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# PROGRESSIVE GROCCER

June 2017 Volume 11 Number 6 • Rs 100 • [www.indiaretailing.com](http://www.indiaretailing.com)

INDIA EDITION

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The retail sector in India, both organised and unorganised, employs 40 million people, out of which nearly 85 per cent are front-end staff. The imminent entry of global marquee brands such as Apple and IKEA into single brand retail will present more opportunities for front-end jobs in shops and stores. Employment opportunities in retail will grow further if States adopt the Model Shops and Establishment Bill passed last year, which allows shops to remain open 24x7.

As the retail sector expands and grows, it is important for the industry to recruit the right kind of people and draw upon the best talent. Retailers should look for people who are good at organizing, managing the back-end, indenting for stocks, making reports, creating rosters at one end and simultaneously have endless energy to interact with customers at the front-end. Recruiting people with the right skills and aptitude for front-end jobs has far reaching implications for retail businesses. Sales personnel who are plain bored of their jobs or complete misfits in roles that demand presence and engagement can often be that critical under-performing link in stores.

Today, when customers increasingly have the option to buy online, brick and mortar retailers need to use the opportunity provided by the visit of the customer to their store as an opportunity to leave a positive influence on them to return again. To make this possible, it is important to consistently recruit people that can add value to their business and also ensure that they leave a positive impression on the customers they interact with.

  
 Amitabh Taneja  
 Editor-in-Chief

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Printed & published by S P Taneja on behalf of Images Multimedia Pvt. Ltd. Printed at Modest Print Pack (P) Ltd., C-52, DDA Sheds, Okhla Industrial Area, Phase 1, New Delhi - 110020 and published by S P Taneja from S-21 Okhla Industrial Area Phase - 2, New Delhi. 110020 Editor : Amitabh Taneja

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**Devyani Jaipuria**  
MD, Jmart

**“We deliver products faster to our customers than any other format.”**

Jmart Pvt. Ltd. is a chain of convenience stores in Delhi-NCR promoted by Alisha Retail Private Limited, a part of RJ Corp – the largest bottler for Pepsico – with diversified interests in beverages, food, beer, milk, ice-cream, stem-cell, real estate and education. One of its associate companies is Devyani International Limited, which runs the popular south Indian QSR chain Vaango and is the largest franchisee for Pizza Hut, KFC and Costa Coffee in India.

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### Corrigendum

In the May issue of Progressive Grocer, the article titled ‘Food Additives and Regulations’ by Manish Veeramani mentioned his designation as Asst. Manager - Quality, Taste’L Fine Food. It should have been Lead Auditor & Technical Reviewer - Food, Bureau Veritas India Pvt Ltd.

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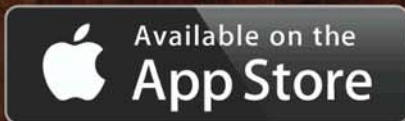
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


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# Market Update

## JK Spices & Food Products aims at 100% sales growth

JK Masale celebrated last month its 60 years of successful operations and spicing up food in its major markets of West Bengal, Assam, Bihar, Jharkhand, Orissa, Karnataka & Rajasthan. The company is the leader in the branded spice market in Eastern India with a 40% market share. An ISO 22000:2005 certified company headquartered in Kolkata, JK Masale was founded by Dhanna Lal Jain who began his business journey as a broker of spices. By 1954, he had become the biggest jeera supplier of East India and came to be popularly known as "Jeera King". The moniker stuck and that is how 'JK' became an inalienable part of the brand name – JK Spices & Food Products.

Owned by a Jain family of seven brothers, JK Masale is a traditionally managed business house that lives up to the Jain culture of selling only pure vegetarian food products. JK Masale is a 100% vegetarian brand with its own top-of-the-line manufacturing facility. The plant is equipped with the most modern packaging machines, printing machines, spice cleaning machines and sortex machines, which enable the company to produce the best quality spices and maintain quality consistency, day after day. The company has earned its spurs and come a long way, becoming the first National Brand to pack whole spices in India.

With experience and infrastructure on its side, the brand is serving the market with an array of pure and hygienic packed spices and food products. The JK Masale brand sells a portfolio of products, which includes whole spices (poppy seed, black pepper, cumin seed, among others), ground spices (turmeric powder, chilli powder, etc) and blended spices (pav-bhaji masale, chat masale, sabji masale, chole masale, etc). Its range of premium spices includes clove, cardamom, dry fenugreek leaf, among others. Apart from its spice range, JK brand sells food products like soya chunks, sat-isabgol, sabudana plus and



many more food items. The company also sells beverage products like CTC Assam Tea.

Products like posto and jeera, sold under the JK Masale banner, have found markets far and wide and become household products used for cooking a plethora of dishes. To enhance its brand equity further, JK Masale has officially tied up with Bengali film industry auteurs Shiboprosad Mukhopadhyay and Nandita Roy for their upcoming film "Posto".

On the occasion of its 60th anniversary celebrations, JK Spices & Food Products also signed up Tollywood actress Mimi Chakraborty as its brand ambassador. "It is my immense pleasure to be associated with JK Masale on their 60th anniversary. It is a brand that every household takes pride in. I have seen JK Masale in my household since I can remember and I am really excited being part of the JK family," said Mimi.

The past six decades has been a glorious journey for JK Masale, which has a broad consumer base extending to over 10 million customers across the country. "Our success has come from conscientiously following what our founder always believed in: Quality & Innovation. We have kept alive the tradition of manufacturing the best quality masale and also adding new products from time to time," said Bhag Chand Jain, Chairman JK Spices & Food Products.

The brand and its products are available in over 1,000 retail outlets across the country and they reach over 10 million households. The brand is also available on online platforms like Amazon, Bigbasket, Flipkart, Place of Origin, Grofers, etc. "Along with our current business expansion of our brand, we are aiming at 100% sales growth of our products. We have also opened four exclusive retail stores for our products in Kolkata under the JK Lifestore banner," said Vijay Jain, Director- Sales & Marketing, JK Spices & Food Products. With Indian cuisine gaining immense popularity overseas, the company also exports its spices internationally to many Asian countries.





## Anmol Biscuits to expand into new markets with new packaging

Anmol Biscuits has re-launched the complete cream and cookies packaging of its biscuits. With the re-launch, Anmol Biscuits looks to increase its distribution footprint in the country and market-share in the value segment. Anmol Industries, the twenty two years old biscuit & cookies manufacturer, is the fourth-largest biscuit brand in India with a turnover of more than Rs. 1200 crore.

Apart from the re-labeling and new packaging of its biscuit range, a new TV commercial has also been made to promote the product. With the new logo and and packaging, Anmol industries aims to gain a higher share of mind and gain consumers in new geographies.

Focused majorly on the premium category, which yielded better margins and profitability, Anmol Biscuits major markets are West Bengal, UP, Bihar & Orrisa. The brand is now expanding to



other key markets. Beyond the domestic market, Anmol exports a wide and exclusive range of biscuits to countries in Asia, Africa, Europe, the Middle East and the Caribbean islands. The company is certified with FSSAI, GMP, HALAL, APEDA and Food Safety Management System - ISO 22000: 2005 and is also a government recognised star export house.

## India among the world's fastest growing chocolate markets

While the global chocolate confectionery market posts slow growth, new research from global market intelligence agency Mintel reveals that India is defying the odds. Sales of chocolate confectionery in retail markets grew by 13% between 2015 and 2016 in India, followed by Poland which saw sales growth of 2%. In comparison to the rest of the world, Poland and India were the only two markets to see sales of chocolate grow in 2016, with sales in the United States, United Kingdom, Germany and France flat over this period, while sales fell in Russia (-2%), Brazil (-6%), and China (-6%).

Data from Mintel also reveals India's chocolate confectionery market has had a strong CAGR of 19.9%, in retail market value, between 2011 and 2015, and is expected to grow at a CAGR of 20.6% from 2016 to 2020. When it comes to chocolate confectionery consumption (volume sales), it seems India is a nation of chocolate lovers, as Mintel research reveals that India consumed 228 thousand tonnes worth of chocolate in 2016. Other markets that have consumed in excess of 200,000 tonnes of chocolate last year



include France (251 thousand tonnes), Brazil (236 thousand tonnes), and China (202 thousand tonnes). The US and the UK, on the other hand, consumed 1.3 million tonnes and 555 thousand tonnes of chocolate respectively.

Data from Mintel also reveals 43% of Indians consume sweet or sugary snacks like chocolate and cake between lunch and dinner, with over half (53%) of Indian consumers reporting that they tend to snack in between meals because they get hungry.

Mintel research shows that as many as 19% of Indian consumers would like to see a wider variety of natural snacks that have no additives or preservatives.

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# Aseptic packages best for dairy, beverage products

There are several trends that point to a paradigm shift taking place in the packaging industry currently. One such development is “aseptic liquid packaging”, which allows a liquid product to remain sterile and free from micro-organisms for a longer period of time without refrigeration.

By Ashwani Kumar Sharma



**T**he packaging industry in India is in the midst of an interesting evolution. There are several underlying reasons catalyzing new trends and developments in the packaging industry. Our lifestyles have become increasingly busy, for one. There is also a perceptible demographic shift in the population. The Indian consumer, particularly the upwardly-mobile urban populace, is showing a marked preference for convenience goods as they fit in with her modern lifestyle. With the median age of Indian population currently at 26.7 years, India has the world’s largest youth population, which is eager to try out new ideas, products and markets.

India’s packaging industry – expected to reach USD 32 billion by 2020 — has an important role to play when it comes to meeting the needs and aspirations of the young generation of customers. This youthful demographic is looking for the ease-of-use and pick-and-move packaging attributes

when buying products, which they are doing more often now than ever before. To satiate the growing consumer appetite, every year thousands of new products and SKUs get introduced. According to a recent survey by Indian Brand Equity Foundation (IBEF), the FMCG industry in the country will more than double from the current level to reach USD 103.7 billion by 2020.

With brands and manufacturers looking to drive higher traction for their products, packaging has become an inalienable feature of the overall product experience. In fact, the first trust that customers have at the Point of Sale (POS) is by way of the product’s packaging. It is the product’s packaging that helps drive customers’ interest and inclines her to make a purchase. Packaging is also a key differentiator that clearly brings out the brand proposition on a retail shelf.

There are several trends that point to a paradigm shift taking place in the packaging industry currently. One such development is “aseptic liquid





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packaging”, which allows a liquid product to remain sterile and free from micro-organisms for a longer period of time without refrigeration. At present, the Indian aseptic liquid packaging market is growing @17-18% per annum. The size of the market is expected to double over the next five years to approximately 20 billion packs per annum, as per Warnick International Report.

Aseptic liquid packaging enables optimum utilization of storage and transportation space, and helps to bring down logistical warehouse costs. Consumers thus get better quality and unadulterated consumables than what they have been able to hitherto enjoy. Aseptic liquid packaging is best for perishable products in the Dairy and Beverages categories. In the case of highly-perishable liquid consumables such as dairy products, non-aerated liquids, energy/ health drinks and juices, the quality of packaging assumes prime importance. After all, what is the use of multi-point checks for ensuring a high-grade product if it cannot reach the end-consumer without sustaining its quality?

Since packaged liquids often have a short shelf life, storage and distribution becomes a major concern for all stakeholders in the supply chain – from the manufacturer to the end-consumer. By guaranteeing a longer shelf life to the product without refrigeration, aseptic liquid packaging helps meet the challenges associated with liquid packaging without compromising on the quality of the product.

The technology behind aseptic liquid packaging helps preserve freshness of the product in its natural form for a longer period of time. The packaging is six layered – combining paperboard, aluminium and polyethylene – in which both the product and packaging material are sterilized under high temperature and in a sterile environment. In the course of the entire process, the filled liquid and packaging material are both sterilized separately and then combined and sealed in a sterilized atmosphere. The method guarantees the product’s sustenance and

sterility besides also ensuring that it is free from any bacteria or any other harmful micro-organism.


Aseptic liquid packaging has grown very popular these days and most liquid FMCG products use this method of packaging. For instance, juices, purees and other liquids are today supplied in specialized packaging – aseptic packaging. Its multi-layered construction enables the carton to protect the contents from various factors responsible for spoilage, thereby preserving the product’s freshness and value. The aluminum foil layer acts as a strong barrier for oxygen and light. The inner plastic layer made of polyethylene makes it possible to seal the liquid. The paper layer provides stiffness, making it possible for the cartons to assume a brick shape, thus enabling maximum utilization of available storage and transportation space. Aseptic packages lighten the freight load and simplify the process of transportation, thus enabling the shipment to be transported easily to different regions.

Today, brand owners and consumers are becoming more conscientious than ever to the environmental impact from the packaged products they use. As a result, the market for FMCG products has whole-heartedly embraced the environmental safety advantage of aseptic packages as compared with the regular packaging. The use of aseptic packages generally helps mitigate the level of pollution in our environment. As these packages are recyclable, they reduce the waste impact on environment. Further, post consumption, these packs can be recycled and can be used for producing various utility items like decorative ply, gift items, furniture, etc. Most important, at the end of the day, the capital invested in aseptic liquid packaging pays off in the long run. **PG**

**At present, the Indian aseptic liquid packaging market is growing @17-18% per annum. The size of the market is expected to double over the next five years to approximately 20 billion packs per annum, as per Warnick International Report.**



The writer is President & CEO, Uflex Ltd, New Business Initiatives.



*“We deliver products faster to our customers than any other format.”*

→  
**Devyani Jaipuria**  
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Jmart Pvt. Ltd. is a chain of convenience stores in Delhi-NCR promoted by Alisha Retail Private Limited, a part of RJ Corp – the largest bottler for Pepsico – with diversified interests in beverages, food, beer, milk, ice-cream, stem-cell, real estate and education. One of its associate companies is Devyani International Limited, which runs the popular south Indian QSR chain Vaango and is the largest franchisee for Pizza Hut, KFC and Costa Coffee in India. Progressive Grocer spoke to Devyani Jaipuria, MD, Jmart, about the company’s astounding success in rolling out 100 stores in two years and carving a formidable niche in the small retail format by dint of its dynamic product assortment and their quality, a bouquet of utilitarian services as well as offering customers unmatched value for money and value for time.



➔ **JMART: FACT BOX**

<p><b>Parent company:</b> Jmart stores are promoted by Alisha Retail Private Limited, a part of RJ Corp</p> <p><b>Launch of first store:</b> April 2015</p> <p><b>Headquarters:</b> Gurgaon</p> <p><b>Retail format:</b> Convenience</p> <p><b>Total retail area under operation:</b> About 40,000 square feet</p> <p><b>Number of stores:</b> 100 stores</p>	<p><b>Cities/ towns where the stores are:</b> Gurgaon, Faridabad, Noida, Ghaziabad, Greater Noida, Sonipat, Bhiwadi, and Dharuhera</p> <p><b>Average size of stores:</b> The median size of stores is 450 square feet carpet area</p> <p><b>Average footfalls per day/ month:</b> Currently servicing about half a million customers per month</p> <p><b>Same store sales growth:</b> Stores are growing in the range 10% to 30% month on month, depending upon the age of the store</p>
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**What is the customer proposition and marketing positioning of Jmart stores?**

Jmart Pvt. Ltd. is a chain of convenience stores offering good quality products, an assortment relevant to the daily shopping needs, neat and clean stores, great service, and value for money to our customers without compromising on their comfort.

Our mission is to make life a little easier for our customers by being where they need us and whenever they need us. That is why we are located right next to the home or office of our target customers, and have extended hours of operations with some of our stores open round the clock.

With the retail landscape changing drastically in recent times, the customer value proposition has also started changing significantly. It is no longer just about value for money but also about value of time, which is a prime consideration with shoppers today. In times to come, convenience of shopping will become an even more significant factor for customers in deciding the choice of their shopping destination.

**What advantages have your stores been able to get by their focused location strategy?**

Our mission is to make shopping convenient for our customers and so we locate our stores in gated residential complexes, inside large office complexes, or Metro stations. This ensures that whenever a customer needs to buy a product or service, we are the closest and the most convenient option for him/her. This is particularly important in the case of daily need categories like milk, fruits and vegetables,

dairy, bread and eggs, etc. And also categories where the customer requires instant gratification as in the case of products like ice cream, beverages, snacks and fresh food. Our location strategy also allows us to deliver products to our customers faster than any other format.

As a matter of fact, by virtue of being located inside gated complexes, parents allow their young children to shop with us independently. This also shows the trust we have been able to garner for our fair dealing and transparency.

**What is the typical customer profile of shoppers in your store?**

Our location strategy puts us in close proximity of our customers and also helps us define and know our



**Our location strategy puts us in close proximity of our customers and also helps us define and know our customers better than most other retail formats. We cater mainly to SEC A and B customers.**



customers better than most other retail formats. We cater mainly to SEC A and B customers. In terms of age and gender, we cater to all consumer segments by keeping our offerings relevant for everyone. So our customers include everyone from small kids looking for a candy to young millennial shoppers and from working couples perennially short of time to housewives and elders.

**What are you doing to attract the young generation – the Millennial shopper?**

Research shows that millennial shoppers not only have very different expectations but they are also transforming the shopping behaviour of their parents. This generation has huge exposure and their digital learning curve is very steep. They expect a seamless shopping experience that encompasses a dynamic assortment, quality, value, great service, and they want instant gratification. The expectations and influence of this generation will change the

→ HER FATHER'S DAUGHTER



Devyani Jaipuria is the daughter of billionaire entrepreneur Ravi Kant Jaipuria, promoter of Jaipuria Group. The group has interests in diversified fields and has spawned businesses in carbonated beverages, ice-cream, fast food, schools, real estate, retail and healthcare. Devyani sits on the board of Devyani International Ltd, which operates more than 500 F&B outlets in India and abroad for marquee International brands such as Pizza Hut, Costa Coffee and KFC, besides also running its own QSR chain Vaango. She is also spearheading the Group's retail foray led by food and grocery convenience store chain Jmart, which started operations in 2015.

Under her strong leadership, Jmart has fast expanded into a 100-strong popular neighbourhood chain operating out of residential and office complexes from different locations in Delhi-NCR. A visionary, Devyani wants Jmart to upend the concept of convenience stores. All her stores are within easy reach of customers and have acquired a reputation for quality assortment, services and hygiene. Being a strong proponent of 'upside down management' that puts people at its heart, Devyani is setting high standards of retail service and has made Jmart a "one-stop shop for everyday items". "You don't create great service by a set of rules alone; you got to trust the people who serve the customers and let them do it the way they want but in an exclusive manner," opines Devyani who has now set her sights on ramping up Jmart's footprint to 200 stores by next year.

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## SMART INITIATIVES ON KEY FRONTS

### **Collaboration with brands and manufacturers:**

Given Jmart's ability to interact frequently with customers and understand them in depth, many brands have started partnering with the store chain to gain insights into customer preferences. The upshot of this collaboration has been the start of some structured projects in this area, in collaboration with a few brands. "In India, the number of product categories and products within each category is growing at an exponential rate right now and the trend is likely to continue for some time. So understanding the customer expectations from various categories will also help brands plan their product portfolio. We provide them an ideal platform to do this," says Devyani Jaipuria, who spearheads RJ Corp's Retail business led by its food and grocery store chain Jmart.

Brands have also started partnering with Jmart for product launches. Pepsi Black and Chokorz from Creambell are two products that were exclusively launched in Jmart stores recently. And quite successfully, too. "As part of the product launches, we do sampling activities in our stores regularly. Besides, we do active sampling of our in-house food brand GRUBB. We are also supported by many brands in offering various consumer schemes," says Devyani. Apart from product demos/ sampling activities across categories, the collaboration with brands has resulted in interesting mix-and-match bundling and cross-promotion activities within store.

**Technology and Customer Engagement:** Jmart's focus so far has been to build a good team to run the business, achieve reasonable scale and start building a loyal customer base. Its next thrust is in the area of technology. Jmart is currently implementing a new ERP solution, which has been customized to its business needs. It is also developing a Mobile App, which will redefine convenience for its customers by providing a seamless shopping experience. "We are integrating all operational elements so that we have a single conversation with customers, not one that changes from smartphone to laptop to physical store. We will also be able to unify sources of data and boost cross-channel transparency," avers Devyani.

The extensive use and adoption of technology will also help Jmart to achieve operational excellence in terms of running cost-efficient stores and

back-end processes. Its new ERP will also have a customer-centric loyalty programme, which will not only reward its customers for shopping with the chain but also provide Jmart with insights to serve its customers better. The adoption of digital tools and technologies will lend Jmart a business edge by allowing it to build its predictive analytics for driving personalization and suss out more insights in consumer trends.

**Private Label:** Jmart has its own 'GRUBB' brand, under which it sells fresh snacks and mini meals. To ramp up its private labels, Jmart is carrying out product development and branding exercise for a range of cleaning products. This process has now been completed and the products will be available in its stores shortly. The next category is breads and the process for launching its private label has largely been done. Already, Jmart's sibling Devyani International Limited (An associate company of parent company RJ Corp – the largest bottler for Pepsico – and with interests in beverages/ food/ beer/ milk/ ice-cream / stem-cell / real estate / education), which is also the largest franchisee for Pizza Hut, KFC and Costa Coffee in India, has the capability and expertise to make some of the best breads. "So soon our customers will be able to shop for best quality breads at great prices in our stores, with freshness guaranteed," says Devyani.

**Supply chain – back-end and front-end:** Jmart runs a very lean inventory model but it strives hard to fulfill customer requirements. Its supply chain plays a very vital role in achieving this balance, particularly so because Jmart runs small format stores with very limited shelf space. The store chain runs and maintains a very robust review mechanism, which ensures that only fast movers are available basis seasonality. "We strive to achieve over 95% of stock availability and 98% plus fill rate of available inventory by ensuring a high level of inventory accuracy. We have also invested in cold chain as part of our last mile connectivity and all vehicles are GPS enabled. We review time and temperature logs of these vehicles diligently to ensure fresh products reach customers on time," says Devyani. Jmart is investing in software and hardware solutions to have a supply chain that ensures products on the shelf and at the same time reduces the cost of doing so. "Every month we are seeing increased efficiencies in our supply chain. Our location strategy is also a major factor in setting up a cost-efficient supply chain. As we are located mostly in gated residential complexes and office complexes, it allows us to open stores very close to each other, less than a hundred metres apart in some cases," points out Devyani.



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**We keep it simple when it comes to product displays. Working with limited brands and SKUs helps the customer quickly find what they are looking for. We give prominence to seasonal, regional and new products.**

retail landscape in our country faster than most retailers expect. But understanding them and fulfilling their expectations will be the difference between success and failure for retailers in the not-so-distant future.

When it comes to understanding and catering to this customer segment, technology has to be the instrument of choice. We are in the process of developing an App that will provide seamless experience to customers – not just for shopping for products, but also providing a bouquet of services, coupons and offers, community updates, etc. At the same time, we are building the organization to be able to work seamlessly and to ensure that we exceed customer expectations.

**Tell us about the product range available in your store.**

We carry a full range of what most customers need on a day to day basis. But being a small format store, we limit the number of brands and pack sizes that we carry in our stores. Our assortment is also different for residential, office and Metro stores. Broadly the categories that we carry in our stores are dairy, fruits and vegetables, packaged food, beverages, confectionery, staples, ready to eat and ready to cook, cleaning supplies, health and personal care, baby products, stationery, etc. We also offer a range of services in our stores. Apart from all this, a big differentiator for us is GRUBB – our own range of fresh snacks and mini meals.

**Which are the new and emerging categories in your stores?**

Right now, the fastest growing category in our stores is GRUBB – our own range of fresh snacks and mini meals. Besides, fruits and vegetables, dairy,

bread and eggs are the out-performing categories for us. The emerging category for us is services. We currently provide services like mobile recharge, DTH recharge, bill payments, money transfer, courier services, and pathology testing services. We are in the process of augmenting our suite of service offerings and will be adding more and varied services to this list over the next few months.

**Which brands across categories are the best-sellers in your store?**

We work with selected brands in each category. But we treat brands as our partners to offer the best assortment and value to our customers. Some of the prominent brands in our stores are PepsiCo beverages, Tropicana juices, Lays/Kurkure snacks, Creambell ice cream, Cadbury, Britannia, and ITC brands.

**Who are the top suppliers and vendors for your stores?**

The top suppliers are PepsiCo, Amul, ITC and Creambell.

**What is the method that you follow for product and merchandise display and have you taken any recent initiatives to make it more vibrant and customer friendly?**

We keep it simple when it comes to product displays. Working with limited brands and SKUs helps the customer quickly find what they are looking for. We give prominence to seasonal, regional and new products. Being in close proximity of customers provides us with great insights into the precise preferences they have, which helps us in customising our assortment and displays to each catchment. **PG**

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Most packaged fruit juices are made from concentrate but B Natural 100% Pomegranate Juice is made directly from 25\* handpicked pomegranate fruits and not from concentrate.



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\*Each pomegranate weighs approximately 100 grams



#### What is concentrate?

Fruit concentrate, as the name suggests, is a concentrated form of fruit juice or pulp. When part of the water is taken out from the fruit juice or pulp by heating, it becomes a concentrate.



#### Why is B Natural 100% Pomegranate Juice better?

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# Cool Refreshments to Beat the Heat



As in other parts of the world, health & wellness is now a major growth driver within packaged beverages in India. Carbonated soft drink consumption is on the decline, which is helping other beverage categories – like juices and dairy drinks – to grow and innovate. Most beverage manufacturers that Progressive Grocer spoke to confirm that the larger trend is to produce functional beverages that can become part of a consumer's daily lifestyle. Beverages that are positioned as 'sheer fun' are seeing a decline and at the same time there is an increase in demand for 'better for you' alternatives.

By Sanjay Kumar

**T**he beverages category contributes 8-9 per cent to the total F&G market in India. With the entry of major international beverage players over the last few decades, the market has evolved and has made way for many new products, which have found an instant connect with Indian consumers. According to research conducted by IMAGES Group – the publisher of Progressive Grocer India – the market for beverages in India is close to Rs. 195,000 crore and is growing at 20–23 per cent. This growth rate will take the category at three-and-a-half times its present size by 2020. However, India's per capital consumption of non-alcoholic beverage drinks is just about 5 litre, which is very low in comparison to the global average of 85 litre.

All constituent segments are witnessing growth at a healthy range of 20–25 per cent, which is the highest among all food groups. This growth can be attributed to the fact that the market for beverages is getting more segmented and niche than ever before. The emergence of various brands in all segments has given an unprecedented thrust to the category. Consumers can choose beverages of almost all flavors, colors, ingredients, health and nutritional values. The expanding products range is fuelled by the food processing sector and with its growth the category is bound to carry forward the acceleration.

## Major beverage segments

The category can be divided into four broad segments – tea and coffee, occupying the largest market share; juices and flavored

drinks; packaged drinking and flavored water; and other nonalcoholic drinks including soft drinks, mango drinks, lemon drinks, chocolate drinks, etc. The lion's share of tea and coffee confirms that the category is still ruled by traditional beverages.

Another traditional segment having a significant share is juices along with other canned and bottled beverage options. In spite of the large financial muscle powers and unparalleled distribution advantage, the global beverage giants are able to hold just a five per cent share in the category. About four per cent of the total beverages market is formed of the juices segment, which is growing at 20–25 per cent and is expected to grow almost four times bigger in the next five years. Today, Indians are spending at an average just Rs. 6 per month on juices, which is less than what they are spending on other beverages. The juice segment has been somewhat impacted by the emergence of other flavored drinks, which have become an easy alternative.

Three-fourths of the juice market is urbanised. The high consumption of juices in these markets is the result of higher health awareness, availability of branded juices, urban lifestyle, boom in modern retail and mall culture, and influence of globalisation in the F&B space. People today realise the importance of healthy food and they are demanding packaged juices, which can easily be carried along while on the go.

The juice segment has two components – packaged juices and fresh juices. The packaged juices component has a higher growth rate since it is easily available all the time. However, not more than 15 per cent of the segment is dominated by packaged juices. The packaged juices can be further classified into fruit drinks, juices and nectar drinks, which are recent additions. Fruit drinks have one-third fruit content in them and sell the most. Fruit juices, on the other hand, are 100 per cent composed of fruit content, and claim a 30 per cent market share at present. In contrast, nectar drinks have anywhere between 25 and 90 per cent fruit content, but account for only about 10 per cent of the market. The rising number of health-conscious consumers is giving a boost to the fruit juices segment; it has been observed that consumers are shifting from fruit-based drinks to fruit juices as they consider the latter a healthier breakfast or snack option.

According to **Hemant Malik, Divisional Chief Executive, ITC Foods Division, ITC**, “The juices



and nectars market alone is estimated to be over Rs. 2500 crore in terms of consumer spend. The category is largely urban-centric with rural contribution less than 10 per cent of the overall juices industry. Given that the consumers are increasingly moving towards branded packaged juices format, we see a huge potential in the category in the years to come. The category has been growing at a healthy double-digit CAGR in the recent years.”

Sharing his views on the beverages market in India, **Dhirendra Singh,**

**CMD, Manpasand Beverages Ltd.**, says: “Growth in nectars and juice drinks is estimated to be at a faster pace vis-à-vis 100% juice as higher prices and stressful lifestyles may restrict the demand for the latter. Owing to this, we might see demand for fruit-based aerated drinks/beverages from the consumers. Lately, we have also seen the trend of a resurgence of traditional drinks. In the coming days, these factors will influence the beverage market in India.”

The culture of eating out has given birth to meal and soft drink combos, which Indian consumers are savoring to the fullest. This has given a much required boost to soft drinks consumption. They have become penetrative in almost all consumer segments from kids to college-going students to middle-aged couples. Soft drinks are no more a sunny hot day culture but have evolved as part of the meal, especially while eating out. The growing consumption of soft drinks has revolutionised the pack sizes also. From 300 ml bottles to 2 litre PET bottles, the players in the segment are servicing all consumption demands. The segment has made some significant achievements and penetration in the rural areas is definitely one of them. Industry observers say that rural areas account for 75 per cent sales of PET bottles.

Based on the consumption patterns, the soft drink market in India is classified into two segments.



“**Given that consumers are increasingly moving towards branded packaged juices format, we see a huge potential in the category in the years to come.**

— **Hemant Malik**  
Divisional Chief Executive, ITC Foods Division, ITC



“**Growth in nectars and juice drinks is estimated to be faster vis-à-vis 100% juice as higher prices and stressful lifestyles may restrict the demand for the latter.**

— **Dhirendra Singh**  
CMD, Manpasand Beverages Ltd

The first is ‘Public’ segment, which represents the place where the soft drink is bought and consumed by public on a large scale, thus generating volumes. This includes places like railway stations, stand-alone shops, restaurants and cinemas. The other segment is that of ‘Household’, which represents soft drinks purchased and consumed at home and household level. However, in India the former beats the latter hollow. The public consumption accounts for almost 80 per cent of the total sale of soft drinks and household consumption accounts for the remaining 20 per cent of the sales.



RoohAfza was the first product launched by Hamdard in 1907, just a year after we started this company. Since then RoohAfza has gone from strength to strength and notched sales of almost one crore bottles last month, which was the highest that we have sold in a month ever.

— Hamid Ahmed  
Director, Hamdard  
Laboratories (India)



### Choices galore in the beverage aisle

The beverages industry in our country has traditionally been known to be a slow-moving one, but in the past few years, it has seen a marked shift. The beverage aisle in supermarkets is undergoing a radical transformation in regard to what products consumers are buying, a pattern that suggests retailers need to rethink how they’re presenting beverages to their shoppers. Remember the old tagline for orange juice, “It isn’t just for breakfast anymore”? Much the same could be said for nearly every other beverage in the store as day-parts have collided, eating occasions have changed and new products have evolved to address consumers’ unique needs. It’s no longer simply Coke versus Pepsi — its traditional carbonated soft drinks versus upscale sodas, enhanced waters, juices, teas, milk and energy drinks. Some are shelf-stable and some are refrigerated, so they’re merchandised in different parts of the store, according to proven and emerging models of beverage retailing.

Be it water, ‘health’ drinks, or protein beverages, major brands of all non-alcoholic beverage categories are aiming to or have already launched new products to provide alternative beverage options for consumers of all sectors – from the age old Coca-Cola and PepsiCo to the latest sugarfree Tea Lite ice teas. Consumer taste buds have not only diversified – thanks to the ever evolving import market – but also through personal exposure and experience and

tasting various beverage throughout the world, hence pushing the demand in India.

From the class field trip to the cola factory, to the current trip to the local supermarket, the evolution of beverages is taking place everywhere and to keep up with the upcoming interest in the ‘uncola’ segment, manufacturers are preparing to meet consumers’ taste buds and thirst demands as they learn that the magic potion of the cola won’t do anymore. The average cooler at the modern supermarket now displays a variety of drinks to provide options for every consumer. From the good ‘ol Pepsi and Coca-Cola brands to the tried and trusted Hamdard’s RoohAfza to 100 per cent fruit juices and cold-pressed juices, energy drinks like Goldfogg and the latest line of mineral water, the Indian consumer, no matter what age, is no longer inhibited by a lack of choice in the beverage aisle.

Still, there are some beverages that have been the country’s favorite drink for generations. RoohAfza, the fruit-filled, friendly punch, has remained a beverage of choice for many decades now and is regarded as a perfect healthy cooler on a hot day. According to **Hamid Ahmed, Director, Hamdard Laboratories (India)**, “RoohAfza was the first product launched by Hamdard in 1907, just a year after we started this company. Since then RoohAfza has gone from strength to strength and notched sales of almost one crore bottles last month, which was the highest that we have sold in a month ever. In fact, RoohAfza was the only beverage product that we had until three years ago. After that we have launched variants of RoohAfza because we feel that the beverage market in India has a lot of potential and is a lucrative segment to maximize sales.”

### INDIA – CARBONATED SOFT DRINKS: RETAIL MARKET SEGMENTATION BY VOLUME (M LITRES)

Segment	2012	2013	2014	2015	2016
Total	2296	2366	2538	2760	2820
Colas	1042	1041	1080	1104	1121
Lemon/Lemon & Lime	908	835	908	1021	1052
Other carbonates	162	242	278	331	335
Orange	184	248	272	304	312

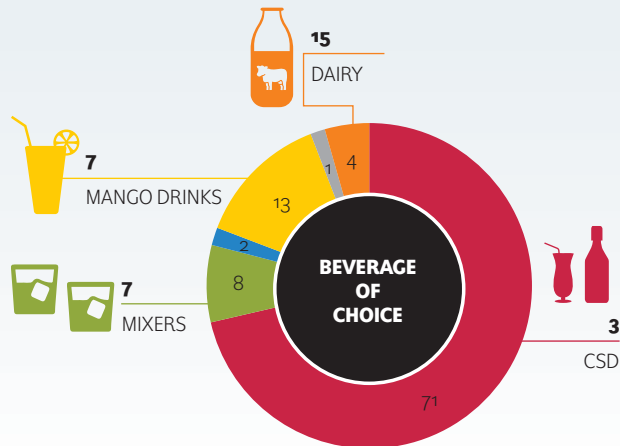
Source: Company Information, Trade Interviews, Mintel.

### RETAIL MARKET COMPOUND ANNUAL GROWTH RATES CARBONATED SOFT DRINKS

Segment	Units	2012-2016	2017-2021
Value	%	13.9	17
Volume	%	5.3	9.4

Note: Value figures are based on the market sizes in the local currency.  
Source: Mintel

**CARBONATED SOFT DRINKS (CSD) ARE FIRMLY IN THE LEAD, FOLLOWED BY NON-CARBONATED MANGO-FLAVOURED DRINKS**



FIGURES OUTSIDE THE CHART INDICATE VOLUME CAGR% MAT JUN '16 VS. '14

All figures, in% Source: Nielsen

Like Hamdard's RoohAfza, Haldiram's beverage range comprises a traditional blend of flavors – in syrups and sharbets – that has been well accepted by consumers and the market. The company ventured into the beverage category more than 15 years and some of its top selling beverage products are kesari thandai, badam thandai, rose and khus. "Our journey in the beverage segment has been really good and so far we have not faced any challenges. Our growth in syrups and sharbets is currently about 10 per cent and this growth rate was higher earlier," informs **Dr A.K. Tyagi, Executive Director, Haldiram's**.

Talking of growth, market potential, sales and profitability in the beverage category, the energy drinks segment has been attracting a lot of consumer traction and performed impressively in recent years. Since its emergence in the Indian market, the energy drink category has enjoyed remarkable success, displaying a good growth in sales. Today, energy drinks are no longer confined to bottom shelves of modern retail and have acquired the status of mainstream beverage aisles. Given the profitability of the category, energy drink brands have proved themselves to be smart movers and are continually developing innovative marketing techniques to penetrate modern retail. "India's energy drink market was valued at USD 3663.7 million in 2017 and is expected to reach USD 4626.1 million by the end of 2022, growing at a CAGR 4.5 per cent. Increased urbanization, rising disposable income and growing health consciousness among the Indian youth has increased the demand for non-carbonated drinks. At the same time, long and erratic working hours and the trends of social gatherings are driving Indian consumers towards the consumption of energy drinks. So there exists plenty of demand for the category," avers **Abhinav Biswas, Sales & Marketing Head, Goldfogg India**, which is promoted by Rich Zone International. The company's beverage portfolio includes energy drink (Goldfogg 250 ml and 300 ml) and fruit juices (Fruit Kiss, Mish Mash and Mint Masti, in 300 ml packs). Sales traction for Goldfogg products has been promising with the company clocking 12-15 percent

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# “Scope for manufacturers to offer beverages at multiple price points”

Ranjana Sundaresan, Senior Research Analyst, Mintel, speaks to Progressive Grocer about the trends and developments shaping the beverages market in India and how manufacturers are responding to the emerging shifts in consumption.



“**We are seeing more of no added sugar claims as well as emphasis on no artificial additives in the releases happening in India, leading to the launch of products like cold-pressed juices.**”

— **Ranjana Sundaresan**  
Senior Research Analyst, Mintel

## What is your assessment about the demand and growth of the beverages market in India? How do you see it growing and shaping up in the next couple of years?

For most packaged beverages in retail, India still remains a small market but one that is growing rapidly. Due to the convenience and hygiene offered by value-added non-alcoholic beverages, they are gaining much traction among Indian consumers. This is particularly true among those aged between 18 and 34 years as Indian consumers in this age group have either grown up consuming these products or have seen the market grow enough to be familiar with them. For example, according to a study of 3,029 Indian adults by Mintel, over half the respondents said they had consumed juices and carbonated soft drinks (respectively) in the three months to June 2016, while 41% said they had consumed packaged ready-to-drink dairy drinks in the same time period. Consumption was higher among the younger adults and declined as the age increased.

With India's population skewed towards younger consumers, each of these beverage categories has significant growth potential in the coming years.

## What are the new trends and developments in the category in relation to what's happening in other more mature markets?

Much like the other parts of the world, health and wellness will be a major driver within packaged beverages in India. Carbonated soft drink consumption is on the decline in many Western markets due to concerns surrounding high sugar and caffeine levels. This has helped other beverage categories – like juices and dairy drinks – to grow and innovate. These shifts are not as visible in India yet as they are in the West, but there is definitely a growing awareness of health issues. Indeed, Mintel research reveals that 48% of Indian consumers have admitted that their goal for the next three years, from June 2016, is to live a healthier lifestyle. In support of this, we are seeing more of no added sugar claims as well as emphasis on no artificial additives in the releases happening in India, leading to the launch of products like cold-pressed juices. There is also a growing interest in the value-added dairy drinks space, due to the health halo that surrounds dairy in India. Among consumers of juices and dairy drinks, 66% and 64%, respectively, associate them with being healthy.

## In your opinion, what are the serious challenges and the opportunities facing this category?

A major challenge for all non-alcoholic beverage categories in India is consumers' desires to get healthier, which could very well see Indians reject drinks that either contain artificial ingredients or high sugar levels. Indian consumers are now more mindful of what they are consuming. At the same time, this opens up opportunity for manufacturers to launch products that are low in sugar or contain no additives. There is even scope to offer products that are fortified with additional nutrients for specific health benefits, such as vitamin D, calcium or protein.

It is no secret that India is a price-sensitive market, and prices will always have an impact on what products consumers buy and how often they buy them. As such, there may be scope for manufacturers to offer beverages at multiple price points to ensure there is accessibility for the nation's wider audience.







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**Until early 2013, no one was aware of the cold-pressed industry and there was no player in the Indian market. But today, in 2017, we have more than 10 players in the market which is becoming increasingly competitive on a yearly basis.**

— Akash Jindal  
Founder, Pristine Naturals

overall monthly sales growth. Sales of Goldfogg energy drinks is currently about 12,000 cases per month whereas sales of its fruit juices is about 3,000 cases per month, on a pan-India basis. “We are more concerned about the energy drink segment and our product is scientifically formulated from Poland. The delicious passion fruit that goes into the making of our sparkling beverages is a perfect treat for taste buds and also abundantly revitalizing,” says Biswas.

Energy drinks is still a developing category if compared to the market situation of Europe and America, but the Indian market is one of the most exciting when it comes to the potential for growth. Lately, the segment in India has seen significant expansion with a rising influx of celebrity oriented energy drink brands. As more consumers seek out energy drinks for a myriad of reasons – a quick energy fix, improved mental clarity, health and wellness – the choices are becoming broader. “As mentioned earlier, the size of Indian energy drink market is growing rapidly. Our product is geared to offer the best choice of energy supplement and extremely high quality alcohol-free drink for the consumer to refresh his mind, body and spirit. To expand the market, we will engage with the consumers everywhere and seek to create a high level of awareness and consumer engagement for our brand, and make our product unique in energy drink market,” says Biswas. The company’s retail outreach strategy is to launch its product in 25-30 fastest developing cities in India. “We have segmented our market into three categories – general trade, modern trade and on premises. Currently, we are concentrating on GT and OP. To provide better and smooth service to the retailer we have tied up with



adequate number of distributors and so we have the manpower to establish our market footprint. We are more focused on bringing experienced channel partners and those who are already in the beverage and premium product sector as they can better understand the market. As energy drinks are highly consumed – in hotels, restaurants, bars, pubs and clubs – as cocktails, mocktails and raw, so OP (on premises) is the top priority for our product,” discloses Biswas.

A lack of consumer awareness on the difference between sports drinks, energy drinks and dietary supplements such as glucose powders remains a hurdle in unleashing the full growth potential of energy drinks in the country. However,

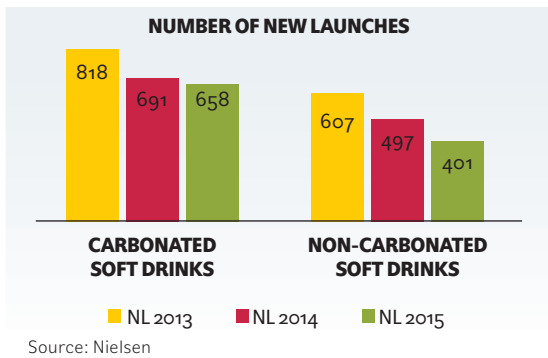
retailers confirm that the energy drinks segment is poised to witness high growth rates due to the increasing popularity of these drinks among health-conscious urban Indians. Also, with rising consumer affluence and increasing density of modern grocery retail outlets across the country, manufacturers are tailoring their product designs and marketing specifically to target the young adults; modern supermarket shelves are getting stacked with more and more energy drink brands, and this visibility can only be expected to intensify.

### Trends: Shift to better-for-you healthy drinks

As most beverage manufacturers observed while compiling this story, the larger trend seems to be to produce functional beverages that can become part of a consumer’s daily lifestyle. The trend is towards functional healthy beverages. For instance, one might have a vitamin-flavored water in the morning, a protein-based drink after a workout, a green tea based drink with meals; hence, the name functional drinks. In terms of a marketing plank, manufacturers are also now looking to ride on health- and special condition-diets as a value differentiator. From juices to energy drinks, functional beverages have not only found a place for themselves on supermarket shelves, but also in the future plans of private label manufacturers, distributors and retailers. With the larger chunk of demand still being catered to by hundreds of unbranded, local players, this is only the early phase of the branded beverage transformation in India.

In India, as in the world over, there is a noticeable trend – not a fad – towards healthier products across all sectors, not just beverages. Indians are now well travelled and well informed thanks to the Internet and they are asking for healthier products





and importers, marketers and retailers are rushing to fill that void. Consumers are now always looking to discover and experiment with healthier and less processed options. While this trend has caught on like a wildfire in the West, it is now becoming visible in India as well. "There is an increased demand for functional beverages in the mature markets. Beverages that are positioned as 'sheer fun' are seeing a decline. At the same time, there is an increased demand for 'better for you' alternatives," says **Chaitanya Chitta, CEO & Co-Founder, Goodness! Beverages.**

According to Malik of ITC Foods, "Growing awareness, changing lifestyle, tastes and preferences of consumers has indicated a shift in preference for natural and nutritious products over ones that do not offer these parameters. This has pushed most of the established brands to rethink their offerings and re-design their marketing strategies. The growing consumer inclination towards this trend has also led to many FMCG and consumer durable brands exploring the nutritional and wellness segment to build a niche in the market." As per the findings of a recent study done by market research and intelligence agency Mintel, "Much like in the other parts of the world, health and wellness will be a major driver within packaged beverages in India. Carbonated soft drink consumption is on the decline in many Western markets due to concerns surrounding high sugar and caffeine levels. This has helped other beverage categories – like juices and dairy drinks – to grow and innovate. These shifts are not as visible in India yet as they are in the West, but there is definitely a growing awareness of health issues." Indeed, Mintel research reveals



“**India's energy drink market was valued at \$ 3663.7 million in 2017 and is expected to reach \$ 4626.1 million by the end of 2022, growing at a CAGR 4.5 %.**

— **Abhinav Biswas**  
Sales & Marketing Head,  
Goldfogg India

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“  
**People are becoming increasingly sensitive and have begun reading the nutrition table at the back of pack. All the products in the Zago portfolio are healthy and the demand for them will certainly continue to grow.**

— **Sridhar Varadaraj**  
 Founder and Managing Partner – Ricco Delizio

that 48% of Indian consumers have admitted that their goal for the next three years, from June 2016, is to live a healthier lifestyle. In support of this, the beverages market in India is seeing more of no added sugar claims as well as emphasis on no artificial additives in the releases happening in India, leading to the launch of products like cold-pressed juices.

As per Dublin Research and Market, the global market for cold-pressed juices is anticipated to grow at a CAGR of over 10 per cent during 2016-2022. Rising demand for cold-pressed juices across the globe can be attributed to increasing awareness about higher nutritional content of cold-pressed juices as compared to conventional juices, and increasing health concerns due to growing incidence of lifestyle diseases such as obesity, diabetes, blood pressure, etc. Since cold-pressed juice is a relatively new entrant in the Indian market as compared to other geographies, the segment is expected to see faster growth in the years ahead.

One such company in the cold-pressed juice business is Pristine Naturals, which is focused on bringing daily use products in their purest form. “Until early 2013, no one was aware of the cold-pressed industry and there was no player in the Indian market. But today, in 2017, we have more than 10 players in the market which is becoming increasingly competitive on a yearly basis. It shows the increasing demand that exists for cold-pressed

juices. I feel that by 2025, India will be among the top three countries in terms of production of cold-pressed juice,” **Akash Jindal, Founder, Pristine Naturals** whose product Pristine is 100 per cent pure cold-pressed apple juice with a shelf life of three months. The product is free from any kind of added sugar, water, color, flavor or preservatives. The juice is cold-pressed, pasteurized and bottled in the Kumaon region of Uttarakhand only. “We currently have presence in Delhi/ NCR region, though consumers from other parts of the country can buy our product through the Amazon online platform. Currently, we have two flavors of apple juice – red apples made with red delicious apples and green apples made with the Fenny variety. These are available in three different packs of 200 ml, 500 ml and 5 litre,” says Jindal. On average, the company sells close to 100-150 bottles per day and its products have been clocking 15-20 per cent growth rate this year so far.

There is also a growing interest in the value-added dairy drinks space, due to the health halo that surrounds dairy in India. Among consumers of juices and dairy drinks, 66 per cent and 64 per cent respectively, associate them with being healthy. In keeping with the emerging trends, Goodness! Beverages, a new ready-to-drink dairy-based beverages brand, manufactured and marketed by DropKaffe Food & Beverages Pvt. Ltd. and based out of Bengaluru, has been driving innovation in the dairy beverages market. Not only has the Goodness! brand providing alternative choices to consumers but also bringing a range of beverages that is fun as well as functional. For example, its products include oats smoothies, yogurt smoothies and cold brewed coffees in multiple flavours. “Goodness! Oats Smoothie is a delicious and healthy combination of oats and milk and is India’s first ‘anytime breakfast’. Goodness! Yogurt Smoothie is a gut-friendly beverage and India’s first snack in a bottle. We are also the first company in the country to bring cold brewed coffee in a ready-to-drink format,” says Chitta of Goodness! Beverages. The company follows a four-pronged approach – modern trade, general trade, HoReCa and online – to ensure its retail outreach.

**INDIA – CARBONATED SOFT DRINKS: TOTAL MARKET SIZE**

\*Forecast

	Units	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017*	2018*	2019*	2020*	2021*
Absolute size	bn litres	1.999	2.256	2.506	2.8	3.1	3.5	3.9	4.201	4.6	4.875	5.327	5.755	6.179	6.606	7.037
Volume Consumption per capita (population)	litres	1.695	1.885	2.064	2.275	2.485	2.77	3.048	3.243	3.509	3.674	3.966	4.238	4.497	4.756	5.012
Growth	%		12.9	11.1	11.7	10.7	12.9	11.4	7.7	9.5	6	9.3	8	7.4	6.9	6.5

Source: Economist Intelligence Unit, Company Information, Trade Interviews, Mintel.

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**Litchi, lime water and mango are our best-selling beverage products and we are growing 70% annually in terms of our sales.**

— Akhil Gupta  
MD, Fresca Juices

“Our products are available at all major modern trade (MT) in Bangalore and Hyderabad such as SPAR, HyperCITY, Gourmet West, Star Bazaar, Big Bazaar and Foodworld,” says Chitta, adding that the brand is also available at other prominent retail spaces like canteens and cafeterias of schools, colleges, hospitals, and other strategic channels.

Today, when lifestyle-related diseases and health conditions on the rise, healthy products appeal more to consumers and have witnessed the highest value growth in 2016. As the number of people suffering from high cholesterol, heart-related diseases and non-communicable diseases is on the upswing, consequentially consumers are purchasing more healthy packaged food and beverages. Sensing the consumer mood, many FMCG conglomerates are now introducing healthier versions of their products. For instance, ITC Foods latest offering in the juice category – one of the youngest categories at present for ITC Foods – is 100 per cent pomegranate juice, entirely made from fruit pulp and not from concentrate, thereby giving consumers a healthier and more authentic pomegranate juice experience. The product has garnered an encouraging response in the market and has prompted ITC Foods to look

at a very aggressive growth trajectory this year and the next few years to follow.

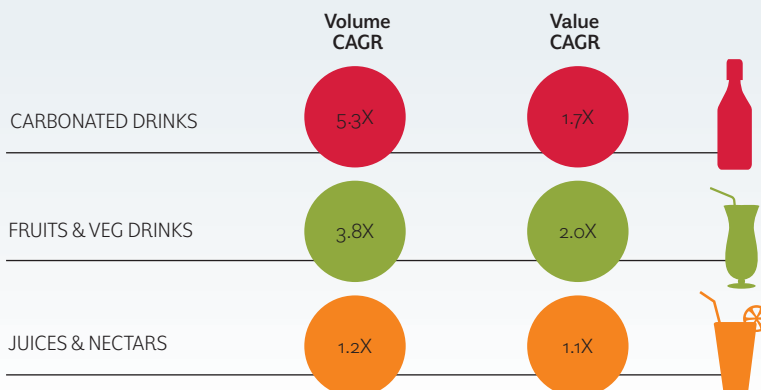
“People across the country are becoming increasingly sensitive and have begun reading the nutrition table at the back of pack. Foreseeing this trend, all the products in the Zago portfolio are healthy and the demand for them will certainly continue to grow,” opines **Sridhar Varadaraj, Founder and Managing Partner – Ricco Delizio**, which operates the Zago brand. Zago calls itself India’s first superfoods company and it focuses on providing healthy, on-the-go nutrition, which is catered for the urban lifestyle. The brand is dedicated to providing premium, convenient health products that elevate everyday performance for the users. “Zago’s current portfolio comprises the ready-to-drink oats shake, which is a breakfast shake priced at Rs. 50 and available in three flavors – almond, chocolate and mango. Its ready-to-drink protein is called Body Buddy, and comes for Rs. 100 in four delicious flavors – caramel coffee, chocolate, mango and chocolate orange. “Zago products serve the needs of active lifestylists, professionals, athletes and fitness enthusiasts with a range of innovative oat & protein solutions, which taste great and appeal to the evolving consumer demands,” says Varadaraj, adding that Zago Body Buddy caramel coffee is the best-selling product in the company portfolio, clocking value growth of 20 per cent year-on-year.



**Juices emerging as nutrient heavyweights**

The increasing numbers of health-conscious consumers in India, especially in the country’s urban areas, who are more focused on functionality and nutrition in their beverages rather than just their thirst quenching properties and convenience drove the positive sales growth seen in juice in 2016, consumer research firm Euromonitor said in a report from April this year. It estimated that India’s juice market — segmented into pure juice, concentrates, and nectars — is set to grow at 17 per cent compound annual growth rate to reach Rs. 27,250 crore in value by 2021. According to the Access to Nutrition Index India Spotlight, the first of its kind survey, only 12 per cent of beverages and 6 per cent of foods sold by leading Indian food and beverage companies were of “high nutritional quality”. With the increase in consumption of packaged food in urban areas, the F&B industry needs to play catch up to avoid being the sole cause of obesity. “The focus on organic foods is one of the biggest trends that continue to dominate the F&B market globally. The need for products that cater to health conscious and nutrition-aware consumers is the need of the

**CONSUMPTION OF SOFT DRINKS IN FESTIVE AND NON-FESTIVE MONTHS**



Source: Nielsen



hour that giants of the industry are waking up to,” says Varadaraj of Zago.

As far as trends go, the dominant trend in fresh juices is simple: Offer the greatest nutritional value possible through minimally processed ingredients that are blended so beautifully that people want to drink them every day. Such beverage products certainly make it easy for the health-conscious consumers to enjoy who are constantly looking for ways to get more fruits and vegetables in their diets. Some of the consumers that Progressive Grocer spoke to agree that fresh juice is a very convenient way to add nutrients to your diet — just throw a bottle in your purse or in your car. But the juice has to taste great, most of them pointed out. So while consumers want juices with functionality — juices that offer fruit and vegetable nutrition, vitamins and minerals, as well as proteins and probiotics — they also want their beverage to taste good. This important consumer insight has ushered in a new trend that opens up a world of opportunity for more innovative beverage blends entering the market.

Taking its cue from this consumer trend, ITC Foods, which first forayed into the beverages category with its brand ‘B Natural’ in 2015, has been coming out with new product innovations and offerings aimed to provide a delightful and unique experience to consumers, be it the launch of its jamun juice with no added sugar or the regionally differentiated variant of Punjab da Kinnow. At present, the B Natural portfolio comprises nine variants in the regular nectar range - mixed fruit, guava, apple, orange, mango, pineapple, litchi, jamun & pomegranate apart from the regionally relevant variants like Punjab-da-Kinnow, bael and phalsa across specific geographies. “We are also working on a few other unique offerings following this launch of 100 per cent pomegranate juice, which has been introduced in the tetrapak format as a part of the 100 per cent range of B Natural. Our product packaging and marketing campaigns are also aligned and designed around this core proposition,” says Malik of ITC Foods.

The B Natural brand reflects ITC Foods’ inherent value proposition, which is to keep consumers’ interest topmost.

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**Nowadays, consumers in India are shifting toward Indian traditional products. Ours is an Indian traditional flavor drink, a unique beverage that has jeera with carbonation, which we innovated in the year 2002.**

— **Sathyashankar K**  
MD, Megha Fruit Processing Pvt Ltd

“As a brand, we always keep consumer needs and aspirations at the core and strive to keep up with dynamic consumer trends that are constantly shaping the market. The creation and launch of B Natural 100% Pomegranate Juice – ‘Pure fruit juice, No concentrate’ is in line with ITC Foods’ vision and commitment towards crafting differentiated offerings in the health and wellness segment while marrying consumer preferences to their product portfolio. With the interventions planned and the aggressive growth we are looking at this year, we are expecting to reach our target of 10% market share this year,” informs Malik, adding that the brand has been well received by consumers as is reflected in the steady gain in market shares since its launch in 2015. B Natural has also been one of the fastest growing brands in the beverage segment and has established itself as a clear No.3 player in the market with close to 7 per cent market share (FY 2016-17).

Another juice manufacturer to have come up with diverse and innovative flavours is Fresca Juices. The company, which has a presence in 14 States – Delhi, Punjab, Haryana, UP, J&K, Rajasthan, Himachal Pradesh, Uttarakhand, Gujarat, Bihar, Jharkhand, Orissa, Assam and West Bengal – sells a range of 10 exciting variants such as litchi, mango, aam panna, tangy shikanji, lime water, mix fruit, apple, guava, pomegranate and pineapple. To ensure wider consumer accessibility of its products, Fresca juices, apart from its many flavors, also has myriad pack sizes to encourage consumption and trials. “Litchi, lime water and mango are our best-selling beverage products and we are growing 70 per cent annually in terms of our sales,” says **Akhil Gupta, MD, Fresca Juices**, adding that he sees a huge potential – growth of 70-100 per cent – for his products over the next five years. “We see a large opportunity for us as we have 10 flavors at various price points and the taste of the product is liked by all. Our growth strategy involves covering the markets based on the total universe of the category. We are targeting 50 per cent coverage of this universe in northern States.”

With consumers placing a high importance on taste as well as the nutritional value in the beverages they’re consuming, beverage manufacturers are paying great attention to detail in creating their products. “Nowadays, consumers in India are shifting toward Indian traditional products. Ours is an Indian traditional flavor drink, a unique beverage that has jeera with carbonation, which we innovated in the year 2002,” says **Sathyashankar K, Managing Director, Megha Fruit Processing Pvt Ltd**. The company began operations in the year 2000 with packaged drinking water. Since then, it has grown

at a rapid pace and added substantially to its product range. Megha today sells carbonated soft drink, fruit-based drink, snack foods under various brands – Bindu, Fruzon, Sipon and Sankup. Its flagship brand is Bindu Fizz jeera masala and also the best selling beverage products in Megha’s banner. “At present, we sell our products in Karnataka, Kerala, Andhra Pradesh, Tamil Nadu, Goa, Maharashtra and Orissa. In the future, we have plans to expand to the whole of India on the back of our very good distributor network and depots,” says Sathyashankar.



### Differentiators and marketing for RTD beverages and juices

To stay ahead in the market and fulfill consumer needs and expectations, ready to drink beverages and juice brands have been developing clear differentiators to help them gain loyalty and closer bonding with their customers. “We are constantly strengthening our portfolio and introducing new products that provide consumers a unique and differentiated offering. We are focusing on Indian fruits from the Indian farmer for the Indian consumer. Our focus is clearly on offering healthier juice options with nutritional value,” says Malik of ITC Foods. The company has planned an extensive 360 degree marketing campaign to support the brand and its new launches. “We have developed an extensive marketing calendar that would include various consumer access channels like TV, digital, outdoor, point of sale merchandise, digital media, PR, radio etc. We will ensure that the announcement of our unique offerings reach our consumers through all possible mediums to have an impactful recall,” points out Malik.





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— Chaitanya Chitta  
CEO & Co-Founder  
Goodness! Beverages

Like ITC Foods, other companies, too, have a sharpened focus on ATL/ BTL activities to drive the consumption of their products. “We are more focused on BTL activities such as free sampling at the right time at the right place where our product can find its target audience. We engage in customer engagement activities, sponsorship of events and association with games and tournaments. However, we are also involved in ATL activities such as TVCs, product advertisement in multiplexes and product placement through songs, etc. We are very active on social media and YouTube and also believe in having strong channel partners who can help us to reach our product in maximum number of outlets to maximise the visibility and the availability of the product and share shelf-space allocation,” says Biswas of Goldfogg India. “People today are more educated and have started understanding the usage and utility of energy drinks. Due to many new players entering the market, prices of energy drinks are now very competitive. With the help of good distributors, products are now able to reach all corners of the market and all good retail points where the target group can easily access the product. With the question of reach no longer a problem, what is needed now is to have after placement market activity fall in place immediately for generating brand awareness for the uptake to happen. Retailers

should be given the initial product launch trade benefit so that they can start pushing the products to the target audience and catalyse sales,” he opines.

“As India's first ready-to-drink protein and oats, we need people to try out our products to genuinely believe in its goodness. So we target our consumers at gyms, events, marathons, etc, and conduct our sampling activities in each of these markets. Given that our audience spends a sizeable time online, we have a robust digital presence to educate people on the need for protein, sources of protein and bust the prevailing myths about the segment. Our social media presence ranges from Facebook, Twitter, Instagram, YouTube, LinkedIn and our e-commerce website. We regularly use these platforms to push relevant communication to keep our audience informed and engaged,” says Varadaraj, adding that Zago, since its launch in December 2015, is present in nearly 1500 outlets in eight cities - Bangalore, Delhi, Mumbai, Chennai, Hyderabad, Chandigarh, Ahmedabad and Pune.

“While there are several players in the segment that Zago is in, none of the other brands have the innovation of a nine-month shelf life at ambient temperature and with no mixing/ hot water required. We believe that our superior product innovation and the delightful flavors of our product will help Zago seize a sizable market share for itself,” says Varadaraj. The brand will be available in all the top Indian metros by 2018. “Health and convenience is the core value of the brand and therefore we are very selective in our product placement across various retail channels. The right selection of stores with quality placement is our key to success. We mark our presence in a city by tapping top modern retail format stores first. These stores are chosen strategically, which results in a wider presence in the city,” reveals Varadaraj. Zago also has an omni-channel approach for retail distribution. Some of its offline channel partners are Foodhall,



Godrej Nature's Basket, More Hypermarket, More superstores, HyperCITY, Max hypermarkets, Heritage stores, Nilgiris, Nuts & Spices, Ratnadeep, Ghanshyam, 24X7, Wellness Forever and Noble plus. Its online channel partners include Amazon, Healthkart, Bigbasket and its own e-commerce portal [www.zagolife.com](http://www.zagolife.com). Besides, the brand is also available at convenience stores and various travel retail outlets such as Relay. Varadaraj attributes Zago's success to the product's high functionality quotient. "Today, the urban audience is in a hurry. They really don't have too much time in the kitchen. They are constantly looking for convenient solutions with health on their mind as well. Many youngsters even skip breakfast, which many health experts say is the most important meal of the day. Statistics show that 30 per cent of urbanites skip breakfast. And that is where Zago fits in. It's on-the-go, healthy (no preservatives, gluten-free, contains Australian oats, etc.) and delicious as well."

Like Zago, Pristine Naturals' distinct product differentiator is the longer shelf life of its product. "Since the cold-pressed juices currently available in

the market provide an average shelf life of 1-2 days as compared to three months in the case of our product, it is easier for us to expand through other parts of India because of the increased shelf life of our product for which we are targeting sales of Rs. 80 lakh by December 2017," says Akash Jindal. The product comes in a 200 ml pack and is priced at Rs. 145 but Jindal says that the company is working to bring down the price to Rs. 120 in the coming months. The brand is currently available in 40+ outlets of Delhi/NCR but the number is likely to increase to 100+ outlets by July end. Its major offline retailers in Delhi-NCR include stores such as Le-Marche, Modern Bazaar, Needs Supermarket, The Goodness Store, In and Out, Yamato-Ya, and at online retailers such as Bigbasket and Amazon. "Our marketing strategy is to communicate the consumer and inform her of the wide range of flavors available. As far as branding is concerned, we go for dealer boards, hoardings, in-shop branding. On the advertising front, we are active on social-media platforms such as Facebook, Instagram, Twitter and other digital marketing channels," points out Akhil Gupta of Fresca Juices.





# Tea sizzlers

As the demand for great-tasting nutrition continues to spike, there has been a swell of customer interest in the tea category too. With consumers much well-travelled and health conscious today, they are looking for quality products of international repute. Tea is a natural beverage and today the category is getting more inclined towards green teas and herbal infusions than the traditional black teas, due to the former's greater health benefits. Keeping in mind the new urban health consciousness and in keeping with the changing taste and beverage preferences in India, tea companies have introduced a range of anti-oxidant rich and new products.

Typhoo, an iconic British tea brand with a long and rich heritage stretching back to 1903, encompass an extensive collection of healthy beverages that sell in over 50 countries the world over. Its product range includes decaf, green teas, fruit & organic infusions, and these are mainly addressed toward health & wellness consumers. The health and wellness plank is set to be a major growth driver within packaged beverages in India and the health and wellness segment is worth a sizeable Rs. 33,000 crore, growing 6 per cent over last year, says a

Euromonitor report. In 2005, Typhoo was acquired by Apeejay Tea, one of India's largest tea producers with plantations spread across 50,000 acres in Assam. Later in 2008, Typhoo made its foray into India. The Typhoo brand in India has eight varieties of green tea – Pure Green (Natural), Traditional Tulsi, Lemongrass, Jasmine, Moroccan Mint, Masala, Coconut, Lemon & Honey (recently launched); three varieties of fruit infusions – Orange Spicer, Lemon & Lime Zest & Black Currant Bracer; Two varieties of organic infusions – Pure Chamomile & Pure Peppermint; and decaf tea. “Our dedicated team of tasters travels extensively throughout the world, selecting only the best teas, flavors & infusions, suited for the Indian palate,” says Subrata Mukerji, Business Head, Typhoo India.

Another company with a wide range of value-added tea & herbal infusion products geared to appeal to today's youth and their busy lifestyle is Te-A-Me teas launched in 2014 by Madhu Jayanti International Limited. “Te-A-Me attempts to offer a healthy hot beverage suited for each need that a person goes through the day. We've got a range of 20 flavors, each geared to a particular consumption moment of the day – starting

from the 'Energizing Assam' to give a kick-start to the day to an 'Unwind Chamomile', which helps bring a peaceful end to the day,” says Sumit Shah, Executive Director, Madhu Jayanti International Limited.

The passion for selling fine tea is also shared by Newby Teas and Yours Tea, both of which have decades of experience behind them. “We have more than three decades of experience in the food manufacturing business and are manufacturers of biscuits and tea under the brand name Yours,” says S.N. Agarwalla, Managing Director, Yours Tea. On the other hand, Newby Teas offers the finest tea experience through its line of classic tea bags, premium silken pyramids range, loose leaf teas, herbal infusions and an exclusive luxury range of gift items. “Our mission to revive the culture of enjoying fine tea and we are doing it through our range of tea varieties, which includes black, green, white, oolong and fruit/herbal tisanes,” says Kunal Biswas, Marketing Manager, Newby Teas (India) Pvt. Ltd.

With changing lifestyle and wellness perceptions, green tea and its variants have emerged as the preferred choice of people with premium lifestyle choices and conscious of their well-being. For instance, the



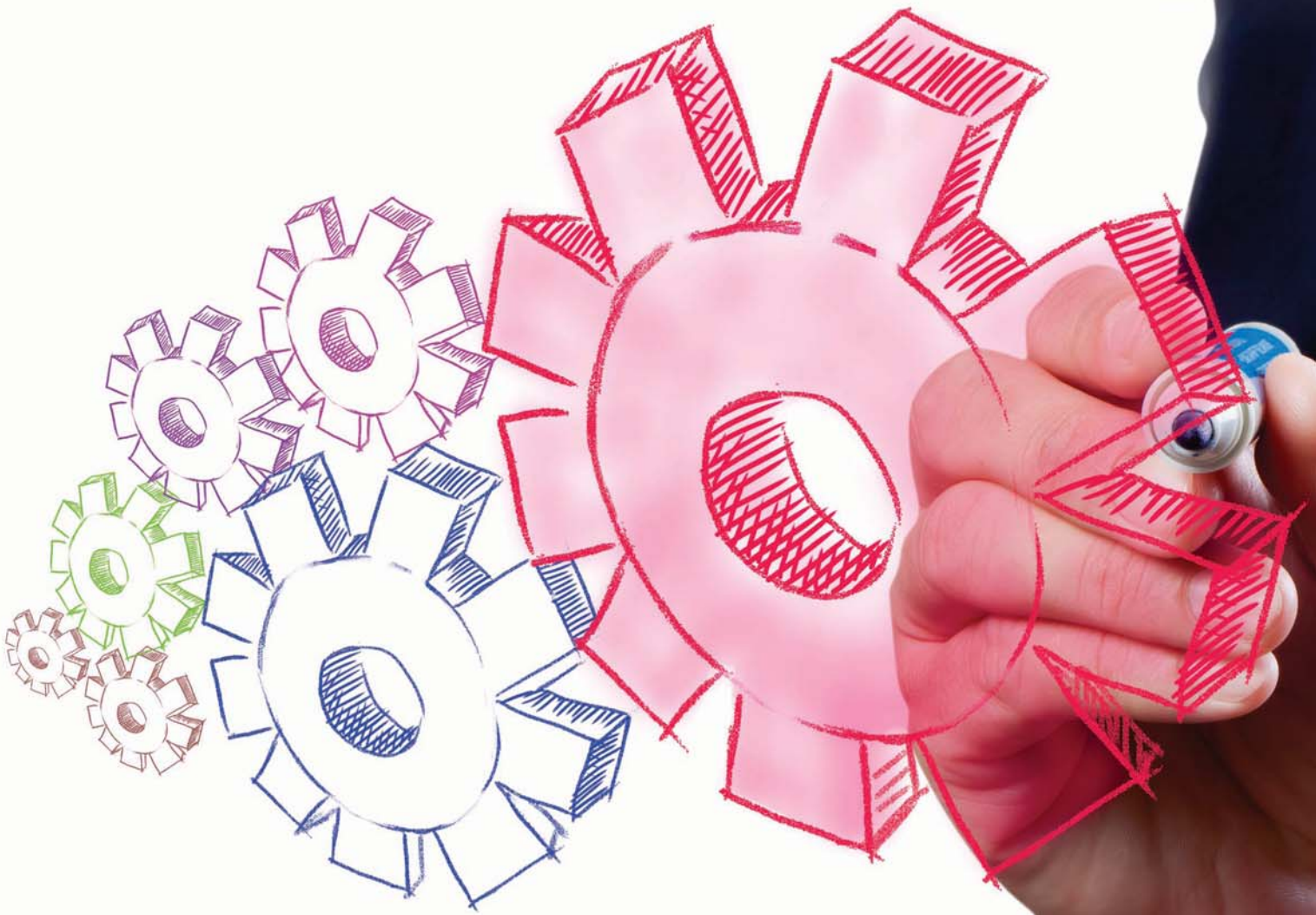
**Our dedicated team of tasters travels extensively throughout the world, selecting only the best teas, flavors & infusions, suited for the Indian palate.**

— **Subrata Mukerji**  
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— **Sumit Shah**  
Executive Director,  
Madhu Jayanti  
International Limited



**Our mission to revive the culture of enjoying fine tea and we are doing it through our range of tea varieties, which includes black, green, white, oolong and fruit/herbal tisanes"**

— **Kunal Biswas**  
Marketing Manager,  
Newby Teas (India) Pvt.  
Ltd



green tea category is the fastest growing segment for Madhu Jayanti International's Te-A-Me brand. "Kashmiri Kahwa and Honey Lemon green tea are the best performers in our portfolio. This year, we hope that the Indian consumers will embrace herbal beverages and help us drive this category higher than its current 1-2 per cent market share," says Sumit Shah.

Today, green tea represents an established category. Giants such as Tetley and Lipton are driving the consumption and growth of the category. With the demand for green teas, fruit and herbal infusions set to climb further, players like Typhoo and others plan to add more varieties and options of consumption in this segment. The space that Te-A-Me plays in represents 1-1.5 per cent of the tea category – herbal infusions. In India, herbals infusions represent a small but growing consumer choice amongst hot beverages. The category is growing at 25-30 per cent annually and this is the new area for exponential growth for us," says Shah whose Te-A-Me brand is positioned for a substantially large growth in the tea bag category.

In order to drive consumption, Typhoo is not only offering innovation, quality and consistency in its product portfolio but also engaging in various consumer engagement

activities. "Typhoo has experienced rich professionals in-house to advocate and educate the end consumers and industry on fine teas and conduct workshops and tea tastings. We have been doing this with many reputed chefs in the past and will continue undertaking more such consumer engagement activities in times to come," avers Mukerji who has devised a consumer experiential strategy for Typhoo's retail expansion. "Currently, we are present in over 700 modern retail stores and over 3,000 top stores catering across India. The focus this year is to expand in top general trade and stand-alone modern stores."

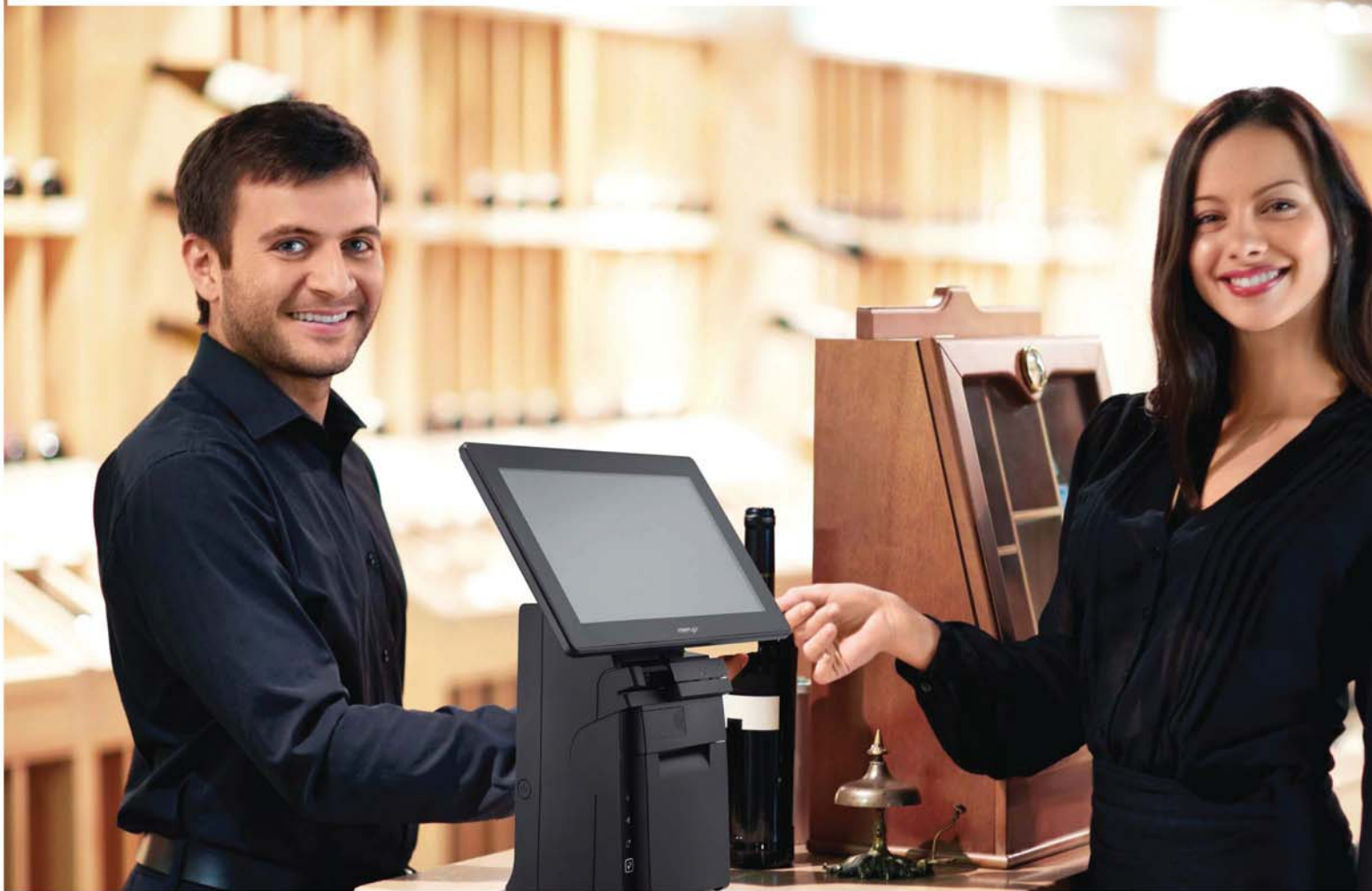
Like Typhoo, Te-A-Me too has a well-defined strategy for retail outreach beyond its largest retailers represented by Big Bazaar, METRO Cash & Carry, HyperCITY and Nature's Basket. "Our retail outreach is largely driven by strategies that involve working closely with retailers to track consumer trends and constantly changing our retail portfolio to offer products in line with the consumer demands. This strategy has worked very well for us, ensuring low dead stock on shelf and a very high throughput for the retail chain," says Sumit Shah. "We are already available in gourmet retail counters like Foodhall,

METRO, Spencer's, HyperCITY, etc, and are planning to increase our product range in these outlets. Additionally, we are also in discussion with our retail partners to expand our footprint to their other outlets. We are quite selective in choosing a potential outlet where we can make our products available," he adds.

Retailers and brands are unanimous that consumers will respond enthusiastically to products that reflect the core consumer trends dominating the market: taste, functionality, health, as well as unique blends that consumers might not experiment with on their own. However, the challenges cannot be ignored. "Availability of quality teas due to climatic changes and manpower shortage at the tea estates is a very serious challenge. In terms of opportunity, the category has immense potential to grow in the coming times, backed by proper distribution and supply chain, states Biswas of Newby Teas, who also believes that promoting the best products, providing innovative consumer experiences at floor level, offering enhanced visibility, and educating the consumer will play an important role in the category's growth. "Brands need to understand shopper behavior which is the key to category management. Players need to keep evolving various tools of staying relevant and innovative by focusing on brand engagement and activations with retail store owners and engage with the consumers at the store," opines Mukerji of Typhoo India.

Moving forward, the beverage category is expected to continue to innovate and consumers will get to see more creative combinations within the category.

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**India is the largest producer and consumer of dairy and dairy-based products. Despite this, there is a dearth of good dairy-based beverage choices in the market.**

— **Lakshmi Dasaka**  
Co-founder and COO,  
Goodness! Beverages

For Hamid Ahmed of RoohAfaza, though the product has done exceptionally well in generating its own sales momentum for decades, staying complacent is not an option in a market showing intensifying competition. “I feel competition comes in when players see that the market is growing and the beverages market in India is doing really well. We have for long been a player in a very niche ‘sharbet’ category. There are not many players in this category and so we hold a good 90-95 per cent of market share in this category,” says Hamid. Assured of its domination in the sherbet segment, Hamdard had been looking to introduce a different kind of product, where the consumption happens outside the home. That is how Hamdard went on to create something that can be consumed on-the-go and that’s how RoohAfza Fusion was launched as a ready-to-drink variant of the traditional RoohAfza. “Our brand RoohAfaza has shown a very impressive curve, growing at a CAGR of 17-18 per cent for the last few years. This growth has encouraged us to bring in new innovation and new variants of RoohAfaza. We were already there in the syrup/sharbet market and by introducing Fusion we have stepped into the ready-to-drink category as well.” “We were not present in the packaged drink category and this was a new area for us to explore and we are very impressed with the consumer response for our Fusion drinks,” says Hamid. The existing range of RoohAfza

Fusion includes flavors such as mango, litchi, orange, lemon and apple. “Apart from that we have many other variants in the pipeline, which we are planning to launch soon. Our biggest selling markets are Delhi, U.P, Punjab and the Hindi speaking belt,” informs Hamid. To drive consumption, Hamdard has taken on various new initiatives

like organising sharbet melas, exhibiting and sampling its products not only in the key India markets but also overseas. Modern retail outlets are the top retailers for RoohAfaza and Hamid says most of these retail chains have done very well in picking up RoohAfza. “In fact, some of the retail outlets have clearly told us that they sell more RoohAfza as compared to aerated drinks, which clearly shows that beverage lovers in India are very

much into sharbets and syrups and they prefer to make them in their homes.”

The blistering pace of RoohAfaza sales over the decades, in fact, bucks the trend of slowing sales generally observed in the sherbet and syrup segment. “Our product in the beverage market is driven by youngsters, so if you have a hold over the youngsters you have got the market. India being the diabetes capital of the world, so a 40 plus person would probably not go for something that has sugar in it. But simply because these juices have sugar in it does not detract from its appeal to the youngsters who will go for it if they like the concoction. Ours is a product that has been there for a very long time. Now we are coming up with the variants as people want new flavors. Our R&D is continuously focusing on developing new flavors. We are also focusing on reaching out to schools students. This is one area that we have identified because in schools aerated drinks are banned,” explains Hamid.

To pep up the growth rate of its beverage range from the current 10 per cent, Haldiram’s too plans to enter the ready-to-drink segment. “We are planning to diversify our syrup category and enter the ready to drink segment. This will lend heft to our portfolio. Most probably, in the next two years, we will launch our ready-to-drink range in the market,” reveals Dr Tyagi, adding that innovation and creating something new that appeal to the taste buds is a challenge for all beverage players. “Last year, we introduced strawberry and litchi flavors with fresh real pulp and now we are thinking to launch one or more innovative products. We need to introduce some innovative flavors and products in the syrup category to expand the market and achieve better







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**We have more than three decades of experience in the food manufacturing business and are manufacturers of biscuits and tea under the brand name Yours.**

— S.N. Agarwalla  
MD, Yours Tea



**Our journey in the beverage segment has been really good and so far we have not faced any challenges. Our growth in syrups and sharbets is currently about 10 per cent but this growth rate was higher earlier.**

— Dr A.K. Tyagi  
Executive Director  
Haldiram's

growth. At the same time we have to diversify this category into ready-to-drink." Metro cities, A class and B class cities remain the most potential markets for Haldiram's products. "In fact, right from modern trade to general trade, you will find our products everywhere. Definitely, we are market leaders as far the syrup category is concerned and our thandai is a big hit among consumers."

Tyagi emphasises that Haldiram's marketing approach is different from the others. Its marketing, promotions and advertising engine typically cranks up around the festival months and most of its advertising and promotions happens around that time. "We often advertise through radio and television ads. Now, we are keen to explore the digital marketing space and are thinking of moving to digital marketing, which is the most effective way of reaching out to the customers today. We are not very much into ATL, we only do a little bit of BTL activities," says Dr Tyagi. The company believes that word-of-mouth publicity is the most cost-effective way to promote its products and so it pays special attention to maintaining its product's quality.

"Our first and foremost focus is on the quality of products. We never compromise with the quality of our products because we believe that if our quality is perfect consumers will buy the product more and in greater numbers. We are very strict in terms of adhering to the food safety guidelines. In fact, we follow the international standards of food safety and hygiene. Apart from that, we always price our products affordably. Lastly, we have a strong distribution channel and we make sure that our products are available everywhere. In the past 10 years, we have built up our distribution channel horizontally as well as vertically."

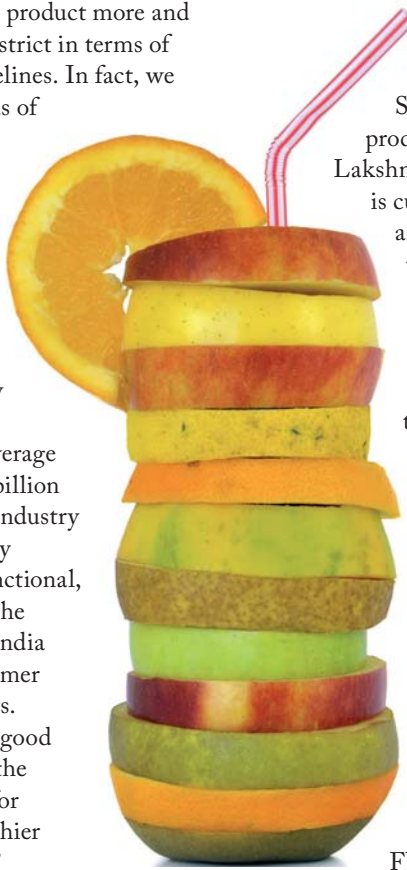
While the ready-to-drink beverage industry is worth close to \$1.08 billion or Rs. 7,000 crore, according to industry observers, there hasn't been many innovations when it comes to functional, healthier and yet fun choices in the ready-to-drink dairy segment. "India is the largest producer and consumer of dairy and dairy-based products. Despite this, there is a dearth of good dairy-based beverage choices in the market. People do not just look for an alternative, but a tastier, healthier and more convenient alternative"



says **Lakshmi Dasaka, Co-founder and COO, Goodness! Beverages.** Pointing to the growing consumer sentiment against high sugar and aerated beverages, she expects to see interesting innovations on the horizon for dairy-based beverages. "We are seeing large beverage players enter the dairy segment. This is healthy trend and we are confident of seeing increased organic demand for our products in the near future." Interestingly, all Goodness! Beverages have been doing exceptionally well across retail outlets in Bengaluru. "Our retail and

consumer research and feedback suggests that Coffiato-Hazelnut, Yogurt Smoothie-Mango and Oats Smoothie-Vanilla are our best-selling products across categories," informs Lakshmi. The company's marketing strategy is currently focused on generating trails and enhancing product awareness through digital marketing.

As unconventional fruit flavors in juices gain popularity, brands like Del Monte are well placed to cash in on the trend. Del Monte entered the Indian fruit juice market with a burst of unique juice flavors like pineapple with bits and pineapple orange in a market dominated by conventional flavors. Currently, Del Monte offers several juice options in both popular and exotic flavors, namely Four Seasons (mixed fruit juice), Green Apple, Peach Coolada and so on. "These are our lead fruit drink variants and have grown steadily over the years. Our 100% range, though a smaller part of our juice portfolio, grew by 60%+ in FY 17," says **Yogesh Bellani, CEO,**



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**FieldFresh Foods Pvt Ltd.**, which operates the Del Monte brand. Its 100 per cent juice range contains no added sugar and preservatives in apple and mixed fruit flavor for the calorie conscious. Besides, Del Monte is the only juice brand available in India to come in can packaging, which offers better hygiene and a longer shelf life. “Canned Juice, currently is a small part of a large category (Nielsen share ~ 1%) so there is plenty of headroom to grown. With more and more people opting for healthier products, we believe that our fruit juices have the capability to grow significantly. Moreover, the consumer shift from carbonated drinks to other health and wellness drinks is giving further impetus to the juices market,” says Bellani.



“  
With more and more people opting for healthier products, we believe that our fruit juices have the capability to grow significantly. Moreover, the consumer shift from carbonated drinks to other health and wellness drinks is giving further impetus to the juices market.”

— **Yogesh Bellani**  
CEO, FieldFresh Foods  
Pvt Ltd

As the category is continuously evolving with new players entering this segment every year, it becomes imperative for every brand to have a unique positioning and differentiated offerings to ensure a share of mind amongst consumers and build a niche in this market. Says Hemant Malik of ITC Foods: “From ancient times, fruits have been revered in our country. Fruits & fruit juices, together with herbs, play a huge role in terms of our belief systems pertaining to health. The packaged fruit juice segment is relatively small when compared to the quantum of fruit juice that is consumed in households and at fruit stalls. As consumers increasingly begin to seek convenience and credible offers emerge that can address consumer misgivings / doubts, we are certain that the category will grow rapidly going forward.” According to Chaitanya Chitta of Goodness! Beverages, “Today, millennials and Gen Z seek newer brands that fulfill the dual needs of being healthy and offering fun. They also have a busy lifestyle and so products that offer convenience and save time are high on their purchase list. Brands that cater to these needs directly will see their market expand”.



The company feels that there is a lot of scope for Goodness! Beverages to strengthen its market share and is working to strengthen its product pipeline. “In the next couple of months, we would be launching two new categories – protein shakes and super shakes. Traditional milkshakes (or what is technically known as flavored milk) has been in the market for long and it is the same old recipe. We at Goodness! are taking a step forward and planning to introduce milkshakes that are more than just flavored milk. Goodness! protein shakes will be a protein-enhanced beverage, and one bottle of which will provide fitness enthusiasts almost 20 percent of their daily protein requirement. Goodness! super shakes, on the other hand, will hue to a traditional Indian approach to flavored milk with ingredients such as milk, turmeric and jaggery, and the goodness of black pepper, clove, cinnamon, etc. In addition to bringing in a whole new range of products into the market, we will be doing a lot of aggressive marketing to raise brand awareness and drives sales,” informs Chitta.

Moving ahead, the juice category is poised for further innovations that favor palates more accustomed to vegetables and spices, and offer a simple, healthy way to improve health and wellness. The growing profile of fresh juices is already prompting retailers to go for more prominent product placement in the store. As a result, many high-traffic store areas are now dedicated to juices. We see them in the produce department, grab-and-go, on end-caps and by the cash registers. Supermarkets are dedicating fresh juices to key points of sale within the retail landscape, and shoppers can't miss seeing them. “We are witnessing a strong consumer shift from regular juices to the healthy/ natural category. The movement towards healthier-for-you products across categories is not a fad. We are extremely bullish about purer, more authentic, healthier juices and the role they will play in the future,” notes Malik. **PG**

*With inputs from Nibedita Roy.*



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# Tea can be positioned as ‘mental well-being’ beverage

The April 2017 Consumer report by Mintel highlights the need for brands to educate consumers about the benefits of tea, and how new tea infusions claim to improve the mental well-being.

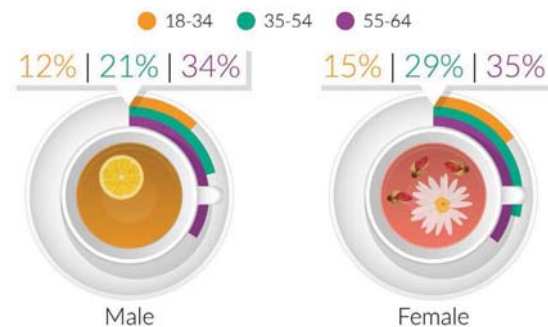
By **Ranjana Sundaresan**

**U**rban Indian consumers today are increasingly becoming pressed for time as they juggle work and personal responsibilities. Not surprisingly, fatigue has emerged as the leading health concern for Indians, with 22% of adults admitting that tiredness/fatigue is a concern, according to a Mintel commissioned study, conducted by Kantar IMRB. Among 45-64-year-olds, this number rose to 31%.



**Mood-based descriptions indicate there is opportunity to expand the drinking occasions for tea in India beyond the functional and into the realm of mental wellness.**

**Figure 1: AGREEMENT WITH TIREDNESS/ FATIGUE BEING A HEALTH CONCERN, BY AGE AND GENDER, INDIA, JUNE 2016**



Base: 3,029 adults aged 18-64  
Source: Kantar IMRB/Mintel

Younger consumers in India are perhaps less affected by fatigue perhaps due to their lower levels of household and career responsibilities compared to their peers in more developed markets. In the UK, for instance, 54% of consumers often feel tired, rising to 62% of 25-34 year olds, according to Sports and Energy Drinks – UK - July 2014.

Younger Indians are also likely to be less affected by the issues caused by being constantly connected to their devices, which research shows has an adverse impact on sleep. Smartphone ownership among 16-34-year-olds in the UK was 90%, according to

Digital Trends Winter - UK - December 2016. In comparison, 48% of 18-34-year-old Indian consumers owned a Smartphone.

Stress is another factor that affects a large share of the Indian population. This is evidenced by the fact that stress reduction is among the top motivations for Indian consumers to lead a healthy lifestyle. The importance of a healthy lifestyle is almost universally accepted (98%) by Indian consumers, and 32% of them are motivated to live a healthy lifestyle to feel less stressed out.

Consumers' working life has a strong influence on this, with only 21% of employed adults saying that they regularly maintain a good work-life balance. In fact, those in full-time employment are twice as likely as those who work part-time to try to lead a healthy lifestyle to help reduce stress (35% compared to 18%). Stress can also contribute to other aspects, such as increased anxiety and lack of sleep.

## Tea brands are starting to focus on tea's link with emotional well-being

As stress and fatigue become more common in India, consumers will want solutions to help them cope. Many are turning to food and drink for help and emotional support, as explored by the Mintel



Trend Mood to Order. Among Indian adults who snack between meals, 28% said they did so to get an energy boost. In addition, consumers are turning to snacking for emotional reasons. Among Indians who snack, 27% said they did so to satisfy a craving while 10% did so because they were stressed.

In light of this, there is potential for tea in India to be positioned as an alternative to snacking between meals with solutions on two fronts – energy boosting and stress busting. Tea has always been linked with providing energy in India, in part due to the way it is consumed – with plenty of milk and sugar. This is also how major brands show the beverage being made in their advertising, and the positioning of the majority of tea launches remains linked to boosting energy.

More recently, tea launches have started to make claims that are linked to mood or mental wellbeing rather than just physical wellbeing. Black tea dominates the Indian market, and the majority of these products have black tea as their main ingredient.

Only a quarter of all tea launches included green tea as an ingredient, while only a tenth were

herbal teas during 2015-16. Green tea has lower caffeine levels than black tea, indicating that there is potential to position green tea as an ingredient to aid relaxation.

**Figure2: LAUNCHES WITH SELECT MOOD-BASED DESCRIPTORS, TEA, INDIA, 2015-17\***

Descriptor	Share of overall launches %	Share of overall launches with green tea %
"revive, refresh, rejuvenate"	60	14
"stress"	9	3
"calming or relaxing"	7	2
"uplifting"	2	1

\* 2017 includes January to March

Source: Mintel GNPD

These more mood-based descriptions indicate there is significant opportunity to expand the drinking occasions for tea in India beyond the purely



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functional and into the realm of mental wellness. Indian consumers do clearly link a healthy lifestyle with emotional wellbeing. The top motivations for living healthily included being happier (72%) and feeling better (53%). As stress levels increase, so will interest in teas that offer emotional benefits and help people unwind, particularly among consumers who may not want more indulgent foods for comfort.

**Consumers will need to be educated on the lesser known benefits of tea**

One of the challenges that teas with mood-linked claims are likely to face is a lack of consumer understanding of their benefits, given tea's widely accepted link with energy. At present, many of the companies that offer mood-based teas are small, independent players that most consumers are likely to be unfamiliar with.

As such, increasing awareness of claims such as stress relief can be done through promotional campaigns, particularly by well-established brands.

This is in line with how national ad campaigns by tea majors Tata Global Beverages (Tetley) and Hindustan Unilever (Lipton) helped drive consumer association of green tea with slimming. Teas with



the slimming claim have gone up from 9% of launches in 2014 to 15% of launches in 2016.

The success of the green tea slimming campaigns indicate that Indian consumers are willing to accept non-energy-related claims when it comes to tea, but only if they are aware of them. Most such teas rely on herbs and spices for the function, and Indian consumers are generally more accepting of the benefits of herbs or spices, since many are often used in home remedies. Focusing on these ingredients rather than the tea could also help increase acceptance.

One positioning claim that may have the greatest growth in India is sleep. The 2017 trend The Night Shift looks at how evening is being tapped as a new occasion for functional food and drink formulations.

High stress and anxiety levels are usually linked with low quality of sleep. A March 2017 report by Fitbit reported that Indians are amongst the poorest sleepers in the world, with an average of 6.55 hours of sleep a night; in comparison, the UK averaged about 7.16 hours. As stress becomes the norm in urban India, tea as a sleep aid has opportunities for growth. This is still a fairly niche claim, accounting for just two products during 2016 in India, but as consumers are increasingly struggling with sleep, this issue is likely to become higher profile in the next few years.

**Conclusion**

As stress levels increase in India, so will interest in teas that offer emotional benefits and help people unwind, particularly among those who may not want indulgent foods for comfort.

For Indian consumers to accept tea as a relaxing beverage, they will need to be educated about the benefits. This is likely to be most effective through promotional campaigns by well-established brands.

Stress can have a knock-on effect with respect to the quality of sleep, and positioning tea as a sleep aid has potential to grow in India in the coming years. **PG**

**TEA LAUNCHES WITH A SLEEP POSITIONING ARE RARE IN INDIA**

**Sublime House of Tea Camomile Herbal Tea:**

This product is a herbal tea made from dried flower heads of the Asteraceae family of plants, used for centuries to promote sleep and settle the stomach. It is said to be ideal as an after-dinner drink. It retails in a 25 gm pack containing 25 tea bags for INR 225.

**BAPS Amrut Mind Relax Herbal Tea:**

This product is said to be a mixture of herbs and aromatic spices and said to have the rich taste and aroma of natural essential oils. This blend contains brahmi, ashwagandha, yashtimadhu said to improve mental efficiency. It also contains antistress herbs like tulsi, tagar mool, jatamansi to help relax and calm the mind by inducing a sound sleep. It retails in a 20 gm pack of 20 x 3g bags for INR 70.



The writer is Senior Research Analyst, Mintel.



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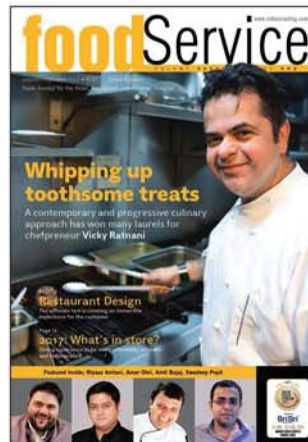
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# Switch to New Energy

A growing consumer focus on fitness and health has propelled energy drinks from being a niche product to one of the fastest growing products in the global drinks market.

By **Abhinav Biswas**

**In 2017, the global energy drinks market stood at USD 55 billion and is projected to grow at a CAGR of 3.7% during the forecast period of 2017-2022.**

**T**here seems to be a growing acceptance for the consumption of energy drinks in the country. Affordability and visibility are likely to support impulse purchases and increase the frequency of consumption. Furthermore, increasing urbanization, rising disposable incomes and a growing culture for social gatherings among the Indian youth is fueling the demand for this category.

Both young, as well as old, are attracted towards these beverages, which promise to keep the consumers healthy and active. More than 50% of the world population lives in urban areas. A hectic lifestyle and an increase in disposable income coupled with a need for instant energy are expected to drive market growth over the forecast period (2017-2021). The global energy drinks market is expected to expand with steady growth rates during the forecast period. Still, the market faces certain challenges such as drunkenness, side effects, issues regarding caffeine and some norms related to food and safety, among other things. Today, the top trends in the market are the demand for sugar-free and organic energy drinks, low calorie energy drinks and integrating the product through sports events, etc.

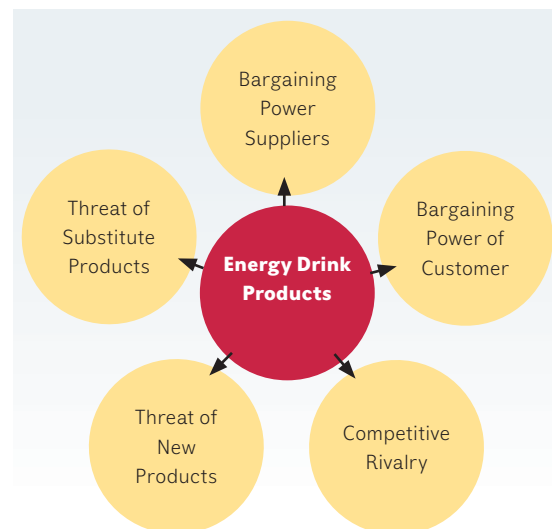
## Market insights

Energy drinks have transitioned from being a niche product to one of the fastest growing products in the global drinks market. This change has been brought about by a growing consumer focus on fitness and health. In 2017, the global energy drinks market stood at USD 55 billion and is projected to grow at a CAGR of 3.7% during the forecast period of 2017-2022.

Energy drinks are marketed as an alternative to carbonated drinks and therefore there is a significant rise in the number of people switching from carbonated drinks to energy drinks over the last few years. Clever marketing and branding will remain crucial to the success of energy drinks brands in the future. Consumers are consciously cutting down on the consumption of sugar-added drinks what with the number of diabetics rising. Thus, a massive opportunity is shaping up in the sugar-free energy drinks market. The obesity pandemic will shape up the low-calorie energy drinks market.

## The competitive environment of the Energy Drink market

We can analyse the competitive environment of this market at five levels as described below. These are: The Bargaining Power of Suppliers and Customers;



The Competitive Rivalry; The Threat of New Entrants; and The Threat of Substitute Products.

**The bargaining power of suppliers**

- Large number of suppliers: Ingredient makers, manufacturers of cans and packaging suppliers. Because there are numerous players in this market, suppliers don't have the bargaining power to influence the energy drinks industry.

**The bargaining power customers**

- Decrease in purchasing power
- Customers have a high power on the energy drinks market because they can choose to switch from one product to another one, particularly for economical reasons.

**Competitive rivalry**

- 4 to 5 numbers of brands in the market
- Two brands have the majority share of the market; these brands operate pan-India
- Goldfogg & Red Bull are two pan-India brands
- The others brands operate locally or regionally

The energy drinks category is a very competitive market but very concentrated. Three companies

dominate the global market, while hundreds of other brands are fighting at a local level.

**Threat of new entrants**

- Very attractive market because of the promising growth of the sector
- Premium price of the products
- National and local opportunities
- Lack of competition in the market

It is relatively easy to enter this market because of the demand gap. Even if the market is led by three brands, there are lots of opportunities in Indian market

**Threat of substitute products**

- CSD (Carbonated Soft Drinks)
- Sports Drinks
- Health Drinks

Substitution products are a real threat in this market. Of particular concern are the sports drinks, which offer similar benefits to the consumer at a lower price even though energy drink is a completely different product.



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### Factors with high impact: social environment

- Unemployment (workplace is one of the most important places where people consume energy drinks)
- Demography: ageing population in India
- Health concerns of consumers: they have doubts about the health dimension of energy drinks
- The fashionable dimension of energy drinks

Energy drinks can take advantage of the current consumption trends: Energy drink with alcohol; as a Hookah Base; Energy shots; Cocktail & Mocktail. But the market faces some threats: the health concerns of the consumers and an ageing population.



**Energy drinks can take advantage of the current consumption trends: Energy drink with alcohol; as a Hookah Base; Energy shots; Cocktail & Mocktail.**

There are also some major concerns that can cast a doubt on the future of the energy drinks market. These are:

### Ecological Environment

- Increase in the need of natural ingredients: More and more people want to consume natural food. This ecological trend can affect the energy drinks market by threatening the image of the product.

### Factors with moderate impact: economic environment

- Recession, loss of purchasing power
- Relative higher price of energy drinks as compared to traditional beverages
- Increase in demand for alternative beverages
- Market maturity for CSD

Energy drinks are premium products with a relative higher price. Consequently, this market is

sensitive to the economic conditions, which impact the purchasing power of consumers. The risk is that people can switch from an energy drink to a traditional drink, which is less expensive.

### Legal & Political Environment

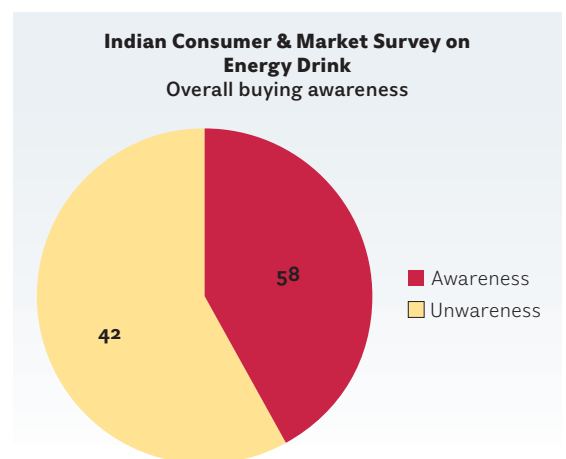
- Pressure on caffeine and taurine rates
- Health concerns of government
- Implementation of restrictive laws

Governments have concerns about the energy drinks industry and the impact of the product on health. But brands have not reacted so far because they don't see it as a real threat. Maybe, such concerns can even be a force for the market.

### Factors with low impact: technological environment

- Internet, social media
- Technological development can impact the production and distribution

The current technological innovations are not important enough to impact the energy drinks industry. However, this sector requires that the brands have a real presence on social media because of the young-ness of the consumers. Having a presence on various social media platforms is a "must-have" for brands in this market.



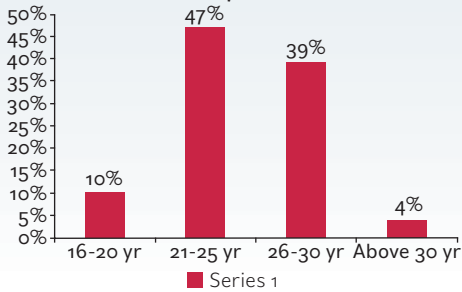
### Gender-wise distribution

It was found by a survey – a short and limited one – that the energy drink segment in India is driven male consumers constituting 66% of this market.

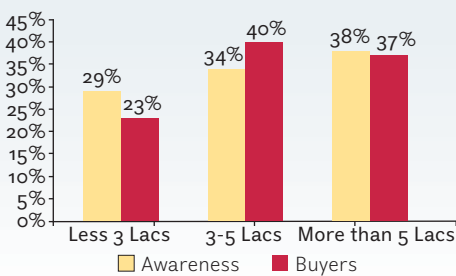
### Age group-wise awareness market segmentations

It has been observed that age group 20-25 years and 25-30 years respondents are the most potential

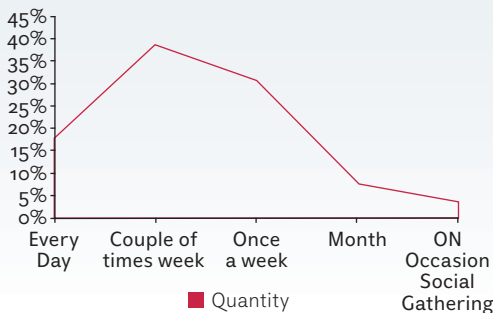
**Age group-wise buyers market segmentation**  
Buyers



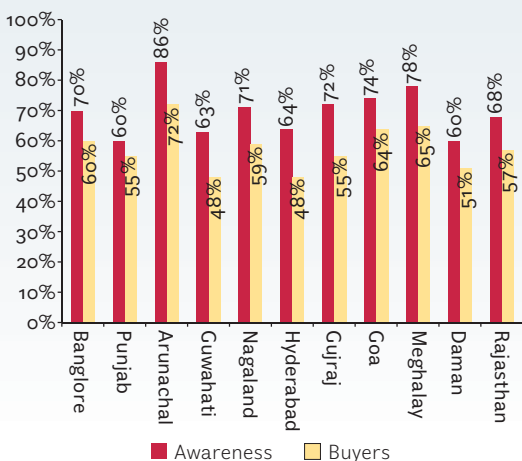
**Income wise buyers market segmentation**



**Buying frequency of energy drink**  
Quantity



**City wise energy drink awareness & buying**



buyers and can be considered as the target market for positioning any new brand or visa versa.

People in the Rs. 3-5 lacs income range are the main consumers for energy drink. And those with an income range of more than Rs. 5 lac are the potential customers that can be targeted for positioning the brand.

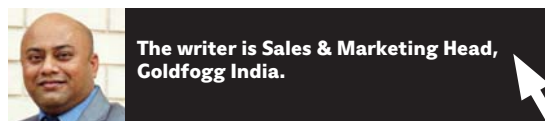
**City-wise energy drink awareness & buying**

Bangalore, Punjab, Arunachal Pradesh, Guwahati, Nagaland, Hyderabad, Gujarat, Goa, Meghalaya, Daman and Rajasthan are the top markets for energy drinks. These regions are the maximum consumption cities/regions for energy drinks. The awareness level for the product is also high in these places.

But it needs mentioning that a regular study on the market has not yet been done. A more comprehensive survey is very important to learn about the consumer behavior, upcoming challenges, strength, weakness, opportunities, threats and for making strategy accordingly. Consumer behavior varies from region to region so players need to tailor their regional marketing strategy according to the needs of the consumers in specific regions.

In conclusion, the energy drinks market has the potential to pay off good dividends and go the next level if the concerns highlighted earlier in this article are addressed and remedial steps are taken by the players and their contracting agents. Continuous efforts in those directions will definitely pay off and take the market to a higher orbit. **PG**

**Bangalore, Punjab, Arunachal Pradesh, Guwahati, Nagaland, Hyderabad, Gujarat, Goa, Meghalaya, Daman and Rajasthan are the top markets for energy drinks.**





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# How will GST cookie crumble for retail

Progressive Grocer spoke to industry stalwarts about their views on how the retail industry will perform in the aftermath of GST roll-out and how the industry is gearing to face the initial hiccups arising from its implementation.



**What are retailers and producers doing to evaluate their Goods and Services Tax (GST) compliance levels and prepare for transition to the GST regime?**

**Sanjana Desai, Head Business Development, Desai Brothers Ltd - Food Division:** A lot of analysis is being done with taxation experts/consultants in coordination with the CFO and sales team to evaluate the impact on every product category. We are also analysing the impact at every level of stock change in order to ensure smooth working with minimum loss of sales and profits from July 1st. Retailers and distributors are reducing their risk of business exposure by reducing their inventory, thereby reducing the overall billing. Also, price corrections are anticipated with an increase in taxes by 10 per cent (from 8 per cent to 18 per cent) for various categories. We will align our overall production with the changes and anticipated sales demand.

“  
**One of the key concerns for us is the losses that the company will incur on pending stocks with distributors and warehouses as on July 1st.**

— **Sanjana Desai**  
 Head Business Development, Desai Brothers Ltd

**Abhinav Biswas, Sales & Marketing Head, Goldfogg India:** The changes in software, registration with GST authorities and understanding and training self as well as staff to comply with the new regulations are all a big challenge. Also, a lot needs to be done especially with regard to clarity about the law and its implementation. Almost 60 per cent of MSMEs

have not been able to register themselves with GST due to glitches in the GSTN network.

**Manoj Gupta, Executive Director, AFP Manufacturing Co. Pvt. Ltd:** Under the GST regime, tax is to be paid by the taxable person on the supply of goods/ services. Most retailers are not prepared for it and are in a wait and watch mode. It is something eerily similar to what happened during the implementation of the VAT system.

As far as the producers are concerned, they are bracing up but there remains many vexing questions to be answered on various aspects of GST.

**Under the new GST regime, how do you foresee the impact on growth and profitability?**

**Sanjana Desai:** We anticipate the business to take a hit for the initial few months because of reduction in inventory. Volumes may be impacted for categories where taxes have been increased. Currently, the taxes levied are in the range of 6-8 per cent VAT plus 2 per cent excise. With the roll-out of GST, taxes applicable in most cases will be higher. An increase in taxes will directly impact business growth and profitability, especially for price-sensitive food categories. For example, pickles and fruit juices are product categories that see mass consumption and they will come under the 12 per cent tax bracket.



**Abhinav Biswas:** For the first few months it may be chaotic. However, subsequently it would start improving and positive growth should take place. Profitability depends on the manufacturer's price structure. Normally, there should not be any increase, barring exceptions. However in the long run, prices would stabilize and may even reduce because of competition and input costs.

**Manoj Gupta:** The introduction of GST will be a significant step toward indirect tax reforms in India. It will merge a large number of Central and State taxes (currently estimated at 25-30 per cent) into a single (reduced) tax under HSN Code & SA Code. It will help offset prior-stage taxes, will mitigate the ill effect of cascading taxes, and pave the way for a Common National Market. There will be revenue gain for Central and State governments. But economic growth will initially go down as businesses will take time to adjust to the new order. However, growth is sure to pick up after an initial lag. So initially, the profitability of entrepreneurs will likely go down in some cases.

**What are your key concerns regarding the roll-out and the possible fall-out of GST?**

**Sanjana Desai:** One of the key concerns for us is the losses that the company will incur on pending



stocks with distributors and warehouses as on July 1st, on account of the increase in taxes on various product categories. At the back-end, the proposed unified tax system will reduce transportation cycle times, enhance supply chain decisions and result in a consolidation of warehouses.

**Abhinav Biswas:** Post GST implementation, wholesalers and retailers will not be able to evade tax as the complete value chain will be tracked online. This may also result in a change in the way of executing the businesses and margins might grow thinner for both wholesalers and retailers. Also, there could be a situation where there is a steep rise in the demand for goods as a result of re-stocking by wholesalers and retailers.

**Manoj Gupta:** GST has a Harmonized System of Nomenclature Code (HSN Code) for classification of Goods and Service Accounting Code (SAC) and for classification of Services. At present, approximately 80 per cent of business in our country is transacted in cash. GST will help to replace cash trade and promote digital transactions thus bringing more of the unorganised trade into the formal economy. The roll-out of GST might have bigger implications and repercussions for the un-organized trade segment and they will need to get their act together fast. In the short term, the resultant disruption in business is likely to cause inflation and consumers might come to feel the tax load. Small manufacturers in the un-organized trade will find it difficult to cope with the changes. Some might even have to shutter their manufacturing operations and shift to trading.

**Will there be any impact on the premiumization trend? Do you anticipate such a fallout and what will be your strategy to counter it?**

**Abhinav Biswas:** As GST is a simple, efficient and successful form of indirect taxation, its introduction will contribute significantly to more robust economic growth, which will boost consumer sentiment and market confidence. The uptick in consumer and business sentiment will boost the premiumization trend.

**Manoj Gupta:** Premium goods and services have market support backed with the power of higher buying capacity of consumers. There will be no impact on production, sale and purchase of premium goods and services. **PG**



“  
**At present around 80 per cent of business in our country is done in cash and GST will help to replace cash trade and promote digital transactions.**

— **Manoj Gupta**  
Executive Director,  
AFP Manufacturing  
Co. Pvt. Ltd



“  
**The first few months may be chaotic. However, subsequently things will start improving and positive growth should take place.**

— **Abhinav Biswas**  
Sales & Marketing Head,  
Goldfogg India



# Supersizing nutrition with superfoods

Tasked with the responsibility of improving food and nutrition security of the nation, CFTRI has developed a number of innovations that augment consumers' health and wellness. One of it has been to develop agro-technologies for superfoods such as chia, quinoa and teff to make them grow in Indian conditions.

By **Prof. Ram Rajasekharan**

**F**ood is a daily prerequisite for life. Over the years, as lifestyles have changed, consumers have been buying more processed foods to save on time while preparing meals at home. The genres of ready-to-cook and ready-to-eat foods have been expanding with inclusions of traditional foods and international foods in our normal daily diet.

The flip side to all this is a compromise with nutrition. Consistently good food choices help one be healthy and live well. A compromise with nutrition results in various problems like obesity, lifestyle related chronic diseases and malnutrition, all of which are prevalent across the spectrum of our population.

Poor nutrition causes poor health. Indians are largely vegetarian; this choice is either due to the poor purchasing capacity or owing to food choice. India has a wide spectrum of geographic conditions, well established agro-technologies to suit specific agro-climatic zones, which can answer the needs



of food production. Global data indicates a 25% increase in vegetarian claims and a 257% rise in vegan claims on food and drink launches between 2010-11 and 2015-16 respectively.

CSIR affiliated Central Food Technological Research Institute (CFTRI) is India's premier organisation working on improving food security and nutrition security of the nation from the time of its inception. In the past four years, it has developed a number of innovations that augment the consumer's health and wellness. In its efforts to address population health, CFTRI has developed agro-technologies for superfoods such as chia, quinoa and teff to grow in Indian conditions. Addressing the challenge of nutrients via the slow release carbohydrates, high quality protein, omega-3 fats and various micronutrients, the superfoods from CFTRI have added value to the health of consumers and improved the livelihoods of farmers.

CFTRI has identified spirulina as a superfood with high quality protein with nutritionally important pigments such as phycocyanin,

carotenoids and chlorophyll. It has developed delicious and refreshing ready-to-serve beverages from spirulina. A new beverage with phycocyanin with a natural blue colour pigment has been developed, which is rich in antioxidants and boosts immunity. The product design with sugar and isotonic salts make it an instant energy and thirst quencher beverage. A similar beverage has also been made with whole spirulina. These unique ingredients in a daily beverage offer powerful nutrition benefits to the consumer. In our other work from plant sources, superfood moringa has been of keen interest for its potential for wellness and as a part of sports nutrition products among others. Another of CFTRI's interesting innovations is the isolation of plant leaf lipids, which help us to be less dependent on oilseeds.

Our work has important spinoffs for the foodservice sector. India has a burgeoning restaurant sector, with a wide array of Indian and International food offerings. Consumers today have a greater awareness of food and wellness. Smart nutrition communication with intelligent food design and delicious food products have added value in the restaurant industry, both for customer acquisition and customer retention. CFTRI, in synergy with Oleome Biosolutions, a technology provider start-up company, has developed globally unique ingredients that can be seamlessly blended with fresh foods. Omega-3 enriched salt and pepper seasonings, omega-3 enriched desserts, high fibre options for food glazes and micronutrient enriched biscuits are a few to list. Today, specific ingredients are being made for specific requirements of the restaurant industry. With the increase to the daily portion of vegetables by the health-conscious consumers, the omega-3 enriched seasonings offer a power packed value addition.



At the producer's end, interdependence between farmlands to grow produce and eventually convert food waste back to the system is being widely explored at CFTRI. The organisation has successfully blended the component of advanced nutrition to the value chain thereby bringing in a new dimension to the waste-to-wealth model. For instance, bananas are a widely grown produce in India. When the banana gets overripe to eat, a new process defined by CFTRI adds a unique value to it. Scientists have developed a wonderful product with sheets of banana wrapped between superfoods chia and quinoa for making high nutrition energy bars. The product is a wonderful snack between meals for children and adults alike.



The CFTRI team has also been working on standardising traditional recipes and has the technical know-how and ability to help restaurants develop tailor made pre-mixes for consistent taste and quick cooking in their kitchens. CFTRI technologies today can be found in every kitchen in India and its pioneering work has made a huge impact on various processes like rice milling, fortified flours, spices, ready-to-cook foods, ready to eat foods and now superfoods. We are changing the Indian plate for the better and working towards a healthier India. CFTRI superfoods are the answer to improving the food security by its robust agrotechnologies, leading to excellent production on the farmlands and also providing a comprehensive solution to improve nutrition security for all. India can be a role model in this space for the world, and team CFTRI has the audacity of hope for a healthier, well-fed and happy nation in the upcoming future. **PG**



The writer is Director, Central Food Technological Research Institute (CFTRI), CSIR.

**CFTRI has identified spirulina as a superfood with high quality protein with nutritionally important pigments such as phycocyanin, carotenoids and chlorophyll. It has developed delicious and refreshing ready-to-serve beverages from spirulina.**

# what's next

## ► Popcorns with a twist

Leading ready-to-eat snacks company Timla Foods has recently come up with a new range of popcorns under its brand Popicorns. Having a twist in flavours, these ready-to-eat Popicorns come in six flavours: Creamy Cheese, Just Salted, Piri Piri masala, among others. The munchies are made with whole grain popcorns, are GMO-free, contain no preservatives, trans-fats or artificial colours. Priced at Rs. 10, Rs. 20, Rs. 49 for different pack sizes, these Popicorns are available at leading retail outlets in Hyderabad and Bangalore.



## ▼ New range of cheesy samosas

Frozen snacks brand McCain Foods India has recently rolled out a new range of Mini Samosas. These ready-to-cook snacks come in three cheese-filled variants: Cheese Jalepeno, Cheese Corn, and cheese pizza. The range is priced at Rs. 115 and comes in an attractive packaging. The product is available at all leading retail outlets.



## ◀ For some healthy snacking

Delhi-based snacks brand AFP Manufacturing Company has recently stepped into the healthy diet snacks category with its Munchon's range, which includes Diet mixture and Jhal muri. Priced at Rs. 5, these low fat savouries have been initially introduced in a 25 gm pack size. The new range is available at all leading retail outlets.



## ► Almond chocolate for gifting

Global gifting brand Whitenife has curated an assorted range of ready-to-popin chocolates. These premium chocolates make for a perfect gifting option and come packed in a signature glass jar. The almond chocolates are naturally loaded with vitamin E, are rich in fibre and made with real cocoa with a rich chocolate flavour. These chocolates are priced at Rs. 290 and are available at Whitenife.com. Also, a part of the proceeds from the sales of these chocolate jars goes into sponsoring meals for the underprivileged. Whitenife operates 17 service kitchens for serving the underprivileged.



## ► Laoganma sauces now available in India

P&N Business Ventures Pvt. Ltd. has launched Laoganma range of specialty Chinese sauces in India. With a variety of flavours such as Oil chili, Hot & Spicy bean paste, Chilli crisp and some more, Laoganma sauces offer distinct flavours and cultural associations. The products have a versatility, which makes them perfect for everything – from Chinese pot stickers to Mexican food. In other words, it is a fusion of East and West. Laoganma is available in India through Foodhall, Nuts n Spices, Spar Supermarkets, Bigbasket, Amazon, Q Mart and other retail chains.



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# Clear the air on FDI in retail

**The Retail sector is looking for a simpler policy that can help to clear the confusion among the industry players who are interpreting the current rules as per their convenience.**

**I**t is surprising that India has not been able to frame a clear-cut policy on the e-commerce sector. Does anybody have a clear idea of the FDI rules in e-commerce? Even though it has been over a decade that e-commerce made its presence felt in the country, there exists no clear definition of e-commerce. Naturally, this has caused a lot of ambiguity about the rules governing this sector. The FDI rules for the sector are especially contentious and big differences on the issue have been out in the open between brick-and-mortar retailers and e-commerce players. It is no surprise that both sides have been knocking on the government's door to expeditiously announce a much-awaited policy for India's retail sector.

All Retailers feel there should be no discrimination on the basis of channels when determining the FDI policy for the sector. On the other hand, the fast-growing e-commerce sector, driven by rapid technology adoption, is seeking unconditional 100 per cent FDI in B2C e-commerce to accelerate the sector's growth. "Retail is a business that should be classified on the basis of the category of goods and services provided and not on the basis of channels such as brick-and-mortar stores or e-commerce," says Kumar Rajagopalan, CEO, Retailers Association of India (RAI). "Our contention from day one is that the government must announce a policy that spells out whether FDI is allowed in retail sector or not," he points out.

"The e-commerce sector is seeing huge growth and with so much investment riding on it, a comprehensive policy should have come in earlier," says Dinesh Gulati, Director, IndiaMart, a leading

online marketplace for goods and services. He contends that there is an urgent need for a simple policy to remove the existing confusion because currently all players in the industry are interpreting things as per their convenience.

As a result of the policy ambiguity and in the absence of a national policy on Retail, the onus is currently on individual States to decide on FDI in retailing. Thankfully, some States have been moving forward on this front. "We are seeing traction in some States like Rajasthan, Maharashtra, Andhra Pradesh and Telangana. They have been proactive with the industry to evolve appropriate policies," says Rajagopalan.

Food Processing minister Harsimrat Kaur Badal has made a fresh pitch for relaxing the rules for foreign direct investment in the food retail business, suggesting that the current norms have resulted in lower than anticipated interest from companies. The government had allowed 100 per cent FDI in locally-produced and manufactured food products in a bid to encourage domestic industry and farmers, and with the avowed aim of cutting down on wastage. The policy has failed to live up to its stated goals and expectations. A fresh set of rules for the retail sector including e-commerce needs to be put in place before it is too late. **PG**



**The author has over 30 years of learnings and winning experience with Food Retail, New concept/ brands, FMCG and Organised Retail. Currently he heads Dubai Overseas Trade office in India and is on the Board of Skill Development – SME for Retail – besides also advising on international food retailing in India. He is reachable at [rakeshgambhir@imagesgroup.in](mailto:rakeshgambhir@imagesgroup.in)**





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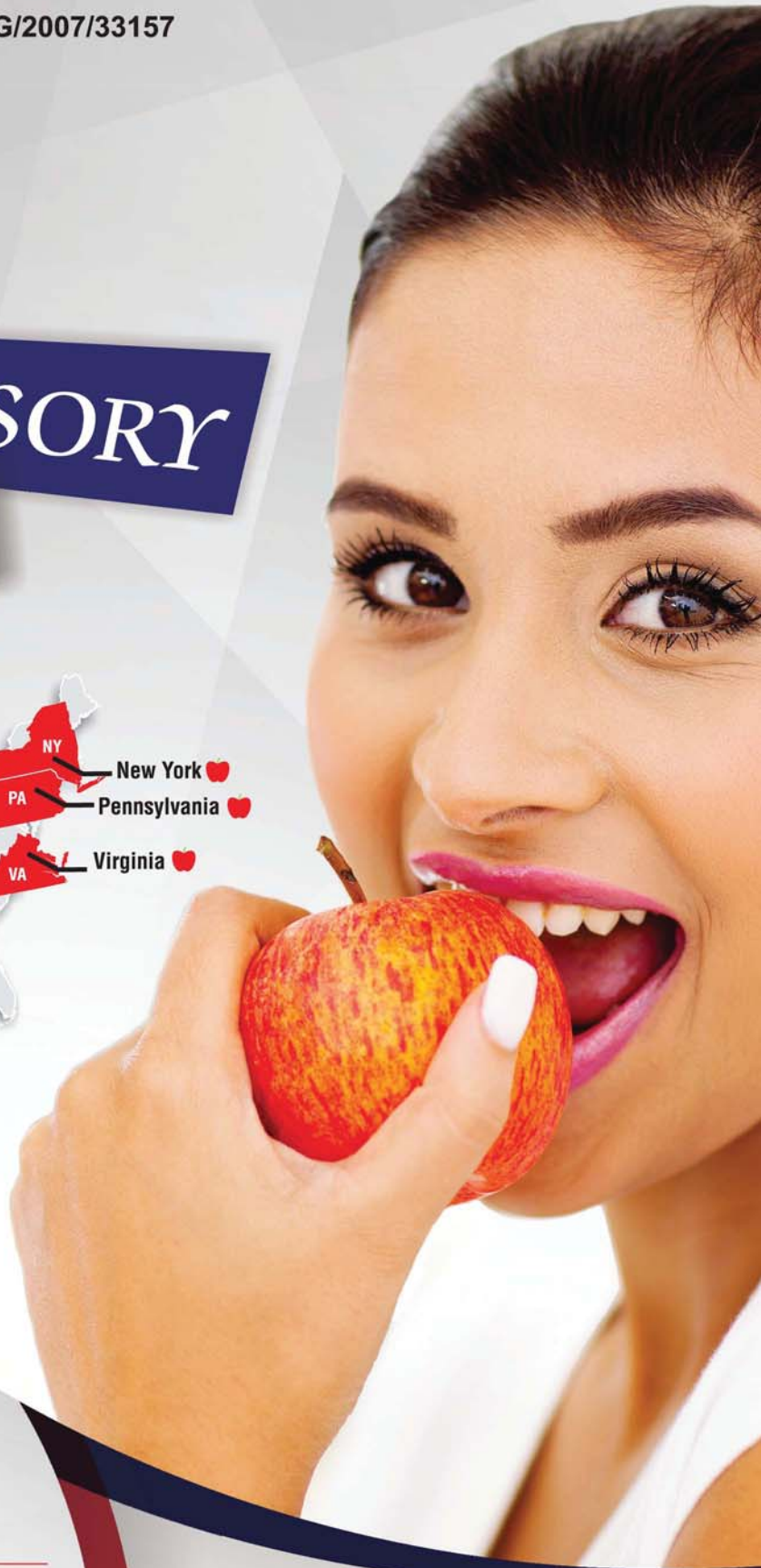


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