

1. How are your Experience centres different than your east while Display centres? (added question)
Display Centres were first launched by us two decades back as a help to our distribution channel partners because many of them didn't have large enough space to display our product range. Although they were nicely designed, they were smaller and the focus was on showing the range of products to customers mainly referred by our dealers, distributors and some direct customers.
Experience Centres not only have a nice display of products but also have interactions and presentations that provide a lot of important information to the visitors helping them to make informed decisions. The variety of tiles has grown too big. You find 1000s of similar-looking tiles in the market made by 100s of small or big factories and that often causes confusion in the minds of the customers thus the experience is not good because of the repeated visits and multiple coordination. The House of Johnson Experience Centres assures to eliminate this issue and fulfils the purpose of visiting guest by guiding them in choosing the right product and ensures that the process of buying tiles become a wholesome experience for the customer.

2. . How many House of Johnson Experience Centres do you already have, and how many more are planned for 2020?
We will have our Experience centres in 20 towns in the ongoing first phase and 15 are already operational. The locations of the ECs is also a good mix and not limited to metros. We have our ECs in towns like Varanasi, Guwahati and Raipur too. In the 2nd phase, we will cover more towns and may possibly modify the format too based on our experience from 1 st phase centres.

3. What are the key features of Experience Centres ?
What are the digital aspects of these stores?
Brand Johnson has a positioning statement – Not just tiles, Lifestyles. What it means to us and customer both is our offering aligned to the essential elements of modern-day lifestyle. You would agree that apart from aesthetics, top few elements of today's lifestyles are – health & hygiene,

safety, concern for environment and freedom to choose from Wide range of options. At Johnson, we have created products which are aligned to each of these four elements for example – our Germ- Free and Stain-Free tiles & sanitaryware address the health & hygiene element. With skid-resistant and Anti-static tiles, we offer safety. Cool Roof high SRI tiles address the concern for the environment as the usage of these tiles helps in keeping the rooms below the roof cooler in peak hot summer days, naturally. And finally when it comes to freedom, with over 3000 products in different themes and characteristics, one gets a huge range to choose the suitable tiles for his or her project. House of Johnson, address the 5th and perhaps the most important element of modern-day lifestyle and that is – making an informed decision. With 1000s of similar looking products offered by 100s of known or unknown sources, the problem is to choose the right product. Only the looks are not sufficient to differentiate between different characteristics of tiles. The consumers often face the problem of choosing the right product from a variety of products available in the market. House of Johnson experience centre addresses this new problem by providing sufficient and accurate information to the customer and helps them to make an informed decision which is not just based on aesthetics, although it is a very important aspect.

4. Are these company-owned or partner-owned outlets? How are you collaborating with your channel partners for expanding the network of Experience Centres? Can existing channel partners upgrade their outlets with your support, even if they are multi-brand dealers?

See, our ECs are branded as House of Johnson. In these centres no retailing is carried out by the company directly. But many customers who directly walk in often want to avoid visiting our retailers and dealers after spending good amount of time and finalising the product(s) at the experience centre. In such cases, the staff at ECs coordinates with the dealer and ensures that procurement of material remains seamless for customers. All these ECs are essentially company owned and not dealer managed. We have multiple franchisee models with local dealers and one of those models is also named – House of Johnson – dealer showroom. Here customer can do transaction like in any dealer's showroom. Franchisee Retailer House of Johnson will be a single brand dealer owned retail store. The space, allocated for Johnson will not have

any other brand so that it can do justice to one of the biggest range in the industry.

- 5 How is investment in experiential centres expected to strengthen your connect with various TGs? What specific outcomes have you visualized with respect to customer journey from awareness to advocacy? + Q7 (Please describe typical customer journey at a House of Johnson Display Centre.)

H & R Johnson deals with the products which require a detailed view, touch and feel to make decision. Except architects, designers and regular construction professionals, the buying frequency remains too low for tiles and sanitary ware and this means lesser experience of customers unlike other categories like electronics or apparels. Another fact is that not much and correct information regarding tile and tiling is available in the public domain. All these factors make the task of choosing tiles very challenging. Coming to the supply side, the huge unorganised sector making look-a-like product is also a reality. To accommodate more brands, retailer needs big showrooms, but real estate is not cheap as we know. ECs thus come as win win solution for customers who can finalise the products with right information in hand. We get benefitted because we can present our entire range.

The other TG for us is specifiers and institutions and not all of them are comfortable to do transaction with dealers and many of them insist to interact with us directly and in all transparency. These experience centres also double up as training and orientation centres for our own team, students of design and even the associate staff of architects and construction house.

For all TGs, the common and crucial steps in selection and buying journey are – presentation of products for the said project or usage environment, discussion on value propositions of different options, coordination and documentation of discussions and decisions by the EC team and finally coordination till material is delivered at site. The journey doesn't end here. The EC staff is also available for any information and help during or post installation as a team of service engineers is also attached to our Experience Centres.

We look at ROI of ECs not in the same manner as a typical retail store. There are lot of intangible and long term deliverables; all of them finally aiming to become and retain the position of most favoured brand of the customers.

- 6 How are Experience Centres managed? What are the key skills of outlet leader and staff? What are the mandates of key person at H&R Johnson who is leading the experiential retail initiative?

Managing Experience Centres is nothing new to us. With ample subject matter expertise, we in fact, enjoy the consulting approach in our business. The key-person in an Experience Centre is the store-manager who has sufficient amount of subject expertise. The mandate is not to push visiting potential customers to buy some product but to ensure that the decision made by him or her is after all relevant information about the product is provided which includes the plus points as well as limitations, if any for particular applications.

- 7 Please describe typical customer journey at a House of Johnson Display Centre. (covered in question 5)
- 8 Why should middlemen be eliminated? Are they not a relevant part of the buying process?

In any evolved system the traditional 'middlemen' whose only interest is to make money, is as such eliminated. We have our authorised dealers and stockists, who work like a partner with us and give all the requisite service to the customers, it would be wrong to tag any consultant accompanying a customer as 'middlemen'. In fact, in many towns, the consulting architects feels confident to send his / her client to house of Johnson so that they understand basics of tiling and do not insist impractical things or wrong products to the consultant!

- 9 What does experiential retail mean? How is it different from what was being done earlier? (covered in Q1 added new)
- 10 How has H&R Johnson performed in past 2 years, in terms of turnover, growth, capex, network size, categories & their share, etc?

H & R Johnson is one of the divisions of Prism Johnson Limited of which cement division is biggest. With 100 plants in 47 cities, the other division is RMC (Ready Mix Concrete). Growth in terms of revenue is positive. Network is

being expanded to accommodate new introductions. The growth in certain categories is as high as 80% and in some it is flat.