

Supplement
Flavours of
Spain

PROGRESSIVE GROCER

JULY 2013

AHEAD OF WHAT'S NEXT

VOLUME 7 NUMBER 7 Rs 100

INDIA EDITION

PROGRESSIVE VIEWS • 24

The Digital Future
of Retail Foods

INTERFACE • 28

HyperCity



SUPPLY CHAIN • 32

Traceability

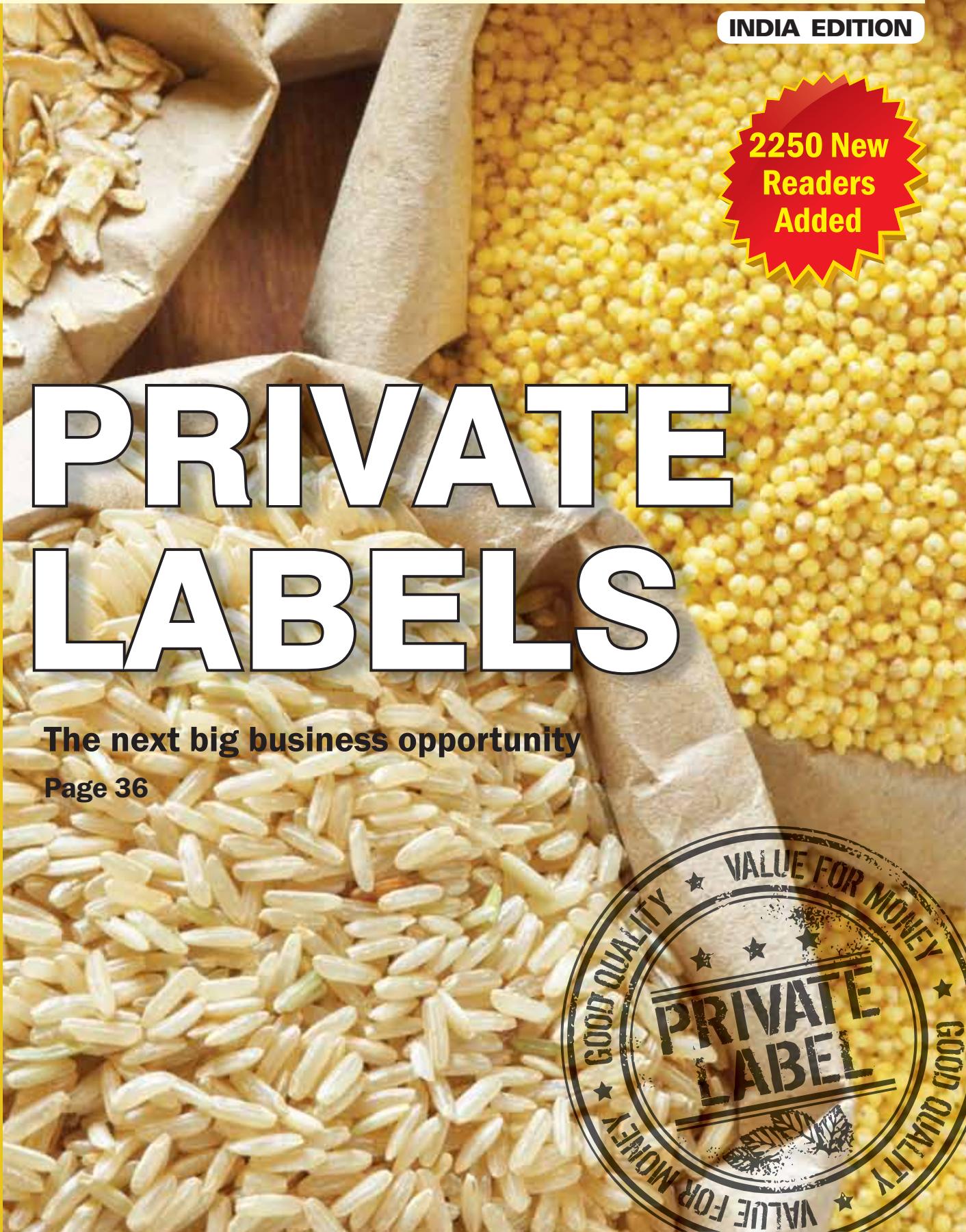
STORE OF THE MONTH • 46

Bashas', Arizona



CATEGORY MANAGEMENT • 66

Liquid Assets



2250 New
Readers
Added



PROGRESSIVE GROCER

AHEAD OF WHAT'S NEXT

Editor in Chief CEO	Amitabh Taneja Jayant Kochar R S Roy S P Taneja
Editorial Director Publisher	
Editorial	
Editor in charge Chief of Bureau (Bengaluru)	Seema Gupta (Deputy Editor) Rajeev Kumar (Assoc. Editor)
Copy Editor	Shipra Sehgal
Senior Correspondent (Delhi)	Juhu Sharma
Correspondent (Bengaluru)	Roshna Chandran
Manager-International Relations	Noelia Piriz
Creatives	
Art Director	Pawan Kumar Verma
Asst. Art Director	Mohd. Shakeel
Sr. Photographer	Vipin Kardam
Marketing & Consumer Connect	
Director - Mktg & Consumer Connect	Gurpreet Wasi
General Manager - Consumer Connect	Hemant Wadhawan
Dy. General Manager - Marketing	Sharat Mishra
Sr. Manager - Database	Ancal Agarwal
Sr. Executive - Subscriptions	Kiran Rawat
Executives - Database	Neeraj Kumar Singh
Circulation	Sarika Gautam
Associate VP - Circulation	Anil Nagar
Production	
General Manager	Manish Kadam
Sr. Executive	Ramesh Gupta
Support	
General Manager - Administration	Rajeev Mehandru

Advertising

Business Head
Rakesh Gambhir, Vice President
E: rakeshgambar@imagesgroup.in M: +91 9910001375

DELHI
Devpriya Bhardwaj, Sales Exec.
E: devpriya@imagesgroup.in
M: +91 8285817502

KOLKATA
Piyali Oberoi, Assoc. Vice President & Branch Head
E: piyaloberoi@imagesgroup.in
M: +91 9831171388

Anirban Sarkar, Manager
E: anirbansarkar@imagesgroup.in
M: +91 9830007920

MUMBAI
Waseem Ahmad, Vice President & Branch Head
E: waseemahmad@imagesgroup.in
M: +91 9833628852

BENGALURU
Suvir Jaggi, Assoc. Vice President & Branch Head
E: suvirjaggi@imagesgroup.in
M: +91 9611127470

Ashraf Alom, Assistant Manager
E: ashrafalom@imagesgroup.in
M: +91 9980965890

PROGRESSIVE GROCER

AHEAD OF WHAT'S NEXT

VP/Group Publisher	Jeffrey Friedman
Editor-in-Chief	Meg Major
Senior Editor	James Dudlick
Managing Editor Bridget	Goldschmidt
Director of Integrated Content/	
Technology Editor	Joseph Tarnowski
Creative Director	Theodore Hahn
Contributing Editors	David Diamond, Bob Gatty, Bob Ingram, David Litwak, Tammy Mastrobete and Jennifer Strailey

Stagnito MEDIA

President & CEO	Harry Stagnito
Chief Operating Officer	Kollin Stagnito
Vice President & CFO	Kyle Stagnito
Senior Vice President, Partner	Ned Bardis
Vice President/Custom Media Division	Pierce Hollingsworth
HR/Production Manager	Anngail Norris
Corporate Marketing Director	Robert Kuwada
Promotion and Marketing Manager	Ashley Cristman
Director, Conferences & eLearning	Amy Walsh
Manager, eMedia Strategy & Development	Megan Recker
Audience Development Director	Cindy Cardinal

Reinventing brands

High costs of food and grocery products due to inflation are driving consumers to opt for private label brands that are lower priced than their national brand counterparts, and can be depended upon for quality as well. Retailers on their part, are increasingly embracing private label brands as a strategy to continue their bottom-line growth.

In fact, the private brand industry across the world is on a high growth trajectory.

However, compared with mature markets in Europe and North America, private labels in India still have a long way to go, as the concept is still new, and consumers take time to accept them. According to Ernst & Young, historically, private label penetration has been lower in emerging markets as compared to the developed world, but is set to increase as global retailers with their own brands move to emerging markets. According to American Private Label Manufacturers Association, US tops the chart at 40 percent private labels of total items in supermarket, while China holds a mere 1%.

In order to capitalise on the trend, retailers in India need to focus on delivering their private label brands profitably, even in the face of rising commodity prices. To remain competitive, they need to build their sourcing capabilities, and engage their chosen suppliers more closely by seeking insights and suggestions on consumer preferences and mindset.

Read about the growing private label brands in the food and grocery sector in our cover story.

Amitabh Taneja
Editor-in-Chief

All feedback welcome at editorpgindia@imagesgroup.in

All material printed in this publication is the sole property of Stagnito Media, 111 Town Square Place, Suite 400 Jersey City, or Images Multimedia Pvt. Ltd. or both, and each of them have copyrights on their respective materials. All printed matter contained in the magazine is based on information provided by the writers/authors. The views, ideas, comments and opinions expressed are solely of the writers/authors or those featured in the articles and the Editor and Printer & Publisher do not necessarily subscribe to the same.

Printed & published by S P Taneja on behalf of Images Multimedia Pvt. Ltd. Printed at Aarvee Printers Pvt. Ltd., B-235, Naraina Industrial Area, Phase -1, New Delhi 110028 and published by S P Taneja from S-21 Okhla Industrial Area Phase – 2, New Delhi.110020 Editor : Amitabh Taneja

In relation to any advertisements appearing in this publication, readers are recommended to make appropriate enquiries before entering into any commitments. Images Multimedia Pvt. Ltd. does not vouch for any claims made by the advertisers of products and services. The Printer, Publisher and Editor-in-Chief of the publication shall not be held for any consequences in the event of such claims not being honored by the advertisers.

All rights reserved. Reproduction in any manner is prohibited. All disputes are subject to the jurisdiction of competent courts and forums in Delhi/New Delhi only. Progressive Grocer does not accept responsibility for returning unsolicited manuscripts and photographs.

For subscription related queries, email to: subscription@imagesgroup.in
For feedback/editorial queries, email to: letter2editor@imagesgroup.in
visit us at www.imagesgroup.in

Images Multimedia Pvt. Ltd.

Delhi: S 21, Okhla Industrial Area, Phase II, New Delhi 110020, Ph: +91-11-40525000, Fax: +91-11-40525001

Mumbai: 1st Floor, Bharat Tin Works, Opp. Borosil Glass Works, Off. Military Road, Marol Maroshi, Andheri(E), Mumbai 400 059, Ph: +91-22-42567000, 29200043/46, Fax: +91-22-42567022

Bengaluru: 523, 7th Cross, 10th Main, (Jeevanbhima Nagar Main Road), HAL 3rd Stage, Bengaluru 560 075, Ph: +91-80-41255172/41750595/96, Fax: +91-80-41255182

Kolkata: 30-B, Anil Roy Road, Ground Floor, Kolkata 700 029, Ph: + 91-33-40080480, Fax: +91-33-40080440

PROGRESSIVE GROCER



COVER STORY

36 Private Labels

Grocers who are seeing the next big business opportunity in own brands are launching a slew of private label products to take on national brands

FEATURES

24 Progressive Views

The digital future of retail foods

26 Interface - Supplier

Paras Budhiraja, Director, Paras Spices, shares the company's successes, strengths, and growth plans

28 Interface - Retailer

Mark Ashman, CEO, HyperCity Retail (India) reveals the company's plans for different formats across cities

32 Supply Chain

Traceability is a highly reliable enabler for grocers looking at gaining control over their food and beverage value chain

34 Industry Insights

Is the India European Union Free Trade Agreement an opportunity or threat for the Dairy Sector?

FOOD & GROCERY BUSINESS

46 Store of the Month

New Bashas' concept store designs better ways to feed its loyal neighbourhood shoppers

PRODUCTS

54 Not Just Desserts

Demand for convenience and portion control is met by chilled pies and cakes

56 Taste & Health

Surge in consumer demand is driving the yogurt market

BEVERAGES

58 Health On-The-Go

Consumers are opting for conveniently packaged flavoured milk as an alternative to other beverages

60 Brewing Strong

Demand for beers with more alcoholic content is driving growth of stronger beer brands

NON-FOOD

64 Flavour Buds

E-liquids can propel electronic cigarettes further

DEPARTMENTS

8 Market Update

What's new in the F&G market

14 Event

CII National Retail Summit

16 Event

FENAVIN: Spain's biggest wine trade

20 Industry Speak

The next billion dollar shopper opportunity

22 Round Up

National and international company updates

66 Category Management

Understanding consumer behaviour is key to beverage category management

70 Technology

Reinventing the checkout

74 Packaging

Shoppers are looking for quality, shelf life and safety all in one package

76 Equipment & Design

Supermarket HVAC systems provide consistent and comfortable temperature

80 What's Next

New products in the market

84 Business Opportunities

Fresh avenues to expand and grow

Private Labels

Grocers who are seeing the next big business opportunity in own brands are launching a slew of private label products to take on national brands

By Priyanka Dasgupta

The last few years have seen Indian retailers resorting to various measures to maintain profitability – the most talked about being developing own brands. These retailers are also planning aggressive growth strategies in terms of innovation, investment and marketing of their private labels (PL) to take on national brands. Industry experts believe that private labels are the retailer's answer to low fill rates, poor margins, few product offerings, and unfavourable vendor contracts. They also give a big boost to sales and revenues.

Induced into launching them, retailers now position their own brands at par with their national counterparts. In fact, PLs have become universally accepted by consumers seeking value for money product offerings from established retailers. So much so, PLs are now giving established brands tough competition due to their value in terms of choice and pricing – without compromising on quality.

"As companies line up to grab a bigger and better slice of the retail pie, another battle is slowly changing the face of the industry, the one between the manufacturer brands and the private label brands of retail chains, which are far from being just cheap generics," says Harminder Sahni of Wazir Advisors.

Global retail biggies like Tesco, Carrefour, and Wal Mart have a plethora of private labels across value points, and as they scaled their operations worldwide, their PLs became the actual deal makers. In India, organised players such as Future Group, Spencer's, Aditya Birla Retail, Bharti Retail, and Reliance Retail have an extensive range of PL offerings across categories in the food and grocery segment. However, the striking part is the emergence of regional retailers, especially the mom and pop stores across the country, who are increasingly adding private labels to their portfolio to woo

their loyal customers. In many cases, these retailers are almost at par with organised players, though on a smaller scale in terms of investment and promotion of their private labels.

The growth factors

It all started with retailers wanting to convert buyers of loose products (as they are cheaper than packaged branded varieties) to buyers of packaged products by incurring no extra cost. This also gave the retailers a better bargaining power to negotiate favourable margins from the manufacturers.

Industry experts feel consumers trust an organised player when it comes to selling quality products and that works for them. It originated from the fact that people buy goods from a trusted chosen grocer, who sells them loose as well as packaged products with the assurance of right price and quality. Whatever success that PLs have achieved so far stems from this theory probably.

In most cases, price attractiveness is the real deal maker. Private labels tend to be 5 to 20 percent cheaper than established brands. By cutting out the middlemen, retailers are able to pass on the cost benefit to consumers, and the upside is that not only do they make more profits by selling PLs than the national brands (margins are 60 percent more than what they get from FMCG companies), these labels help differentiate them from their rivals. Today, organised retailers are increasingly leveraging their brand value by introducing top-quality private labels that set them apart from other retailers, and hence considered as a destination store.

According to Ernst & Young, private label share is the highest in the grocery segment. Kishore Biyani owned Future Group generates more than Rs 200 crore in revenues from its private labels. Almost 20 percent of the FMCG



Private label section at SRS Value Bazaar



Retailers are clear about what kind of products they want and in what specifications. As manufacturers, we come up with suggestions on products that could do well. I think ours is a mutually benefiting relationship

- Ashish Bhatolia, CEO, Mark Commodities

business of the Group's flagship value format, Big Bazaar, comes from its in-house brands such as Cleanmate and Sach. In soups, about 25 percent of sales come from its brand, Tasty Treat. Other leading chains such as Mukesh Ambani's Reliance Retail and RP Sanjeev Goenka Group's Spencer's have long been focusing on private labels.

"On an average, Spencer's PLs garner double-digit shares in all FMCG sub-categories where they are present. Of course, PL shares are much higher in staples. Shares of PL brands (PLBs) in a sub-category depend on some variables like how many FMCG majors are operating in the sub-category, level of competitive intensity, price wars in the category, whether the profit pool in the sub category is deep enough to enable our PLB to play the role of discounter, economies of scale of manufacturing in the sub-category vis-à-vis the scale of the retailer," says a Spencer's spokesperson.

Over 200 stock keeping units (skus) of Walmart's Great Value are available at its Easy Day stores in India. And one can see a significant presence of Tesco Value brands at the Tata Group's Star Bazaar. Nearly 22 percent of the merchandise at K Raheja Group's HyperCity comprises of its own brands.

A multi-pronged strategy

Private labels don't just work by keeping the products cheap. To maintain the low price index, retailers try to outsource a sizeable chunk of their private labels mainly from small and medium units, who also supply to well-known branded players. Again big brands need to spend a lot of money on brand promotions, advertising, dealer's commissions, etc, whereas retailers promote their private labels only inside the store, at the point of purchase without incurring any extra cost. Instances like Big Bazaar roping in cricketing legend Sachin Tendulkar to promote its toothpaste brand Sach are very rare. What's crucial is that private labels should be at par with established brands, but should be cheaper.

The prices of private labels can range from as low as 4-5 percent to as high as 25 percent than that of established brands. Pricing would depend on the sourcing (in most cases it is direct from local vendors) and other overheads such as packaging and branding, if at all. Retailers earn margins upwards of 15 percent from their own brands. Staples such as sugar and groceries can earn them 15 to 25 percent. Most PLs are launched in categories where the brand is not so important to consumers, or to lure customers who want to upgrade from loose products to packaged, or where there are not many branded players in a particular category. So we are seeing almost every organised retailer worth his salt rolling out in-house labels in categories such as staples and cereals.

The type of retail format also determines the percentage of PL sales. In a 2,000 to 3,000 sqft supermarket, PLs can bring in 50 to 90 percent of sales because the retailer has given more shelf space to them. The equation changes in hypermarkets, where retailers have to stock all available brands. "Here, private labels in the same category of flour or groceries can constitute just 20-25 percent of total sales since so many known brands are

also there," informs a supermarket manager.

Spencer's has three tiered brand architecture for its private brands. The first level is called the generic private brand. This brand defines the opening price point category. It is the lowest price in the market with the right quality. "Trusted Value is the first level OPP Brand offering from Spencer's. The second level is the national brand equivalent, which offers our shoppers an option to buy a product as good as or better than the national brand in the category, but at a lower price. We have category specific brands like 'Spencer's Smart Choice' for foods, 'Tasty Wonders' for snacking, 'Clean Home' for household cleaning products, 'Care & Esentialz' for OTC and personal care products, and Maroon for general merchandise. We are planning to launch a gourmet food brand shortly which shall be our level 3 brand. It will offer shoppers an option to buy a gourmet product with quality much better than the national brand and as good as an imported gourmet product," says the spokesperson.

For Star Bazaar, part of the Tata Group-owned Trent Hypermarket, food represents the next big business opportunity when it comes to private labels. The Group has already



Brewing Strong

Indians are now seeking beers that have more alcoholic content, which is driving growth of the stronger beer brands in the market

By Juhi Sharma

Beer has always been a second cousin to whisky, India's numero uno alcoholic drink. India is also the world's lowest beer consuming nation. According to Technopak Advisors, India's per capita consumption is 2.4 litres and projected to rise to be 4.7 litres by 2020.

"The overall beer market in India in volumes is about 270 million cases, which is growing at 10 percent CAGR," affirms Samar Singh Sheikhwat, Senior VP - Marketing at United Breweries (UB), which owns Kingfisher, Sand Piper, Kalyani Black Label, and other brands, and is considered a market leader in the beer category.

Francisco Ayuga, CEO, Arian Breweries & Distilleries, adds, "Beer sales is expected to register an annual growth of 13.1 percent. While strong beer is growing at 13-15 percent, mild beer is showing a decline of 3-4 percent." He attributes the shift to strong beer to the fact that India being a whisky drinking country, people have a taste for strong drinks. "Most of the whisky consumers in the hot summer months shift to strong beer since it gives them the desired kick. Also, chilled beer offers them the convenience of a ready-to-drink beverage." Arian Breweries is a 50:50 JV between leading Indian FMCG player VI John Group and Spain's Mahou San Miguel Group, one of the largest brewers in Europe.

"Indians are travelling a lot and getting exposed to international lifestyles. The trend of drinking beer as a refreshing drink is fast catching on, even with youngsters. In the last few years, beer has been amongst the fastest growing alcoholic drink in India and the trend is likely to continue. A number of big international brands have forayed into the domestic market, and we would see many more brands coming in the near future," observes Rajnish Khandelwal, Head of BLiquid, a leading importer of beer brands such as Tsingtao from China; Schneider Weisse from Germany; and Estrella Galicia and 1906 Reserva Especial from Spain.

On a high with beer

Though advertisements and commercials promoting beer are largely targeted at the younger generation, more and more older consumers are taking to this drink as well. Sheikhwat believes that strong beer is being preferred, even though it is more expensive, and brands selling strong beer are targeting consumers with higher income levels.

Says Ayuga, "The growth in the beer consumer segment is conditioned by the legal drinking age regulation and access to household consumption, which is basically influenced by the level of lifestyle in a country and its population moving from the countryside to the city."

"There are three types of core age groups which can be targeted for beer sales: 21 to 24, 25 to 35, and 35 to 50. In some states, the legal alcohol drinking age has been enforced as 25 years, so the second segment becomes the main target group for beer manufacturers and marketers in these states," he adds.

In India, beer or any liquor-based drink is consumed largely out of the home. People drink it as a social obligation during parties, weddings, festivals, and at get-togethers with friends. But in mature beer drinking countries such as Europe and America, etc, mild beer is commonly consumed at home as a refreshing drink while snacking, watching television or while simply relaxing.

According to Technopak, out-of-home consumption of beer in India accounts for as high as 80 percent, mostly by young consumers on a low budget, who looking for ways to spend quality time with friends in a relaxed environment. Working professionals also choose beer over other alcoholic beverages to relax in the evening get-togethers, and also during a quick lunch or even a business meeting.

Beer is also the most preferred beverage amongst women, and their frequency of beer consumption is comparable to other alcoholic beverages. "Owing to beer's good taste and consumers' lifestyle changes, Indian women are showing a preference for this drink, which is a good sign for the industry. I'm sure that in a few years we would have beer variants targeting female consumers," opines Khandelwal.



The overall beer market in India in volumes is about 270 million cases, which is growing at 10 percent CAGR

**- Samar Singh Sheikhwat,
Senior VP - Marketing, United Breweries**





In India, strong beer is growing at 13-15 percent, while mild beer is showing a decline of 3-4 percent

– Francisco Ayuga, CEO,
Arian Breweries & Distilleries

According to Technopak, nearly 80 percent of beer consumed is the stronger variety. Sheikhwat points out that growth in the beer segment is being driven by introduction of strong beer brands. Carlsberg India, for instance, has launched new beer brands like Carlsberg Elephant, Tuborg, Tuborg Booster Strong and Palone 8 to meet this demand. Tuborg Booster Strong is a fruit-flavoured strong beer that is positioned between the premium and super-premium end of the beer market. A 650 ml bottle is priced Rs 135.

According to Khandelwal, in tier II cities and other smaller towns, people prefer strong beer, but these regions are yet to be explored by imported beer manufacturers and retailers. “It is only in the urban areas where most of the activity takes place, but the fact is that these regions are bigger consumers of strong beverages.”

Imports versus domestic

India’s beer market is seeing an influx of imported beer brands in retail outlets. Imports such as Thailand’s Singha beer, China’s Tsingtao, Australian Victoria Bitter, Belgian Geist and Holland’s Christoffel, have been well-accepted by Indian consumers.

“Consumption of imported brands is an upcoming trend in the metros where people are willing to experiment with new brands and formulations. Together with an increase in the number of expats in the country, there is a lot of potential for imported brands such as the Spanish Mahou,” says Ayuga.

However, he feels that the huge price disparity between imported and Indian beer is impacting sales of imported beer. “Imported beer accounts for less than 1 percent of beer sales in India, and the brands are available only in niche, premium on- and off-trade outlets, where they are sold at a significantly higher price than the domestic brands.”

Says Khandelwal, “It’s unfortunate that the price difference between imported and domestic beer is so high that a vast consumer segment does not have access to these brands. A level playing field, irrespective of the country of origin, can lead to easy availability of strong brands from all over the world in our country.”

Premium beer brands account for about 75 percent of the total beer market. Says Khandelwal, “All imported beer brands in India can be categorised in the premium category, as owing to high duties, their prices are higher than domestic beer. Since these imported and premium beers score over domestic brands on taste and quality, they are preferred by the consumers, which makes it a fast growing segment in the beer market. But consumers who are keen to trade up to premium or super premium brands, they will have to shell out a premium of almost 50 percent.”

Making inroads

With increasing consumption, companies are setting up their own manufacturing units in the country, which would also make their brands more affordable. Renowned brands such as Carlsberg, Tiger, Budweiser, and Tuborg, have set their own bottling plants in the last couple of years. Carlsberg India has increased its production capacities in the country with the acquisition of a brewery in Haryana, and construction of a green field plant in Bihar, which would be operational by end of this year.

As regards packaging, the trend is veering towards metal cans, which are considered more convenient to carry and store. Comments Khandelwal, “The concept of returning empty beer (glass) bottles against which one gets a credit is yet to take off in India, hence, cans remain popular, though most international beers come in glass bottles only.”

Pubs such as Rockman’s Beer Island, Howzatt, and Vapour have



brought the culture of micro-brewery in India where beer is brewed in the premises and served fresh. These pubs also serve new imported brands for consumers who seek something new every time they visit the pub. But Sheikhwat maintains that the volumes consumed at these places are negligible.

Comments Khandelwal, “The concept of micro-breweries has been prevalent in western countries for many years and we are now getting exposed to it. Some of the micro-breweries set up in recent years have had a positive impact on the growth of beer sales in our country.”

In a beer induced state

India’s southern region is considered the largest market for beer consumption. Andhra Pradesh and Maharashtra collectively account for 40 percent, and Karnataka, Tamil Nadu, Rajasthan, Delhi, Kerala and Uttar Pradesh together account for another 40 percent, reveals Technopak. The vast difference in consumption is impacted by each state’s favourable or unfavourable legislation governing liquor consumption.

“More or less, consumption of beer in different states depends on the taxation framework and the cost of supply from manufacturers to consumers to meet their needs reasonably,” states Ayuga.

Sheikhwat comments, “To increase the consumption of beer in other states as well, a stable economic policy and favourable weather conditions are needed.”

“One of the biggest impediments to beer consumption in our country is stringent regulatory conditions. Regions which have witnessed growth in their beer market is because their government policies facilitate consumption, rather than putting restrictions,” says Khandelwal. “Relaxation of government regulations would lead to growth in other Indian markets as well,” he adds.

Channelling sales

Apart from traditional liquor outlets, beer is being retailed in modern food and grocery stores as well, which have a liquor section or a counter, or in some cases, dedicated chillers. It is believed that such retail stores are also behind the increase in beer sales as they enable easy accessibility and purchase.

Says Khandelwal, “Imported beer, which is seen as a ‘fashionable’ drink, sells more from modern retail outlets. In urban markets, traditional retail outlets have spruced up their stores and have installed better product display units. Even traditional retailers have

Liquid Assets

Understanding consumer behaviour key to beverage category management

By Jim Dudlicek

From beer and pop to juice and coffee, category managers in the beverage aisle are charged with boosting visibility and sales to an ever-fickle public. An analysis of recent management efforts among multiple beverage categories indicates that a broad view of consumer use — encompassing the what, why, when and how of their beverage-buying habits — is most effective in generating overall category growth and enhancing sales for the retailer of beverages and complementary products.

Among the more detailed category management campaigns of the past year is the so-called “balanced portfolio approach” devised by legendary brewing company Anheuser-Busch, which sought to boost overall stagnant beer sales beyond a robust craft segment. The St. Louis-based unit of global brewer AB InBev commissioned a study of 128 retailers to explore the effectiveness of different merchandising strategies. This study aimed to explore and help retailers understand the emerging craft segment trend amid falling premium and value beer sales, and how to effectively market to consumers, given this shift in the beer category.

A-B explored three strategies: retailers that focused on craft at the expense of premium, those that focussed on premium over craft, and a “balanced” approach that supported all segments of the beer cooler.

The study revealed that although retailers focussing on one segment at the expense of another boosted sales, a balanced approach grew market share higher and more often. This analysis has helped show retailers how to win with all beer, and total alcohol sales, by focussing on the shopper, assortment, promotional support, shopper engagement and retail analyses.

Since A-B rolled out this balanced platform to its retail grocery partners, both premium and craft segments have performed better, the brewer reports. With category guidance in helping to better understand shoppers, grocers have seen growth revitalisation in the beer category. Premium has stopped a two-year decline; value has slowed its decline, with the smallest losses since 2009; flavored malt beverages and craft continue to show growth; and, thanks to a few new products, premium plus has had tremendous gains.

Popping off the shelf

Understanding how different stores can be within a specific retailer, banner or even city drove Purchase, New York-based PepsiCo and one of its national supermarket chain partners to look at allocating space differently.

PepsiCo approached the project using a range of traditional space allocation methods, but focussed these methods on a cluster of stores rather than a national view. Identifying



Key concepts that resulted in category growth include expanding visibility to growing segments such as woman energy and healthy energy drink segments, creating a ready-to-drink tea destination to showcase a tailored package mix and promotional strategy, and creating a premium carbonated soft drink or Hispanic section based on store cluster

the differences among the clusters assisted in the creation of design rules across beverage categories to capture maximum gain with no degradation to the overall shelf performance or increased capital investment.

Each cluster of stores has a unique assortment and merchandising schematic paying close attention to the products that will entice the shopper into the aisle. Helping the

retailer focus on these items increases the shopability of the aisle and appropriately allocates space for the high-turning items, thereby reducing out-of-stocks.

Key concepts that resulted in category growth include expanding visibility to growing segments such as woman energy and healthy energy drink segments, creating a ready-to-drink tea destination to showcase a tailored package mix and promotional strategy, and creating a premium carbonated soft drink or Hispanic section based on store cluster.

Meanwhile, the Coca-Cola Co. is encouraging category growth by appealing to shoppers' eco-consciousness.

Coca-Cola's "2020 Vision" has pinpointed the recycling of 100 percent of its packaging as one of its core strategic priorities. To that end, the Atlanta-based company has created its "Give It Back" merchandising equipment program to engineer recycling solutions with practical business applications.

Give It Back racks are part of Coca-Cola's initiative to advance the sustainability pillar of "Live Positively" while focussing on optimising packaging for merchandising equipment in retail outlets. Every unit is not only 100



percent recyclable, but also meets robust design and productivity standards.

The racks are Coke's first step toward a comprehensive, closed-loop retail equipment programme to create recyclable in-store merchandise racks and then recover, reuse or recycle them – an industry first. This "cradle to cradle" initiative resulted in a complete Give It Back family of merchandising solutions, many of which are modular and reusable in nature.

Leveraging shopper insights, the company cites

Hartman Group research noting that 70 percent of shoppers consider sustainability when making choices in store. Of Coke's "Live Positively" platforms, according to its own research, environmental initiatives score highest among women shoppers.

The designs are based on Coke's 3D Visual Identity System, which leverages proprietary brand form equities to distinguish its vendors, coolers and merchandise equipment in the retail space. The retail design strategy revolves around "upcycling," or creating more value from a repurposed or recycled material.

This programme is in year one of rollout, during which time the company has shipped more than 131,000 wood, metal and corrugate Give It Back racks to bottler partners for use in the retail channel. For example, the Dasani Plant Bottle corrugated

cardboard rack can be recycled by retailers with a cardboard box baler normally used for recycling cardboard boxes. Shopper feedback is trending positively.

Squeezing out sales

Turning to its chilled juice offerings, the folks at Coke work with multiple national retailers and their loyalty card data to perform many types of shopper and household analyses. Coke's learnings yield results that provide clarity for in-outlet merchandising (displays, POGs) that drive incremental volume for the category.

Accomplishing its strategic goals requires Coke to analyze information through a shopper lens, understanding beverage category and total store opportunities from their shoppers' perspective. Coke's partnership with many national retail customers in analysing and applying their loyalty card data makes it possible to drive actionable solutions.

Using available syndicated and shopper card data, Coke dissected the category, enabling focus against those key business drivers creating category growth headwinds. Syndicated insights gave Coke the direction as to where leakage was occurring, but card data was critical to understanding what specific segment and pack size were driving change.

Research and study work resulted in identifying actionable, short-term tactics to address a change in promotional pricing strategies, share gain opportunities on the profitable single-serve juice and drink SKUs, and better pre- and during-shopping communication of category innovation.

GREEN MANAGEMENT

Coke's recyclable "Give It Back" beverage racks aim to tap consumer sentiment for sustainability



Starting Fresh

Shoppers looking for quality, shelf life, convenience and safety all in one package



COOK WITH EASE Cryovac's OvenEase line simplifies the cooking process by enabling consumers to prepare raw protein items without removing them from their packaging

By Lynn Petrak

The farm-to-table chain is all about freshness. As growers, ranchers, processors, transporters, distributors and retailers do their part in getting products from the point of origin to the point of sale, it's the element of packaging that truly brings the farm to the table, as the bridge between production and consumption.

That's increasingly true today, as fresh foods are packaged earlier in the food chain, versus sold in bulk or packaged at the store level. Cases in point: the availability of case-ready meat and poultry products and pre-packaged vegetables and fruits.

Packaging has been a focus for many food suppliers and retailers, because now, more than ever, shoppers seem to want everything in one package: freshness, quality, extended shelf life, safety and sustainability — and are willing to pay for it. Meanwhile, a new global study, conducted by Ipsos InnoQuest, confirms that consumers are willing to pay more for value-added features that enhance freshness and sustainability.

Retailers also appreciate those product attributes, at a time when they are trying to attract consumers to their stores and must contend with their own labour and merchandising challenges. "Packaging improvements have been great for the industry



SERVING UP SUSTAINABILITY Products from LINPAC Packaging were created with eco-friendliness in mind

FRONTIER'S SHUBH SHAGUN PACK... A GIFT THAT MAKES EVERY OCCASION SPECIAL.

Every occasion becomes perfect when your loved ones come together. And it's for such wonderful occasions that Frontier's Shubh Shagun packs are made. Every Shubh Shagun pack is filled with the choicest of ingredients and is crafted with love that adds a touch of magic to every occasion. Be it a marriage, an engagement, a birthday or even grehpravesh. Gifting Shubh Shagun packs to your loved ones is a way of showing just how caring you are.



FRONTIER
since 1921

Shubh Shagun

eggless premium biscuits

Shubh Shagun Packs are available in two variants: Dry Fruit Biscuits & Kaju Pista Biscuits.
For more information, please dial 011-25267942 or visit us at www.frontierbiscuit.com



FRONTIER SHOPPING ZONES

DELHI: ASHOK VIHAR (PH. I); DARYAGANJ; HARI NAGAR (GHANTA GHAR); JANAKPURI (JAIL ROAD); KAILASH COLONY MARKET; KAMLA NAGAR; KARKARDOOMA; KAROL BAGH (AJMAL KHAN ROAD & D.B. GUPTA ROAD); KINGSWAY CAMP; KRISHNA NAGAR; LAJPAT NAGAR-II; LAXMI NAGAR (V3S MALL); VIKAS MARG; LODHI ROAD (KHANNA MARKET); MALVIYA NAGAR; MODEL TOWN-III; MUKHERJEE NAGAR; NARAINA VIHAR; OLD RAJINDER NAGAR (SHANKAR ROAD); PAHARGANJ; PASCHIM VIHAR (A-8/1 & JWALA HERI MARKET); PRASHANT VIHAR; PUNJABI BAGH (CLUB ROAD); RAJOURI GARDEN; RAMESH NAGAR; RANI BAGH; ROHINI (SEC-6 & SEC-7); SADAR BAZAR; SARITA VIHAR (MATHURA ROAD, OPP. N.I.I.T.); SAROJINI NAGAR; SHALIMAR BAGH; TAGORE GARDEN; TRI NAGAR; UTTAM NAGAR; VIKAS PURI; WAZIRPUR (METRO STATION); WEST PATEL NAGAR; GURGAON: SEC-14; SEC-23 & SOHNA ROAD; FARIDABAD: PARSVNATH CITY MALL, SEC-12; NEELAM CHOWK & SEC-15; GREATER NOIDA; JAGAT FARMS; GHAZIABAD: INDIRAPURAM (ADITYA MALL) & KAVI NAGAR; NOIDA: SEC-27; BAHADURGARH: M.I.E; KARNAL: NEELKANTH STAR & SAVOY GREENS MOTEL; PANIPAT: NEAR NAVAL CINEMA; ROHTAK: OPP. SESSION HOUSE; AMRITSAR: AMRITA TAQI CHOWK; BATHINDA: OPP. SSD GIRLS COLLEGE; JALANDHAR: NEAR JOHAL MARKET; LUDHIANA: DANDI SWAMI ROAD & MODEL TOWN; CHANDIGARH: SEC-38 C; JAIPUR: RAJA PARK; SURAT: TURNING POINT.



Henry Ford wisely said "There is joy in work. There is no happiness except in realization that we have accomplished something."

Henry Ford, the manufacturer of the 1st Automobile created Joy & touched the lives of billions



CREATORS THAT BROUGHT JOY WITH IDEAS THAT CHANGED LIVES



KRBL Ltd, a visionary organisation created the "True Flavor of Joy"-India Gate Basmati Rice and brought culinary joy to millions, globally.

