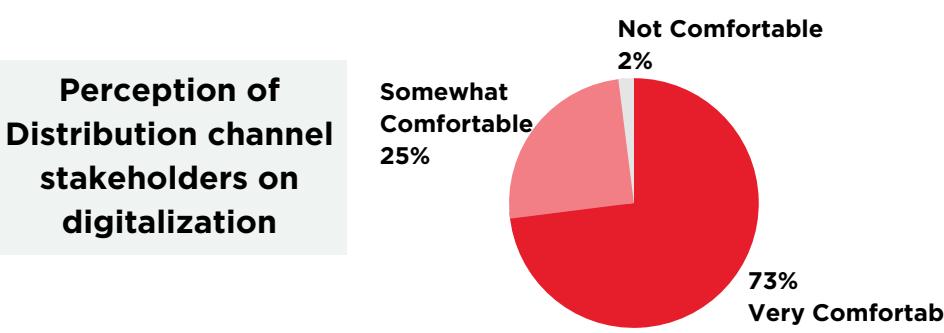
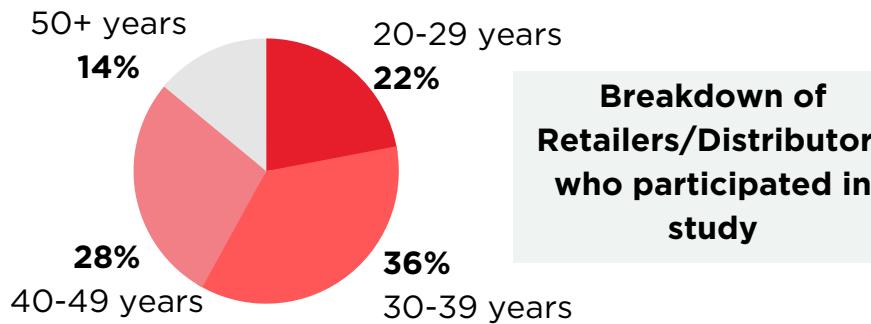


Scaling HCCB Coke Buddy across diverse markets - “Win the journey, not just the transaction”

Insights on adoption of digitalization in distribution channel



Click on logo for questionnaire

Google Forms

- 78% of shopkeepers rely on digital apps and websites for business inventory, showcasing strong digital integration
- 48% of shopkeepers use messaging apps for supplier and customer communication, underlining digital importance in operations
- 24% use cash registers, 7% employ social media tools, and only 4% operate without digital apps
- 54% of shopkeepers plan to adopt digital tools for supplier interactions, indicating a growing supply chain focus
- 17% plan online expansion, 10% focus on digital payments, and just 4% emphasize inventory management, indicating existing adequacy
- The survey reveals shopkeepers' key challenges: order management (74%) and customer service (74%) are top concerns, followed by wholesaler shopping (60%) and inventory management (60%)
- Shopkeepers with pain points in order management and customer service (74% each) aim to adopt digital tools for sourcing and online sales (54% and 17% respectively)



Driving factors for adoption of digitalization

Large scale digital adoption between 2013 and 2018

Government led



870 million

up from 55.8 million

Aadhaar-linked bank accounts

Business led



560 million

up from 238.7 million

Internet subscriptions
annual digital payment transactions (digital wallets, net banking, or credit or debit card at point of sale)³



98 million

up from 6.5 million

daily e-government transactions



176.8 million

up from 40 million

e-commerce users



- BHIM and UPI AutoPay drove digital payments, with **USD 1.26 trillion in FY22**, over **2X** previous year
- Increased use of internet in **tier 2** and similar cities (**53 percent active users** belonged to rural areas in 2022)

Barriers in current distribution network

Low transparency between company and the parties

Training and Education

Awareness of the platform

Technological Barriers

Biggest Day to Day Challenges



Scaling HCCB Coke Buddy across diverse markets - “Win the journey, not just the transaction”

Suggested journey of a retailer through Coke Buddy app



Scaling in RSU model



Implement **route optimization software** for RSU model vehicles to ensure efficient order fulfillment. Provide real-time order tracking for retailers.



Launch **targeted awareness campaigns** in regions with a significant number of invisible outlets. Utilize local media, influencers, and community events to promote the app's benefits.

Almost all retailers prefer to have a sales representative, as they believe **sales reps can improve the overall buying experience** online. Most of them have stated that they can't purchase a product online without the help of a sales representative.



Onboarding and scaling in pre sell/ tele-sell model



Giving **personal product catalogue** with specific pricing based on different retailer segments which can help coke in onboarding.



Create a **single way channel** to communicate with all distributors and retailers about the app include video tutorials on how to install and use the app, provide links to the app.



Create a **hotline & self service support mechanism** over whatsapp or SMS staffed with agents conversant in local languages to enable ease of use.



Collaborate with bank/NBFCs to act as a **credit partner** to allow merchants to exert choice in how they pay, and where they pay from. Increasing app users choice reduces onboarding friction.



Initial momentum in onboarding will be bought by a **dedicated experienced frontline staff** (route trainers), who will support the local sales persons.



Route trainers will **train and support** on field resources **until the program reaches a steady state**, then frontline sales team will take over independently.



Level of time & effort

Low



Moderate



High



Low



High



Low



Installation & Registration

UPI Configuration

Test Order

First order

Digital Payment

COLLECT FEEDBACK

COLLECT FEEDBACK

Adoption / retention on the platform



Create a community within the app for retailers to share experiences, best practices, and support each other.

Retailers can earn **referral points** by **inviting other retailers** to join and use the CokeBuddy app. A fixed number of referral points awarded for each successful referral (50 points/retailer onboarded).

 Create a **catalog of rewards** retailers can redeem using their accumulated referral points. Rewards may include discounts on Coca-Cola products, exclusive merchandise, or cashback on orders.

Recognize top referrers and offer special incentives or recognition on tier basis. Add gamification elements, such as leaderboards or competitions, to make the referral process more engaging and competitive.

 Host **promotional events or campaigns** that offer bonus referral points for a limited time to boost participation.

Create a system where ASMs and Sales Executives earn referral points for every new distributor or retailer they successfully onboard onto the CokeBuddy app. Establish a **tiered reward structure** where they receive increasing incentives as they refer more distributors or retailers.

 Higher referral points for reaching certain milestones. Convert referral points into cash rewards or incentives such as gift cards, travel vouchers, or merchandise. Recognize and acknowledge top performers to **motivate healthy competition**.

Provide them with marketing materials and resources to facilitate the process. Implement a **tracking system to monitor the performance** of ASMs and Sales reps in terms of app adoption within their territories.

Steps to foster trust and improve experience

	Challenges	Steps considered
 Search & Discovery	Response time for app may vary, retailer experience can get hampered due to non-predictability of response time	Protocol optimization to reduce Payload
 Ordering	Privacy risk emanating from the personal information that retailer has to share on the app	Policy to restrict using customer data for any other purpose than ordering
 Returns	Determining responsibility amongst network participants for cancellation return or replacements	Clear disclosure of T/C and network mechanism to ensure timely and effective resolution of issues
 Grievances	Retailers and Distributors require a single point of contact to raise their query	Chatbots / Registering complaints to the ASM can be enabled through the platform itself

Mapping interventions in payment chain

Present Role	Digitalization Intervention
 Outlets	<ul style="list-style-type: none"> Place orders physically with local salesperson Pay in cash
 Local sales reps	<ul style="list-style-type: none"> Take orders from outlets Ocassionally collect cash
 Delivery Persons	<ul style="list-style-type: none"> Distributor resource Deliver products to outlets Collect cash on delivery
 Rural Distributors	<ul style="list-style-type: none"> Take orders via local salesperson from outlets Accept mostly cash payment

From



Lack of Visibility on the sales performance of retailers due to multiple layers of distributors



Inefficiencies in field force operations to achieve sales goals and mobility limitation



Limited promotion planning and optimization due to complex **SKU x account x promo attribute** permutations, alongside data silos and slow **information flow hindering** personalized insights and forecasting

To



Real time sales performance Direct access to millions of sales data to spot trends and improve performance



Dynamic routing for higher strike rate. Build smart visit plans to manage complex route and optimize the time to visit more retailers



Promotion as a service automates multi-scenario promo calendar creation with tailored actions. It enables **large-scale hyper-personalization**, utilizing **forecasts** and **agile planning** for precise product delivery and enhanced collaboration

Adoption / Retention on the platform

From a product standpoint

Prioritize store mapping for last-mile fulfillment partners, like distributors or capable retailers.

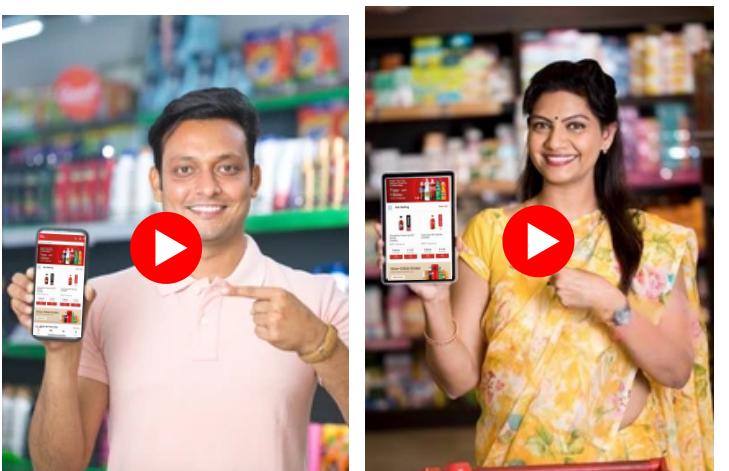
Intelligent order routing

Among multiple mapped stores, matching orders to the right store based on service parameters.

Continuous inventory visibility

Maintain continuous inventory visibility when collecting orders for last-mile fulfillment partners.

"Success stories fuel app adoption"



Proactively seeking out and prioritising the enrollment of women entrepreneurs in rural markets

Understand their aspirations, capabilities, challenges, and varied circumstances to drive informed gender-intentional design choices in marketing, communication, and support efforts

Key innovations can include:

- Using women support staff at call centers to **cater to women entrepreneurs**.
- Using guided at-home onboarding (as opposed to at the store).
- Giving self-service **support over WhatsApp** to cater to audiences where cultural norms prevented women from interacting with men.
- Providing a **women-only incentive (rebate) program** to grow the role of women in co-owned and/or operated businesses.



Sales management

Where their primary responsibility is collecting orders & generating demand which they have been doing conventionally.

Fulfilment management

Additionally, handling order confirmation, returns, and partnership with last-mile accounts for ROI assurance, high fill rates, complaint resolution, and adherence to delivery SLAs set by the brand.

Tailor the design of the offering to women's diverse realities in the target market, which includes:

Y4D Foundation and Hindustan Coca-Cola Beverages Join Hands to Empower 25,000 Women with Financial and Digital Literacy across India

- Accommodating their preferences (e.g. by aligning service hours to women's constraints).
- Taking into consideration social norms (women are more comfortable speaking with women staff).
- Addressing barriers like access to identification and financial capabilities.

"Incorporating regional Brand Ambassadors to announce monthly winners on CokeBuddy which could be shareable on WhatsApp and other social media platforms can boost awareness within their retailer network."



Video-based content

Video-based content around the **brand, new product releases, and awareness** about new program launches can be pushed as in-app widgets at different stages in the journey to customers.



Retailer engagement through redemption integrated loyalty program

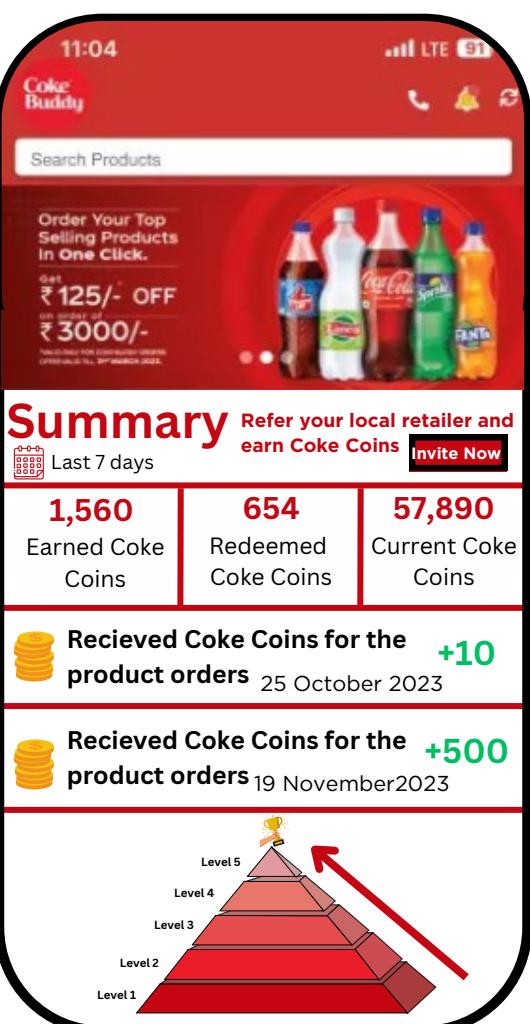


Continuous engagement in terms of **loyalty points** collected and an interface to redeem them with an integrated redemption interface which the brand can configure & customise.

- **Points** appeal to our need for **rewards**.
- **Badges** or awards appeal to our desire of **status**.
- **Challenges** appeal to our longing for **achievement**.
- **Leadership Boards** appeal to our sense of **competition**.

Levers to drive incremental business

- Nudges that can **drive business** for partners in an **incremental way** such as - Inventory stocking out, neighbourhood store buying.
- SKUs with schemes, and SKUs that can be added for better schemes at the time of placing an order brings out that feel in terms of **driving incremental orders** for the brands as well as incremental business for the customers.



Overcoming Communication challenges

Challenges in communication

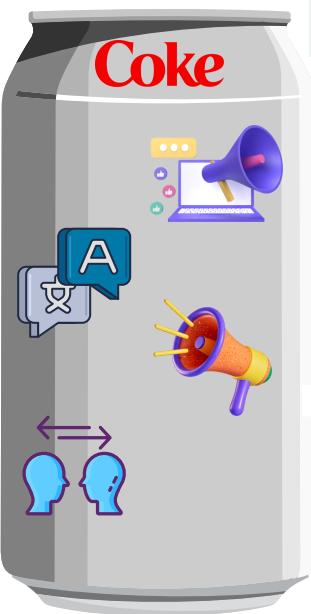
Diverse Linguistic Landscape

India is a linguistically diverse country with numerous languages and dialects. Effective communication may require multilingual support to cater to the needs of various regions and communities.



Lack of 2-way Communication

Just pushing information will lead to less interaction within the platform.



Varied Levels of Digital Literacy

Not all distributors and retailers may be tech-savvy. This can create inconsistency in level of understanding amongst the distribution network partners.

Lack of communication on promotional/product updates

The beverage industry can be dynamic, with changes in product offerings, promotions, and pricing. Untimely and inaccurate can cause confusions.



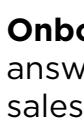
Solutions for communication barriers



Feedback Mechanism: Creating a feedback mechanism where retailers and distributors can easily report issues or suggest improvements.



Regular Updates: Keep retailers informed about updates and improvements to the platform. Regularly communicate how these changes will further enhance their experience. Push notifications can be enabled to ease the communication.



Custom offer banners: Retailers will get personalized AI driven offer recommendations over their account feed. This can ease up information transfer between the sales person and retailer/distributor.



Voice search: Ensure that Cokebuddy is optimized for voice search for mobile devices by focusing on crucial information like Product and service catalogue, tutorial videos.



Hosting distributor conferences: A powerful strategy to promote the CokeBuddy app. These conferences include app demonstrations, training workshops, feedback sessions, recognition and incentives, networking opportunities, app updates, and marketing collateral.

Level up your channel loyalty program to deepen partner relationships

Reward Program Essentials

A flexible scheme engine is crucial for rule setting in reward programs. In beverages, customize rewards for specific sales achievements, including complex rules to motivate influencers and retailers. Rewards comprise coupons, QR codes, vouchers, and experiences.

Exciting Rewards

Our catalog should offer valuable gifts, allowing customers to redeem vouchers from brands like Amazon, Flipkart, dining hotspots, Dominos etc. Cokebuddy's intelligent reward point system should ensure a smooth redemption experience for achievers."

Additional insights from secondary research

As per the survey by Solv of MSME retailers across **300+** Tier 1-6 cities:

Insight 1: 90%+ small retailers, wholesalers & traders feel Online Platforms will help them :

- Sell more
- Get better rates to procure goods
- Help lessen the impact of Covid-19
- Help them get loans faster & with better rates



Insight 2: 90% supply chain participants in high volume commodity segments in India are actively seeking collateral free loans of **upto Rs. 3 Lakh**



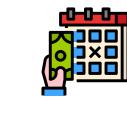
Insight 3: Almost 90% retailer touch-points across categories said sales have been better in last **3 months vis-a-vis 2020**

Implies need for easy access to small ticket size collateral-free loan to further improve working capital & sales



Insight 4: More than 50% retailers & wholesalers said they are willing to pay in **7-15 days** instalments

- 95%+ responded saying they will definitely pay back their loans within **30 days** if given the option of daily repayment



Insight 5: Most small retailers willing to pay daily EMI are either willing to pay **Rs.500 or Rs. 2000** which they feel would ease their payment burden in the end and help them get better access to revolving credit



Insight 6: Interestingly >50% of micro & small businesses participating in the survey said they would like to ease their loan repayment process through automatic deduction from their bank accounts



Insight 7: Wholesalers, Distributors & Retailers from Food & FMCG segments showed greater willingness to participate and find out more about availing small ticket size loans with daily repayment enabled



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