



HATKE HANDSHAKES

10 out-of-the box strategic alliances in retail

■ *By Shiv Joshi and Samay Dalal*

Realising the need to join hands, firms are slowly getting comfortable with the idea of a quid pro quo with parties outside their usual value chain and are inventing new ways to form win-win relationships for the sake of profit and sustainability. The nature of these partnerships generally depends on each company's objectives that the other might help to achieve.

While there are several interesting tie-ups taking place in retail, let's look at just a few interesting examples and how each firm benefitted from the respective arrangements.

1. FUTURE GROUP AND SBI

Nature of Collaboration: Financial

The period post demonetization of Rs500 and Rs1000 currency notes was tough for all. In times like these, many private organizations have stepped up their game to help reduce such difficulties with smart and innovative moves that can prove beneficial to everyone, including themselves. A good example of this would be Future Group's Big Bazaar tying up with the State Bank of India to introduce ATM services at 258 Big Bazaar and fbb stores in over 115 cities and towns across the country.



Customers could swipe their debit cards and withdraw Rs2000 by swiping their debit cards at the PoS installed at the dedicated cash counters at the stores, while they shop. This strategy not only gave customers a much-needed respite, but also considerably increased footfalls for Big Bazaar.

2. GROFERS AND YES BANK

Nature of Collaboration: Financial/Sales

Yet another unique collaboration that emerged during the same period was between Grofers and Yes Bank. Together, the two entities started a 'cash delivery service'. This service allowed customers to have cash delivered to their doorstep along with their groceries. While delivering groceries, Grofers executives carried PoS machines using which customers could choose to withdraw up to Rs2,000 in cash.

At least half the credit for this idea, if not more, goes to Yes Bank. In fact, they had also tied up with Ola Cabs to start a similar door-to-door cash delivery service.



3. APPLE INDIA AND DISTRIBUTORS

Nature of Collaboration: Marketing

It took Apple Inc. quite a while to show interest in the Indian market, and when it did decide to step foot in India, the brand was met with an overwhelming response. This reflected in its sales that constantly followed an upward path. Part of the success was attributed to Apple's open distribution model.

Redington and Ingram Micro were signed on as distributors for Apple. The nature of Apple's distribution model was such that it benefitted everyone concerned. Apple outsourced its product advertising to its distributors, allowing them to co-brand Apple's iPhone advertisements in return.

The distributors benefitted from associating with Apple's brand, and Apple managed to reduce its costs considerably. Furthermore, Apple even gave its distributors high margins on iPhones, thereby covering the additional costs incurred by the distributors on advertisements.

4. THE MOBILESTORE AND SNAPDEAL

Nature of Collaboration: Last mile & Customer service

When e-commerce started picking up in India, a lot of offline retailers who operated in the similar categories perceived them as a threat. However, there was one retail chain that used the reach of online to its advantage, by turning a competitor into a partner.

The MobileStore (TMS) struck a partnership with



► The MobileStore tech buddies help with installing new phones

online marketplace Snapdeal that also sold mobile phones on its platform. Both companies collaborated to create an omni-channel solution that was unique at the time.

As per the arrangement, TMS would help the online retailer deliver smart phones booked on the Snapdeal platform within just two hours of the booking. Customers would also have the option to collect the product from the nearest TMS store. TMS would also provide the customer a range of value-added services, like set-up, activation and buy-backs.

In addition, a TMS-trained agent (Tech Buddy) would offer to set up and demonstrate phone features in addition to offering services like SIM resizing, data transfer and screen guard installation—all in the comfort of the buyer's home.

Initially, the service was offered

→ In a unique tie-up, The MobileStore tied up with Snapdeal to become its offline, delivery and service partner.

in 70 Indian cities. The collaboration gave TMS the advantage of the online partner's reach and convenience of shopping anywhere/anytime, while giving Snapdeal the benefit of offline such as immediacy and human touch.

5. BIG BASKET AND GAYAM MOTOR WORKS

Nature of Collaboration: Sustainability

Online grocery retailer Big Basket has tied up with Hyderabad-based Gayam Motor Works to have the latter manufacture electric autorickshaws, which Big Basket will use for delivery purposes in Vizag and Vijaywada.

This is a part of Big Basket's environment-friendly initiatives and is seen as a highly strategic move to increase efficiency and cut down operating costs.

This looks like only the start for Big Basket as they are looking to tie up with similar electric vehicle manufacturers in other states.

6. GS1 INDIA AND THE INDUSTRY

Nature of Collaboration: Data collation

GS1 India is part of GS1 global, an NGO that works to design and implement global standards and solutions, affecting approximately 2 million companies across 20 industries around the globe. GS1 India was set up in 1996 by government bodies such as the Ministry of Commerce and Industry, leading Chambers of Commerce and Industry, and the Bureau of Indian Standards.

GS1 India recently launched the DataKart service, which is a cloud-based repository of information about various retail products. GS1 claims that the data provided by DataKart would be reliable, high-quality data, and the software itself would help increase awareness about the products, ultimately driving sales and efficiency. This would make DataKart a single point of contact for all product related information for retailers, e-tailers, and consumers.

DataKart promises to address problems such as product delays,



► Bigbasket.com has tied up with Gayam Motor Works for manufacturing electric autorickshaws, which the online grocery retailer will use for delivery

unnecessary costs, and data exchange issues, among others.

The companies that have agreed to participate in helping to enable this service include Aditya Birla Group, Big Basket, Future Group, HyperCity, Reliance Retail, Walmart India, Pepsico, Bisleri, Hindustan Unilever, P&G, Nestle, ITC, Wipro, and many others.

7. SAHAKARI BHANDAR, TETRAPAK AND OTHER PARTIES

Nature of Collaboration: Green Retailing

Sahakari Bhandar, Mumbai-based 40-year old chain of neighbourhood supermarkets entered into a unique arrangement with Tetrapak for recycling of waste Tetrapak containers from the store.

Sahakari Bhandar encouraged customers to drop waste Tetrapaks into containers stationed outside all its 22 stores. The Ragpickers Association collects them and takes them to the recycling factory set up by Tetrapak in Palghar where the discarded containers are recycled into furniture and stationery items that is then donated to schools and parks.

Furthermore, Sahakari Bhandar has also tied up with Eco Friends Industries, an e-waste recycling company to recycle electronic waste — CDs, keyboards, watches, batteries, mobile phones — dropped by customers in drums kept outside all Sahakari Bhandar Stores. This collaboration benefits not just the supermarket chain and its partners but also the environment.

8. PC JEWELLERS AND POLYCOM

Nature of Collaboration: Technical

Leading Indian jewellery retailer, PC Jeweller, collaborated with American telecom firm Polycom to connect all its jewellery stores, design and management sites, through a secure, high quality, video and audio conferencing solution.

This state of the art technology enabled PC Jeweller to serve customers better, directly as well as indirectly. One important consequence of this setup was that a lot of time that was being spent on decision making was considerably reduced.

Moreover, the amount of time and money spent on travelling to and from locations was minimized. In fact, this system even helped improve the work-life balance of many PCJ employees. A direct impact of the solution was that customers could now directly interact with the company's design team over video to customize the jewellery or suggest modifications.

Polycom on the other hand, got an entry into the quite untapped Indian jewellery market. They enjoyed a tremendous amount of exposure with the help of PCJ, whose 45 stores they managed to connect, not to mention a few other sites. Talk about win-win.

9. VIVIANA MALL AND AUTORICKSHAW DRIVERS

Nature of collaboration: Customer convenience

Viviana, a leading mall located in



► At PC Jewellers consumers can directly consult with designers

Thane, a suburb of Mumbai, has entered into a collaboration with autorickshaw drivers in the vicinity. Through regular engagements with consumers, the mall had been receiving complaints from consumers who faced problems in getting auto rickshaws outside the mall. Drivers refused to ply to certain destinations because of low fares.

The mall team had a dialogue with the drivers to understand their side of the story. It then came up with a unique solution that worked in everybody's favour.

It began with creating an alternate pathway for rickshaws near the entrance with a dedicated rickshaw stand. This way, the rickshaws weren't blocking traffic and had enough time to wait for passengers.

In addition, the mall came up with a unique scheme. Registration numbers of every rickshaw queuing in the stand were noted down. Every ride offered by the driver of that rickshaw to a consumer to a mall visitor, earned him a coupon. During peak hours, dual coupons are given. At the beginning of the



► Viviana Mall gives away grocery worth Rs 2000 to rickshaw drivers at the beginning of every month as part of the collaboration between them

month drivers who collected a minimum of 99 coupons in the previous month were given grocery packet worth Rs 2,000 comprising 5kg wheat flour, 5kg Rice, three types of Dal, 5kg Sugar and 3 litres of cooking oil.

This helps the customer and the auto driver's family and creates a win-win situation for both of them. At the same time, it gives an added advantage of reduced congestion and traffic.

The partnership between the mall and the rickshaw drivers has developed into a strong relation-

ship wherein the mall invites the drivers to serve meal boxes or distribute Biryani on the mall's anniversary every year.

10. AMAZON – STOREKING

Nature of collaboration: Logistics

Online shopping has its benefits, especially for people living in non-metros as it gives them access to products that they never had before. To take online shopping to interiors of India, Amazon India has entered into an exclusive part-

nership with e-commerce start-up Storeking.

With a presence in more than 10,000 rural outlets across south India, Storeking brings thousands of products to the rural consumer through tablets installed at kirana store also known as corner stores. Its strength lies in offering product information and shopping services in regional languages, making online shopping attractive to rural shoppers.

The collaboration also gives Amazon access to Storeking's existing logistics capabilities to deliver products.

Amazon has entered into similar partnerships with a large number of kirana stores to offer grocery delivery service as well as India Post to reach remote areas.

In this time of immense competition, companies are looking at new ways to collaborate rather than compete. A lot of these tie-ups are between one incumbent company and new-age company, while the collaboration gives large companies new capabilities, the smaller companies get to piggy-back on the larger company's brand power. A win-win all around, especially the consumer. 😊

Shiv Joshi is the executive editor of STOrai. He also heads Corporate Communications for RAI.



Samay Dalal is an aspiring Writer from Mumbai. He enjoys reading fiction and hopes to write his own fiction novel some day. He is an Electronics Engineer from NMIMS University, and is currently pursuing his Post Graduate Diploma in Management (Business Design) from Welingkar Institute of Management. Samay's hobbies include playing guitar, playing video games, and sports, such as table tennis and football.