we have a guideline for Reliance Fresh as a format, Mart as a format, so no brand can deviate from these guidelines." He further adds

It is important if brands start thinking from the Shopper point of view. Thus they should consider giving special pack sizes which are important for the Shopper coming to modern trade outlets. Brands should also have the retailer's format in mind while articulating promotions

The collaboration programs at Reliance are essentially driven by the 'Marketing and VM Team' which is spearheaded by Peshwa and some of its members are – Prathamesh Pusalkar, Darshita Thaker, Rajalingam Rathinam and Abhijeet Patil. Apart from this being the core team who is responsible for the entire program; 'Buying Team' is a part of the process that constantly is in touch with the vendors; and a lot of people in form of Regional and Zonal Marketing Teams facilitate execution.

A well defined framework, clear objectives, dedicated teams and more importantly an open mind willing to work together Reliance Retail is sure a very collaboration friendly entity. But in terms of further expectations from brands Peshwa says "Around communication it is important if brands start thinking from the Shopper point of view. Thus they should consider giving special pack sizes which are important for the Shopper coming to modern trade outlets. Brands should also have the retailer's format in mind while articulating promotions. Reason being Reliance Fresh customers are slightly different from the Kirana store customers. In India brands are still focusing on kirana." ■

