HCCB - Sales Case Study

In the rapidly evolving landscape of business, Digital Transformation has emerged as a pivotal disruptor in recent years. HCCB, a company with a rich history of embracing disruption, is now poised to revolutionize its order-taking process by embracing a digital-first approach. This transformation spans the realms of onboarding, adoption, and retention of a new e-ordering app among retailers.

HCCB has traversed multiple phases of disruption, transitioning from direct company selling to distribution through intermediaries (Distributors), and from a ready stock model to a pre-sell approach. The latest phase involves a shift from traditional offline order-taking to an e-ordering process facilitated by a dedicated app for retailers. The Company's strength comes from the strength of the 3500+ Channel partners, serving over 1.5 million outlets directly and another 2 Million outlets indirectly, catered to by 5000+ Pre-sellers who have been the key force preserving, building & strengthening the Brands under the umbrella of Coca-Cola in the retail markets. The overarching goal is to streamline operations, enhance efficiency, and expand market reach.

What are the Opportunities?

With consumer E-Commerce growing in strong double-digit numbers, Customer E-Commerce or e-B2B has the whitespace to grow and multiply the business of Coca-Cola. With new players coming in and entering the E-commerce space, e-B2B is still a segment yet to be aced and dominated by a single player. However, with a "Digital First approach" & the strength and capabilities of the people working in HCCB, we believe we will be the ones to stand out.

What is the vision?

HCCB's vision is focused on becoming "**Customer-centric**" by providing a personalized, 24/7 tool for retailers. This tool aims to act as a "Buddy" to retailers, helping to secure a larger share of their wallets and minds. This vision emphasizes the importance of building strong customer relationships through digital means.

Where do we stand today?

HCCB has already launched its E-B2B tool after a successful pilot phase. It's noteworthy that India is at the forefront of leading digital initiatives globally. Currently, the app is present in over 70,000 outlets, and the goal is to expand its footprint to over 300,000 outlets by the end of 2023. The rapid scaling indicates the effectiveness of the tool and the dedication of the on-ground team.

HCCB's ambition is to continue accelerating expansion and eventually be present in every outlet within the system. This signals a commitment to making digital transformation a core part of the company's operations.

Overall, HCCB's digital-first approach and vision for a customer-centric, personalized tool show a strong commitment to embracing digital transformation to disrupt and improve its business processes.

Challenges at Hand:

1) Onboarding: Scaling Across Diverse Markets

Visible outlet Universe (1.3 M outlets): Outlets that are covered by distributors have a distributor management system, which gives us the visibility of billing to the outlet. (Secondary)

Invisible Outlet Universe (1.8 M outlets): Outlets that are not covered by direct distribution forms and are covered indirectly by wholesalers or spokes are the Invisible outlets, which implies we do not have visibility to the billing of the outlet. (Secondary)

The visible outlet universe presents a diverse set of route-to-market models. **These models include:**

Pre-sell Model (800K of the 1.3 M): Here, pre-sellers operate with predefined Permanent Journey Plans (PJPs), taking orders a day in advance and delivering them the next day.

RSU Model (500k of the 1.3M): This entails loading ready stocks onto vehicles, which are then served directly to the market.

Tele Sell Model: This model involves a fixed Permanent Call Plan (PCP) to maximize touchpoints with outlets and address pre-seller absenteeism. The model complements the Pre-sell model and is present in all Pre-sell Routes.

India's market landscape is characterized by varying degrees of leadership, from high market share and numeric distribution in some regions to mid-market leadership and lower market share and numeric distribution in others. A one-size-fits-all approach won't suffice. Instead, we must tailor our approach to address the unique challenges and strengths of each market.
For instance, the Pre-sell Model benefits from robust training modules for pre-sellers, particularly in areas with strong market leadership. To ensure relevance, we must create scalable training modules for other market cohorts. The primary challenge here is scaling app adoption across markets with differing characteristics, especially in regions with low market share or weaker distribution networks.

2) Adoption and Retention: Building a Digital Habit

After successfully onboarding retailers, the next challenge is ensuring sustained app adoption and building usage behaviour. The key performance indicator (KPI) of monthly transacting users (MTU) is crucial. We've observed that adoption varies based on factors such as metro vs. non-metro locations, digital savviness of customers in different geographies, and the quality of onboarding.

The question is how to standardize and make the app the preferred choice for ordering. Ideas to consider include strategies to engage retailers, stimulate repeat orders, and ultimately increase order frequency and volume. Our ultimate goal is to make all our customers embrace the digital tool for ordering, overcoming resistance from outlets accustomed to traditional methods.

3) The Challenge of Communication: Bridging the Gap

Effectively communicating the benefits of the digital approach and facilitating a smooth transition while preserving the personal touch that retailers are accustomed to is paramount. This entails not just introducing change but managing it adeptly.

Key Elements to Answer

1st Round (2 Slider submission)

- Identify and Address Barriers: Deep market research and primary research insights should uncover customer challenges, forming the basis for innovative solutions.
- Tailor Strategies for Unique Markets: Develop creative approaches for onboarding in markets with low penetration and weak distribution networks. This includes strategies for the Ready Stock Unit model, rural and upcountry towns.
- Invisible Markets: Craft strategies to penetrate markets currently unseen, managing the change and transition for these outlets.

2nd Round (5 Slider Submission and 1 Min-Video)

- Elaborate the execution plans, with potential associated costs.
- Change Management: Design change management strategies that ensure the smooth adoption of the e-ordering app while preserving retailer and pre-seller relationships.
- Long-Term Engagement: Devise comprehensive customer engagement strategies that encompass delivery mediums and content ideas, aiming to maximize conversions and boost wallet and mind share among Coke customers.

Evaluation Criteria:

Submissions will be evaluated based on the following:

- Depth of analysis aided by a deep understanding of retailer insights & behaviour
- Creativity of solutions
- Feasibility of implementation, and potential impact on the company's order-taking process. Your ability to address the nuanced challenges of HCCB's digital transformation journey will be central to the assessment.