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PROGRESSIVE GROCCER

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INDIA EDITION



MagSon[®]
Fresh & Frozen Convenient Food Shop

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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

All feedback welcome at editorpgindia@imagesgroup.in

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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.

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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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Decoding the rapid rise of online grocery shopping in India.





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

About 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



Shopping Influencers

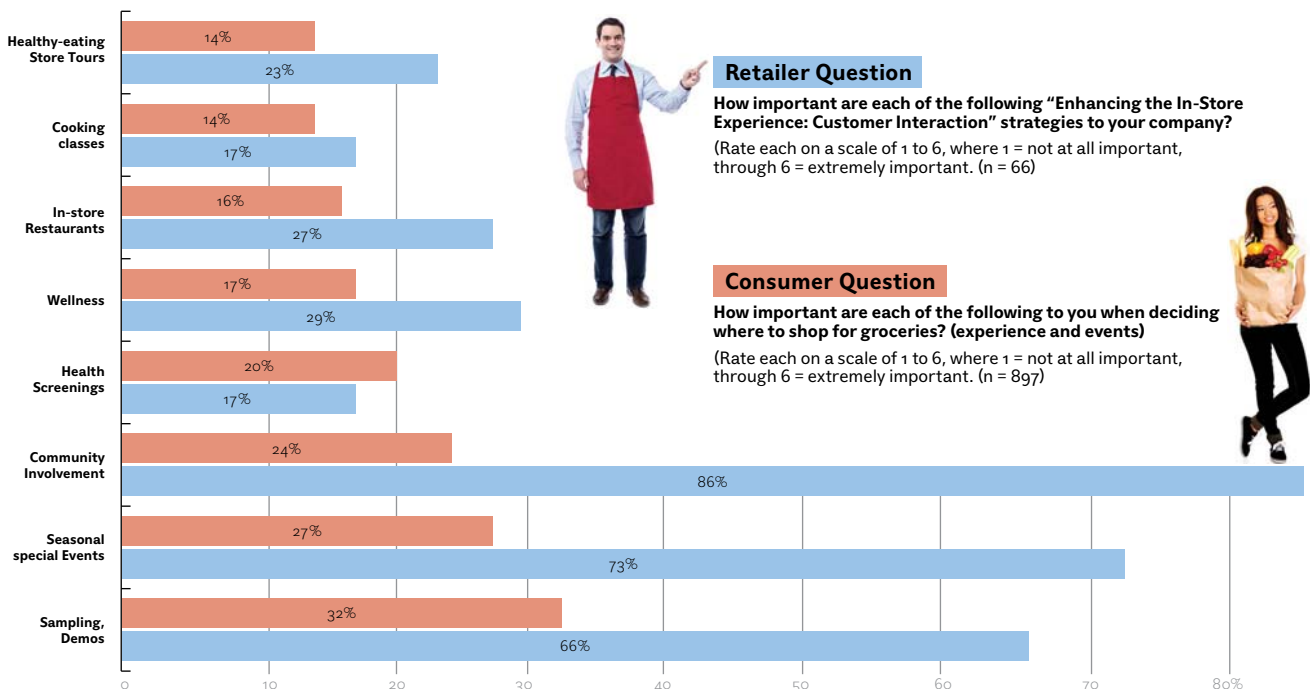
In this month's issue of Progressive Grocer, results of the Annual Report are shared in which retailers give their perceptions of the marketplace. For the first time, PG, along with sister company EIQ Research

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 for more information. PG



Source: Progressive Grocer market research, 2019

“

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.



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.





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

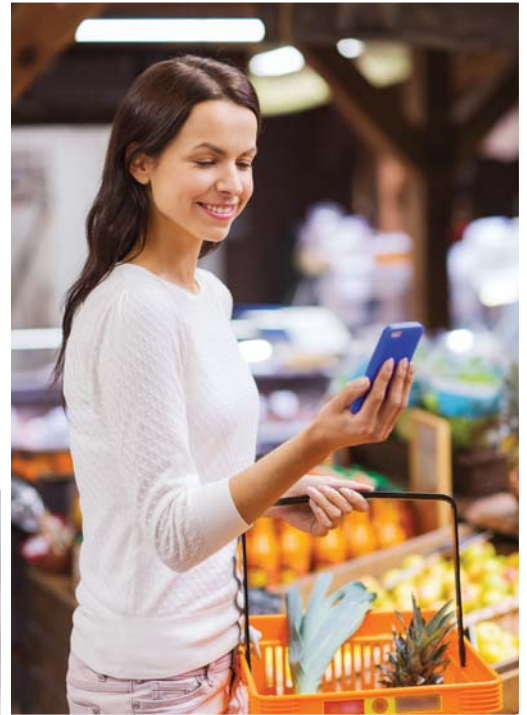
Decoding the Rapid Rise of Online Grocery Shopping in India

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

Over 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.





Cultivating Kid Consumers

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

By D. Gail Fleenor

Mention 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!”

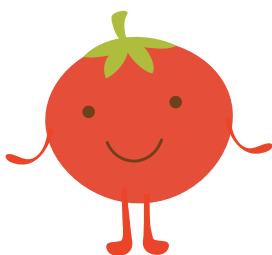
According to U.S. Census counts and projections, there are more than 74 million kids under age 18 in the United States. Children make up one-quarter of the population. Since most kids are out of school during summer, it’s a great time to give them a little attention in the produce department through 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.”



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