

Solving the Consumer Goods Distribution Challenge

Building capability through a
distinctive hands-on methodology





MESSAGE FROM MANIPAL PROLEARN

How time flies...and changes consumer habits with the winds.

In Colaba, Mumbai, a fan buys snacks to munch while watching an English Premier League match live. In rural Arunachal Pradesh, a grandma purchases a bottle of conditioner shampoo for the first time. Despite being three thousand miles apart, these diverse consumers are experiencing what we call the 'moments of truth' – a moment when a consumer chooses one brand over another, engages with it to form, sustain or change perception.

In these tumultuous times, when the industry's historic value creation model is up against imperatives of modernity, how can consumer goods salespersons deal with radical shifts in consumer behaviour, retailer decision making and expectations? Today, across multiple 'moments of truths', from discovery to after sales, we are expected to develop multichannel consumer experiences by leveraging traditional, digital and emerging channels.

No wonder, organizations of today make huge demands of their sales professionals. Not only are they expected to shine at strategic selling technique but also excel at pre-sales, prospect curation, distribution, forecasting, logistics management et al. All in all, catalysts with all-round good people practice. Today, it's their bouquet of talents, skills and abilities that are being called to account.

At Manipal ProLearn, we have been running a program for Frontline Salesperson Capability Building. The idea of the program is to condense all that a modern-day, digital native salesperson needs to succeed in his/her day to day work. Backed by our distinctive training methodology, our team of trainers do a great job of packaging the sales ecosystem for someone just entering the profession.

Since the focus is on hands-on, real-world learning, we have a bank of 100+ sales and distribution case studies for the learners to solve. In this collection, we have selected a few of them to give you a flavour of our training.

Happy brainstorming!



Top K is one of the fastest growing cereal brands in India and is the market leader. To feed India's aspiration towards a healthy, quick meal in the morning, it has launched a range of breakfast cereals in 2010. It intended to target school going children and busy office goers. Top K's superior product quality, coupled with a robust go-to-market strategy, has ensured consistent growth Year on Year. Its marketing efforts aimed at the early conversion of school children with various giveaways have worked wonders in attaining a healthy market share.

Problem Statement:

To further optimize consumption during the high season, Top K hired additional shelves (facings) across select strategic stores. The cereal maker wanted to get its products merchandised during Jun-Aug period across strategically advantageous retail stores.

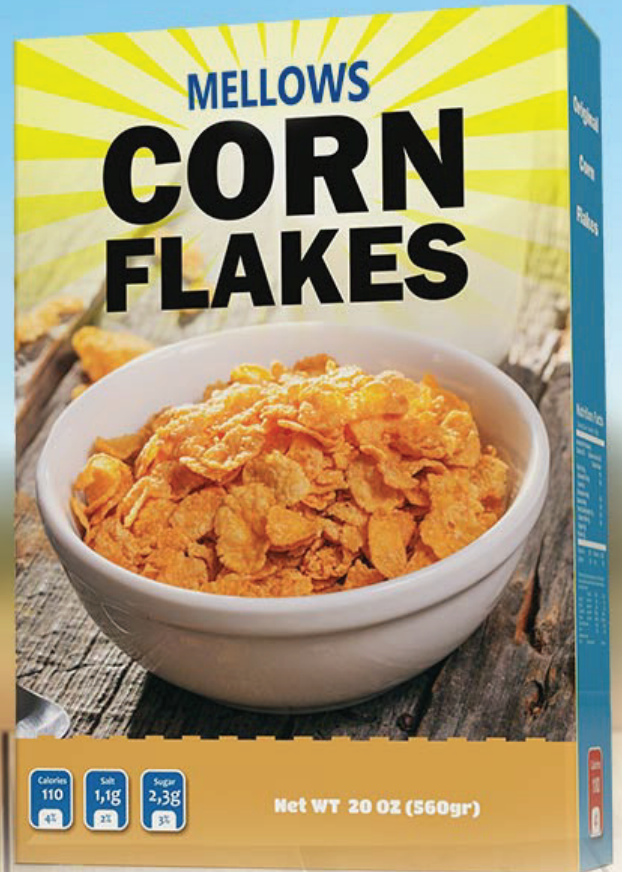
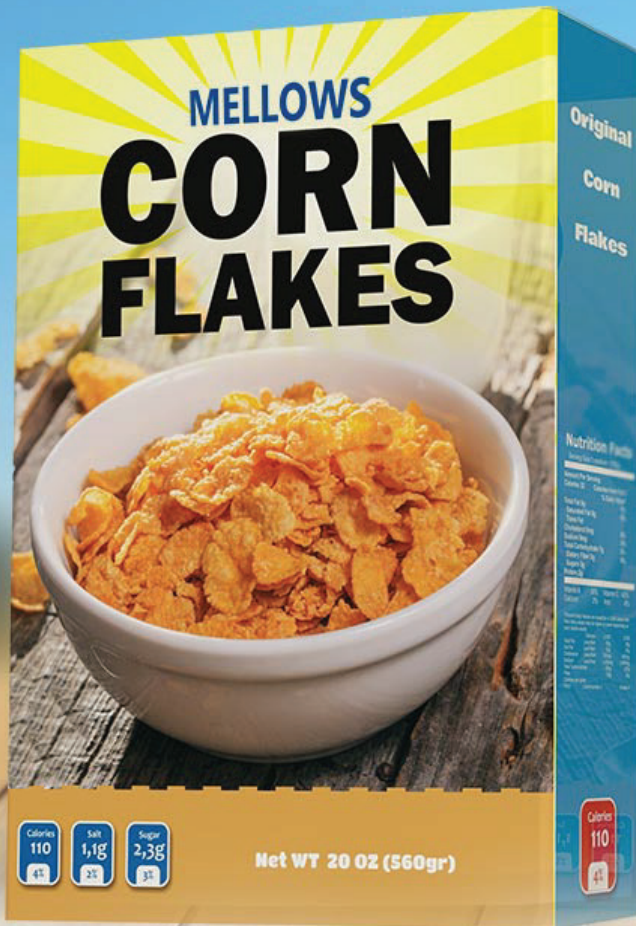
SuperSave is one such store, the biggest in the city. Top K engaged with it and paid @ ₹5,000 per month to stay on its shelves. But as the display period comes to an end in August, SuperSave management was not willing to carry Top K products in as many shelves and wanted to downgrade from 17 shelves to 13. SuperSave cited two reasons in its favor. One, ₹5000 rent would be done away with from September, and two, from a peak of ₹72000/month, Top K's sales consistently fell at ₹68,750 in August. SuperSave management believes that Top K's securing premium placement didn't help much in lifting sales, so plummeting sales was only a matter of time and do not work for it.

SuperSave Breakfast Cereal Category	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Total BF Cereal Sales/month	1,20,000	1,10,000	1,15,000	1,18,000	1,28,000	1,31,000	1,28,000	1,25,000
Top K Sales/month	66,000	60,500	63,250	65,000	70,400	72,050	70,400	68,750
Cereal Category Space (# of facings)	30	30	30	30	30	30	30	30
Top K Share of Shelf	17	17	17	17	17	17	17	17
Additional Shelf Top K @ ₹5000/month						4	4	4

Discussion Points:

What measures should the sales team explore to deal with the situation? What plan-of-action should the sales folks develop to approach negotiations with the retail buyers? How to get products in-store, attract eyeballs, secure premium placement, run promotions, and accurately forecast, if the RoI, in terms of incremental sales, outweigh these costs.

CASE STUDY ON
FAIR SHARE SHELF SPACE



Retailer Ramesh used to be a shining star on the high street of the city. His retail store fared exceedingly well on all counts consistently. But of late, for the last few quarters, his store – biggest and brightest in the zone, seems to be losing its sheen due to a decline in overall sales/square meter. The store is on a downward trend since the arrival of new competitors in the vicinity. Ramesh is looking to find a way to reverse the trend. His goal is to grow the same-store-sales at least by 10%.

Problem Statement:

As the sales/squarer meter matrix is fizzling, the Store Operations Division has asked Retailer Ramesh to either improve the store’s profitability or sublease a part of the space to an external vendor. Ramesh is not fond of the idea. Not only subleasing adds legal and logistical protocols but also casts a shadow over every day issues like compatibility, administration and internal branding among others. To keep afloat, Ramesh wants a plan to convert footfalls into hard sales.

One among many such considerations were to partially get rid of shelf-space dedicated to breakfast cereal category. He believes that the bulky boxes consume extra space. He wants to reuse the space with a high margin category like toys.

When a crisis presents a new opportunity

But is Ramesh missing a vital link? Compared to other countries and lot of other categories, breakfast cereal products perform less well in the Category Development Index (CDI). Considering the fierce competition (top three breakfast cereal brands enjoy albeit same market share) Mellows, one from the three, is chalking an aggressive marketing plan. Its strategy is to grow overall Category CDI by active sampling and significant media exposure. Due to its high out of stock (OOS) ratio and low shelf-space occupancy, Mellows representatives are exploring sponsored opportunities to increase shelf space.

Discussion Points

What strategy and plan of action would Mellows’ representatives tailor to reap from local stores like Ramesh’s? What’s in it for Retailer Ramesh? How bottom lines of both can be met in rescuing the instore sales?



Growell, is a consumer goods giant, and a market leader in Deodorant category. Its carefully thought through creative and well-targeted marketing makes it a brand with top-of-the-mind-recall for youth. Buoyed by its success, reach, market insights and drive, Growell decides to launch SmellWell. The aim was to bag the biggest slice of a new emerging subcategory under the deodorant SKU. As expected, three months since the launch, SmellWell was holding the top slot in its category. New market research showed growing enthusiasm among its target audience which was predominantly youth. While all the regions were going full throttle, a distributor from the west coast rang a warning bell.

Problem Statement:

Growell's West Coast distributor warns of a sharp drop in sales. Post launch, sales of units gradually slowed month after month. Shipments were down from the peak of 1600 cases per month to 600 cases. The worried distributor holding 800 unsold cases requests the company to consider reducing the shipments further to 400 cases a month for the next three months.

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10
Shipment	1000	800	1200	1300	1600	1200	1200	1200	1000	600
Retailing	800	1000	1100	1000	1000	1100	1000	1100	1100	1100
Inventory	200	0	100	400	1000	1100	1300	1400	1300	800

Discussion Points:

On reflection, how the ASM of Growell should assess the distributor from West Coast? What micro and macro industry trends would help a sales manager identify if the argument is valid or floating? What does it take to nail down a fast-moving GenZ centric business model? How to identify, build and nurture a successful distributor network?

CASE STUDY ON PROFITABLE STORE COVERAGE



Anand is a regional manager with Sellmore. He manages southern India, has six years of experience and leads a team of four territory sales managers.

Business has been very good in the last two years and was growing at a CAGR of 15%. It has extensively expanded its distributor network to cover about 100,000 stores in the region, with an even split of stores across the states.

Maha Nadu, one of the most important states in the region also saw a split between urban and rural in the ratio of 60:40. The distributors played key roles in attaining 20% sales growth in the last two years. The management has put the right support network in place. Significant increase in in-store coverage (8,000 stores) and a proportionate increase in resources too enabled growth. Most of the incremental coverage across Maha Nadu occurred in the rural areas with the help of van sales (van + seller with an accompanying delivery boy).

Problem Statement:

This year, however, business is low. Though not all doom and gloom, but the performance of the first half of the financial year, from April to September, fell much below expectations. While the rest of the south was growing at 10%, Anand's distributor could only manage to secure a 2% growth. The distributor fails to stem losses despite incurring capital expenditure and increasing store coverage as per Sellmore's business plan. Now, he wants to cut down on non-performing stores and also intends to minimize investment in resources across van and people. As he tries to grapple with a worsening trend, the worried distributor wants to meet Anand to discuss the situation.

Discussion Points

From touchpoints to trust points, how would Anand plan to win over the disillusioned distributor? How would he dive deep into data from his territory managers and external sources? Should he embrace strategies to hinge on deep customer and market insight? What information should Anand seek and ensure to prevent the distributor from reducing any coverage or people?

Who we are:

Manipal ProLearn is the corporate training arm of Manipal Global Education Services (MaGE). It delivers top-quality professional training programs for multiple sectors/ industries with a critical focus on Consumer Goods and Services. The training is delivered through physical or virtual live classroom or in blended mode and self-paced on our own cutting edge Learning Management Solution (LMS) platform.

Hope you have enjoyed reading the case studies as much as we did creating them. Here, we are all excited to create a delightful solution for a problem that's so your own and write yet another successful case study to your and our satisfaction. In essence, foster our 'moments of truth' together towards our path to personalisation.

Ramesh Kumar, Academic Director - Consumer Goods is spearheading the academic and delivery side with a team of experienced sales trainers to deliver outcome-based learning. Ramesh has over 31 years of experience working at P&G in diverse high profile sales leadership roles.





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