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PROGRESSIVE GROCCER

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INDIA EDITION



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GOOD FOOD STORE

Thinking big on small format
concept store

– Suresh K. Asrani

Owner, Suresh Kumar & Co. (Impex) Pvt.

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The past few years have seen increasing modernisation and expansion in food retailing. As a result, the share of organised food sector is set to grow rapidly. At the same time, retailers are having to deal with increasingly demanding customers, and intense competition from their online peers. Going forward, in keeping with this trend of modernisation and competition in the retail sector, I expect a surge of interest from retailers to put in place a more efficient logistic support system, which is crucial for ensuring timely supply of fresh produce, reducing wastage, and enabling better fill rates and inventory management at the retail end.

At a time when the industry is gearing up for exciting times ahead, Government's recent push to liberalise the sector further by allowing 100 per cent FDI in retailing of food produced in the country has brought fresh cheer. In the event, Walmart India is already evaluating its options to come up with a "food-only" retail model. "We are currently evaluating all the policy guidelines and we do not have an 'only food model' anywhere. So, we need to conceptualise, evaluate and come up with a model, which takes time," said Krish Iyer, Walmart India CEO, when speaking to media persons at the recently concluded India Retail Forum.

It won't be a surprise if other global retailers too take an interest in adopting this model in India to prepare themselves for a full frontal multi-brand operations whenever that comes to happen, which may be sooner than later. In this season of festive cheer, I hope the upbeat and buoyant mood of the market will endure and last long enough for the industry to enable it to become a cheerleader for the economy as a whole.



Amitabh Taneja
 Editor-in-Chief

All feedback welcome at editorpgindia@imagesgroup.in

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Frictionless retail with automated inventory management

Retailers need to constantly be on their toes to satisfy the needs of their customers or they run the risk of losing their loyalists to a competing brand. Here's a cheat sheet on what retailers need to do keep customers satisfied.

The world of retail faces one of its most prominent challenges in the wake of emerging technological advancements and disruptions in the supply chain. The need to balance inventory against costs and ensure high levels of customer satisfaction have always been topmost on every retailer's mind. Add to this the invasion of an omni-channel marketplace with consumers seeking cross-channel order fulfilment and delivery, the inventory optimisation equation gets more complex and volatile. Today's omni-channel consumers are aware of their privileges and are hardly impacted by loss of stock in a brand's physical or online store, knowing fully well that they can place an order at one store (physical or online) and either pick up the merchandise from another store or have it delivered to their location. Retailers need to constantly be on their toes to satisfy the needs of their customers or they run the risk of losing loyalists to a competing brand.

Judicious inventory management

Judicious inventory management plays a very crucial role in helping retailers optimise inventory and provide seamless shopping experiences. Effective inventory management in an omni-channel era ensures that the supply chain scale stays balanced by preventing both over stocking and under stocking of inventory. Retailers have realised the importance of aligning inventory in response to market demand and aggressively improving their customer service levels, while maintaining optimal cost structures and keeping a close eye on business profitability. Supply chain automation is fast emerging as a transformational strategy to help retailers achieve their brand objectives and maintain a continuous supply chain.

Factors influencing retail inventory planning

While we cannot discount the importance of retail inventory management, every structured inventory

“Our honey retains its antioxidants, enzymes, vitamins and nutrients”

Kayan Motashaw, Partner, Liv Rite Foods, which sells a premium quality of natural honey, speaks to Progressive Grocer about all the qualities and processes that go into making the Beelicious brand of honey ideal for a guilt-free indulgence.



“
Beelicious honey is carefully selected from Kashmir, Himachal, Jammu and other parts of Northern India. Everything about Beelicious honey is healthy and droolworthy, and it's free from added sugar, fructose or corn syrup

—Kayan Motashaw
Partner, Liv Rite Foods

Tell us about your company and its products.

LivRite Foods LLP is an emerging company that offers the best in premium nutrition products designed to optimise your health. Our goal is to help you live as healthy a lifestyle as possible with the knowledge that you're consuming the most quality-centric products in the market today and to ensure guilt-free indulgence.

There are two pillars on which LivRite will build its success in the coming years. The first is in providing products that have not been seen or tried before. To that end, we are attempting to infuse elements of international lore into our product offerings with a dedicated team of reputed culinary experts to help us.

Our second pillar is to build upon products that already exist, but have no universal standard for purity and quality. As we have done with honey, we hope to apply our endless pursuit of perfection to create a new standard that will stand for generations to come.

With regard to our products, Beelicious honey is our first product offering. We offer three honey variants in packs of 30 gm, 250 gm, 400g, and a single serve pack of around 7-10 gm.

How do you see the growth opportunities in the future? Which are the factors you feel are driving the demand and growth for your products?

The growth opportunities are fantastic, more than ever before since there is a visible shift towards health and wellness. India, for decades now has been a price conscious market. But pockets of the health and quality conscious are now growing rapidly. People have started to feel the need to consume natural and high quality foods, avoid toxic and synthetic foods and replace synthetic sweeteners.



Choc-o-bloc with tasty treats!

The confectionery market, which is one of the largest developing food processing sectors in India, is witnessing fast growth, driven by the increasing consumption of sugar confectionery and facilitated by the launch of new flavours by leading companies.

The confectionery market is divided into three segments: chocolate, sugar confectionery and gum market, which is further divided into sub-segments. Of the three main segments, the gums and jellies market is growing steadily with chewing gum expected to grow the fastest in the coming years. The visibility of all these products has increased and the category is also witnessing good rural penetration. The consumption of these products is more during summer; hence climate plays a very important role in the market performance and also in influencing the choice of consumers.

The market in India was worth close to US\$ 1.3 billion in 2013 and is expected to grow by 71 per cent to reach US \$ 2.2 billion in 2018, according to estimates put out by Euromonitor. Over the past few years, the Indian confectionery market has been going through

rapid changes in terms of trends and consumer behaviour pattern, and the industry is benefitting from higher consumer spending, which in turn is being driven by the new found mall culture and changing lifestyle. Today, the Indian confectionery market is one of the fastest growing in the world with a strong double-digit annual CAGR. Changes in consumer preferences, rising disposable income and lifestyle are some of the other main factors driving the growth of the confectionery industry. The confectionery category is also being pulled and driven forward by the emerging trend of gifting confectionery products.

The Indian confectionery market has been growing at a CAGR of more than 18 per cent during 2012-2015. But in comparison to other developed markets, the Indian confectionery market is in the initial phase of growth, and will continue to evolve. Industry estimates put the market size of the Indian confectionery market at Rs. 55,720 million in 2015 and expected to touch Rs. 60,188.6 million in 2016. It is believed that the sugar confectionery segment is likely to see a constant value CAGR of 8 per cent over the next few years. The growth will be driven by the increasing consumption of sugar confectionery facilitated by the launch of new flavours by leading companies. According to Alkesh



Dedhia, Director, Regal Group that operates a chain of four retail stores in Mumbai and is a leading importer, confectionery is an important segment in the food and grocery retail business. "The younger generation in the country, who are well travelled and look for newer formats and flavours in the confectionery segment, is creating fresh demand for the category." Amit Lohani, MD of Max Foods, feels that though the category is growing well and shows immense promise, it would another take 2-3 years for this segment to gain better prominence and visibility. Many industry players reckon that new packaging formats being introduced in the segment will further push growth, apart from more innovative products.

With young consumers looking for newer formats and flavours in confectionery, manufacturers are induced to cash in on the demand and expand their product range.



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Thinking big on small format concept store

At a time when big box retailers are chopping off big chunks of stores or moving to more efficient spaces, Bangalore-based Good Food Store finds itself in a happy place. Modelled along compact neighbourhood stores, the chain is not encumbered by financial burden and has successfully been turning the most profitable, fastest-selling inventory. "The foot traffic at our stores has been stepping up considerably and sales have been climbing every month," says Suresh K. Asrani, owner, Suresh Kumar & Co. (Impex) Pvt. Ltd, the parent company that manages the retail operations of Good Food Store.



Suresh K. Asrani

Owner, Suresh Kumar & Co. (Impex) Pvt. Ltd.

Building a better in-store grocery experience

As shoppers grow more connected and demanding and flit seamlessly between channels, grocers need to reimagine various aspects of their business by leveraging digital technology at all stages of the shopper's journey.

By Sunil Bajaj



For the new age digital consumer, grocery shopping is perhaps one of the most uninspiring chores. While innovations have kept happening across other retail sectors, grocery shopping hasn't seen many advances on the technology front.

Wandering aisle to aisle hunting for that elusive item on the shopping list or going through the long, tortuous wait in a checkout queue is still an all-too-familiar experience for the time-crunched shopper. As shoppers grow more connected and demanding and flit seamlessly between channels, grocers need to reimagine various aspects of their business by leveraging digital at all stages of the shopper journey. Here's a list of must-have tools that the smart grocer needs in his arsenal to secure his digital future:

In-store navigation

In-Store Navigation offers incredible potential for both consumers and retailers alike. Once the consumer reaches the store, he studies all the items on the shopping list, maps their location on the shopping floor and creates the most optimal shopping route. In-store navigation ensures that a busy consumer does not lose an instant browsing endlessly through aisles for his kid's favorite breakfast cereal or the extra soft tissue rolls. Plus, he now has extra time and energy to check out the new launches in the store.

There are huge upsides for the retailer too. Armed with the tracking ability, he enjoys unprecedented access to detailed consumer analytics.

He can thus send personalized real-time updates to a consumer pertaining to in-store specials, discount coupons and new product advertisements or share bundled offers to increase the basket value. Such personalized marketing actions help to build a certain connection that encourages repeat visits and plays right into the retailer's traffic building objectives.



what's next



▲ **Del Monte introduces special festive hampers**

Leading sauces & condiments player Del Monte has rolled out a whole new range of customised gift boxes for its discerning customers to enjoy the festivity with trend and taste. These gift boxes are available in sweet & savoury options. There's Del Monte mayo variants pack with Nachos, and the health-centric pack with dried & packaged fruits, olives and fruit drinks, and lastly customised pack for the authentic Italian cuisine lovers with Del Monte pasta, pasta sauces & olives. From the health conscious consumers to hard-core food lovers, Del Monte has something for everyone. Besides, these gift packs are available at leading retail outlets and the prices start at Rs. 199.

▼ **Kwality spices introduces new flavours**

Kwality spices from Pagariya Food Products Pvt. Ltd has unveiled its newest range of spices – gobi manchurian masala, noodles masala and pasta masala. These spices are ready to cook mixes and instant tastemakers. Available in box packs of 50 gm, 100 gm and 125 gm at leading retail outlets. The prices start from Rs 50.



► **Chef's Basket rolls out new condiments**

Gourmet food brand Chef's Basket has recently added three new condiments to its existing repertoire of products. The brand has come up with roasted bell pepper hummus (chickpea, olive oil, roasted bell pepper, jalapenos, garlic, peri peri), taco bean salsa (black beans, green salsa, jalapenos, olive oil, garlic, mint and lemon juice) and tzatziki yogurt dip (thick creamy dip infused with international flavours and cucumber flavouring). These condiments are available in a handy packaging at all leading gourmet stores and supermarkets. The hummus is priced at Rs. 200 for 200 gm, yogurt dip at Rs. 150 for 200 gm and taco bean salsa is priced at Rs. 150 for 200 gm.



► **Wrigley's new mint**

Wrigley's, a subsidiary of Mars Inc. has recently launched Doublemint® Mints. With the launch of this new product, Wrigley's has entered the freshening space in India. It comes in two refreshing flavours – peppermint, a core mint flavour and spearmint, which is a sweeter and milder flavour.



This sugar-free product is available in the market at Rs.10 and comes in a sleek and handy packaging. The products is available at all leading retail stores.

▼ **Lifespan introduces Fiberspan**



Leading diabetic care brand Lifespan has recently come up with its first anti-diabetic powder – Fiberspan, a unique product made with fibrein found in fenugreek seeds. Fiberspan is a supplement that is formulated for people with diabetes. It is low in carbohydrates (with no added sucrose), high in protein and contains soluble fiber. Fiberspan contains 95% natural fibre extracts, and it

helps control blood sugar, significantly reducing blood sugar levels. The fibre in it helps the body to digest food thoroughly and to absorb glucose into the system at a controlled rate. High fibre intake reduces the risk of cardiovascular disease. Fiberspan also reduces abnormal cholesterol and triglycerides and thus a good option for weight management and avoiding hemorrhoids. Available at www.lifespanindia.com, this product is price at Rs. 465 for 300 gm.



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