GO TO MARKET STRATEGY
for FPOs

Prepared by
PONNU SUBRAMANIAN
International Retail & Consumer Consultant
National Resource Person
June 2020

Prepared for
DAY-NRLM
Ministry of Rural Development
Government of India

सत्यमेव जयते

Presentation Flow

1. METHODOLOGY
2. TASK ON HAND
3. SUCCESS STORIES
4. THE CUSTOMER
5. EMERGING LANDSCAPE
6. THE OPPORTUNITY
7. THE GTM MODEL
8. CRITICAL ELEMENTS

Presentation Flow

1. METHODOLOGY
2. TASK ON HAND
3. SUCCESS STORIES
4. THE CUSTOMER
5. EMERGING LANDSCAPE
6. THE OPPORTUNITY
7. THE GTM MODEL
8. CRITICAL ELEMENTS

METHODOLOGY

- UNDERSTAND THE PLANS ON FPOs AND THE COMMODITIES INVOLVED
- UNDERSTAND THE PLANS ON VALUE ADDITION AND THE PHASING OF FPOs
- TAKE HELP OF FDRVC TEAM FOR ANY CLARIFICATIONS & DATA

OWN EXPERIENCE OUT **23 YEARS IN RETAIL & CONSUMER SPACE** IN INDIA AND IN INTERNATIONAL MARKETS AND **5 YEARS** IN **LARGE SCALE COMMODITY TRADING**

- DELIBERATIONS WITH VARIOUS STAKEHOLDERS IN THE MARKET:
- NGOs / FPO Owned Entities
- FMCG PROFESSIONALS, EXPORT COMPANIES
- ELECTRONIC COMMODITY AUCTION PLATFORM OWNERS
- NEW AGE STARTUPS IN B2B SPACE
- TRADITIONAL MODERN RETAILERS
- Etc.

GTM STRATEGY

ASSUMPTIONS & LIMITATIONS

- IT IS ASSUMED THAT ALL REQUIRED SUPPORT WILL BE EXTENDED TO FPOs
- THOUGH THIS DOCUMENT IS A GUIDANCE DOCUMENT FOR THE FUTURE, FAIR AMOUNT OF DETAILS HAVE BEEN INCLUDED FOR EVERY SUBJECT. THIS WILL HELP TO KICK-START THE IMPLEMENATION QUICKLY.
- STILL IT IS TO BE UNDERSTOOD THAT THERE WOULD BE SOME LOCALISATION REQUIREMENT DEPENDING ON THE GEOGRAPHY & SITUATION
- Further details on Assumptions and Limitations are in the GTM Document

Presentation Flow

1. METHODOLOGY
2. TASK ON HAND
3. SUCCESS STORIES
4. THE CUSTOMER
5. EMERGING LANDSCAPE
6. THE OPPORTUNITY
7. THE GTM MODEL
8. CRITICAL ELEMENTS

TASK ON HAND

- DAY-NRLM IS PLANNING TO BUILD 40 FPOS
- FOR COUPLE OF FPOS THE DETAILED PROJECT REPORT HAS BEEN PREPARED ALREADY
- FEW OF THE FPO PROPOSALS HAVE BEEN ALREADY APPROVED FOR IMPLEMENTATION

- FPOS BEING BY THE FARMERS, MORE STRENGTH ON PRODUCTION THAN MARKETING (INHERENT)

- ITS GOING TO BE GEOGRAPHICALLY WELL SPREAD-OUT
- MULTIPLE COMMODITIES OF VARIOUS TYPES : GRAINS, PULSES, MINOR MILLETS, SPICES, FRESH PRODUCE

- *JUST FOR THE FIRST SET OF 6 FPOS, THE TOTAL ANNUAL VOLUME ON 5TH YEAR OF OPERATION WOULD BE 650,000 MT*
- *THUS ITS GOING TO BE A LARGE VOLUME PLAY WITH MULTIPLE VALUE ADDED PRODUCTS*

LARGE VOLUME – SPREAD OUT GEOGRAPHY – MULTIPLICITY OF PRODUCTS – FARMERS' ORGANISATION

Presentation Flow

SUCCESS STORIES

Farmveda
Owned by the Farmers of India

Kaushalendra Yadav, CEO

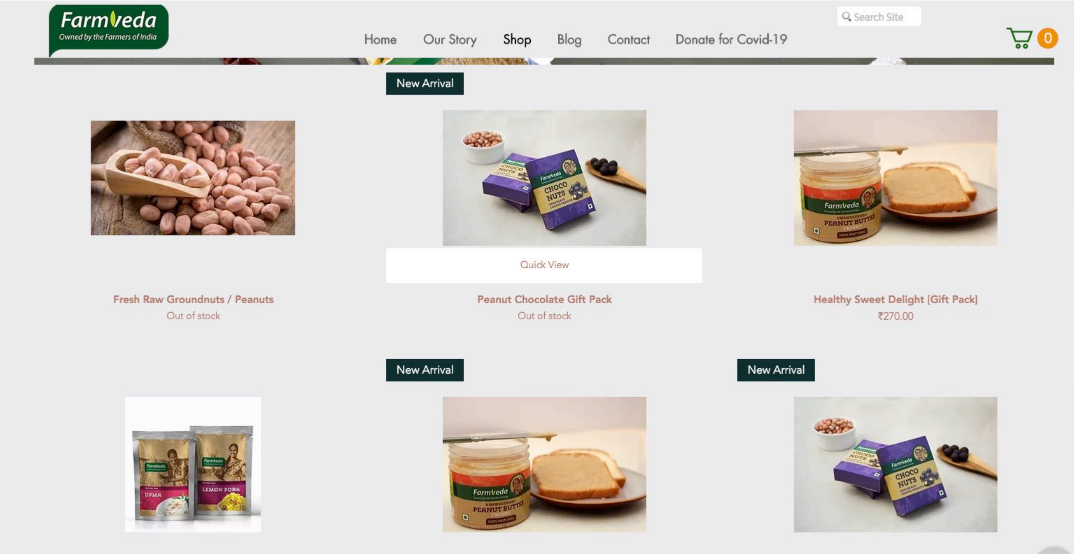
CDC, a NGO brought 3 FPOs in Andhra/Telengana to form a company "Farmveda"

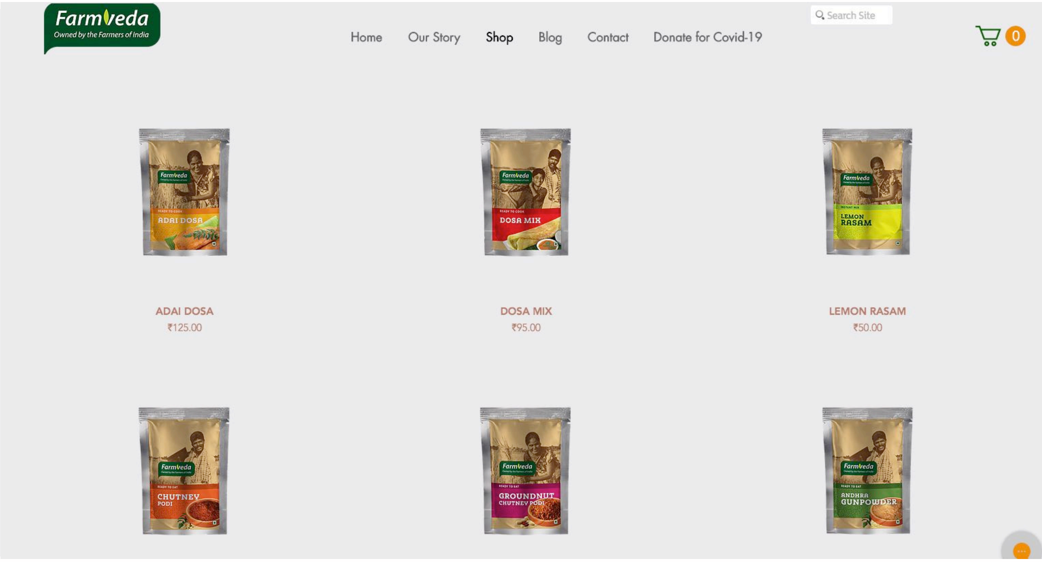
18 SKUs of completely value added products

Online Shopping Website

Distribution into Retail Chain

Estd 2015





SUCCESS STORIES

safe harvest™
pesticide free natural food

Rangu Rao, CEO

Collaborates with >20 FPOs in 10+ states

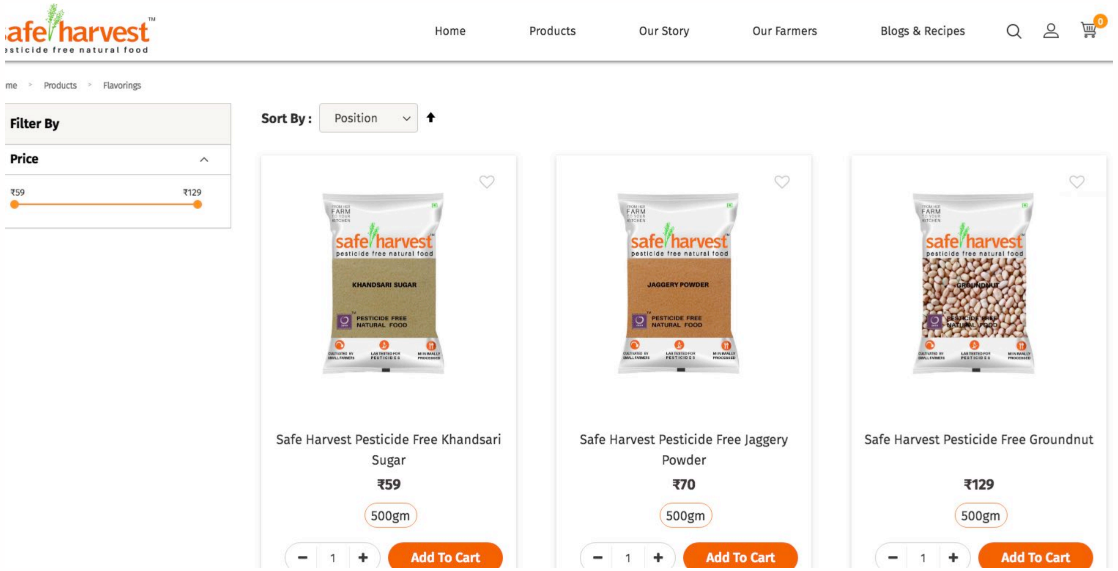
Positioned as Pesticide Free

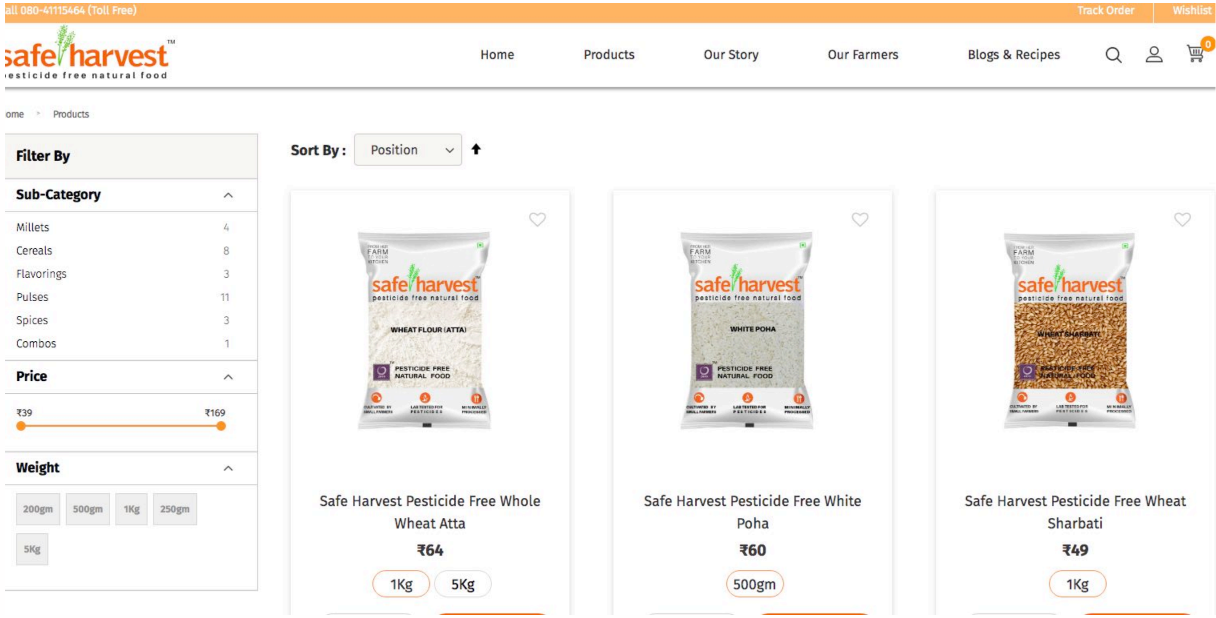
29+ SKUs covering raw and value added products, Rs 2.7 Cr per month +

Online Shopping Website

Distribution into Retail Chain

Started 7 years ago





Indian Grameen Services

Bharati Joshi, CEO

Also promotes FPO amongst other dev work

No common entity. All FPOs are on their own

Increasing Income Through Value Addition In Tur

Name of Farmer Producer Organisation (FPO):
Akola Soy and Cotton Producer Company Ltd.
Supporting Resource Institution (RI):
Indian Grameen Services (IGS)

WESTERN VIDARBHA IS one of Maharastra's major tur growing areas. But the farmers here mostly grow tur in small quantities — as an intercrop between soy and cotton. To optimize the income for the farmers interest group (FIG) members of this region, two groups worked towards setting up a dal mill at the village level to process raw dal, which is part of the staple diet of those living in the Vidarbha region — much like most other parts of the country.

The two FIGs (with 20 members each) — Gajanan Maharaj Fasal Utpadak Gat and Shriram Fasal Utpadak Gat — set up a mini-dal mill in Pohi, Maharashtra. These FIGs jointly looked after the operational and managerial aspects of the mill. The FIGs were graded on the basis of documentation, meetings, homogeneity and adoption of new activities. The groups showed a keen interest in the activities of the dal mill, and sought grant support from Sir Ratan Tata Trust for the same. The grant support was approved based on the readiness of the FIG to contribute to the construction cost of the shed required for the mill.

The Sir Ratan Tata Trust (SRTT) extended a support of Rs. 5 lakh from its fund as a loan for the producer company. This included machinery cost and a revolving fund of Rs. 2.5 lakh each and the group was supposed to contribute Rs. 2.5 lakh in the total outlay. A total of 21 household members were involved in this activity and the intention was to support 336 farmers.

But amid all this, there was one matter of concern — that the mill would be operational for only four months during the summer. If kept idle for the rest of the year, the machines would not remain operational, especially because of the extremely low temperatures during the winter months. To add to this, the farmers had to cope with payment of fixed charges for electricity, so keeping the machines operational for the rest of the months was

» Processing of Tur: First step of Processing

» Showing Second Touch of Tur

Enabling Greater Reach To The Market Through Organised Retail

Name of Farmer Producer Organisation (FPO):
Subi Sahayata Samuh and others
Supporting Resource Institution (RI):
Indian Grameen Services (IGS)

THE PRIMARY CHALLENGE for small farmers today is their inability to earn good profits from their produce owing to the difficult marketing process. VIUC (Vegetable Initiative for Urban Clusters) scheme have been trying to better the situation. According to both the presidents of the above mentioned FIGs, the tangible benefits of the scheme have been visibly pronounced among the farmers of Goa.

The Brahmadevi Suteri Sahayta Samuh FIG consists of discarded because of the uncomfortable primitive practice of selling on the roadsides.

The initiative of opening a procurement centre was taken by the Goa State Horticulture Corporation Ltd (GSHCL) with the support of VIUC. This initiative has solved their problem of reaching out to the markets to a great extent enabling them to sell large quantities of vegetables to the state -owned procurement centre. The

Leveraging The Power Of Collective Marketing

Name of Farmer Producer Organisation (FPO):
Babpur Krishak Sangh
Supporting Resource Institution (RI):
Indian Grameen Services (IGS)

CHARUCHANDRA BAG HAS been growing vegetables in Babpur village in Barasat, West Bengal, for more than 20 years. The Barasat and Amdanga blocks are part of the prime zones of vegetables cultivation in the North 24 Parganas district in West Bengal. But the price the farmers get for their produce is much lower than neighbouring markets such as Koley Market, Kolkata.

"We often wonder about the wholesale and retail price of different vegetables at Koley Market. It is much higher and wholesalers.

The Vegetable Initiative for Urban Clusters (VIUC) programme has proved instrumental in transforming the lives of marginal farmers such as Bag, Soumitra Maity, Sankar Jana, Montu Jana, and many more, from Babpur, who reside in a village merely 40km away from Kolkata. The programme encourages farmers to form farmers interest groups (FIG) that enable them to market their produce collectively with a motorized vending cart of

LEARNINGS - FPO

- Its rare to find an individual FPO to build a marketing network on its own as it appears. They do need more support system for sure.
- When couple of FPOs are brought together for a common cause (by a NGO or a commercial company), they are able to work with their individual strengths to create a stronger enterprise
- Marketing is a special function and a producer organisation may not be able to master that, and not necessarily too
- The FPOs being producer companies should focus on efficiency of production both in farm as well as post-harvest operations, thus generating more volume per acre
- A common front ending company will be able to focus on understanding the consumers, retail and wholesale partners. It will be able to develop expertise in developing value added products as well
- FPOs should never ignore the SHG system on which they were built

Presentation Flow

THE CUSTOMER – THE **ULTIMATE DECIDER**

CUSTOMER ARE CHANGING IN THREE FRONTS

- INCOME LEVELS & THUS AFFORDABILITY
- SHOPPING BEHAVIOUR CHANGES
- AFFINITY TO BRANDS

THE CUSTOMER – THE **ULTIMATE DECIDER**

CUSTOMER ARE CHANGING IN THREE FRONTS

- **INCOME LEVELS & THUS AFFORDABILITY**
- SHOPPING BEHAVIOUR CHANGES
- AFFINITY TO BRANDS

Covid has created a set back on the income levels. A report from Financial Express (dated Apr 30, 2020) projects doubling of poverty in the short to medium terms, going upto 46% below poverty line

At the same time, with strong agriculture base, a stronger monsoon, India has the potential to spring back fairly quickly

In the below projection by BCG, the year 2025 might get **pushed forward** but will happen.

Annual Gross Household Income (INR Lakhs)	2005 Percent (Population)	2016 Percent (Population)	2025 Percent (Population)
Elite (>20)	1.5% (3.1)	2% (6.5)	5% (15.8)
Affluent (10-20)	3% (7)	6% (17)	11% (33)
Aspirers (5-10)	8% (17)	15% (40)	20% (61)
Next Billion (1.5-5)	42% (89)	45% (121)	46% (140)
Strugglers (<1.5)	44% (93)	31% (82)	18% (55)

THE GROWTH IS IMMINENT EVEN IF IT'S DELAYED &

THE DIRECTION IS CLEAR

Source: BCG Report

THE CUSTOMER – THE **ULTIMATE DECIDER**

CUSTOMER ARE CHANGING IN THREE FRONTS

- INCOME LEVELS & THUS AFFORDABILITY
- **SHOPPING BEHAVIOUR CHANGES**
- AFFINITY TO BRANDS

BCG Studied more than 5000 households to arrive at below conclusions. There is a strong emerging behavior of **"INFORMATION CENTERED SHOPPING"**

Emerging Behaviour Observed	% Customer Showing the Behaviour	Explanation of the behaviour set
Information Centred Shopping	85%	Consumers check at least two data points across all categories before they buy
Shopping to stay trendy	62%	The key reason to buy a product is to stay upto date with latest trend
Adoption of time-saving services	57%	**They adopt new habits to save time** – like eating pre-packaged foods, shopping online etc
Full-on embrace of health & wellness	57%	Those who look for **health quotient** in products they buy
Growing interest in customized products	56%	Those who chose to pay extra for customisation of a product
Rise of the female decision maker	50%	**Female members having final say** on selection
Preference of Indian brands over international ones	50%	Displayed this behaviour atleast in one category
Valuing experience over product / Exclusivity in products	37%	Those who trade down to get an experience or who paid more to get an exclusive products.

INCREASED MOBILE PENETRATION IS PLAYING A STRONG CATALYST ROLE

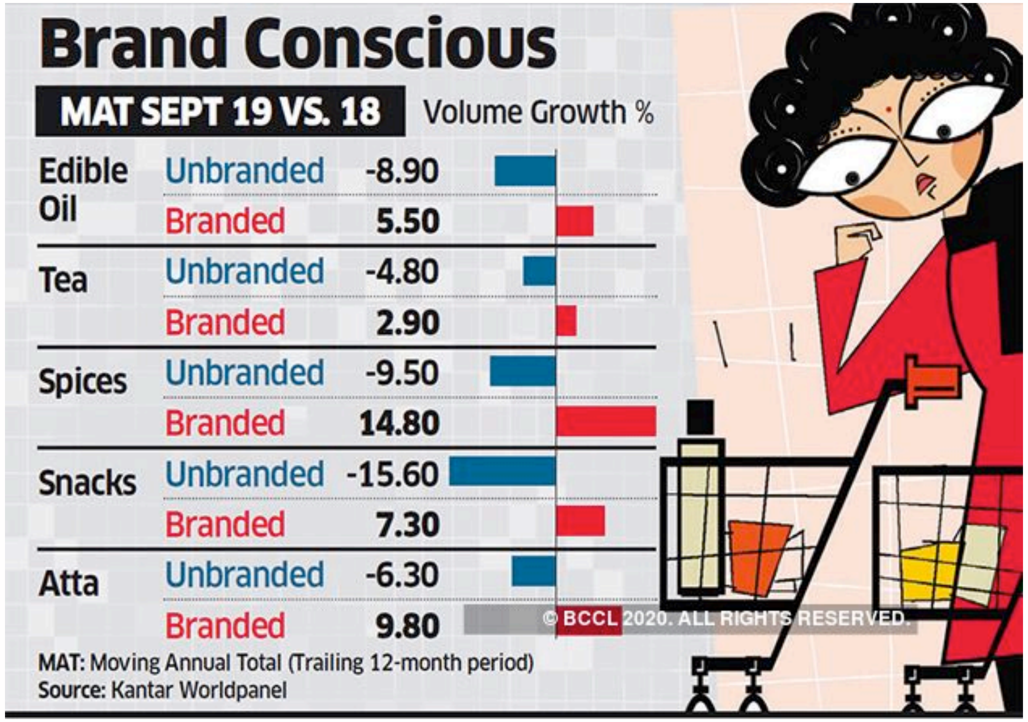
Source: BCG Report

THE CUSTOMER – THE **ULTIMATE DECIDER**

CUSTOMER ARE CHANGING IN THREE FRONTS

- INCOME LEVELS & THUS AFFORDABILITY
- SHOPPING BEHAVIOUR CHANGES
- **AFFINITY TO BRANDS**

Kantar Worldpanel has released the below statistics. There is a strong affinity growth towards BRANDED PRODUCTS



WITH COVID, PEOPLE WANT TO PLAY SAFE, CONSUME SAFE FOOD.

ALL THE MORE SCOPE FOR BRANDED GOODS !

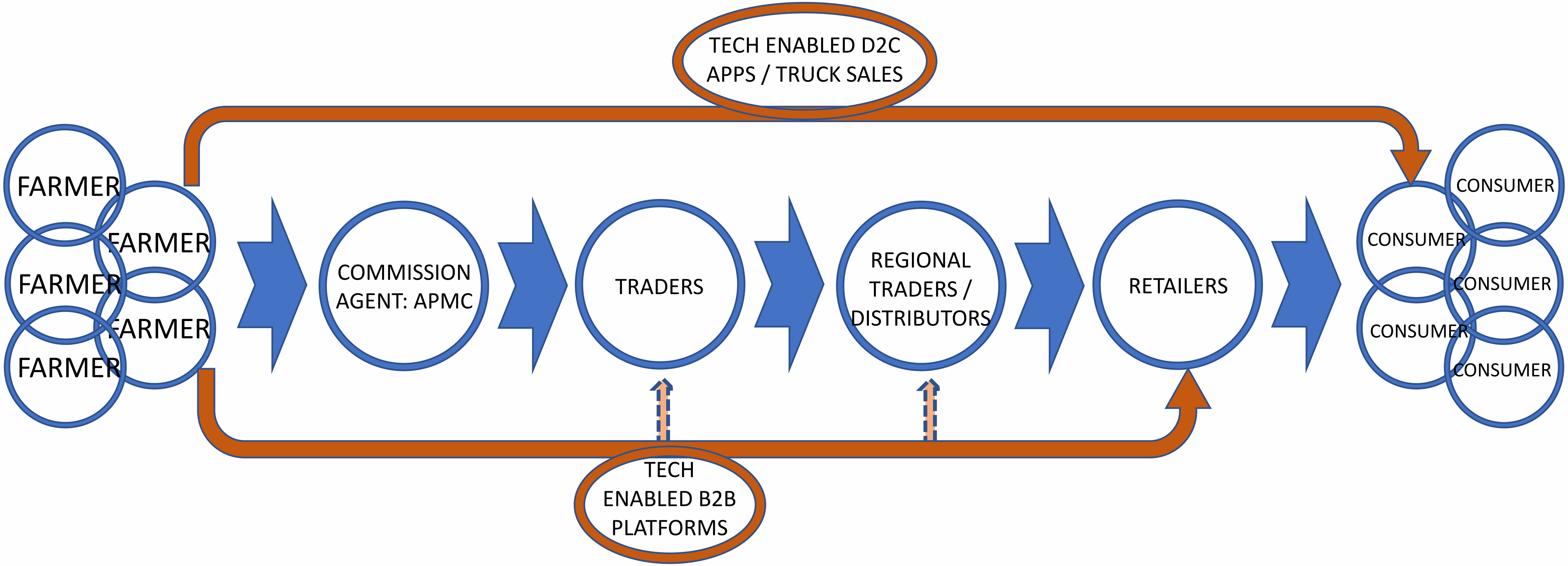
Source: BCG Report

LEARNINGS - CUSTOMER

- The customers are well informed, want to try out new products
- They assign importance to products that carry some identity, like health, organic, convenience etc
- Customers have been exposed to multitude of channels for shopping. They have embraced new channels like never before
- Customers trust brands and they prefer brands over unbranded given a choice
- Covid has created income shocks across cadres of population. It has also created a fear factor in customers minds, thus encouraging them to conserve cash

Presentation Flow

EMERGING LANDSCAPE



EMERGING LANDSCAPE – KEY PLAYERS

PRODUCT (FMCG) MANUFACTURING

MANY SUCCESSFUL FMCG STARTUPS OFFLATE

FEW DO 100% OF SALE THROUGH ONLINE

MAJORLY INTO FOOD / VALUE ADDED

USPs: PURE/HEALTHY/UNIQUE ORIGIN/ TRADITIONAL

GOVT POLICIES

LEGALITIES ON APMC FREED UP

ESSENTIAL COMMODITIES ACT LOOSENED

FDI 100% ON WHOLESALE TRADE

BIG PUSH FOR FPOS

TECHNOLOGY

4G & 5G ARE MAKING INFORMATION SHARING EASIER & QUICKER

MOBILE PENETRATION GROWING

PEOPLE BECOME TECH-COMFORTABLE MORE & MORE

CLOUD SERVICES, MUSHROOMING SOFTWARE SERVICES MAKE ENTRY EASY

CUSTOMERS' BEHAVIOURAL CHANGES

WHOLESALE

ELECTRONIC MARKET PLACES
eNAM / ReMS / NCDEX eMarket / Udaan / Bijak etc

MODERN WHOLESALERS
Metro / Booker / Reliance Market etc

PRICE TRANSPARENCY IMPROVING

LOGISTICS IMPROVIING WITH STARTUPS

DISTRIBUTION

STARTUPS ARE DISRUPTING WITH TECH ENABLED PLATFORMS
JumboTail / SuperZop etc

MODERN WHOLESALERS
Metro / Booker / Reliance Market etc

RETAILERS REACHING OUT TO MFR / PRODUCERS WITH VOLUMES

RETAIL

COVID HAS TRIGGERED INNOVATIVE CHANNELS
Whatsapp Group by Farmers / Truck Sale / Localised App

ORGANISED RETAIL SHARE GROWING FASTER THAN TRADITIONAL

ONLINE RETAIL IS GROWING THE FASTEST. COVID MADE MILLIONS TO TRY ONLINE FOR FIRST TIME

Presentation Flow

THE OPPORTUNITY

- ADD TO THE EMERGING LANDSCAPE ELEMENTS, **COVID** IS **HASTENING** THINGS UP !
- THE **FIREWALLS** BETWEEN WHOLESALE, DISTRIBUTION & RETAIL ARE **VANISHING**. NEW CHANNELS ARE EMERGING
- CUSTOMERS ARE MORE **OPEN IN THEIR MIND** THAN EVER BEFORE
- TECHNOLOGY IS **EASILY AVAILABLE**

RIPE TIME TO PUT FOUNDATION & BUILD ON !

Presentation Flow

THE GO TO MARKET (GTM) MODEL – **THE HEART** OF IT

THE 4 PILLAR – GTM MODEL ("4P-GTM")

The Consideration Set

The FPO	The CONSUMER
Farmers are the members Limited professional mgmt. width Board is predominantly farmers Constraints for large capital investments Open for collaboration with other FPOs Lack of product development knowledge	Behaviour is changing Covid has impacted the income levels Open for trials, brand conscious, values products with unique benefits Information driven shopping SHG Members – Captive customer base
The CHANNEL	**The PRODUCT**
Landscape is changing very fast, new models emerging Old rules are rewritten Need to have flexible & relevant model Technology requirement	FPOS have basic grocery products – both raw and possibly value-added forms New Categories are emerging. Health products are growing

THE 4P-GTM MODEL – **THE FPO**

To achieve sizeable turnover out of value-added products, following skills are required:

- Knowledge of end consumer in consumption centers
- Knowledge on the value added products development, 3rd party mfr management
- Knowledge on distribution channel & management of same
- Knowledge of FMCG industry – trends, category behaviour etc

Challenges for an individual FPO

- A FPO will **not**, in all likelihood, have above skills.
- Each FPO will be focused only on one or few commodities. It does not make sense to replicate efforts by each FPO to reach the same customer set. Waste of resources and efforts

Thus, recommendation on the org structure is to have a <u>Common Marketing Company</u>. Advantages :

- 100% focus only on the marketing of the member FPOs
- It can invest in required management width as the costs are shared by FPOs
- It can really drive the value-added products in the modern / new age channels to maximise the realisation
- It will have capability to develop even complex products
- As it would be jointly owned by the member FPOs, it is still 100% bound by FPOs value system and is answerable for the objectives of its existence

THE 4P-GTM MODEL – **THE PRODUCT**

- PRODUCT POSITIONING
- PRODUCT BRAND ARCHITECTURE
- PRODUCT PRICING
- PRODUCT PACKAGING
- PRODUCT MARKETING & PROMOTIONS
- PRODUCT DEVELOPMENT PROCESS

THE 4P-GTM MODEL – **THE PRODUCT**

PRODUCT POSITIONING
PRODUCT BRAND ARCHITECTURE
PRODUCT PRICING
PRODUCT PACKAGING
PRODUCT MARKETING & PROMOTIONS
PRODUCT DEVELOPMENT PROCESS

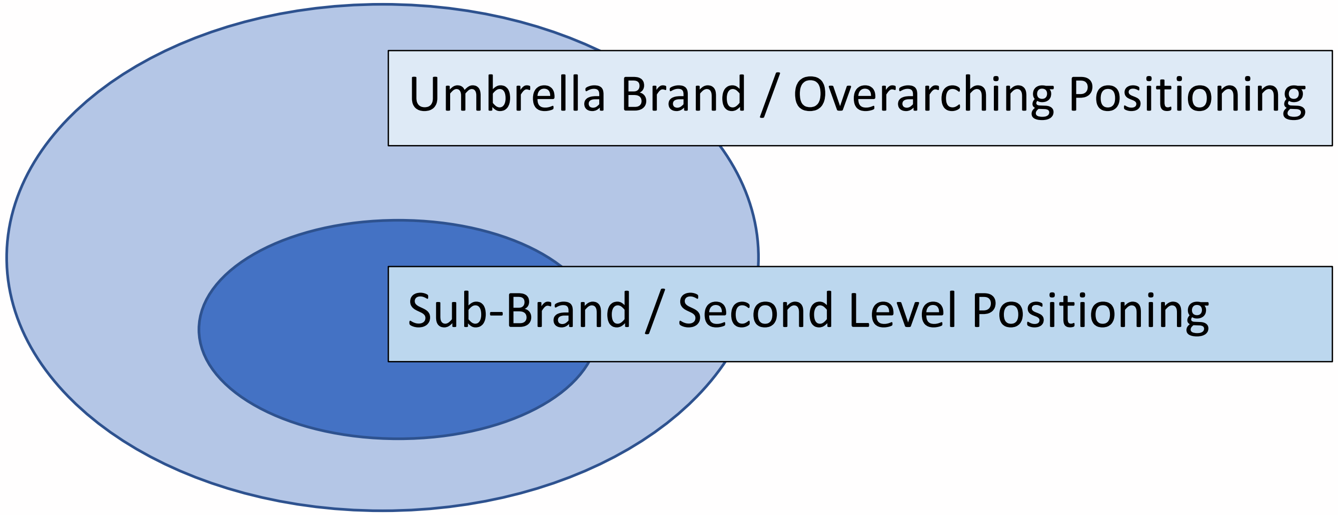
WHY SHOULD A CUSTOMER BUY A FPO PRODUCT ?

EMOTIONAL REASONS:	RATIONAL REASONS:
It's from a farmer group and hence I am helping farmers	It's reasonably priced
It's from a women organisation hence I am helping social equality / women empowerment	Predictable and good quality. My product experience has always been good
I know that the proceeds go the farmers without the intermediaries pocketing the margins	It's Zero Pesticide, so it's safe for my family
I know where it is grown and hence, I develop confidence (traceability)	It's Organic, so it's safe for my family
It's Fairtrade certified and hence I know that part of the proceeds will go for social development	It's easily available, in multiple channels

AS EACH PRODUCT GETS DEVELOPED, THE FPO SHOULD ENSURE THAT IT ADDRESSES ONE OR MORE OF THESE REASONS

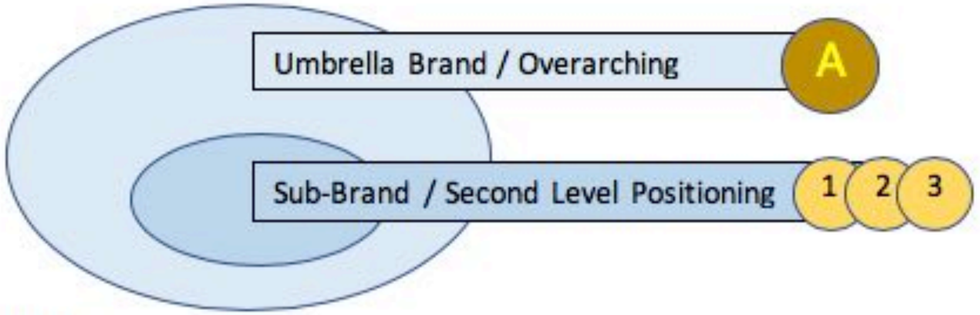
PRODUCT POSITIONING
PRODUCT BRAND ARCHITECTURE
PRODUCT PRICING
PRODUCT PACKAGING
PRODUCT MARKETING & PROMOTIONS
PRODUCT DEVELOPMENT PROCESS

TWO-TIER POSITIONING STRUCTURE



PRODUCT POSITIONING
PRODUCT BRAND ARCHITECTURE
PRODUCT PRICING
PRODUCT PACKAGING
PRODUCT MARKETING & PROMOTIONS
PRODUCT DEVELOPMENT PROCESS

TWO-TIER POSITIONING STRUCTURE



DETAILED POSITIONING STRATEGY:

Overarching Positioning / Umbrella Brand>>	**(a) "DIRECT FROM WOMEN FARMERS OF INDIA"** **(b) "OUR COUNTRY, OUR FARMERS, OUR PRODUCTS"** A (a) This is the first choice as long as the FPOs are formed with women members (b) In case women FPO stand is not tenable, then this choice				
Second tier positioning Sub-Brand>>	--nil--	**CONVEY SMART AND INFORMED CHOICE. TALK MONEY** 1	**CONVEY SMART AND INFORMED CHOICE. TALK MONEY** 1	**TRUST BUILT ON TRACEABILITY** 2	**UNIQUE PROPOSITIONS** 3
Possible Endorsements on the pack>>		"For the Smart Business owner" "Helps improve my profits"	"I am a smart customer"	"I know the origin" "From Dindori"	"Fairtrade" "Organic" "Zero-Pesticide" "Minimal Processing" "Clean Label"

THE 4P-GTM MODEL – THE PRODUCT

PRODUCT POSITIONING
PRODUCT BRAND ARCHITECTURE
PRODUCT PRICING
PRODUCT PACKAGING
PRODUCT MARKETING & PROMOTIONS
PRODUCT DEVELOPMENT PROCESS

TWO-TIER POSITIONING STRUCTURE

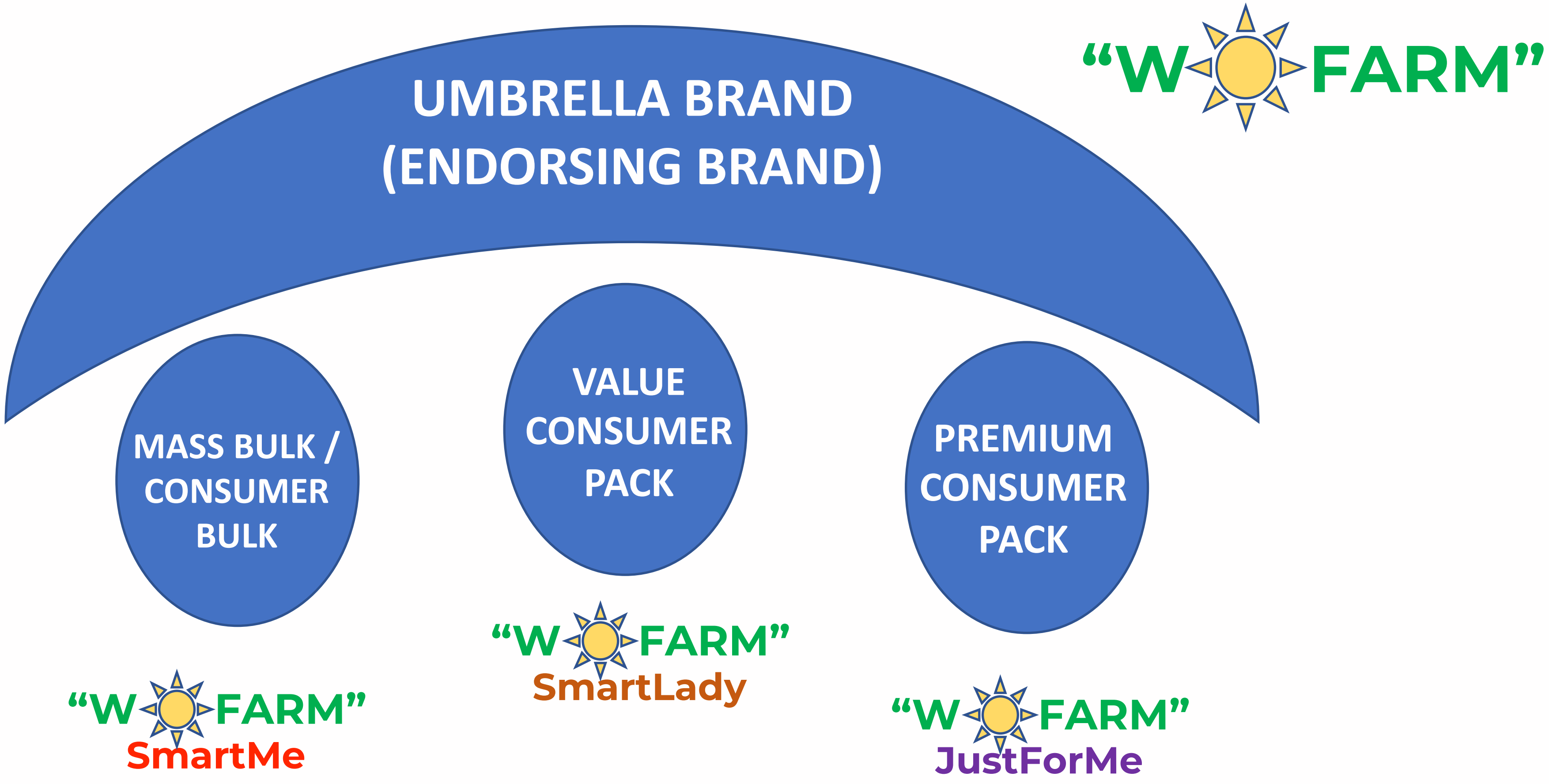
Implementation guide

Overarching Positioning / Umbrella Brand>>	(a) "DIRECT FROM WOMEN FARMERS OF INDIA" (b) "OUR COUNTRY, OUR FARMERS, OUR PRODUCTS" A (a) This is the first choice as long as the FPOs are formed with women members (b) In case women FPO stand is not tenable, then this choice				
Second tier positioning Sub-Brand>>	--nil--	CONVEY SMART AND INFORMED CHOICE. TALK MONEY 1	CONVEY SMART AND INFORMED CHOICE. TALK MONEY 1	TRUST BUILT ON TRACEABILITY 2	UNIQUE PROPOSITIONS 3
Possible Endorsements on the pack>>		"For the Smart Business owner" "Helps improve my profits"	"I am a smart customer"	"I know the origin" "From Dindori"	"Fairtrade" "Organic" "Zero-Pesticide" "Minimal Processing" "Clean Label"
Target Customer >>	Commission Agent / Trader	Retailer / Horeca / Large Joint Family who shops in wholesale channels	Budget conscious / Low Income	All customers	Conscious Customers
Possible Channels >>	Traditional B2B like APMC/ markets etc	Traditional B2B New Age B2B*	SHG groups Retailers eCommerce	Retailers eCommerce	Retailers eCommerce Direct-2-Customer
Example Product Portfolio: Moong >>	Moong Dal in 50kg bag Green Moong Whole in 50kg bag	Moong Dal in 10kg bag Green Moong Whole in 10 kg Pack	Moong Dal 500g (Clean but unsorted) Green Moong Whole 500g (Clean but unsorted)	Moong Dal 500g Standard (+80% uniform) RTE Pongal 300g Roasted & Salted Moong dal 150g	Moong Dal 500g Premium (unpolished) All products that can be certified for any of the 'unique propositions'

PONS

PRODUCT POSITIONING
PRODUCT BRAND ARCHITECTURE
PRODUCT PRICING
PRODUCT PACKAGING
PRODUCT MARKETING & PROMOTIONS
PRODUCT DEVELOPMENT PROCESS

BRAND ARCHITECTURE



Brand Names are just to explain the concept.

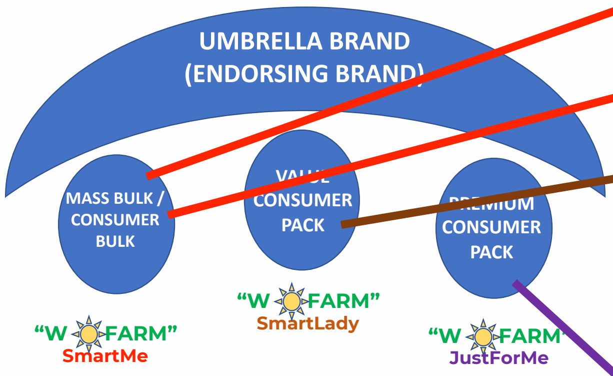
Not a recommendation.

It is recommended to engage a Brand Agency to complete this

PRODUCT POSITIONING
PRODUCT BRAND ARCHITECTURE
PRODUCT PRICING
PRODUCT PACKAGING
PRODUCT MARKETING & PROMOTIONS
PRODUCT DEVELOPMENT PRCESS

PRICING STRATEGY GIVEN HERE IS BROAD-BASED.
MINOR ADJUSTMENTS TO BE MADE FOR EACH COMMODITY

IMPLEMENTATION GUIDE



Brand	Pricing Strategy	Pricing Methodology
Mass Positioning Bulk (Traditional pack size)	**Driven by the market forces. No specific pricing strategy**	INR 5,500 /Qtl
Mass Positioning Bulk (Modified bulk pack size)	**5% premium** over the wholesale market prices	INR 5,775/ Qtl
Mass Consumer Packs	MRP on the pack = **Market Leader MRP – 3%**	Bigbasket MRP = Rs 97/- FPO MRP = Rs 94/-
Eg: 1kg Tur Dal Pack	Cost to Retailer= ex-Retailer point Cost for FPO +15%	Cost to Retailer= Rs7,500+15% = Rs 8,625/100 packs
	Cost to wholesaler = ex-wholesaler point Cost for FPO +10%	Cost to Retailer= Rs7,500+10% = Rs 7,575/100 packs
Consumer Packs with unique propositions	MRP on the Pack = **Equal & up to 10% premium** over conventional products from market leader	MTR MRP– Rs 105. FPO MRP = Rs 115
Eg. MTR Chutney Powder 200g	Cost to Retailer= MRP - 30%.	Cost to Retailer = Rs 80.50
FPO 'Clean Label' Chutney Powder 200g	Cost to any B2B channel = MRP - 40%	Cost to Wholesaler = Rs 69

THE 4P-GTM MODEL – **THE PRODUCT**

PRODUCT POSITIONING
PRODUCT BRAND ARCHITECTURE
PRODUCT PRICING
PRODUCT PACKAGING
PRODUCT MARKETING & PROMOTIONS
PRODUCT DEVELOPMENT PROCESS

PACKAGING GUIDELINES. THE EXACT SELECTION OF MATERIAL WILL BE DECIDED BASED ON NATURE OF EACH COMMODITY / PRODUCT

IMPLEMENTATION GUIDE

Brand	Packaging
Mass Positioning Bulk (Traditional pack size)	Market Yard Standards BUT with strong branding
Mass Positioning Bulk (Modified bulk pack size)	Laminated HDPE woven sacks
	Reusable laminate bags
Mass Consumer Packs	LDPE pouches, Bag in Box, Containers with paper labels, Bottles with laminate labels
Consumer Packs with unique propositions	Multi-layer Laminates, 100% Biodegradable Corn/bagasse-based package materials, Bag in Box, Containers with Sleeve, Printed Bottles

555675/2020/NRLPS

THE 4P-GTM MODEL – **THE PRODUCT**

PRODUCT POSITIONING
PRODUCT BRAND ARCHITECTURE
PRODUCT PRICING
PRODUCT PACKAGING
PRODUCT MARKETING & PROMOTIONS
PRODUCT DEVELOPMENT PROCESS

THIS PROMOTION DEMONSTRATES APPROACH.

DEPENDING ON CHANNEL & PRODUCT, THIS NEEDS TO BE ADAPTED

IMPLEMENTATION GUIDE

Year	Product Portfolio & Channel as per 4P-GTM	Promotions & Marketing Strategy
Year 1	Bulk Form	No Marketing/ Branding communication
	eMarkets /APMC/Traders	Promotion: trade schemes, that too when required Upto 3%
Year 2	Bulk Form	Bulk Form / Contract bulk to FMCG & Exporters
	Contract bulk to FMCG & Exporters	No Marketing / Branding communication
	First level VA*	Promotion: trade schemes, that too when required Upto 3%
	eMarkets/APMC/Traders	New age B2B
		Strong Trade Schemes linked to volume offtake. Upto 8%
	New age B2B Platforms	Pureplay online players
	Pureplay online players	Customer level promotions, once a quarter upto 15%
Year 3,4,5	Bulk Form	Same as in Year 2 matrix
	Contract bulk to FMCG & Exporters	
	First level VA*	Own eCom Site:
	Extended range of VA*	Customer Loyalty Program, with a target of cumulative purchase for each quarter. Spent upto 15%
	PL** for key players	Product level promotion. Spent upto 10%
	eMarkets/APMC/Traders	
		CFA & PL for Retailers
	New age B2B Platforms	Strong Trade Schemes linked to volume offtake. Upto 8%
	Pureplay online players	
	Own eCom site	Advertising in localised geographies. Strong SMM activations. Spent upto 5%
	CFA for 3 cities	

THE 4P-GTM MODEL – **THE PRODUCT**

PRODUCT POSITIONING
PRODUCT BRAND ARCHITECTURE
PRODUCT PRICING
PRODUCT PACKAGING
PRODUCT MARKETING & PROMOTIONS
PRODUCT DEVELOPMENT PROCESS

Step#1: Packaging Related Tasks:

Brand Name Creation
Brand identity Creation
Registration of Trademark / Logo
Packaging Material - Options & legalities
Packaging & Collaterals Design
Registration with GS1 India

Step#2: Product Related Tasks:

Quality Standards
Quality Certification Process
Process Certification
Product Certification
Contract Manufacturing

THE 4P-GTM MODEL – **THE CONSUMER**

- TRADERS / APMC
- NEW AGE B2B
- SMALL & MID FMCG COMPANIES
- END-CONSUMER : SHG MEMBERS
- END-CONSUMER : THE PUBLIC
- EXPORTERS

State	District Name	# SHG	# Members	Sub Total #Members
M.P	CHHINDWARA	7,271	81,638	414,572
M.P	DINDORI	5,461	59,656	
M.P	MANDLA	7,497	84,600	
M.P	MORENA	3,928	44,009	
M.P	SIDHI	7,596	86,585	
M.P	SINGROLI	4,989	58,084	
RAJAS	BARAN	6,442	70,370	135,545
RAJAS	KOTA	5,813	65,175	
CHHAT	RAJNANDAGON	17,696	193,800	193,800
UP	JHANSI	4,921	48,487	74,677
UP	MAHOBA	2,448	26,190	
	FPO Area	**74,062**	**818,594**	
	ALL INDIA	**6,538,333**	**71,509,261**	

FIRST SET OF CUSTOMERS:

SHG MEMBERS
NEW AGE B2B
&
APMC / TRADERS

THE 4P-GTM MODEL – **THE CHANNEL**

TO START WITH..

APMC

NeML

SECOND PHASE

SHG Network

B2B Online Players

Online Players

THIRD PHASE

CFA Network

Own Distributors

Own Online Site

DETAILED IMPLEMENTATION GUIDE IN THE REPORT*

THE 4P-GTM MODEL – **5 YEAR ROLL OUT PLAN**

Pillar	Year 1	Year 2	Year 3	Year 4	Year 5
FPO / Organisation Structure	o Professional Mgmt team. o Training for the mgmt	o Formation of Marketing arm			
PRODUCT	o Bulk Form o First level VA*	o Bulk Form o Contract bulk to FMCG o First level VA*	o Bulk Form o Contract bulk to FMCG & Exporters o First level VA* o Complex VA* o PL** for key players	o Bulk Form o Contract bulk to FMCG & Exporters o First level VA* o Complex VA* o PL** for key players	o Bulk Form o Contract bulk to FMCG & Exporters o First level VA* o Complex VA* o PL** for key players
CUSTOMER	o Traders o End Consumer	o Traders o FMCG Co o End Consumer	o Traders o FMCG Co o End Consumer o Retailers	o Traders o FMCG Co o End Consumer o Retailers	o Traders o FMCG Co o End Consumer o Retailers
CHANNEL	For Bulk o eMarkets o APMC o Traders First level VA o SHG - Districts	For Bulk o eMarkets o APMC o Traders FMCG Co/ Exporters o Direct Contract First level VA o SHG - Districts o New age B2B Platforms o Pureplay online players	For Bulk o eMarkets o APMC FMCG Co / Exporters o Direct Contract VA Range o SHG - States o New age B2B Platforms o Pureplay Online players o Own eCom^ site o CFA for 3 cities	For Bulk o eMarkets o APMC FMCG Co / Exporters o Direct Contract VA Range o SHG - States o New age B2B Platforms o Pureplay Online players o Own eCom^ site o Distribution setup	For Bulk o eMarkets o APMC FMCG Co / Exporters o Direct Contract VA Range o SHG - States o New age B2B Platforms o Pureplay Online players o Own eCom^ site o Distribution setup

SPECIAL NOTE ON **FPOs WITH FRUITS&VEG** FOCUS

FPOs WITH FOCUS ON VEGETABLES

Wholesale Points: To be created in towns / major centres in 3-hour travel time radius. These points can service both retailer as well as bulk customers.

Mobile App: To target the Horeca customers primarily. Can also service end consumers

Mobile Selling Carts/Kiosks: Each wholesale point can also promote individual woman entrepreneurs to become vegetable retailers. FPO can facilitate financial arrangements for such developments. While the wholesale point will do the trading from its premised, these Kiosk can be mobile and can reach to customers place

Tie up with Retail Chains: Instances where there are organised retail chains, the FPOs should look at tying with them

FPOs WITH FOCUS ON FRUITS

Tie up with Retail Chains: Since distance should not be a constraint (largely), it is recommended to tie up with organised retail chains much before the season.

Wholesale points: Fruits too can use the same platform, the ones created for the purpose of vegetables

Branding: With proper efforts, a good branding can be done for premium quality produce. Will increase the value realisation

Processing: Based on the types of fruits, the FPO should also consider processing into intermediary or final products.

Exports: Fruits have a strong export market potential. This would need investment in the required infrastructures like sorting & grading, cold storage, ripening etc depending on the type of fruits.

Consciously not mentioned Traditional Wholesale as it can be accessed any time

Presentation Flow

KEY FACTORS FOR A **SUCCESSFUL GTM**

- **Primary aspect is the capability building for the organisations:** CEO is the key person in the FPO. Invest sufficiently in.
- **Multiple FPOs need to come together to form a marketing company**
- **Delivering the commitments made to the buyers & the channel**. The traditional players are strong as they always honour the commitments in terms of quality, price, time even if the situation goes against their interests. FPOs, too need to do this
- **Creation of Value-Added Products** – Do it in two stages : basic products followed by complex products
- **Channel for distribution** –Use bulk trading, utilise SHG network before building complex distribution channels
- **Use tech-enabled platform to the maximum extent**. This would be cost efficient and will bring more transparency on product movements and customer response. Also, this will help in connecting with the end consumer strongly
- **Engaging professional expertise when required**. FPOs cannot build all the required expertise within themselves. It is prudent to engage professionals on various subjects and time frames as required. This will reduce the lead times and more importantly avoid unproductive expenses

7

FACTORS

Presentation Flow

1. METHODOLOGY
2. TASK ON HAND
3. SUCCESS STORIES
4. THE CUSTOMER
5. EMERGING LANDSCAPE
6. THE OPPORTUNITY
7. THE GTM MODEL
8. CRITICAL ELEMENTS

an additional agenda !

9. LEADS WORKED ON ALREADY

LEADS GENERATED **ALREADY** !

SOME OF THE ENTITIES WHO ARE INTERESTED TO COLLABORATE WITH FPOs

NEW AGE WHOLE SALE

NCDEX eMARKETS
They are willing to create platforms for commodities by FPOs

Exporters

OLAM International Ltd
They are willing to source products. Open for a pilot project. Expect adherence to commitments

FMCG Companies

MANNA Food Products Ltd
They are willing collaborate in sourcing and developing products. They are the top company in Minor Millets, operational for more than 15 years

Retail Chain – for selling value added products

Reliance Retail
They are keen on associating. With their pan india reach, the products can be distributed to large customer base

NEW AGE B2B DISTRIBUTION

JumboTail (Bangalore)
They are willing to distribute raw & value added products through their distribution network reaching to retailers

SuperZop (Mumbai + Pune)
They are willing to distribute raw & value added products through their distribution network reaching to retailers

ONLINE eCOMMERCE

BigBasket (PAN INDIA)
They are willing to list FPO products

In addition, they are willing to offer their state of the art cleaning & repacking facility both in Vijayawada (existing) and in Indore (shortly operational) for FPO's use

Retail Chain – for sourcing bulk commodities

Reliance JioKisan
They are keen on associating. With huge volume requirements, they can even procure upto 100% almost

Had discussion with the project head along with FDRVC team already