

2023 Challenge Puzzle: B2C Marketing

CONTEXT

IBO has two core customer groups, i.e. Professionals (B2P) and Home Owners (B2C). India is not a DIY market but DIFM, where the home-owner depends on the professionals for Material purchase/guidance and for Labor.

Our core B2C segment has a tight home improvement budget for their small-medium size row-house or an apartment, i.e. 750-2000 sq ft. Nearly half of them give Material + Labor contract to B2P, while the rest prefer to purchase materials themselves (Labor only B2P contracts).

Through their lifetime, their needs include a new house purchase, existing home renovation, and maintenance related repair jobs. While B2C ticket size is one-third of B2P orders and their repeat is also low, B2C benefits the most from modern shopping experience (non-existent in India unlike US).

PROBLEM

For a multi-brand modern retailer like IBO, the home improvement category offers thin margins. Hence, we need to find cost-effective methods of marketing to drive B2C footfalls to our offline+online store in the city. Since their repeat rate is low (unlike in a hyper market), we are looking for a marketing plan to reach out to wider customer base in the catchment/city to drive walk-ins.

Create the marketing plans assuming the following two scenarios:

- a) Single Store in a catchment, with INR 500 mn of annual sales and 5% marketing budget in the first year of launch.
- b) Four stores in a city, with INR 2000 mn of annual sales and 5% marketing budget for the city in its first year.