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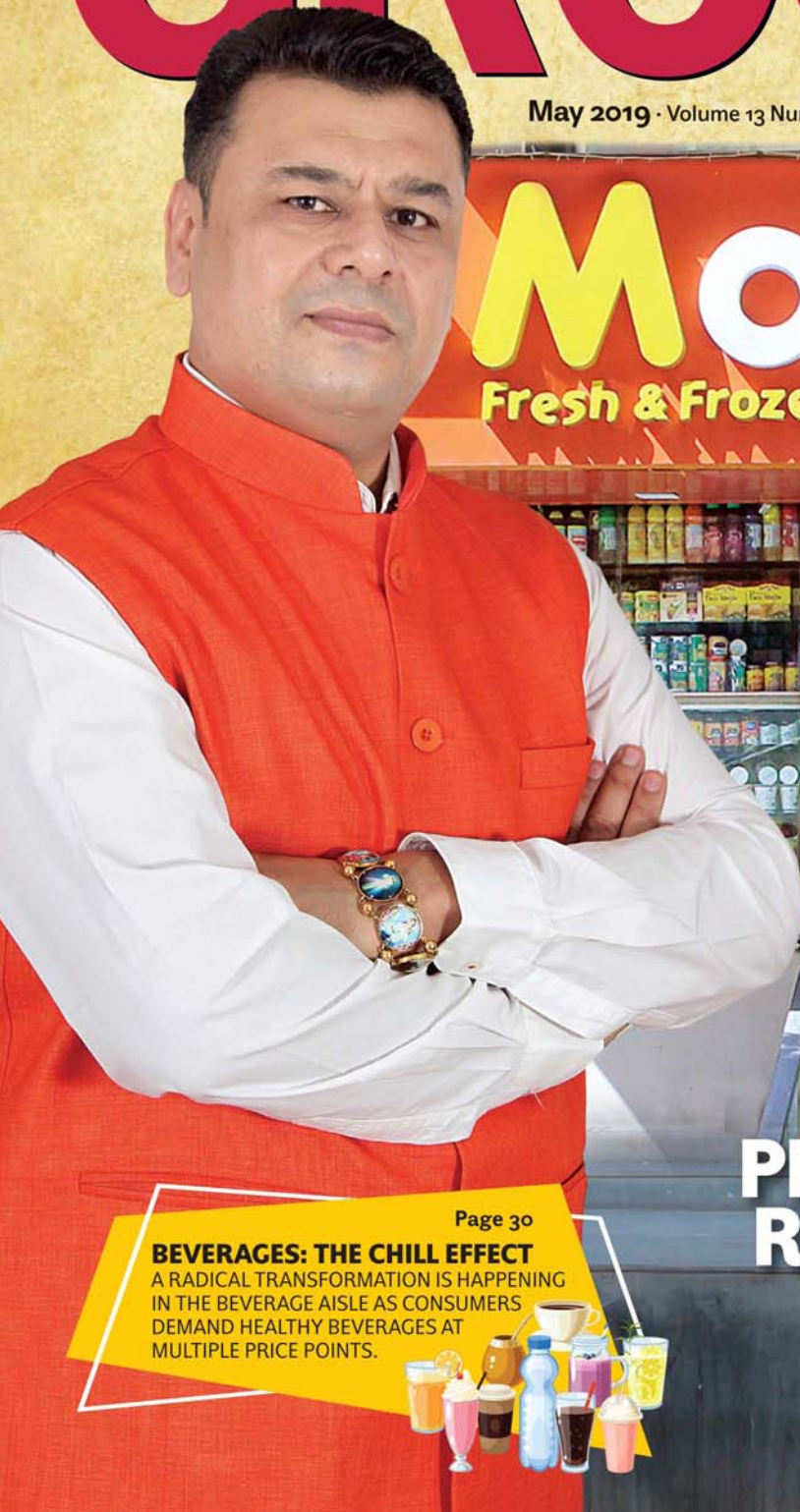
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# PROGRESSIVE GROCCER

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**INDIA EDITION**



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## FROZEN AND PROCESSED FOODS' RETAILER WITH THE WIDEST RANGE IN GUJARAT

— RAJESH FRANCIS  
DIRECTOR, MAGSON-FRESH AND FROZEN

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### BEVERAGES: THE CHILL EFFECT

A RADICAL TRANSFORMATION IS HAPPENING IN THE BEVERAGE AISLE AS CONSUMERS DEMAND HEALTHY BEVERAGES AT MULTIPLE PRICE POINTS.



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Grocers can improve sales and the customer experience by honing their digital offerings. Cameras on digital signage can evaluate demographics or even mood. Today's technology can generate digital signage content or mobile offers based on factors like weather. If the temperature in your area goes above 40 degrees Celsius, a shopper might be informed about cool beverages and drinks. If you're in a deep freeze, it may trigger a promotion for coffee or hot chocolate. Smart technologies supported by a robust network marry the in-store experience seamlessly to the digital realm.

Examples include beacon technology that connects a person's mobile device with a brand's loyalty program; custom templates that can be changed based on customer flow, seasonality, and time of day; and the use of cameras to help analyze age, sex, and mood of shoppers to likewise present these shoppers with offers specific to their interests. Through the use of videos, stunning imagery, as well as accompanying product information, customers have a richer encounter with offerings.

Today's curious shopper craves information to make purchasing decisions: digital signage can offer recipes, customer reviews/ favorites, sourcing information, QR codes for capturing that link to even more content either in store or at home. As grocers and markets are increasingly becoming an experiential food destination, digital signage, including menu boards, encourages shoppers to embrace the store as a casual dining destination.



Amitabh Taneja  
Editor-in-Chief

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**RAJESH FRANCIS**  
Director, MagSon-Fresh & Frozen

**THE PIONEERS OF 'FRESH AND FROZEN' FOODS**

Rajesh Francis, Director, MagSon-Fresh and Frozen, speaks about the fresh assortments and dairy products available at his stores and how MagSon has become the choice retailer of frozen and processed foods in Gujarat and Maharashtra.

**14 INSIGHT**

Why retailers need to change the game from a product-centric to service-centric approach.



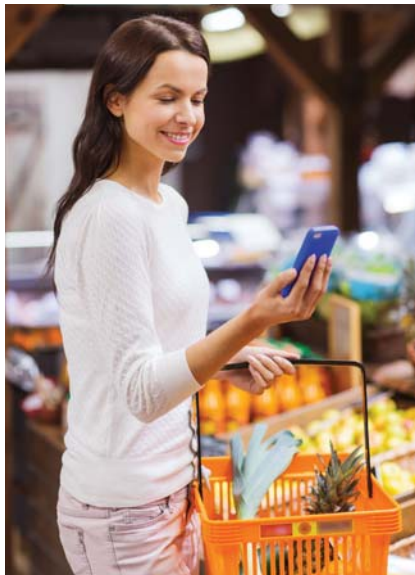
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**60 ONLINE GROCERY**

Decoding the rapid rise of online grocery shopping in India.



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The beverage aisle is undergoing a radical transformation in regard to what products consumers are buying, a pattern that suggests grocers need to rethink how they're presenting beverages to their shoppers. Consumer preference for healthy beverages is prompting companies to re-examine their product strategy and launch products suited to the next generation of millennial consumers. But as a price-sensitive market, prices will always have an impact on what products consumers buy and how often they buy them.

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Beverages



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Vahdam introduces a new range of matcha tea



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# Market Update

## EIU Report – getting food where it needs to go is critical

A white paper published by The Economist Intelligence Unit titled From Farm to Fork commissioned by Cargil has found 1 billion people around the world suffer from hunger. Global food statistics tell us there is enough food produced in a year to feed each person 2,700 calories and 75 grams of protein a day. However, as per the latest EIU report, right now, food isn't efficiently reaching those who need it.

Within the food supply chain, there are a few megatrends that affect its viability. These are:

**Urbanisation:** population growth and rapid rural-urban migration leads to an increase in demand for more and greater diversity of food, and domestic food supply chains can't keep up.

- ▶ Food consumption is forecast to more than double on a per-capita basis between 2007 and 2030 in China and South Asia. During the same period, however, food self-sufficiency is forecast to fall considerably in China and South Asia, partly due to rapid increases in city density and declines in agricultural employment.
- ▶ FAO projects that most of the increase in demand for animal protein will come from developing Asia by 2030 and beyond.

**Ageing Rural Population:** Fewer Asian farmers are likely to be older, which affects domestic supply.

- ▶ Globally, the average age of farmers has risen to 60 – Philippines is at 57, while Japan is 70. 75% of individuals over 60 in Asia report that agriculture is their main source of income.
- ▶ As a result, domestic food supplies will become more expensive or simply become insufficient.
- ▶ **Resource Scarcity:** Domestic production will be affected mainly by resource scarcity and sustainability concerns. This will be made worse in the long-run by climate change.
- ▶ Competition of water will also increase due to urbanization, and 40% of Asia will face severe water shortages by 2030. This will all be made worse by climate change
- ▶ More than 50% of cultivated land in China has already degraded, and India faces an estimated loss of 5 billion tonnes of soil every year.

### Supply Chain Integration:

Geopolitical shifts will make regional integration difficult at the cost of global integration.

- ▶ Being able to integrate various stages of the supply chain means an increase in ability to trace and track food quality.

- ▶ Smallholders can work with large firms, but will struggle to meet quality standards demanded by consumers and large agri-business.

**Modern Retail:** Modern & online retail to become prevalent with focus on food safety /sustainability.

- ▶ Supermarkets have to meet changing requirements and deliver safe, quality food products at competitive prices.
- ▶ E-commerce could re-design the food chain by lengthening them physically but shortening the number of players within the chain.
- ▶ 37% of all Asian consumers already shop online and another 53% are willing to do so.

**Food Loss and Waste:** Food loss will transition to food waste, but awareness could lead to data-driven solutions.

- ▶ Food loss generally occurs when there is inadequate technology, weak infrastructure support, technical skills deficiency or knowledge gaps, and also poor logistical support.
- ▶ Investment in infrastructure and economic development is likely to lead to a slow but gradual shift from food loss to food waste.
- ▶ Food loss happens during harvest and post-harvest, but high-income Asian countries are likely to show patterns of food loss (Japan, South Korea and China) during consumption stage.



L-R-Krish Iyer, Prof. Ramesh Chand, Smt. Harsimrat Kaur Badal, Siraj Chaudhry, Madhvi Das, Suresh Narayanan and Debashish Mukherjee



## InnerBeing launches its healthy breakfast and snacking options in Mumbai

Health and nutri-food maker InnerBeing has launched its millet-based breakfast and snack mixes along with a range of super grains like quinoa, foxtail millet and ragi multi-mix in Mumbai. To mark the occasion, InnerBeing hosted an event themed “Grains of Goodness”, which saw participation from top chefs like Vernon Coelho, Ranveer Brar, and Sudhir Pai. Prominent members of the Indian Dietetics Association, Dr. Jagmeet Madan and Nazneen Husein also attended the event. The launch highlighted the relevance of ancient grains in our daily lives across the multiple needs of fitness, nutrition and lifestyle. A

creative showcase of small plates was also done using the InnerBeing products.

At the event, InnerBeing also showcased its signature star products like the jowar idli, jowar upma, millet pancake mix, ragi chocolate drink and quinoa porridge. Innovative snack mixes – which appeal to millennials – such as millet and cinnamon cookie mix, millet pizza base mix and nut & millet cake mix, were also on display.

A presentation on the brand was followed by discussions on the relevance of ancient grains for nutrition as well as the environment by Dayakar from IIMR and Joanna Knae-Potaka from ICRISAT. This was followed

by a panel discussion with the moderator Naaznin Husein and the panellists – chef Sudhir Pai, Dr. Jagmeet Madan, Ruchita Dar Shah (Founder First Moms Club Global Group) and Ronak Gajjar – on various topics like millets for nutrition, their use in everyday life and eating clean.

Commenting on the occasion, C.S. Jadhav, Founder and Director, InnerBeing Wellness, said “Our aim is not only to bring ancient grains back as a mainstream consumable, but to also ensure that people get to know on the ease and convenience of their use. Our products have been designed



to be a part of daily use so that people with busy lives can benefit from them. This launch is a showcase on not just how important ancient grains are in today’s time of greater health concerns but also about how easy it is to actually incorporate them into our diet. We are also delighted to receive the whole-hearted support of chefs, dieticians, fitness leaders and other prominent industry members for the same.”



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### Himalayan Creamery partners Mr. Milkman for milk subscription and delivery service

Himalayan Creamery, one of the fastest growing dairy farms in Punjab, has partnered with Delhi-based Dairy tech startup Mr. Milkman to launch co-branded application for milk subscription and delivery service in Punjab. While Mr. Milkman will wholly handle the technology aspect, Himalayan Creamery will head the logistics of the business. The partnership will operate on a revenue sharing model. Mr. Milkman's cloud-based SaaS platform will provide Himalayan Creamery with automated processes enabling them to track subscriptions, revenue, sales growth, payments and customer consumption patterns. Additionally, the real-time data-driven analytical dashboard will empower Himalayan Creamery to create distribution channel hubs to manage their transportation and end-customer delivery.

The delivery application offers features such as



order tracking & delivery, inventory management, and reverse logistics for glass bottles. This allows the delivery person to know how much milk to carry and how much to deliver to individual houses. Few other organisations like Milk Mantra, Whyte Farms, Amlaan A2 Milk, Go4Life, Milk Valley Farms, Binsar Farms Creamery, Mookie Moo, Holy Drops, Happymoo, Plenty Kart, Dely Bites, Aryaffoods, Farm Crème etc. have also

partnered with Mr. Milkman for hassle-free operations and smooth delivery.

Himalayan Creamery, founded by Deepak Gupta in 2016, is located in the Patiala District of Punjab. Unlike an aggregator, it is home to 350 happy Holstein Friesian and Jersey cows, which produce daily of over 4,000 litres of unadulterated milk, rich in taste and quality. Himalayan Creamery owns a state-of-the-art technology integrated dairy that actively monitors the health of the

cattle 24x7 throughout the year and addresses health issues proactively. Milk produced by these cows has been approved by the quality department of major multinational pharmaceutical companies based in north India to make feed formulas for infants and others.

Speaking about the partnership, Gupta said, "One of the greatest challenges in the dairy industry is managing inventory and logistics. Our partnership with Mr. Milkman will assist us streamline our logistic and inventory management and allow us to focus on production and growth". Samarth Setia, Founder, Mr. Milkman, commented, "With this partnership, we aim to improve delivery services and manage milk subscriptions. We are confident that Mr. Milkman's technology will ensure operations in a smoother and more organized manner".

### Summer iced teas by 'Oh Cha'

Oh Cha, a boutique tea brand specializing in flavoured teas and the brainchild of Pallavi Kanoi, has recently launched its two new flavours of iced teas for summers – Mango Mint and Peach Lychee. Tea is considered as the most important beverage drink of India. India is one of the largest tea producers in the world and over 70 per cent of its tea is consumed within the country itself. We all love flavoured teas as they keep us hydrated and rejuvenated. With our erratic schedules today, people are always concerned about their health and are looking out for options to keep them both healthy and hydrated. Mangoes and lychees are summer delights and what else can be better than the goodness of these fruits punched in your regular tea? These teas are perfect summer refreshers, offering flavours that are great to opt for before

stepping out in the scorching heat. Besides, there is no need of boiling – the flavours come in tea bags to ensure a hassle-free experience. Just dip a tea bag in cold water and let it rest for five minutes. Your chilled iced tea is all set to be served within few minutes. The range is crafted with real teas

containing all natural flavours and no added sugar or preservatives.

Oh Cha believes in nurturing authentic flavours, aroma and essence of the tea and ensuring that they are preserved in every pack through the processing of tea leaves under the proficient supervision of qualified team managers. The brand believes in reinventing the tea leaves to ensure that all their blends are focused on the base tea while it is flavoured in a way to maximize and enhance the tea leaf. The teas are whole leaf, delicious and healthy and a perfect paradox of simple and complex, of flavours exotic and familiar, energizing and relaxing. Oh Cha teas are available on the official Oh Cha webpage and on other platforms like Propshop24, Amazon, Style Salad, Giftona and Scootsy. It is also available in the Twigs & Tales store in Kolkata.



**SIAL India concludes its first advisory board meeting in New Delhi**

SIAL India – The Indian Food Innovation Exhibition – concluded its first advisory board meeting last month at The Claridges, New Delhi. The subjects of discussion during the advisory meeting included various activities: La Cuisine, in which top chefs demonstrates live cooking; Hosted Buyer Program, which has national and international buyers meet with exhibitors for business trading; Alternate Food Forum with the focus on trends and markets for alternate and organic food in India; Drink Theatre with tasting sessions for wine and non-alcoholic beverages, SIAL Innovation, which holds innovation and awards for innovative products of exhibitors and discussions; and SIAL Conferences.

Leading lights from the F&B industry – Om Prakash Khanduja, Head of DS Group; Amit Lohani, Founder and Director FIFI; Vijay Kumar, Director MSME; Jaspal Johar, CEO Veeba; Sanjay Singal, Vice President, ITC – attended the advisory board meeting, amongst many others.

Adeline Vancauwelaert, Deputy Director-SIAL Network, spoke about SIAL Innovations and explained to the members about the composition of the jury, the categories, criteria, and about the process of registrations and awards. SIAL India – The Indian Food Innovation Exhibition – will be held from Sep. 19th to Sep. 21st, 2019 in New Delhi. An estimated 200 plus exhibitors and 8,000 professionals are



expected to attend this year’s exhibition, which will provide food professionals with a unique platform for exchange and business opportunities with Indian markets. As part of the world number one network for food innovation, this B2B event offers every professional the best path to the Indian way of food innovation with key events such as SIAL Innovation, Alternative Food Forum, and Wine & Spirit Events lined up for the Exhibition.

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## Cargill and Heifer launch Hatching Hope Global Initiative in India

Cargill and Heifer International have joined forces to create The Hatching Hope Global Initiative. The bold initiative aims to improve the nutrition and economic livelihoods of 100 million people around the world by 2030 through the production, promotion and consumption of poultry. Hatching Hope will work directly with women smallholder farmers, initially in India, Mexico and Kenya.

The initial phase of Hatching Hope in India will focus on improving the nutrition and income of 1.7 million people through backyard poultry farming and increased consumption of poultry products in Mayurbhanj, Odisha. The program will also expand its reach through innovative mass media and advocacy campaigns, highlighting the importance of poultry production and consumption for improved nutrition. Farmers will be connected to markets and equipped with the goods and services that they need to be successful participants in the

poultry value chain. Hatching Hope will support farmers to be part of the solution to bridging the global food and nutrition security gap and boosting the local economy.

Imre Havasi, Managing Director of Cargill's animal nutrition business in India said, "In India, communities will benefit from this program which will address poverty and malnutrition through access to efficient animal agriculture and high-quality protein diet. With this project, Cargill is helping transform smallholder farmers

into highly productive and successful entrepreneurs who can lift their families and communities out of poverty."

"Through Hatching Hope, we're investing in smart, resourceful women farmers, working with them to improve their products and access new markets," said Avni Malhotra, Country Director of Heifer India.

Cargill and Heifer share a common belief in the power of poultry to improve nutrition and a commitment to improving the livelihoods of smallholder farmers. Heifer has a long-term presence, development expertise and strong relationships in rural communities that build social capital. Cargill has best-in-class expertise in animal health and productivity with deep knowledge in the poultry industry and the global market. Both have a strong global footprint and on-the-ground presence in developing countries and the ability to mobilize staff to address specific issues facing the poultry value chain.



Imre Havasi

## Asia Fruit Logistica announces its 11th edition in the Indian market



Asia Fruit Logistica, the leading international trade exhibition for fresh fruit and vegetable marketing in Asia, has announced its upcoming edition in Hong Kong from 4th to 6th September 2019. Offering unparalleled opportunity in the fresh produce sector and related value chain, Asia Fruit Logistica aims at assisting industry players to build new business contacts and showcase their innovations and products on an international level.

The annual trade fair is known to attract high-quality buyers from key markets across Asia, witnessing participation from exhibitors belonging to the logistics, machinery and technology sectors. Last year, the trade fair witnessed the

third highest participation from India with 6% of total visitors marking their attendance at the event. Asia Fruit Logistica invites larger registrations from Indian fresh produce traders and supply chain retailers this year to emphasize the crucial role of supply chain partners for businesses' growth.

Commenting on Asia's premium fresh produce fair, Keith Sunderlal, India Representative, Asia Fruit Logistica said, "Asia Fruit Logistica attracts buyers and exhibitors from across the world providing a great platform for company leaders and influencers to connect and collaborate globally. The three-day trade fair offers opportunities to companies of all sizes to unlock extensive business opportunities by finding new suppliers and building relationships. It is a must-attend industry event to enhance exposure in fast changing trends and technologies in the fresh produce sector."

Exhibitors seeking to showcase their products and services at Asia Fruit Logistica are advised to register at their official website: <https://www.asiafruitlogistica.com/en/Exhibitors/>

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## *Why retailers need to change the game from a product-centric to service-centric approach*

Retailers need to find new business models and performance matrices different from GMV (Gross Merchandise Volume) and scale. The ever-changing customer expectations and reducing differentiation in terms of products and range would require retailers to compete on customer service, which is beyond just on-time delivery.

**By Prof. Piyush Kumar Sinha**

**A**bout 75 percent of Indian youth (16 to 21 years old) spend more than Rs. 6,000 on cosmetics, apparels and mobiles. They are interested in quality and experience at affordable price with minimum hassle. Retailers would have to find new avenues to meet the expanding and changing demands of these consumers.

Fewer large retail houses and skewed consumer base trends push towards polarization of the industry, creating two types of retail formats. One acts as 'one stop shop for all', where consumers can get everything under one roof like Big Bazaar and Amazon. Other format is specialized service providers concentrating on focused offerings.

Growing purchasing power, increasing digitalized consumers and polarization of the industry require a paradigm change in the way Indian retail marketplace functions. Delivering best product on-time is a necessity but is not sufficient to gain consumer satisfaction. Online and large format price stores are just a dispenser system where consumers can pick and move. It's fast and convenient but not enough to reach the consumers' love bracket.

The concept of maximizing the basket size and value has changed with new formats. Price discounts, reduced or no shipping cost, low or no switching cost make it highly price competitive. Consumers have access to a range of products



through various platforms, which heightens consumers' expectations from retailers.

Consumers look for not just shopping but a personalized shopping experience. For the retailers to reach these consumers, they need focused and customized strategy. Digitalization through internet and technology can be used as an aid to the specialization.

Omnichannel presence by a retailer is the key to consistent and unparalleled service across all touch points. However, the challenges are reverse logistics management and third-party logistics interactions. Integration of online search with in-store buying can work only if the inventory is in correlation on both the platforms.

The road ahead is transforming 'Retail as a service', focusing on market of "one". Each customer would need to be serviced differently. The performance metric would move from channel/format profitability to customer profitability.

Indian retail is characterized by fragmentation. A single retailer would never have a major share of the market as consumers have many options to choose from, with multiple retailers in each category and multiple channels to source from (India rank highest in terms of per capita availability of stores). This is attributed to the dominance of small format retail in India which is 93 percent of the total retail market. The rest 7 percent is divided between large format stores like departmental stores, supermarkets, specialty stores, malls, and online. The price-based competition has proved that retail is not a simple and sustainable business unless managed well. Deep pockets do not mean high market share and sustainability. The sector needs to find new business models and performance matrices different from GMV (Gross Merchandise Volume) and scale. The ever-changing customer expectations and reducing differentiation in terms of products and range would require retailers to compete on customer service, which is beyond just on-time delivery.

In 2017, the Indian retail industry was US\$ 932.96 billion and estimated to be US\$ 1.6 trillion by 2021, growing at CAGR 14.3 percent. The projected growth of organized retail suggests the potential for modern retail in India. The factors that govern Indian retail market are changing consumer shopping trends with increasing purchasing power, time strapped consumers getting digital and polarization of the industry.

The Indian consumer sector has grown at 5.7 percent annually between FY 2005 to FY 2015. It is estimated to be the third-largest consumer market by 2025, growing at 12 percent annually. The rising GDP (6.7 percent in 2017 and forecasted growth of 7.5 percent in FY 2019-20) has created the middle-class segment which is about 50 percent of the country's population. These mid-income consumers have higher purchasing power and affluence. About



**The factors that govern Indian retail market are changing consumer shopping trends with increasing purchasing power, time strapped consumers getting digital and polarization of the industry.**

75 percent of Indian youth (16 to 21 years old) spend more than Rs. 6,000 on cosmetics, apparels and mobiles (ASSOCHAM report). These are informed shoppers and investors with discerning and explorative shopping behavior. These consumers want it all. They are interested in quality and experience at affordable price with minimum hassle. Retailers would have to find new avenues to meet the expanding and changing demands of these consumers.

Increasing number of working women, growing single households (9.04 million constituting 11.6 percent of the total households as per 2011 census report) coupled with hectic work culture (Indians work for around 2,195 hours a year on average as per the Arcad is report) result in consumers opting for convenience over lower price. More than 65 percent of consumers say convenience is the driving factor of their shopping behavior as per a PwC study.

Online retailing provides consumers convenience with accessibility and affordability. E-commerce in India has grown at an annual rate of 51 percent, the highest in the world, and is expected to be \$120 billion in 2020 from US\$ 30 billion in 2016 (ASSOCHAM-Forrester study). The increasing internet users (second largest, 445.96 million in 2017 and expected to be 829 million by 2021) and increasing smartphone penetration (telecom and





**The consumers buy mostly from two or three stores/sites in a category. Big retailers acquire the mid-size retailers to scale their business and smaller ones find their niche to sustain.**



broadband services is US\$ 38.95 billion in 2017 with second largest smartphone market) indicates a growing number of consumers on various digital platform.

According to Euromonitor's Global Consumer Trends 2016 survey, more than 65 percent of online consumers visited or updated their social networking sites daily. The online medium is expected to influence 30 percent of the entire retail sales, which would amount to US\$ 70 billion of retail sales in 2019. The demonetisation in November 2016, further created opportunities for digital transitions and growth in India.

As per government sources, between November 8 and December 7, 2016, e-wallets providers such as Oxigen, Paytm and MobiKwik observed a jump of 271 percent in number of daily transactions and 503 percent in terms of value of transactions. Most of the leading categories are growing online.

These shifts are indicative of growth potential of Indian retail, making all product types accessible and affordable at various digital platforms. However, online format with heavy discounts and only 1 percent conversion rate may find it difficult to remain viable. About 8 percent of initiated online

transactions are abandoned during the process due to poor customer service (Datamonitor report, 2011). Hence, to reach these consumers, retailers would need to think beyond accessibility and affordability of product and to cater to the rising expectations of the consumers' need to harvest on services quality or introduce innovative services.

### **Polarization of Indian Retail Industry**

The increasing consumption and high competition pushes the industry towards consolidation. The consumers buy mostly from two or three stores/sites in a category. Big retailers acquire the mid-size retailers to scale their business and smaller ones find their niche to sustain. Among the top retail houses, Future Group and Bharti Retail have combined their retail in 2016 to become India's biggest retail conglomerate with 7 key retail brands, 738 stores in 221 cities across India. Even the online e-commerce is consolidating through mergers and acquisitions. Hence, few big retail houses concentrate in each category. The online consumer base is also skewed towards both in terms of demographic and geographic. Organized retail in India is 7-10 percent and online is 1.2 percent. About 52 percent of regular shoppers are in 26-35 age groups and almost 65 percent of online shoppers are male. Only 24 percent of the online consumers use the medium for buying. In terms of geography, a large part of the consumers come from top metro cities. Mumbai leads in online shopping followed by Delhi and Kolkata.

Fewer large retail houses and skewed consumer base trends push towards polarization of the industry, creating two types of retail formats. One acts as 'one stop shop for all', where consumers can get everything under one roof like Big Bazaar and Amazon. Other format is specialized service providers concentrating on focused offerings like Pharmeasy.in and thesouledstore.com or Polyvore, which was a designing website centered on providing a platform for creative minds to design, create and communicate.

Eataly, which is an Italian food mall where everything related to food is provided, from food stalls, beverage counters, restaurants, bakery, grocery items, to a cooking school, giving consumers a complete food experience. Croma, Vijay Sales and Foodhall are other such examples. Both the formats provide a complete experience with certain added services to cater to the changing expectations of the consumers like premium membership facilities by Amazon and personalized styling assistance by thesouledstore.com.

### **Transforming Retailing**

Growing purchasing power, increasing digitalized consumers and polarization of the industry require a paradigm change in the way Indian retail marketplace functions. Delivering best product on-time is a







**The concept of maximizing the basket size and value has changed with new formats. Consumers have access to a range of products through various platforms, which heightens consumers' expectations from retailers.**



necessity but is not sufficient to gain consumer satisfaction. Online and large format price stores are just a dispenser system where consumers can pick and move. It's fast and convenient but not enough to reach the consumers' love bracket. Consumer preferences are changing towards having an experience over owning a product, instant gratification over long-term benefit and variety than loyalty. Hence, retailers that are transforming from just a product delivery system to customer service provider, helping consumers make better choice, are here to sustain.

The concept of maximizing the basket size and value has changed with new formats. Price discounts, reduced or no shipping cost, low or no switching cost make it highly price competitive. Consumers have access to a range of products through various platforms, which heightens consumers' expectations from retailers. More than 73 percent customers, within the age group of 25-34, use more than one channel for making purchases. Against the predictions, not all the online businesses have proved profitable, proving that brick-n-mortar formats will stay relevant. Consumers no longer think of offline and online as separate medium. They are looking for a seamless experience across all channels and retailers need to build the systems to serve their customers anytime, anywhere.

Omnichannel presence by a retailer is the key to consistent and unparalleled service across all touch points. However, the challenges are reverse logistics management and third-party logistics interactions. Integration of online search with in-store buying can work only if the inventory is in correlation on

both the platforms. In case customers do not find a product of their choice at the outlet, they can order it online through the tablet at the outlet and have it delivered to their home. Nordstrom stores are 3,000-square foot store opened with only service model. They display merchandise only to try on, but not for sale. Shoppers are provided services like stylist and onsite tailoring. However, the shoppers can only order merchandise online, which then can be delivered to the store on the same day.

Consumers look for not just shopping but a personalized shopping experience. For the retailers to reach these consumers, they need focused and customized strategy. Digitalization through internet and technology can be used as an aid to the specialization. For example, Bloomingdale's Manhattan flagship store uses interactive windows as their showcase to display their apparel to the passersby. The consumers can select the different clothing and colors through the display. They can even order by texting 'POLO' for a link to a checkout page. This makes the passerby convert to consumers without them even entering the store. Virtual dressing rooms are another example where retailers are trying to create customized shopping experience.

The definition of success has changed. Businesses have moved from creating value to creating valuation. Businesses, both online and offline that shift from pricing model to non-price model, will sustain. The retailers would have to create non-price propositions by delivering unique product or experience to the consumers through a focused strategy and best-in-class services.





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## Digitalisation of Distribution

Every category has its own primary format: kirana stores dominates grocery sector, online is the preferred platform for electronics and mobile. Further the heterogeneity of the Indian consumer makes it difficult to follow same strategy across the nation. Retailer would need to understand the strengths and weaknesses of a format with respect to the different target market before penetrating.

Retailers need to shift focus to localized service or consumer segment. Thinking local through local business partners could be an approach to sustain and succeed in the polarized market. The big retailers would have to work hand in hand with the traditional retailers. There are six million traditional stores constituting of 42 percent of the physical stores providing a mix of merchandise, credit, home delivery and personalized services but have limited reach. On the other hand, online stores provide access, variety, price and convenience but they have high operating cost and acquisition costs with 1.2 average basket size. It is proposed that e-commerce companies to scale up their business can capitalize on the situation by partnering with traditional local stores to provide common values like localization, personalization and convenience. The reach of a combined traditional online model could also be extended to rural geographies to serve the 850 million consumers, about 70 percent of Indian population and contributing around half of the country's Gross Domestic Product (GDP).

This would enhance the role of the wholesalers. They would need to become more value added service providers, ensuring that retailers focus on customized services and products for their set of customers. A free exchange of data from retailers to wholesalers and vice versa would be the key. Instead of just being a bulk breaking agency, they would have to become agglomerates as well as distributors of demand to smaller stores. Digitalizing the distribution channel through small retailers and modernizing the retail formats make the system more competitive and efficient.

## Way Ahead

The road ahead is transforming 'Retail as a service', focusing on market of "one". Each customer would need to be serviced differently. The performance metric would move from channel/format profitability to customer profitability.

Similarly, instead of store profitability, the chain would have to measure profitability of the trading areas as the same retailer would use multiple formats to service the same customer leading to the reduction of the share of each format. This would require a different set of skills even for brands that participate on these platforms. Shopper marketing strategies would come to the forefront rather than hardcore consumer marketing. Flipkart partnered



**Retailers would need to change the game from product-centric to a service-centric approach. Products are no more the differentiators. Consumers can locate products from anywhere and at varied price points with similar quality.**

with Microsoft Azure as its exclusive public cloud computing platform to help its customers in shopping online. Amazon is the biggest example, accounting for 26 percent of all online retail sales, and with the help of its huge data bank is now converting itself into a personalized services provider.

Retailers would need to change the game from product-centric to a service-centric approach. Products are no more the differentiators. Consumers can locate products from anywhere and at varied price points with similar quality. Retailers need to adopt omni-presence not only in the form of retailing but servicing as well, providing the customers a complete shopping experience. With the help of data integration and technological support, consumers can be served across channels, where each consumer can have a personalized shopping experience. For example, a customer sees a sale at the store, sees few items they like on the e-commerce page, and receives a coupon from the store via email. When they go to the store, they can use the coupon, and know exactly what item they're getting. That's the kind of shopping experience consumers are looking for. Retail as a service provides sustainable competitive advantage to retailers irrespective of the size of the company. **PG**



# Shopping Influencers

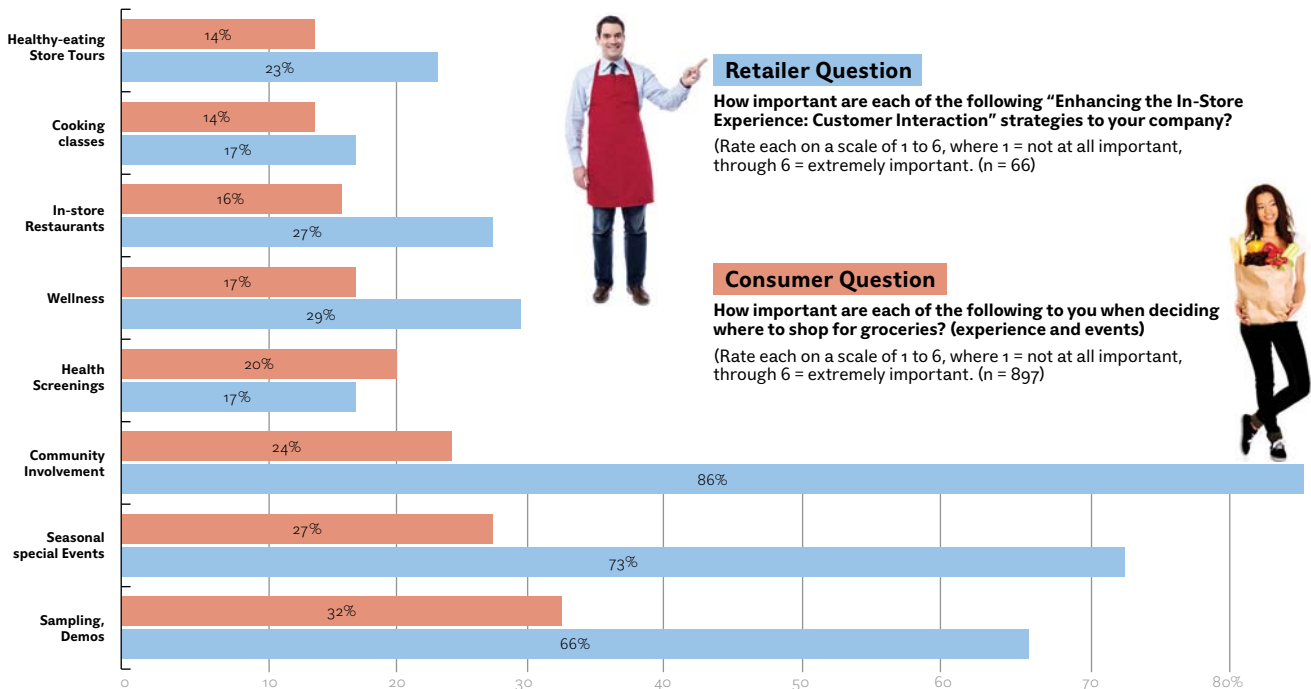
In this month's issue of Progressive Grocer, results of the Annual Report are shared in which retailers give their perceptions of the marketplace. For the first time, PG, along with sister company EIQ Research

Solutions, surveyed 1,000 grocery shoppers about their own perceptions of their grocery stores. This month looks at the results of what they say is most important when deciding where to shop.

Sampling/demos, seasonal special events and community involvement are the top three areas of importance for both retailers and consumers, but the level of importance is significantly higher for retailer strategy than for shoppers when choosing where to shop.

Wellness events/counseling and in-store restaurants are significantly more important to retailers than to shoppers, but this may be due in part to a lack of usage/understanding of the benefits on the part of the shopper. It's important to remember that the areas where there seem to be large discrepancies aren't necessarily because the retailer is putting its efforts into the wrong thing, but perhaps because in shoppers' minds, these aren't things that they (consciously) place importance on when deciding where to shop. However, they're likely factors that subconsciously affect their feelings, perceptions and opinions of a store.

Consumer survey respondents were sourced via ProdegeMR, reinventing the research process by taking a respondent-first approach. Visit [www.prodegemr.com/ensembleiq](http://www.prodegemr.com/ensembleiq) for more information. PG



Source: Progressive Grocer market research, 2019

# I olives FROM SPAIN

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21% TABLE OLIVES  
WORLD PRODUCTION



SPAIN  
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OF MORE THAN  
90% OF OLIVES  
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## INDIAN CUISINE WITH A MEDITERRANEAN TWIST

FAMILY ENCOUNTERS WITH **OLIVES FROM SPAIN**

*Jackfruit and olive biryani*



HEALTHY SNACKS WITH **OLIVES FROM SPAIN**

*Orange and chaat masala olives*



Chef Saransh Goila is the brand ambassador for Olives from Spain for the second year. His recipes embrace the infinite possibilities to have a healthy and creative dish using the different varieties of Olives from Spain



**Our objective is to align merchandizing with the niche market of expats, NRIs, tourists and global food enthusiasts. We stand out in the market by offering the widest range of niche products strategically displayed to optimize first-time in-store conversions.**

— **Rajesh Francis**  
Director, MagSon-Fresh & Frozen



## The pioneers of ‘Fresh and Frozen’ foods

Rajesh Francis, Director, MagSon-Fresh and Frozen, speaks to Progressive Grocer about the fresh assortments and dairy products available at his stores and how MagSon has become the choice retailer of frozen and processed foods in Gujarat and Maharashtra.

### What is the customer proposition and marketing positioning of your store?

MagSon Fresh & Frozen –10 years since its inception in 2009 – has evolved and grown from a single fresh food store to a 22-store gourmet & frozen food speciality retail chain. MagSon has become the biggest franchisor in the state of Gujarat. While ‘Fresh’ is a noticeable characteristic of our product breadth, ‘Fresh’-ness, as an uncompromised philosophy, runs deep within the core DNA of the company, extending to (and beyond) our everyday customer interactions.

Consistent with our service ideology of ‘Delivering Excellence, Always!’, our endeavor is to serve our customers & consumers with premium quality gourmet, frozen & International/Global food products, backed by our commitment of high quality, hygiene & packaging standards. This sets

the bar high up for all checkpoints in our sourcing and importing.

We take pride in our ability to bring to our customers their favourite types of Exotic Cheese, Processed Foods, Premium & Imported Chocolates & Beverages, Imported Cereals and Frozen Veg & Non-veg food items to the extent that makes us not only the largest frozen food retailer in Gujarat but also the purveyor of the widest range of cheese and processed foods retailer in Gujarat.

The thing that really sets us apart is that we are the only speciality retail chain in Gujarat to have achieved and leveraged backward integration through our very own in-house distribution company, which stocks and manages inventory for not only all 22 of our stores, but third parties as well, giving us a high degree of operational and competitive advantage.





**Tell us about your product basket. Which are the categories and merchandise range that you specialize in as a retailer?**

We primarily categorize our products into three baskets – gourmet, chilled & frozen. Our specialities include: exotic cheese, processed foods, premium & imported chocolates, beverages, imported cereals, and frozen veg & non-veg food items.

**Give us an overview of how much space you have allocated to the different sections and what is your strategy for allocating space for different sections at your store?**

The majority of space is occupied by gourmet food items, which get premium visibility spots. The in-store space allocation is in decreasing order of preference: gourmet, frozen & chilled. The strategy to allocate space is mostly store-specific with store locality, customer demand and seasonality driving space allocation and visibility decisions.

Our objective is to first align merchandizing with the niche market of expats, NRIs, tourists and global food enthusiasts. We differentiate ourselves by offering the widest range of niche products, strategically displayed to optimize first-time in-store conversions.

**What is your location strategy? Which locations do you prefer and what part do they play in your store sales?**

Store locations are based on our strategy to target cosmopolitan neighbourhoods and high-end localities. We look for ground floor sites where we can establish a presence as a stand-alone neighbourhood store for that location.

The broad strategy is to target areas of high population of expats, NRIs, tourists and International/global food enthusiasts.

**Considering the peculiarities of the supply chain in India, have you introduced any specific innovations to make your back-end operations foolproof?**

We have achieved backward integration considerably, to such an extent that we have



**MAGSON FACT FILE**

Retailer/ Brand Name:  
**MagSon-Fresh & Frozen**

Launch Year: **2009**

Parent Company:  
**MagSon Fresh & Frozen**

Operating Structure of stores:  
Company owned/rented/leased:  
**All three formats**

Average Size of Store:  
**Approximately 1,000 sq. ft.**

Number of Employees: **125+**

Total Number of Stores  
as on date: **22**

Number of States present in as on date: **2 [Gujarat & Maharashtra]**

Number of Cities as on date: **8**

Total Retail Space as on date:  
**Approximately 20,000 sq. ft.**

Average Sales Per Sq Ft Per Day:  
**Approximately Rs. 54**

Average footfall/ daily/weekly:  
**Approximate 200 (Daily) & 1400 (Weekly)**

Average Bill/ Ticket Size: **Rs. 550**

SKU count in store:  
**Approximate 2000 units**

integrated our back-end operations, starting from the sourcing of products up to the front retail end. The majority inventory for all retail stores is sourced from the in-house distribution company, which helps improve the robustness of the overall business. Our retail position is reinforced by our operational advantage and our in-house distribution.

**Please describe, citing specific instances, how you are using technology to enhance customer experience and improve operational excellence?**

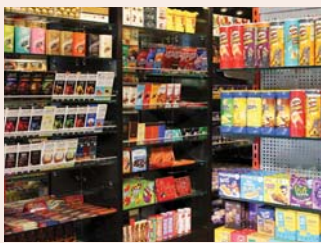
We actively use technology & digital media to build up interest and activity around the brand, products and new launches. That's apart from our regular customer engagement and response management wherein we aim to maintain a high level of responsiveness to reviews and feedback from popular social media platforms.

The storage and distribution processes integrating our in-house distribution company and retail stores also rely on technology for information management and operational accuracy. We have plans for further improvement and optimization of such systems.





## MAGSON'S INTERACTIVE APPROACH TO RETAILING



### Major Breakthroughs

The brand has achieved fast-track growth by opening eight new stores & launching fresh operations in the state of Maharashtra, despite all odds & market slowdown factors such as Demonetization & GST.

### Supply Chain Innovation

As part of its supply-chain, it has in-house cold storages & warehouses in three cities: Ahmedabad, Vadodara & Surat.

### E-commerce/Omnichannel Initiatives

The online e-commerce platform/app, CRM & loyalty system is due for launch by the end of 2019. The brand plans for further improvement and optimization of the storage & distribution processes that integrates in-house distribution company and retail stores, with the help of information technology.

### Customer Service Initiatives

The brand actively uses technology & digital media for personalized customer

service, in the form of regular customer engagement and response management activities. It aims to maintain high levels of response on reviews & feedback on popular social media platforms. To extend an extra measure of convenience to the customers, the stores are equipped with dedicated tele-booking hotlines to service on-demand home delivery orders.

### Cross-promotional Activities

Seasonal bundling and cross-promotion activities during the festive season integrated with in-store merchandising and aggressive marketing campaigns.

### Go-forward Strategy with Suppliers/Vendors:

It has a working model in place in the form of in-house distribution setup, where majority inventory for all retail stores is sourced from the in-house distribution company. It has integrated back-end operations starting right from sourcing of products up to the retail end, improving robustness of the overall business.

### Collaboration with Brands

The brand is already working with other prominent brands to improve visibility of top performing products and to explore opportunities for new niche product categories & markets.

Our stores are equipped with dedicated tele-booking hotlines to service on-demand home delivery orders for added customer convenience. We also have in the pipeline our online e-commerce platform/app and CRM & loyalty system, which is due for launch by the end of 2019.

### Tell us about your private labels/house brands strategy and your plans to augment and expand your PLs?

We are working on building a few in-house brands for a few product categories, and plan to launch them in the near future.

### Any interesting concepts or innovations that you have introduced at your stores?

We regularly launch seasonal merchandising campaigns for our stores in the festive season based on interesting themes. These are closely aligned with our marketing campaigns during the festive seasons.



As mentioned earlier, the unique aspect of our retail business is our in-house distribution, which is responsible for inventory & stock for all of our retail stores. Since the majority inventory is sourced from in-house channels, the robustness of the overall business increases manifold.

### What is your roadmap for the future?

We are currently working on the corporate development and restructuring of the complete business. Currently, all 22 stores operate under a single brand but have individual holding/operating identities as part of a single franchised business. We have already initiated the merger of 14 of these stores to form a private limited company as part of our next phase of growth.

We also have a number of other exciting projects in the pipeline for the near future, such as our online e-commerce platform/app and CRM & loyalty system, due for launch by end of 2019. **PG**



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**Distribution Redefined**

# Health Needs of the Future

Four educated guesses on what grocers should expect.

By Molly Hembree

In a land of complexity, be the store where the consumer shopping experience is uncomplicated.

As is the case with many retail operations, forecasting is a powerful tool. Whether it be predicting holiday rushes, foot traffic, extreme weather or unique promotions, an accurate estimate as to what's around the corner can help your store(s) run smoothly.

Wouldn't it be nice to peer into the future to see what the health interests and needs of the future will be, so you can determine which foods need to be available to your customers in the weeks, months and years to come?

Let's take a look at some educated guesses about what the future holds for health:

## 1 More Plants

Plant-based nutrition has gained massive ground over the past few years as not only a trend, but also a well-recognized approach to eating well, backed by registered dietitians, other health care professionals and researchers.

Well-planned plant-forward diets may also reduce the risk, or help manage, top U.S. chronic diseases such as hypertension, heart disease, cancer and diabetes. Plant-centered eating includes vegetarian and vegan diets, but also eating patterns that allow for non-meat alternatives, dairy and egg-free options, as well as a concentration on fruits, vegetables, whole grains, beans, nuts and seeds.

Anticipate that over the next several years, there will be a drive for products like cashew cheese, almond yogurt, soy burgers, jackfruit entrées and seasoned tofus.

## 2 The Digital Age

It likely comes as no surprise, but the future is digital. Further, technology related to consumer health needs is thriving.

In fact, a 2017 study confirmed that there were then more than 100,000 health-related apps. With this ever-expanding area of wellness-related mobile technology, customers will eventually demand that their grocery carts be linked to their health in a digital format.



We should expect to see advances in UPC and QR code scanning that puts nutrition facts, allergen information, product insights and food-record tracking in the palm of the customer's hand.

It would be wise to explore opportunities with these types of technological advancements to keep relevant and stay a step ahead in a highly competitive retail landscape.

## 3 Save Time

Although many consumers wish they had more time to devote to meal planning and cooking, often they have mere minutes to construct meals for themselves and their families.

Meet shoppers where they are with online ordering, grocery pickup, meal kits, hot bars, crafted pizzas, and frozen and deli-prepared meals.

## 4 Keep it Simple

In a land of complexity, be the store where the consumer shopping experience is uncomplicated. Customers can be bombarded with new food trends, nutrient content claims and confusing marketing.

If you're part of corporate branding or packaging efforts at your retailer, find ways to convey health messaging to shoppers without being overwhelming. Also, team up with your dietitian to find ways to broadcast the most meaningful claims for a set of products that will still catch the shopper's eye. **PG**

Molly Hembree, MS, RD, LD, is a registered dietitian coordinator for The Little Clinic and Kroger.



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# The Chill Effect

The beverage aisle is undergoing a radical transformation in regard to what products consumers are buying, a pattern that suggests grocers need to rethink how they're presenting beverages to their shoppers. Consumer preference for healthy beverages is prompting companies to re-examine their product strategy and launch products suited to the next generation of millennial consumers. But as a price-sensitive market, prices will always have an impact on what products consumers buy and how often they buy them. As such, there is scope for manufacturers to offer beverages at multiple price points to ensure there is accessibility for the nation's wider audience.

**By Sanjay Kumar**



India's beverages market can be broadly divided into two segments – alcoholic and non-alcoholic. The Indian non-alcoholic beverage market is among the fastest growing markets globally as various macro factors are supporting its strong growth. According to industry estimates, the overall non-alcobeve market for beverages in India was close to Rs. 195,000 crore in 2015 and growing at 20-23 per cent. This growth rate will take the category to three and a half times its present size by 2020. All constituent segments are growing in the healthy range of 20–25 per cent, which is the highest among all food groups. According to market research agency Euromonitor, the overall organized beverages market in India is pegged at Rs. 43,034 crore, and is expected to touch Rs. 130,000 crore by 2030. Of this, the health drink market is Rs. 10,680 crore, which will touch Rs. 15,067 crore by 2023.

The non-alcoholic beverage market in India can be broken down into various segments such as carbonated drinks and non-carbonated drinks like juices, concentrates (mixes and powders such as Rasna or Rooh Afza), ready-to-drink (RTD) tea and sports/energy drinks. The carbonated beverage category comprises majorly soft drinks, which currently account for nearly half of the overall Indian soft drinks market. Carbonated drinks are categorized as those drinks that bubble and fizz with dissolved carbon dioxide gas in it. Many people find the fizzy sensation to be pleasing and are fond of the slight different taste that carbon dioxide provides.

The Indian carbonated market and the markets globally have for long been the duopoly of Coca-Cola and PepsiCo. In 2015, the Coca-Cola Company led the world market for carbonated beverages with a share of more than 48%, which more or less remains the same to this day. The Coca-Cola Company has historically been considered PepsiCo's primary competitor in the Carbonated Soft Drinks (CSD) market. According to India Carbonated Drinks Market Overview, carbonated or aerated drinks account for more than 40% of the total non-alcoholic beverages market in India.

**The non-alcohol market is divided into three main categories:**

- ▶ Hot beverages
- ▶ Carbonated drinks
- ▶ Powdered drinks, health drinks and juices
- ▶ Mineral and flavored water

Major brands that are present in the Indian market are Thums Up, Coca-Cola, Pepsi, Sprite, Fanta, Limca, Mirinda, etc. The major segments in the carbonated market are also categorized on the basis of flavors used, i.e., cola-flavored drinks, lime-lemon flavored drinks, orange flavored drinks and other drinks. Currently, the dominant trend in flavors is the non-cola lime-lemon flavored drinks in India. Going forward, within carbonates, non-cola carbonates, especially lemon-based ones, are expected to grow faster due to their increasing popularity as mixers in alcoholic drinks.

In terms of end users, the urban segment dominates the Indian carbonated non-alcoholic market with a significant market share. But gradually, the rural segment is expected to take on the market. Region-wise, a majority of the consumers hail from the west of India followed by the South where people have to endure the maximum temperature.

The main segments in the non-carbonated non-alcoholic segment comprise juices, bottled water, energy drinks, ready-to-drink tea and coffee, flavored milk, malted drinks and other drinks. Tea and coffee hold a lion's share in the non-carbonated non-alcoholic segment, which confirms that traditional beverages continue to rule this category. Tea, by far, is the largest segment of beverages in India ruling over 79 per cent of the market. The market is growing at 20-23 per cent and by the same rate it will cross its present market size by more than three times by 2020. On an average, each person in India spends about Rs. 106 on tea consumption every month. Although south India is usually perceived as a coffee market but the tea market is around nine times bigger in the region. Monthly per capita consumption of tea in the region is Rs. 147, which is even higher than the all-India average.



“When launching a new product, the need of consumers for the product is critical; but you also have to take into account the need of the retailer. If you have that kind of synergy where you are trying to meet the organizational objectives of both, the chances of success are much higher.”

— Mayank Shah  
Category Head,  
Parle Products



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The mineral and flavored water category has created its unique place in the beverage market and is growing much faster than carbonated drinks. This market is growing at a CAGR of 22 per cent and is estimated to have reached Rs. 160 billion in 2018.



India's coffee & tea industry was estimated to have reached Rs. 41,800 crore by the end of 2017 on the back of rising domestic consumption. There is no denying the fact that the Indians love their tea and coffee when it comes to something hot beverages. India is the largest tea producing and consuming country and still rules over coffee. However, coffee has gradually evolved into a lifestyle beverage with the mushrooming of branded coffee outlets as a popular hangout with friends or colleagues.

The beverages market for non-alcoholic products is split 50:50 between rural and urban markets although the individual contribution share of constituting segments in both the markets differ. For instance, the largest segment of tea and coffee has a bigger share in the rural market than in urban. But the rest of the constituent segments have a larger share in the total urban market. Packaged drinking water or juices consumption or the culture of drinking soft drinks and having energy drinks are all urban trends and have limited penetration in rural areas. Consumers' lifestyles and consumption habits are



## BEVERAGE PRODUCTS WITH A PURPOSE

Every good product – especially every good-for-you product – has a purpose. And few categories really stress this more than functional beverages. Beverage manufacturers aver that it is now imperative for every product launch under refrigerated beverages to earnestly question the purpose of the product. Does it deliver on a function? Is it a detoxing drink? Does it help improve energy? Will it support your immune system? All of our juices, ready-to-drink teas, kombuchas and apple cider vinegar tonics are formulated to deliver a functional benefit. So whether it's probiotic-enhanced green juices and kid-friendly green smoothies to green milks and green lemonades, the beverages' purpose should also reflect not only consumers' reasons for drinking green juice, but also the reasons for making the juices in the first place. The product and its purpose are bound together, and that means something to consumers. More and more, consumers want to understand the 'why' behind the brands they consume – they want to know the story behind a brand, as well as the quality proposition represented by a brand. As such, the trend will continue for consumers to look to purpose-driven brands for their natural and better-for-you food and beverage choices.

With the growth of functional beverages and the breadth of their diverse benefits, it's clear that consumers today are looking for increasingly convenient ways to do more than quench their thirst. But before launching a new cholesterol-lowering tea, marketers should ask themselves: "is this fulfilling an actual need with my target consumer? And is a beverage a credible and appealing format to deliver this benefit?" For each successful product, there are likely just as many failures. But one thing is for sure: there is still plenty of untapped potential.

the differentiating factors for this variation in both the markets.

The mineral and flavored water category has created its unique place in the beverage market and is growing much faster than carbonated drinks. This market is growing at a CAGR of 22 per cent and is estimated to have reached Rs. 160 billion in 2018. Nearly 67 per cent market share of the sector is held by the top five players such as Bisleri, PepsiCo, Coca-Cola, Parle and Dhariwal. Mineral and packaged water bottles are now commonly available at every nook and corner of the country. The rise in the consumption



of mineral water has been mainly due to increasing awareness about health, increase in tourism and easy availability of bottled water.

There is a new variant called flavored water that has taken over the luxury tag from mineral water bottles. The target market is the people who prefer healthy lifestyle on the go and love to drink water infused with vitamins, natural flavors or nature identical flavoring substances such as basil, lemon, mint, orange, hibiscus, fruits, etc. O'cean, Blue and Qua are some brands in this category.

### MARKET POTENTIAL

The non-alcoholic beverage market in India has come a long way in the past decades. With a few Indian players in the 1970s and 1980s, the market witnessed the re-entry of several multinationals such as Coca Cola and Pepsi in the 1990s. Since then, various Indian and foreign multinationals have tried to get a piece of the fast-growing market. Today, India represents an important market for various players to build a strong beverage brand. The current low per capita consumption signals significant potential for volume growth in the future (it is currently estimated that per capita consumption will double by 2020).

The non-alcoholic beverage market in India is witnessing steady disruption as demand side and supply side factors alter the competitive landscape. Consumer preference for healthy beverages is prompting companies to re-examine their product strategy and launch products suited to the next generation of millennial consumers. The bottled water and juice categories are among the largest and fastest growing segments. Both of these segments are expected to lead the growth of the non-alcoholic beverage industry in India. The carbonated beverage industry, on the other hand, is expected to witness slower growth and further expected to lose market share to other beverage segments.

The beverages industry in India is looking at a broad-based growth across categories, especially helped by juices and bottled water. The growth across categories will be led by key growth drivers such as under-penetration of the segment, a growing middle class, rising affordability and urbanisation, and rural electrification besides continued innovations towards product packaging and sizing. The bottled water category is



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**Currently, the dominant trend in flavors is the non-cola lime-lemon flavored drinks in India. Going forward, within carbonates, non-cola carbonates, especially lemon-based ones, are expected to grow faster due to their increasing popularity as mixers in alcoholic drinks.**

expected to see a robust volume growth with increasing awareness among consumers about water-borne diseases and shortages in drinking water in the urban areas. Moreover, rising health awareness is also driving juice consumption and it is increasingly becoming part of the regular breakfasts and social gatherings.

The fruit-based beverages category is one of the fastest growing categories, and has grown at a CAGR of over 30% over the past decade. At present, the Indian packaged juices market is valued at INR 1100 crore (~USD 200 million) and is projected to grow at a CAGR of ~15% over the next three years. The packaged fruit juices market can be divided into three subcategories, viz. fruit drinks, juices, and nectar drinks. Fruit drinks, which have a maximum of 30% fruit content, are the highest-selling category, with a 60% share of the market. Frooti, Jumpin, Maaza, etc. are the most popular products in this category. Fruit Juices, on the other hand, are 100% composed of fruit content, and claim a 30% market share at present. In contrast,

nectar drinks have between 25-90% fruit content, but account for only about 10% of the market.

Also, contributing to the growth phase of Indian soft drinks market is narrowing gap between urban and rural consumption. In India, there is a steady decline in rural-urban consumer gap, driven by increasing interest and readiness to spend in the rural markets. Consumption in India's soft drinks was 44 bottles per capita in 2016, which is relatively lower compared to matured markets such as the US, where the per-capita consumption is 1,496 bottles. In Mexico, it was 1,489 bottles, 1,221 bottle in Germany and in developing markets such as Brazil at 537 bottles. This under-penetration is likely to correct with consumption expected to almost double to 84 bottles by 2021.

According to Market research agency Mintel, "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 nonalcoholic 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 recent 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-month period leading to the survey, 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 a significant growth potential in the coming years. Busy, on-the-move lifestyles will also have a

**Given the shift in consumer preferences and lifestyles, carbonated beverages are expected to lose market share to healthier beverages.**

The non-alcoholic beverage market in India can be broken down into various segments, such as carbonated drinks, juices, concentrates (mixes and powders such as Rasna or Rooh Afza), ready-to-drink (RTD) tea and sports/energy drinks.

| SEGMENT                  | 2015 - MARKET SIZE (BILLION INR) | CAGR 2010-15 (%) | CAGR 2015-20E (%) | OFF-TRADE (%) | ON-TRADE (%) |
|--------------------------|----------------------------------|------------------|-------------------|---------------|--------------|
| Carbonates               | 251                              | 12.5             | 10.2              | 42            | 58           |
| Juice                    | 132                              | 26.3             | 26.0              | 77            | 23           |
| Bottled water            | 121                              | 31.2             | 21.0              | 50            | 50           |
| Sports and energy drinks | 11                               | NA               | 15.0              | 71            | 29           |
| Concentrates             | 9                                | NA               | 10.1              | 100           | 0            |
| RTD tea                  | 1                                | NA               | 7.0               | 79            | 21           |
| <b>Total market</b>      | <b>525</b>                       | <b>18.7</b>      | <b>17.5</b>       | <b>54</b>     | <b>46</b>    |

Source: Euromonitor



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According to market research agency Euromonitor, the overall organized beverages market in India is pegged at Rs. 43,034 crore, and is expected to touch Rs. 130,000 crore by 2030. Of this, the health drink market is Rs. 10,680 crore, which will touch Rs. 15,067 crore by 2023.

positive impact on these categories as consumers look for easy solutions to satisfy their thirst and hunger while they go about their daily routine. On India's juice market – segmented into pure juice, concentrates, and nectars – consumer research firm Euromonitor has said in a report that the market is set to grow at 17% compound annual growth rate to reach Rs. 27,250 crore in value by 2021. In recent years, the carbonated soft drinks segment in India has been growing at a compounded annual growth rate of around 13% compared to nearly 28% for juices. Health conscious customers and local flavors being introduced by juice manufacturers are among the key drivers for this growth.

**UMPTEN BEVERAGE CHOICES**

In the past few years, the beverages industry in our country has seen a marked shift and moved into the fast lane of swift growth and fresh consumer offerings. The beverage aisle in supermarkets today has undergone a radical transformation with regard to what products consumers are buying – a pattern that suggests that 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.

➔ **SPAWNING NEW TASTES AND FLAVORS**

Juices have become a supplement to the morning breakfast in many households and, thus, their popularity continues to rise. Moreover, people have become more conscious of their health habits and are switching from carbonated drinks to juice drinks. Unpackaged juices, however, continue to be popular as they are viewed as fresh and free of preservatives.

Various brands and concepts have emerged recently, highlighting the evolving tastes of millennial consumers.

**Concept Description**

**Ethnic beverages:** In the past, the category of ethnic beverages constituted an unorganised market, usually restricted to street vendors or prepared at home. However, with its brand PaperBoat, Hector Beverages introduced the concept in packaged format and has been able to scale up rapidly. Innovative packaging and natural ingredients have allowed the brand to penetrate urban areas. Sensing the opportunity, Dabur launched its Hajmola Yoodley.

**Cold-pressed juices:** Today, cold-pressed juices have become popular among consumers as it is widely believed that the cold-pressed technique allows the juices to retain their original nutrients. Various brands

such as Raw Pressery, Juicifix, Jusdivine, Fresh Pressery and Juice Up are currently serving the market. These juices claim to use low to zero preservatives and are considered to be healthier than other packaged juices

**Organic juices:** As consumers become conscious of the ill effects of pesticides and fertilisers used in the farming process, organic juices made with organic fruits and vegetables are gaining popularity in the market. Some of the prominent brands in this category include 24 Mantra and Vitro Naturals.

**Tender coconut water:** Tender coconut water has been a popular drink among the Indian masses for a long time. However, currently, most of the sales are done through small unorganized street vendors. Packaged forms of coconut water are gaining popularity as consumers increasingly demand such products in a convenient packaged format.

**Vitamin/flavored water:** Yet another form of beverage that is gaining popularity is flavored vitamin water. These products claim to be able to deliver the requisite amounts of vitamins and minerals to keep a person healthy and energized. One of the popular brands in the category is Wild Vitamin Water.



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 sugar-free 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 cola brands to the tried and trusted 100 per cent fruit juices and cold-pressed juices, energy drinks 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.

**BEVERAGE MERCHANDIZING AND RETAILING**

For better and profitable merchandising of beverages, brands need to partner with key grocery retailers to develop and anchor sections of differentiated beverage items. Using in-store signage and on-pack messaging, brands can communicate their brand proposition, allowing shoppers to "find their flavor." In-store sampling events and dietitian-led education programs can help brands to spread awareness of the product. Another way to promote sales is by cross-merchandising beverages with snacks as a way to capture sales from hurried professionals, overwhelmed students and multitasking parents. Displaying beverages and popular snacks side by side helps to catch shoppers' attention and encourage impulse buys.

At the same time, consumers' growing demands and changing preferences regarding natural/organic beverages are causing retailers to re-examine their floor plans with schematics that have traditionally dedicated a tremendous amount of space to carbonated soft drinks and sugary beverages. It is important to note that category management in beverages is shifting from large-company domination as consumers today are demanding more variety. The smaller companies developing niche segments are better suited to handling shifting and evolving consumer demand. Winning



retailers will recognize the market is becoming more competitive and continue to focus by optimizing assortment, leveraging engaging promotions and overindexing their fair share of innovative products.

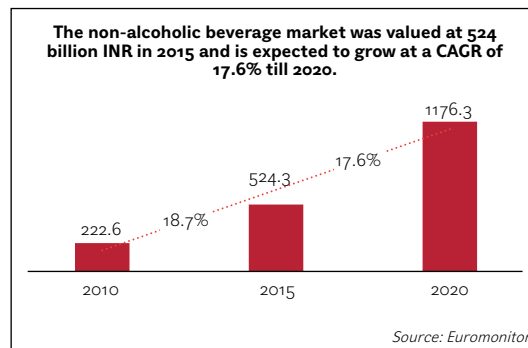
Brands and retailers also need to collaborate in order to make it easier for the retailers to boost beverage aisle sales by making the section easier to shop. Consumer behavior has changed dramatically over the past decade, but the grocery retail environment hasn't evolved with it. Faced with a generation of consumers accustomed to shopping online, where they can quickly see recommendations, best sellers and new items, retailers must adapt or risk losing these shoppers as they seek out more progressive shopping experiences.

Retailers can develop a navigation platform to simplify the shopping experience by creating clearly marked sections within the existing beverage aisle and putting all of the new items together in a "What's New" section; with new items accounting for a fraction of SKUs but more than two-thirds of category growth, this section can become a popular choice across several retailers. Further, retailers can also develop a comprehensive menu of options, including "Today's Trends," "Expert Picks," "Best Sellers," "Sweet Spot" and "Products You'll Like," each strategically placed based on the retailer's



**The category is moving decisively towards health and wellness drinks. Still, many MNCs and big brands have not been able to fully capitalize on this trend. Brands that act fast on this trend will be able to win market share for their products.**

— Sabir Husain  
Managing Partner and Retail Head, Harty Mart





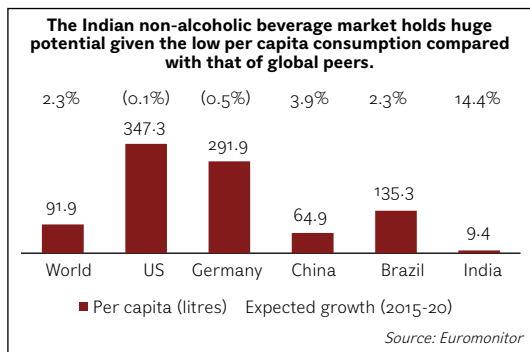
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**Manufacturers should innovate on launching more healthy drinks with lower sugar level and sweetener, and natural-based fruit drinks that are preservatives-free. Introducing multipacks is one area where there is a huge potential for upsizing the category.**

— **Gaurav Singh Pundir**  
 AVP, Head FMCG,  
 SPAR Hypermarkets

goals, shopper preferences and priority segments. “The brands, retailers and manufacturers need to cross the bridge of trust in collaboration and build a relationship based on shared responsibility, joint accountability and continued engagement, simply because brands and manufacturers can’t live without the support of the retail partners. When launching a new product or offering, the need of consumers for the product is critical; but you also have to take into consideration the need of the retailer. If you have that kind of synergy where you are trying to meet the organizational objectives of both, the chances of success are much higher,” says **Mayank Shah**, Category Head, Parle Products.

**CONSUMER TRENDS – HEALTHY, FUNCTIONAL BEVERAGES**

However, health concerns of consumers are prompting the manufacturers to shape their market strategy with diet and low-calorie varieties in the global market. An increasing number of people are showing heightened concern about the harmful chemicals and preservatives added in carbonated soft drinks, which has led to declining sales of carbonated drinks in the Indian market. To face these challenges, manufacturers are bringing



new flavors and low-sugar diet drinks into the market, which will help grab the declining growth. However, the carbonated drinks market in India is still expected to showcase a double digit growth in India in the next five years.

“The beverage category in India is shaping up more towards fruit-based products as young Indian consumers are more health-conscious than ever before. These consumers are eager to try new innovations in this category and the sale of fruitless carbonated drinks like Coke and Pepsi are declining. Currently, these carbonated drinks enjoy 70% of the total market share while fruit-based drinks are at 30%. In the next 5-10 years, the market scenario will be completely opposite with fruit-drinks making up 70% of the pie. The industry is moving quickly towards the carbonated fruit drink category as well as low/no sugar content products. Some gains are also happening for brands in the cold pressed category. For brands like us, the future opportunities lie more in ethnic flavors and the sugar-free category. More importantly, the price point for mass consumption – between INR 10 & 20 – will drive further growth for brands in this category,” says **Ashok Chopra**, Country Head, **Fresca Juices**, which sells more than 12 diverse and innovative flavors with 54 SKUs in its product kitty across exciting variants such as litchi, mango, aam panna, tangy shikanji, lime water, mix fruit, apple, guava, pomegranate and pineapple.

At SPAR Hypermarkets, which is known for carrying the widest possible beverage assortment – around 600 SKUs – ranging from carbonated (PET bottle and cans), fruit drinks, fruit juices, concentrates, functional drinks, drink mixes, health drinks, tea, coffee, among others, health drinks and juices are the outperformers in the category. “With all the awareness through various social and media platforms, shoppers are more inclined towards health now and, therefore, there is good movement towards the lite and diet segment. However, the carbonated category has also become very vibrant as it has seen a lot of innovations over the past few quarters such as no-sugar variants in CSD, which have gained traction in the carbonated market,” says **Gaurav Singh Pundir**, AVP, Head FMCG, SPAR Hypermarkets, who believes that brands and manufacturers should not only focus on creating differentiated products but should also take up the responsibility of spreading customer education on the benefits of differentiated products.

“Manufacturers should innovate on launching more healthy drinks with lower sugar level and sweetener, and natural-based fruit drinks that are preservatives-free. Introducing multipacks is one



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**In the next 5-10 years, the market scenario will be completely opposite with fruit-drinks making up 70% of the pie. The industry is moving quickly towards the carbonated fruit drink category as well as low/no sugar content products.**

area where there is a huge potential for up-sizing the category. While we see the launch of many new brands every month, manufacturers should focus more on customer engagement and education as well. With the advent of an assertive and aggressive social media, shoppers are becoming more health conscious and hence their choices are skewed more towards healthier options,” adds Pundir.

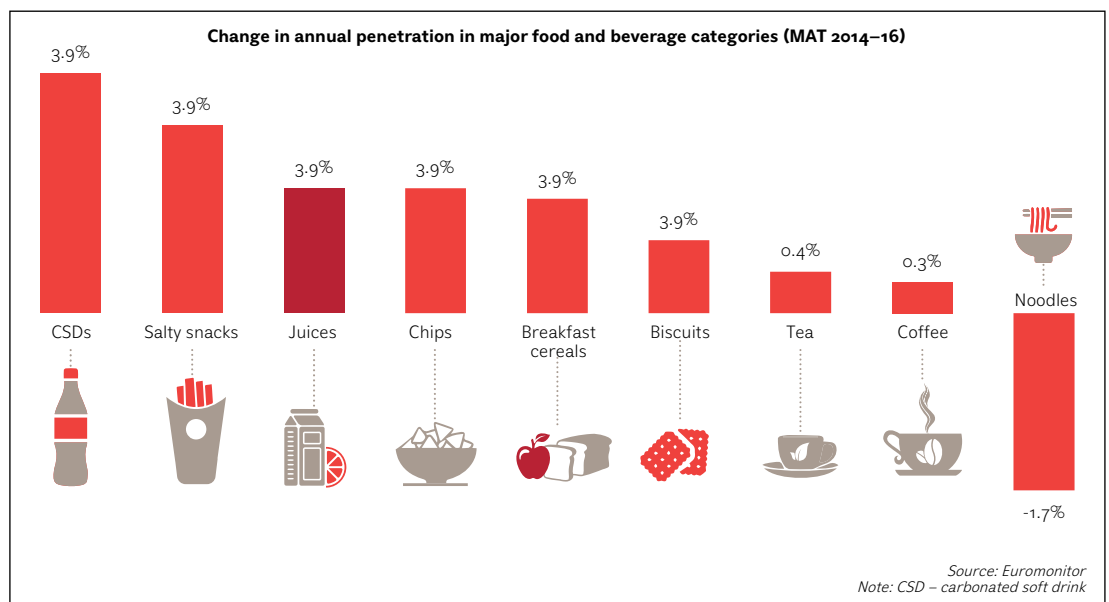
In keeping with the trend for healthier drinks, and people looking for healthy and refreshing beverages, Kingfisher recently launched a product that is more fun than plain-old cold drink. Kingfisher Radler packs a punch with its refreshing citrusy flavors and unmatched coolness to combat soaring temperatures. Packed with the goodness of malt and lemon, Kingfisher Radler is not a beer but a refresher that’s not sugary but healthy without being boring. Made with malted barley and all- refreshing German fruit juice, its unique blend of malt and lemon offers a delightfully mellow after-taste, and acts as a perfect thirst quencher, especially to those with a mature palate. Kingfisher Radler

contains 30% less sugar and fizz than a normal refresher and is a great match for people looking for a guilt-free summer refreshment. The 0% alcohol, 100% refreshing drink is available in three summer-ready flavors – ginger lime, lemon and mint lime. The product is priced at Rs 45 for 300 ml and available at most stores (retail and online).

Sabir Husain, Managing Partner and Retail Head at Ahmedabad-based Hearty Mart, which operates 13 stores in Gujarat agrees that the market trend is for natural and healthier drinks. “People in the cities are becoming more and more health conscious. In comparison, the rural segment isn’t so much aware about the benefits of health drinks or organic products. But what cannot be missed is the growing perception against aerated soft drinks. This trend is creating a great opportunity for beverage manufacturers to generate awareness about the benefits of health and natural fruit-based drinks even at the rural level and come up with a range of products that meet the health needs and aspirations of both urban and rural customers.

Mintel research reveals that recent launches of beverages stand out for their no-added sugar claims as well as the emphasis on no artificial additives. The launch of products like cold-pressed juices is on the rise and 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.

According to Husain, the new beverage products gaining consumer traction are milk shakes (Hershey’s & Amul), flavored soya milk (Sofit), Yakult health drink, masala chhaas (Amul), haldi





## → Freshness is the next frontier for India's juice market

Indian consumers see fresh juice as natural, healthy and free from artificial ingredients, thus reassuring them of what has gone into their drink. As fresh juice is readily available in most restaurants and roadside vendors, sold at a range of price points and highly customisable, it's quickly becoming packaged juice's main competition.

### Freshness as a unique selling proposition

While a number of juice markets globally are seeing low single-digit growth, or a decline, primarily over concerns of high sugar content, according to Mintel estimates, India is one of the fastest growing markets for juice in retail. However, India's per capita consumption remains low.

Mintel research reveals that more than a third of Indians say that greater freshness is a feature that would encourage them to drink more packaged juice. To drive the juice consumption, brands can shine a light on freshness cues on the pack.

### Growing acceptance of cold-pressed juices

Even though India is considered to be a price-sensitive market, cold-pressed juice has been surprisingly successful, despite being priced at a premium.

There is definitive interest in cold-pressed juices in India, as Mintel Global New Products Database (GNPD) indicates that India is among the top five global markets for cold-pressed juice launches.

Cold-press technique has provided an inroad for bringing greater freshness into the retail juice category and has shown that freshness can be offered in a bottle. Offering limited editions featuring seasonal produce can further enhance the links to freshness for consumers.

As cold-press juice in India gains traction, this will mean that new methods of highlighting freshness on the pack will emerge. Some of these cues of freshness can already be seen, including the emphasis on manufacturing dates and times, as well as the use of certain types of in-season fruit.



### Imagine Berry-Go-Round Cold Pressed Juice

This product states that it is made with real strawberries, which includes vitamin C to promote blood flow, and is procured, peeled and cold-pressed at the manufacturing facility.

### Raw Pressery Shield Valencia Orange, Carrot, Ginger Cold Pressed Juice

The juice has no added water and is low in calories and high in soluble fibre. The juice is said to be cold pressed without any heat or oxidation, which helps in preserving its natural nutrition, fibre and shelf life.



### The Rejoov Cold Pressery Watermelon with Ginger & Rosemary Juice

This juice is described as raw and 100% natural. It claims to contain an active agent to ease digestion, aid heart health, maintain blood pressure and doubles as an efficient skin moisturiser.



## → Innovative drink products launched in India in 2018

While primarily still a 'follower market' when it comes to food and drink launches, more and more companies in India are speeding up their innovation activity – catering to consumers in India who are now increasingly aware of what is happening in other markets. It is interesting to see that many of these companies are not only staying on top of global trends, but are also incorporating local elements in their launches so that they are rooted in familiarity.

Here, we highlight the most exciting drink products spotted in India in 2018:



### Zen Tiger Kombucha Hibiscus and Kokum Flavoured Fermented Iced Tea

India will see significant interest in food and drink that aid digestive health, with a particular focus on fermented foods. This dairy-free fermented beverage claims to have detoxifying and weight loss properties, thanks to its naturally occurring acids.

### iD Traditional Filter Coffee Decoction

With busier lifestyles, Indians are looking for products in convenient formats and food products with authentic taste. iD Fresh Foods' ready-to-use filter coffee decoction is said to offer an authentic taste for people who prefer filter coffee over instant, but don't have the time or know-how to make the decoction.



### Te-A-Me Ice Brews Freeze Lychee Tea



This cold brew tea range can be brewed in minutes using cold water with no boiling required. This tea is said to be free from added sugar, GMOs, gluten and artificial colours.

### Auric Body Defence Drink

The use of food ingredients in the beauty and personal care category is now an established trend. It is now time for food products to play up its beauty benefits. This drink is said to contain Indian ginseng, moringa, Indian gooseberry, Centella, turmeric and coconut water, and is free from preservatives and low in calories.



Natasha Kumar, Food & Drink Analyst, India, Mintel

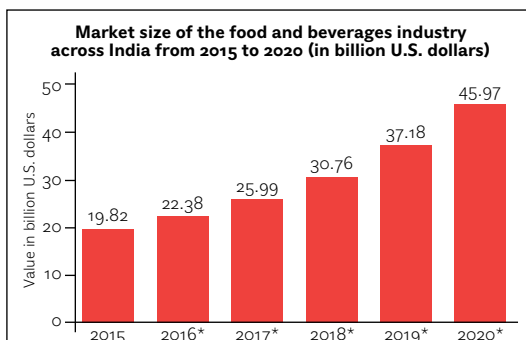


doodh (Amul), Tang, basil drinks, chia seed drinks, sugar-free juices and sherbet. “The category is moving decisively towards health and wellness drinks. Still, many MNCs and big brands have not been able to fully capitalize on this trend and this has given an opportunity to a brand like Patanjali to come up with its own range of health products. Companies like Amul have launched haldi doodh and masala chhaas, which nobody thought of until recently. Similarly, Hershey’s has launched milk shakes in tetra pack to capture the market more effectively. Brands that act fast on this trend will be able to win market share for their products,” opines Husain.

With Indian consumers showing a strong preference for healthier beverages, they are rejecting drinks that either contain artificial ingredients or have high sugar levels. Indian consumers are now more mindful of what they are consuming and 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.

“  
**People today see beverages as more than just a means of hydration. Consumers today are more knowledgeable about ingredients and nutritional benefits, and they are willing to pay a little extra to get something healthy.**

— **Kunaal Kumar**  
 CEO & MD,  
 Modern Bazaar



This statistic depicts the market size of the food and beverages industry in India 2015 with a forecast until 2020. In 2020, the market size was forecasted to amount to approximately 46 billion U.S. dollars, up from about 20 billion U.S. dollars in 2015.  
 © Statista 2019.



## ▶ **PLANT-BASED MILKS EXPAND BEVERAGE MARKET**

Coconut, soy, oat, almond, cashew. As consumers continue to opt for a variety of choices in “milk” beverages, the dairy industry is fighting to protect the word “milk,” which is narrowly defined as “lacteal secretions from cows.” To add to the confusion, goat and sheep products seem to get a pass for using the word “milk.” Also at issue is whether all products labeled milk need to be nutritionally equivalent to cow’s milk.

Those on the plant-based side argue that consumers are savvy enough to understand which liquids come from cows and which liquids come from nuts and other plants. They also contend that consumers are looking for non-dairy milk like products that offer different nutritional values than milk can. And the options for other terms – “cultured almond products,” “treenut cheese” – don’t exactly roll off the tongue.

As the debate carries on, the dairy industry is emphasizing how traditional milk can compete with all of the many other ready-to-drink options on the market, from nut liquids to classic soft drinks and niche items like kombucha and kefir. Recent brand initiatives align milk with sports nutrition and recovery and recommend combining proteins for sustained energy. Whatever the market outcome, consumer demand is showing there’s plenty of room for a variety of milk like substances in the market.

### **Store Ideas:**

- ▶ Inclusive milk options at in-store coffee and smoothie bars
- ▶ Samples of plant-based milks, cheeses and yogurts so shoppers can compare them
- ▶ Chocolate milk cross-merchandised with other high-protein snacks, like nuts and cheese, for amateur athletes

According to an RNCOS analysis, the health beverage industry is emerging on the back of a shift in consumer preference due to the changing lifestyle. The fortification of health beverage, ranging from ingredients such as herbs, vitamins, minerals and amino acids to additional raw fruits and vegetables, is expected to grow at a CAGR of around 20% during the period of 2016 to 2022.

The analysis by RNCOS says that the functional beverages market offers new product opportunities to those players that understand consumers' preferences and can develop and market functional beverages that meet consumers' expectations. According to RNCOS, functional drinks are non-alcoholic drinks that hydrate the body and provide overall nutritional well-being. The Indian market is evolving with the growing health awareness and the new generation is ready to pay a premium price for functional advantage from such health beverage products.

The report points out that health beverages are products with ingredients that are added for specific health benefits that are beyond basic nutrition. While Indian consumers are becoming increasingly aware of health and nutrition, rising incomes mean that they can also splurge on the products with attributes that they value. The attributes that Indian consumers seek are immune or energy boosting, nutrients and vitamin lost during workout etc.

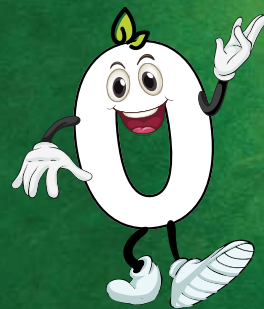
Rising knowledge about wellness and health along with inclining expenditure on beverages has increased the number of consumers accepting such beverages. The increasing health consciousness amongst Indian populace is acting as a strongest pull toward the health beverages industry. "People today see beverages as more than just a means of hydration. Rather, they're looking for added benefits and they're asking serious questions on a daily basis. Consumers today are more knowledgeable about ingredients and nutritional benefits, and they are willing to pay a little extra to get something healthy, says **Kunaal Kumar, CEO & MD, Modern Bazaar.**

### FOCUS ON HEALTH IMPACTS BEVERAGES

Consumers' desire for healthier foods with fewer ingredients is having a significant impact on the beverage category. The result is a dizzying array of new products that's causing retailers to find new ways to accommodate shoppers' changing tastes for fresh, healthy forms of refreshment. The refreshment drink category is defined as being shelf-stable and refrigerated ready-to-drink tea and coffee, refrigerated juices and functional beverages, shelf-stable juices, shelf-stable functional beverages, carbonated beverages, and nonbulk water. Those segments, which are becoming harder to define as new products blur the distinctions between channels. Most of the growth from healthy/natural beverages is coming from products such as premium juice, kombucha, plant-based water, and single-serve tea and coffee.

A focus on healthier, fresher beverage alternatives is causing retailers to rethink their product mix in center

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**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

quicker to respond than they have been in the past, and quite a few trends have moved into the mainstream at a much faster pace. Products such as kombucha and chia beverages are migrating more quickly than ever before to conventional supermarkets as retailers seek to satisfy consumers' desire for new beverages with fewer and more natural ingredients, lower-calorie profiles, and added health benefits.

**Cold-brew coffee, kombucha on fire**

The RTD single-serve tea and coffee segments are punching above their weight class. While they comprise only a small percent of beverage category sales, these segments are experiencing a much faster rate of growth year on year. Cold-brew coffee is quickly becoming a category star. Cold-brew coffee, made by steeping coffee grounds in room-temperature or cold water for an extended period, has lower acidity but a higher coffee-to-water ratio than conventional coffee, meaning that it has a smooth taste, but its concentrated nature gives it a higher caffeine content per serving. Since it has a wider appeal than traditional energy drinks, it could create competition for that category, which is viewed as having a less healthful profile and appeals to a more narrow demographic.

Millennial consumers are used to customization and high quality in coffee, and they want that level of quality in a cold ready-to-drink product. Companies are looking to roll out cold-brew coffees in shelf-stable multipacks. In addition to refrigerated single-serves and multipacks in center store, manufacturers are testing tapped coffee. Manufacturers see potential for tapped cold-brew coffee in conventional markets. The coffee category could even move into cultured and fermented territory, which has been a big factor in teas such as kombucha.

**More and more, consumers want to understand the 'why' behind the brands they consume – they want to know the story behind a brand, as well as the quality proposition represented by a brand. As such, the trend will continue for consumers to look to purpose-driven brands for their natural and better-for-you food and beverage choices.**



store and to scramble to create a greater amount of refrigerated sections that accommodate a wider selection of higher-priced fresh and functional options. Fresher taste without preservatives also means narrow refrigerated shelf life, so retailers must manage the category more tightly than ever before.

Manufacturers continue to offer new products to satisfy younger consumers, who are thirsty for a steady stream of innovative items that offer the most on-trend ingredients, and who are reaching for many types of beverages over the course of a day. The new beverage landscape is ultra-fractured, with innovations blurring the lines between segments (sparkling tea and natural juice-flavored waters are just two examples).

Over the last year or two, retailers are reducing the amount of space they are giving to carbonated soft drinks and significantly expanding their selection of healthier beverages. Conventional channels are

**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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**Due to the convenience and hygiene offered by value-added nonalcoholic beverages, they are gaining much traction among Indian consumers. This is particularly true among those aged between 18 and 34 years.**

Still one of the hottest trends in health beverages, kombucha, along with other fermented drinks, are topping higher sales as consumers prefer to consume probiotics in a food or beverage product rather than in a supplement, and people are willing to pay more for products with probiotics in them. And so the fizzy, low-calorie probiotic drink category continues to show upside.

**Next wave for teas**

The next generation of kombuchas may be drinking vinegars and switchel, which is made from apple cider vinegar, fresh ginger and maple syrup, and then cut with water. The gateway was kombucha and as consumers become more adventurous, they are willing to explore more sour flavor profiles. Matcha tea, which is partly shade-grown and then ground into a powder, is becoming a popular additive across a number of different beverage segments. Matcha is on consumers' radar because of its antioxidant and clean-energy profile, but nobody could have predicted that it would go mainstream as quickly as it has. Nonfermented sparkling teas is another specialized segment that's erasing the barriers between the tea and sparkling water categories.

**Willing to pay more for less**

For a growing number of consumers, what's not in their beverages is just as important as what's included. These products bring in a younger consumer who recognizes the value of nutrition density and clean labels. Consumers are looking at labels and don't want to see preservatives and too many ingredients in their beverage. New entrants into the cold-pressed juice category are helping to educate consumers on the value of higher-quality, more nutrient-dense products. Consumers are paying for higher-priced single-serve juices that contain on-trend antioxidant-rich ingredients such as spirulina and turmeric.



But while consumers are willing to pay extra for a beverage with perceived health benefits, they're not indifferent to price. So manufacturers need to adjust their packaging to bring down the price of a single-serve juice from because when you are aiming for adoption at mass, price still signals to consumers. Some predict that the future of cold-pressed juice could begin to look more like gazpacho than orange juice. Cold-pressed, which has been associated with sweeter juices, is now moving into more vegetable-based juices that are starting to look more like soup than juice, with ingredients like balsamic vinegar, sweet potato, adaptogens (a natural substance considered to help the body adapt to stress), ginseng root, turmeric and other herbs, and fungi.

The industry is still taking a wait-and-see approach to several particular types of innovations, however. Some formulations being tried can develop legs. But these things are so new, hardly anybody is tracking them yet.

**ALCOHOLIC BEVERAGES**

India is one of the fastest growing alcohol markets in the world. Rapid increase in urban population, sizable middle class population with rising spending power, and a sound economy are certain significant reasons behind increase in consumption of alcohol in India. The Indian alcohol market is growing at a CAGR of 8.8% and it is expected to reach 16.8 billion liters of consumption by the year 2022.

The Indian alcohol industry is segmented into IMFL (Indian made foreign liquor), IMIL (Indian made Indian liquor), Wine, Beer and imported alcohol. Imported alcohol has a meager share of around 0.8% in the Indian market. The heavy import duty and taxes levied raise the price of imported alcohol to a large extent. Alcohol is exempted from the taxation scheme of GST.

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“  
**Unfortunately, very few supermarkets have the license to sell alcohol, but it is likely to grow because in supermarkets consumers can touch and feel the brands.**

— **Mohit Arora**  
 Director, Kipps Mart

The popularity of wine and vodka is increasing at a remarkable CAGR of 21.8% and 22.8% respectively. India is the largest consumer of whiskey in the world and it constitutes about 60% of the IMFL market. But the trends and pattern of alcohol consumption are changing in the country. Though the popularity of whiskey is highest in the Indian market, its market share is expected to decrease in future while growth will take place in the wine and beer category.

Over the past few years, supermarkets have led the change towards wine drinking. Since 2007, supermarkets have started the retailing trend in wines. Today, in Mumbai, wine is retailed by Spencer’s, Hypercity, Nature’s Basket, Foodland, Shoprite Retail, and Haiko. In Bengaluru, it is available at Spencer’s, Food World, Monday to Sunday, Metro Cash & Carry. Wine lovers can now pick up their weekend stock from a shopping mall or a grocery store nearby. At the same time, wine bars and lounges are popping up in and around the cities. There are wine clubs in Delhi, Mumbai, Bengaluru, and even Chandigarh. In recent years, India has seen close to 100 wine launches and tasting sessions.

The retailers need to ensure they offer good quality wines to their customers so that they get repeat customers for wines. Another issue that needs to be tackled immediately is the storage condition at many retail outlets. Once these issues are taken care the retailers would be able to provide a better wine experience to customers. Overall, the wine industry growth is hampered by a complex system of excise taxes, licensing processes and distribution procedures, which serve to dramatically increase retail prices on imports and limit inter-state trade. In addition, the market is constrained

by inadequate storage options and an enduring consumer preference for hard liquor.

In the matter of consanguinity, beer is the closest beverage to wine and the two face very similar prospects and challenges. The beer industry in the country has about a hundred breweries, and is valued at around at \$ 5 billion. In terms of volumes, the beer market in India is approx. 25 million hectoliters and growing. Among the leading beer manufacturers are, Carlsberg, Budweiser, United Breweries, SABMiller, Bar Malt India, Alfa Laval, Praj Industries and Briggs of Burton, and some more.

Beer remains a highly taxed category and India is the only BRICS country where beer is more expensive than a Big Mac. Apart from being a highly regulated product in India, there is also a lack of accessibility to the category. So, consumers don’t get it at an arm’s length unlike the carbonated drinks, which is widely available. Also, from the affordability point of view, there is a fair bit of price premium because of the taxation it attracts. So, both from the point of view of accessibility and affordability, the category size of beer in India is restricted.

However, the throughput per sq.ft. for the beer category is much higher than for the other regular FMCG categories. Also, the ticket size per ml. is higher in the beer category than any other value-added beverages. So, the realisation that you get per sq.ft. and per ml. is much higher in the beer category versus any other beverage category. This is primarily because of the density of outlets selling beer is much less compared to outlets selling regular FMCG products. In India there is one outlet for every 18,000 people v/s China, which has one outlet for every 300 people. As the density of outlets is low the volume per outlet is very high.

“The higher throughput factor makes beer a very attractive beverage for retail in supermarkets. Unfortunately, very few supermarkets have the license to sell alcohol, but it is likely to grow because in supermarkets consumers can touch and feel the brands. It is channel that offers a broader choice of brands where a consumer exercises his franchise. It is right now a very small channel compared to the traditional off-trade channel. However, it is a growing and emerging channel, though its pace of growth will depend on how many modern trade players actually go for the license,” says **Mohit Arora, Director, Kipps Mart**, whose store in Ludhiana is known for its excellent collection of wines, beers and whiskies. **PG**



**In the pages to follow, we bring you the profiles of some cutting-edge brands in the Beverages category and what they are doing to offer high value, branded products that deliver convenient solutions to consumers.**



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# Providing flavorful pure water infused with herbs and fruits

➔ **Company and brand profile:** With the tagline ‘water with a mission’, brand Infuze was launched in Feb. 2018. Promoted by Shreeyum Foods Private Limited, it is the leader in functional water industry in India and the manufacturing plant for its products is located in Virar, Mumbai. Infuze water is pure water with a hint of 100% natural flavors of different herbs and fruits. The idea behind the brand is to make people accustomed to a healthy lifestyle and make it a part of their life.

Shreeyum Foods Pvt. Ltd. is a bootstrapped company. It is a small company recognized by the Startup India initiative. It is controlled by three directors who are well qualified in diverse fields.

**Product portfolio:** The brand’s product range includes: Infuze naturally flavored water and vitamin enhanced water. The flavored water contains flavors like basil, saunf, pineapple, apple, etc. Vitamin enhanced water contains 100% RDA of vitamin B12, 50% RDA of vitamin B3 and B6 and zinc and magnesium.

direct channel, i.e. direct supplies to the customers. Some of the customer segments/market identified as target customers for the brand are: catering industry, hotel industry, restaurants chains, supermarkets, online grocery stores, events, corporate clients, etc. By providing water to these industries, the company is creating a unique niche that has large market prospects. The brand plans to add more flavors later in a systematic and planned manner and also provide the option of customized flavors for the direct channel (big event, catering or hotel, etc.)

“



**The motive behind creating flavorful water is to make water drinking a delicious experience. As rightly said ‘water is life’ and by adding flavors to life, Infuze aims to make life more interesting for its customers.**

– Akshay Solanki  
 Founder & Director,  
 Shreeyum Foods Pvt. Ltd.

**Brand’s USP and differentiators:** “Infuze” or flavored water has different flavors infused in it as well as extra minerals, which makes it different from normal drinking water or mineral water. The main USP of the brand is that it has infusion of 100% natural flavors unlike most other players in this category. Also, Infuze is a zero sugar, zero preservative, zero fizz drink, which stands apart from the other brands, making it India’s first of its kind purified water infused with natural flavors of herbs and fruits. The brand has introduced several flavors, that were not present in the market, like licorice (Saunf) and basil (Tulsi) flavor in addition to apple, pineapple, pudina etc.

**Retail reach:** The company is selling the product through indirect channels (retailers, distributors) as well as

**Competition in the market:** There are only few established players in this segment and the major brands are: the Narang Group’s O’cean Blue; Aquafina, which launched Aquafina Splash water infused with vitamins and flavors; the Nourishco Group’s Himalayan Orchid Pure, which is the latest entrant in this segment. However, unlike all these products, Infuze products are sugar and preservative free natural drinks.

**Market outlook and opportunity:** The flavored water industry is still at a very nascent stage in India. In the market for packaged drinking water, flavored water contributes less than 0.5%. Indian beverage industry is growing at a CAGR of 22-25% per year and holds immense potential in the years to come. The industry is moving towards functional beverages.

**Road ahead:** Infuze plans to expand its base all over India. The company is already in expansion mode through the franchisee model. The growth plan of the company is to be a part of the big market share of India’s beverage industry. The brand aims at continuously innovating in the F&B segment and at the same time catering to the desired changes and tastes of its customers. The long term plan is to see the brand’s product visible across India. The company will look for funding options to grow at a rapid pace and explore mass marketing options.



# Offering functional superjuice for energy, rest and relaxation

**→ Company and brand profile:** Fettle Works LLP is a young startup formed to create healthy products that do not compromise on the taste and cool factor. It has launched its first brand Poshn, a functional superjuice made from adding fruits with herbs to offer both energy and relaxation.

**Brand USP and differentiators:** Currently, the brand has two variants – one for energy and the other for relaxation. The products are all natural, contain no added sugar, and are extremely low on calories. The company also has its own e-commerce platform to which buyers can subscribe to and receive a small box of Poshn, every week or every month at the doorstep. It has also set up a world-class back-end in terms of facilities, capacity and hygiene.

**Market outlook and opportunity:** The company believes that the market for energy drinks is pretty large and growing too. It believes that its products have the ability to get a fair share of all of the market. Both Poshn products have received good market response and are doing well, as they both are very different in their own ways. In some markets, the company is seeing higher sales of its relax variant whereas in some markets its recharge variant is notching better sales. The company expects to see a very high growth rate for its products in the days ahead, partly due to the summer heat picking up and also because of its own marketing efforts. Going ahead, the company foresees a good demand for its products as more consumers get acquainted with the brand. At the same time, the company has also seen a few more players emerge in a similar product format. However, the company looks at it as welcome competition, and a great way to develop and expand the market.

**Key markets and customer segment:** The brand's key markets are majorly Tier 1 cities as of now. Currently, the company is in the process of expanding its retail footprint all over Mumbai. It is targeting health conscious and working professionals, majorly 21+.

“



**Since we offer a healthy alternative to an everyday need, the market potential for our products is huge. We also offer the shelf life advantage over other juice players, and we can really take the advantage of the geography and population of India.**

— **Rahul Kakkad**  
Founder, Fettle Works LLP

**Retail reach and strategy:** Currently, the brand's top retailers include Wellness Forever and Godrej Nature's Basket. The demand for the products is steadily rising and with good orders coming in, the company is working on the right branding

and marketing strategy for its products. Being a young startup, budget constraints remain a challenge and the company is currently engaged in doing a mixture of in-store sampling as well as certain discount offers. But all these strategies are normally very area specific.

**Marketing initiatives:** The company's major marketing activities are mostly on-ground. It is proactive in being beverage partners for sports tournament, corporate-health events, gym/ yoga classes or health and wellness related events. This way, it gets the people to try out its juices, as well make the most for some great branding opportunities. The company also does various social media activities, in store promotions and a few magazine and online ads. But then again, its marketing initiatives are guided by the budgets on hand.

**Challenges:** The major challenge is obviously dealing with the existing competition and the Indian mindset of simply wanting a mango juice or some other typical low priced beverage in tetra pack. The opportunity is, of course, the size of the market as well as its own ability to export the products abroad to more mature markets that are knowledgeable about functional products. Another challenge is retail and fighting for fridge space as a serve-cold product.

**Road ahead:** Going forward, the company has plans for introducing a few more variants or coming up with larger pack sizes. The immediate goal, however, is to stay put in the markets it is currently present in and move along in the right direction. Considering that it is only the first summer for the brand, it is hoping for some good movement and market traction. By the end of this fiscal, it expects to be available across all retail networks in Mumbai, Delhi, Bangalore and Goa, as its products are already available at these airports. Being just a six-month-old brand, it sees great promise for its products and hopes to continue on its journey to bigger and greater heights.



# Introducing the first non-alcoholic malt-based carbonated drink in the Indian market

**→ Company and brand profile:** United Breweries Limited, or UB Group, is an Indian conglomerate company headquartered in UB City, Bangalore. The company markets beer under the Kingfisher brand, and owns various other brands of alcoholic beverages. United Breweries is India's largest producer of beer with a market share of about 52.5% by volume. United Breweries now has greater than a 40% share of the Indian brewing market with 79 distilleries and bottling units across the world.

Kingfisher, the group's most visible and profitable brand, made a modest entry in the sixties. Today, brand Kingfisher is sold in over 52 countries worldwide, and has won many accolades for its quality at international beer festivals.

**Product portfolio:** UB Group's Kingfisher brand has market-leading Indian beers under its label, which include: Kingfisher Premium, Kingfisher Strong, Kingfisher Ultra, Kingfisher Ultra Max, Kingfisher Storm, and Kingfisher Buzz. The company also has a range of regional brands – Bullet, Cannon 10000, Kalyani Black Label, UB Export, Zingaro, and London Pilsner.

“



**Kingfisher Radler epitomizes innovation in the non-alcoholic beverage space. The company is working on more such developments and similar product innovations are in the pipeline.**

– Punyabrata Dashsharma  
General Manager, Marketing NAB

The latest product under the Kingfisher brand is Kingfisher Radler, which has been introduced in the non-alcoholic carbonated beer category.

**Brand USP and differentiators:** UB Group's beer business enjoys undisputed leadership of the Indian beer market led by the flagship Kingfisher brand. One out of every two bottles of beer sold in India is a Kingfisher brand. Kingfisher Strong is the most popular and best-selling beer under the Kingfisher brand.

Kingfisher Radler, the most recent product under the Kingfisher brand, is the first non-alcoholic malt-based carbonated drink launched in the Indian market. It has 30% less sugar than the average carbonated soft drinks and is made from all natural ingredients. Non-alcoholic malt-based carbonated drink is a new category in its nascent stages and Kingfisher Radler has the advantage of being the first mover in this segment in India. The product is targeted at people giving up on the colas and other carbonated soft drinks.

**Market outlook:** For any product in a new category, explaining the product to the consumers is the biggest challenge. The legacy of Kingfisher as the market leader among beer brands makes it all the more difficult. Besides, as a new category that has just started developing in India, calculating the market size for the product becomes difficult. However, the company is counting on its insight that there exists a promising market opportunity for the product from the consumers who are lapsers to the CSD category due to reasons, particularly health. This insight forms the basis and foundation for Radler, and the company hopes to build up on this category with its breakthrough product.

**Marketing and branding strategy:**

For Kingfisher Radler, the company has started with the initial steps of creating awareness through 360 degree campaigns. It has started first by breaking the stereotype about Kingfisher being a beer-only brand and by creating awareness for its non-alcoholic drink. Radler's campaigns are strong on the message that it is a drink that can be enjoyed anytime, anywhere and that the product “refreshes like no other”.

Since a new product's brand identity comes from its positioning, the moment of consumptions at which the drink is relevant and visual identity, the company is working on developing the visual identity of Radler – rooted in a refreshing and natural ingredient like lemon. Right from its packaging, collaterals for point of sales, etc, Radler's brand communication is anchored in its visual identity – bright, vibrant, young and, of course, non-alcoholic.

**Retail reach:** Kingfisher Radler is available at most stores (retail and online). In Modern Trade, it is currently available at Big Bazaar and Reliance Retail, Metro and Walmart, besides being also available on online platforms such as Bigbasket, Amazon and Flipkart.

**Road ahead:** Kingfisher Radler

epitomizes innovation in the non-alcoholic beverage space. Its first mover advantage speaks of UB Group's understanding of the emerging consumption trends and shows its agility and appetite to grow. The company is working on some more such developments and similar product innovations are in pipeline. The company is also making investments on ramping up infrastructure, communication and media promotions in the markets as steps to develop this category.



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# Serving a range of quality thandai and syrups

→ **Company profile:** Guruji Enterprises Pvt. Ltd. was established in 1996. The company was originally founded by late Jagdish Prasad Haridwal in the year 1965 in Kolkata, and was later taken over by Bal Mukund Sharma. Guruji Enterprises has a pan-India expanse and also has its footprint across countries like Australia, Dubai, Singapore, and the USA.

**Product range:** The brand is offering a range of perfect thandai and syrups with authentic taste, ingredients and quality. Each and every product is made with wholesome natural ingredients and zero preservatives. The brand's product range

includes: kesharia thandai dry fruit syrup, badam keshar dry fruit syrup, rose syrup, khus syrup, litchi fruit squash, orange fruit syrup, pineapple fruit syrup, mango panna fruit syrup, lemon fruit squash, brahmi badam dry fruit syrup, jeera syrup, ripe mango fruit syrup, masala shikanji syrup, strawberry fruit syrup.

**Brand's USP:** Quality has always been the driving force at Guruji Enterprises. Only the best quality raw materials in the form of fresh and effective fruits are used with no use of additives. Unlike other artificially prepared drinks, Guruji's thandai and sharbat have the best of tastes and freshness in its products.

“



**The motive behind Guruji Enterprises Pvt. Ltd. has been the spirit of celebrating the taste of India and its culture. The brand has been upholding that tradition since its inception.**

– **Bal Mukund Sharma**  
Managing Director,  
Guruji Enterprises Pvt. Ltd.



# Tapping into the market for fresh non-alcoholic beer

→ **Company and brand profile:** Samsud Infra Pvt. Ltd. was established in 2011 with the vision of importing various exclusive products into India, which are not easily available here. In 2018, Samsud Infra entered into an agreement with Germany's No. 1 beer manufacturing company Warsteiner for exclusive distribution of its non-alcoholic range in India. The company will soon be introducing Australia's leading beverage around mid June this year.

“



**Our non-alcoholic beer range provide an exclusive option for all those who want to feel high but with a non-alcoholic drink.**

– **Sudarshan Bafna**  
Director, Samsud Infra Pvt. Ltd.

exclusive option for all those who want to feel high but with a non-alcoholic drink. The alcohol content is removed from Warsteiner Fresh through a filtration process, which gives the product the taste and boozy attributes of beer but without the alcohol.

**Key markets and customer segment:** The company is targeting the cities with a large population in the 18-50 age group. Mostly, it is targeting all metro cities for its products.

**Retail reach and strategy:** The company is currently engaged in appointing distributors and stockists in the states and cities where its products will be available. To maximize its retail reach, it is targeting all kinds of restaurants, cafes and modern family restaurants, whether they serve alcohol or not. As Warsteiner Fresh is a non-alcoholic product, no liquor license is required for its retail distribution.



**Brand USP and differentiators:** Warsteiner, Samsud Infra's best-selling product, is a fresh non-alcoholic beer and it provides an



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# Offering beverages – teas, syrups and thandai – for all consumer segments

**→ Company and brand profile:** The Goldiee Group was founded in 1980 and is today one of the largest producers of quality spices and food products in India. It has a diversified business operations in Food Processing, Pooja Kit supplies and manufacturing of spices. In the beverages category, it has a wide range of products from syrups, thandai and tea.

In the syrups and thandai category, Goldiee has products like badam syrup, chandan syrup, khus syrup, rose syrup, thandai syrup, and kesar syrup. Goldiee Tea is among the group's growing brand and has notched up its presence in 28 States in India and is even growing aggressive on exports. Promoted under the brand name of Goldiee Tea, its punch line is: "Jo Bhi Piyega Wha Wha Karega". The brand is currently available in almond tea, black tea, green tea, red gold tea, signature tea and superfresh tea. Goldiee tea is consumed by all consumer segments – from the road side chai wala to premium kitchens.

**Product portfolio:** Apart from its products in the beverage category, Goldiee is a market leader in other product categories with a diverse range of offerings: pickles, spices, asafoetida (Heeng), blended spices, papads, curry pastes, curry powders, ready to cook spice mixes, vermicelli, sauces, jams, tea, gulab jamun mix, Pooja Kits, One-one noodles, incense sticks, and many more. One of its best-selling products is Goldiee heeng, which commands very good acceptability in the market.

**Product innovation:** The company uses the best machines for grinding and packaging. That apart, it has a fully equipped lab where each batch is tested for parameters in terms of volatile oil,



“



**Our far and wide reach has made us a unique and popular brand name not just in India but in international markets as well. With our products already reaching out to more than 350,000 retail outlets managed by 1000 distributors across the country, we still strive to expand both geographically and strategically.**

– Sudeep Goenka  
Director, Goldiee Group

non volatile oil, crude fiber, etc. Also, it is in the process of using cool grinding and cryogenic grinding. With so many innovations in packaging around the world and a concern for pollution and waste management, Goldiee is taking R&D initiatives on those fronts, too.

**Brand ethos and philosophy:** Though the FMCG market is still dominated by the unorganized sector, the market is steadily moving towards the organized sector with awareness levels growing among consumers at all levels and trust growing towards the branded products in FMCG even in Tier II, III, IV cities. Goldiee, as a brand, has preserved its values legacy

of generations in spices and other kirana products. As a brand, it works closely with the industry to ensure a healthy environment for working together, to grow the category and become solution oriented towards General Trade, Modern Trade and HORECA.

**Market opportunity:** The market has an expanse across the country's 28 States and it is further expanding into the micro-markets and interiors in these States. With such diversity and demographic spread, Goldiee is catering to the local as well as national needs of the consumers. Be it a small sachet priced at Re 1/- or the best quality spices and heeng, or noodles priced at premium, Goldiee caters to all segments of society. Recently, it has expanded the market for its products beyond the national borders by taking its products overseas to international markets and countries such as Thailand and Russia.

**Retail reach:** The brand caters to a varied range of selling formats – from kirana stores, general stores, modern trade outlets, multi-functional outlets, cash & carry outlets and canteens.

**Consumer connect and marketing:** Goldiee has recently signed actor Salman Khan as its brand ambassador with whom it is promoting a brand campaign with the slogan "Aaiye Rishtey Banayein". The idea behind the campaign is that our meals and food promote relation building and strengthen the bond amongst friends, family and relatives. With its range of quality products and a celebrity brand ambassador to promote it, Goldiee is confident of expanding its reach pan-India and abroad, too.

**Road ahead:** At Goldiee Group, the vision is to cater to the customers as a complete household with basic, specialty and cost-effective products. As the demand for the Goldiee brand has been increasing over the years, the company has ramped up its production capacity to keep pace with the growing demand.



# Branding, retailing and exporting top-of-the-line specialty teas from India

**Brand profile:** Golden Tips Tea Co. (P) Ltd., established in 1933, is one of the oldest and most reputed brands in India – for branding, retailing and exporting top-of-the-line specialty teas from India in Darjeeling – where the finest teas of the world are grown. The brand's mission is to promote the art of drinking gourmet teas.

**Product range:** The brand offers over 500 products in various styles, tastes, aromas, shapes, and sizes – from the finest Indian white, black, oolong, green, herbal, floral, and spiced teas in fascinating gift packs, in bulk, in tea bags, etc. The brand specializes in Darjeeling tea and currently has a huge collection of estate teas ranging from good to excellent varieties.

**Best-selling products:** Some of the best-selling tea range by the brand includes masala chai, Assam tea, matcha green tea, and Kashmiri kahwa. The tea gift boxes



for corporates are also a popular choice among the customers. However, those are the best-sellers but the most profitable ones are single estate loose leaf teas. And because of increasing awareness of health benefits of tea among the customers the green & white teas have recorded maximum growth due to their immense health benefits.

**USP and differentiators:** The competence to source and select the finest teas and the passion to put out the best in terms of quality, price and packaging apart from the overall genuineness of brand's intentions has always given an edge to the brand over others in the market.

**Growth and market opportunity:** Golden Tips has been growing and hopes to continue the growth story with its expertise in sourcing, tasting, selecting, packing, brick and mortar retail as well as online sales.

The brand keeps introducing new products regularly. Recently, there is a good demand for herbal teas and wellness teas. People have started consuming teas to maintain their health. Speciality tea is in demand and will be worth \$6.4 billion in the coming year. The brand takes feedbacks on a regular basis to assess the demand of the customers and accordingly curate the flavors to fulfill the demands.

**Market reach:** India, the USA, Eastern Europe, as well as the formerly CIS countries are the prime markets for the brand besides small pockets across the world.

**Retail strategy and outreach:** The brand is available across e-commerce platforms like Amazon and certain other online marketplaces and hypermarkets, supermarkets. The brand has 11 tea boutiques, mostly in Darjeeling and Sikkim and in some other parts of the country as well. Its fifth store in Darjeeling is scheduled to open in May. In different cities there are several small franchise stores as well. The brand is constantly evolving, and currently the target is also to increase its presence at the airports and duty-free shops across India.

**Road ahead:** The brand is working on creating different flavors of matcha green tea, special chai flavors, herbal and floral blends and introducing new and innovative packaging for its products.

Going ahead, the brand is looking for a strategic partnership with some leading chains/ venture funds for expanding its presence and tapping into the bigger markets. The brand wants to achieve vertical growth, both online and offline once the tie-up is finalised.

“



**Golden Tips has more than ten exclusive tea boutiques across India, and is growing at the rate of approximately 10+%, primarily due to its focus on customer satisfaction, which has helped it to grow a strong base of loyal customers. The company is in the process of increasing its online presence as well as opening tea boutiques for fine teas.**

– Madhav Sarda  
MD, Golden Tips Tea Co. (P) Ltd.

# Producing the finest teas for tea buyers of the world

**→ Company and brand profile:** Assam Company India Ltd. has a proud history with many “firsts” to its credit in the tea category. It was the first tea plantation company in the world established in 1839 and the first tea company to be awarded the Royal Charter in 1845. It was the first to establish tea estates, to brand premium teas as well as the first to export teas from India. Assam Company is the producer of finest teas in the market and every top quality blender in the world competes to procure its teas for their blends. The company is known for its traditional CTC teas and tippy Orthodox teas that are full bodied and malty teas representing the crème de la crème of Indian teas.

**Brand USP and differentiator:** As the company follows a customer-centric and not consumer-led approach at present, its brands like DoomorDullung, Hajua, Mohukotie, Khumtaie, Oaklands, Greenwood are much sought after and competed for by elite customers across the world. Some of its notable innovations in the category include the launch of instant teas, health platform for tea, matcha teas, and bottled tea introduction in the US. Assam Company teas make the best possible base from which instant teas or health-based teas or infusion-led blends

“



**Assam Company essentially follows the strategy of focusing on high quality products that fetch a high sale price, and is known for its high ethical production and processing standards and developing produce that are savored by tea connoisseurs of the world.**

– **Vikram Singh Gulia**  
Chief Operating Officer,  
Assam Company India Limited

are developed on account of the inherent quality of the tea at its estates.

**Market outlook and opportunity:** The global tea production stands at 5,800 million kg currently. Assam Company targets to reach 20 million kg in five years



from its current 11.5 million production. But as the market is currently deprived of teas such as the kind produced by Assam Company, it is looking at working with its marketing associate group companies in the UAE and India to develop and deliver the marketing strategy. In India, due to the rising costs of production and the market share driven approach of big packeteers, there is large scale production of mediocre teas with more and more big producers moving out or shifting gears for mass production. In this environment, the Assam Company has been producing exclusive high quality teas, thus providing quality solutions to the buyers of the world. The company targets only the premium segment.

Growth in the number of HNIs who like to pay for exclusivity, the rising culture of tea cafes and the trend towards health drinks are the major growth opportunities that the company is looking to leverage on.

**Key markets:** Assam Company teas are sold in the UK, Iran, Germany, the UAE, Ireland, and western India. Thanks to its consumer-centric strategy, it has been targeting high quality consumers for selling and marketing its range of Orthodox, CTC and Green teas, besides white and purple speciality teas in small quantities. The company is working on developing its own e-commerce portal for direct distribution of its products.

**Retail strategy:** At present, Assam Company is looking at private label for overseas operators and also looking at e-commerce led direct distribution.



# Specialist in roast and ground filter coffee

**→ Company and brand profile:** Cothas Coffee Co. is a prominent player specializing in roasted coffee beans and roast and ground coffee powder. The company was founded in the year 1949 in Bangalore to supply and market roast and ground filter coffee powder. Over the years, Cothas Coffee became the favorite filter coffee powder in Karnataka in the 1990s and in the other parts of the country by the turn of the century.

**Brand USP and differentiators:** A majority of consumers graduate from instant coffee to filter coffee as they age and mature. Hence there is a need for coffee producing companies to come forward to help and educate consumers to understand the process of preparing good coffee at their homes. It is something that Cothas Coffee has been doing all along by educating consumers through public forums and by selling coffee-making equipments online. Cothas state-of-the-art apparatus helps make coffee-making a simple and enjoyable experience. The taste of Cothas Coffee has always been distinct due to its flavor and mouthfeel.

**Market outlook and opportunity:** The market size is approximately 10,000 MT a year and it is growing at about 1.5% CAGR. But Cothas has been able to register more than 15% CAGR in the last three years due to better distribution network and sound brand building exercise. The company is confident of growing more than 15% in the next few years, which will be propelled by aggressive marketing strategies.

The category is fully driven by consumers' taste palate and hence price becomes a secondary factor. The increasing interest in "bean" has led to more international coffee variants being offered in upmarket cafés at a premium. Looking ahead, and taking into account the past and forecasted growth in this category, the future for packaged coffee brands is promisingly healthy.

**Challenges:** With approximately 70 per cent of the Indian population living in rural areas, it is imperative that players offering packaged brands stress on penetration into the rural market. The challenge lies in generating appeal among the rural consumers, who are traditionally tea drinkers, and increasing the scope for a shift in their preference.

**Key markets:** Tamil Nadu and Karnataka have been the strong markets for filter coffee and Cothas has been a dominant player in these parts. There is a scope to grow more due to more brand switch happening in these two states. Andhra Pradesh/ Telangana, and metro cities like Mumbai, Delhi and Kolkata are also priority markets and company sees a good potential to grow faster in these markets. The target customer segments are households, QSR, FDRs and other vegetarian hotels/ chains.

**Retail reach:** Since Cothas Coffee products are in high demand in south India, its products sell at most of the retail outlets, modern stores and online stores besides also having annual contracts with these players. Apart from homes, most south Indian vegetarian restaurants

“



**Cothas Coffee produces the finest quality Indian filter coffee, which have a consistent taste and aroma and offer a distinct flavor and mouthfeel.**

– C.S. Nitin  
Director, Cothas Coffee

strongly believe that a good cup of coffee after a meal / tiffin can satisfy their customers fully and Cothas Coffee has been one of the most preferred filter coffees in such restaurants.

**Marketing strategy:** The company has been positioning its products in the premium category with a value-for-money proposition for end users and with the promise of delivering consistently fine quality of filter coffee. It makes sure through its marketing strategies that the consumers in the new markets get to taste its filter coffee. The company also helps them to understand how to prepare the coffee with the aid of various filter coffee-making apparatus. As a pioneer in the filter coffee arena, it promotes various filter coffee equipment (for both homes and hotels) and give insights to consumers as to how to prepare coffee in various apparatus with video links and direct demos at various food fairs in the country.

**Road ahead:** Cothas Coffee is already a major beverage player in the country. With Indian filter coffees also gaining momentum in international markets, Cothas Coffee will certainly play a strong role towards this opportunity. The company has positioned itself as an expert in filter coffee and will continue to drive consumption at all touch points and remain a market leader in the category.



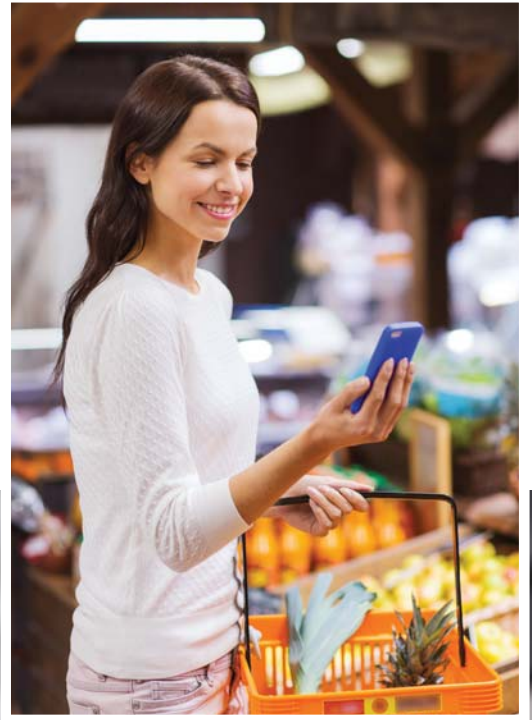
# *Decoding the Rapid Rise of Online Grocery Shopping in India*

Online grocery shopping has now become a high value-added service with the expansion of the middle-class population in India. Indians spend more than 50% of their monthly income on groceries, which is why it is not surprising that startups like BigBasket and Grofers have made a mark for themselves in a niche that didn't even exist a few years ago.

By Rohan Bhargava

**O**ver the past few years, the online grocery industry has seen truly exceptional changes. E-commerce retailers are always looking for new concepts that can make life easier for the time-pressed consumers. I believe one such booming introduction we saw in India was that of online grocery shopping and it has changed the way Indians shop online.

The comfort and convenience of online payments makes buying grocery online a breeze. I personally prefer it over conventional grocery shopping since it helps save both time and money. I had come across a Wharton University story which mentioned that grocery retail in India is estimated to be over 60% of the country's total retail market.



This is exciting because India is a fast-growing market with limitless potential and grocery alone has the potential to capture a massive chunk of this action.

The growth that this specific side of online shopping has ahead of it has many entrepreneurs on the edge of their seats. The fact that Indian grocery retail market may cross \$700 billion by 2022 is part of this excitement. This growth path also suggests that healthy competition in this segment will bring many more benefits for us as shoppers. If you take a step back, it is clear that online grocery shopping has now become a high value-added service with the expansion of the middle-class population in India. Indians spend more than 50% of their monthly income on groceries, which is why it is not surprising that startups like BigBasket and Grofers have made a mark for themselves in a niche that didn't even exist a few years ago.

When Big Basket received a funding of \$300 million from Alibaba last year, it definitely drew a lot of attention towards the world of online grocery. It is brilliant to see how players like Amazon, Flipkart and Snapdeal are also looking to build a strong presence in this space. Here are some of the reasons I feel this sector is gaining immense popularity among customers.

### 1 Facilitates Ease While Ordering

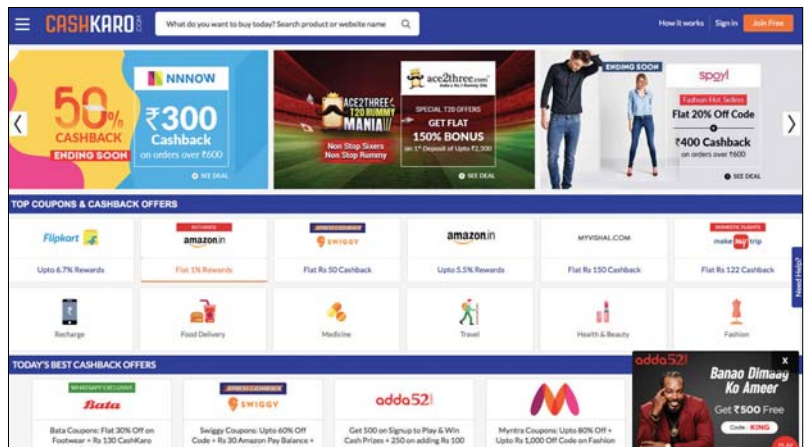
Whether it's 4 o'clock in the morning or 11 o'clock at night, online grocery shopping allows us to browse virtual grocery store aisles whenever it is convenient for us. In fact, roughly 5-10% of all online grocery orders are placed around the 10 pm to midnight slot. The simple process of ordering, the ability to pick a convenient delivery time and shopping from the comfort of your couch, without navigating through crowded alleys or lengthy cashier lines is a definite plus.

### 2 Enhances Shopping Experience Through Recommendations

In the case of online grocery shopping, the nutritional value of products is also easier to review and helps us make informed purchase decisions. Also, the recommendation systems used by these companies often provide useful suggestions on products that go well together. So, we do not skip buying them and can avoid moving from one page to another to look for complimentary items.

### 3 Offers Convenience of Tracking Our Spending

As the total cost of our orders is always visible in our purchase history, it becomes easy to keep track of monthly or yearly spending. We can go over our budget when buying multiple items and even save ourselves from making impulsive purchases.



### 4 Provides Facility of Shopping By History

When we get to select groceries from what was previously bought, it is super convenient. I feel this is one of the best features offered by online grocers. This saves so much browsing time and is especially convenient if you buy the same essential items every week/month.

### 5 Accelerates Savings Through Deals & Bank Cards

When we shop for groceries online, we can avail the benefits of various sales and online-only discounts. Most of the time, the discounts and offers provided by online sellers are much higher than those given offline. These offers run on a frequent basis and help increase our savings. My own site also offers great cashback deals to users to help them save extra when they shop for groceries at retailers like BigBasket and Grofers via CashKaro.

We are helping households save more on all home and lifestyle needs. Users can simply browse through the deals and shop via the CashKaro App/Website to grab huge cashback on stores like Grofers and BigBasket. Through this, they can avail nearly 5% cashback on every order. In fact, a healthy percentage of our sales comes from grocery retailers every month.

For any retailer to succeed in the online groceries' sector, it will require consistent investment and growth for a 5-10-year time frame, and with investors pouring millions into this space, I feel that this e-commerce model might become a big battleground for retailers in the near future. **PG**

When Big Basket received a funding of \$300 million from Alibaba last year, it definitely drew a lot of attention towards the world of online grocery. It is brilliant to see how players like Amazon, Flipkart and Snapdeal are also looking to build a strong presence in this space.





# Cultivating Kid Consumers

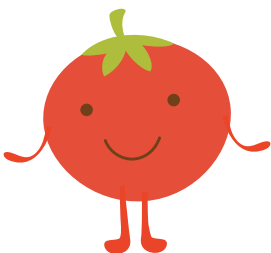
Summer fruits and veggies offer a hot opportunity for grocers to woo young customers.

By **D. Gail Fleenor**

**M**ention summer produce, and visions of sweet peach juice trickling down your chin, buttery corn on the cob, and redder-than-red strawberries come to mind. With these tasty options, summer is a wonderful time to cultivate the newest produce customers — in other words, kids.

These are the produce consumers of the future, and most of their parents are Millennials, the customers who want natural foods like produce. Grocers can do a lot to encourage parents to teach their children to eat more produce and less candy, until one day at the supermarket, Junior insists, “Mom, I want a peach!”

According to U.S. Census counts and projections, there are more than 74 million kids under age 18 in the United States. Children make up one-quarter of the population. Since most kids are out of school during summer, it’s a great time to give them a little attention in the produce department through activities such as sampling and handouts with games related to produce. Paying attention to these future customers also makes a positive impression on their parents, something online grocers and summer farmers’ markets can’t do.



## In the Summertime

Summer is the time for picnics, cookouts and natural snacks in abundance, such as cherries and peaches, to name just two. Many summer veggies are also at their best and sweetest, such as corn. Various supermarkets allow customers to shuck ears of sweet corn in the produce department. Refreshing melons highlight a still-warm summer evening, and flavorful berries can dot cakes. It’s a time that reminds some of childhood eats — for instance, most of us remember the first time we tasted a nectarine or ate buttered corn on the cob — and introduces little ones to the season’s bounty.

Wenatchee, Wash.-based Stemilt Growers may be best known for its apples and pears, but summer is when the grower features cherries and stone fruits. Cherries are grown in both California and Washington state, so the grower has an ample supply from May to early September.

This summer, Stemilt is introducing its branded cherry programs, including Skylar Rae, “the sweetest cherry you’ll ever eat,” according to Brianna Shales, company communications manager. “We will also have increased supplies of our A Half Mile Closer to the Moon cherries,” adds Shales. “They are grown in high-altitude orchards a half-mile above sea level.”



### Key Takeaways

- ▶ **Sampling summer produce is a great way to introduce kids to the department.**
- ▶ **Have recipes featuring summer produce and activity sheets available for children and their parents, and consider hosting a festival to introduce little ones to fruits and veggies of the season.**
- ▶ **Promote produce to kids in summer and year-round through company publications and websites.**



Stemilt will offer a special program for a grand finale to cherry season from mid-August to September.

Late summer will also bring Stemilt's certified-organic peaches and nectarines to market. "It's a special program that offers retailers a way to stand out on flavor when it comes to their stone fruits in August and September," says Shales. "All of these summer flavors are great for kids, and a way for them to get to know the wide variety of fruits grown. We have to teach them about our wholesome products, as they are our consumers of tomorrow."

Stemilt will again offer Lil Snappers, its line of kid-sized fruits, with peaches and nectarines. "We have a lot of supporting material, including lane table display bins and activity sheets, to support promotions around Lil Snappers in stores," notes Shales.

Abundant summer veggies are featured in a variety of main dishes like potato salad. Dutch Yellow potatoes (DYPs) are on the list of summer vegetables, and Los Angeles-based Melissa's/World Variety Produce Inc. offers DYPs that will fit right into potato salad as well as other dishes. Grown in



nutrient-rich volcanic soils, Melissa's Baby DYPs are "a sweet-tasting potato," the company asserts.

Baby DYPs are petite round potatoes with distinctive yellowish-white skin that can be cooked in a variety of ways. Kids will like their small size. They have a light flavor and creamy texture, according to Melissa's website. If the potatoes are unpeeled, they are rich in potassium and vitamin C. The potatoes are also low in fat and sodium. They should be stored in a cool, well-ventilated area rather than refrigerated.

Melissa's "DYPs —The Perfect Everyday Potato Cookbook" has more than a dozen potato salad recipes for every season, including a summer salad called Jimmy's Virginia DYPs, which, as well as the star ingredient, features shallots, vinegar, olive oil, salt and black pepper, and doesn't require use of the oven on a hot summer night.

In August and September, Melissa's promotes back-to-school lunch items like grapes (muscato, cotton candy, champagne and candy sweet); variety

apples (organic Gala, Fuji and Honeycrisp); organic Valencia oranges; kiwi berries; and mangoes.

"On the vegetable side, we promote organic baby carrots and mini cucumbers," notes Robert Schueller, director of public relations for Melissa's. "These items tie well in the late-summer season/early fall."

### Sample Summer

What other kinds of produce can you introduce kids to this summer? First, let them shuck an ear of corn. Next, try the best of summer such as berries, tomatoes and items that may be new to them, including mangos, jackfruit, kohlrabi, raw asparagus and Swiss chard — all of them ripe in summer.

Sampling a Vidalia onion to taste its sweetness and lack of heat would bring attention. Offer banana slices to show that some fruits and vegetables are available year-round. Sample a smoothie made with summer fruits. Remember to make sure that a parent is present and signs a form stating that the child has no allergies.

Take your "customer kids" on a visit to the salad bar, if so equipped. Many children are used to choosing from salad bars in school cafeterias, although they may not choose vegetables and fruit. Allow kids to select a limited number of produce items from the salad bar, with the idea of encouraging them to taste something that they haven't tried before.

Sampling need not be confined to the produce department. "We sample heavy whenever a special arises in the produce department," says Inder Salwan, produce department manager/team leader at Saks Food Hall by Pusateri's, in Toronto. "Like right now, I have strawberries on special, and I sample them around the store. If guests are shopping with their kids, I'll encourage the children to try the item so they can taste the beauty of new-season produce."



**All of these summer flavors are great for kids, and a way for them to get to know the wide variety of fruits grown. We have to teach them about our wholesome products, as they are our consumers of tomorrow.**

— Brianna Shales,  
Stemilt Growers

At Sunbury, Pa.-based Weis Markets Inc., kids can request a free snack-size bag of sliced apples or mini raisins from a produce associate when shopping with an adult, according to Beth Stark, the grocer's manager of lifestyle initiatives. Year-round programs at Weis include an interactive nutrition education program geared toward second- to fourth-graders that includes a stop in the produce department.

"Children learn about the importance of eating a variety of colorful produce and ways to add more to their meals and snacks," observes Stark. They also sample a seasonal or unique type of produce. "We have six dietitians at store level that plan regular Kids Can Cook Workshops and scavenger hunts in their market areas," she adds. "In both instances, fruits and veggies have a strong presence, and sampling is involved."

### The Helpful Side of Online

Online resources can provide easy handouts for store displays. For supermarkets that have their own magazines or mailouts, produce activities and information for kids can be featured.

"We have a Kids Bites page in each of our HealthyBites magazines," says Stark. The magazine is printed six times per year and is available in all stores and online. In each edition, the activity aligns with a different topic, such as a healthy snack that promotes fruit and veggie intake.

Saks Food Hall by Pusateri's uses its company Instagram to market products to children, including produce, according to Salwan.

Additionally, there are produce teaching resources on the My Plate USDA website, as well as the United Fresh Produce Association site. **PG**

## ➔ A NEW WAY TO SPELL RAD(D)ISH



Raddish, a cooking club for kids, is a fairly new educational resource that parents can purchase for their budding foodies. Launched in 2014 by founder Samantha Barnes, the club has a subscriber base of going on 1 million children across the United States and Canada.

Kids receive (and parents pay for) a new kit each month that centers on a particular theme and contains three recipe guides, a grocery shopping list, a kitchen tool, an apron patch, conversation starters and an activity. Online components include bonus recipes and playlists.

"Our shopping lists are designed to introduce kids to the grocery shopping process, from navigating the grocery aisles and budgeting, to identifying certain ingredients, their nutritional values, and roles they play in the cooking process," explains Barnes. Produce is an important part of the shopping and cooking process.

"During my time as a middle-school teacher, I realized that a lot of kids were aspiring foodies ... yet they lacked kitchen experience, education and know-how," she says. Barnes launched her first kid-centric culinary venture in 2006, and soon was teaching thousands of children across Los Angeles through after-school classes, summer camps and cooking parties. The monthly kits have themes such as a season, holiday, creative endeavor or particular part of the world. "We kick off summer kits with Garden Party in May, and follow with themes like Backyard BBQ, Cosmic Cuisine and Comida Argentina," she notes. "Raddish makes a great summertime activity when families are looking for stuff to do."

Continues Barnes: "Our mission at Raddish is to give kids confidence in the kitchen and beyond. We believe in the power



of food to bring families together, to build communities, to expand conversation, to foster healthier lifestyles and to strengthen relationships. We have shipped over half a million cooking kits to date, and each one of them empowers a kid to proudly say, 'I made that!'"

Raddish's monthly kits are simple but revolutionary, taking the goodness of a home-cooked meal and mixing in education, family time and fun. "[T]aking risks, learning from mistakes and following directions: These are qualities we seek to develop in our children, and there is no better place to nurture them than the kitchen," asserts Barnes.

Although Raddish isn't currently working directly with any supermarket chain, Barnes believes that there's potential for Raddish content to engage and solidify the shopping habits of supermarket customers. "The Raddish program could be a great value-add for any grocer looking to activate their best customers and get the attention of busy families," she observes. "Thousands of Raddish families already include their kids in making ingredient lists, budgeting and making an adventure out of the grocery shopping experience."



Photo by Kimberly Orlebeck



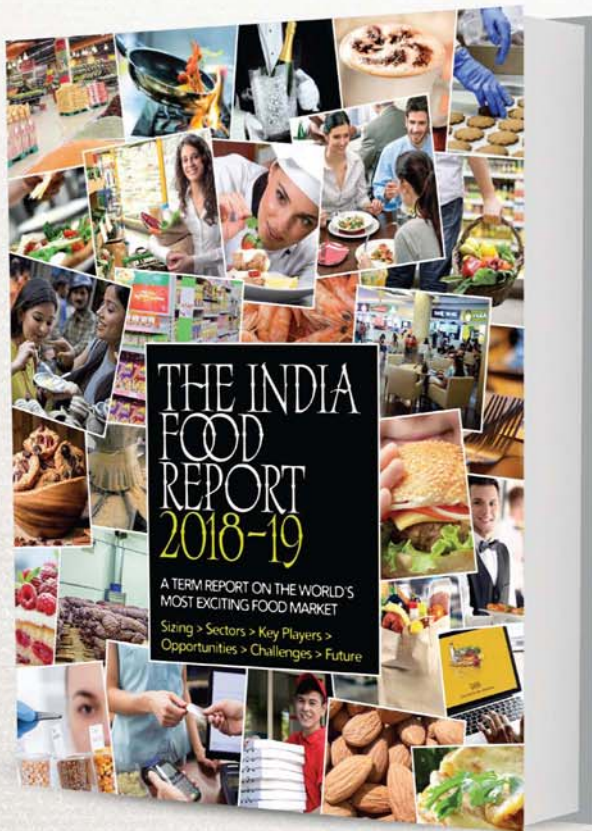
# THE INDIA FOOD REPORT 2018-19

Sizing > Sectors > Key Players > Opportunities > Challenges > Future

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The Report has been compiled with inputs from some of the world's most respected consulting and/or market study organizations, retail business heads, brand analysts and consumer research companies, among others. It offers extensive mapping, sizing of the food manufacturing, marketing and retailing sectors, benchmark figures on consumer spends and retail market size across key food categories and segments, opportunities for business and growth in key areas of Food Retail, along with observations by industry experts on key consumption trends, new concepts in F&G, FMCG, and F&B.

Organizations and industry experts who have contributed to the making of the Report include **Mintel, Euromonitor, Technopak, GS1, Deloitte, Wazir, Maple Capital Advisors, CBRE, FIFI**, to name a few.



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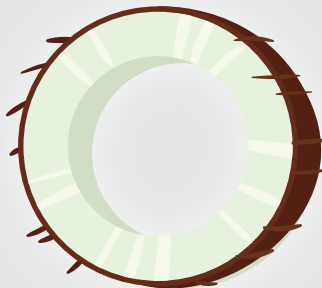
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## MORE PRODUCE PROGRAMS

### Produce for Kids



Orlando, Fla.-based Produce for Kids (PFK) offers games and activity sheets, among other resources, when kids don't have homework and are looking for something to do. The organization has been helping families and children since 2002. Through produce

and grocery retail partner programs, PFK has donated more than \$6 million to charities that benefit children and families nationwide.

Created by Shuman Farms, a leading grower and shipper of Vidalia sweet onions, PFK is a philanthropically based organization that educates consumers about healthy eating with fresh produce through the produce industry and also raises money for Feeding America, among other charities.

PFK runs several in-store campaigns each year that include in-store display materials and online/social media marketing to reach families. In addition to in-store campaigns, the organization offers the Power Your Lunchbox Promise to encourage families to pack healthier lunches, and the We Heart RDs program, which supports registered dietitians across the country.

### United Fresh Start Foundation and Salad Bars to Schools



The United Fresh Start Foundation is a nonprofit focused exclusively on increasing children's access to produce through salad bars in schools, and is affiliated with the Washington, D.C.-based United Fresh Produce Association. Both research and experience in schools across the country have shown that children

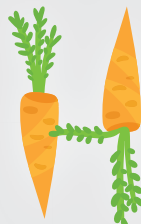
significantly increase their produce consumption when given a variety of choices in a school salad bar. When offered multiple fruit and vegetable choices, children select a greater variety of both on their plates and increase their overall produce consumption.

Since 2010, the United Fresh Start Foundation has helped with the donation of salad bars to 5,000 schools in all 50 states, aiding the produce consumption of nearly 3 million children. The foundation is a founding partner of the national Salad Bars to Schools initiative. The salad bar program provides schools with much-needed refrigeration equipment for produce options. Salad bars highlight



produce choices in a visually colorful and appealing way, and help schools meet lunch nutrition standards that require serving a variety of fruits and vegetables each week.

### Produce Marketing Association and Brighter Bites



Helping families stay healthy, reducing food waste and increasing the consumption of fruits and vegetables are the goals of the Newark, Del.-based Produce Marketing Association's (PMA) partnership with Brighter Bites, a nonprofit that delivers fresh produce, nutrition education and a fun food experience directly to families in underserved communities.

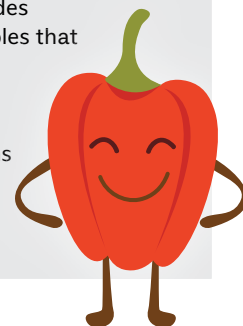
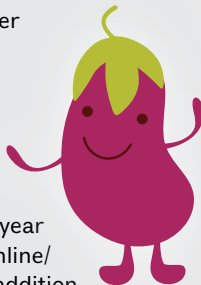
Houston-based Brighter Bites was inspired and created by a mom who successfully changed her children's eating habits. She saw that creating this same change in underserved communities by channeling surplus produce to families, meeting them where their kids already are — at school and summer programs — would make a difference.

Parents and other volunteers pack bags of fresh seasonal produce for families to pick up and take home each week during two eight-week sessions of the school year and an additional eight-week session during the summer. These two bags of fresh produce contain about 50 servings of eight to 12 different produce items.

Since its start in 2012, Brighter Bites has delivered more than 18 million pounds of fresh produce to 30,000-plus families. It aims to change behavior among children and their families, and to increase consumption of fresh produce to prevent obesity and achieve long-term health. The program distributes produce, provides nutrition education, and makes healthy foods like produce a fun food experience through sampling a recipe of the week to see how good produce can taste.

Brighter Bites also provides education for parents through nutrition handbooks, recipes and tip sheets. The program supports teaching coordinated school health lessons in the classroom and provides teachers with the same fruits and vegetables that the families receive, encouraging the educators to use them during in-class lessons.

Research proves in all of these programs that education and exposure to healthy fruits and vegetables increases consumption for kids and their families.



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### HIGHLIGHTS OF THE NEXT THREE ISSUES

**JUNE 2019 FROZEN FOODS:** Consumers appreciate the variety, taste, ingredient quality, and dietary options of today's frozen meals, helping the category to clock a double digit growth in recent years.

**JULY 2019 SNACKS:** When it comes to snack products, retailers and manufacturers need to consider regional and local taste preferences when developing a successful growth strategy.

**AUGUST 2019 DAIRY:** Rising income of consumers is encouraging them to trade up to value-added dairy categories such as cheese and yoghurt.

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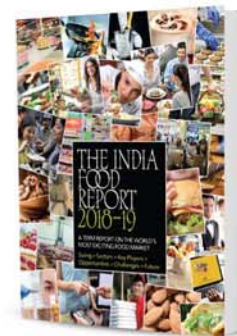
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# what's next

▼ **Vahdam introduced a new range of matcha tea**

Vahdam Teas is one of the fastest growing consumer brands in India. Vahdam has launched a range of matcha tea – matcha tea sampler priced at Rs. 999, turmeric matcha superfood green tea at Rs. 499, moringa matcha superfood green tea at Rs. 499, matcha green tea at Rs. 499, mint matcha superfood green tea at Rs. 499, and vanilla matcha superfood green tea at Rs. 499.



▼ **Kalyan F&B introduces a range of coconut products in India**

Kalyan F&B Private Limited is the exclusive importer of 'be' products in India. 'be' is a Thailand-based brand, which provides a wide range of healthy coconut-based beverages and snacks. 'be' coconut chips are all natural, high in fiber with no artificial colours and flavours. It is gluten and cholesterol free. The pure coconut water and mango flavored coconut water are priced at Rs. 110 and Rs. 99 respectively, for 310 ml and 520 ml units. The coconut chips are priced at Rs. 65 for a 40 gm pack. The range of 'be' products are available across several modern outlets– Modern Bazaar, Le Marche, and Needs Supermarket and on e-commerce websites like Bigbasket and Amazon as well.



▼ **Puratos India launches four innovative bakery ingredients**

Puratos International Group has launched four new innovative products– these include tegral satin purple velvet EF, fruitfil range, carat supercrem nutolade, and tegral red velvet sponge mix. The cake mix contains real cheese (powder) and natural colors. Fruitfil is a range of delicious fruit fillings which contains up to 30% natural fruit content.



◀ **Cornitos introduces a range of healthy snacking**



GreenDot Health Foods Pvt. Ltd. is the first company to launch nacho crisps in Indian snacks. Keeping up with the trend of healthy snacking, Cornitos has developed an innovative product - Mélange Veggie Nacho crisps. It is a mix of beetroot nachos, spinach nachos and white beans nachos in a single pack. It is made from natural

vegetable extracts blended with Corn Masa and seasoned with Himalayan pink salt and roast garlic and the pack contains a booster of plenty vitamins and is rich in fiber and protein. The 70 gm pack is priced at Rs. 50.

► **Honey Tub comes up with an organic approach for honey manufacturing**

HoneyTub, established in 2018, aims at making optimum use of horticulture practices to offer a premium range of flavoured gourmet honey. It has introduced a premium range of flavoured gourmet honey in four flavours: litchi, jamun, eucalyptus and multi-flora. The honey bottles of quantity 250 gm and 500 gm are priced at Rs. 185 and Rs. 285 respectively. The products are available at e-commerce websites – Amazon, Flipkart, Shopclues, and Paytm mall.



▼ **Marico launches a range of super beverages - Moringa Green Tea & Green Coffee**

Marico Limited has launched a range of super beverages as part of the Saffola Fittify gourmet offering. The new addition includes - superfood moringa green tea and green coffee instant beverage mix - with antioxidant benefits. This wholesome range is available across the modern trade outlets - Godrej Nature's Basket, Foodhall, and Star Bazaar stores across Mumbai, Delhi-NCR, Pune, Hyderabad and Bangalore. It is also available on e-commerce portals like Amazon, Flipkart and Bigbasket. The Moringa green tea is priced at Rs. 220 (37.5 gm) for 15 servings whereas the green coffee mix is priced at Rs. 260 (30 gm) for 15 servings.



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