

'Perfect stores' are just right to boost brands

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S.V.K. Perumal Nadar and Sons, a provision store, has been on Konnur High Road in the Chennai suburb of Ayanavaram for almost 60 years. A road which has become busier over the years as new apartment complexes spring up, one even opposite Mr P. Thangamariappan's store, which his father had started.

A merchandiser of consumer goods company Hindustan Unilever is busy arranging the display of HUL brands on various shelves. Some shelves have posters of HUL brands as a background while some of the newer brands from its Dove portfolio are on shelves right at the shop front. The merchandiser painstakingly arranges all the brands, replenishing stock where there are gaps, and once done, takes a picture of the shelves on his hand-held terminal, which is immediately transmitted to HUL's data base in its Mumbai HQ.

The store owner is happy. For, being made a 'perfect' store in HUL's lexicon he should get stocks on time, new launches will get to his store in quick time, and merchandisers will arrange his shelves, bringing some order to a store bursting with goods. At a time when manpower for the store is short, HUL taking

on the onus of replenishing and arranging the shelves is welcome relief. With better display of HUL brands, Mr Mariappan says, his store, where at least 60 per cent of non-food brands are HUL's, has seen a 10-12 per cent increase in sales the past few months since HUL began this programme.

This Chennai store is just one of the thousands HUL intends to transform this year with 1,500 merchandisers working hands on with retailers. The company's ambitious Mission Bushfire was kicked off in May with around 4,000 HUL employees hitting *kiranas* in 130 towns around the country, arranging their shelves and displays. Nearly 16,000 'perfect' stores were created by HUL employees in the span of six days.

Ask Mr Hemant Bakshi, HUL's Executive Director (Sales and Customer Development), on what prompted this exercise, and he says, "We believe that activation of a 'perfect' store can have a huge impact on our market share and on our brands at point of purchase if we activate them in this manner. The second is we want to build HUL into a consumer-focused organisation and this is not only for those who are in sales and marketing but for all our employees irrespective of



HUL employees are seen at a 'perfect' store.

what they are doing or where they are based."

Given HUL's width of brands, almost all stores stocking consumer goods of daily consumption would willy-nilly stock its brands.

Explains Mr Bakshi, "What we are doing is targeting the top one lakh stores in the country. These are the larger stores, irrespective of whether they are self-service or otherwise. Organised and traditional retail have different strengths. What we want to do through this exercise is that regular shoppers who come to traditional retail stores find shopping to be as convenient or as easy as other formats."

It is a fact, he adds, that 70 per cent of shopper purchase

decisions are made in-store and therefore, it is important to get in-store presence right. HUL had done a pilot before it executed nationally and Mr Bakshi says they found that it gave a sales spurt of over 20 per cent. "As we scale up the numbers could be different. We expect significant increases in sales of our brands as well as overall for that store." However, the idea is not to blank out competition's brands in the store, he emphasises.

HUL says there is no target set in terms of a sales increase, but "we expect market share of our brands from those stores will go up significantly," he adds.

Mr V. Rajesh, a retail professional who was part of the

team that pioneered corporate retail in India with Food-World, says HUL's exercise could pave the way for genuine retail end sales data at a scale which makes it meaningful and actionable. But, would the 'perfect' store make a material difference to the conventional stores? Says he: "Sure, the neighbourhood stores would look better and appear to have a wider range, offers, and so on. However, their USP has always been the personalised attention and service they give which in turn creates a perception of good quality and price. Would a newer and better looking store help enhance this relationship? I frankly don't know."

Mr Rajesh says many consumers today have split their purchases between a supermarket and the neighbourhood store.

The functional products and staples come from the *kirana* while the supermarket provides frozen food and the imported range. "Given the investments required in a chiller and freezer I doubt if the *kirana* will ever be able to grab this share of the basket. They would at best take a few bits and pieces of personal care. Would this lead to a significant jump in bill value and hence the overall sales? I doubt it," he says.