

Even as kirana stores emerge as heroes in difficult times, brands also up their e-commerce strategies

The local kirana stores emerged as saviours for the FMCG brands during the lockdown. However, an important lesson the brands, which sell small ticket daily needs items, learnt was the importance of onboarding the e-commerce supply wholeheartedly. BestMediaInfo.com finds out how brands are reworking their supply chains.

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Kirana or the neighbourhood grocery shop can be deemed our hero during Covid-19 times as there is absolutely no doubt that the retail frontline helped Indian households make it through a difficult lockdown phase. But it also was during the lockdown that multiple brands started strengthening their e-commerce presence.

While e-comm had been gaining steady traction over the past couple of decades, the recent confinement at home catapulted it into hyper drive with online sales growing fast. The fear of stepping outside along with the factor of ‘convenience’ made brands, including Bisleri, Marico or Hershey partner with delivery apps such as Zomato, Swiggy or Dunzo. While Vadilal Ice Cream, Big Bazaar and Hershey developed an exclusive online ordering portal for themselves, Parle Agro collaborated with major e-comm players.

In the initial phase of the lockdown, there was a heavy restriction on the movement of goods and the delivery systems were disrupted. In spite of that, the local kirana stores were able to supply essential goods continuously and meet consumer demands.



Anjana Ghosh

As the lockdown progressed, consumers were reluctant to step out of their houses due to concerns related to safety and fear of the spread of the infection, Anjana Ghosh, Director of Marketing and Business Development at Bisleri International, said. There was a real shift and renewed focus in people to stay safe, healthy and embrace contactless deliveries in response to Covid-19.

“We see consumers are shopping online more than before and essential needs such as groceries, dairy and beverages are the emerging categories on e-

comm platforms. With consumer behaviour changing a lot, our efforts has been directed towards mapping that and adapting to online distribution strategies,” she said.



Dheeraj Sinha

India is a market of ‘and’ nor ‘or’. Here we have the mutual co-existence of the old and the new. The kirana shops’ connect with the consumers, their quick service, their adaptability and agility won customers' trust and wallets. However, with the virus still looming large, with the heightened paranoia around contagious infections, fear of stepping out is one of the key reasons for people to pivot to the online shopping model, said Dheeraj Sinha, Managing Director, India and Chief Strategy Officer, South Asia at Leo Burnett. Another important factor is of ‘convenience’.

The lockdown made people realise a new way of life. People are increasingly accepting a plethora of things that can be done while sitting at home and exploring the world through technology. Amazon entering into food delivering and Swiggy introducing Swiggy Genie to get more runner boys in the market are all examples of how people are easing into this new way of life.

Sinha said both kirana and e-comm will continue to grow and co-exist in the times to come for their own unique reasons.



Nadia Chauhan

Nadia Chauhan, JMD and CMO, Parle Agro, said the lockdown not only made e-comm the ideal channel for consumers to purchase what they want, it has also accelerated the ecomm category in a massive way. Consumers and households that don't normally adopt online platforms to buy groceries have suddenly started utilising them. E-comm has gone up tremendously and will continue to increase.

As a few brands launch their own e-comm websites, a handful are partnering with others. Even companies such as Parle Agro with multiple brand portfolios under it preferred to partner with other e-comm platforms such as BigBasket, Grofers, Milk Basket, Swiggy, etc.

So, what works better for the brands: partnering with established e-comm players or launching own e-comm platform?

It's not easy building a successful platform in India. It is resource-intensive to build a brand/platform that commands the trust of the people. This trust, in the case of an e-comm platform, is based on a repeatedly efficient delivery experience, an amazing selection and availability and a continued experience of 'value'.

Sinha suggested, "If you have the resources to be able to build all of these and an ability to leverage the platform accordingly, only then should one venture in building their own platform. In most other cases, a tie-up is good

enough. Ultimately, the delivery platforms will turn category and brand-agnostic. They will be known for their own efficiency, while the brands that they carry will deliver the category benefit and experience.”



Pawan Sarda

Pawan Sarda, Group Head, Digital, Marketing and E-commerce, Future Group, said this totally depends upon the capacity of the brand. If one is able to create enough demand while delivering it, then why not opt for an independent site.

Big Bazaar has created its own platform and also has collaborated with Amazon, making its store inventory live there.

Ghosh, with the same point of view of how it really depends on one’s product and the size of supply, said that another important factor is how strong one’s logistics, delivery network and servicing ability is to deliver the product to the customer on time.

“In the current crisis, we have seen many brands partner with other established brands to leverage their network and facilitate seamless supply of essential products,” she said.

Bisleri with its distribution network already in place is also leveraging multiple distribution channels while also partnering with various retail and

delivery service partners. At the same time, it has enabled its e-comm platform through which consumers can get regular deliveries.

Apart from this, the recently released Facebook-BCG report had speculated how there will be an increase in spend on e-comm in the coming months even for traditionally offline categories, a definite increase in spends on health, hygiene and wellness, and a rise in do-it-yourself (DIY) trends. It suggested brands to build their online presence via own platforms and influencing marketplaces. The surge in preference for the online channel is sharper in India than in China, Brazil, Indonesia, Thailand and Philippines. Thus, the right time to build online presence.

So would this lead to brands changing their communication approach as well while making products available online?

There's certainly a surge in the use of digital as a medium, because that's where people are right now. But a role for TV and all other platforms will continue, said Sinha.

He said, "Lockdown and resulting restrictions have pushed us to experiment with a lot of new channels, for e.g. gamification and live video communication are paving the way for experiential marketing methods of connecting better with consumers and we will continue to see adoption and innovation in channels of communication."

Sarda said when a brand plans to shift the business to online, it definitely leads to a shift in the spends and channel of communication as one has to inform the customers as well.

Similarly, Bisleri has been reiterating the existing message around its contactless production practices and partnering with different delivery services to ensure its consumers have access to essential needs such as safe drinking water.

Ghosh said it has been creating a broader digital and D2C campaign where consumers can place orders directly by calling its customer service number or by visiting the website.

The lockdown has fast-tracked the adoption of technology. While the sudden surge in consumer demand for e-comm services could be due to the implementation of social distancing norms and lockdown, these new norms are finding increasing acceptance among consumers. Segments such as on-demand delivery of fresh produce, online education, gaming, OTT platforms, online collaborative tools, e-pharmacies, online consultations are areas that may have found their turning point.

Also, a few companies like Parle Agro are not looking at e-comm as a platform to leverage only during Covid-19 but as an important channel that will contribute significantly in the near future as well.

As experts also foresee e-comm taking a big leap after the pandemic for multiple reasons, should brands be afraid that offline businesses will soon be replaced with online and thus should compulsorily ride on 'brand.com' strategy?

Will offline be replaced with an online distribution model after the pandemic?

There is a definite change in the consumer shopping behaviour due to the pandemic, which is driving people to embrace online shopping.

Ghosh and Sarada said it remains to be seen if there will be a permanent shift or not.

Brands are working towards creating a great online experience for their consumers and combining it with their offline virtual stores to help them service their consumers better and improve their business model.

Sinha said online is not replacing brick and mortar. “We are witnessing acceleration of digital and contactless commerce and offline retail and other experiences will continue to co-exist,” he said.