

Godfrey Phillips (India) Ltd

Selling at a different level

The second largest manufacturer of cigarettes in India, jointly owned by KK Modi and Philip Morris (36%), Godfrey Phillips India (GPI)'s had an estimated 30-40% market share in northern India. The company manufactures cigarettes at two sites and distributes them through business partners (wholesale distributors –WD's) as well as some retail sales.

“Renoir helped us in stabilizing our market share. Sales volumes went up & our salesmen are now servicing the trade rather than simply distributing our products in the market.”

Key Results

Higher margins

Lower absenteeism

Better sales coverage

More professional

sales organization

Improved market share

BACKGROUND

Management was driven by yearly budgets, daily reporting and trouble shooting. Their communication with the field was difficult, partially because of the hierarchical structure and partially because the sales force consisted of salesmen who in some cases had difficulties reading and writing. Better service levels towards the trade were becoming increasingly more important since the anti-tobacco movement in India at the time was well underway to ban billboard advertising, smoking in public places.

ANALYSIS

The Renoir consultants found a number of troubling issues:

- There was only a vague understanding of the actual level of availability and visibility of GPI's products.
- Market share was dropping.
- The salesmen were acting as delivery boys.
- Advertising material was not being used effectively and often contributed to a poor image of the brands at the retail shops.

PROJECT

The challenge was to increase market coverage and penetration and consequently improve market share. The initial project took place in the Delhi metropolitan area, with a secondary objective to ensure that a complete skill transfer, to the local task force, was effected. They would then be responsible to apply their (newfound) knowledge by rolling out to the Delhi suburban areas while the Renoir project team would move on to the Greater Mumbai area to repeat the process. Performance measurement was completely redesigned and a market census cell was integrated into the existing sales structure to improve coverage and sales. The activities of the salesman were redefined and training provided (over 40 sessions amongst 18 WD's in order to support the sales supervisors and salesmen. The focus of the entire sales organisation was refocused to direct sales with higher margins. Supervision was restructured for all areas to create better accountability.

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