

Custom packs seen as win-win for FMCG cos, big retailers

HUL, P&G willing; Big Bazaar proposes special brands

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The next time you decide to buy a Clinic All Clear shampoo you might just get a cheaper and more exciting variant at the nearest Big Bazaar outlet than your local grocery store. FMCG companies have decided to create specific pack sizes and variants to cater to modern trade, making a beginning with Kishore Biyani's Big Bazaar outlets.

Hindustan Unilever Ltd (HUL) and Procter & Gamble (P&G) are willing to 'collaborate to win' with retailers to make it a win-win situation for both. At the recently concluded Retail Leadership Summit organised by RAI (Retailers Association of India), Mr Manish Tiwary, Vice-President (Customer Management), HUL, said, "We are looking at bringing out customised shampoos at a lower cost soon and are checking out this proposition with the shoppers."

Not wanting to get equated with the *kirana* stores, of late



FMCG companies are looking at roping in major retailers such as Big Bazaar to improve margins. — Paul Noronha

Big Bazaar has also been requesting FMCG players to come up with 'customised' products which are not necessarily going to be available at the neighbourhood stores, along with a more attractive pricing strategy.

According to Mr Sadashiv Nayak, President, Big Bazaar, "Considering we are getting a different set of customers in our stores there is a need to create specific products with

different SKUs and variants and we have made proposals to our vendors. In this way both the retailer and vendor can make better margins."

In the case of P&G too, there are chances of it launching new pack sizes to cater to the modern trade.

"We have decided to move out of a buyer-seller relationship and want to enter into a multifunction arrangement where there could be specific

pack sizes for the modern trade," said Mr Kurt Droeshout, Sales Director - India (Customer Business Development), P&G, who believes in establishing collaborative relationships with the company's customers.

In fact, P&G has been relying on modern trade to build categories such as feminine hygiene for its Whisper brand and creating separate SKUs to further penetrate the category is an idea which its customer business development team has been mulling.

Big Bazaar is willing to go a step further and invite vendors to create separate brands for its Big Bazaar formats.

As Mr Nayak says, "We are confident that vendors can create different products and brands that can blossom in modern trade and take them to a different level. After all, we have big properties and such brands can meet their objectives and at the same time also meet the specific demands of our customers."