

Politics and Nation

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MARKET STATS

SENSEX
27,701.79 ▲ 329.95

NIFTY
8,324.00 ▲ 98.80

GOLD (MCX) (Rs/10g.)
26,917.00 ▼ -81.00

USD/INR
63.25 ▼ -0.06

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US expats Jackie Stenson & Diana Jue tie up with local retail stores to supply low-cost, essential tech

ET Bureau Dec 4, 2014, 06.46AM IST

Tags: US | tamil nadu | Essmart Global

By Shilpa Elizabeth

CHENNAI: The likes of Flipkart and Snapdeal may be all the rage among investors and consumers in urban India, but a two-year-old company founded by expat entrepreneurs is looking to make waves in rural parts.

Essmart Global - a distribution startup launched in 2012 - is focussed on taking essential life-improving technologies to the hinterlands of Tamil Nadu.



The company, started by two women entrepreneurs from the US, Jackie Stenson and Diana Jue, has tied up with over 650 local retail stores to supply products ranging from solar lanterns and water filters to low-cost smart phones and mobile phone-operated water pumping control systems.

The fact that that most people were ignorant about the existence of such technologies prompted Stenson and Jue to think that the problem lay with the distribution of these products. The duo thus gave shape to their company in the summer of 2012 with their first office in Pollachi in Tamil Nadu.

Essmart products are specifically researched and designed to suit the needs of a rural community and the catalogue is regularly improved depending on market response.

Identifying that lighting and power cuts were major issues in these areas, solar lanterns were introduced, while electric bicycles were introduced considering the terrain and lack of petrol bunks in the proximity. The products are sourced from over 20 manufacturers including local producers and Indian teams of international companies.

A catalogue of over 55 products including solar equipment, water filters, home lighting systems, agricultural tools, mobile phone-operated water pump controller and high-quality torch is handed over to every empanelled kirana store.

Stenson and Jue admit that consumers were initially apprehensive about the products. "We spent a lot of time in training, marketing and demonstration," says Diana.

The team went around talking to people and understood from them what their needs were. Subsequently they set up kiosks, and demos with the products were done.

They installed local warehouses in these areas and introduced stocks of high-quality products. The products were sold with an Essmart warranty label on them. "Our local presence ensured people that they can come back and get a product replaced if something was wrong with it," says Diana.

Raising funds too has not been easy for the team and large-scale distribution remains a problem. "Investors don't want to fund the distribution, but only the products because they are cool and interesting," said Stenson. People don't necessarily realise how important distribution is for a product, she pointed out.

Stenson, Jue and their team are trying to increase the number of centres from six to seventeen by the end of next year and to expand their presence to Karnataka. Recording a month on month growth of 33% from May 2013-2014, Essmart tries to learn more and more from the people. The improvised catalog now includes products like solar street lamps, headlamps, coconut-tree climber, coconut opener, high-quality helmets and lowcost tablets.

Essmart believes that it has succeeded in bringing about tangible impact in its operational areas.

Shop owners who are dealers in the Essmart network have been able to raise their revenue by 10-15 % a year. "Essmart introduces innovative and unique kind of products," says Mathan Kumar, who runs an electrical and hardware shop 14 km from Pollachi. "There are several villages around this area where people are facing acute shortage of electricity. All of them now use the solar lanterns supplied by Essmart and the feedback has been really good," says Mathan.

The products are becoming a part of their everyday lives. Stenson quotes the examples of a barber who got at least two more customers everyday since he bought the solar lantern which enabled him to continue working after daylight hours.

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