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Balancing Well Connected Distribution Networks on Low operational costs

- a. Approximately 12-13 million retail stores exist across India, the large percentage of which around 9 million are kirana stores
- b. High level of competition between the organized and unorganized FMCG players.
- c. Optimizing High volumes, Low contribution margins, Extensive distribution networks, High stock turnover
- d. Companies launching different products for different geographical regions within the same country

Distribution Networks - Winning Platforms

- a. Distribution channel is considered to be the backbone of any FMCG company and it plays a major role in marketing by performing various distributing functions.
- b. Big Geographic spread of India
- c. Replenishing for frequent purchase of daily consumed products.
- d. Wide Distribution networks prevalent
- e. Coordinating large number of distributors both in urban and rural areas
- f. Distribution is not an easy task as it needs strong channel network which could cover the entire rural region and the goal of covering more than 6 lakh villages is not easy to achieve, and the major FMCG companies are putting immense efforts and huge investments to make their distributing system wider and stronger so that their products would be available across 3.5 million rural outlets.

Exports of FMCG

- a. Low exports levels

Opportunities in FMCG Logistics – Rural India

- a. Rural India, which comprises around 70% of India's 1.2 billion population and 240 million households, holds a huge potential for the FMCG sector and AC Nielsen published in its 'Consumer 360' report that the turnover could touch US\$100 billion by 2025. At present, rural markets have become the backbone for Indian FMCG sector which is contributing around a third of its revenues from rural markets.
- b. Untouched rural market, Untapped opportunities, changing life style
- c. Rural demand is seasonal and depends upon monsoon

- d. Creating local distribution networks and increase product visibility in the deep interior parts of rural markets
- e. The major challenge for companies is to make their products available in the remotest corners and boundaries of more than 6 lakh villages in the country.

Speed to Succeed

- a. Fast moving consumer goods (FMCG) – or Consumer Packaged Goods (CPG) – are products that are consumed quickly over a shorter period of time.
- b. FMCGs have a short period of life
- c. Challenge of transporting large volumes over wide networks
- d. Because there is a huge competition in the market and there are other alternatives available in the market so the consumer has other option to move to another branded product available in the same market.

Re-engineering FMCG supply chains

- a. Technology as a Game Changer
- b. Collaborations in supply chains for sustainability

Temperature Controlled Supply Chains