



HOW TO MAKE ORGANIC STORES VIABLE

10 STRATEGIC TIPS FOR ORGANIC INDUSTRY RETAILERS

By V Pradeep Kumar

Organic retailing in India is still in its infancy and is beset with many challenges. Even as consumers are becoming increasingly conscious about the perils of conventional products and seeking out organic products more than before, the quality of organic retailing and its penetration still needs a considerable quantum of improvement. On the one hand consumers struggle to find stores, and on the other, it's common to find a few stores closing down and new ones opening in their stead.

Recently, this author had the opportunity to address a group of organic retailers and the gist of the discussion we had about the challenges faced in organic retail and the way ahead is presented hereunder.

- 1. Establish Purpose of Business:** It's important to be clear about the purpose of the business—whether you are getting into organic retailing as a passion to serve and contribute to the society or to run it as a profitable venture, considering the excitement around organic business. If the business is more of a passion, then the motive of the business is very different. I have seen retailers spending a lot of time educating consumers about common health and fitness issues, recommending a bouquet of products, as well as, suggesting appropriate lifestyle changes. In such a scenario, profitability of the business takes a backseat and the motive is of service. However, as management guru professor Peter Drucker said decades ago, 'profit' is a necessary cost of survival. If the idea is to run purely as a business, then the strategy and the tactics would be different.
- 2. Create Awareness about Organics:** Creating awareness about the health benefits of organic products vis-à-vis harmful effects of conventional products is a continuous process wherein all stakeholders in the business have a key role. An organic retailer, being directly in touch with the customers is, however, better placed to spread awareness and must actively play the role of organic ambassador.
- 3. Create Awareness about Store:** A typical organic store has a modest footfall of 10 to 20 walk-ins on a weekday. Generally, organic stores are not well located, with many operating from homes and car garages. While there's nothing wrong in this and it is indeed a good idea to keep the overheads low, creating awareness of the store's location in the neighbourhood is a must to get more walk-ins. Placing directional boards, distributing pamphlets, participating in local community events, placing classified ads online are some ideas

which will surely help. Also, one can plan an Organic Bazaar in large apartments over weekends.

- 4. Encourage Walk-ins:** An Indian consumer has a mindset that while organic products are good, they are not affordable. Therefore, even consumers who pass by an organic store don't venture in. Clear this mind block by putting up boards or posters with catchy slogans such as:
 - a. 'Organic Fruits & Vegetables available on Saturdays and Sundays'
 - b. 'Certified Organic products available at Rs 30/- onwards'
 - c. 'Walk in to enjoy Refreshing Organic Juices: Rs 30/- onwards'
 - d. 'Full range of Grocery Products available'
 - e. 'Walk in & explore: Grains, Cereals, Millets, Juices, Jams and more...'
 - f. 'Order on Phone, Email or Online, as convenient'
 - g. 'Home Delivery Service'Change the slogans daily, encouraging new walk-ins.
- 5. Provide New Experience to Consumers:** Consumers who walk into a store may be doing it for many reasons: looking for chemical free fruits and vegetables; substitutes for conventional products in the organic range, looking for specific products for infants and kids or simply walking in to explore the range of products and pricing. Consumers who walk in must be offered customised service unlike conventional super markets or modern trade, where there's no scope for an interaction. It's necessary to provide them an educative and useful shopping experience. The interaction can be on the following lines.
 - a. Greet the customer and understand them
 - b. Provide adequate information
 - c. Clarify their misgivings
 - d. Create trust
- 6. Right Ambience at Right Cost:** Ambitious organic entrepreneurs sometimes go overboard in investing a lot on interiors. Recently, I came across an entrepreneur who spent around Rs 20 lac on interiors to showcase around Rs 5 lac worth of products. While there's nothing wrong in such investments, one has to be cautious and practical. With low walk-ins and high investments, as well as, the given vagaries that come with a new business, you could get disillusioned in no time. I recommend a simple interior with basic comforts. Use your funds to spread awareness about the store or to make the product range more comprehensive. Use the empty walls to showcase interesting information/pictures related to fitness and food, sources of organic products, etc. Play corporate and organic farming videos, which will help

you to retain a customer and may result in quality interactions.

- 7. Do Not Dilute Product Range:** An alarming trend, which could seriously affect consumer trust and business growth, is storing conventional products in the guise of 'natural' products. A key aspect in developing organic retailing is to find answers to the following questions related to the product range.
 - a. How much is organic?
 - b. How much is certified?
 - c. What's natural? What parameters should be used to consider a product natural?
 - d. Why stock conventional products in an organic store? Will it not dilute consumer trust?An organic entrepreneur must answer the above to establish clarity on how to run the business. These answers will help to allocate space to products as per priorities.
- 8. Customers as Brand Ambassadors:** To create long term customers, ensure continuous availability of products and provide impeccable and personalised service. Long term customers can be turned into your brand ambassadors by getting references, testimonials and word-of-mouth publicity.
- 9. Customer Feedback:** Organic retailing is still evolving. Challenges in sourcing and distribution must be conveyed to customers tactfully. Complaints must be heard patiently and redressed promptly without waiting for manufacturers to respond.
- 10. Operations & Future Planning:** Retailing operations must be studied in detail to understand movement of products and cost analyses. There is great potential in organic retailing. Plan your future growth according to the purpose of the business and analysis of operations. You could expand in the same location or increase the number of outlets; find a vestibule to e-commerce or integrate into manufacturing or distribution. If you are really passionate, experience the beauty of organic farming and give a fillip to your venture by augmenting the trust of your customers.

The organic domain can only flourish in India when the retail business is run successfully while also constantly expanding the customer base. All stakeholders—the farming community, manufacturers, certifying bodies, distributors and retailers must work in unison with one common objective—that of fostering the organic movement.



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