

Greenway Appliances: Marketing to Build out Retail Distribution Channels

Organization Profile

- Year Established: 2011
- Countries of Operation: India, Mexico
- Headquarters: India
- Type of organization: For-profit stove designer and manufacturer
- Product(s) – Greenway Smart Stove <http://catalog.cleancookstoves.org/stoves/220>
- Grant type and date of award: Pilot Innovation Fund Round 1, 2013

Organization Overview

Greenway Appliances, formerly Greenway Grameen Infra started out as a stove design and marketing company in India. Greenway aims to be the choice in home energy appliances for rural consumers, creating a category of products that consumers can choose from. Greenway's products provide a fuel efficient, smoke-reducing, affordable alternative. Today Greenway designs, manufactures and markets two stove models with two additional models in their pipeline. Greenway's Smart Stove and Jumbo Stove are now the highest selling biomass stoves in India.

Grant Objective

Greenway had spent 12 months developing the Greenway Smart Stove using a human centered design method. They had developed a quality product and early partnerships with distributors, having achieved sales of 18,000 units to customers in the state of Karnataka in India. With about 160 million households in India using biomass to cook, they knew that they would have to ramp up their marketing strategy and diversify their distribution channels to reach even 1% of their potential market. In December 2012 they applied for a Pilot Innovation Fund (PIF) grant to test a new marketing and retailer activation campaign with the theory that with the right marketing support, small retail shops would be a large driver of sales in India. At the time, retailers in the region had seen stoves as a large up front inventory investment with a high risk of losses, and Greenway's below the line marketing strategy had not been able to convince a large number of retailers to invest. They had planned the following activities to drive these sales:

- Improve existing marketing materials
 - Create higher quality collateral for in-store marketing, posters, banners and fliers
- Add new forms of marketing
 - Create newspaper and television ads
 - Determine best areas to place them
- Hire new manager to oversee the execution
- Analyze the results
 - Determine effectiveness of efforts by comparing sales before and after campaign

Grant Achievements

The Pilot Innovation Fund grant was critical to helping Greenway build out its retail sales channel, which had reached 30% of its sales by the end of 2014. It became clear through the sales and consumer surveys that an overall above the line marketing package enhances consumer awareness of the stoves category and directly increases sales. Greenway went on to successfully apply for a Spark Fund grant to scale their operations, incorporating their lessons learned from their PIF to a revision of their marketing strategy during their Spark grant.

Improve existing marketing collateral. Greenway was able to hire a photographer and models for a professional photo-shoot. They selected a female model to promote the product and produced professional branding materials for use with in-store marketing, posters, banners and fliers. Used newly produced branding to create a newspaper advert. Greenway had hoped to advertise on television to promote the aspirational nature of the product. However, the original proposed grant budget had been reduced and television advertising proved to be much more involved than anticipated.

Add new advertising to the marketing mix. Greenway had only included product demonstrations with a flyer to the promotion strategy before the PIF grant. This was largely due to cash constraints and the startup nature of the organization and product. When trying to build out the retail channel, they listened to the potential retailers who said that they would need marketing support behind the product in order to carry it on their shelves. Otherwise they feared that this new category of product would just take up valuable shelf space. Greenway started with newspaper adverts in English and Kannada, running 4 ads over 6 weeks in one district.



Hire new manager to oversee the execution. The retail sales channel was new for Greenway and they hired a capable regional sales manager for to manage the execution of the strategy in all of Karnataka. He analyzed and categorized retail shops in the region and executed newspaper ads in several districts.

Ultimately, Greenway was able to increase their sales by 40,000 units one year after the grant period ended in 2013. Greenway attributes this to the expansion of their marketing strategy to include above the line materials that complement the demonstrations that their sales agents undertook. However, Greenway found it more difficult than expected to quantify the return on investment of above the line marketing efforts. Overall sales had increased and retailers were taking up the product, but they were not able to determine customer conversion rates. Part of Greenway's plan under the subsequent Spark Fund included implementation of better systems to track data overall at the retailer level and a large scale brand survey to track perceptions of the product as a result of their marketing efforts.

Lessons Learned

Detail matters in the marketing message. Greenway learned that each detail of the visual message was important to brand recognition. They worked with marketing experts to determine details. For example,

they found that promoting the stove with young couples in traditional wedding dress signaled that the stove should be a part of a new couple's house. The stove's association with weddings also signaled aspiration. Furthermore, materials were translated in to the local dialects of the regions and with different cultural attributes helped them reach new markets. Even the product's packaging was changed for a more aspirational appeal. A set of focused group discussions conducted with users revealed that one of the major reasons why stoves were not considered at par aspirationally with other household appliances was the packaging. The new packaging amended this and has been popular with both customers and retailers. Creating new marketing collateral was a longer process than expected but has enhanced brand development immensely. Though Greenway still had to conduct product demonstrations to educate users on the product and ensure customer satisfaction, they discovered that branding and advertisement activities created awareness of cookstoves as a product category and comfort among potential customers that they were buying from a professional company.



Figure 1 Greenway tested a variety of cultural attributes with users to test the most compelling and aspirational messages

Invest in a professional firm and experience team where possible. Cash strapped organizations often keep marketing budgets low and hire minimal marketing staff. Greenway was able to hire a marketing manager as a result of this pilot. Capability of manager of huge importance. Analyze the results. Tracking results at tertiary (consumer sales) level: This is difficult, but we must invest in organized reporting systems to track sales at individual retail-level One bad link in sales channel can skew results; Mangalore. Tracking results at secondary (retailer orders) level: retailers greatly affected, even promise of newspaper ad prompted more inventory purchases.

Tracking results of above the line marketing is challenging. Greenway noticed an increase in overall sales and retail channel sales, but they had no real insight on the role their advertisements played in driving the channel sale. The adverts directed customers to a retailer and it was difficult to follow up with each retailer on how many customers had mentioned the ad. Greenway ended up conducting separate brand awareness surveys during the course of their Spark grant in order to understand the true customer perception and brand awareness.