

Rel Retail Changes Strategy, Kiranas to Fulfil JioMart Orders

Exits from direct sale of packaged food, grocery and FMCG products on its ecommerce platform

JIOMART'S CURRENT TIEUP: 30 CITIES, 56,000+ KIRANAS

Plans to enrol retail shops in 100 cities by April

In a pilot, some kiranas are already sourcing products from Reliance

Pilot of sales and delivery to begin by June

Rel Retail to discontinue Reliance Market wholesale format



Market stores will become fulfilment centres

ECOMM SHARE IN FMCG

Rises to 3.1% in Sept quarter from 2.6% in March quarter, according to Nielsen

In metros, grows to 8.6% from 6.4% in March quarter



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Kolkata: Reliance Retail will exit from the direct sale of packaged food, grocery and FMCG products on its ecommerce platform JioMart by roping in kirana stores as franchise partners that will sell these products to consumers in their respective neighbourhoods.

This marks a shift in strategy that differentiates it from other big e-grocery platforms such as BigBasket, Amazon and Grofers. The kiranas will source goods from Reliance or elsewhere, said two senior industry executives aware of the plans. In the case of products ordered on JioMart and not in stock with the kiranas — which typically sell the 300-400 most popular items — Reliance Retail will supply them and the margins will be shared equally. However, Reliance will continue with the sale of perishables such as fruits and vegetables, for which shelf life is low, from its stores or fulfilment centres.

Reliance has also decided to shelve its B2B cash-and-carry store format, Reliance Market, which will be turned into fulfilment centres for B2B delivery of products to kiranas. The neighbourhood stores will place their orders online and get deliveries at their stores.

JioMart will pilot this system of direct sale to consumers from kiranas in the June quarter in 30 cities, with more than 56,000 kiranas having been signed up. It will eventually be implemented wherever JioMart has operations. A drive to enrol kiranas in over 100 cities by April is currently underway, said the people cited above. The pilot for supply of pro-

ducts from Reliance to kiranas is already operational.

"Since roping in kiranas is a long-drawn process, for next few months JioMart will have a hybrid model of sales through kiranas, and in pin codes where there is no such partnership, the Reliance Retail stores will fulfil till the time kiranas are roped in," said one of the persons cited above. "But Reliance will eventually exit from direct fulfilment of FMCG and grocery in JioMart."

Reliance didn't respond to queries.

The company last week said it won't enter contract or corporate farming and neither would it purchase agricultural land. This followed vandalism against its property in Punjab, owing to speculation that Reliance would benefit from three new agricultural laws that have sparked protests by farmers.

Reliance said the "miscreants indulging in vandalism have been instigated and aided by vested interests and our business rivals," who have taken advantage of the farmer agitation to launch "an incessant, malicious and motivated vilification campaign against Reliance, which has absolutely no basis in truth."

Until now, Reliance has been using its retail store network for the delivery of grocery and FMCG products ordered through JioMart.

Amazon has been investing in its wholly-owned food and grocery unit Amazon Retail apart from using the More chain of stores, in which it has a minority stake, and other large sellers for the sale of food and grocery products.

JioMart processes more than 300,000 food and grocery orders per day with over 70% of the orders from regular buyers.