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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

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Market Update

US Cranberries Marketing Committee raises its pitch in India

With the aim to raise awareness and knowledge of US cranberries, the US Cranberry Marketing Committee organised a seminar in Mumbai on the versatility, availability and utilization of America's Original Superfruit™ among industrial ingredient users in India. Enriched with Vitamin C, fiber and antioxidants, these tiny berries have been a big hit among the healthy food lovers.

Talking about the US cranberry industry and expansion plans in India, Alyson Segawa, Manager, International Marketing Accounts at Bryant Christie said, "The Indian market offers enormous potential for US cranberries and is being considered one of the most important export markets for the United States. This seminar is our initiative to raise positive awareness of US cranberries among trade.

Sharing his views about the demand in India, Keith Sunderlal, India representative, US Cranberry Marketing Committee stated, "The increase in demand of US cranberries among the Indian consumers is testimony to the super fruit's growing popularity. Through our multi-pronged awareness drive, we aim to take its unique flavour and health benefits across the nation."

The seminar saw participation from over 80 established decision makers from the food and nutrition industry, key opinion makers from the ingredients industry, and culinary experts. The seminar agenda included discussions, presentations and a cooking demonstration of Indian and fusion recipes with US cranberry as the main ingredient. Sharing views on the matter, Chef Sabyasachi Gorai said, "US cranberries are an absolute delight to cook with.



Their tangy-sweet taste and unique texture gives them the ability to be the star ingredient of any preparation, ranging from drinks, appetizers, main course to desserts. As an innovator who is always trying out new ingredients and techniques, US cranberries play a huge role in my experiments as a budding chef. US cranberries are a versatile fruit that add delicious flavour to a variety of foods, making them the ideal ingredient choice for the Indian consumer."

The US Cranberry Marketing Committee will be conducting seminars in Delhi & Bangalore, later this year in order to increase the awareness of cranberries across the country.

Euromonitor International report on the B2B FMCG ingredients industry

Global market research company, Euromonitor International has recently released its new study on ingredients. As per the report, a total of 1.2 billion tonnes of pure commodities were used in food and drink applications in 2015, an increase of 2 percent since 2014. This growth is linked to the ongoing health and wellness trend within the global food and drinks market. Globally, botanicals are expected to rise by 3 per cent by 2020, with Asia Pacific, Latin America and Middle East and Africa growing the fastest.

Attitude to health continues to evolve in the America and Western Europe, where naturally healthy foods are growing at a faster rate than functional products. "Clean labels remains a dominant trend in food and drinks, and is set to become more important in beauty and

personal care." says John Madden, head of ingredients at Euromonitor International.

"The clean label tag can mean many things, but at its heart, it is consumers having trust in the products they purchase, and an understanding that they are beneficial and safe." Madden adds: "The use of natural ingredients and the removal of artificial and more controversial ingredients, such as certain preservatives and antimicrobials, continues.

In addition to the established clean label demands, Euromonitor predicts a greater pressure to simplify on-pack information, delivering honest, simple messages so consumers do not have to wade through the small print or sort through a long list of claims to find the information they are looking for."

Conference on food safety and new frontiers in food analytics

The executive committee of India section of the AOAC International will conduct its 4th annual conference on November 11th and 12th at The Park, New Delhi. The AOAC International is a globally recognized, non-profit organization that caters to the analytical needs of different sectors. It is the forum for finding appropriate science-based solutions through the development of microbiological and chemical standards. Its executive committee provides the analytical industry with increased knowledge on current topics related to analytical development and technical skill enhancement through seminars, forums, webinars and workshops. Day 1 of the conference will start with the inauguration ceremony and welcome address by the speaker. The topic during the technical sessions on day 1 would be "Ensuring Food Safety through Harmonization of Analytical Methodology". Day 2 will include the workshop on Demystifying Grand Challenges in Nutritional Analysis along with technical sessions on PT, Accreditation, and New Frontiers in Food Analytics.

Some of the major accomplishments of AOAC International include conducting workshops on pesticide residue analysis, food safety and quality testing; advanced food safety analytics master class program in partnership

with Confederation of Indian Industries (CII) - Food and Agriculture Centre of Excellence (FACE) and VIMTA Labs; and free webinars on various analytical topics. AOAC's standards development process relies on stakeholder panels to develop consensus-based method performance requirements and volunteer expert review panels to evaluate potential methods – all based on the community's specific method needs.

The India section of the AOAC International was founded in 2011 and since then it has been a medium between the AOAC International and the Indian Analytical Community. The 4th annual conference will feature a unique combination of topics addressing the current analytical need and challenges by renowned speakers (National and International), representing academia, industry, regulatory bodies and other stakeholders (conference schedule will be uploaded onto the website in the next couple of weeks).

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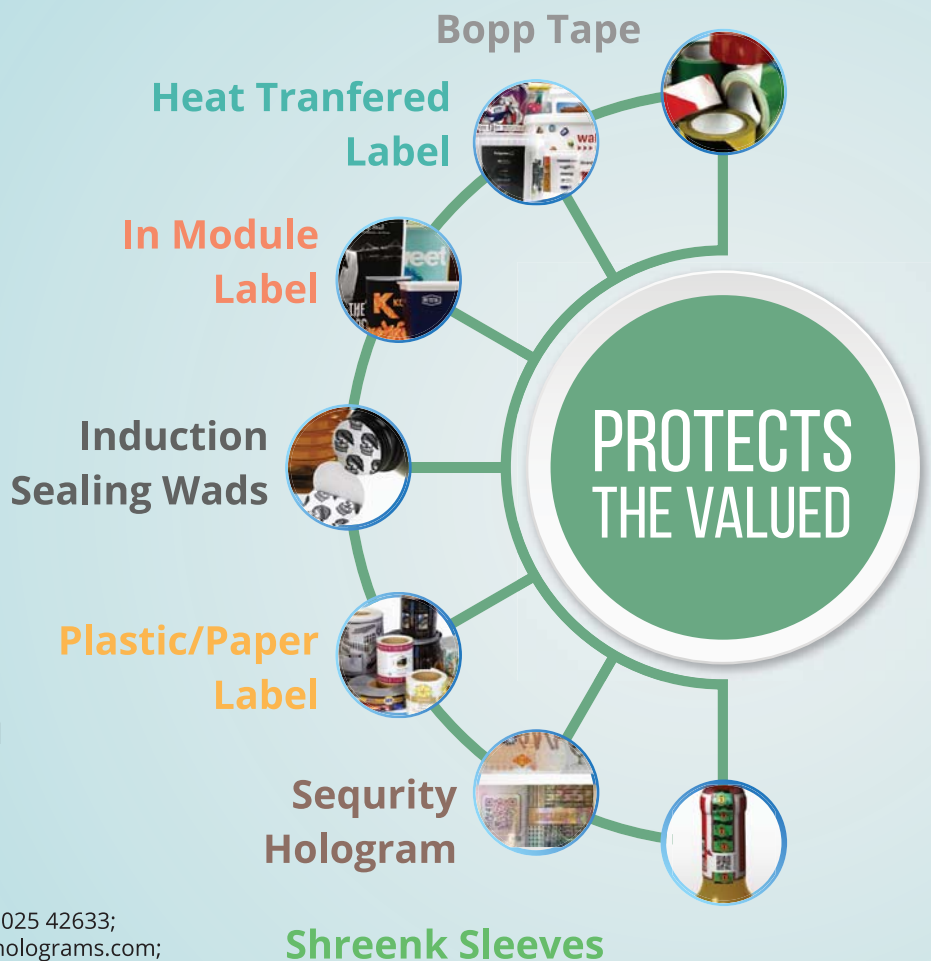
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Effective Leadership Styles for Retail businesses

Ensuring staff's efficiency and passion on a day to day basis is of paramount importance especially if the business wishes to make a day to day connect with customers. This calls for an appropriate leadership style and an organization culture that can help the organization being perceived consistently as consumer friendly and efficient.

By **Mohit Khattar**

Given the constrained levels of profitability in retail, the sheer significance of improved business fundamentals in the industry is high. In this context what usually gets spoken about is the need to generate increased business through repeat footfalls and efficient and productive teams that can grow margins as well as make the business customer centric. The sub text that often gets missed is about the kind of leadership style that can effectively enable the organization to achieve these objectives.

What differentiates great and effective leaders from ordinary Managers lies as much in the long term vision, focus and quality of decisions that they make as it does in how those decisions are arrived at or how those are implemented. The focus of this article is really on the latter two aspects or the leadership style.

Talk is usually focused on task centricity vs people centricity as an approach. One school of thought vouches for leaders who drive discipline, rigour and business programs incessantly. However, very often, task focus is confused for effectiveness! This school of thought favours leaders that drive their direct reports relentlessly who are then

expected to drive the rest of their down-stream teams in a similar cascading fashion. Nothing wrong with it except that it doesn't factor in the levels of knowledge, understanding or concerns and feedback that ground staff may have.

Democratic styles have their own drawbacks in retail situations where generally there tend to be too many loose and open ends. Speed of execution could suffer!

What needs to be remembered is that retail organizations in general depend a great deal on the energy and efficiency levels of front end consumer facing staff in the field as also of the lower down staff across functions. Ensuring their efficiency and passion on a day to day basis is of paramount importance especially if the business wishes to make a day to day connect with customers. This calls for an appropriate leadership style and an organization culture that can help the organization being perceived consistently as consumer friendly and efficient.

The kind of organization culture that encourages such an environment is often a silent contributor to the success of the business. Imagine walking into stores where you not only like the merchandise on offer but also value the staff for their ability to smile,



connect, recommend and service your requirements efficiently. Such a culture and environment is in most cases not an accidental flash and it flows in the day to day working of the organization. It cascades down pretty much from its leadership and has some important tenets...like a team that understands its role, its goals, is empowered to take decisions in crucial / conflict situations and is confident that the management will back them in crunch situations.

Those who have been in retail understand that the success of retail businesses lies as much in their execution as in their strategy. The job at hand of running a retail business is a hectic, intense and energy sapping exercise. It requires a combination of not just deep analytical skills, or attention to detail but also genuine people skills, quick decisive action and the passion to give it your all. Given the 365 day nature of the job, it requires leaders who are available to their teams at all times and then who can back their teams when they most need it. For this reason alone, it has little or no place for either the 9 to 5 types or for those who can't work well with large teams or have little concern for people in their teams.

It is important for leaders to understand and imbibe the fact that overly autocratic styles that emphasize the “do it as I say” or “only my way or the highway” approach could be deeply flawed in the context of retail. While they can ensure discipline and task orientation in the short run, they are more likely to lead to unhappiness and a serious feeling of demotivation and not being understood in the medium to long run, causing stress, burnout and eventually a higher level of attrition. Also willingness and openness to share facts with the leader can present a serious challenge for reportees. They are more likely to refrain from sharing issues, concerns and bad and awkward news rather than risk unpleasantness from leaders who believe they know best. This is tricky in situations where team members down the levels have better product, process and domain knowledge than their leaders.

Leadership styles that have relatively a higher probability of succeeding in retail business are collaborative, flexible and situational. Such styles encourage and create an environment of transparency and openness, where employees across levels feel happy to be empowered and to be a significant part of the system and therefore work efficiently on a day to day basis. The environment encourages and welcomes them to speak up on a day to day basis and share their issues and concerns with their direct superiors without feeling constrained about escalating issues when the need arises. The environment while keeping consumer facing employees energized enough to be giving off their best daily, also enables leaders to derive critical ground knowledge consistently. This added ground knowledge substantially improves their ability to

make appropriate as well as fast decisions. And none of this comes at the expense of any loss of focus on tasks or business goals.

When it comes to goals and tasks – several Managers prefer to set goals, leaving the nitty-gritty of execution to the concerned teams. There is nothing wrong with that except in situations where the targets and goals are far removed and way too tough to comprehend or achieve. Here true leaders don't abandon their colleagues. Instead, they lead the way by working with the teams and demonstrate “what to do and how to do it”.

In general, it is critical to treat team members in every industry with respect, especially so in retail organizations. This is so because the behavior of team members' often mirrors that of their bosses. Any laxity here directly reflects in terms of a grumbling and sulking environment and couldn't care less attitude of retail staff.

Democratic styles have their own drawbacks in retail situations where generally there tend to be too many loose and open ends. Speed of execution could suffer!



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For leaders, looking or acting the part of a CEO is the easy part of leadership. The tougher part is knowing and understanding what works or what doesn't. A combination of common sense acquired through experience and the ability to work towards a solution without ego in a manner that breaks barriers and builds natural connects just makes it easier. Simultaneously, leaders that allows team members to evolve and grow, pat them on the back every now and then, kick them hard when needed, set a vision and target, define the broad path but allow them freedom and flexibility to execute within given boundaries and importantly show them the path when they flounder, are likely to elicit a far greater sense of ownership, responsibility and desired outcomes from their teams as well as effectively lead their organisations towards higher order goals. **PG**



The writer is Head-Retail Strategy & Branding with Godrej Industries Ltd and former MD of Natures Basket Ltd. Views expressed in the article are personal. He could be reached at @mohitkhattar on twitter and via email at mohitkhattar7@gmail.com

All Taste

In the world of desserts, Ice cream is the undisputed monarch. Despite a plethora of dessert options available to Indian consumers, ice cream cuts across ages when it comes to popularity and range. London Dairy premium ice cream is known for its innovative flavours in keeping with changing consumer trends in the market. Crafted with the choicest ingredients sourced from all over the world, the range has found great affinity amongst its target audience who finds great value in the London Dairy product experience.

London Dairy offers a varied range of International flavours like Hazelnut, Tiramisu, Strawberry Cheese Cake, Belgian Chocolate etc. which were hitherto unavailable to the Indian consumer.

The vast & exciting range of London Dairy is further augmented by the Fruit Sorbet range and the Yoghurt Ice Cream range with an incredible choice of flavours.

With a rising sense of health and well-being amongst consumers today, there has been a visible growth in affinity for healthier food choices. With this insight, London Dairy has launched its Lite range of Ice Creams in India in two flavours – Chocolate & Vanilla. With 50% less fat content, the London Dairy Lite range allows you to indulge in a rich ice cream experience sans the calories, hence the proposition 'All Taste No Guilt'.



No Guilt



“While consumers are making a conscious effort to adopt healthier food choices, there is always affinity for indulgent foods to satiate your cravings. The London Dairy Lite range addresses this very need and gives the consumers an enthralling product experience without the guilt of as many calories. Hence the launch communication ‘All Taste No Guilt’ is truly befitting the London Dairy Lite range.”

says **Shweta Shrivastava**,

Marketing Head – London Dairy India.

In the food category, lot of brands have endeavoured to launch healthy alternatives or variants of their power brand but most have not been successful. “No matter how healthy the product is, the proposition for a food product has to be led by Taste. Compromising on the taste credentials for health, especially in an impulse segment, cannot be the recipe for success.

The London Dairy Lite range is a delectable ice cream experience augmented with the proposition of being healthy, not the other way round,” mentions Shrivastava.

The London Dairy Lite range has just hit the market around the festive season with the intent to get consumers on board since this is the time of the year when they are looking for new experiences to indulge in. Available across all modern trade outlets, the Lite range is bound to carve out a niche for itself and offer something fresh and exciting to Indian consumers.





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

plan has to be conceived keeping in mind some key factors that are likely to impact the overall supply chain process.

Optimising retail inventory can be a complex task given the fact that inventory management process itself can be quite overwhelming. In the wake of high competition and changing customer preferences, retailers are challenged by constant variations in the range of products not to mention planning and managing thousands of SKUs and ensuring the availability of the right products at the right time at the right place and at the right price. The thumb rule of efficient inventory management is to balance the demand and supply scale.

Key drivers of effective retail inventory management

Retailers are now moving towards next-gen inventory management solutions based on predictive analytics of consumer demand. These solutions focus on an integrated approach towards retail inventory management and cover the various facets of merchandise procurement and storage, allotment



and replenishment, and logical distribution. Balancing retail inventory can be achieved through science of digital decision-making to rake in big profit from the investment.

Process-centric approach: Retailers should take a structured process-oriented approach that can factor in changing market demands and meet the needs of the business.

Better visibility into the supply chain: End-to-end supply chain visibility brings transparency and enables speedy and accurate decision making. End-to-end visibility of inventory, stockout, overstock, sales loss, and sales and purchase efficiency, throughout the enterprise in real-time, will reduce supply chain uncertainty as more action is taken.

Dynamic demand management strategies: Consumer preference and demand are very dynamic in nature. Efficient tools to predict demand daily at a granular level will enable faster decision-making and faster reaction to counter the dynamic demand problem.

Optimising retail inventory is a complex but necessary process. By carefully analysing the ‘Digital Insights’ and acting on it daily, retailers can address inherent supply-chain challenges and take critical functional and operational digital decisions. Real-time, fast computational retail technology solutions could very well be the answer to solving the complicated supply chain conundrum and help retailers achieve their foremost business objectives, namely increase availability to heightened sales, reduce inventory and reduce purchase. **PG**

Real-time, fast computational retail technology solutions could very well be the answer to solving the complicated supply chain conundrum and help retailers achieve their foremost business objectives, namely increase availability to heightened sales, reduce inventory and reduce purchase.



External factors (retailers have little or no control)	Internal factors (retailers have adequate control)
Demographic conditions	Product marketing campaigns
Changes in latest trends, fashion, and customer tastes	Pricing structures
Competition strategies	Discounts and promotions
Economic impact	Packaging and distribution
Changes in customer spending patterns	Warehousing and storage facilities
	Franchise / partner network

“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.

Honey is the most sought after magical syrup, which tops the charts of natural health trends today. And Beelicious with its affordable premium quality, facilitates just that – “Guilt free indulgence”.

How would you describe the competitive USP and differentiators for your products vis-a-vis the competition?

Beelicious honey goes through a unique, one-of-a-kind filtration process from a state-of-the-art processing plant just imported that works on the latest and thus very different principle from the existing plants. Our process allows honey to retain its natural antioxidants, enzymes, vitamins and nutrients as it is only warmed to 45 degrees. Honey, when heated at very high temperatures, causes the beneficial enzymes to be destroyed, thus leaving behind only the sugars. Additionally, our processing approach ensures that most of the honey's pollen content is retained too. This might affect the aesthetic appeal as the honey may not be crystal clear, but it is nonetheless great for health. This ensures that our consumers end up savouring the deep, wholesome flavour of Beelicious honey, while it works its therapeutic magic on you from within.

We consider our honey to be a work of art. That's why we travel extensively, to personally pick the

best honey imaginable. It's an exhausting and time-consuming process, but it's worth it, because we want to ensure that you have a great experience with our honey, every single time. Being a biochemist, I understand that stringent parameter checks are a must right from the field stage. To ensure this, we have imported very specialised portable test kits from Europe and the US. They help us test parameters which Indian labs are still not equipped to test. The detailed tests conducted by us before selecting the honey is the key differentiator which then reflects in the quality. The Beelicious team has a keen eye for detail and we therefore use only brand new food grade drums for transportation. Many a times drums used for Sesame oil are reused for honey, which we believe could compromise the taste, odour and quality to some extent.

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.

Who are your competitors and what are you doing to stay ahead of the competition and strengthen your market reach?

Beelicious as a brand is very approachable and interactive. But above all, the brand is consumer

LivRite is coming up with a range of honey based products soon. All based on the simple theme of guilt-free indulgence. Most of them are going to be very unique and totally innovative. They will extend into the snack food market category and as replacement options for sugar and artificial sweeteners.

Man Pasand

Fruit Bhi Fizz Bhi

FRUITS UP

Fruits up contains Fruit

The advertisement features a vibrant background of orange slices. In the center, a young woman with a joyful expression wears bright yellow and pink sunglasses. To her right, three bottles of 'Fruits Up' beverage are displayed: a green bottle (Lemon), an orange bottle (Orange), and a dark blue/black bottle (Grape). The bottles are surrounded by fresh fruits like apples, grapes, and pomegranates. The 'Man Pasand' logo is in the top left, and the 'Fruit Bhi Fizz Bhi' text is in a large, stylized font at the top right. The 'FRUITS UP' logo is prominently displayed in the bottom left, with the tagline 'Fruits up contains Fruit' below it.



Growth of the retail industry has definitely helped in raising the popularity of products like honey, since it now offers several more options to the consumer. Hardly 3-4 years ago, honey was treated as more of a medicinal product but today it is a part of daily grocery to many.

friendly and educative. Innovative packaging concepts are made available, which can cater to individual consumption needs. We are therefore offering single serve packs that can be easily carried in a purse, in a tiffin box, in a gym bag and so on. Our consumers can also buy just one sachet of beelicious honey. This tremendously increases our reach to all those who even want to try just one, rather than having to buy an entire box of sachets or a jar.

Hence, it is our desire to spoil our consumers with variety and a varied price range for each of our products. Our vision is also to educate the community about the therapeutic and medicinal benefits of honey and other such nutritional wellness foods. The market reach will therefore be via non-conventional touch points. We will leave no page unturned to reach out to and educate consumers through communication channels of their preference.

Which are the new markets you are looking to grow?

LivRite is coming up with a range of honey based products soon. All based on the simple theme of guilt-free indulgence. Most of them are going to be very unique and totally innovative. They will extend into the snack food market category and as replacement options for sugar and artificial sweeteners.

Which are the important factors for retail pick-up of your products?

When it comes to nutritional wellness products, the markets either offers premium goods at exorbitant prices or affordable goods that are unfortunately not very quality centric. Finding products that have a perfect balance of quality and price is a rarity. Filling this void, by making reliable, premium and high quality products available to our consumers at fair prices, is a key factor.

Another important factor for our retail traction is the packaging. Keeping in mind the premium quality of our natural honey, our identity in terms of packaging had to be exceptional. Our packaging communicates everything that the consumer needs to know about Beelicious and to try it out. The communication is direct and clear. Surprisingly, it was the hardworking innocent honey bee itself who gave us inspiration of choosing black and



yellow gold as our primary colours. Elegant, bold and understated, the colour black brought out the true essence of our brand. We also decided to give special importance to our key USP's which is why we have a brief note on each jar. We have also made a conscious effort to avoid creating confusion by cluttering the front of the jar too much. We have therefore stuck to just the required basics which are bold, neat and easily readable.

The third factor is the SKU sizes. We have everything from a large jar to just a single sachet based on requirements. And nobody really needs to think twice before picking up just a single sachet. That's a good starting point.

How has the growth and development of retail industry helped in the rising popularity of your kind of products?

Growth of the retail industry has definitely helped in raising the popularity of products like honey, since it now offers several more options to the consumer. Hardly 3-4 years ago, honey was treated as more of a medicinal product but today it is a part of daily grocery to many. The fact that we also see several foreign brands on shelf is an indication of the acceptance of this wonder food and awareness of its innumerable benefits.

What are your expansion and investment plans for the future?

Our strongest presence is going to be Mumbai city to begin with. We will gradually expand to other metros, followed by a few select states and then go pan-India. However, we already have a pan-India reach from day one through our website www.beelicious.in **PG**

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Supplementing Health

The newest generation of products targets particular conditions

By Barbara Sax

“**Merchandising products in a condition-specific way enables customers to more quickly and easily find products to meet their needs**

—**Marci van der Meulen**
Nordic Naturals



Increasing health care costs, coupled with rising consumer health awareness, are buoying the supplement category. While retail shelves are packed with supplements aimed at general health and single-vitamin products, there has been a trend toward more targeted formulations positioned to offer the benefits of particular health concerns. Supplements positioned as products that aid digestion; eye, joint or heart health; and the immune system have gained share, according to research from London-based Euromonitor.

Retailers are responding with sections of the vitamin/supplement aisle targeted to specific conditions. “Most retailers are no longer brand-blocking,” affirms Guy Burgstahler, VP of marketing at Palm Beach Gardens, Fla.-based Garden of Life. “Instead, they are merchandising by product category, then product type or condition.”

Grouping products by category is an optimal way to help consumers shop selections, says Marci van der Meulen, national sales manager for the retail division of Watsonville, Calif.-based Nordic Naturals. “Most of the time, consumers enter the supplement aisles looking for a key condition, such as heart health, brain health/cognition, mood, immunity, digestion, etc.,” she notes. “By merchandising products in a condition-specific way, it enables customers to more quickly and easily find products to meet their needs.”

Easier to digest

Fiber, probiotic supplements and protein supplements continued to register strong double-digit current-value growth in 2015, according to Euromonitor. Demand for probiotics has been on an upswing: One recent study showed that 19 percent of U.S. respondents with digestive concerns

said they used probiotics in one form or another. Significantly, 7 percent of the consumers without digestive problems also reported taking probiotics.

Manufacturers continue to introduce new products, and retailers such as Whole Foods Market, Wegmans Food Markets and Fairway are giving a significant amount of shelf space to digestive-health products, as well as featuring them in refrigerated end caps.

Garden of Life, maker of certified organic and non-GMO Project Verified nutrition products, recently introduced Dr. Formulated Probiotics, Enzymes and Fiber in collaboration with medical doctor, author and human-microbiome expert David Perlmutter. Whole Foods carries Garden of Life probiotics for adults and children.

Euromonitor analysts note that while “claims for probiotics have been closely regulated, the enthusiastic media has helped to spread the word, and consumer awareness and interest in probiotics is booming,” with probiotic supplements linked not only to improved digestive health, but also to heart health, mood improvements and upper-respiratory health.

Joint action

Joint health remains a key segment of the supplement category. A recent study by joint health supplement manufacturer Osteo Bi-Flex found that nearly seven in 10 Americans older than 34 experience occasional joint stiffness or other concerns. The survey also found that 62 percent of Gen Xers, who are now in their late 30s and 40s, are concerned about their joints.

New York-based Osteo Bi-Flex recently introduced Osteo Bi-Flex Ease, a daily minitab for joint comfort. “What sets Osteo Bi-Flex Ease apart from other Osteo Bi-Flex products is the small capsule size,” explains Brand Manager Albert So. “Ease capsules

are 80 percent smaller than Osteo Bi-Flex One Per Day tablets, and they contain a unique ingredient, UC-II collagen, to help support joint health.”

Emerging ingredients, such as eggshell membrane, frankincense and methylsulfonylmethane (MSM), should play a bigger part in the category over the next few years.

In a crowded category, Osteo Bi-Flex Ease’s package was designed to draw attention to key benefits and features through a die-cut window that allows the consumer to see the product’s smaller tablet size. “As the market leader, we are looking to break through the clutter and connect with consumers in different, authentic ways,” adds So. “We believe our new Made to Move ad campaign will help demonstrate what Osteo Bi-Flex can do for consumers to add to their day-to-day quality of life.”

Do one’s heart good

Since cardiovascular disease remains a leading cause of death in the United States, heart-health supplements represent a significant portion of category sales. Omega-3 has been a key ingredient in these supplements, although vitamin K2 and others are now showing up in such products. This past summer, Doctor’s Best, a Coromega brand, added two new heart-health supplements, Artery Prime with MenaQ7 and Heart Prime with KD-PUR EPA, to its dietary supplement line.

Omega-3 is increasingly being used by other consumers. “In the last two years, we’ve seen a lot of growth in fish oil use among athletes for treating muscle recovery and children on the autism spectrum,” says Andrew Aussie, EVP of Carlsbad, Calif.-based Coromega. The company recently updated the packaging of its Tiger Fish Oil to include information on its partnership with Generation Rescue, a Sherman Oaks, Calif.-based organization that provides information and treatment assistance to families affected by autism spectrum disorders.

“The sports category has exploded in the last few years,” adds Nordic Naturals’ van der Meulen. “Athletes want to buy quality supplements to address endurance, injury, weight, stamina and recovery.” Nordic Naturals recently launched a line of products formulated with the company’s new ultra-concentrated omega-3 oil.

Healthy trends

According to Coromega’s Aussie, there’s been a spike in consumers using omega-3 supplements to treat eye health, a growing category. While the segment is dominated by Bausch & Lomb’s Occuvite and Alcon’s ICaps, smaller brands are also making inroads in the segment, where ingredients such as lutein and zeaxanthin are important.

Barlean’s recently introduced an Eye Remedy liquid swirl in Tangerine Smoothie flavor. “There’s



growing awareness of the damage that blue light can do to the retina, and an ongoing interest in preventative eye health among aging consumers concerned about macular degeneration is boosting the category,” says Alene Johnson, director of education at the Ferndale, Wash.-based company.

Supplements for cognitive brain health are also a fast-growing segment. Despite limited research to support supplements for cognitive health, products aimed at fighting a gamut of ills, from memory loss to depression, have been gaining ground in the segment.

Aging consumers aren’t the only ones being targeted by vitamin and supplement manufacturers. Euromonitor’s report shows that young Millennials, raised by health-conscious Baby Boomers, are also open to nutritional supplements and alternative health. Accordingly, San Francisco-based Olly Public Benefit Corp. has launched gummy vitamins and dietary supplements marketed specifically to Millennials. Employing attractive packaging designs and simple labeling, the products come in fruity flavors meant to appeal to younger consumers.

Since price is important in the category, couponing and promotions are a big part of most retailers’ strategies, as in the case of Redwood City, Calif.-based Biocodex, which recently rolled out shelf couponing in supermarkets for its Floristor probiotic supplement. For his part, Burgstahler notes that that Garden of Life offers couponing, BOGOs and gift-with-purchase as incentives for consumers.

“Couponing is a factor, especially with new customers,” agrees van der Meulen. “Coupons at shelf work well to bring attention to a brand or to prompt an immediate sale in the store.” **PG**

“**We are looking to break through the clutter and connect with consumers in different, authentic ways**

—Albert So
Osteo Bi-Flex



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.

In a nutshell, please share the growth journey of Good Food Store over the years and how you see its course of trajectory going forward?

Good Food Store is a chain of retail food stores carrying premium quality food products. We opened our first store in Whitefield, Bangalore in July 2013. Apart from our retail business, we are also a leading importer representing over 27 top international food brands. Suresh Kumar & Co (Impex) Pvt Ltd, the promoter company, is an ISO 9001:2000 & ISO 22000:2005 FMS certified company, which was established in 1990.

Since the launch of our retail venture, there have been many changes in our assortment and operation. But our ethics and concept of business have remained the same. We still believe in bringing the right product at the price price for the consumer.

Which retail format (s) do your stores come under?

We have stores in convenience and supermarket formats. Our smallest store is 500 sq. ft. and the biggest one is 4,500 sq. ft. The total retail space for Good Food Store is 12,000 sq. ft. under operation currently. Another 3,000 sq. ft. of retail space is coming up and is under construction. At present, we operate five stores in Bangalore – two stores in Whitefiled and one each in Sadashiv Nagar, Electronic City and Kanakpura. We are opening another store soon.

What kind of people frequent your stores and in which age group? Has the customer profile been changing in any way over the years?

The customer profile is dependent on the area we cover. But our major consumer profile comprise the young generation as well as families in the middle age group. For us, the consumer profile has remained the same. Our customer is not looking at an inferior product at a low price. Our consumers are typically those in these age groups and looking for quality product at the right price.



Good Food Store is a chain of retail food stores carrying premium quality food products. We opened our first store in Whitefield, Bangalore in July 2013. Apart from our retail business, we are also a leading importer representing over 27 top international food brands.

What is the location strategy for your stores?

We are now focusing on gated complexes in and around Bangalore.

Please describe the range of merchandise available at your stores?

While we do carry over 1,200 imported food products, we are not a gourmet store. We stock all major Indian food brands and staples, but we are not a discount store either. We are your friendly neighborhood grocer whom you can trust for quality and service.

Which are those elements that have become the hallmark differentiators of your stores?

For a small store, we have the widest assortment possible. From traditional south Indian spices to



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Being a small size concept store, we are able to merchandise better and change the merchandising strategy according to the seasonal demand. For example, during summer period, beverages shall be given prominent display. During the festive season, gift packs take the lead.

balsamic vinegar from Modena, Italy to north Indian chicken tikka to frozen Basa fish from Vietnam, we get the best products for our consumers. This has been the biggest differentiator for us.

Are there any interesting concepts or innovations you have introduced at your stores?

We were the first ones to launch traditional north Indian non-veg snacks in a supermarket concept in Bangalore. And we have customers who travel a long distance to buy this authentic assortment. We also have a wide spread of cheese and cold cuts in our stores, which are not easily available at neighbourhood grocery stores.

What is the strategy for merchandise display and category management in your stores?

Being a small size concept store, we are able to merchandise better and change the merchandising strategy according to the seasonal demand. For example, during summer period, beverages shall be given prominent display. During the festive season, gift packs take the lead. It all depends on the season, as well as the willingness of a brand to be present more prominently in the store.

What is the sales per square feet at your store?

It's Rs. 2,100 per square feet /month.

Which are the fast-moving product categories in your stores and which are the best-selling brands for such products?

We are very strong with imported food products. In categories, beverages and snack food sells quite well. Dry fruits are an important category for us as well. Our sale mix is pretty well spread out.

Which are the new and emerging categories in your stores and why do you think they have market potential?

Health foods are really doing well. Things like flax seed, chia seeds, unfiltered apple cider vinegar are doing really well. Our customer base is the health conscious urban population that is aware of the health benefits of these products.

In which categories do you have private labels?

We have private label in staples and snack food.

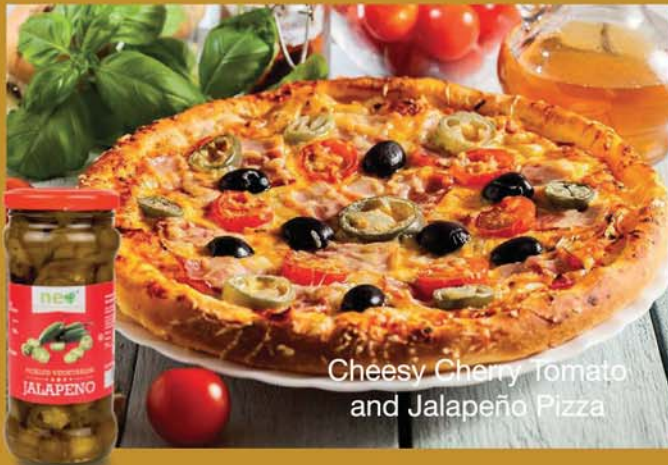
What kind of margins do your private labels offer you compared to national brands?

We are not very big in private label right now. But now with more stores opening, we foresee this as a big growth factor in 2017.

Which new products would you like to introduce in this category?

We are looking at sauces, condiments, dry fruits and increasing our assortment of snack foods in the private label.

Having a broad and diverse supplier base is critical these days given the fact that consumers are looking for products that offer higher levels of satisfaction. What is your criteria for selecting suppliers?



Cheesy Cherry Tomato and Jalapeño Pizza



Creamy Chicken and Baby Corn Salad



Tofu and Cherry Tomato Pasta Salad



Cheesy Jalapeño and Tomato Quesadilla

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Preserved Fruits - Pineapple Slices and Tidbits and Fruit Cocktail.

Pastes - Ginger, Garlic, Ginger-Garlic, Mint, Coriander, Red & Green Chilly

Relish Range - Sweet Relish, Dill Relish, Hot Dog Relish, Mustard Relish, Carrot Relish, Jalapeno Relish and Onion Relish.

Dips - Salsa

Neo Foods Products Come in Glass Jars, Tins, Pouches and Barrels. Neo Foods Products are available in most of Modern Trade, Premium

Neo Paste Range

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No Indian meal is complete without a generous flavor of ginger. This paste does the trick.



PASTES GARLIC

A basic but absolutely essential ingredient, garlic is the hero of any dish.



PASTES GINGER GARLIC

Garlic Ginger paste can be added with the Oil while cooking pasta and salads



PASTES CHILLY Red & Green

What would Eastern food be without the hero ingredient - chilly. Thank god there's plenty of it around.



What are you doing to rope in more quality suppliers for different categories?

We are approached by suppliers every day. Due to the space constraint, we cannot introduce everything. However, we are always looking at adding new products based on the changing consumer demand. This is done in consultation with the store managers and regular consumer feedback.

What is your current supplier base and at what rate has it been growing.

We work with over 300 different suppliers across categories.



For a small store, we have the widest assortment possible. From traditional south Indian spices to balsamic vinegar from Modena, Italy to north Indian chicken tikka to frozen Basa fish from Vietnam, we get the best products for our consumers.

What are you doing to encourage smart and young brands at your stores? How liberal are you in trying out new offerings in your stores?

We are very open to new products. If a supplier is passionate about his product, we do our best to provide him/her with a good platform.

Do you have any tie-ups or collaborations with brands for category insights and better category management?

We keep on having special collaborations for special display of products. These are usually supported by special consumer offers.

Why it is important for retailers and brands to work collaboratively?

Retailers are an extension to the brands, a platform for them to showcase their products. Both of them complete each other. We are one of those concepts where we just not only keep the product on the shelf, but engage with the consumers to educate and inform them about the products available.



➔ **Good Food Store: Quick Checklist**

Retail format:

Convenience and supermarket

Size of stores:

Smallest store is 500 sq. ft. and biggest is 4,500 sq ft.

Start of operations:

First store launched in 2013

Average size of stores:

2,400 sq. Ft.

SKU count:

3,900

Investment required for setting up an average size Good Food Store in Bangalore:

Rs. 50 lakh, including the cost of interiors and equipment

Time for a typical Good Food Store to break even:

12-18 months

Number of Good Food Stores currently in operation:

Five

Location:

Whitefield, Sadashiv Nagar, Electronic City and Kanakpura in Bangalore

What is the total retail space under operation:

1,2000 sq. ft. under operation and 3,000 sq. ft. under construction

Operating model – company owned stores, leased or rented:

Rented

Average Bill / Ticket size of transactions:

Rs. 425

Average traffic:

60,000 bills per month

Same store growth:

8%, yoy

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- Access to classified information and trade statistics relating to F&B products and related market in India and South America
- Access to various food and wine federations

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Which have been the instances where you have partnered with brands to build new categories and make more money than other categories/ brands or products in the same space?

We had launched an imported food range “Abbie’s” in the store. The importer played an aggressive role and we worked on a lower than usual margin to offer special offers to the consumer. Even with a lower margin, the sales turnaround was much higher, and we were able to make more money out of it.

Online, we are collaborating with existing players and work as their distribution centres.

Tell us about your strengths and achievements so far?

We are a profitable business already and have created a space for ourselves in a very short span of time. Our biggest achievement has been the loyal set of customers we have been able to attract and retain. We have also been awarded the Coca-Cola Golden Spoon Award for the category – success with a new concept.



We are very strong with imported food products. In categories, beverages and snack food sells quite well. Dry fruits are an important category for us as well. Our sale mix is pretty well spread out.

Tell us about your marketing and promotional activities that you prefer for pushing sales in your stores - steps and measures with regard to ATL-BTL, digital, social media, etc?

We started with neighbourhood-based activities. However, now we are more focused on digital media and more of consumer engagement.

Have you developed your own loyalty or some other programme for pushing your private label sales? What has been the impact on sales, turnover, etc, of such programmes and offers?

We have recently introduced our loyalty programme. But we realized that we have a set of very loyal customers, who prefer to shop with us, irrespective of any programme. However, we are now able to attract many new customers, thus driving up the sales.

Will you concentrate on growing online or taking your store count up?

Right now, the plan is to take store count up.



What's in store for the future by way of your expansion?

We are now targeting at gates complex/ corporate parks as future growth of expansion. Also, few of our new stores would come up in high street locations as well. We are targeting a count of 10 stores in Bangalore by end of this financial year. Next year too would see expansion in Bangalore only. Post that, we intend to move to Chennai & Hyderabad, from where our future growth would come from. **PG**



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If chocolate's on your mind, then travel to eat them all



Globally, chocolate tours are designed to give a memorable chocolate exploring experience to every traveller. These tours are created to enrich the learning experience of chocolate making under the supervision of renowned chocolatiers.

By **Heena Akhtar**

Fond of chocolates? The next time you go on a vacation, make sure to take a chocolate tour, because chocolates are everyone's favorite and there are a zillion lip smacking options available across the world. It's interesting to know that every year more than three million tons of cocoa beans are consumed worldwide and a major share is consumed by the emerging confectionery market. The overall chocolate market rose 13 percent between 2010 and 2015 to hit \$101 billion, according to a market research firm. And, the global chocolate market is expected to grow from \$83.2 billion in 2010 to \$98.3 billion in 2016 at an estimated CAGR of 2.7% from 2011 to 2016.

The chocolate tours, worldwide, are designed to give a memorable chocolate exploring experience to every traveler. These tours also impart an enriching learning experience into chocolate making under the supervision of world renowned chocolatiers.

Below are five must visit chocolate tours for every traveler, whether a chocolate fan or not.

Chocolate World Berlin. Haute cuisine for chocoholics

The capital of Germany is famous for the historic Berlin wall, and its exclusive range of chocolates. Berlin is known for its handcrafted chocolates and chocolate factories, which are open for visitors to visit and try.

On the chocolate tour, tourists can visit the Gendarmenmarkt, the Neue Kirche, Friedrichstraße, as well as the Ritter Sport Colorful ChocoWorld and the chocolatiers "Fassbender & Rausch". The Colorful ChocoWorld site at Gendarmenmarkt makes Berlin the capital of chocolate and allows tourists to savour the divine taste of sinful cocoa along with exploring the antiquity of chocolates and how it came to Berlin. Also the gourmet drinking chocolates at the famous chocolatier 'Fassbender & Rausch' are a must try. Ritter sport allows people to handcraft their own chocolate bars and carry them along.

Chocolate Museum - Paris

Olmec, Mayan and Aztec civilizations perceived chocolate to be a revitalizing beverage, mood enhancer, and aphrodisiac, which structured their belief that it possessed mystical and spiritual elements. This made them believe that it possessed mystical and spiritual qualities. Chocolates were restricted only for the rulers, warriors, and nobles at sacred ceremonies by the Mayans who even worshiped ‘Cocoa God’. Sounds surprising? Chocolate Museum in Paris allows visitors to indulge in a tantalizing experience and explore more than 4000 years of cocoa, its importance in ancient cultures, its use in mystical rituals and also imparts knowledge on how the consumption of chocolates evolved with generations.

More than 1000 chocolate related artifacts, live demonstrations and not to forget the best part – tastings can be savored here. They also have various kid friendly activities for toddlers and kids to keep them busy while the elders can enjoy the museum.

Brussels: Belgian Chocolate Tasting Tour

The word Belgian is enough to storm the cravings of a chocolate lover. Known worldwide for its premium quality of chocolates, this city tops the wish-list of many. Belgian Chocolate Tasting tour is all about chocolates, macarons and waffles. Belgians are amazing chocolate makers, but when it comes to bread and pastry, France remains arguably the best in Europe. The chocolatiers here are exclusive and unique to Brussels and are always experimenting



with flavours, textures and cocoa bean types. Even the macarons here are one of the best on the planet followed by the French Patisserie, known for warm waffles. The guide reveals interesting facts related to chocolates and how the land got known for the sweet business, during the tour.

POD Chocolate Factory Tour - Bali

POD Chocolate farm & café allows visitors to experience the complete process of transforming organic cocoa beans into finger-licking Balinese chocolates. Located between verdant rice fields and lush jungles on the grounds of the Bali Elephant Camp, POD is one of the few places in the world where chocolate is made only minutes away from where it is grown. After witnessing the process and tasting, tourists can handcraft their own chocolate elephants with toppings of choice.

It's interesting to know that every year more than three million tons of cocoa beans are consumed worldwide and a major share is consumed by the emerging confectionary market.

Lindt Chocolate Tour - Zurich

On an original, entertaining and deliciously sweet walking tour around Zürich's charming old town, the tour takes through some of the city's most irresistible sweet corners, including traditional confectionaries, artisan chocolatiers and other interesting chocolatey sites. Swiss chocolates are a favorite worldwide and have a deep history to them as well. Along with trying some of the finest from a wide variety of chocolates, this tour also includes a connoisseur tasting session, where one can learn how to taste and pair chocolates. Around the mesmerizing Lake Zurich is the community of Kilchberg, headquarters of the world-famous Lindt chocolate factory. Here everyone gets to buy the best Swiss chocolates at a reasonable price. **PG**



The writer is the founder of TripXOXO – an online travel planner. She has a vast experience in chocolate tours.



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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We have also brought into the market our new bar chocolates, dark chocolates, chocolates with almond filling – all under the brand umbrella of Jumbo.

—Pravin Jain, MD, PEE PEE Group of companies

Drivers of growth

Brands have played a key role in bringing about a marked transition in consumer behaviour that prefers chocolate gifting nowadays to other traditional items of gifting like mithai, nuts and dry fruits. For instance, Cadbury’s (now part of Mondelez International), has played an instrumental role in opening up the Indian consumer to the world of possibilities in the gifting space at a time when the market was largely restricted to sweets. Its innovative products (e.g. Celebrations), extensive reach, and attractive packaging have attracted evolved consumers in India for over two decades. Having established itself, Cadbury’s is now innovating to account for the growing demand for premium chocolates as gifting products. Ferrero is another manufacturer which has been successful in promoting luxury chocolates as a category in India through acquiring on-ground market understanding, ensuring extensive availability, focusing on prosperous consumers, and targeting occasions and festivities.

The home-made chocolates category has also registered high growth in the past few years, largely driven by occasion-specific gifting. These are distributed both from the makers’ homes and

confectionery shops as well as through wholesale and retail shops. Nature’s Basket offers customizable food and gourmet gift hampers, which are occasion-specific and customizable. Foodhall, a Future Group company, has similar product offerings. Haldiram’s, a traditional mithai store, realizing the opportunity in other food gift categories, now offers innovative products and hampers in chocolate, gourmet, and bakery space.

It therefore comes as no surprise that the the concept of gifting chocolates during festive occasions and even at other times, instead of gifting traditional sweets, is catching on fast. This could be because of the longer shelf life and ease of delivery that chocolate can offer along with its novelty, which traditional sweets do not. Many benefits are also associated with chocolate and these considerations are also the ground for the rising popularity and greater acceptance of the category among consumers. It is therefore not surprising that over the last decade, the shift from Indian sweets to western sweets (candy/ chocolates) has become noticeable. Chocolates now make for a perfect gift for any celebration. Interestingly, dried fruits and nuts are another very commonly gifted item.

Distribution of Sugar Confectionery by Format: % Value 2008-2013						
% retail value rsp	2008	2009	2010	2011	2012	2013
Store-Based Retailing	100.0	100.0	100.0	100.0	100.0	100.0
Grocery Retailers	95.1	95.1	95.0	95.0	95.1	95.0
Modern Grocery Retailers	5.6	5.6	5.8	6.2	6.5	6.5
Convenience Stores	0.4	0.4	0.4	0.4	0.4	0.4
Discounters	-	-	-	-	-	-
Forecourt Retailers	0.2	0.3	0.3	0.3	0.3	0.3
Hypermarkets	1.9	2.6	2.9	3.2	3.5	3.5
Supermarkets	3.1	2.4	2.2	2.3	2.3	2.3
Traditional Grocery Retailers	89.5	89.5	89.2	88.8	88.6	88.5
Food/drink/tobacco specialists	3.5	3.5	3.6	3.6	3.6	3.6
Independent Small Grocers	79.7	80.0	80.1	79.9	79.8	79.7
Other Grocery Retailers	6.3	6.0	5.5	5.3	5.3	5.2
Non-Grocery Retailers	4.9	4.9	5.0	5.0	4.9	5.0
Health and Beauty Retailers	4.5	4.5	4.7	4.7	4.7	4.6
Mixed Retailers	-	-	-	-	-	-
Other Non-Grocery Retailers	0.4	0.4	0.3	0.3	0.2	0.4
Non-Store Retailing	-	-	-	-	-	0.0
Vending	-	-	-	-	-	0.0
Homes shopping	-	-	-	-	-	0.0
Internet Retailing	-	-	-	-	-	0.0
Direct Selling	-	-	-	-	-	0.0
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources



But gifting of this category has traditionally been restricted among the affluent Indian households. However, when dried fruits and/or nuts get added to chocolates, all barriers appear to break down and the value proposition comes to transcend the inherent limitations of both categories taken individually. The chocolate and fruits & nuts combo is not only more irresistible, the product’s popularity also strikes a chord with most consumer segments. In other words, a true product with mass appeal! Not surprising that it is the fruits and nuts variant of chocolate – whether Indian or imported that sells the most in the Indian market. A chocolate infused with fruits and nuts is available at a fraction of the price that the same quantity of whole dried fruits and nuts would cost! The attractiveness quotient of chocolate also increases with this combination.



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Product innovations by players

The last couple of years have seen a spate of product innovations, value-additions and new launches in the Indian confectionery market. With young consumers looking for newer formats and flavours in confectionery, manufacturers were induced to cash in on the demand and expand their product range. A couple of years ago, Dabur, for instance, extended its popular digestive brand Hajmola, and reinstated its presence in the pure confectionery segment with the launch of the Natkhat Amrud variant and Hajmola Chuzkara. Hajmola has been a popular digestive in tablet and candy format in Dabur's portfolio. Perfetti Van Melle, the ruling confectionery player in India, expanded its Alpenliebe's brand basket with the launch of Alpenliebe Spicy 1, spicy chilli and sweet mango in one tangy candy. The product was created with flavors to suit the Indian taste bud and liking for spicy, sweet and sour flavours. In the same year, Wrigley India enlarged the famous Boomer bubble gums range with the launch of Boomer jelly variant in mango flavour.

While the confectionery market has always been fragmented and continues to be so with more than 3,200 brands operating in the category, new players – both domestic and overseas – continue to upend the category with product innovations and other attractive brand features. "There are a lot of players in the market, both domestic and international. Lindt, Hersheys, Cadbury, Nestle, LuvIt, etc., to name a few, are some of the better known players in the market," says Pravin Jain, Managing Director, PEE PEE Group of companies, whose offerings include beverages & juices, dehydrated fruits and a multifarious variety of cocoa based chocolates under the brand name Jumbo. In recent years, category growth has been driven by the emergence of new segments like Jelly, which has gained quick consumer acceptance. The category has also seen premiumization to some extent but needs to be accelerated in the coming years.

Apart from sugar-based candies, the confectionery space has witnessed a lot of action over the past few years in the chocolate segment. First off

the block to create a stir in the category was Cadbury India, part of Mondelez International, when it launched Cadbury 5Star Chomp in April 2014. Tapping the rising affluent urban demographics, and keeping pace with market trends, Nestle India launched chocolate brand Alpino targeted at older consumers in metro cities. Apart from additions by existing players, the category saw new entrées like Schogetten, a leading German chocolate brand from Ludwig Schokolade GmbH (-A member of Krüger Group-). Schogetten comes in portioned chocolate bar format in 14 flavours.

While the entry of multinational companies in the Indian confectionery space has not only increased competition, it has also helped increase the per-capita consumption thanks mainly to the launch of new products at affordable prices, and by creating awareness among buyers through advertisements and promotional campaigns. One foreign confectionery player to have created a lasting impact in the Indian market is Ferrero, an Italian manufacturer of chocolate and other confectionery products. With an annual turnover of over US\$ 11 billion, the company is the 3rd largest manufacturer of chocolate and confectionery products in the world. In India, Ferrero's brands include Ferrero Rocher, Kinder Joy, Kinder Schoko-Bons Crispy, Nutella and Tic Tac. The company started its commercial operations in 2004, and in less than a decade has become a strong player in the chocolate and confectionery segment in India. The company has made India its production hub for Asia and Middle East and exports half its local production.



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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.

—Alkesh Dedhia
Director, Regal Group



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Pravin Jain
MD, PEE PEE Group
of Companies

Tell us about your company and its chocolate/confectionery products.

The origin of our group goes back to the foundation of PEE PEE Appliances Group in 1909 by the grandfathers of our group's current Directors. In order to promote agriculture, our Directors ventured into setting up of a manufacturing unit for processing and packaging of fruits, dry fruits, nuts, spices and dates. In due time, our offerings expanded further to beverages and juices, dehydrated fruits and a multifarious variety of cocoa-based chocolates under the brand name Jumbo. Today, Jumbo has shifted its focus to providing a wide range of cocoa-based chocolates and has over more than 30 variants in the segment. We are further looking at increasing the number increasing to 50 by the year-end. The brand caters to all types of chocolate lovers by ensuring that they get a smile after eating a Jumbo chocolate. In recent times, under the Nature 'n' Nature brand name, we have introduced assorted chocolates and Gold Coin chocolates. Also, we have introduced new bar chocolates, dark chocolates and chocolates with almond filling in the Jumbo range.

As a chocolate player, what is your assessment about the competition in this category?

We don't compare Jumbo with other brands. India is a huge market and every brand has somehow created their own standing in the market. Likewise, we too have our own unique selling points and

we would rather look at achieving great milestones and growing year on year. This market is such that every player needs to be careful about what they are offering and about the quality being consistent. Brand consistency in quality is very important for assessing the position of a player in the market.

What are the new trends and developments in the category?

With the emergence of many small departmental but air-conditioned stores and retail outlets, the consumption trend is changing noticeably; a consumer wants to be assured of hygiene and convinced about the condition of product. Thus dark cocoa-based chocolates' demand is climbing up the ladder. The players who keep up with the new and emerging consumers demands and options but retain their quality throughout will lead the show. With a generation that is more aware and health conscious, Jumbo is giving consumers a breakthrough product by introducing healthier chocolates, i.e., dark chocolate at economical prices.

Which factors are playing an important role in the category performance?

Category performance in this segment is mainly based on the quality of the product being offered. Having a good and consistent quality of product can make you stand apart and bring in brand loyalty.

How do you see the scope of the category from the retailer's perspective?

Retailers in this industry play one of the most important roles in how a product reaches the customer. For example, the more easily accessible a product is on the shop rack, the more is the visibility of the brand to create the recall in customer's mind. Thus it requires constant follow up with the retailers and we need to ensure that they are provided with all that is needed for a brand to reach out to the customer. On the other hand, more transparency in the work culture of retailers is always desirable. They should ensure smooth flow of communication between the on-ground team and management, as this will help in faster decision making with accountability. Retailers should understand and respect the need for more clarity and support to brands for mutual growth and benefit.

How do you look at the opportunities and challenges in the market?

We have many products in the pipeline and we sure will come across and face many more potential challenges. But then the challenges also come with opportunities along the way. We will focus on keeping the legacy of trust strong for Jumbo and its products, which will prepares us to embrace the challenges and also strike at every opportunity.



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In recent years, category growth has been driven by the emergence of new segments like Jelly, which has gained quick consumer acceptance.

Even the new players in the confectionery market are trying out product innovations with gusto to expand their customer base and reach. For instance the PEE PEE Group of companies, which operates the Jumbo and Nature 'n' Nature brands has shifted its focus from fruit processing to providing a wide range of cocoa based chocolates. In a short span of time it has introduced over more than 30 variants in the segment and is further looking at increasing the number to 50 by the year-end. The company today caters to all types of chocolate lovers with its Jumbo chocolate brand and its recently introduced Nature 'n' Nature brand of assorted chocolates and Gold Coin chocolates. "We have also brought into the market our new bar chocolates, dark chocolates, chocolates with almond filling – all under the brand umbrella of Jumbo," says Pravin Jain of PEE PEE Group. Another new brand in the confectionery world that is fast becoming popular for its exciting range of products is Cimton (Sweets & Toffees) from the house of Haria Food Products. "Our chocolate products are fast gaining popularity. C

with its blend of rich creamy milk and coconut, Ela, a true cardamom delight and pnutty with the best of peanuts and milk, have been a huge hit in the market because of the concept of natural taste and make in India that we follow. We at Cimton constantly thrive to produce quality products at affordable price," says Mehul Haria, Managing Director, Haria Food Products.

Trends and pricing strategy

A look at the world of confection reveals a lot of activity regarding better-for-you treats and some exciting speciality selections. Though satisfying one's sweet tooth has never been easier or tastier, yet in many ways, it has never been more complicated. Amidst the high decibel debate surrounding high-fructose corn syrup and other types of sugar, as well as the confusion about the myriad types of artificial sweeteners, not to mention the expansion of our collective waistline, consumers have never had more to think about regarding their sweets. From the trends being noticed and observed around the world, one key shift in consumer preference is that consumers aren't choosing between sweet and savoury snacks; instead, they're looking for items that combine the two flavors.

One of the major trends is towards sugar-free, healthy products, and manufacturers are launching innovative products in the segment. "We see more of health oriented and organic kind of consumption in the future so we are also developing products that are preservative free and colour free apart from having a natural taste," says Mehul Haria of Cimton. "The new consumption trend is definitely towards a healthy trend. With a generation that is more aware and health conscious, Jumbo is making a breakthrough by introducing healthier chocolates, i.e., dark chocolate at economical prices. Our focus is on providing many ranges in dark chocolates, thereby catering to varied healthy taste buds," points out Pravin Jain of PEE PEE Group. "Our effort is to fortify a larger brand presence for Jumbo and also ramp up further visibility of the brand in the market. The Jumbo team has hired exclusive personnel to introduce customers to new variants of our product and also by endorsing the benefits of eating dark chocolate."

The health benefits of chocolate are now well acknowledged and established. Chocolate is known for its rich, sweet lingering taste. It also supplies nutrients and works as a medicine. The high content of antioxidants such as Theobroma cocoa beans has been responsible for the health benefits associated with chocolate. Antioxidants are found aplenty in the most popular methylxanthines, which are caffeine, theophylline, and theobromine. All of these are found in cocoa beans, the ingredient for making chocolate. Methylxanthines in cocoa is



Forecast Sales of Sugar Confectionery by Category: Volume 2013-2018

'000 tonnes	2013	2014	2015	2016	2017	2018
Boiled Sweets	27.0	29.0	31.0	32.8	34.5	35.9
Liquorice	-	-	-	-	-	-
Lollipops	4.1	4.2	4.2	4.2	4.3	4.3
Medicated Confectionery	11.0	11.7	12.3	12.8	13.3	13.8
Mints	16.8	17.3	17.8	18.2	18.7	19.2
Power Mints	7.3	7.2	7.1	6.9	6.8	6.7
Standard Mints	9.5	10.1	10.7	11.3	11.9	12.5
Pastilles, Gums, Jellies and Chews	7.7	8.1	8.4	8.7	9.0	9.2
Toffees, Caramels and Nougat	145.3	164.4	185.3	207.8	231.9	256.7
Other Sugar Confectionery	-	-	-	-	-	-
Sugar Confectionery	211.9	234.6	258.9	284.6	311.7	339.1

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources



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psychopharmaceutical, or psychotropic i.e. capable of altering the perception, mood, or consciousness. A 50 gm of dark chocolate contains 19 mg caffeine and 250 mg theobromine. Cocoa products, which are rich sources of flavonoids, have been shown to reduce blood pressure and the risk of cardiovascular disease. Although, in short-term intervention trials, dark chocolate has been reported to reduce total and LDL cholesterol with no major effect on HDL and TG, regular consumption has been found to be useful in increasing the HDL cholesterol, lipoprotein ratios and inflammation markers.

Premiumisation is another trend playing out. While players like Perfetti Van Melle (PVM) India, ITC Ltd, Cadbury, Nestle, Ferrero enjoy dominant market share, other leading brands with considerable presence are Ravalgaon Sugar Farms, Wrigley India, and Parle Products. These players enjoy a large pie of the market share mainly due to their long established presence and portfolio of popular brands. As the Indian confectionery market continues to evolve, strong trends have come to the fore, which are expected to drive and propel the growth potential of the confectionery market and the categories within it.

With consumers becoming increasingly health-conscious today, they seek health and well-being in every thing they consume, including confectionery. Now they are demanding sugar-free candies and chocolates. Health consciousness has certainly caught the attention of manufacturers, as a result of which the market is seeing cereal bars being introduced, which are currently amongst the fastest growing category in the Indian confectionery market, even while toffees, candies, caramels and nougat continued to record the fastest growth. This fast growth in sales is mainly due to the growing popularity of caramels and their growing acceptance as cheaper alternatives to chocolates. Additionally, the increased visibility of caramel brands like Alpenliebe, in modern retail stores and kirana stores, has helped them gain more sales.

Another visible trend is that of adult consumers' demand for premium chocolates continues to grow. To tap this segment of consumers, manufacturers of premium chocolates, such as Sprüngli, are expanding their brand presence in premium stores such as Brown Tree and other modern stores in urban areas.

Interestingly, gourmet chocolate manufacturers including Japan's luxury chocolate

maker Royce, have also made a foray into India's premium chocolate segment. Dhruv International, an importer of international chocolate brands, has launched a new range of international chocolates in the country. The products are well suited for gifting, both in the premium and gourmet category. The complete assortment that it has made available includes internationally acclaimed chocolates like "Cremes" and "Truffles", apart from a large selection of chocolates in flavours such as fruit and gold & mint. While Cremes can be an attractive gift item to go in hampers, it has also come up with an exclusive pack for Truffles. Similarly, the fruit, gold & mint range of chocolates can be gifted as individual packs. The company has also introduced other products in the non-alcoholic assorted range, which make for more premium and exclusive gifting options. As far as the packaging of its products is concerned, it is quite simple but elegant, which helps to showcase and bring out the international flavour of its products. Besides, the company has also introduced fondant-filled chocolate, which is altogether missing in the Indian market. It has different English flavours - lemon, blackcherry, violet, etc. - which Indians would love to try.

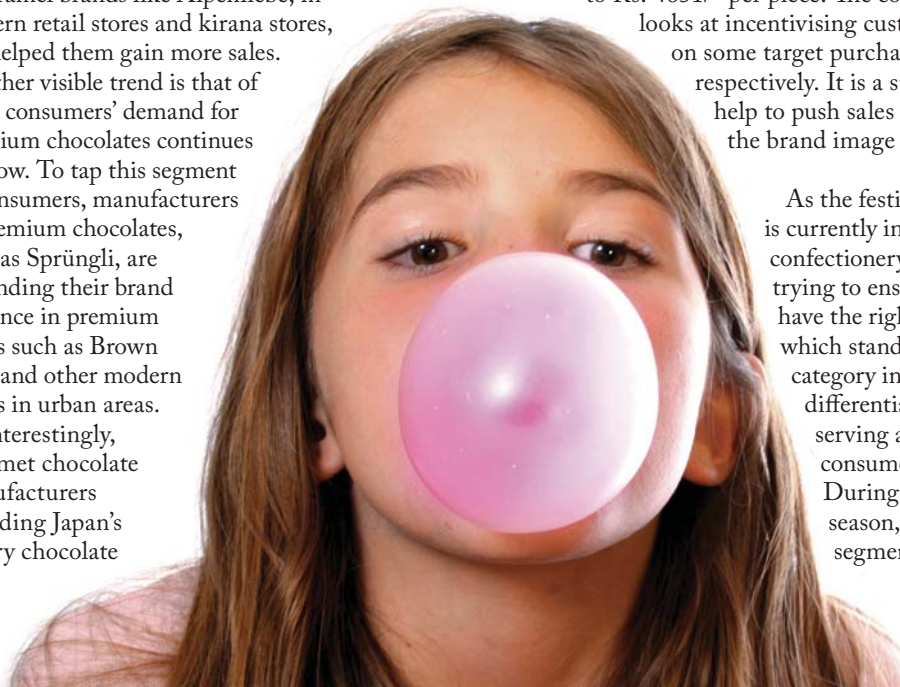
Sales of premium chocolates have been supported further with consumers preferring to gift premium chocolates on festive and celebratory occasions. For instance, Ferrero Rocher is known for introducing special gift packs during the festival season at select modern and traditional retail stores. The company also follows a premium pricing strategy for its products as it believes that they offer value to consumers and are of the highest quality. Like Ferrero, Dhruv too follows a premium pricing policy and does not support any discounts considering that its products are premium brands. The price of its chocolate range starts from Rs. 1351/- per piece to Rs. 4651/- per piece. The company, however, looks at incentivising customers and stores on some target purchase and sales respectively. It is a strategy that will help to push sales without diluting the brand image of its products.

As the festival season is currently in full swing, confectionery players are trying to ensure that they have the right products, which stand out in their category in terms of novelty, differentiation and in serving and fulfilling consumer expectations. During the festive season, the confectionery segment generates



Since brands do not spend on promoting candies, toffees and chocolates, as it is not viable for them, this segment remains inactive and lacks attention in comparison to other categories.

—Amit Lohani
MD, Max Foods



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Mehul Haria
Managing Director
Cimton (Sweets & Toffees)
Haria Food Products

Tell us about your company and its chocolate/confectionery products.

We are an upcoming brand in the confectionery world. Our operations began in 1984 and the products of Haria Food Products have since been gaining in popularity. Our chocolate products like C (blend of rich creamy milk and coconut), Ela (a true cardamom delight) and P-nutty (best of peanuts and milk) are today widely popular because of their underlying concept of having a natural taste and make in India thrust. We, at Cimton, constantly thrive to produce quality products at an affordable price.

What are the new trends and developments in the category?

We see more of health oriented and organic kind of consumption in the future so we are also developing products that are preservative free and colour free, apart from having a natural taste.

Which factors are playing an important role in the category performance?

I believe there are five factors, namely superior quality of the product, innovative packaging, robust market presence, proper pricing and good product placement that will help a particular brand to flourish.

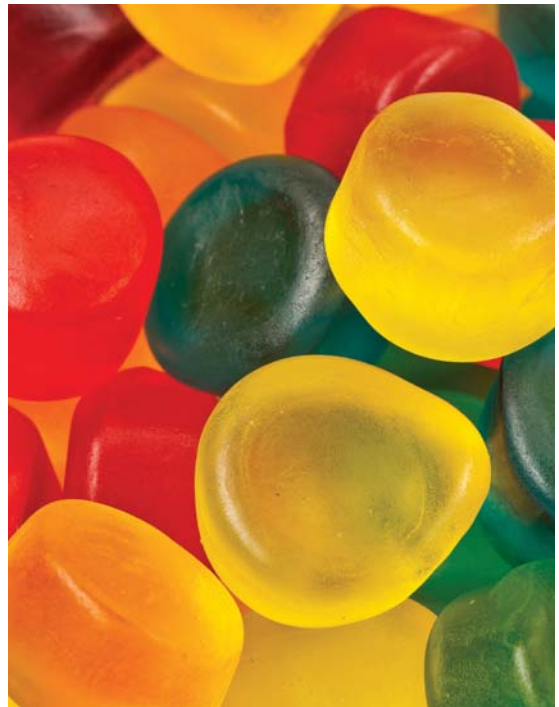
How do you see the scope of the category from the retailer's perspective?

Retailers are the backbone of any industry. They support us well as we provide quality products at affordable rates. We are now coming up with even more pocket friendly prices for our products, which will give the retailers more customers to tap into also increase their sales. We conduct free sampling of our products at retailers' doorstep/counters and strategise on finding easy to indulge and easy to purchase pathways for the consumers to purchase the product.

How do you look at the opportunities and challenges in the market?

There exists a big opportunity in the Indian rural market and in exporting to the under developed countries. The challenge is how to make our products available to the different regions. One of the solutions that we are contemplating and which will help us to meet this challenge is to enter the wholesale trade and also win the support of small pheriwalas in order to ensure that we are able to fulfill the demand of consumers in the rural areas.

about 50-70 per cent sales revenue. Till 10 years ago, people believed in gifting traditional Indian sweets or mithais, but now, the younger generation especially believes in gifting chocolates and confectionery products due to their longer self life, easy to store and handle, and also because of healthy options available. Over the years, festive packs of confectionery products have become quite popular among consumers with many shifting from mithai to chocolates and other confectionery gift hampers.



Confectionery retail

According to industry experts, consumers will largely continue to buy confectionery from kirana stores. Nevertheless, with the growth of supermarkets and hypermarkets in tier II cities, sales of sugar confectionery through modern retail would increase. "We have been into the distribution line for over 30 years now. After having moved to the processing and packaging industry, we have leveraged three decades of network and further widened our network zone for Jumbo chocolate to modern trade retail store chains across India such as Big Bazaar, Landmark, Max hyper-SPAR, Heritage Foods, Star Bazaar, Art of Living, Food World, etc. In South India our products have a presence in several small departmental stores and hypermarkets with a network of more than 1,000 dealers, which is increasing every day. Our target is to be present in 10,000 counters over the next year. In this digital era, Jumbo has marked its presence on top selling portals as well such as Amazon, Bigbasket and Paytm," says Pravin Jain of PEE PEE Group.



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Veg Pickle Range



Non-Veg Pickle Range (Halal Cut)



Forecast Sales of Sugar Confectionery by Category: Value 2013-2018						
Rs million	2013	2014	2015	2016	2017	2018
Boiled Sweets	4,404.9	4,672.1	4,894.8	5,058.6	5,212.6	5,328.2
Liquorice	-	-	-	-	-	-
Lollipops	1,078.8	1,068.4	1,047.2	1,024.1	1,005.7	990.4
Medicated Confectionery	4,730.9	4,866.8	4,927.7	4,967.1	5,024.0	5,074.5
Mints	3,777.5	3,872.0	3,981.5	4,120.5	4,268.1	4,437.7
Power Mints	1,642.5	1,575.3	1,511.7	1,458.6	1,409.1	1,365.9
Standard Mints	2,135.0	2,296.7	2,469.8	2,661.9	2,859.0	3,071.8
Pastilles, Gums, Jellies and Chews	1,788.7	1,886.9	1,976.7	2,064.5	2,140.5	2,221.6
Toffees, Caramels and Nougat	31,359.5	35,092.6	38,892.0	42,953.8	47,479.4	52,392.1
Other Sugar Confectionery	-	-	-	-	-	-
Sugar Confectionery	47,140.4	51,458.8	55,720.0	60,188.6	65,130.3	70,444.4

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources



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.

“Pure retailing is the lifeline of confectionery products so we have a very good team and distribution network at the taluka level, which increases our reach to consumers even in rural areas,” says Mehul Haria of Cimton. On its part, Jumbo has opened up on its offerings that are available to a wider audience largely through catering products for all segments and thus reaching out to the mass market but its main focus is the retail market, as it believes in doing business through a structured distribution channel. Likewise, Ferrero is present in both general retail trade and modern trade stores. Though the metros are key markets for Ferrero products, the brand is also present in B and C class cities and has been seeing its penetration in the market increase year on year. There is also great potential for further growth of the chocolate category across the untapped rural market.

For mass market retailers like Reliance, More, Heritage, Nilgiris, Big Bazaar, etc, Cadbury Silk

and Nestle Smooth collections are part of their regular offerings. The affordable segment has seen considerable activity in the past couple of years with the entry of new players such as Schmittlen and LuvIt brands. Both these players have made the category a lot more vibrant with their packaging and young celebrity endorsements and are a welcome entrant to the chocolate category. They boast of a variety of chocolates and are a welcome addition for a retailer and they compete for palate and flavour experience with the more established Cadbury Silk and Nestle Extra smooth offerings.

The premium segment (Rs. 150-400) is a very important segment for premium/gourmet retailers like Godrej Nature’s Basket, Foodhall, HyperCITY, and premium mom and pop stores catering to the mid-upper customer segment of the market. This price segment of chocolates contributes maximum sales for high-end retailers. The segment was cluttered at one point in the past with various imported chocolate brands. Lindt, the Swiss

chocolate brand, was a leader in this segment but they no more operate in the Indian market.

In the luxury segment there is a genuine dearth of choice. Most chocolate brands like Royce, Leonidas or Patchi sell via their own stores and are priced over Rs. 500. But they are true delights for customers who like to indulge in luxury chocolates or gift them. Some of these chocolates might not be positioned as luxury in their home countries but the import route adds a lot of costs and hence the higher prices, which makes them seem like luxury chocolates.

While retailers can believe that supply will drive demand, they have to be prepared to invest in the following activities to promote chocolates:

- Offer gifting solutions via a gifting counter, which enables quick gift wrapping of a specific number of bars with personalisation options
- High-quality boxes and wrapping paper should be made available
- Ready made and made-to-order gift basket options should be displayed
- A cold chain that ensures last-mile delivery of chocolates is essential
- The chocolate category in a store should be in a prime location

Retailers also need to aggressively communicate/engage with their customers via various channels in advance about the gifting options available for the festive season. Education on fine chocolate options available and associated health benefits is the need of the hour. Retailers should organise a chocolate-tasting workshop for loyal customers in advance based on their previous purchase patterns. This would give chocolate aficionados the required exposure early on as to the availability of chocolates.

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—Mehul Haria, MD,
 Haria Food Products

As they say, the proof is in the pudding. Retailers also need to be aware that chocolatiers depend on the festive season for almost 70 per cent of their business and are always going to be understocked during the season. Artisanal chocolatiers will have capacity constraints. Hence it makes good sense to collaborate in advance with brands to ensure a profitable season. The thing to remember is that chocolates can be a very impulsive purchase. Hence retailers should allocate the required space at impulse purchase locations within the store. Consumers, on the other hand, need to be cognisant of the fact that fine chocolates need to be treated with care and should be transported in a temperature-controlled environment to avoid temperature and humidity shocks. What’s the use of buying the best fine chocolates and not enjoying it to the maximum?

Challenges

Confectionery falls under the impulse purchase segment, and (generally) does not witness any in-store promotions and offers. Confectionery items are stacked near store check-outs, luring customers, who while billing, tend to add some items to their shopping basket. Since brands do not spend on promoting candies, toffees and chocolates, as it is not viable for them, this segment remains inactive and lacks attention in comparison to other categories. Of course, their display at the check-outs helps, but a lot of time they are overlooked when people don’t want to scan the section near billing counters. Also, not all the brands can get prominent display, so the ones kept at the back or on the last shelf, lose visibility.



Lohani of Max Foods explains, “Since brands do not spend on promoting candies, toffees and chocolates, as it is not viable for them, this segment remains inactive and lacks attention in comparison to other categories. Of course, their display at the checkouts helps, but a lot of time they are overlooked when people don’t want to scan the section near billing counters. Also, not all the brands can get prominent display, so the ones kept at the back or on the last shelf, lose visibility.”

Adding on to the challenges are the stringent FSSAI regulations on imported products, so brands find it difficult to enter the Indian market, while the existing ones are finding it difficult to grow their business. What makes the challenge bigger is the fact that confectionery manufacturers typically make heavy investments in TV commercials, but are not very considerate towards retailer margins. Retailers actually help in building the brand and influencing consumer choice. If manufacturers would just use 50 per cent of this expenditure for increasing the retailer margins, it would benefit them more.

While industry experts feel that it would take 2-3 years for this segment to gain better prominence and visibility, many also anticipate new packaging formats being introduced in the segment apart from more innovative products. The experts are of the view that consumers will largely continue to buy confectionery from kirana stores. Nevertheless, with the growth of supermarkets and hypermarkets in tier II cities, sales of sugar confectionery through modern retail would increase. As the market evolves, the revenue contribution from modern retail stores is also expected to rise.

Summing up, growth of the category is also expected to rise in the days ahead. Players who invest in expanding their distribution network and make innovative launches will emerge stronger and gain bigger market share. **PG**





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Hot stepper in the **sauces market**

Very few entrepreneurs in India have dared to venture into the FMCG space or set up innovative consumer products for the masses at affordable rates. PICO, a brand of hot sauces, is revolutionising how the busy, double income families in India are cooking with their range of flavourful, spicy sauces created by corporate chef Nicole Gonsalves Periera who has trained under the world famous Gordon Ramsay.

Nivedita Jayaram Pawar spoke to Arjun Gadkari, Co-Founder & President, Nilgai Foods (PICO), on carving a niche in the FMCG segment, working with technology and battling the challenges of distribution.

You launched in 2011 with Pico Express, a QSR chain. Where is it headed?

Earlier this year we sold the cafe chain to R&A Foods, which owns Paninaro. We have retained our brand name PICO, and since then our company has been focused entirely on the FMCG industry. Today, PICO is India's first hot sauce brand, with a unique range of spicy condiments that are inspired by Indian cuisine.

What was the thought behind getting into the spices and condiments segment?

Indian food is associated with chilli and spice more than any other nation in the world. Despite that, there is amazingly no dominant hot sauce brand in the country that 'owns' the space the way Tabasco does elsewhere. We saw a huge opportunity in becoming India's go-to hot sauce brand, which we have been trying to do ever since.

You started with the Pico range of jams. What were some of the learnings you had from your first offering that you incorporated in the subsequent ones?

When we first entered the FMCG segment, we were exploring different opportunities and our jam range was the first one to reach the market. Our products were high quality and were comparable to the quality, taste and consistency of some of the best international jams. We felt, however, that there were bigger opportunities in faster moving categories, and we kept exploring and experimenting. We are really pleased with our decision to focus on hot sauce, and since then the brand has come to life in a really exciting way.

What were some of the initial challenges in this segment? How did you deal with those?

Distribution in India is notoriously complicated and opaque. We found ourselves negotiating shop after shop with the retailers directly, which was time consuming and cost inefficient. While we continue to grow our general trade (GT) distribution each month, over the last year we took the decision to establish ourselves first in modern trade (MT) chains, which are organised and structured when it comes to product introduction. As a team we are very tech-oriented, and have enjoyed expanding through e-grocers and other online marketplaces.

What are some of the day-to-day challenges?

Like any sales-focused business, our workforce is spread across a large area (we have a presence in Delhi, Mumbai, Bangalore, Pune and now Kolkata), which becomes increasingly difficult to track. On a daily basis, data is gathered from every store and it is cumbersome trying to collate it and present the information in a way that can be analysed. It has taken us some time to get here, but we are proud of our MIS that we have been able to put into place.

Tell us something about your R&D centre in Vasai, Mumbai.

We moved our R&D centre and factory from Goregaon to Vasai when we outgrew the old site. Run by our Head of Product Design, Nicole Gonsalves, our R&D team is constantly at work either refining our existing products or innovating around hot sauces and other categories within the condiments segment. We are in the process of setting up an in-house microbiology lab so that more of the technical studies can

happen internally. Now that the factory has expanded, we have increased our installed capacity to more than one tonne per day and we are in the process of automating our production line. Hygiene is paramount at Nilgai Foods and we prioritise safety when it comes to how we think about production.

You are present across categories – jam, dips, cookies, and sauces. Which is the best selling product in your portfolio? What percentage does it contribute to the overall revenues?

Currently our portfolio is focused entirely around hot sauce and chilli sauce. Each of our six sauces are unique and delicious in different ways. Our most popular hot sauce is the infamous Bhut Jolokia sauce, made from India's spiciest chilli, the bhut jolokia from Nagaland. Our chef Nicole has journeyed with our head of procurement into the heart of the state to source the hottest and purest chillies in order to make India's spiciest chilli sauce. They have ventured into military controlled areas where curfews are in place and rebel skirmishes are not unheard of, just to secure our supply chain.

Combined with the fact that India exports 97 per cent of its bhut jolokia stock, this chilli really isn't easy to get hold of. So PICO's Bhut Jolokia sauce isn't just outrageously hot and lip-smackingly tasty, it also has a great story to go with it. That is what makes it our most celebrated hot sauce.

What is the retail reach of Pico? What other new markets/formats are you targeting?

Our products are available in several metros across the country - Mumbai, Delhi, Bangalore, Kolkata - as well as some major cities like Pune and Jaipur. We plan to expand into major urban centres surrounding the metros such as Chandigarh, Ahmedabad, Cochin etc. Right now we are seeing interest in our products across the country through our e-commerce sales. We have received orders from over 18 states, and with the help of Amazon's enormous network, we have been able to fulfil these orders as well.



Arjun Gadkari
Co-Founder &
President, Nilgai
Foods (PICO)



PICO is India's first hot sauce brand, with a unique range of spicy condiments that are inspired by Indian cuisine.

Indian food is associated with chilli and spice more than any other nation in the world. Despite that, there is amazingly no dominant hot sauce brand in the country that 'owns' the space the way Tabasco does elsewhere.

What is the uniqueness of Pico products?

Our sauces are inspired by India and they therefore work just as well with Indian food as with international cuisine. Imported chilli sauces cannot compete with that as they are not able to customise their flavours for the Indian palate. That is a major part of why we hope to penetrate deep into the domestic market.

We are always looking for ways to achieve our vision of making premium food more accessible in this country. We are looking for ways to demonstrate how well hot sauce fits with the Indian diet and style of eating. Every meal will normally consist of some kind of chutney or pickle, regardless of the region.

We want to show people that hot sauce is essentially a chutney, that is to say a tangy accompaniment that is eaten with savoury food that gives a burst of flavour to whatever it is that you are eating.

What are some of the state-of-the-art technologies used in the making of Pico products?

We implemented ERP software at a very early stage. As a result, it has given us an edge when it comes to processes and discipline in terms of inventory management or documentation. A lot of our rapid growth is linked to the solid foundations that we have built with the help of this technology.

What are some of the innovative marketing strategies you have employed?

We are big believers in the power of digital marketing. Other forms of marketing cannot target your intended consumer with such precision. As a

result we can spend our marketing budget on the desired audience rather than investing in visibility that is only relevant for a part of the audience that sees it. Having said that, over the next few months we are planning to rollout some more traditional ATL so that the effects of our activities in the digital space get supported by a more omnipresent awareness campaign.

Pico has been catering to the premium segment in metros and big cities mostly. What are your plans to penetrate the tier 1 and 2 cities?

The biggest challenge for us comes from the ability to distribute into smaller cities around the country. We plan to enter other cities in due course, although for the time being a lot of this expansion will come through e-commerce simply because our sales team cannot handle such a large geography at this stage. I think that there is a considerable opportunity for premium food in smaller cities, because affluent communities are growing in numbers, but MT chains and gourmet stores have not expanded their footprint beyond metros yet, leading to a supply-demand imbalance. The availability of Master Chef, cooking channels and the increase in food-themed social media activity has created a need for experimentation and adoption of new eating habits but without access to the right products.

Do you also supply to restaurants and hotels? What percentage of the revenue comes from this segment?

More than 10 per cent of our revenues comes from HORECA, and the contribution is increasing each month as we focus more on this channel. We have been available on Vistara Airlines since they launched earlier this year, and the association has opened doors to some other important clients. HORECA is a great way to increase visibility and secure a steady volume, although it can sometimes come at the cost of margin.

How large is the premium food segment in India and at what rate is it growing?

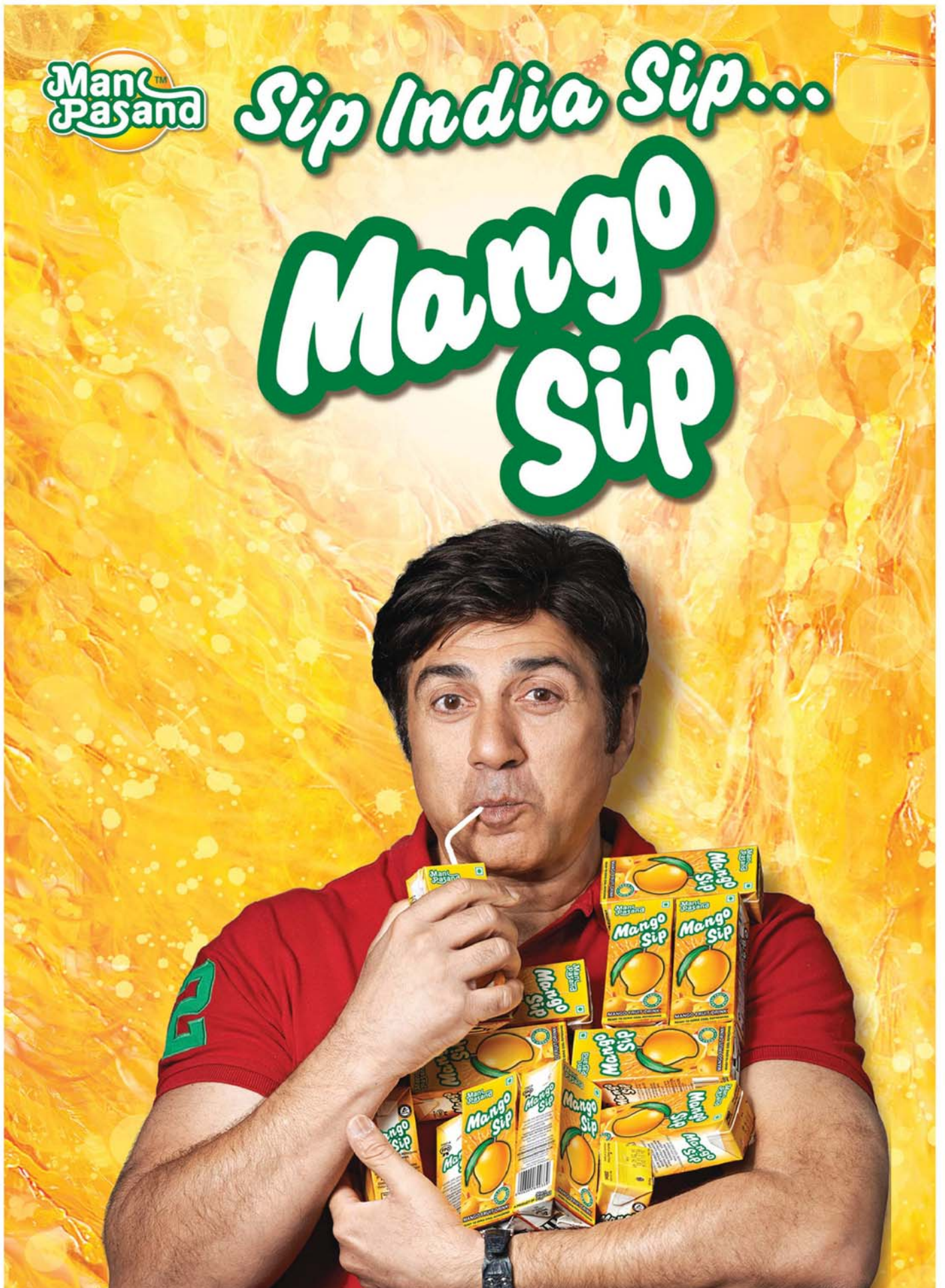
Premium food is one of the fastest growing segments of the food industry, growing at up to 30 per cent CAGR. A few factors contribute to this growth, such as the changing demographics in this country and rising incomes, but also the increase in internet penetration and the resulting abundance of information about new ways of cooking and eating. Globally, food has become very trendy lately and being a 'foodie' or someone who takes a serious interest in food as a passion has become aspirational. I believe that the growth rate has also been boosted by an increased availability through the growth of MT.



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What are some of the innovations you have been involved in at Pico?

I take an active role in all product development whether it is working on a new sauce with Nicole, or the packaging with our graphics designer. One of our sauces, the Shahi Makhani Dip, is a really creative and inventive condiment: we took the essential features of a ketchup - consistency, shelf life, use, etc. - and merged it with the spices that you typically associate with butter chicken or 'makhani gravy'. The result is a sauce that turns anything Indian, and it is really delicious!

This segment is flooded with competition from both domestic and international. How do you ensure an edge over the competition?

When we look at our direct competition, and by that we mean chilli sauce or hot sauce, there is hardly any competition in India right now. Some foreign brands have entered India in a big way, although they are normally double the price per gram and often are not in sync with the Indian palate. FMCG, more broadly speaking, has a lot of competition, although we are confident that we have found our niche and we have a dynamic team that can keep us ahead of any future threat to our position as India's go-to hot sauce.

Where exactly do you get majority of your revenues from geographically and could you just paint a bit of a demand scenario for us?

We are fairly evenly split between Mumbai, Delhi and Bangalore, although Mumbai takes the lead in part because our operations are based here. We see a huge demand coming from MT chains, presumably because there is a clear match with the clientele and what we are offering. Having said that, our per store sales in GT have grown consistently month on month throughout this year. We are really excited by our GT numbers and it will play a major role in our expansion plans for next year.

Lastly what are your future plans?

We will launch a few more hot sauces over the next six months, which will complete our range. Post that we will continue to explore the condiment category and our team is constantly looking to find new and exciting ways to re-imagine accompaniments for the Indian consumer. We are also launching a new brand in the drinks sector next month, which we believe could be a big opportunity over the next few years.

In 2016 we are also going to initiate some amount of export now that our factory has stabilised and our operations in India are more mature. We feel that in the long term we can own the 'Indian hot sauce' niche globally - there is growing interest in India and Indian cuisine. **PG**

Our most popular hot sauce is the infamous Bhut Jolokia sauce, made from India's spiciest chilli, the bhut jolokia from Nagaland.

What are some of the significant developments you are seeing in this segment?

Recently we have engaged with some e-distributors who are getting ready to transform India's archaic distribution system. There are a few companies who have recently entered the space, and no one has yet grown to a large enough size to have made a difference yet. However it is clear that these companies will have a significant effect and will improve the distribution situation here by connecting manufacturers directly to retailers through mobile apps. The role of the e-distributor, aside from providing the technology, will be to simply take stock from the manufacturer to the end retailer after an order is placed. It by-passes the entire need to work with regional distributors. This development will help smaller FMCG brands like ours the most by giving us a pan-India reach without needing the same number of feet on the ground.

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Dry Fruits on Diwali - Are they really the safe & best substitutes for sweets?

With Diwali around the corner, a plethora of gifting options has hit the shelves. While traditional sweets remain an all time favourite, consumer preferences are changing towards more healthier options. But the question arises that how safe and adulteration free are these products?

By Dr Saurabh Arora

It is that time of the year again when the festival season is ready to begin. Diwali, the festival of lights is the major festival in this festive season. There are many varieties of food to choose from during Diwali. One of the favourites is traditional sweets. However, now-a-days other substitutes are available, one of them being dry fruits. But the question is how good a substitute are these to traditional sweets?

What are dry fruits?

Dry fruits are fruits from which the water content has been eliminated, either by sun-drying or by using modern dryers. Dry fruits are now-a-days produced in most parts of the world and are avidly consumed by all cultures and populations. The most common dry fruits with respect to highest production on a commercial scale are Raisins (Kishamish), Prunes (Sookha Aaloobukhaara), Dates (Khajoor), Figs (Anjeer) Apricots (Khubaane) and Peaches (Aadoo).

Diwali gift hampers also contain various types of nuts. These include Peanuts (Moongaphalee), Almonds (Baadaam), Cashew (Kaju), Pistachio (Pista), Walnut (Akharot)

Health benefits of dry fruits and nuts

Dry fruits and nuts are packed with important nutrients such as proteins, vitamins, minerals and dietary fibre. Including these in the daily diet, not just during Diwali, adds health benefits beyond compare. Some of the major health benefits are:

Keeps heart diseases away: Dry fruits and nuts prevent coronary heart disease. Cashews contain mono-unsaturated fatty acids that are healthy for the heart. Pistachios contain vitamin B6 which is cardio-protective, while dates prevent atherosclerosis, which is a major cause of coronary thrombosis and stroke.

Prevents anaemia by increasing haemoglobin: Being rich in iron, dry fruits like raisins, prunes and

apricots can help to fight anaemia, almonds help in the production of new red blood cells (RBC) and therefore help to elevate the levels of haemoglobin in the body.

Promotes weight management: Dry fruits and nuts are packed with vitamins and minerals, and can help in the management of body weight in a safe and natural way in combination with a weight training program.

Helps to maintain low levels of cholesterol: Nuts like cashew do not contain any cholesterol, while pistachios contain high density lipoprotein (HDL) or “good cholesterol” that helps to maintain low density lipoprotein (LDL) or “bad cholesterol” in check, thereby promoting cardiac health. Moreover, almonds are a rich source of Omega-3-fatty acids that also helps lowering LDL levels.

Dry fruits and nuts are ideal for diabetics: Nuts have a very low glycaemic index (GI) due to the presence of high levels of unsaturated fatty acids and proteins, and relatively low levels of carbohydrates. Therefore, nuts are highly recommended for Type 2 diabetes patients to stabilize fluctuations in blood glucose levels in-between meals.

How can the FBOs ensure hygienic practices

It is to be noted that contamination can occur at any stage of the food supply chain. Therefore, proper hygienic practices are to be followed at all stages of handling, processing, storage and distribution as per Schedule 4 of the Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011. Importantly, the Food Business Operators (FBOs) must have a valid licence / registration from the Food Safety and Standards Authority of India (FSSAI) in order to operate. This in itself is an assurance that proper hygienic conditions are being followed, since the FSSAI does not issue a licence without proper inspection of the facilities. The FBOs, on their part, should ensure that the highest level of hygienic standards are being



followed. In this regard, the following points are to be noted:

- The raw fruits, from which the dry fruits are being prepared, should be free from any contaminants such as chemicals, pesticides and enteric pathogens.
- Ensuring that hygienic practices are being maintained throughout the food supply chain, from manufacturing plant to the consumer.
- Potable water should be used at all times in order to prevent contamination with microbes.

A few tips for FBOs regarding packaging and labelling

Moreover, since dry fruits are susceptible to microbial contamination upon exposure to moisture, proper packaging and labelling protocols need to be followed as laid down under the Food Safety and Standards (Packaging and Labelling) Regulations, 2011.

Since the dry fruits come in direct contact with the wrapper, it should be ensured that the primary packaging material is made of food grade material. It is to be ensured that the packaging material is of high quality and free from any chemical contamination.

With reference to packaging and labelling, the principal display panel should display the following:

- Nature of the foods contents.
- Mention any additives or preservatives used.
- The nutritional value of the food contents.
- The “use-by date” or “recommended last consumption date” or “expiry date”.
- The FSSAI logo and licence number.
- The price of the food product.

What are the safety limits of insecticides in dry fruits and nuts specified by FSSAI?

Dry fruits and nuts are safe for human consumption. However, proper processing, involving desiccation using the proper equipment and specified thermal

conditions need to be followed. In this regard, since fruits and nuts are grown by cultivation, where insecticides are naturally used, the FSSAI has taken the precaution of fixing the upper tolerance limits of a number of insecticides having relevance to dry fruits and nuts. This is in accordance with the Food Safety and Standards (Contaminants, Toxins and Residues) Regulations, 2011. These are briefly tabulated below.

Table 1: Upper limits for insecticides in dry fruits and nuts

Name of insecticide	Food item	Tolerance limit (mg/kg, ppm)
Chlorobenzilate	Dry fruits, almonds and walnuts	0.2 (shell free basis)
Ethion	Dry fruits	0.1 (shell free basis)
Carbendazim	Dry fruits	0.1
Benomyl	Dry fruits	0.1

Therefore, it is evident that the regulations set forth by the FSSAI for the upper limits of insecticides in dry fruits and nuts is a step in the right direction, in order to ensure the safety standards for these food items.

Nuts can act as allergens

Individuals who might be allergic to nuts or food in which nuts have been used as an ingredient, should be extra cautious. Since nuts are a component of dry fruits and usually packaged together, it is advisable to avoid these if you are aware that you’re allergic to nuts.

Conclusion

From the foregoing discussion, it is evident that dry fruits and nuts possess a large number of health benefits for the consumer. However, the FBOs must ensure that proper standards with regard to hygienic practices, packaging and labelling are being followed. They need to be proactive, responsible, accountable and transparent in conducting their food business activities.

Traditional sweets have always been the popular choice for Diwali. However, dry fruits and nuts could be a better option, since during festival times, the adulteration of the ingredients for making sweets increases manifold, thereby putting one’s health at risk. Therefore, the chances are that you’d be safer buying dry fruits and nuts than opting for sweets. While one or two sweets won’t hurt, the healthy alternative is to consume dry fruits and nuts, as well as share with friends and guests, for a safe and happy Diwali. **PG**

Since the dry fruits come in direct contact with the wrapper, it should be ensured that the primary packaging material is made of food grade material. It is to be ensured that the packaging material is of high quality and free from any chemical contamination.




The writer is founder of Food Safety Helpline www.foodsafetyhelpline.com and has a number of national and international research publications and patents to his credit.

“Quinoa is going to be the third main cereal of India”

Manish Goyal, Co-Founder, Queens Quinoa, speaks to Progressive Grocer about the spiralling popularity of quinoa in India as nutritionally dense health food and how his brand is taking landmark initiatives to promote the grain's consumption.



Give us a brief description of your company and its product range in the breakfast cereals category.

My sister and I are both chartered accountants by training but we have always been driven by the urge to make people eat healthy. This desire led us to set up our organisation – White and Green Farms – which is engaged in commercialising and distributing healthy, natural and organic food. Our attention is constantly on bringing and introducing health foods to consumers. This quest to offer foods that are nutritious, natural and yet convenient has made us to introduce the Queens Quinoa brand under which we sell and distribute quinoa, a grain that is estimated to be 5,000 years old. Queens



Quinoa is committed to grow more nutrition per square metre and to make everyone's diet nutritious and healthy.

Which consumer segments are your products targeted at and what is their value share from these segments?

Quinoa is loved across all ages and lifestyle. Our consumers are the ones who are looking for balanced nutritious foods, who wish to go for a vegetarian and a complete protein diet, and those who are weight watchers and on diabetes management. Importantly, quinoa is playing a pivotal role in diabetes and weight management in India.

What has been the growth rate of your product offerings and what is the projected growth rate? In your opinion, which are the factors driving the growth of your products?

As on date, the health food segment is growing at the rate of 30 per cent y-o-y. The quinoa market also shares the same percentage growth and will do so for the next 3-5 years. The rising awareness about lifestyle disease management through food and education are the key driving growth factors for quinoa.

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“
We, at Queens Quinoa, are tying up with major hospitals and health check-up chains to create awareness about the benefits of eating whole grain and naturally grown cereals for healthy living. With increasing stress due to lifestyle diseases, people are now opting for naturally grown products rather than processed food.

—Manish Goyal
Co-Founder,
Queens Quinoa

Which are the key markets for your products?

The market for quinoa covers the entire spectrum of Indian demographics – from rice eating south India to wheat lovers of north India, from sportspersons to body builders, from children of all ages to the middle aged and the elderly, from those fighting malnutrition to lifestyle disease management. We believe quinoa is going to be the third main cereal of India in the coming years.

With the emerging trend in favour of more health-positive products, what have been your initiatives and interventions on this front?

We, at Queens Quinoa, are tying up with major hospitals and health check-up chains to create awareness about the benefits of eating whole grain and naturally grown cereals for healthy living. With increasing stress due to lifestyle diseases, people are now opting for naturally grown products rather than processed food.

What is the contribution from Modern Trade and General Trade to the overall sales of your products?

In India, quinoa users are distributed among Modern & General Trade. While the high salaried people prefer Modern Trade, business persons still prefer General Trade. As on date, Modern Trade is pioneering in quinoa sales because of HNI footfall, better promotional facilities and extensive reach.

What are the competitive advantages for your products?

Queens Quinoa is more suitable in taste, has a preferable aroma, is nutritionally rich and healthier, is locally and naturally grown and, most importantly, can be eaten on a regular basis as a staple diet.

Because of our cultivation practices and Indian soil conditions, the flavor and aroma of Queens

Quinoa is very acceptable to the Indian taste. Also Queens Quinoa has:

- Highest quinoa protein of ~17%
- No bitter taste, zero Saponin
- No need to soak
- Completely de-stoned
- Fully processed with South American technology
- Processed independently with no adulteration

What is your marketing and branding strategy for promoting your line of breakfast cereals?

Right From designing the informative, easy to use, moisture proof, composite can with Indian Quinoa Recipe to participating across seminars and exhibitions held for B2B, B2C & B2I (Influencers) and from creating recipe videos to creating various ready to cook (RTC) and ready to eat (RTE) versions, Queens Quinoa is targeting the length and breadth of the country to create its brand and promote the health benefits of quinoa.

What is the scope for greater value-addition in your product range and is there any such innovations being done or planned by your company?

Till date, quinoa is available in a 500 gm poly pouch or mono cartons with little or no information about its recipe. Queens Quinoa has given a premiumness to quinoa through its packaging, with the following benefits:

- It's a sealed can pack with a lid opening.
- It has an aluminum foil inside for maximum food security and moisture prevention.
- The pack size are: trial pack of 250 gm; regular pack of 910 gm; each pack contains a 35 gm measuring spoon, which helps in taking the minimum daily required quantity of quinoa.
- It also contains a booklet of Indian recipes
- The product shelf life in the packing is one year.

Apart from quinoa, which new product lines can become hot contenders of choice for the breakfast category in the future?

People today are looking for complete meals, and they don't want to take different meals for different nutrition requirements like oats for fibre, ragi for calcium, different fruits for different nutrition needs and so on.

Quinoa is one such meal with 100 per cent complete protein. Its 100 gm serving gives 100 per cent magnesium for managing your BP and heart, it has 64 per cent complex carbs for managing diabetes and it has high fibre for weight management. It is a nutritionally rich and balanced meal for people across ages. Quinoa is the only grain in its natural form, which is gluten-free, has very low GI, is packed with complete protein and iron, is high in fiber, packed with iron, full of mood and immunity boosting vitamins and minerals. **PG**



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Drinks Theatre

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3 POWERFUL EXHIBITION & BUSINESS DEVELOPMENT ZONES

Zone 1

Food & Grocery Forum India (FGFI)

The FGFI exhibition is committed to delivering business contacts that create value for every customer through buyer clubs, appointment setting systems etc, and on-line visitor planning services, we closely match the needs of buyers to suppliers' offers.

WHO SHOULD PARTICIPATE?

Businesses engaged in manufacturing/ marketing/ distribution of:

- >> Packaged & Imported Food
- >> Ready to Eat/ Ready to Cook/ Processed Food
- >> Alcoholic / non-alcoholic, beverages
- >> Bakery & confectionery Products
- >> Commodities: Grains, Cereals, Flours, Edible Oils, Pulses, Dry Fruits,
- >> Food flavours & fragrances
- >> Dairy Products
- >> Fresh Produce
- >> Meat & Poultry
- >> Hospitality Equipment & Supplies
- >> Dressings & condiments
- >> FMCG
- >> Retail design & shopfit solutions

Zone 2

Indian Food Service Forum (IFSF)

IFSF will comprise several, high-impact conference sessions & product demonstrations conducted by some of the country's finest cuisine specialists, food manufacturers & food service chains. Showcase new products and future innovations in foodservice at this customised exhibition zone.

WHO SHOULD PARTICIPATE?

Businesses engaged in manufacturing/ marketing/ distribution of:

- >> Bar/Kitchen Equipment & Supplies
- >> Foodservice & Catering Equipment
- >> Housekeeping Products
- >> Ice Cream Machines
- >> Chilled and Frozen Food
- >> Coffee & Tea
- >> Confectionery & desserts
- >> Dairy Products
- >> Alcoholic & non-alcoholic beverages
- >> Fresh Produce
- >> Health & Organic Food
- >> Meat, Poultry, Seafood
- >> Bakery Equipment and Accessories
- >> Belts / Conveyors
- >> Display & Shop-fitting Equipment
- >> Refrigeration Equipment
- >> Energy & Building Management Systems
- >> Food & Beverage Management Systems
- >> Tableware/ Chinaware / Crystals / Glassware / Flatware

Zone 3

India Food Retail Tech

India Food Retail Tech is a focussed and one of its kind forum for business leaders, CTOs, CIOs and technology majors operating in the food retail & food service spaces. The Forum will showcase end-to-end solutions for these sectors - from supply chain all the way to customer analytics and omnichannel retail models.

WHO SHOULD PARTICIPATE?

Businesses engaged in manufacturing/ marketing/ distribution of:

- >> Security & surveillance solutions
- >> Barcode and RFID systems
- >> Digital signages
- >> PoS & ERP systems
- >> eCommerce / mCommerce solutions
- >> Analytics & Big Data solutions
- >> Inventory & supply chain Solutions
- >> Cash handling & cash management
- >> Payment solutions
- >> Merchandise planning & replenishment solutions
- >> Warehouse management

Attendee Profile

FOOD & GROCERY RETAIL – Modern and traditional trade business heads and decision makers, including top management, buying & sourcing heads, merchandising teams, category heads, IT and food tech heads.

FOOD SERVICE – Owners & founders, top management of foodservice companies, executive chefs, F&B managers, business development heads, IT and omnichannel heads and other decision makers from standalone and chain restaurants, institutional catering, hospitality chains, food court operators and shopping centre leasing.

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Smooth Operators

Moisturizers lead the pack in the skin care category derby

By Barbara Sax

Traditional moisturizers are outpacing anti-aging products, but products with a therapeutic positioning are gaining steam in both the facial and body moisturizer categories. Dollar sales of facial moisturizers grew 1.7 percent in the supermarket channel for the 52-week period ending Oct. 4, 2015, according to Chicago-based IRI, but growth among dermocosmetic/pharma-branded products outpaced sales of traditional brands.

While Johnson & Johnson's Neutrogena and Procter & Gamble's Olay both hold about a 20 percent dollar share of the market, Olay's share slid nearly 5 percent, while Neutrogena's grew 20 percent.

Valeant Pharmaceuticals' CeraVe saw a 46 percent leap in dollar sales, and Galderma Laboratories' Cetaphil brand experienced a 5 percent dollar sale gain during the same period.

Dermocosmetic/pharma brands such as Neutrogena and CeraVe are an important part of skin care, according to research from London-based Euromonitor. "Neutrogena, the largest dermocosmetic skin care brand, with sales of \$878 million in 2014, is marketed as being dermatologist-recommended and as offering premium-quality skin care products," notes Ashley Sellers, a Euromonitor spokeswoman. "J&J's Aveeno sister brand, marketed with the 'Active Naturals' tagline, is also a dermocosmetic brand and is ranked ninth in skin care, with \$366 million in sales."

According to Sellers, there's little distinction between therapeutic brands, which include Beiersdorf's Eucerin, and standard skin care brands, and both segments have extended their offerings to include added benefits such as sun protection or anti-aging properties.

Meanwhile, "masstige" brands like Olay have seen sales sag. "Lack of innovation and lack of the right experience in mass retail that justifies the premium price points has negatively impacted growth in facial moisturizers in the mass market," says Wendy Leibmann, CEO of New York-based WSL Strategic Retail. During the recession, she adds, shoppers were willing to trade down from department and specialty beauty stores, but since the economy has improved, consumers are no longer willing to "settle." As a result, promotional pricing is common in this segment of the category.

Anti-aging products flat

Dollar sales of anti-aging facial moisturizers fell 3 percent to \$139 million at supermarkets for the period previously cited, according to IRI. "While advanced anti-aging technology is increasingly incorporated into mass-market products, many consumers believe that premium anti-agers



sold at specialty and department stores still hold a performance edge over mass-market brands,” says Euromonitor’s Sellers.

She adds that serums and eye treatments could be an area of development for mass-market shoppers. “Anti-aging, concentrated serums and eye treatment products are performing well in the prestige market, since the delicate eye area is one of the first areas to show the signs of aging and consumers seek to reduce the appearance of crow’s feet, puffiness and under-eye bags through eye treatment serums,” notes Sellers.

But Leibmann cautions that since mass consumers are more inclined to keep their skin regimens simple, it may take a while for supermarket retailers to build this segment of the business. “In time, if the benefits and value are really clear, these segments could grow in the channel,” she explains. “But for now, getting mass shoppers to add one more item to their skin care regimen remains a big challenge.”

One segment that has shown significant growth at retail is that of fade/bleach products. “Skin-whitening products are a niche category in the U.S., comprising around 5 percent of total facial skin care value sales in 2014,” observes Sellers, “but pale skin is becoming more accepted in the U.S., with the rise of certain pale-skinned celebrities such as Anne Hathaway and Emma Watson. These products are marketed as brightening the skin for a youthful radiance, or as reducing the appearance of dark spots, which are the result of aging and sun exposure.”

Olay Regenerist Luminous Tone Perfecting Cream, introduced last year, performed well, as did Burt’s Bees Dark Spot Corrector. Among natural/organic skin care products, the Oakland, Calif.-based Clorox Co.’s Burt’s Bees is the leader, according to Euromonitor research.

Sales of natural and organic products have risen as consumers have grown more concerned with ingredients. “Companies have been focusing more on products with free-from claims as they realize that consumers are increasingly aware of the possible irritation from artificial fragrances and preservatives, as well as gluten,” says Sellers. “Burt’s Bees ... has been able to achieve strong sales due to wide availability in ... retail outlets ranging from natural foods supermarkets to drug stores to mass merchandisers.”

Burt’s Bees isn’t alone on store shelves, as mainstream supermarket chains have broadened their departments in an effort to grab a bigger share of the natural product segment. Rochester, N.Y.-based Wegmans Food Markets, for example, devotes up to 20 feet to an in-store Nature’s Marketplace section that prominently features Burt’s Bees alongside such brands as Weleda, Andalou Naturals, Alba, Jason and Giovanni.

Therapeutic products drive body lotions

Products that have a dermocosmetic/pharma or therapeutic positioning are driving growth in the body moisturizer segment. CeraVe body moisturizers had the biggest dollar share spike of the period, with a 33 percent leap over last year, according to IRI, while Chattem’s Gold Bond, which has had specialized therapeutic formulas in its lineup since 2013, grew its dollar sales by 11 percent.

Under its Gold Bond brand, Chattem, a division of Bridgewater, N.J.-based Sanofi, launched Diabetics’ Foot Cream, Diabetics’ Body Cream and Eczema Body Cream in 2013, following up with the introduction of Rough & Bumpy Skin Daily Therapy Cream, Diabetics’ Hand Cream, Eczema Hand Cream, and Strength & Resilience Cream over the following 18 months. The line’s latest product is Dark Spot Minimizing Cream.

Formulation innovations have also been driving the body moisturizer segment. This summer, Cincinnati-based Kao USA launched Jergens Wet Skin Moisturizer. Designed to be applied to wet skin so it’s instantly absorbed, the product is touted as providing twice the moisturization in half the time. Available in three fragrances, Jergens Wet Skin Moisturizer has a suggested retail price of \$6.99 for a 10-ounce bottle.

“Jergens Wet Skin Moisturizer sinks right into wet skin and locks in hydration at the moment when skin is most receptive to moisturization,” notes Jergens Brand Manager Vivian Bastos. “Because you don’t rinse it off, none of the hydrating ingredients get washed away. This new formula allows consumers to get better moisture even faster, which we’ve found has helped to increase women’s overall total moisturizer usage.”

Nivea, from Wilton, Conn.-based Biesdorf, offers a similar product line, Nivea In-Shower Body Lotion, in four fragrances. The new wet-application products are the first innovations in the category since manufacturers introduced spray-on moisturizers in 2013, when Edgewood Cliffs, N.J.-based Unilever launched Vaseline Spray & Go. **PG**



“Companies have been focusing more on products with free-from claims as they realize that consumers are increasingly aware of the possible irritation from artificial fragrances and preservatives, as well as gluten

—Ashley Sellers
Euromonitor

For more information on skin care, visit Progressivegrocer.com/specialtycreams.

Creating a vibrant agricultural economy with technology innovation

The need of the hour is to create a vibrant agricultural economy and it's not a distant dream. The current information accessibility boom can enable India's agriculture sector to avoid the traditional mandi system altogether.

By **Varun Khurana**

With a majority of Indian rural households depending on farming as their principal means of livelihood, agriculture plays a crucial role in our country's economy. Yet, the sector is largely neglected by technological innovation and the emerging startup ecosystem.

In fact, the unorganised agriculture segment is the largest employment generator of the nation and has immense potential, provided its functioning is streamlined through expansion and advancement. In India, there is a tendency to allow stagnation of agricultural relations and systems of exchange, despite the fact that our traditional arrangements and processes have relegated many farmers to lives of misery.

One ubiquitous system that has existed for several decades in agricultural trade is that of the mandi- the conventional, South-Asian, wholesale vegetable and fruit open-market. If we think of the mandi system in technological terms, it behaves

like a network of routers. Each hop (or mandi) acts like a router every time it receives fresh produce by deciding which next mandi to send it to, unless there is local demand. The drawbacks of the system include price hikes and produce degradation at each hop due to loading and unloading. The rotting of fruits and vegetables, and contamination by flies and larvae, due to lack of storage facilities at the mandi is also a massive problem. Even regulations imposed by the government for the welfare of farmers have assumed the open auction mandi system to be the default mode for selling farming produce. The Agriculture Produce Market Committee (APMC) Act ensures the establishment of boards to prevent intermediaries and money lenders from exploiting farmers. The intention is to help farmers sell through auction so that they are not compelled to give away their harvest at throwaway prices. However, the compulsion on farmers that all produce must be brought to the market yard first, has slowly led to APMCs losing their democratic nature.



Instead of guaranteeing fair prices to farmers, these bodies have themselves started controlling prices and charging exorbitant commission fees on transactions. The bureaucracy involved has encouraged red-tapeism and corruption. APMCs have unwittingly become dens for cartelisation of traders, who delay payments to farmers and avoid providing them with sale slips, making it extremely difficult for a farmer to prove her or his income to even get loans from banks. The end result is that the farmer- who is wholly responsible for the production of the food we consume- is able to receive only a small fraction of the final retail price. Even when electronic auction centers, such as the Safal National Exchange in Bangalore, were established, there was no transition to a transparent system. The lack of storage facilities has not been addressed by APMC regularisations either.

The silver lining is that the APMC act is not adopted uniformly in all states, and different governments have made their own modifications. Maharashtra, following the example of Delhi, has decided to allow farmers to sell their produce in the open market, freeing them from regulatory mechanisms and facilitating better financial remunerations for them. This reform is in line with the intention to join the National Agriculture Mission (NAM) for free and fair agriculture trade. As more and more states are looking for a middle path, farmers can choose to sell in open markets or continue to operate through the APMCs.

The need of the hour is to create a vibrant agricultural economy and the same is not a distant dream. The current information accessibility boom can enable India's agriculture sector to avoid the traditional mandi system altogether. Knowing exactly where demand and supply are located eliminates the need for mandis to act as routers and will result in tremendous savings in the absence of a price hike at each mandi auction. Traders at the mandi exercise a lot of power since it is the only key channel that exists to access fresh produce. As a farmer, there is no choice but to accept any price and date of payment. Recent changes to the APMC Act open alternate channels for farmers, especially for startups to empower them by sourcing produce for companies directly from them. The quality of produce can also be improved by evading loading and unloading at every mandi.

With smartphone technology and data connectivity penetrating even the farthest villages of the country, there is tremendous scope for much of the information asymmetry in this space to be eradicated. Initiatives like the Kisan Suvidha app, launched by Prime Minister Modi in April this year, are also firm steps in the direction of allowing technology and startups to collaborate with farmers.



With smartphone technology and data connectivity penetrating even the farthest villages of the country, there is tremendous scope for much of the information asymmetry in this space to be eradicated.

The penetration of bank account services in the country has also made payment to farmers much more transparent. Direct transfers to farmers' accounts will make sure they are not shortchanged and that there is dignity and timely payment for their work. The growth of energetic startups is sure to translate into growth for the agriculture sector if channelized appropriately.

The aim needs to be the creation of a supply chain that supports farmers while also providing businesses with the freshest farm produce in the most efficient manner. An inclusive and resourceful agriculture segment can be created if the government authorities equip farmers to partner with emerging startups. Innovative businesses are all set to smoothen out payment methods and digitize the entire process of agriculture trade, getting producers their due and consumers the quality they deserve. **PG**



The author is the Co-founder and CEO of Crofarm.



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.

Empowered store associates

Mobile can enable in-store staff to deliver great service by making important shopper preferences available to them in real time. They can locate shoppers, suggest new products, provide customized offers and make the whole shopping journey more rewarding for the consumer.

Self-checkout

Some studies show that people spend around 30 minutes standing in a grocery que per week. The checkout queue is one area that perhaps represents the biggest pain point for grocers and consumers alike.

Smart apps can handle the entire checkout process from start-to-finish in a secure way. Shoppers can take control of the shopping experience, scanning bar codes/ QR codes of items by simply pointing their smartphone camera as they shop. Apple Pay and other digital wallets can then be used to complete the transaction.

Another option that offers speed and convenience to the modern shopper is to equip the sales associate with hand-held, mobile POS so that he can complete a transaction at any location in the retail store, thereby making checkout queues at the billing desk a thing of the past. With a view to provide additional convenience to shoppers, Walmart is setting up all of its stores in the U.S. to accept its in-house Walmart Pay mobile payments app.

Cross-channel fulfilment

In the era of omni-channel integration, consumers must be provided with the option for cross-channel fulfilment. This means retailers face greater pressure to deliver products anywhere, anytime. To do this, they need to include online ordering as a function in their websites and also offer busy shoppers the option of either picking it up in store or having it delivered to their homes.



The incorporation of mobile into the store enables the grocer to track his consumer's previous purchases and search history to target each consumer as an individual with repeatable baskets, customized loyalty coupons and discounts. Loyalty programs can thus be made more flexible to better reflect the shopper's unique value.

Flexible loyalty programs

Research by Nielsen revealed that 63% of respondents were ready to use a retailer/loyalty program app when available.

The incorporation of mobile into the store enables the grocer to track his consumer's previous purchases and search history to target each consumer as an individual with repeatable baskets, customized loyalty coupons and discounts. Loyalty programs can thus be made more flexible to better reflect the shopper's unique value.

Furthermore, apps with inbuilt machine learning algorithms can study the users' consumption patterns along with their visit frequency to the store and then remind them when the items on their regular shopping lists are up for refill.

Grocery giants like Southeaster Grocers are already using their mobile app to offer personalized coupons to their users, based on their purchase history and geographic interests.

The right technology solutions can enable retailers to interact with shoppers on a whole new level, deepen shopper engagement and increase sales while optimizing costs in the long run. The most successful grocer will be the one who is at the intersection of the physical & digital space, leveraging technology to make the whole shopping experience more robust and rewarding. **PG**



The author is the Director – Retail & CPG Practice, Aspire Systems.



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.

▼ Kwaliti spices introduces new flavours

Kwaliti 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.

NEW



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◀ Typhoo Tea rolls out assorted gift hampers

Leading tea brand Typhoo Tea has come up with its festive hampers – ‘Typhoo Treasures’ gift pack. These gift hampers are available in two variants ‘Assorted Treasures’ and ‘Green Tea Treasures’. The Assorted treasures gift pack contains Typhoo Decaf tea, rainforest alliance certified Typhoo Gold and English Breakfast tea. Besides, the green tea treasures pack includes green tea variants such as Traditional Tulsi, Moroccan Mint & Natural, with refreshing fruit infusions – orange spicer, lemon & lime zest, etc. These festive hampers are available at all leading F&B stores across the country and are priced at Rs. 725 and Rs. 400 respectively.



▲ Hamdard Laboratories launches RoohAfza Fusion

FMCG player Hamdard Laboratories India has recently rolled out ‘RoohAfza Fusion’, a brand extension of its flagship brand RoohAfza. The product offers a fusion of pure fruit juice with RoohAfza. To suit varying taste palates and to offer a variety to the discerning consumers, RoohAfza Fusion is available in five exciting flavours – refreshing lemon, delicious orange, juicy mango, exciting pineapple & orange and luscious litchi. RoohAfza Fusion is available in tetra packs which preserve both the taste & flavour of the product. Besides, the RoohAfza Fusion range is priced at Rs. 20 for a 200 ml pack.



◀ ASBAH launches Gold 24K Basmati Rice

Leading Rice brand ASBAH from the house of DCP India (P) Ltd has introduced its premium long grain Gold 24K Basmati rice. This basmati rice elongates up to 2.5 times on cooking and keeps the aroma intact. The product is available in 1kg, 5kg, 10kg & 25kg packs and the prices start at Rs. 165. Besides, Asbah products are available at all leading retail outlets and supermarkets such as Easy Day, V-Mart, Vishal Mega Mart, Sabka

Bazaar and New Modern Bazaar. For those buying online, Asbah products are also available on Amazon, Big Basket and Sangam Direct. The products are also available on B2B portal like JustBuyLive.

▼ Double Horse introduces banana chips

Leading F&B brand Manjilas Group has come up with new Banana chips under its brand Double Horse. These chips are made using fresh Kerala bananas with no artificial flavours or preservatives. Excess oil is removed and a pinch of salt is added for enhancing the taste before packing in flavour-lock packs. Pure raw materials, high quality processing and flavour-lock packaging ensures fresh and good taste every time. Also, these banana chips have 50 per cent less oil as compared to other products. Priced at Rs. 25 for 30 gm, the product is available at all leading supermarkets and hypermarkets across Kerala.



► NatureFresh brings out Acti-lite cooking oil

NatureFresh, from the house of Cargill India, has recently rolled out its Acti-lite range of cooking oils – Acti-lite Soybean and Sunflower oil refined oil. The DMPS (Dimethylpolysiloxane) in the oil ensures absorption of less oil while cooking, thus keeping the food light and healthy. Besides low fat cooking, NatureFresh Acti-Lite oil is also enriched with Omega 3 fatty acids and Vitamin A, D & E. Available at all leading retail stores and online grocery stores, the Acti-lite Sunflower oil is priced at Rs. 132 for one litre, and the Acti-lite Soyabean oil is priced at Rs. 110 for one litre.



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Happy times for retailers

There are signs of positive trends in consumer buying across the board in this festival season. This reflects a new surge in discretionary spending after several months of flat and dull demand in retail channels. The numbers received so far point to the strongest improvement in retail sales in three years, suggesting that consumer sentiment is buoyant in the world's fastest-growing major economy. Leading fashion, consumer electronic brands and large retail chains have reported double digit same-store sales growth since the start of the festival period last year.

Higher buying retailers such as Future Group, Lifestyle, Gap, Arrow, Puma reported 9-20 per cent growth in same store sales over the year-ago period, while top consumer electronic brands Samsung, LG, Panasonic and Videocon said sales grew 30-35 per cent in brick-and mortar outlets.

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Increase in sales in food and grocery have been reported by most brick and mortar stores and this includes big chains as well like HyperCITY, Reliance, More, D-Mart, Spencer's and Vishal Mega Mart. Aiding this conducive buying



environment is the RBI monetary policy that has kept lowering the borrowing costs over the past few months. A further drop in the policy rates that was introduced early this month might embolden consumers to splurge even more than they already have been doing in the run-up to Diwali later this month. Future Group CEO Kishore Biyani has said that there had been a 20 per cent growth in sales across all formats over last year with e-commerce discounts failing to dent offline sales, especially in lifestyle and apparel products. "Retailers who know their business well — from pricing to merchandise and operations — have done well," he said. According to Biyani, "Consumers are now spending on discretionary items and once that is over, they would upgrade consumption of daily items whose full impact we would see in the fourth quarter of the fiscal. But the pickup will start later this year. As of now, there is good traction for gift packs." He added that during the festive season, consumers are not looking at price tags but freshness of the stock."

The turnaround in consumer sentiment, which is steadily turning bullish, is most welcome in light of the fact that same-store growth had been in the low single digits for most retailers in the last few years. A near-normal monsoon and the resultant bountiful harvests have also boosted demand in rural areas as well as tier-II and tier-III towns, with some experts estimating that more than half of e-commerce sales were generated in these markets. ASSOCHAM has estimated that Indian consumers are likely to spend over Rs. 25,000 crore on festive shopping this year as against Rs. 20,000 crore last year.

Finally, it looks that *achhey din* are back for the retailers as long as they take pains in knowing their consumers well and keep evolving continuously to delight their customers. **PG**



The author has over 25 years of experience in FMCG and Modern Retail. He is on the selection panel of 'Hunar' skill centre (Retail and Hospitality), a collaboration between Delhi and Singapore governments. He can be reached at rakeshgambhir@imagesgroup.in

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