

Organic Food

Though still a niche concept, sales are currently at around \$200 million annually and growing 30-40% each year. **Page 14**

Supply Chain

The weak links in supermarket supply chain – ordering, replenishment and delivery – need shoring up with smart technology. **Page 18**

Private Label Outlook

Retailers must up the ante by embracing new across the board, including products, merchandising and promotions. **Page 60**

PROGRESSIVE GROCCER

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INDIA EDITION

Page 24

“OUR FORTE IS GOOD LOCAL KNOWLEDGE OF THE CATCHMENT AND EXCELLENT PRODUCT MIX”

– SURESH MITTAL
OWNER, RAJMANDIR SUPER MARKET, DELHI

FROZEN FOOD

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For both brands and retailers, Frozen Food offers a great potential for value-addition and growth. The category is undergoing a rapid transformation with the consumer looking for value-added ready-to-cook/bake/grill products.





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The grocery sector has seen shopper habits shift to more frequent, shorter trips, versus large weekly hauls. As a result, grocers are focusing on developing smaller-format stores, those under 10,000 square feet, with more local offerings to appeal to the surrounding community. Indeed, smaller-format stores are back in vogue and going ahead we expect to see even more grocery stores rolling out their smaller-format stores as they battle razor-thin margins in prime locations while still serving evolving consumer needs.

Also, the growth of smaller stores will accelerate business-model innovation in the grocery industry. Expect that successful new stores will be fundamentally different and built to be economically viable in serving specific trip missions.

Those that succeed won't just be smaller, they will operate differently. Grocers haven't totally abandoned the grand experience, however. Bigger hypermarket formats, too, will continue to thrive as giant temples of food, in select locations and will continue to offer expertly curated products in each department. So, the truly progressive grocer knows that it's not all one way or the other. Just as a combination of brick and mortar and e-commerce is likely to be a winner, so is the retailer who knows just what type of store to put where.

Going ahead, retailers will have to actively keep reassessing store footprints, and reconfiguring square footage to accommodate e-commerce growth. In the end, it's innovative ideas and trend-setting products that will keep driving store sales.



Amitabh Taneja
Editor-in-Chief

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COVER STORY

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“OUR FORTE IS GOOD LOCAL KNOWLEDGE OF THE CATCHMENT AND EXCELLENT PRODUCT MIX”



SURESH MITTAL
Owner of Rajmandir Super Market

Rajmandir Super Market, which operates 10 stores in Delhi, has been continuously expanding its presence with the objective of building a network of neighborhood stores and offering the freshest and finest food experience to the consumers.

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The frozen food category in India presents an interesting opportunity for both brands and retailers owing to its great potential for value-addition and growth. Frozen food is undergoing a rapid transformation with the consumer looking for value-added stuff like ready-to-cook/bake/grill products. With consumers looking for convenience, hygiene and quality products, and willing to spend on them, the shift to refrigerated and frozen foods is unstoppable. Frozen food companies can break through with innovation across different levels.

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Market Update

Sri Sri Tattva expands its presence in the UAE through strategic partnership with Al Adil supermarket chain

Sri Sri Tattva, an internationally acclaimed FMCG & healthcare brand from India, has entered into a strategic partnership with Al Adil supermarket chain and launched its products ranging from its flagship products like Sudanta toothpaste to commodities like healthy black rice across all its 34 stores in the UAE. The brand boasts natural and herbal products across multiple categories such as food, personal care and health care, which cater to everyday household needs of consumers.

Sri Sri Tattva will be looking to increase its market share in the region by leveraging the strong presence of Al Adil supermarkets for product

availability and catering to the growing demand for its products. It had announced a partnership with the Al Maya supermarket chain last year and this is another milestone partnership for the brand in the region.

Commenting on the tie-up, **Arvind Varchaswi, Managing Director, Sri Sri Tattva**, said, "I am happy to announce our strategic partnership with Al Adil group in the region. It is our vision to reach out to the maximum number of people with our pure and healthy range of products and this partnership will help us achieve that in the region. The response to our products have been very encouraging since last year, and this year our focus is on expanding our presence



further in the UAE and Middle East Region."

"We are excited to launch the Sri Sri Tattva brand at our Al Adil supermarkets in UAE. It's known for its quality worldwide and I am sure this will be great value addition to our existing range of products, especially for our health conscious customers. It was a pleasure

for us to meet Arvind Varchaswi and we have had fruitful discussions on how to take work together closely to make the brand big in the region. We look forward to have a long and fruitful relationship with Sri Sri Tattva", said **Dhananjay Datar, Managing Director, Al Adil group**.

NatureFresh Professional partners with Society of Indian Bakers

NatureFresh Professional, the largest suppliers of bakery shortenings and margarines from Cargill's oils business in India, has associated with the Society of Indian Bakers, a one of its kind association for bakers in the country since 1971. NatureFresh Professional offers a comprehensive range of

premium specialty bakery fats with varied applications for different bakery products like kharis, puffs, biscuits, cookies, creams, and cakes, to name a few. Along with this, the brand also provides technical expertise to the bakers regarding the latest application in baking. The brand understands the complexity of the industry; hence, undertakes initiatives to assist bakers by addressing their queries, enabling them to enhance their skills. This further works to strengthen the brand recall value for NatureFresh Professional amongst the community.

NatureFresh Professional participated in the annual general body meeting of the Society of Indian Bakers. It has leading bakers as its members and is a force to be reckoned with in the industry. NatureFresh Professional was invited to be a part of this esteemed association and the brand provided all kinds of technical assistance to the association along with other value addition to its members. This gesture was deeply appreciated by all those present at the meeting.



Asia's largest food innovation exhibition grew 23% in scale and welcomed 117,595 professional visitors in 2019

SIAL China, Asia's largest food innovation exhibition, successfully concluded its 20th edition on May 16th in Shanghai at the Shanghai New International Expo Centre (SNIEC). The 2019 edition of SIAL China surpassed all key figures set in 2018, expanding 23% year-over-year (YOY) in scale by occupying all 199,500 square meters of SNIEC, attracting 4,300 exhibitors (+26% YOY), and welcoming 117,595 professional visitors (+7% YOY).

SIAL China 2019 expanded 23% year-over-year in scale, attracted 4,300 exhibitors from more than 70 countries and regions, 30 domestic provinces and cities, and welcomed 117,595 professional visitors.

Professional visitors, exhibitors, and media at SIAL China 2019 were able to explore all 17 halls at SNIEC, which hosted four dedicated zones: Meat (N3, N4, N5), Dairy (E4), Wine (E5, E6), and Beverage (E4), as well as seven professional events highlighting food and beverage industry talents, innovations, and trends. "We have received positive feedback from both exhibitors and visitors on the expanded dedicated zones, professional events and scale of SIAL China 2019. Expanding the exhibition 23% to 199,500 square meters allowed SIAL China to accommodate more exhibitors which, in turn attracted more professional visitors than ever before," said **Jim Liu**, CEO of SIAL China.



The opening ceremony on May 14th, 2019, was attended by delegations of ministers, ambassadors, consuls and trade officers. On hand were representatives from the People's Republic of China, which included the Director of China Commerce Development Center, Director of Foreign Economic Cooperation Center of MARA, Chairman of Gansu Commission of CCPIT, Board Director of China Health Promotion Foundation, and President of Chinese Nutrition Society. The Deputy Ministers from the Agriculture Ministry of the Spanish Governments, the Argentine, Spanish, and Uruguayan Ambassadors to China, and honoured guests from Azerbaijan, Belarus, Brazil, Colombia, Czech, Denmark, EU delegation, Finland, France, Greece, Indonesia, Ireland, Japan, Malaysia, the Netherlands, Peru, Russia, Sri Lanka, Sweden, and Thailand also attended the opening ceremony, a sign of SIAL China's place on the global food and beverage calendar.

Walmart India re-opens 'Best Price' store in Vijayawada

Walmart India's Best Price Store in Vijayawada city reopened amid enthusiastic and overwhelming response from members, employees, stakeholders, suppliers, farmers and the local community. Announcing the re-opening of Vijayawada store, **Krish Iyer**, President & CEO, Walmart India, said, "We are extremely delighted to reopen the Best Price Store in Vijayawada. I would like to thank all our associates, partners, members, supplier partners, government, media and the people of Vijayawada for their unstinted support and patience as we reconstructed the store to its former glory. We reiterate our commitment to serve our members and become a store of the community again. It has been an emotional journey for us and we are all looking forward to welcoming back our members of Vijayawada to their very own store here with best in class levels of safety and shopping experience."



Spread over 50,000 sq. ft., the store is a sustainable store as it has integrated renewable energy, energy efficient solutions, water recycling through sewage treatment plant and ground water recharging through the collection of storm water and waste management. The store, with the objective of enabling small businesses to prosper, will meet all needs of underserved small businesses such as

kiranas/resellers, offices & institutions (O&I) and hotels, restaurants and caterers (HORECA) in the region under one roof. It will enable Walmart India to offer unique propositions of a wide range of quality merchandise & local assortment at 'every day low prices', unique shopping options, door-step delivery and convenient payment solutions to its business members in Vijayawada and adjoining areas.

Sunil Nair honored as retail icon at 5TH edition of CIO power list 2019

The country's most powerful and outstanding CIOs and ICT leaders driving the digital revolution were recognised at a star-studded ceremony organised on May 10 and 11. The award was presented by CORE Media with KPMG as the knowledge partner, at The Westin, Pune. Among the list of the most influential technology leaders in India- **Sunil Nair, CTO, SPAR India**, was recognised as Retail Icon at CIO Power List 2019.

The 5th edition of CIO Power List seeks to recognise innovative thought leadership accelerating marketplace disruption, business growth, and customer engagement. CIO Power List awardees are the game changers of the ICT community who are reinventing industries and creating a new value system. This year, over 100 CIOs from across industries were



recognised for two main groupings and across 34 categories. These categories ranged from E-Commerce to IoT, Artificial Intelligence, hyper converged infrastructure, mobility, banking to manufacturing.

Anoop Mathur, Founder and President, Core Media felicitated the winners, "Technology is fundamentally changing the way any business operates and it is these visionaries who are shifting the narrative and ushering in unprecedented growth for an

edge over the competition. With technology developing and adapting at an astounding rate, we're in for an exciting time ahead. My hearty congratulations to all the CIO Power List 2019 winners!"

The CIO Power List 2019 awardees were finalised on the basis of an algorithm that takes into account a wide range of data collected on CIOs across multiple channels. These include the CIOs online reputation, business publications and technology magazines,

combined data on awards, honours and recognitions won, achievements till date, a random sampling of social media engagements, and a national survey of peer CIO sentiments. Additionally, there are inputs from the CIO himself or herself on their key moments in the past year.

"CIO Power List is a platform that has been created to recognise CIOs leveraging the power of technology to drive innovation and transform businesses. It brings together top technology leaders in the country for an exchange of ideas and perspectives on some of the most pertinent and emerging topics. I wish this year's winners all the very best," opined Kunal Pande, Partner, KPMG. The powerful strategies created by the CIOs this year have potential to change the whole dynamics of the industry.

Too Yumm! launches a range of healthy snacks for kids

Too Yumm! brand has launched a healthy range of snacks for satisfying the evening hunger pangs and it consists of different raw ingredients like quinoa puffs, multigrain chips, veggie stix and foxnuts.

Too Yumm! is an FMCG brand from the RP-Sanjiv Goenka Group, a conglomerate with interests across diverse business sectors – power & natural resources, carbon black, IT & education, infrastructure, retail, media, entertainment & sports. With assets of INR 40,355 crore and an employee strength of more than 45,000, the Group is headquartered in Kolkata. Its flagship company is the 118-year-old power utility CESC, with more than 3 million customers. Sanjiv Goenka is the Chairman of the Group which has more than 3,00,000 shareholders.

Finding healthy snacks for kids, day in and day out usually seems like an impossible task. It is a struggle to maintain a healthy balanced diet for kids due to their perpetual lack of interest in food. Too Yumm! snacks contain 40% less fat and are available in 25 flavors, giving moms a wide range to choose from.

Quinoa puffs: Quinoa is blessed with a plethora of health benefits. It contains all nine of the essential amino



acids, thus making it a 'complete protein'. Include Too Yumm! Tikka Masala and Khatta Meetha Quinoa Puffs in the diet as a healthy and a lip smacking option. Kids are sure to find this snack hard to resist. Foxnuts are available in unique flavors like tandoori, chatpata masala and homestyle classic have the richness of protein and natural oxidants.

Multigrain chips: Multigrain chips has all the goodness of proteins and is not fried with zero trans-fat. The burst of dahi papdi chat, tangy tomato & chinese hot & sour flavors will make the kids savour every bite.

Veggie Stix incorporates real vegetables providing for a guilt-free snack binge. This wholesome snack available in irresistible flavors like cheese & herbs and sour cream & onion makes for the perfect quick snack, catering to the needs of the kids' palate.

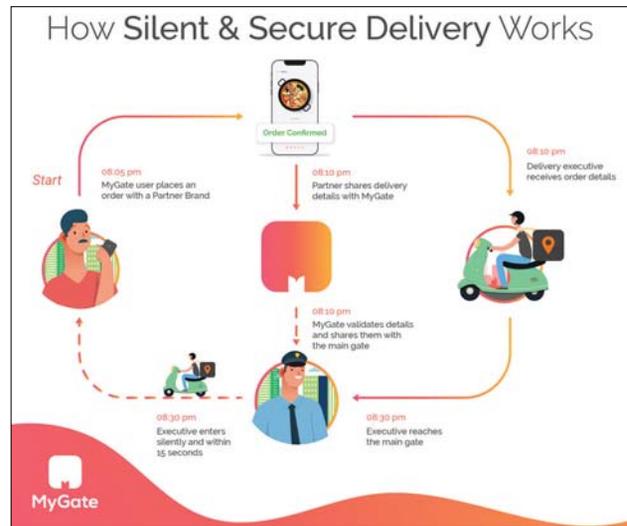
MyGate 'silences' deliveries to gated communities for seamless customer experience

MyGate, an Indian community management platform, has launched a silent and secure delivery experience for its users. For this first-of-its-kind feature, MyGate has partnered with multiple e-commerce brands, including Swiggy, Zomato, Dunzo and Grofers. .

MyGate is a technology-forward solution for gated communities, simplifying the daily lives of residents, managing committees and security personnel across the country. It was recognised as one of India's most innovative start-ups in 2018. The company's several innovative features today augment security at the gate and enhance convenience within for over 500,000 homes in 10 Indian cities.

Speaking about the new feature, **Vijay Arisetty, CEO & Co-founder**, said, "Our objective is to simplify urban living by reducing the friction of every interaction within a gated community. With e-commerce now integral to the daily routine, and delivery numbers increasing every day, a silent, secure entry procedure was essential. Through these partnerships, our communities will experience smoother, safer deliveries and a reduction in gate congestion."

During a three-month pilot in Bengaluru, residents used the feature over 1 million times. In comparative trials, it was found to reduce the check-in time to under 15 seconds from



up to three minutes earlier, thereby creating a hassle-free experience for delivery executives and enabling brands to significantly improve on an otherwise time-consuming component of last-mile delivery. MyGate will now roll out the feature to communities in 9 other cities it is present in, including New Delhi, Mumbai, Kolkata, Chennai, Pune and Hyderabad.



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Parag Milk Foods launches 'Pride of Cows' overseas and brings fresh milk directly from the farm to Singapore

Parag Milk Foods Ltd., one of India's dairy FMCG company has launched its farm-to-home premium milk brand Pride of Cows in Singapore. With the objective of providing a farm fresh experience to consumers in Singapore, the company is airlifting the milk from India's largest dairy farm, located in Manchar, near Pune to Singapore.

'Pride of Cows', the flagship brand of Parag Milk Foods was introduced with the proposition of a farm-to-home concept targeted towards customers seeking premium quality cow milk since 2011. With the objective of providing premium milk that is 100% safe, organic and unadulterated, the brand has been backed by state-of-the-art technology and intense research to make it one of the most preferred brands in the Indian dairy industry.

Commenting on the occasion, **Devendra Shah, Chairman, Parag Milk Foods Ltd.**, said, "A typical

Pride of Cows consumer has an evolved taste preference and is health conscious. As the consumption of fresh and organic milk has increased in Singapore, consumers have become mindful of the source of the milk they consume and its nutrient content and we believe that there is a dearth of such products in the country.



Devendra Shah, Chairman, Parag Milk Foods Ltd.

Moreover, for the affluent consumer, experiential luxury is what truly drives spending, and a brand like Pride of Cows epitomizes those ideals."

Pride of Cows will initially be available through various home delivery platforms. With the introduction of cow comfort technology, zero human intervention and a fully integrated plant, the company has been able to produce high quality milk that is differentiated from the milk available in the market. The Bhagalakshmi farm currently houses more than 2,500 Holstein and Freisian cows that are given the 'Happy Cow' treatment to ensure quality milk which is packaged without any human contact to maintain purity and freshness. Today, Pride of Cows is one of the most favored dairy products with a current reach to thousands of households in Mumbai, Delhi NCR, Pune and Surat.

FSSAI to bring in new labelling norms for gluten-free products

The Food Safety and Standards Authority of India (FSSAI) plans to introduce new labelling norms for gluten-free claims on products as well as address the issue of cross-contamination of such products with gluten-containing products during manufacturing. In a guidance note for manufacturers and consumers on gluten-free foods, FSSAI said that it is in the process of adding labelling provisions for addressing the issues of cross contamination.

Advising food manufacturers to avoid such cross contamination, it said that when a gluten-free product is manufactured in a plant where gluten-containing products are also manufactured, it should be declared on the label. It should read, "Processed in a plant where gluten containing

products are manufactured". The regulator reiterated that only foods that contain 20 mg gluten/kg or less can be labelled as gluten-free, as per its current standards.

"FSSAI is also in the process of removing the provisions relating to the standard of "Food specially processed to reduce gluten content to a level 20-100 mg/kg"... and 'Low Gluten and warning for low gluten' from its regulations," it added. The regulator has said that packaged food manufacturers should establish separate storage and preparation areas for gluten-free and gluten-containing ingredients. It said that they "should have separate production areas and equipment with controlled air-low between the two production areas," to reduce the potential for air-borne flour dust contamination. The regulators said that hotels and restaurants are advised to keep gluten-free options at their outlets. The FSSAI said that consumers should be aware when seeking gluten-free options that "wheat-free" foods may contain grain such as rye and barley. It has advised consumers to check the label when buying gluten-free products and look for certification mark, ingredients, allergen warning among others.



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Growth drivers of organic food industry of India

With an increasing number of people believing that organic foods have a higher nutrient content, are kinder to the environment and livestock, and are healthier than the conventionally produced foods, the demand for organic produce is on the rise.

By **Rishabh Chokani**

The word 'organic' manages to ring a bell in any conversation that talks about food. 'Organic' is made up of anything that is natural, healthy and man-made fertilizers free. With the advent of technology and easy access to the internet, people are becoming more mindful about the health benefits of organic food products. With each passing day, they tend to become more aware about the harmful effects of the regular conventional food, available in the market, produced by using chemical pesticides, fertilizers and genetically modified organisms.

Organic farming or organic agriculture is about the farming methods and techniques that pay close attention to the nature. The organic farming techniques apply natural fertilizers such as manure or compost to feed soil and plants. It offers benefits for animal welfare and gives animals organic feed. It uses the preventive methods such as rotational grazing to help minimize diseases. Conventional farming, on the other hand, applies chemical fertilizers to

promote plant growth, sprays insecticides to reduce pests and diseases, uses chemical herbicides to manage weeds and gives antibiotics to animals, growth hormones and medications to prevent diseases. With an increasing number of people believing that organic foods have a higher nutrient content, are kinder to the environment and livestock, and are healthier than the conventionally produced foods, the demand for organic produce is on the rise.

Current scenario

The organic food industry of India is in an early developmental stage. Higher disposable income and greater health awareness have resulted in an increased domestic demand for organic products. According to a TechSci Research report, the global organic food market stood at \$110.25 billion in 2016 and is projected to grow at a CAGR of 16.15 percent, in value terms, during 2017-2022, to reach \$262.85 billion by 2022. Even though organic food is still a niche concept in India, the current



domestic organic food sales are estimated at around \$200 million annually and growing at a constant rate of 30-40 percent each year.

India ranks second largest in terms of the export of organic products in Asia. According to the officials from Agricultural and Processed Food Products Export Development Authority (APEDA), “the demand for Indian organic food products is on a constant increase worldwide as India exported organic products worth \$515 million in the financial year 2017-18 and \$370 million in 2016-17, registering an increase of 39 percent. The total volume of export during 2017-2018 was 4.58 lakh tonne.” India, as a country, has assorted agro-climatic regions that are well suited for an year-round agribusiness. The increasing export market complemented with the support of the Government has been taking the organic cultivation in India to newer heights.

Opportunities and challenges

The constant increase in the demand of organic produce and a shunning of the use of farm produce using pesticides and synthetic concoctions, globally, has resulted in an explosion of the Indian organic food market in the recent years. However, there are a number of challenges that the organic community need to face. These include raising the awareness amongst producers, processors and consumers regarding organic products and its potential in the domestic and export market to encouraging a holistic approach to organic farming amongst farmers and researchers. It is also important that a local certification should be developed and a database on an organic farms and marketing of produce should be initiated and maintained. The development of the domestic market and supporting it is an important factor that acts as a major challenge that the stakeholders face on a regular basis. It is important to encourage the role of NGOs that will help in developing and supporting the market in the long run.

The growth in e-commerce sector has acted as a facilitator for the organic food industry. It helps in reaching out to the potential consumer bases residing majorly in Tier II and Tier III cities of the country. Secondly, the low cost access to the internet has allowed an increasing number of people to learn about the benefits of organic food. Digital literacy has allowed the consumers to pick the best for themselves as per their choice and spending capacity. With a number of players entering the industry, the market has become more competitive than ever, resulting directly in the growth of the industry. Major factors impacting the demand for organic products in the long run are income growth, relative prices, environmental consciousness and exogenous shocks. Higher disposable income and greater health awareness have also resulted in an increased domestic demand for organic food.



There is a huge premium in selling organic products, not only to export markets but also to affluent, health conscious domestic consumers. With the implementation of newer policies, better tariff rates and aiding the organic farmers with financial assistance, the Government of India is promoting organic farming and consumption of organic food in the country. The GoI runs a programme of direct economic support to provide the farmers with financial aid under several central sector schemes such as National Mission for Sustainable Agriculture (NMSA), Mission for Integrated Development of Horticulture (MIDH), National Food Security Mission (NFSM) and Rashtriya Krishi Vikas Yojana (RKVY).

This financial support aims to compensate for losses, promote organic farming, support infrastructure and development, and for conducting feasibility studies and in preparation of guidelines for organic production. Some other specific financial incentives that exist are tax reductions and preferential conditions to credit. The government also supports the organic agricultural research by backing researches such as the development of bio-fertilizers and biological control of pests and diseases.

As per the trends, the organic sector in India is set to boom in 2019-20 and is a great time to be invested in the sector. Rising consumer awareness of organic products and the widening availability are two major drivers of global growth. Distribution of organic foods is increasing in supermarkets, discounters, drugstores, pharmacies and the catering and foodservice sector. However, with this exciting business growth avenue, the market needs to work intensively towards building a sustainable ecosystem and better opportunities for the future. **PG**

The demand for Indian organic food products is on a constant increase worldwide as India exported organic products worth \$515 million in the financial year 2017-18 and \$370 million in 2016-17, registering an increase of 39 percent. The total volume of export during 2017-2018 was 4-58 lakh tonne.



The writer is CEO & Founder, Naturevibe Botanicals, a US-based company, which manufactures and sells the highest quality of organic products worldwide.

From staple to gourmet: Transformation of tea consumption in India



Indians are beginning to explore tea beyond the staple 'masala chai' and experiencing as well as demanding teas that cater to various tastes and seasons. Green tea has already become widely popular as a healthy drink and now there is a rising interest in exotic, artisanal and gourmet teas as well.

By Ambarish Ghosh

Tea is integral to the contemporary Indian culture. For Indians, it is not just a drink but the most consumed concoction, outnumbering its rival coffee, by 30 cups to one. With such a massive scale of consumption, Indians might feel that they know their tea. However, there is much yet to be discovered about this staple.

The high consumption of this beverage in the country is driven by several factors, including the presence of a huge tea-drinking population. It is the drink of the masses, fueling hundreds of millions of Indians, right from the time they get up in the morning till when they go back to bed. They drink tea to relax and enjoy some family time, or while they hang around with friends and visitors. Tea gives a boost to the concentration levels and can be consumed in any weather. As a culture, the way we consume tea is undergoing a transition from the simple concoction of water, milk, sugar and tea leaves.

A change is here

The globalization of our economy and opening up of the Indian market to the world has not only transformed the country's financial landscape but also significantly altered lifestyles. Today, we are constantly interacting with diverse global cultures,



and it goes without saying that this has also influenced the way we drink our tea. India is quickly catching up with the elaborate and formal tea traditions around the world, like the 'high teas' of England or the 'tea ceremonies' of Japan, where it is not just a casually enjoyed habit, but a carefully considered statement of taste and refinement.

We may also not be as artistic in presenting tea as a work of culinary art, in the manner of our East Asian neighbours. However, Indians are beginning to explore tea beyond the staple 'masala chai' and experiencing as well as demanding teas that cater to various tastes and seasons. Green tea has already become widely popular as a healthy drink and now there is a rising interest in exotic, artisanal and gourmet teas as well.

Today, tea is not only positioning itself as the classy alternative to coffee, but also doing the unthinkable by taking on the 'sherbet' that is



very deeply rooted in our culture. As a drink for the scorching hot Indian summers, tea lovers are being presented with enticing options like iced teas as well as those with fruity and flowery tastes at their core. There are exotic and refreshing teas integrating flavors like apple, blood orange, lime, lemon, etc. as well as flowery infusions such as chamomile, rosehip and more.

Tea trends in India

With an increased awareness about the varieties of tea and diversity of its preparation and consumption, several trends have emerged in India.

Tea as a health drink: Irrespective of the variety of tea, all of them have ample presence of flavonoids, and provide genuine health benefits. No wonder black tea is the second most consumed beverage in the world after water. Tea has antioxidants that in tandem with phytochemicals curb inflammation, irregular cell development, and slow down the aging process.

Tea cafes: These are the next big thing. Several branded tea cafes are already operating in the country and more are setting up shop. Investors are showing increasing interest in this domain and some tea cafe chains have also raised up



→ A TALE OF THE HILLCART TALES

The Hillcart Tales, a brand descending from a century-old lineage, provides a wide range of exquisite yet authentic tea from Darjeeling, Assam, Taiwan, and Rwanda. The Hillcart Tales' expertise dates back to the British-colonial era when Ambarish's forefather Ashutosh Ghosh established A Tosh and Sons (India) Limited in 1897. Over the years, the brand became the leading exporter of fine blended teas to renowned buyers across 40 global destinations. The careful selection of these choicest leaves forms the constancy and originality of The Hillcart Tales' broad range of rare teas. To complement its products and services, The Hillcart Tales has been involved with brands like, Crown plaza, The Imperial, The Oberoi, Taj Club House, Radisson.



to \$20 million in Series C funding. These cafes offer a variety of exotic and gourmet teas. They are making headway into the territory otherwise marked by coffee chains and providing interactive tea experiences.

Gourmet and exotic teas: Millennial tea lovers are not content merely with the regular hot masala, green or iced tea. They aspire to go beyond and explore the beverage as a treasure of taste and fragrances. Teas merged with fruits, aromatic flowers and other products, presented in a novel way, are now finding their way into Indian retail culture.

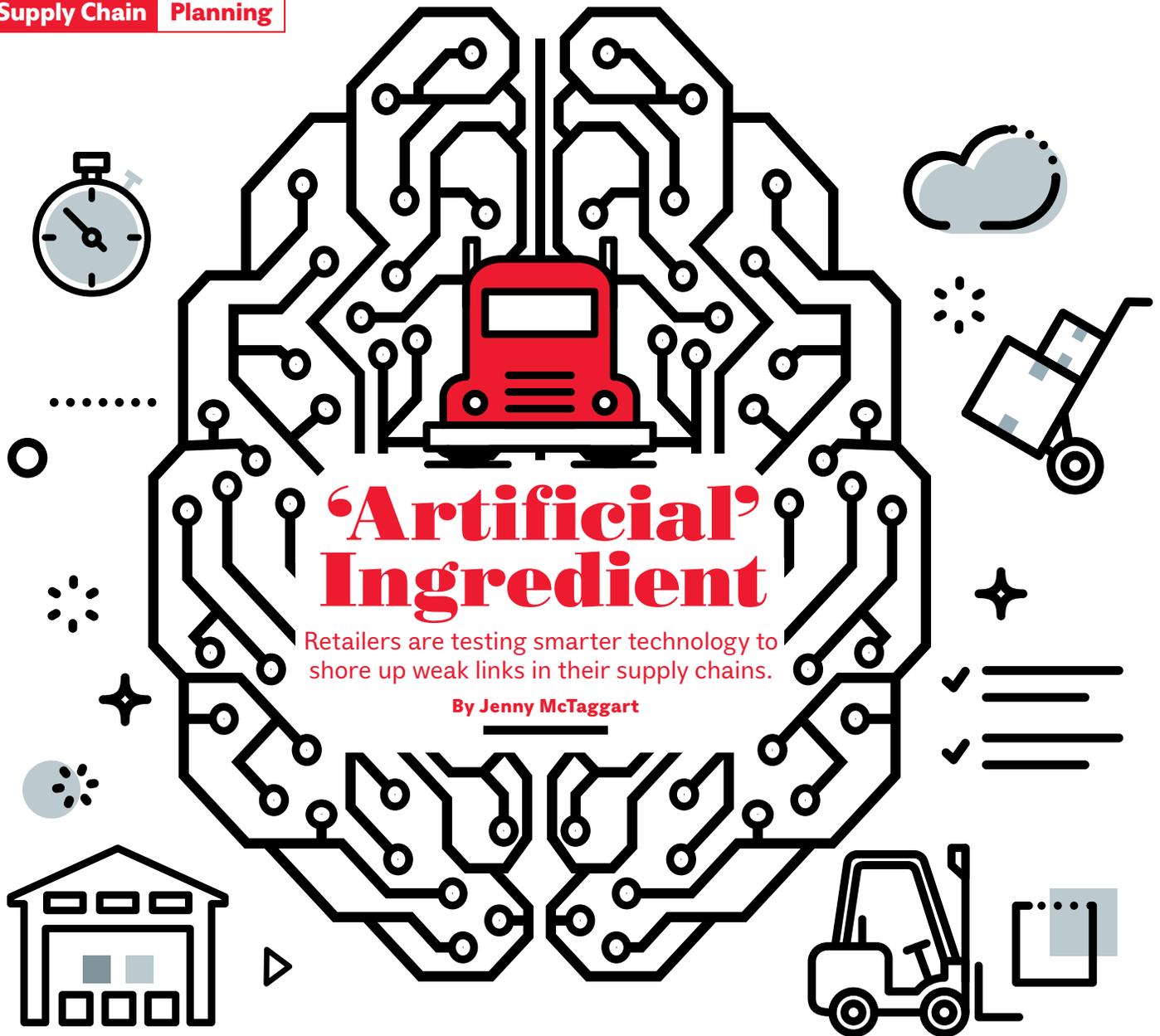
In conclusion

While tea enjoys an unrivalled popularity as compared to any other brew in India, it is set to enhance its appeal courtesy the transformation it is going through. Exotic, delicious, aromatic and good for health – these are the qualities further endearing this ancient drink to the modern tea drinkers, and they will continue to do so in the foreseeable future! **PG**

Millennial tea lovers are not content merely with the regular hot masala, green or iced tea. Teas merged with fruits, aromatic flowers and other products, presented in a novel way, are now finding their way into Indian retail culture.



The writer is Founder and Director, The Hillcart Tales, a brand offering a wide range of exquisite yet authentic tea obtained from the gardens of Darjeeling, Assam, Taiwan, and Rwanda.



‘Artificial’ Ingredient

Retailers are testing smarter technology to shore up weak links in their supply chains.

By Jenny McTaggart

The weakest links in the supermarket supply chain haven’t changed much over the years — critical areas such as ordering, replenishment and delivery, just to name a few, have persistently caused bumps on the multifaceted journey from farm to fork.

But while retailers’ challenges are largely the same today, most observers would agree that there’s a new urgency to address them, as the speed at which consumers expect to get their groceries has accelerated exponentially.

In fact, some might call this a critical juncture in supply chain planning. The “2018 State of the Retail Supply Chain Report,” published by the Auburn University Center for Supply Chain Innovation in conjunction with the Arlington, Va.-based Retail Industry Leaders Association, notes that “the industry is at an inflection point where retailers must step back and re-evaluate their age-old ways of doing business.”

Indeed, some of the “old” methods — such as relying on sticky notes to record information, waiting for vendors to replenish product instead of adopting perpetual inventory, or expecting

Key Takeaways

- ▶ Although supply chain challenges such as ordering, replenishment and delivery have remained the same, there’s a new urgency to address them, and the speed at which consumers expect to get their groceries has accelerated.
- ▶ New technology, including artificial intelligence (AI), is helping businesses better manage their supply chains.
- ▶ Among the available solutions are Symphony RetailAI’s forecasting system and Foxtrot Systems’ AI-enhanced route execution.

delivery drivers to navigate the roads based on yesterday's traffic patterns — are on the way out. In their place is new technology, including the latest tools that not only provide forecasting, but also add artificial intelligence to help businesses make the most informed decisions possible.

While artificial intelligence-enabled applications are still in their infancy in U.S. retailing, a handful of supermarket companies are involved in soft launches with technology providers, including Symphony RetailAI, based in Dallas, and Foxtrot Systems, based in San Francisco, to see just how far technology can go toward creating a faster, more efficient supply chain.

Forecasting for the Future

Five companies are currently involved in a soft launch of Symphony RetailAI's Demand ForecastingAI solution, a forecasting system that has a "machine" component to it, according to Patty McDonald, global solutions marketing director of the retail software division. "We're seeing some tremendous results so far," she says, noting that in some instances, retailers' forecast error rates have been cut in half. "So, let's say if 20 percent of the time, you're missing your forecasting — to change that to 10 percent has a gigantic impact."

McDonald continues: "Sometimes in the market, we find people who might be skeptical to think that forecasting can really be that much better. A lot of the solutions on the market are mature, so people have invested money for good solutions. They wonder if there is really room for much improvement. We believe there is."

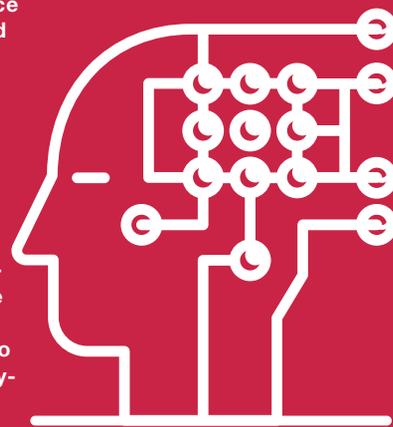
In McDonald's view, some of the "weakest links" in today's grocery supply chain include timely replenishment of product, especially those that are ultra-fresh and require replenishment on at least a daily basis, new product launches, and collaboration,



What is AI?

Symphony RetailAI explains on its website (www.symphonyretailai.com) that artificial intelligence "uses technology with advanced analytic capabilities like machine learning/deep learning to do things that previously were thought only humans could do."

Even more intriguing is that the technology actually learns from what it does and can take actions on its own. It's no wonder that Dallas-based Symphony and other companies are exploring ways that AI can help retailers and CPG companies do tasks faster, improve data analysis and ultimately make better business decisions.



both internally within the company and externally with suppliers.

Collaboration may be the biggest, and broadest, challenge for retailers, in McDonald's opinion. "There's a constant flow of information and communication in the supply chain, and it's important to capture and track all this correctly," she says. "People are still writing notes instead of having a good tool to provide workflow for good communication."

She points to the potential of blockchain technology as one example of enabling business collaboration with a common technology, and notes that while Symphony RetailAI doesn't offer a blockchain solution per se, it provides "components" to blockchain with its supply chain solutions supporting specifically the challenging nuances of fresh item management.

"At Symphony Retail, we offer a retail supply chain platform, including Master Data Management solutions that help companies keep their data better connected," explains McDonald.

Canadian grocer Longo's, a family-run company based in Toronto with 32 stores, is one example of a customer that's using Symphony RetailAI's technology to achieve better end-to-end collaboration by integrating all of its data from suppliers and warehouses to the stores. While Longo's isn't involved in the soft launch of SR Demand ForecastingAI, the company uses Symphony RetailAI's full suite of supply chain management software.

Before that, Longo's was using fragmented systems and an enterprise retail planning (ERP) solution that was at the end of its life and no longer supported.



After that vehicle leaves the distribution center, that's where most of the disruption happens and where most of the opportunity lies in terms of efficiencies today.

— Karl Northrop
Foxtrot Systems





Alicia Samuel, director of IT business solutions for Longo's, explains, "We chose Symphony RetailAI because we wanted to have a solution that provided that integrated platform that would help us manage our business, focus on fresh — which is a main differentiator for Longo's — and would provide enhanced business capability."

In addition to Longo's, many of Symphony RetailAI's other customers are also outside the U.S. market, and their adoption of technology seems to be faster than that of U.S. retailers, according to McDonald. "In France, where our company does supply chain development, we have customers that use our allocation and replenishment tools to manage perishables," she notes. "In North America, you'd see that for toilet paper, but not for produce. Usually North American retailers have someone in the store like a manager manually ordering the product. Some of our French customers are also very big into recording their inventory every day."

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There's a constant flow of information and communication in the supply chain, and it's important to capture and track all this correctly.

— Patty McDonald
Symphony RetailAI

The Last-Mile Link

At the other end of the supply chain — all the way to last-mile delivery — Foxtrot Systems is adding artificial intelligence to route execution, essentially creating a brand-new market for a weak link that many retailers have known existed but could do nothing about, according to Karl Northrop, VP of business development for Foxtrot. His company was created to help delivery drivers, who in a sense are left alone to deal with a highly disruptive environment. Leveraging advances in cloud computing, machine learning and wireless technology, Foxtrot is focused on empowering last-mile fleets to exceed their goals.

The company is currently involved in several pilots at retail, whether it be third-party logistics providers, or the retailers themselves that have either expanded into last-mile delivery or home services.

"The market is mature, with transportation management systems and route-planning solutions, but what people are starting to realize is that it doesn't matter how well you plan — after that vehicle leaves the distribution center, that's where most of the disruption happens and where most of the opportunity lies in terms of efficiencies today," says Northrop. "In most cases, the daily sequence of their stops will change, whether it be due to traffic, weather, or employee- or store-driven challenges. Most drivers make those change decisions now, and the majority of the time, they're not making the right decisions, usually due to a lack of information and/or experience."

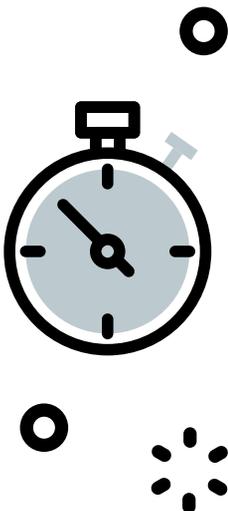
AI automates the driver's decision in real time to close that information or experience gap, while learning over time other valuable information to help drivers determine what their next stop should be, he explains. Because Foxtrot's solution is flexible, customers can set their top objectives, whether



it be controlling variable costs, hitting their time windows, or a combination of both (in the United States, the primary setting always starts with on-time delivery, Northrop notes).

Some of the biggest advantages provided by real-time route sequence optimization are creating more efficiency and more predictable delivery times, which ultimately improve service overall, according to Northrop. "If you're not missing stops, that directly impacts service levels and better on-shelf availability," he observes. "This becomes even more important when you think about how last-mile delivery is ramping up and putting more pressure on a retailer's supply chain.

"Ultimately, though, most of our clients' long-term goals are to create capacity in their distribution systems to increase asset and driver utilization while maintaining or improving service levels," he continues. "This is a challenge they'll continue to face, with the growing driver shortage and rising transportation costs." **PG**







“We see a huge potential for granola bars in the metros and Tier-1 cities”

We believe that in the next five years, when customers think of snacking items such as biscuits, namkeens, candy bars etc., granola bars will be an inevitable part of their choice. To achieve the same, we are actively investing in brand building and customer awareness.

Kanupradeep Subramanian, CEO & Director, WIMWI Foods, spoke to Progressive Grocer about how his granola snack bars that sell under the ASAP bars brand has been able to break through the market clutter and become a favorite of the young millennials looking for quick, tasty and healthy snacking.

Tell us about your company and products.

We started WIMWI Foods just after graduating from IIM-Ahmedabad from the Centre for Incubation, Innovation and Entrepreneurship (CIIE) in March 2014. The idea was to bring innovative, tasty and healthy foods from across the world in convenient formats and prices to India. ASAP (As Simple As Possible) granola or snack bars was launched in 2016 in three flavors – almond & dark chocolate; fruit & white chocolate; almond, cashew & caramel. ASAP bars are designed for the young millennial crowd looking for quick, tasty and healthy snacking on-the-go and for mothers looking to give their children a healthy and trustworthy snack during the day.

How would you describe your product’s USP and market differentiator?

The main philosophy behind ASAP bars brand was to break free through the clutter of complicated ingredients, which goes into making FMCG food products these days. With the aim of bringing a simple, healthy and yet tasty food, ASAP bars are made with high quality ingredients like rolled oats,

almonds, cashews, dried fruit, which customers know is healthy for them. Our product’s taste, affordable price point (Rs. 30) and differentiated packaging are our three key market differentiators.

We have no added preservatives and colors and yet have a shelf life of six months through packaging innovation. Often consumers believe that health foods taste like cardboard and we are trying to break that paradigm and make healthy foods taste awesome. Customers, especially millennials, love our product’s taste. We have come up with an innovative see-through packaging through which customers can immediately know what the ingredients are. One can check out our Instagram profile to know what customers love about the brand and product at [instagram.com/asapbars/](https://www.instagram.com/asapbars/)

Which are the key markets and customer segments for your products and which are the new markets you are looking to enter?

We have a national presence through Amazon and Flipkart as well as other online marketplaces such as Smytten, 1Mg, etc. We have MT, Institutional & GT presence in Bangalore, Hyderabad, Pune,

Chennai & recently in Mumbai. We are looking to enter NCR and Kolkata soon this year and cover our pan-India metro city coverage. Our TG is young millennials in the age group of 16-30 who are in college and office goers who are frequent travellers and looking for healthier breakfast and 4 pm snacking options.

What is your products' sales contribution from Modern and General Trade and what are you doing to strengthen your distribution and retail reach?

Currently, the majority of sales is coming through MT and online, mainly because our TG shops mainly in Modern Trade and hence we have actively targeted mostly Modern Trade. To increase our reach further and because of customer demand, we have now started placing our products in Class A & A+ GT outlets and distributors have been appointed in Bangalore, Chennai, Pune and Mumbai for the same. We are actively investing in product sampling, in-store promotions, merchandising and visibility to augment sales in MT and GT and the results have been extremely positive in chains like D-Mart (multiple locations), Ratnadeep (Hyderabad), Grace Supermarket, McRenett, Nilgiris (Chennai), office pantry networks, etc.

We are reaching out to more retails partners and distributors to increase our distribution. We encourage retail partners and distributors to reach out to us for as many more of our product launches are in the pipeline. We are targeting both mass and premium Modern Trade retailers in our target geographical markets.

What are the main underlying consumption trends that you see for your line of products and how do you assess the growth and market potential for your product?

For the past two years, the market had been growing phenomenally with a y-o-y CAGR of at least 25%. Increased health consciousness, especially among the millennials, time-crunched urban life-style often leading to skipping of meals, and increased propensity to travel (both for work and leisure) have helped fuelled the demand for snacks – a more fulfilling and healthier food option. Granola bars offer a convenient format for snacking and satisfy the quick hunger pangs. We see a huge potential for growth in the metros and Tier-1 cities through MT and upper end GT outlets. E-commerce, though a small part of our business, is growing very rapidly as well. As they improve their grocery fulfillment processes and reach more cities, we will grow along with them. We grew 100% y-o-y last year and we expect to grow more than 200% this year.



How do you look at the challenges in the market and what solutions have you embraced to score your goals?

Customer awareness, increasing distribution and brand building are the biggest challenges for us. The goal has been always to generate a loyal following for the brand and get repeat business for our channel partners. For that, we have taken a number of initiatives. From the beginning of the ASAP bars journey, we placed our bars in office pantries and airports and airlines where clutter and competition is often less and there is an immediate need of consumption. Now, we actively engage in influencer marketing and extensive wet sampling, sporting and college event sponsorships. These measures have helped us get very good traction in MT and institutions and repeat orders are coming. It has also helped us build a loyal set of customers and ASAP bars is now a well-known name among the consumers of energy bars.

What are your future plans and goals?

In the next three years, we want to become the top snack bars brand in India both in terms of brand recognition and sales volumes. In fact, the competition is heating up with larger FMCG companies launching products in this category. This only shows that there is a valid and sizeable market for this product and category. We believe that in the next five years, when customers think of snacking items such as biscuits, namkeens, candy bars etc., granola bars will be an inevitable part of their choice. To achieve the same, we are actively investing in brand building and customer awareness. We are also actively receiving mentoring support on distribution from Parle Biscuits who have made a strategic investment in WIMWI Foods. **PG**

With the aim of bringing a simple, healthy and yet tasty food, ASAP bars are made with high quality ingredients like rolled oats, almonds, cashews, dried fruit, which customers know is healthy for them.

“Good local knowledge, efficient inventory handling and an excellent product mix are the forte of the Rajmandir brand”

Rajmandir Super Market, which operates 10 stores in Delhi spanning 50,000 sq. ft., has been continuously expanding its presence with the objective of building a network of neighborhood stores that can redefine the grocery retail space in Delhi-NCR by offering the freshest and finest food experience to the consumers.

Suresh Mittal, Owner of Rajmandir Super Market store chain, who has a hands-on experience of more than 29 years in the grocery retail sector, shared his retail journey over the years and his plans for the future with *Aliya Jamal* of Progressive Grocer.

Tell us about the inception of Rajmandir Super Market – the initial days, the challenges, the interesting and turning points in the business.

We have been in the grocery business since 1990 and delivering grocery products to customers under one roof. As a Delhi-based grocery retail brand, we have had our fair share of ups and downs in business over the years. But by staying focused and committed to the business and our customers, we have eventually managed to establish a firm foothold in the retail sector.

Talking of our formative years, we opened our first Modern Trade retail branch in Dwarka in 1996 when the region started attracting development and industry and human capital. In the initial years, we faced many challenges in managing the store. And despite making all attempts to weather the vagaries of business, our efforts went futile and we had to shut down the store eventually. But this adversity did not deter us to abandon our dream of making it big in the grocery business even though it entailed taking risks.



I am a firm believer in the adage that says: Failure is simply an opportunity to begin again but more intelligently this time around. And so, we opened a new retail store in Dwarka again with a bigger space. But we were doubly wary of the risks involved in the business and focused obsessively on the areas where we had been found lacking earlier. It was also a critical turning point for us in the retail business and we gave all that we could to ensure that it did not fail.

We took our learnings seriously and assiduously devoted ourselves to learning the success recipe of expanding business in the retail sector. In 2010, we opened the third store in Rohini and thereafter there has been no looking back as we have successfully been expanding the business and adding to our store count. Looking back, I can say that finding success in the grocery business is not



RAJMANDIR SUPER MARKET AT A GLANCE

Retailer/ Brand Name: Rajmandir Super Market

Launch Year: 1996

Parent Company: Rajmandir Supermarket

Operating Structure of stores: Company owned/rented/leased: Company owned and rented

Average Size of Store: 5,000 sq. ft.

Total Number of Stores as on date: 10 stores; All in Delhi

Number of Cities as on date: Delhi

Total Retail Space as on date: 50,000 sq.ft.

Annual Turnover in Rs. crore: 100 crore

Average Sales Per Sq Ft Per Day: 1,500

Average footfall/ daily: 800 per store

Average Bill/ Ticket Size: Rs.1,500

SKU count in store: 10,000

Number of Employees: 100

easy to come by. We have been through several challenges and long odds on the way to success – struggling against competition and cut-throat competitors determined to undercut your business, finding reliable vendors and quality suppliers, dealing with employee issues, controlling the supply chain management, among many other challenges.

Currently, we run and operate 10 stores across Delhi and our vision is to open up to 20 stores over the next two years and 50 stores in the medium-to-long term. We have been able to grow and build our confidence in this business, which serves as a big booster in our entrepreneurial journey and acts as a catalyst to our success. So, today, despite the intensifying competition and a not very buoyant market sentiment, we have been able to build a well-recognized brand that is valued for fulfilling the customer needs. Looking ahead, as an organization, our objective is to keep growing and expanding the business for catering to the growing and evolving needs of the customers.

How would you like your customers to perceive your store brand and what have been your initiatives towards fulfilling your customers promise and delivering on your brand values?

We have put in a lot of effort towards listening and understanding the local needs, and providing tailored solutions to our customers. We know and understand that customer preferences and local food habits change every 100 km. But we enjoy an edge in the business insofar we know what our customers want and we provide for those needs by offering a wide range of products and making it accessible and available to them all the time.

Rajmandir stores are known for its wide range of domestic and international products and for offering healthy discounts on products to the customers.



Rajmandir stores are known for its wide range of domestic and international products and for offering healthy discounts on products to the customers. The brand has become so familiar and trustworthy to the consumers in Delhi, especially in west Delhi, that it commands a strong consumer loyalty.

Our stores provide various facilities to the customer, which make shopping easy and a great experience. Some examples of such facilities include: easy and faster checkout, deep discounts, loyalty points reward system, free home delivery, and a wide range of products and assortment that is better than at other stores. Also, all the stores are centrally air-conditioned and are adequately spacious to allow the customers hassle-free

access to all products and easy navigation within the store. The stores enjoy good location and so reaching them is easy and hassle-free. As our prime focus is on customer satisfaction, our stores offer valet parking service to make shopping at our stores a seamless and delightful experience.

What is the location strategy for your stores?

As of now, we have our stores in west Delhi and prefer to have them on the main roads for better visibility and access. Population density is also an important aspect when choosing the location for our stores. The size of our stores depends on the catchment potential of that particular area.

KEY RETAILING INITIATIVES BY RAJMANDIR SUPER MARKET

Supply chain management: Raj Mandir stores are backed by strong purchasing team, which purchase products at a low price so that great offers can be provided to the customer. The supply chain effectiveness gives the stores high fill rates and ensures product freshness. Every store has its own warehouse, which is very convenient for the store managers to keep a track on the stock. The chain actively manages its inventory levels at each store so as to keep the appropriate quantity of stocks to meet customer orders immediately. There is an on-going communication with business partners to ensure a smaller cycle time for replenishment of stocks as and when the demand arises. The retailer constantly assesses what kinds of products people are likely to buy given the area in which the store is operating and it ensures that appropriate stocks are maintained at all times. The key to this process is in knowing the demands of customers and the timelines of such orders.

E-commerce/ omni-channel: Raj Mandir Super Market, through a third-party app, is catering to all the



e-commerce needs of its customers. The app has a list of different superstores in Delhi and picks up the grocery from the stores and delivers it to the customers' doorsteps.

Customer service: The sales teams and the supporting staff in each of the stores are focused on providing efficient and friendly service to all our customers. Periodic training programs are conducted on effective communication in all stores and it is mandatory for all sales staff to attend. In addition, the sales staff is constantly updated on information related to products available in the store to ensure that customer queries are attended to promptly and professionally.

Product demos/ sampling activities: The brand regularly carries out sampling promotions at its stores along with the respective companies/ suppliers. These promotions are done strategically in each of the stores to bring about awareness of the product, leading to sample purchases and then the acquisition of a long-term, happy customer. Product promotions are normally done by the suppliers and company employees armed with the requisite product knowledge.

Go-forward strategy with suppliers/ vendors: The retailer helps the suppliers by promoting products, managing displays. On their part, the suppliers help by providing quality products in a timely manner.

TENDER AND LEAN
GOAT MEAT
FARM BRED

INDIA'S ONLY CERTIFIED
'GOAT MEAT' FMCG BRAND



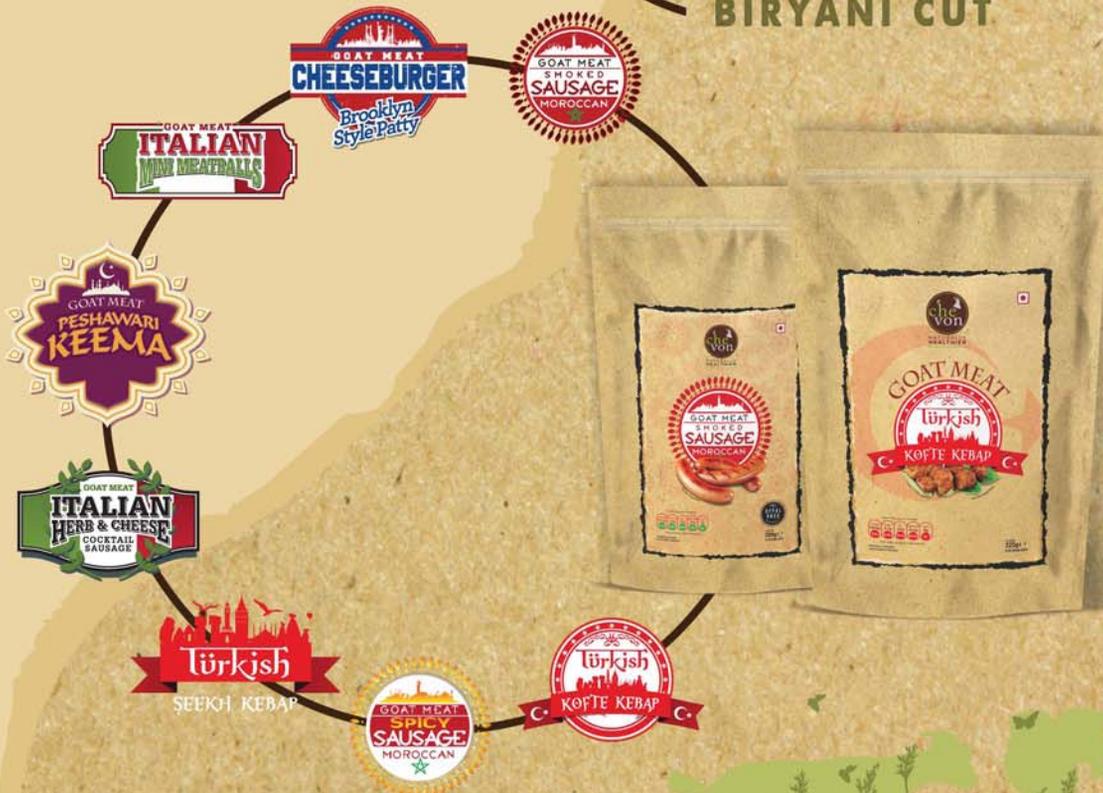
CURRY CUT

MINCED

BONELESS

DELICATE CHOPS

BIRYANI CUT



Available in 2000+ Modern Trade & General Trade stores



We constantly assesses what kinds of products people are likely to buy given the area in which the store is operating and it ensures that appropriate stocks are maintained at all times. The key to this process is in knowing the demands of customers and the timelines of such orders.



What are the measures you take to boost sales in stores?

We organize several events and programs in collaboration with the top brands as well as with the upcoming brands at our stores. Also, we have upcoming offers every week and we do kiosk set up in each store for the most valuable products in our stores. We often do markdowns for monthly purchase and seasonal purchase. To brand the product of our choice, we use all our resources, including billing and delivery vehicle.

What is your strategy for reallocating space for different sections at your store?

Today, each category is getting more refined and each one of them is further expanding into different sub-categories. The store and the staff need to be updated from time to time to understand these shifts in trends and product consumption patterns. We have a well-trained workforce with an intimate knowledge about product features and their use, which they employ to place the products with appropriate shelf space and also to provide the best of experience and ease to our customers. More space is allocated to product and categories that are growing at a faster rate. Reallocation of space to products and their repositioning is a constant process at the store for better business propagation.

What are you doing to promote your private labels?

We do a lot of in-store branding and activities that attract customers. We also create awareness for our products in the near vicinity of our stores as a brand building activity.

What is the sales split between your private labels and national brands?

National brands still occupy a majority of the share in several categories, but the trend is changing for good. People are trying out our

private labels because we transfer our credibility to those products as well. And then, there are the advantages of better prices and value.

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

We focus on giving suppliers good and long-lasting contracts, which are a sure shot way to forge loyal relationships with them.

How do you ensure that suppliers stick to quality standards and efficiency norms?

We have in place a committee to check the quality of products and report on the efficiency of our suppliers. We also strictly adhere to all regulatory norms and product deadlines.

Tell us about any interesting concepts or innovations that you have introduced at your stores in terms of category management, merchandising strategy, cross-bundling of products, etc?

We believe in word-of-mouth marketing. And our customers are loyal to the brand so if they even relocate to a different locality, they are still coming to our stores for grocery shopping. Our customers are connected with us on WhatsApp and we do all the promotions on the platform. Apart from these activities, we circulate pamphlets for our upcoming offers.

Tell us about your strengths and achievements so far?

Our strength is our committed workforce, which is passionate to serve and provide quality products. And our achievement is our satisfied clientele. Good local knowledge, efficient inventory handling and an excellent and a wide product mix are the strengths and forte of the Rajmandir brand.

Looking ahead five years from now, how do you visualize the F&G industry landscape in India and where do you see Raj Mandir Hypermarket in the future perspective of things?

Looking into the future, as a brand, we are clear about what we want. And that is to build a sustainable and profitable business. The existing and new stores are being transformed with the goal of becoming the neighborhood store and offering the freshest and finest food experience to the consumers. We want to expand our business further and have at least 20 stores in Delhi/ NCR over the next two years. And after establishing ourselves in Delhi, we would like to expand the brand in north India. **PG**





BD AGRO FOODS:

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BD Agro Foods is not about a single experience but about a journey that spans close to 65 years and five generations. Apart from our vast experience in the frozen food business, we stay tuned to the latest developments in the industry by analyzing the current scenario of ever changing tastes, eating habits, scope of international markets, food safety concerns, and wastage of agricultural produce.



BD AGRO FOODS

Village Razapur, Post Khanowal, Kapurthala- Nakodar Road, Kapurthala-144601 (Punjab) India

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Ways to cut down the carbs and not the taste

It doesn't matter if you are on keto or low-carb diet because there are snacking options available today in the market that can address your diet issues without compromising on taste. Think of low-carb mathri, namkeen, atta and even desserts. And, of course, you can also cut down carbs in your diet by making small changes in your food habits.

By Sudarshan Gangrade

India is the diabetes capital of the world with around 60 million diabetics today. This number is expected to go up to 80-100 million over the next five years. Obesity is on the rise and so are heart-related ailments. Do you know the common denominator among all these lifestyle-related disease?

It's our food habits. Whether you are a corporate workaholic or a small trader, eating habits pretty much dictate your lifestyle and energy levels. No surprise then that whenever we feel low on energy, the body craves sweet. But chocolates or mithai lead to weight gain. Over the last few years, the health consciousness level of the general population has risen and they are substituting many everyday food items with healthy options. But did you know that the so called healthy options are after all not so healthy. In fact, many doctors are now suggesting going back to the basics in terms of our food habits – consume ghee and not edible oils and eat everything in measured quantity.

Then there is keto – an diet plan that has every weight watcher worth their salt (or cheese) swearing by it. Keto diet is an extreme form of

low-carb lifestyle where you are consuming only 20-50 gms of carbs each day. Compare this with the regular food habits where you would consume between 250-400 gm of carbs in a day. A low carb lifestyle, on the other hand, would typically involve consuming less than 120- 150 gm of carbs intake in a day. This implies anywhere between 50% to 70% lower carbs than you would typically have.

It doesn't matter if you are on keto or low carb diet, there are snacking options available today in the market which can address your diet issues without compromising on taste. Think of low carb mathri, namkeen, atta and even desserts. Of course, you can also cut down carbs by making small changes in your food habits and make low carb more of a lifestyle.

A way of eating

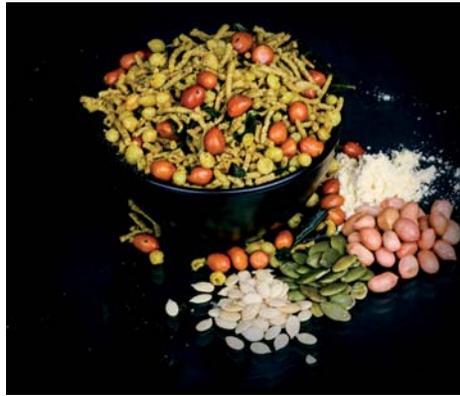
Think of choosing to put less oil in your food and have snacks that are not very oily. Or cutting sugar from your tea and having lesser portions of rice. These are the changes done to the way you eat overall. Not for a specific diet routine of a few weeks or months.

Similarly, you consciously eat foods that have lower carbs, and you give up / significantly reduce foods that have high carbs. Not because you are on a diet to lose weight or correct some medical issues. But because low-carb foods are healthier. Cutting down carbs is now conclusively proved to have direct impact on obesity and other important health markers.

And now, let's talk of low-carb foods as a category in itself. What this means is that low carb foods squarely fall under the larger health food range, which are classified as "healthy for you". They are not specific functional foods like protein / vitamin supplements that are consumed when on a particular regimen.

"Healthy for you" are the range of products that are the alternatives to existing foods but are considered healthier. That is primarily because of their ingredients or the way they are made.





Think of baked chips (Too Yum), multi-grain atta (Aashirwaad), digestive biscuits (McVities), cold pressed juices (Raw Pressery), heart healthy oil (Saffola) and so on.

Low carb has to be placed in the same bucket as 'healthy' for you. Low Fat. Baked. Multi grain. Digestive, etc. While consumers may not understand the health benefits of going low on carbs, the expectation is that there will be an awareness and understanding in the next 2-3 years.

The opportunity

Across the globe, cutting down on carbs and products that help in reducing weight is growing rapidly. There are now shelves that have a range of low carb and/ or keto-friendly products. Cutting down carbs in one meal or snack will not lead to health benefits. Consumers need to cut down carbs across everything that they eat. This lends itself well to not be a functional food or an occasion-based food alone.

It means that there is an opportunity to build low carb products across snacks, staples, desserts, beverages and more. There is another large market that already exists. These are consumers who are diabetic. Diabetics, due to medical reasons, need to maintain a low-carb diet. Else, they risk worsening their medical condition besides running up escalating medicine costs.

Size of the opportunity

If low-carb foods are benchmarked against a keto diet food, the market is but a small sliver. Probably, only Rs. 25-30 crore. Most of the products are being driven by niche brands and local eateries. On the other hand, if low-carb foods are benchmarked against the "Healthy for you" category, we are talking about a market that is very large. Depending on which of the above you include, it can range from Rs. 500 crore to Rs. 1500 crore (Too Yum alone clocked Rs. 200 crore + revenue in 2 years).

With the full range of categories, ranging from staples to biscuits; the size of the market only goes northwards. However, the catch here is that the category needs to be created. Let us see the

challenges on hand for creating a low-carbs/ keto-friendly foods category market.

Challenges

One can bucket-list the various challenges in creating this market as below:

Creation: Low Carb products are technical products. They are not just about change in flavors or type of presentation of food. What is required is to rethink from scratch how the body processes carbs; and from there arrive at formulations.

All this, while creating a product range that is Indian in taste, Indian in the types of food and Indian in pricing. Unfortunately, the existing brands in the Keto space have mostly copied foods and formulations from the west. Solving this requires dedicated research and commitment.

Confusion: There is tremendous confusion when people hear about low carb. They confuse it with low calories food. They also confuse it with other ingredients that are considered healthy like jaggery, millets, etc. Solving this confusion requires education from the brand as well as health practitioners.

Cost: Most of the low carb/ keto products in the market today use very simple formulations; they are using ingredients that are low in carb like almond flour, soya, flax seeds, etc. This makes the products very expensive. Solving this requires creating formulations that use local and alternative products that are low on cost. That is the only way this category will open up to the masses.

In closing, our mission is not just to create a viable low carb brand for the masses. Our mission is to impact and improve the health of five million consumers over the next five years. The agenda is not just to size the market but also create a market where Indian consumers have low-carb alternatives available to them at every nook and corner. **PG**

Low carb foods squarely fall under the larger health food range, which are classified as "healthy for you". They are not specific functional foods like protein / vitamin supplements that are consumed when on a particular regimen.



The writer is CEO, Lo! Foods, a Bangalore based packaged foods brand that has a wide range of low carb and Keto friendly packaged foods – atta, namkeens, mixtures, biscuits, and desserts.



Getting Fresh and Flavorful with Frozen

The frozen food category in India presents an interesting opportunity for both brands and retailers owing to its great potential for value-addition and growth. Frozen food is undergoing a rapid transformation with the consumer looking for value-added stuff like ready-to-cook/bake/grill products.

With consumers looking for convenience, hygiene and quality products, and willing to spend on them, the shift to refrigerated and frozen foods is unstoppable. Consumers are experimenting with alternative eating styles and frozen and refrigerated foods are right on time, on trend to fit the changing lifestyles.

There are some opportunities in frozen foods to highlight the benefits beyond price, to provide some sense of differentiation or differential advantage. Frozen food companies can break through with innovation across different levels.

By Sanjay Kumar

The frozen foods category in India has been growing at a good clip in recent years, over 20% per annum. With India's ready-to-eat food market is projected to grow at a CAGR of around 22 per cent till 2020, frozen & refrigerated food is one such category under processed and ready-to-eat food segment to have caught the attention of processors, consumers, retailers, brands and investors alike. More people now are ready to eat and consume frozen products over fresh products due to the better shelf life and quality. Quality checks for frozen foods are far more stringent than they are for fresh products. Frozen products are blast frozen before they are packed, which kills all the germs and bacteria and makes them perfectly safe for eating.

People are more informed about these details now and are taking to consuming such products in greater numbers and at more frequent intervals. It is believed that around 30 million Indians – comprising both upper and middle class – consume packaged food, which includes ready-to-cook, ready-to-eat and frozen food – in high quantities. This figure is likely to reach 200 million within the next three years, so frozen and ready-to-eat food products have a very good potential in the coming future. As a result, there is a boom in the packaged food segment with new product launches, introduction of new product categories, and entry of new domestic and international players.

Not until long ago, the frozen food industry in India was limited to only basic frozen vegetables and French fries. Overall, the frozen foods market is very vast and a fast moving market but broadly speaking, the market can be segregated into six segments: frozen vegetables, frozen snacks, frozen seafood, frozen poultry, frozen red meat and others. Frozen snacks and vegetables are the largest category in terms of sales volume whereas frozen poultry, seafood and red meat have started gaining in currency in recent years.

Even today, though India is the second-largest producer of vegetables and contributes about 14% of the total world production of vegetables, only 2%

FROZEN FOOD: CATEGORY DEFINITIONS

FROZEN READY MEALS Frozen ready meals typically constitute a whole meal and include meat-, poultry-, fish- and vegetarian-based meals. A typical product contains a type of meat (eg beef, pork, lamb, poultry, fish, etc) or meat substitute accompanied by vegetarian ingredients (ie rice, pasta, vegetables) and sold frozen. The products do not require any cooking preparation other than heating. Note that vegetable and meat pies are included here (eg quiches, pot pies, etc). Leading global brands include Stouffer's (Nestlé), Healthy Choice (ConAgra), Weight Watchers (Kraft Heinz), Swanson (Pinnacle Foods).

FROZEN PROCESSED FRUIT AND VEGETABLES For product category definitions please refer to the definitions section (can be found under the "Help" section on Passport) for the respective system: Packaged Food, Hot Drinks, Soft Drinks. For definitions on ethical label claims please refer to the Ethical Label Type Definition section (can be found next to the "category definitions" at the bottom of the data table).

FROZEN PROCESSED VEGETABLES Includes all type of packaged frozen vegetables that have been processed prior to packaging. Processing includes the deshelling/peeling and cutting process making the product ready to cook or the addition of other ingredients (eg breading/batter, seasoning, sauce, etc). Note that frozen processed potatoes are excluded (see above). Product types include: carrots in mushroom sauce, cauliflower in white sauce, onion rings, mixed packs (eg carrots and peas), single packs (eg garden peas), etc.

FROZEN PROCESSED MEAT This is the aggregation of frozen processed poultry and frozen processed red meat.

FROZEN PROCESSED SEAFOOD Processed fish and seafood products which are further prepared with the addition of other ingredients, including breading/batter, sauce, seasoning, etc. Product types include: fish fingers, fish pies, battered or breaded fish, fish with any type of sauce, fish balls, cuttlefish balls, scampi, calamari, etc. Please note that basic cleaning and gutting on its own is not sufficient to be considered processed according to Euromonitor's definitions. Such products would be considered unprocessed, and thus wholly excluded from Euromonitor's Packaged Food coverage. They would be tracked in Euromonitor's separate Fresh Food research.

Source: Euromonitor



“Frozen food is undergoing a transformation with the consumer looking for value-added stuff like ready-to-cook/bake/grill products.”

— Krish Iyer
President & CEO,
Walmart India



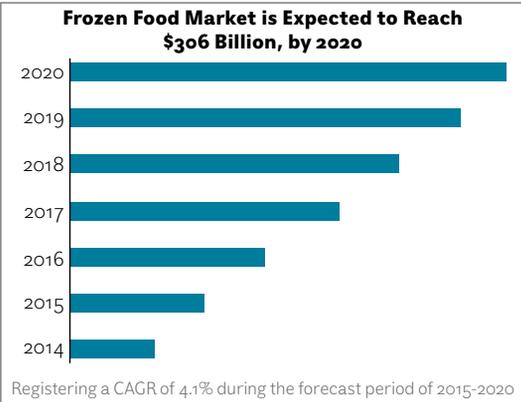


“Frozen food has stepped up on the positioning as the gateway to easier exploration and experimentation.”

— Dnyaneshwar Namdev Phadtare
Merchandising Head
Meat, Fish and Frozen
at HyperCity



INDIA'S FROZEN FOOD MARKET BY REVENUE, 2014 - 2024 (USD MILLION)
SOURCE: INDUSTRY REPORTS



Market Dynamics

DRIVERS

- Changing lifestyle and food habit
- Research and operational excellence of companies
- Growing number of working women

.....

RESTRAINTS

- Government regulations
- Growing health and fitness concern



of the entire production of vegetables is frozen. As per industry estimates, the frozen vegetables market constitutes 31% of the total frozen food market and this share is anticipated to increase further. The category is expected to grow at a CAGR of 17.65% over the next six years due to changed lifestyle, year round availability and price stability of frozen vegetables. There are new products and developments coming every few months in the market. New companies keep launching various ranges of frozen ready-to-eat products, frozen desserts, frozen pastries, frozen meats, etc.

The category presents an interesting opportunity for both brands and retailers owing to its great potential for value-addition and growth. According to Krish Iyer, President & CEO, Walmart India, “Frozen food is undergoing a rapid transformation with the consumer looking for value-added stuff like ready-to-cook/bake/grill products. With consumers looking for convenience, hygiene and quality products, and willing to spend on them, the shift to refrigerated and frozen foods is unstoppable. There is a growing demand for products with more health benefits – low fat, high in Omega 3 fatty acids, high in protein, etc. Customers are looking for natural products – preservatives-free, no artificial coloring and flavoring agents, no pesticides, no antibiotics, etc. Greater consumer knowledge of food and a desire to understand its origins is driving the trend to reconnect with the food we consume.”

“Exposure to new types of cuisines and flavors is growing and food continues to be a way of exploring different facets of our identity. Frozen food has stepped up on the positioning as the gateway to easier exploration and experimentation. Dramatic changes in lifestyles, eating patterns, and demographics are creating new rules for marketing and packaging and are motivating new food product purchases. Consumers are experimenting with alternative eating styles and frozen and refrigerated foods are right on time, on trend to fit the changing lifestyles,” says Dnyaneshwar Namdev Phadtare, Merchandising Head Meat, Fish and Frozen at HyperCity.



However, frozen still remains a niche category for retailers even though consumer acceptance and receptivity to frozen is rising appreciably. "It is tough to comment on the contribution of this category to the overall food business as this category is niche and is slowly taking a share of the regular snacking options available currently. Frozen increases the average basket value as compared to the regular snacking options available in the category," opines **Silas Paul, CEO, Miraj Retail**, which operates grocery supermarkets in west India, adding that with the retail sector growing at a strong compounded annual growth rate in recent years, the frozen food market is expected to grow due to the growing consumer demand and also on account of many new players and brands entering the industry who are bringing in new varieties of products to fulfill the consumer demand.

The number of companies introducing their products in this segment is increasing by the day with players like Amul, ITC, and Godrej introducing new products and variety in the market, which is dominated by organized players

like Mother Dairy that has an almost 50% market share in the vegetables segment as a result of the widespread popularity of its flagship Safal brand and which has now entered the potato snacking segment with fries and other value-added snacks. National brands such as Zorabian, Real Good Chicken, Big Sams, Zanetti (imported), Kraft (imported), Danone, Cambay, Gadre Marine, Bauwens (imported), Nestle, Amul, Haagendazs (imported), Yummiez, Lemons (imported), Epigamia, Lurpak (imported) and Magnum (imported) enjoy maximum sales traction at top-end stores. In the regional category, brands like Venky's, Sumeru, Prasuma, Always Fresh, Chevron, Raw Pressery, Wingreens, Nutoras, Parsi Dairy, Al Fahad, and Milkymist are the stars at retail stores.

Frozen Foods Mkt Size (Rs. Cr)	Retail	Food Service / Institutional	Total Market
Vegetarian	400	800	1200
Non-Vegetarian	1000	1800	2800
Total	1400	2600	4000

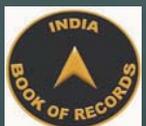


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FROZEN FOOD: MARKET WATCH



To entice consumers to the freezer section, manufacturers need to upgrade and in some cases overhaul packaging.

FROZEN POTATOES SALES RISE WHILE VEGETABLES SALES REMAIN FLAT

Frozen potato products remain a popular snack option for consumers due to availability in a variety of formats such as fries, wedges and rolls. With the growing popularity of fast food, cafés and other consumer foodservice outlets, consumers are becoming more exposed to international snacks. Many consumers are influenced by such snacks in consumer foodservice outlets and often prepare them at home for occasions as it is easy and quick to prepare. Such trends were the main drivers for growth within frozen processed potatoes during 2018, while some other drivers were rising awareness and availability via all retail channels.

RISING DEMAND AMONG FOODSERVICE PLAYERS

Frozen vegetables sales have muted growth in retail outlets, but picking up among foodservice players. Since India is an agricultural nation, there is always a fresh supply of vegetables and fruits, thus limiting demand for frozen processed vegetables. However, there is demand for some international vegetables such as broccoli, different peppers and other products which are not available fresh. As a result, such vegetables are mostly sold frozen in India, with demand expected to grow until local production of such vegetables meets the needs of consumers.

FROZEN PROCESSED RED MEAT SALES

REMAIN LIMITED The ban on slaughtering and selling beef in fresh and processed formats imposed by the Government of India and a few states continued to impact sales during 2018. Many retailers are hesitant to sell processed beef along with other meat at stores. Lamb, goat, pork and other types of red meat are sold in frozen formats in India, although demand is very limited as fresh red meat is available in butcher shops at cheaper prices. Frozen processed poultry, on the other hand, has seen a significant rise in demand due to the vast range of products available. Boneless versions of poultry are growing in popularity, especially among regular consumers who buy frozen processed poultry, which is suitable for preparing many dishes.

RISING HEALTH CONSCIOUSNESS AND DEMAND FOR CONVENIENCE FUELLING SALES OF FROZEN PROCESSED SEAFOOD

Other reasons for growth within frozen processed seafood include growing internet retailing channels, increasing focus on nutritious food, and the convenience of long term storage. Independent small grocery retailers in tier II cities and even some small towns around major cities are setting up compact freezers and chillers to increase the shelf life of meat products. This has been boosting sales of frozen seafood in neighbouring small towns of tier II cities. Frozen processed seafood will continue to grow faster than frozen processed meat products in India due to rising demand for fish owing to its high protein content and rich nutrients like omega 3 fatty acids.

CONSUMERS SHOW GROWING INTEREST IN FROZEN READY MEALS

Frozen ready meals posted the fastest growth in current value sales. This was partly due to strong performances by leading frozen food manufacturers with expansive product portfolios, including McCain Foods, Capital Foods Ltd and MTR Foods Ltd. Such companies benefited from improvements in cold storage facilities in retail outlets, as well as from the success of recent and new launches. Aside from rising awareness that nutrients are preserved during the freezing process, this perception was encouraged by the adoption of improved packaging for some products. However, brand identification and recall remain a challenge in frozen ready meals, as while several players compete in this category. Moreover, consumers can now choose other alternatives to traditional home cooking, including food home delivery.

Source: Euromonitor



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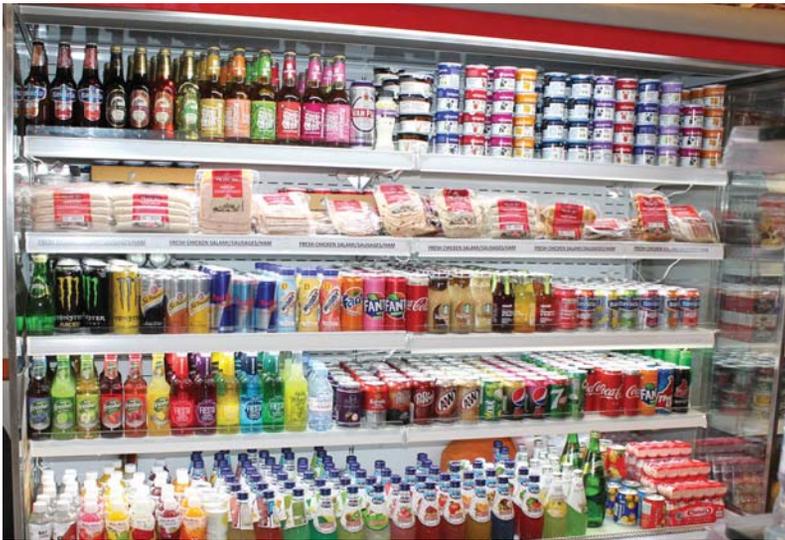
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“
We sensed that no one was selling non-veg in Gujarat and we figured a huge market out there for fresh and frozen products.”

— **Rajesh Francis**
Proprietor, MagSon
Fresh and Frozen,
Ahmedabad

The category appeals more to consumers in the metro cities, the ones who are well travelled, experimentative with food, have higher disposable incomes and to some extent are time-crunched. However, in the recent times, the smaller towns have also warmed up to the category. Even customers in small towns are slowly accepting the use of frozen food products considering their shelf life and quality. As a result, some of the Tier II cities and towns have also started giving good growth in the last couple of years. According to Rajesh Francis, Proprietor, MagSon Fresh and Frozen, Ahmedabad, “We sensed that no one was selling non-veg in Gujarat and we figured a huge market out there for fresh and frozen products. There are a lot of good corporates operating out of Gujarat and so we got the idea of starting our business in fresh and frozen products. We started with a 250 sq. ft. shop, nine years ago, and today we operate 20 stores.”

Modern Trade and e-commerce are playing a pivotal role in taking the category to consumers in the smaller cities. The number of working women has increased in these cities, which is generating greater demand for such ready-to-eat products. Restaurants have also started perceiving frozen vegetables as a good alternative that obviates the need for more labor and effort required in using fresh vegetables. Quick service restaurants have also contributed significantly to the demand for frozen vegetables. Green peas are the most popular frozen processed vegetable, produced and purchased in India, followed by mixed green vegetables and corn.

Entry and expansion of international retail chains is creating a distribution platform for frozen food companies for deeper market penetration. Similarly, the QSR segment is witnessing a robust growth in the

number of players and stores. These players will rely heavily on the supply of products in semi-processed frozen form, which are consistent in terms of taste and offer fresh value to consumers. “Today, every grocer is increasing the space in his refrigerated display units for frozen foods. We had foreseen the potential of this category years ago and had invested in space and equipment even before the category began to grow. Initially, we kept only 3-4 brands; today, we have over 30! In fact, we have the largest space per store for the frozen category, which contributes about 3-4 per cent to our sales,” says Phadtare of HyperCity.

MARKET SIZE OF FROZEN FOOD CATEGORY

“The Indian frozen foods market reached a value of about INR 74 billion in 2018. The market is further projected to reach a value of INR 188 billion by 2024, expanding at a CAGR of around 17% during 2019-2024. While the established and mature markets are in northern and western parts of India, our research shows there is a huge untapped potential for frozen foods in eastern India, which is now approximately five per cent of the Indian market and expected to grow to 15 per cent in the next five years,” says Sunil Kajaria, CEO – Frozen & Banana Division, Keventer Agro, one of the fastest growing food companies in Eastern India with a range of frozen products in its portfolio: vegetarian snacks, non-vegetarian snacks, frozen vegetables, frozen breads, and frozen dairy products.

As per an analysis carried out by Sathguru Management Consultants, the retail market for frozen food grew at a CAGR of 20.5 per cent, from INR 3,650 million in 2012 to INR 9,300 million in 2017. The frozen food market for the foodservice segment has been witnessing even better promise and opportunity. Estimated to be INR 6,350 million in 2012, it expanded at a CAGR of 26.6 per cent to reach INR 20,600 million by 2017. Some other studies and industry estimates suggest that India’s frozen food market is pegged at about USD 485.7 million currently. As per one such estimate, the Indian frozen food market had total revenues of \$335.2 million in 2014, representing a compound annual growth rate (CAGR) of 14% between 2010 and 2014. One industry forecast says that the frozen food industry in India is projected to grow at a CAGR of over 16% to reach \$ 754 million by 2023.

A TechSci Research report, “India Frozen Food Market By Product Type, By Organized Vs Unorganized, Competition Forecast and Opportunities, 2011 - 2021”, says that India’s frozen food market is projected to grow at a CAGR of around 15%, during 2016-2021, on account of an increasing number of modern retail chains, rising



5 WAYS FOR RETAILERS TO GET CONSUMERS TO FROZEN

1 MAKE NAVIGATION EASIER It's not enough to stack freezer cases with products – no matter how attractive they may be – and hope that shoppers come down the aisle. Retailers should ensure the frozen section is easily navigable, and should keep end cap freezers stocked with a variety of teaser items as to what else is available down the aisles. If necessity is the mother of invention, there are other inventive ways to bring needed traffic and sales to the frozen section. Improved lighting and case design can help, but the big change that needs to be made is for the frozen case to be easier to shop – to make it even easier to browse, so shoppers can discover products that are new to them. Grocers can also bring frozen foods to other areas of the store, and some brands can help them do just that. It's all about creating an immersive, engaging experience, coupled with a completely Instagrammable moment.



2 OFFER A BIGGER MIX AND A DIFFERENT MIX OF PRODUCTS Frozen food companies should continue to roll out innovative products, invigorating the category. So, new product development is critical and companies need to get an idea of the upside potential of innovation. Retailers can look at some imported frozen products that are great-tasting and can also be good profit generators for the retailer. As many innovations are happening in frozen foods, manufacturers can look at introducing a new line of products in natural and organic frozen offerings, which can ramp up the choices for consumers.

3 GO WITH A THEME As grocers seek to influence sales in frozen foods, they can use resources offered by manufacturers and industry organizations for addressing the perception of fresh versus frozen foods. Many of the major manufacturers are eager to promote their frozen food products and supermarkets can take advantage of this fact by making the frozen food aisle a focal point and featuring those items that are already being promoted by the manufacturers who can offer point-of-sale materials, artwork and consumer information to help retailers build their promotions.

4 ENGAGE CONSUMERS WITH OFFERS AND MATERIALS Although special offers and point-of-sale materials aren't new, grocers can use them in strategic and creative ways to entice shoppers to take a fresh look at frozen. Compared to other departments, coupons, promotions and the requests made by others in one's household are all key triggers to entice frozen food purchases before consumers are even in the store. Conversely, product recommendations, advertising and digital influencers are less likely to have an impact in this category. Therefore, a combination of coupons and in-aisle placement/messaging could hone in on the pre- and in-store triggers that matter most to frozen food shoppers. From a merchandising perspective, grocers should improve on digital media to attract more Millennials. Consumers demand quick and easy meal solutions, and may not see how frozen foods can fit into last-minute meal planning. The solution lies in offering ideas for pairing frozen items with other foods and beverages in the store. In developing messages for offers and materials, grocers can take advantage of the tools at their disposal. One way to drive traffic to the frozen case is for retailers to use the purchase data from their loyalty programs to identify those households with a high likelihood to buy certain frozen products, and then team up with manufacturers of those products to offer very high-value coupons targeted just at those customers.

5 GIVE THEM A TASTE Sampling, too, can be taken to another level. Supermarkets could host tasting events that feature sampling across the frozen department, where shoppers can nosh on products and learn more about them. Sampling is an effective tool, especially with consumers that are not fully persuaded to buy something, even though it may be a food item they are familiar with, until they actually taste it. With a well-orchestrated demo and sampling area, a store can increase shopper knowledge, boost sales and increase traffic.





“
The market for frozen food has the potential to grow three-fold over the next five years.

— BVK Raju
Managing Director,
Q-Mart Retail Ventures
Pvt. Ltd.

number of refrigeration facilities in small retail shops and rural households, rapid development of fast food chains, aggressive marketing strategies by major frozen food manufacturers, and longer shelf life and easy availability of frozen food products.

Another report, “India Frozen Food Market Outlook, 2021”, says that the frozen food market of India has been growing at a CAGR of 15-20% in the last four years. According to BVK Raju, Managing Director of Hyderabad based Q-Mart Retail Ventures Pvt. Ltd., “The frozen category in India has been recording a healthy growth at a CAGR of 20-25% thanks to increasing customer appetite and acceptance for frozen foods complemented by an increase in the available freezer space in the retail domain. A deeper analysis of the industry reveals that the market for frozen food has the potential to grow three-fold over the next five years. However, there are certain constraints limiting its growth such as infrastructure, which calls for a massive investment in transportation (cold chain) and storage required to serve modern retail and the food service segment.” “I think retailers all over the country should increase their freezer section in all supermarkets as well as in standalone small stores. This has become necessary because customers are today much more aware of such products and are demanding more of these,” opines Francis.

TRENDS AND NEW DEVELOPMENTS IN FROZEN

Those who assess and track the retail industry attest to the potential of frozen foods and how these days, frozen meals are generating a fair amount of heat. Industry opinion and research suggests that consumers believe that frozen meals have come a long way over the past decade. An example of a hotspot in frozen meal solutions is breakfast. Industry intelligence suggests that the top 10 fastest-growing categories in supermarkets include frozen breakfast entrées.



New product introductions reflect the buzz around frozen breakfast and products designed for quick and portable consumption like frozen pancakes, waffles and French toast are expected to do especially well among younger consumers, including Millennials. They appreciate the variety, taste, ingredient quality, and dietary options of today’s frozen meals. Also, to bolster frozen foods as snacks, brands can position their products as solutions for grazing occasions. Consumers are not just looking for frozen meal solutions, but also frozen options that will solve snacking occasions and frozen snacks made with real, flavorful ingredients will come out tops.

Natural ingredients are likely the wave of the future in the segment, too. “Future growth for the category could stem from manufacturers’ efforts to meet demands for lower levels of fat, calories and sodium, as well as products that are less processed and which utilize natural ingredients,” observes a Mintel report. Of course, convenience remains one of the most greatly appreciated of frozen meals’ attributes. Grocers can highlight frozen foods as a key component of meal solutions by promoting products that are already piquing consumer interest.

On the manufacturer side, companies are emphasizing the following among their health-and-wellness innovations: trans-fat reduction or elimination, saturated fat reduction, introduction of products with whole grains and fiber, sugar and sodium reduction, and portion control. From a flavor and variety standpoint, ethnic cuisine continues to be a popular trend. Other top frozen categories are entrées, ice-cream, novelties, seafood, pizza, vegetables, sandwiches, appetizers, potatoes and onion rings. Here, too, new product innovation and category expansion fuel the perception that the frozen section is a dynamic one reflecting modern eating trends. In the entrée arena, bowls are big, mirroring foodservice trends. So, frozen brands that offer bowls that can be touted as meal solutions, have a promising future.

Another tactic for providing shoppers with solutions and enhancing a store’s profitability is by meeting consumers’ health-and-wellness needs with frozen meal solutions that are better-for-you, convenient and, in some cases, budget-friendlier than their fresh counterparts. Stores’ sales show that gluten-free and free-from claims are delivering sizeable shares in frozen foods. There are, to be sure, many new gluten-free and free-from products that have been added to grocers’ cases in recent years, from gluten-free frozen appetizers and sandwich pockets, to gluten-free pesto pizzas, among many others.



Free-from increasingly encompasses meat-free products and some frozen food brands are helping grocers connect to their vegan or plant-eating consumers with innovative entrées and sides. The frozen vegetable segment has a lot of potential as a healthy side and center-of-the-plate item that can be easily prepared and combined with other ingredients for colorful, good-for-you meals. On the topic of color, brands can set themselves apart as a solution provider by offering multihued cauliflower, butternut squash and sweet potatoes; tricolored sliced carrots; and new golden beets and cut rainbow chard. The whole idea is to start involving more nutritious colors.

In this context, it is however important to consider that today, when consumers are increasingly asking manufacturers, 'What ingredients are you adding', the answer should be none. **Vegetables that have no artificial coloring or flavor, with no GMOs, and that are all-natural will definitely vie for consumer attention.** At the same time, the items that appeal to children represent another way to reach out to busy parents. And color grabs children's attention, and when they eat, they like it. Interesting — and trending — frozen vegetables include different forms of veggies. There has also been a segueing of frozen vegetables into traditional frozen food products for a best-of-both-worlds kind of solution.

Healthy frozen foods are a foundation of meals prepared and served at home, and can be positioned as such. All of these innovative food options make home cooking so much easier. Thankfully, there's a plethora of new offerings in the frozen food

aisle today: ethnic flavors, organic, vegetarian, and unique fruit and vegetable varieties. Frozen ingredients can be great time savers, because the cleaning and chopping are already done. At the same time, grocers can marry the benefits of frozen foods with those that are better for the planet. Frozen foods can also be more easily portioned and stored for later use, which reduces spoilage and food waste, further increasing the value.

Grocers can connect consumers with frozen food products — and other complementary items in the store that are part of meal solutions — by learning about, and seeing how they fit into, manufacturers' own promotional campaigns. Brands can tap into consumer needs when it comes to meal solutions and they can roll out a campaign that focuses on the stress of planning a meal. The campaign, which should also include an initiative to engage consumers via social media, can help reinforce the notion that busy families can reduce stress and increase wellness just by adding more mindfulness and calm into their daily routines. This way brands can establish relevancy among shoppers, particularly parents looking for easy and nutritious meal solutions, by bringing social media to the freezer section.

VALUE-ADDITION AND DIFFERENTIATION IN FROZEN

Brands need to differentiate and offer value-added products to the consumers. Brands need to constantly innovate on the product front and price their products in a manner that makes the consumer appreciate the value that is charged.



We need to understand that currently, frozen food is treated as a gourmet product by all our key retail brands. If only we are able to treat this category as a commodity, will we be able to achieve the market share that the category deserves.

— Rizwan Thakur
Founder & CEO, Chevon



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Our research shows there is a huge untapped potential for frozen foods in eastern India, which is now approximately five per cent of the Indian market and expected to grow to 15 per cent in the next five years.

— Sunil Kajaria
CEO – Frozen & Banana
Division, Keventer Agro

For adding value in terms of product's taste and flavor, convenience, and for reducing kitchen time, manufacturers are taking to delivering high value, technology oriented, branded packaged products in a fast emerging organized segment. As a result, there is a profusion of many new products in frozen snacks and appetizers, which also reinforce the widely held notion that consumers are today looking for bolder and more ethnic fare.

Just like new flavors in ice-creams, value and convenience that a product offers is equally important for snacks and others products in the frozen food category. Brands need to come up with product diversification, an obsession to offer differentiated product experiences to the consumer as well as a portfolio of products with specific value propositions. But compared to Western markets, where specialty products such as pizza, pasta, cookies, etc. are abundantly available in frozen forms, the product range available in our country is still limited in the frozen category. For instance, frozen pizzas as a concept that is very popular in Western countries like the USA, Australia and Europe but unfortunately it is not that popular in India.

According to Phadtare, “Given the fact that many (and more) consumers are following dietary restrictions, better-for-you frozen products also encompass entrées that are gluten-free. The frozen food sections of many supermarkets now include gluten-free frozen meals. Organic, natural and sustainable frozen entrées reflect another area of innovation in the frozen entrée subcategory. And, for some segments of the population, such items also fall into the better-for-you category.” This is a dynamic area within the frozen category that manufacturers can focus on to help ignite interest and purchases as analysts predict definite growth in natural and organic offerings, as well as gluten-free.

Brands can also focus on the freshness of preparation as an effective strategy. “Frozen foods can be quite fresh and high-quality. I think it would take a bit of work to educate the shopper of that and cut through preconceived notions, but it's absolutely possible,” says Raju. In addition to packaging, promotional and product innovations, he says that other merchandising techniques, from co-branding with familiar brand names to building more excitement in center store, are all tools to thwart any coldness in the category at a time when growth is pivotal.

“As the landscape changes, not only from a competitive viewpoint, but from a demographic perspective, it will put pressure on certain suppliers and categories, and create opportunities. Staying open to those will be important to maximizing sales. When you make the basic case that freezing is really just pausing freshly cooked foods, it really resonates with people,” says Paul, adding that product innovation is a major way to entice shoppers as they walk down the frozen food aisle. In tandem with attractive packaging, new products that lend something different to the traditional concept of frozen entrées can spur sales.



MARKETERS AND RETAILERS, COLLABORATE

Frozen food players agree that it is important to keep introducing new and exciting products in the market to ensure that the category stays vibrant. Considering how India is growing in terms of its purchasing power, unlimited exposure and increasing curiosity about food among people, especially the younger generations, the growth and development of the frozen foods category is not in doubt. But frozen food brands should not just focus on innovation and offering good quality products to the consumers although both play a crucial role in garnering the end user's attention.

However, innovation should not be happening in terms of product only but also figuring out new ways to reach the end consumer rather than relying on the traditional approach. In addition to new product launches and industry campaigns, grocers and frozen food makers can help thaw any barriers to buying frozen foods through promotions, including those at the store, via traditional or social media, or through mobile devices like smartphones and tablets.





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We like to partner with our retailers for campaigns and activities that increase the awareness of frozen foods. to educate the customers about frozen foods.

— Shivam Gupta
Director - Brands & Distribution West Coast
Fine Foods (India) Pvt. Ltd.

To entice consumers to the freezer section, manufacturers need to upgrade and in some cases overhaul packaging. Beyond graphics and other visual improvements, package sizes reflect the needs and changing usage among frozen-meal customers. Meal formats are changing — in some cases, a package-within-a-package and the growth of more hand-held meals. We're seeing innovation in packaging like unique “carriers” like wraps with Asian fillings, and how it can deliver on the quality of finished meals. Packaging technology is fueling differentiation in frozen meals, too, and flash-freezing and vacuum packaging are in greater demand. Suppliers are working on packaging concepts for high-quality frozen meals and those that enable steam-based cooking.

However, it is the brands' ability to offer differentiated food experiences through superior quality products to the consumer and their focus on consumer needs and innovations that is fuelling the category's growth and attracting consumers to frozen foods. Though the category has been around for some time, the penetration is still relatively low. “To increase penetration, brands have to create awareness through wet sampling, in-store promotions, cooking demo activities and advertisement. Cross-category promotions and offers also play an important role in this segment. Customer education regarding quality of products, processing of the products, passing product knowledge/ USP of the products to the end consumers, and providing recipe guides for the raw frozen/ fresh products can play an important role to drive sales of this category,” says Phadtare.

In the past couple of years, brands and marketers have been creating awareness through in-store promotions, advertisements, wet sampling, etc, to grab eyeballs and increase off take. Cross category promotions and offers are popular in the segment. Brands are engaging with top retailers to grow this nascent category and are getting positive outcomes similar to what happened with masalas and atta – a category revolution from traditional grounded products to ready-made, packaged and branded products.

Also, while Modern Trade continues to be an important channel partner for the category, the growing importance of the e-commerce channel is prompting brands to tie-up with the leading e-tailers as well. Modern Trade and e-commerce have surely played a pivotal role in taking the category to the consumers in the smaller cities. But this category deserves intimate working of brands and retailers. Brands can associate with their key retailers deeply and plan category deliverables with them as a team by managing the inventory, deciding



THE FUTURE OF CROSS-MERCHANDISING REFRIGERATED AND FROZEN FOODS

Grocers are already providing simple, complete meal solutions and bundling complementary items from across the store to sell more refrigerated and frozen foods, but what's next in cross-merchandising such products? Discounts and holiday-themed programs promise to be popular strategies. Cross-promotions for prepared meals and/or sides will be big, especially when it comes to big events and holidays. The reason for this is that consumers are already busy and stressed during the holidays. If retailers can offer them easy solutions to fulfill their needs to satisfy their guests, they will buy! An example of cross-promotion during an event like the IPL league would be chips, dips, chicken wings, ranch or blue cheese, crackers, meat-and-cheese platters, and veggie trays all bundled together and on display.

Beyond that, what's needed is a whole new approach. With the increased interest in frozen foods, we will see more features and displays throughout the store. However, displaying them throughout the store isn't enough for today's consumer if a solution for using them isn't provided. This will require a 360-degree approach, which includes pre-shopping, in-store and post-shopping experiences to create awareness, trial and repeat. It will require retailers and manufacturers to provide engagement with consumers through social media and website messaging in the pre-shop experience. This messaging will showcase how to use frozen products in recipes and meals. In-store communication will include sampling and recipe ideas to promote incremental sales at point of purchase. The post-shopping experience will be important to promote repeat of the products and can be done through a retailer's website, app, e-newsletters and social media.

on the right brand mix and working towards maximizing per unit through-put of the category. By regularly partnering with retailers, brands can drive thematic activations and have a calendar chalked out to drive consumer sampling in the outlets to drive trials.

At the same time, many brands feel that a lot of work still needs to be done at the retail front, and particularly with the Modern Trade retailers, for the frozen food category to grow to its full potential. “I think the ice-cream industry is the one industry where retailers and consumers need a lot more education. There is a tremendous amount of lack of knowledge in not just the people who are at various retail touch point but even among consumers. There is a lot of education that's required and I

think that's one thing the ice-cream industry and all the ice-cream players can jointly work toward improving," avers Raju of QMart.

In fact, it is not just ice-cream and frozen desserts where key stakeholders – brands, retailers and consumers need to get together to raise the awareness and plug the information gaps about the frozen category. "We need to understand that currently, frozen food is treated as a gourmet product by all our key retail brands. If only this changes, and we are able to treat this category as a

commodity, will we be able to achieve the market share that the category deserves," believes Rizwan Thakur, Founder & CEO, Chevon, India's leading goat-meat brand that offers raw and ready-to-cook frozen goat meat in both the domestic and international markets.

CHALLENGES

"The frozen food category for the retailer partners is a high-cost category and hence they are constantly looking at ways to optimize the opex of the category.

Generating some heat in the frozen food section has been the focus of many frozen food manufacturers, retailers and industry groups in recent years, as they seek to rejuvenate the category, overcome consumer perceptions, and deflect increased competition from both within and beyond the store.



ICE-CREAMS, DESSERTS AND YOGURTS: REVVING UP SALES

"Initially, when we started selling desserts and ice cream at our Q-Mart store in Hyderabad, no one knew the difference between a frozen dessert and an ice cream. Even though there is some awareness today, many people still do not know the difference," says Raju. However, over the past decade, the frozen dessert/ice-cream category has grown exponentially. Brands and retailers have realized that this category is aspirational and can emerge as one of the sales drivers for the store. Accordingly, retailers have been focusing on building up chiller/freezer capacities and giving it a prime location in the store.

Until a decade ago, the choice was only some local brands and such other mass brands like Amul, Kwality Walls, etc., which were available in the market. In recent years however, top retailers have introduced premium and gourmet brands from all over the country and overseas. But the challenge has always been the cold chain logistics, which until a few years ago was practically non-existent, making it especially difficult to bring in smaller quantities of such products. Even then retailers were able to find some sources of supply but they had to face wastages due to the inefficiencies in the supply chain.

Despite such setbacks and inefficiencies, retailers were still able to bring in major brands, including some international ones but at a high cost. Also, they found that they could only cater to a very narrow niche.

But over the years, this situation has improved significantly though retailers continue to face many issues on the cold chain front. "Our experience has shown that premium ice-creams, with a wide array of flavors and tastes, tend to grow substantially compared to the traditional flavors. This category seems to be evolving with the advent of chilled and frozen yoghurts, which are perceived as healthier alternatives to ice-creams. But the growth of this new segment is still not so high when compared to the growth of the premium ice-cream segment at Q-Mart," reveals Raju.

One more significant change in the market for this category is the seasonality factor. Whereas earlier, summer saw the maximum sales and winter almost minimal sales, the market has now more or less equalized. Though regular flavors and products like sticks, cups, etc. still see a spike in sales in summers, premium/ gourmet ice-creams are now seen more as a post lunch/ dinner dessert, and the weather has no bearing on the consumption.

This growth in the frozen dessert/ice-cream segment has brought in substantial cold chain efficiencies right up to the store front. The volumes are enabling the distributors/dealers also to invest in proper delivery systems. At the store front, retailers too have been ramping up the freezer capacities and the visual display of the products by investing in energy efficiency equipment.

"We now have a wide choice of visual display freezers with an array of options. However, the high cost and erratic power supply is still a challenge, which has a direct bearing on the margins of the category. This is not only a major issue for us but also for most retailers," says Raju.

But despite such issues, this category has been growing and will continue to grow not only in the major cities but also in Tier 1 & 2 markets and will see many more players enter the field. When it comes to ice cream, grocers can diversify their dessert offerings with different types of frozen dairy treats, including custards, gelato, yogurt and even kefir. Within each of those subcategories, shoppers can find something for their palates, whether their goal is indulgence or to look at a greater variety.





Raising customer awareness in the frozen category is a must. Also, sampling activities and hygiene of the store are important factors for driving sales.

— Silas Paul
CEO, Miraj Retail



Brands and retailers need to collaborate deeper in this endeavor with sustainable and win-win measures to come up with better space-inventory planning and better management of promotion spends. The aim should be to partner in improving the per sq.ft. throughput by driving the right assortment mix with the optimum marketing support,” opines MagSons Francis. “Raising customer awareness in the frozen category is a must. Also, sampling activities, without disturbing customers, and hygiene of the store are important factors for driving sales,” points out Paul of Miraj Retail.

“India still has a long way to go in accepting frozen foods as the norm in certain categories. We like to partner with our retailers for campaigns and activities that increase the awareness of frozen foods. We need more shelf space allocation for frozen products and more support from retailers to educate the customers about frozen foods,” opines Shivam Gupta, Director - Brands & Distribution West Coast Fine Foods (India) Pvt. Ltd, which operates the Cambay Tiger brand. His views find ready acceptance with the manufacturers of frozen products.

Most agree that there exists a wide gap in the need for educating consumers on using frozen food. Most consumers are only comfortable using frozen peas yet. But this attitude can be overcome by educating the consumer on fresh and packaged seafood and assuring them that it works in a similar way like frozen peas and tastes as great as fresh fish or any other sea food which they buy from the market. Creating awareness through education will help to change long held attitudes and lead consumers to believe in the product.

Generating some heat in the frozen food section has been the goal and focus of many frozen food manufacturers, retailers and industry groups in recent years, as they seek to rejuvenate the category, overcome consumer perceptions, and deflect increased competition from both within and beyond the store. Those in the industry say they understand the challenges as they seek to bolster sales of frozen entrées, snacks, breakfasts, produce and desserts. One issue with frozen is the fact that it’s a department where no one really works — you can’t ask questions like you can in other areas; you can’t smell anything, as you can in the other parts of the store.

So, increasing the interest in frozen products also means addressing shoppers’ existing mindsets. Unfortunately, a number of consumers see frozen foods in a negative light, equating frozen foods to processed foods. The association is not surprising, but industry players point out that frozen foods are somewhat misunderstood. All frozen food exists on a spectrum of processing — from completely unprocessed to completely processed. Most of the foods we eat on a regular basis lie somewhere in between.

Brands need to collaborate with their retailer partners in understanding consumer behaviors better and taking innovation inspirations from them. Brands need to partner with retailers in various ways to build the new products and take them deeper into the Indian markets. With greater collaboration between retailers and marketers in the frozen food space, the category is expected to undergo a remarkable change in the next five years. Growing awareness about food safety and hygiene coupled with a busy lifestyle will prompt consumers to look at frozen food as a safe and convenient alternative to home cooked and street food. **PG**

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

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India's most renowned and the only certified goat meat brand

➔ **Company and brand profile:** Chevon Agrotech, founded in 2011, is an integrated frozen food company with its headquarters in Mumbai since 2014. Chevon Agrotech offers two brands under its umbrella: 'Chevon' is the signature line of the products with world cuisine offerings focused on health aspects. 'Kuzo' is a soul food and a value-for-money product range. The two brands offer about 50 products in the goat meat segment, particularly Osmanabadi goats, which are known for their superior taste and quality and is preferred by meat connoisseurs.

Chevon is ISO 22000 certified and has established its reputation as India's most renowned goat meat brand. All its products are available in the market in about 2,000 stores – locally and globally.

Brand USP and differentiator: Chevon's mission is to offer the best quality, raw and ready-to-cook frozen goat meat in the domestic and international markets. The company lays great emphasis on the convenience aspect of its customers by providing a well-processed, cleaned, frozen and efficiently packaged final product. For packaging, it uses the highly advanced triple packaging technique with state-of-the-art frozen and vacuum packaging,

Market outlook and opportunity: The market size of goat meat in India is above Rs. 50,000 crore. In keeping with the trend for convenience, changing lifestyle and health factors, the newer generation's acceptance of and demand for frozen food has seen a tremendous spike. E-retail has further added to the consumer's

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The previous generations faced a difficulty in accepting frozen food with many misconceptions about the category's freshness and health factor. But now, the newer generation understands the benefits of frozen food, which goes beyond convenience.

– Santosh Mahaladkar
Head – Sales & Marketing,
Chevon Agrotech

convenience immensely, leading to exciting growth in the segment and helping food companies like Chevon grow in the market.

To make frozen and quality goat meat easily accessible to the consumers, Chevon

is working with all the leading key retail partners in India to commoditize this category.

Apart from this, it is also strategically placing its products in chicken outlets, thus making chicken and goat meat available at the same place and adding to the convenience of customers.

Also, it has introduced its pilot Quick Service Restaurant by the name 'Rombay', to make its products available to those consumers who usually want to come out for food with friends or families.

Key markets: Chevon Agrotech is currently focusing on all key modern trade outlets and class-A general trade outlets as point of sales. As a value for money product range, brand Kuzo is a pleasure food category product and hence targeted at mass non-veg eating population in all Modern Trade and General Trade outlets. The company feels that the challenge is to raise the awareness and create a customer base for General Trade retailers. However, due to a lack of awareness about frozen foods, customers largely prefer to buy from Modern Trade only.

Consumer trends in frozen: According to the United States Department of Agriculture (USDA), goat meat is healthier than most other meats, including chicken. The advisory on 'mutton' being not healthy should not be extended to goat meat because in the western parts of the world, 'mutton' is used to refer to sheep meat.

Today, with increasing awareness, the newer generation understands the benefits of frozen, which goes beyond convenience.

Future plans and roadmap ahead:

Growing at a 15 to 20 percent monthly revenue spike, Chevon aspires to build itself into a global brand with a keen focus on markets that majorly house the Indian diasporas: the UAE, Thailand, South East Asia and the Middle East markets. The brand is also working on its vision to set up its distribution network across the top 500 towns in India by 2022.



Frozen Food leader in eastern India and the North-East

→ **Company and brand profile:** The Keventer Group is a Kolkata-based Rs.1,500 crore business conglomerate with businesses across varied industries like food processing and real estate. Keventer Agro Limited, the food processing business of Keventer Group, is one of the fastest growing food companies in Eastern India. Keventer Agro is present across categories like dairy, bananas, frozen foods, export of food commodities, franchisee for beverages and franchisee for hospitality brands.

Brand USP and differentiator: The key differentiator for Keventer Frozen Foods is that the product portfolio spans across all categories in frozen foods – ready to cook (frozen green peas and frozen sweet corn); frozen non-veg snacks; frozen

veg snacks; breads; and sausages. All snack food items are pre-cooked and only require to heat, boil or fry in order to prepare the dish and can be conveniently served in minutes. Very soon, it will be launching frozen chicken.

Also, its exclusive range of products like paneer bite, mozzarella cheese stick, breaded aloo tikki come in a very innovative packaging of matte and glossy finishing, which sets it apart from the competitors.

Key markets: Modern Trade in north Bengal and the North-East, where it is growing by 60% over the years, is the key market for Keventer Agro. It believes that eastern India as a geography has an extremely high potential for growth in this particular segment. The company also sees potential and plans to expand in other markets – Chhattisgarh, western Orissa, Central and north India. Demographically, it is targeting young millennials on the go



and the working man or woman or anyone with limited time looking for something quick, delicious and easy to make.

But while Modern Trade outlets are the major source of selling frozen snacks, the company feels that the challenge is to raise the awareness and create a customer base for General Trade retailers. However, due to a lack of awareness about frozen foods, customers hugely prefer to buy from Modern Trade only.

Market outlook and trends in frozen:

The Indian frozen foods market reached a value of about INR 74 billion in 2018. The market is further projected to reach a value of INR 188 billion by 2024, expanding at a CAGR of around 17% during 2019-2024. The market consists of frozen vegetables, frozen fruits, frozen vegetable snacks and frozen meat products. In terms of consumption trends, the maximum consumption is in frozen vegetables followed by non-veg snacks.

Future plans and roadmap ahead: The company plans to develop and launch 10 SKUs in the snacks segment and introduce other products like frozen pizza, frozen chicken, and some more. It is attempting to reach out to all retailers and outlets in its regions that own a deep freezer or sell minus temperature products like ice-cream.

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Our key market is Modern Trade in north Bengal and the North-East, where we are growing by 60% over the years. Eastern India as a geography has an extremely high potential for growth in this particular segment. Demographically, we are targeting young millennials on the go and the working man or woman or anyone with limited time looking for something quick, delicious and easy to make.

– Sunil Kajaria
CEO–Frozen & Banana Division,
Keventer Agro Ltd.



An innovator in frozen soya-based products for vegans and vegetarians

➔ **Company and brand profile:** The vision of Vezlay Foods Pvt. Ltd is to provide nutritious, healthy and delicious vegetarian foods in a hygienic and cost-effective manner. It manufactures innovative soya-based food products, which are delicious and contain rich proteins and vitamins. The taste and texture of Vezlay's soya-based products are very close to non-veg food but these products are widely accepted by vegans, vegetarians and non-vegetarians food lovers. The products are one of the best alternatives to non-veg or meat.

Product portfolio: The company has introduced its soya innovations in the form of soya seek kebab, soya shami kebab, soya chikka rogan josh, veg chicken, veg meat, soya noodles and many more.

Brand USP and differentiator: Vezlay Foods is widely acknowledged for its innovation on soya and for providing nutritious and delicious vegetarian foods in a hygienic and cost-effective manner. Health-conscious customers and those



who love experimenting with their recipes and maintain uniqueness in their kitchen are into Vezlay products. Vezlay food products are very user friendly and can be used for creating unique recipes. The company is also focusing on the niche market and HoReCa industry.

Trends in frozen: Today, busy lifestyles along with rapid economic development and a growing urban population are influencing consumers to shift their dietary preferences towards ready-to-eat food products. Among all the food categories, frozen convenience food is expected to be the latest trend in Indian processed food market. Frozen foods have some real benefits that go beyond convenience. Freezing means less waste, which is a sad fate of a large percentage of all food produced in India. Whether it's home cooks freezing excess ingredients for their own for use at a later time, or relying on frozen produce or fruit in order to avoid having things go bad in the fridge, freezing is very helpful. Consider, too, how much less waste is generated by cooking a frozen meal in a single container or bag, compared to the waste that accompanies most takeout meals – styrofoam or plastic containers, disposable cutlery, condiment packages, paper napkins, and plastic bags.

Market size and opportunity: India's food market is projected to double in size in the coming few years. The processed food market, therefore, has witnessed the entry of many brands offering a variety of products across different processed food categories. The concept of frozen and ready to-eat-food products is new to the Indian market. However, the market for frozen food is gradually expanding. The number of companies introducing their products in this segment is increasing by the day with players

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The market for frozen food is gradually expanding. The number of companies in this segment is increasing by the day with new products and variety in the market. So, frozen and ready-to-eat food products have a very good potential in the coming future.

– Amit Bajaj
Managing Director,
Vezlay Foods Pvt. Ltd.

like Amul, ITC and Godrej introducing new products and variety in the market. So, frozen and ready-to-eat food products have a very good potential in the coming future.

Also, the retail sector has been growing at a strong compounded annual growth rate in recent years. The frozen food market is therefore expected to grow due to the growing consumer demand and also on account of many new players and brands entering the industry. These new players are bringing in new varieties of products to fulfill the consumer demand.

Future plans and roadmap ahead: As the market of meat alternatives and plant-based proteins continues to grow, Vezlay plans to introduce more meat alternatives. For example, it has introduced soya tofu and soya milk products. For expansion, the brand is looking towards the Middle-East and European countries. As soy products have a non-veg texture, they are widely accepted by the vegan community, whose base is expanding globally.





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➔ **Company and brand profile:** The corporate journey of BD Agro Foods spans close to 65 years with five generations associated with it. The company's major motivation in introducing frozen products is its vast experience in the field of production, storage, marketing of a wide range of products in the category. Thanks to its wealth of experience, the company has come to acquire a well honed ability to analyze the food industry landscape across parameters such as the shifts in tastes, and eating habits, scope of international markets, besides concerns regarding food safety and wastage of agricultural produce.

Brand USP and differentiator: Only that which is fresh and exclusive is good enough for the customers – a requirement that is imposed by the brand. BD Agro works closely with producers who stick to strong quality consciousness and high consumer demands. It understands the high standards of customers and their expectations and is always ready to innovate. On a day-to-day basis, the team acts and makes decisions without compromising on its brand values based on the principles of collaboration and quality.

In order to meet its goals, the team relies on responsible employees who look to the future with openness and curiosity. The brand communicates transparently and relies on building trust so that the employees can grow and realize their personal and professional goals.

Product portfolio: Frozen matar paneer; frozen dal makhani; frozen sarso ka saag; frozen kesar rasmalai; frozen kheer; frozen gulab jamun; frozen masala corn; aloo paratha; Punjabi samosa; Malabari paratha; crispy happy potatoes; aloo tikki; veg. pizza pocket; cheese corn nuggets; veg. masala nuggets; hariyali bites; frozen litchis; frozen whole strawberries; ginger, garlic and onion paste; tomato paste and puree; green chilly paste and puree; frozen green chilly cubes; red chilly paste and puree; frozen French cut beans; canned



French cut beans; frozen English dice carrots; canned English dice carrots; frozen French fries; and frozen green peas.

Product innovations: The company has been engaged in implementing backward and forward integration of its operations. The motive is to deliver QCD, which translates into good quality, low cost and timely delivery to the customer.

“



We bring simple, enjoyable food directly from producers to the market, true to its original form, in the right place, at the right time and with the right amount. We surprise our customers with innovations and our flexibility in being able to respond to individual needs at a short notice.

– Puneet Gupta
Director Marketing, BD Agro Foods

Furthermore, it has established a one-unit producing EPS packaging material (thermocole) for white goods industries like Videocon, LG, APC, Voltas, ITW-Signode, Lloyd, and others.

The group founded M/s BD Agro Foods – an integrated cold chain unit – in the year 2008. With its plant located in Kapurthala, Punjab, it is a company promoted by technocrats with a global experience and vision. Operating on a state-of-the-art technology, the company launched its brand Freez 'O' Fresh & Chill 'O' Fresh. The names itself conjure up inspiring thoughts of frozen food along with freshness. The objective of the company is to strive towards creating a brand image that can become the platform for further expansion of its production facilities.

To move in this direction, the company has attained many global standards for food safety certifications – an extensive range, excellence in quality and delivery, and prompt after-sales service. All of these attributes have enabled the company to emerge as a major supplier of processed food products in India and worldwide. The group has further expanded into ketchup, paste, purees along with developing its prowess in controlled atmospheric cold storage.

Market opportunity: The frozen industry is about Rs. 1500-2000 crore and is estimated to grow at 15-20% annually over the next two years.

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The only seafood brand in India to be present across all channels of trade

→ Company and brand profile: Cambay Tiger is the leading brand for seafood across the country and the only seafood brand present across all channels of trade. Its frozen products are available through Modern Trade, General Trade and HORECA across 15 cities. The brand has direct-to-consumer channels through its own stores and e-commerce, thus catering to both fresh and frozen category, which have been growing quite rapidly.

With its farmed, sea caught and exotic varieties, Cambay Tiger brings to the customers a widely sourced array of fishes as well as its recipe videos and other online content, assisting them in the preparation and cooking process and helping them cultivate the love for fish.

Brand USP and differentiator: Cambay's strong focus on transparency has gone a long way in building trust in the seafood category. The brand employs German technology of intact see-through packaging, which besides retaining product quality makes more than 75% of the product visible to the customer. Consumers

“



The organized poultry industry in the last decade has attracted investments in infrastructure leading to a boom in production. The seafood market is governed not only by purchasing power but also by taste and preferences and Cambay aims to cater to the length and breadth of these choices.

– Shivam Gupta
Director, Cambay Tiger

animal protein because it offers a wide spectrum of choices covering more than 50 edible species starting from Rs 100/ kg (Mackerel and Tilapia) to Rs 2500/kg for Norwegian salmon, making it suitable for a very wide customer segment.

Key markets: Cambay Tiger has a formidable presence in the metros – Mumbai, Delhi, Kolkata, Pune, Bengaluru, Chennai and Hyderabad. It aims to penetrate into smaller towns surrounding the metros with frozen products as and when modern retail with infrastructure like freezers enters these places.

Challenges: Apart from being largely an unorganized sector, road infrastructure is a big bottleneck to the growth of the seafood market in India. Then, the industry does not have efficient cold chain logistics & distribution systems. We are investing in cold chain systems that will help in sustaining the freshness of the produce transported to small towns. We want people in small towns eat seafood of the same quality enjoyed by his urban counterpart.

Retail reach: The brand is available across all major modern trade stores – Godrej Nature's Basket, HyperCity, Foodhall, Le Marche, Star Bazaar, Big Bazaar, et al. As its category performance is formidable, the brand is the first choice to grow with the network of its retailers.

Roadmap ahead: With the goal of making seafood easily available, Cambay is investing into scaling up its direct-to-consumer channel and in innovating a new line of products for hassle-free, quick, ready-to-cook meals. At the same time, it also plans to aggressively add more experience centers to grow its direct-to-consumer channel.

Cambay recently launched a new range of marinades, which reduces the preparation time by 50%. The brand intends to keep increasing its reach across modern and general trade and is looking to grow with the expansion of the cold chain infrastructure. **PG**

appreciate Cambay's clear labelling with traceability feature where each fish in the pack can be traced to its source.

Market outlook and opportunities: The total seafood market in India is pegged at Rs. 1,50,000 crore and is growing at a CAGR of 11%. However, this market is highly unorganized and players like Cambay are engaged in driving the shift towards organized seafood retail. But the organized sector is growing at twice the pace and Cambay Tiger enjoys even higher growth rate owing to its omnichannel presence through retail and its recent venture into e-commerce and service through our own stores.

Also, the brand is gung-ho about the increasing penetration of modern retail with necessary infrastructure like freezers, etc., into the smaller towns surrounding the metros. It aims to serve this demographic next, with its range of frozen and fresh products. Cambay believes that it has a much wider market than any other



Culture Shift

In search of the next Greek-style success, manufacturers look to new ingredients, packaging.

By Lynn Petrak

“Yogurt is looking for a pocket of growth that they can latch onto, and that leads to a question in Greek and traditional yogurts: ‘What do we do next?’”

— Darren Seifer
The NPD Group

The term “live and active” may just as easily apply to innovation in the yogurt category as it does to living organisms used in the product’s fermentation process. On the heels of continual expansion and innovation — which started several years ago with kid-centric yogurts and has continued over the past few years with Greek yogurts — the marketplace remains intriguing both for those on the R&D side and those who consume yogurt.

That innovation, according to some experts, arises from the proverbial necessity of invention. “Yogurt is an interesting segment right now, because after two decades of growth in consumption, there is some plateauing,” observes Darren Seifer, food and beverage industry analyst for The NPD Group, based in Port Washington, N.Y. “Yogurt is looking for a pocket of growth that they can latch onto, and that leads to a question in Greek and traditional yogurts: ‘What do we do next?’”



Industry research bears out a certain leveling off within the category. According to data from Chicago-based market research firm IRI, total sales of yogurt reached just over \$7.4 billion for the last 52 weeks ending Sept. 10, a 2.12 percent decline from the previous year. Within the category, Greek yogurt remains strong: Greek-style yogurt sales are projected to grow 9 percent globally, with moderate growth in the U.S. market, according to a recently released report on yogurt from London-based Technavio.

Beyond Sweet

One pocket of potential growth may be in yogurts that aren’t flavored with traditional sweet ingredients like fruits. “Some manufacturers are trying to get into savory, and there are good reasons for that, because Americans are concerned about their sugar intake,” notes Seifer. “Seventy percent of adults say they want to cut back on sugar consumption.” He cautions that a gradual introduction may be needed for real growth to take off, given the fact that savory yogurts are so different in taste from sweet varieties.

Niche brands have already introduced savory items to the market. Blue Hill Yogurt, a brand that sprang out of the Blue Hill Restaurant in New York City, offers vegetable-based yogurts in carrot, sweet potato, beet, butternut squash, tomato and parsnip varieties, made with milk from 100 percent grass-fed cows. Meanwhile, Sohha Savory Yogurt, also of New York, which temporarily halted production last summer, is planning to get “back up and running in 2018” with a product line including such flavors as tangy sea salt, according to co-founders Angela and John Fout.

Global Inspirations

Another take on nontraditional yogurt flavor comes from Torrance, Calif.-based Morinaga Nutritional Foods, which has introduced an aloe-flavored yogurt called Alove. The first yogurt of its kind sold in the United States, the Japanese-style product combines yogurt with the tender parts of the aloe vera leaf.



The brand offers basic aloe yogurt as well strawberry aloe and blueberry aloe varieties.

“As the novelty of Greek yogurt fades and other ethnic varieties take the spotlight, such as Icelandic, Australian, French, etc., we find ourselves in a great place to capitalize not only on a cultural variety like Japanese-style, but also the innovative addition of aloe vera cubes suspended in the less viscous yogurt base,” says President and CEO Hiroyuki Imanishi, who adds that the product is uniquely positioned to “disrupt and challenge” the yogurt category. To help introduce the product to consumers, Alove has created POP materials and is focusing on in-store demos.

Like this Japanese-inspired yogurt and, before that, Greek-style yogurt, other global yogurt styles are emerging in the U.S. retail market. This past summer, the Yoplait brand, from Minneapolis-based General Mills, launched a line of French-inspired — and -named — Oui yogurt. The artisanal thick yogurt is cultured and sold in French-made glass pots. “We wanted to bring something special to our U.S. consumers — something we have been enjoying during visits with our French colleagues for many years, but [which was] hard to replicate in large quantities here in the U.S.,” said David Clark, president of U.S. Yogurt at General Mills, at the time of the launch. While the glass pot is used to protect the delicate texture of the yogurt, Yoplait has also touted the opportunity for consumers to “upcycle” the pot in creative, Pinterest-like ways.

Plant-based Products, and More

The widening of the category includes yogurts made with plant-based milks. One example is the Silk brand line of almond and soy milk yogurts, available in flavors like strawberry almond, dark chocolate coconut almond, peach and mango soy, and tropical pineapple soy. “While they are not dairy, we believe plant-based yogurts will continue to be a high-growth segment within the yogurt category,” notes Michael Neuwirth, senior director, external communications for Denver-based DanoneWave, adding that the company’s “plant-based yogurts, Silk and So Delicious, grew 60 percent year over year from 2015 to 2016.”

Another example of alternative-milk yogurt comes from Boulder, Colo.-based Good Karma Foods, which has unveiled dairy-free yogurts made



with flaxmilk. Those yogurts are also marketed as free from major allergens, including dairy, soy and tree nuts.

On another front, mix-ins may not be new to the category, but the types of ingredients stirred in with yogurts, and the type of packaging, have changed a bit. The Norwich, N.Y.-based Chobani brand, which made its mark in Greek-style yogurt, has continued to add to the line of Chobani Flip snacking yogurts, which now spans 20 varieties. Yoplait, for its part, recently added Yoplait Mix-Ins, featuring items like Very Berry Crisp, Salted Caramel Pretzel, Key Lime Crunch and Cherry Chocolate Almond, to name just a few.

Some yogurt formats also remain potential expansion areas. “While growth in the traditional yogurt category has slowed due to the stabilization of Greek yogurt and the underperformance by a few yogurt makers, we are seeing growth in the drinkables format,” observes Neuwirth, citing Oikos Nonfat Yogurt Drinks and Wallaby Organic’s drinkable kefir.

Finally, as a look at the retail yogurt case reveals, yogurt’s health halo extends to ingredient sourcing. Neuwirth notes that organic yogurt category sales have grown 12 percent from 2014 to 2016. “Regarding other non-nutritive areas, we hear that consumers increasingly want to know what’s in the products they buy and how they’re made, and many are looking for organic or non-GMO options,” he points out, adding that DanoneWave’s portfolio of Non-GMO Project Verified products is growing, in addition to its organic brands such as Horizon and Earthbound Farm.

The push for wholesome ingredients may also be fueling the rise of whole-milk yogurts. The Oregon-based Tillamook County Creamery Association recently launched a whole-milk Farmstyle Greek Yogurt, with 4 percent milkfat, in flavors such as Raspberry Fig, Clover Honey and Meyer Lemon Pear. DanoneWave, meanwhile, now sells Dannon Whole Milk yogurt, which Neuwirth says has become the brand’s second-highest product in trial and repeat purchases. **PG**

“While they are not dairy, we believe plant-based yogurts will continue to be a high-growth segment within the yogurt category.”

— Michael Neuwirth
DanoneWave





Private Enterprise

Innovation is the watchword as the store-brand sector continues to evolve.

By Bridget Goldschmidt

As private label rises in popularity with U.S. shoppers and becomes an ever more ubiquitous part of the American grocery experience, food retailers must up the ante by embracing what's new across the board, including products, merchandising and promotions.

"One of the biggest trends we are seeing in private brand is the shift from imitation to bold innovation," asserts Nicole Peranick, senior director, retail transformation at Stamford, Conn.-based Daymon, a provider of global retail strategies and services. "Retailers are increasingly acknowledging that private brand is more relevant than ever to their strategy for success."

The reason for this is that a superior private label offering enables a grocer to stand out from the pack. "Daymon's research shows that on average,

98 percent of a retailer's national-brand assortment is the same as its competition, leaving nearly all differentiation up to private brand," notes Peranick. "Add to that the fact that consumers continue to reject the notion that national brand is best — with 85 percent saying they trust private brand just as much and 81 percent saying they buy private brand on every shopping trip. As a result, we are seeing the balance of power shift to private brand."

Doug Baker, VP, private brands and technology at the Arlington, Va.-based Food Marketing Institute (FMI), agrees that store brands are a key way for grocers to outstrip their rivals: "A retailer's private brand is its point of differentiation." He goes on to note that among the trade organization's members who participated in "The Food Retailing Industry Speaks 2018" report, "retailers plan to make growing investments in this business segment, with many



SpartanNash's
Our Family brand
encompasses products
across the store.

forecasting bigger space and SKU allocations for private brands in the next two years. Furthermore, private brands influence 46 percent of consumers in their choice of where to shop, according to IRI data in FMI's "The Power of Private Brands."

Along with bigger investments, however, grocers must develop a comprehensive game plan for their own brands.

"Set it and forget it' isn't a strategy that works in retail these days," observes Peranick. "Shoppers want more, and they're challenging retailers to pioneer. Today, 53 percent of consumers on average say they shop at a store specifically for its private brand. And the more unique the private-brand assortment is, the more loyal shoppers are, as proven by Daymon's research. Faced with an ongoing battle to drive traffic and store affinity, retailers must continue to push the envelope."

→ KEY TAKEAWAYS

- ▶ Given that a superior private label offering is key to differentiation, and with the rising consumer acceptance of such items, food retailers are embracing own brands more than ever, with some developing comprehensive strategies in this area.
- ▶ When developing new private label items, retailers and manufacturers must incorporate such emerging trends as simple ingredients, local sourcing and an emphasis on fresh perimeter products, while balancing quality and cost considerations.
- ▶ Promoting and merchandising private label products for maximum appeal to shoppers includes performing extensive research, marketing to customers by traditional and digital means, and providing pertinent information.

Her advice for how to do that is clear: "Pivoting from category-led updates to consumer-centric platform innovation across the store will help raise the profile of your private-brand program and better set you apart from the competition."

Among the grocers that have formulated their own comprehensive private label strategies is Carlisle, Pa.-based Ahold Delhaize USA.

"We've developed a set of best practices regarding the entire private-brand experience," says Juan De Paoli, SVP, private brands at Retail Business Services, an Ahold Delhaize USA company. "The best practices make recommendations across key areas like quality, price and promotion, merchandising, marketing, packaging, sustainability, innovation and renovation (or reformulation). By leveraging best practices across these areas, we create a cycle of continuous improvement and excellence in private-brand product delivery."

A Fresh Take on Products

When it comes to developing new offerings, private label items must tick all of the emerging-trend boxes that their national-brand counterparts do.

"Our industry is poised to propel the growth of private brands," notes Baker. "Retailers are innovating with the consumer in mind, from clean ingredients to plant-based products to experiential flavors."

"There is a role for innovative items to bring consumers into their stores for this item that they can't find anywhere else," observes Abby Ayers, senior business development manager of retail at Oakland, Calif.-based Fair Trade USA,



Pivoting from category-led updates to consumer-centric platform innovation across the store will help raise the profile of your private-brand program and better set you apart from the competition.

—Nicole Peranick,
Daymon



which collaborated with dozens of retailers to launch 176 Fair Trade Certified ethically sourced private label items in 2018. “Will those items keep the lights on alone? Probably not. But they will keep shoppers coming back.”

On the subject of items’ origins, “I expect locally sourced and regional products to become more important as retailers continue to innovate with their brands,” notes Steven Howell, solution sales consultant at Nottingham, England-based Solutions for Retail Brands Inc. (S4RB). “Demands from consumers are increasingly moving towards high-quality, locally grown products, as more people want to participate [in] and support their local community.”

In terms of which categories are trending, Brian Sharoff, president of the New York-based Private Label Manufacturers Association (PLMA), points to the “continuing expansion of store brands in ready-to-serve, heat-and-serve and fresh foods, with more and more creativity and innovation in the food products offered to shoppers.”



Albertsons is gearing up to roll out more new products under its O Organics brand.



“Consumers are moving away from key commoditized items — such as canned goods, baking ingredients, canned coffee and the like — which are traditionally large private label categories,” affirms John Paul, VP of private brands at Grand Rapids, Mich.-based grocer and distributor SpartanNash. “Instead, they are moving into more fresh categories and looking for healthier food options, including clean ingredients and free-from formats. They’re shopping the perimeter of the stores for value-added options in fresh departments. Because of this, the perimeter of the store continues to grow. There also seems to be a penchant for indulgent and premium items in certain categories, as consumers ... want differentiated product for their lifestyles.”

“We see several trends in private label, including continued growth of organics and clean-label offerings, and strong growth in the perimeter in fresh categories,” agrees Geoff White, president of own brands for Boise, Idaho-based Albertsons Cos. “In meat, the trend is in organic, natural and antibiotic-free offerings. In deli, we are seeing growth in prepared foods and time-of-day offerings like breakfast. Perhaps the strongest emerging trend is with plant-based offerings in dairy and frozen. In fact, plant-based alternatives has grown to a \$3.3 billion industry in the United States as shoppers seek differentiated offerings, ingredient transparency, and better-for-you and better-for-the-environment options.”

In response to these emerging trends, grocers have begun reformulating their private label products.

“Years ago, we recognized consumers’ interest in products that meet their desire to lead a healthier life,” notes De Paoli. “That’s why Ahold Delhaize committed to more than 50 percent of own-brand sales coming from healthy products by 2020. I’m pleased to report that we’re not only on track, but exceeding that goal in the U.S. Beyond that, in 2018, Retail Business Services committed to remove all synthetic colors, artificial flavors, artificial preservatives, artificial sweeteners, high-fructose corn syrup and MSG from all private-brand products by 2025. In 2019, providing clean, healthy private-brand products for consumers will continue to be an area of focus.”

“Over the past several years, the Our Family brand has been working on a Clean Ingredient Initiative, focusing on providing cleaner products to our customers by removing synthetic colors, MSG and other key ingredients,” says Andrea Anson, SpartanNash’s director, quality assurance and food safety.

“The Clean Ingredient Initiative’s purpose is to not only provide products that cater to an evolving

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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.

SEPTEMBER 2019 MEATS AND SEAFOOD: More retailers are excited by the opportunity of growth that the market is capable of and the newness that they can offer to consumers. But brands need to differentiate and offer value-added products in a manner that makes the consumer appreciate the value in terms of product's taste, flavor, and convenience.

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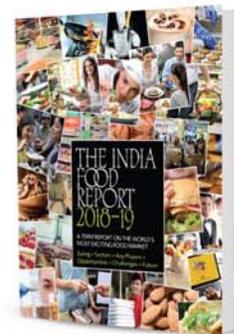
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“
Our industry is poised to propel the growth of private brands. Retailers are innovating with the consumer in mind, from clean ingredients to plant-based products to experiential flavors.”

—Doug Baker,
FMI



consumer, but to educate the consumer in a market where information and product options are numerous and overwhelming.” The initiative currently encompasses more than 400 private-brand products.

As far as actual items on shelves, Anson cites such 2018 rollouts as four SKUs of Our Family ice cream that contain only four or five ingredients, such as milk, sugar, cream and the appropriate flavoring; core soup offerings that now contain no added MSG; fruit and grain bars that have been reformulated to remove synthetic colors; and, under SpartanNash’s Open Acres fresh brand, a new hummus line providing a plant-based protein solution for consumers.

Open Acres also features such items as specialty potatoes, fresh salsa, artisan bacon, ethically sourced seasoned seafood and, in partnership with craft brewery Founders, craft beer brats. SpartanNash

additionally offers the Culinary Tours line, which addresses indulgent and premium segments of the business with on-trend flavors and unique products, and Good to Go, a brand providing ready-to-eat meal solutions, including entrées, sides and desserts.

“A key area of focus for Retail Business Services is our Nature’s Promise brand,” observes De Paoli. “This brand is already free from more than 100 unwanted ingredients, and as part of our commitment to remove all artificial ingredients from all our private-brand offerings, the Nature’s Promise brand will be further strengthened.”

In 2018, Albertsons introduced more than 1,000 new products, many under the O Organics and Open Nature brands, according to White, who adds: “We’ll continue to aggressively roll out new organic and natural products to meet that rising demand. We’re really excited about the opportunities in plant-based offerings. We plan to keep pace with that trend with new product releases throughout 2019.”

The Quality Question

Retailers must bear in mind, however, that product quality is an important consideration, both in developing items and promoting them to consumers, although it can be tricky to balance quality against cost.

“Gone are the days of the plain white ‘me too’ package,” asserts Karen Strauss, principal at Wilton, Conn.-based Cadent Consulting Group. “Private label needs to have the right combination of quality, selection and price, and needs to deliver on shoppers’ key decision drivers of lower cost and good value/quality relative to national brands.”

Ultimately, she adds: “Keeping costs low while delivering quality products is important for continued private label success. Turning a profit will come in the form of the grocer’s ability to attract consumers to their lower priced, good-tasting, high-quality private label products.”

“There is a role for items that are the lowest price on the shelf to appeal to the shopper who wants as much variety as possible but doesn’t have a lot of disposable income,” notes Fair Trade USA’s Ayers. “These items should still be high-quality. They probably won’t drive the biggest margin, but they will drive a lot of volume.”

For his part, PLMA’s Sharoff advises grocers to “emphasize quality, not low price, and build innovation and creativity into every product.” SpartanNash’s Paul agrees with this approach, contending, “Private label always has to be positioned as a quality-first program — and not just quality of the product, but quality of the packaging.”

“Contrary to widespread belief, private brands are not all about price,” observes S4RB’s Howell. “Retailers are starting to ... offer the quality, packaging and variety that shoppers are seeking.

Consumers are looking for greater choice, and those retailers who are developing a strategy to meet those needs will see greater success.”

In the Know

Beyond the quality piece, private label must be promoted and merchandised for maximum appeal to shoppers.

For Jeremiah McElwee, SVP of merchandising and product development at Los Angeles-based Thrive Market, an ecommerce membership-based retailer, that means “know your audience and know your brand. Then be yourself.” Howell puts it a little differently: “Successful private-brand retailers are truly connecting with their customers, and excelling at aligning with their needs and beliefs.”

How does a grocer carry out those directives? Some key methods include performing extensive research; reaching consumers where they are, using both traditional and digital means; and providing pertinent information so that shoppers can make informed decisions about products.

“Grocers have to really apply consumer segmentation studies to their positioning and promotion to understand the consumer,” suggests SpartanNash’s Paul. “They have to market private label by category, understand how consumers shop each category and apply their data resources to put forward the best value proposition by category in the very competitive world that is the grocery industry.”

Daymon’s Peranick counsels that “leveraging creative merchandising, offering occasion-based solutions, and promoting private-brand innovation on- and offline through shopping apps and other technologies are some of the ways to ensure you get credit for your innovation efforts.”

“As with any brand, a retailer should consider how the consumer shops, and position and promote their brand to offer convenience and create an experience for their shoppers,” says FMI’s Baker, agreeing that supermarket operators should also be “promoting in channels beyond print to mainstream social media sites and apps.”

Emphasizing the importance of “great design and meaningful innovation,” S4RB’s Howell similarly notes, “Retailers need to make sure that they are leveraging available assets to get the brand message across to customers in store, online and in the wider media.”

SpartanNash, meanwhile, has “implemented a new callout system on our packaging that helps draw the consumer’s attention to the removal of things such as certified colors,” explains Anson. “For the Our Family brand, we’re utilizing a leaf to specify key attributes of a given item. For Open Acres, we’re utilizing a circular swoosh. For patrons of U.S. military commissaries ... Freedom’s Choice products have also been a part of the Clean



Ingredient Initiative, with three stars used to signify key attributes.”

She adds, “Our goal is to provide consumers with genuine informational bursts that help them support their family’s goals as effortlessly as possible.”

The details may vary, but what’s clear is that grocers must have an overarching plan to boost their private label program’s visibility and sales, or they’ll miss out on a potentially huge source of future profits. According to FMI, private-brand performance within the grocery channel rose dramatically in the past year, although non-grocery retailers — including mass and club operators — have been performing much better in this space. There’s a real opportunity for food retail to seize share, however, as private brand accounts for 16.4 percent of dollar sales in the grocery channel, versus 14.8 percent of dollar sales across multiple retail outlets and convenience, the trade organization notes in its 2018 “Power of Private Brands: From the Register” report.

Citing Nielsen’s prediction that within the next decade, overall U.S. private label market share will grow to 25 percent to 30 percent, mainly attributable to the higher availability of private brands on shelves, Ayers warns, “At some point, this will cap, and products will have to have something special in order to remain in the hearts of consumers and, in turn, on the shelves of retailers.”

As Baker observes, “Without retailers, and by extension their manufacturing partners, continuing to invest in innovation, private brands will lose any advantage the segment has realized through consumer awareness and acceptance.” **PG**

81%

The percentage of consumers who purchase private label brands every shopping trip.

Source: Daymon



The Open Acres line from SpartanNash provides customers with convenient choices in the perimeter.





A Look at Men's Online Grocery-Shopping Behavior

To attract male shoppers to grocery ecommerce, retail brand marketers should highlight the platform features that provide convenience, such as quick reorder, subscribe and save, and last-mile fulfillment.

By **Diana Medina**



With more men living alone, leading single-adult households with children or taking on their full share of family responsibilities, males are emerging more and more as the primary purchase decision-makers and shoppers

While it's understandable that long-established gender-marketing paradigms are influencing current ecommerce engagement strategies, simply

presuming that men's online shopping activity mirrors their brick-and-mortar behaviors could cost retailers, big time.

Inmar Analytics recently surveyed 2,000 online grocery shoppers to better understand their motivations, major concerns and overall mindset when it comes to purchasing their groceries online. The results make it clear that marketers should take a fresh perspective on who to target with ecommerce, and how best to meet their needs.

Men are Motivated Online Shoppers

Forty-five percent of the online grocery shoppers surveyed were men – a larger contingent than many attuned to this channel would have anticipated. With more men living alone, leading single-adult households with children or taking on their full share of family responsibilities, males are emerging more and more as the primary purchase decision-makers and shoppers. In fact, the Inmar survey found that 65 percent of male online grocery shoppers do most or all of the shopping for their households.

Recognizing this break from traditional shopper demographics, retail brands should consider the following ways to engage male shoppers to increase their online sales.

Convenience Counts for a Lot

When asked why they initially tried online grocery shopping, 53 percent of men reported that they did so because they “wanted the convenience.” Twenty-five percent said they had a free trial and/or discount that led them to make their first purchase(s).

That same mindset is driving their ongoing online grocery shopping, with 29 percent of men saying they now choose ecommerce because they can shop for groceries whenever they have the time, there are no crowds (29 percent) and they don’t have to wait in line to check out (25 percent).

To attract male shoppers to grocery ecommerce, retail brand marketers should highlight the platform features that provide convenience, such as quick reorder, subscribe and save, and last-mile fulfillment. This is also a good time to test and track different convenience messaging with specific male consumers.

Collect initial data on what type of convenience – such as 24-hour shopping, no crowds or no lines – resonates most with the individual. Combine these messages with a free trial offer, discounted subscription or a gifted subscription to spark action.

Help With Meals Matters

Male shoppers are as likely as female shoppers to plan their meals ahead of time. Sixty-eight percent of both genders responded that they plan their meals in advance.

The men in the survey commonly turned to outside resources, such as meal-planning services (26 percent) and meal kits (26 percent), for help with planning their meals. A particularly attractive opportunity among men may be in prepared and semi-prepared meals. When asked if they would add these purchases to their online grocery order, if available, 53 percent of male survey participants responded “yes.”

Retail brand marketers can increase engagement with men around meal occasions by testing and promoting programs that upsell convenient meals. This could include curated food and beverage kits



and multi-meal packs that blend prepared and semi-prepared meals into one weekly meal-plan purchase.

The men from our survey were 41 percent more likely than women to have purchased alcohol online. Therefore, it’s important to consider how adult beverages fit within the meal experience.

A Key Target for Future Online Engagement

The men participating in the survey showed themselves to be valuable online grocery shoppers for retailers. Two-thirds (67 percent) of surveyed men reported that they spent between \$50 and \$200 during a typical online shopping trip. In addition, roughly 30 percent of male online grocery shoppers surveyed spend 25 percent or more of their total monthly grocery bill online.

Even with men already shopping for groceries online regularly, that purchase activity is poised to increase. About 31 percent of males surveyed by Inmar indicated that the frequency of their online shopping would increase over the next year.

The outlook for grocery ecommerce is universally optimistic, but exactly where and how that growth will occur is still a matter of some debate. What’s certain, however, is the need for retail brands to leverage the subtle – and not-so-subtle – differences between men and women in regard to their online grocery-shopping behavior. If marketers can determine who is “pushing” the cart, and where they’re taking it, then sellers can be there to meet them. **PG**

While it’s understandable that long-established gender-marketing paradigms are influencing current ecommerce engagement strategies, simply presuming that men’s online shopping activity mirrors their brick-and-mortar behaviors could cost retailers, big time.



The writer is director, ecommerce solutions at Winston-Salem, N.C.-based Inmar Analytics, where she leads the development of solutions to help retailers compete in the digital retail environment.

Bringing frozen delicacies from around the world

By Aliya Jamal



Alistair Cooke, Head of Sales and Marketing, Iceland International, talks about the increasing demand for frozen foods and the brand's expansion plans for India in the coming years.

Describe your company and its products?

Iceland foods, established in 1970 by Malcolm Walker, is a unique British food business with 900 stores across Europe and a global food export business spread across 40 countries. Iceland UK has a business of about 3.3 billion sterling, in total. Iceland Foods India Pvt. Ltd. is the Indian arm of Iceland UK and our products are available in all major premium retail outlets across Mumbai, Pune and Goa. We have introduced products in 3 major categories: 1. Authentic European Pizzas 2. Unique potato snacks 3. Mix veg and sweet potato fries in the retail market.

Which are the best-selling products?

Currently, we have a range of 10 SKUs and we look forward to introducing another 5 – 8 products over next 2-3 months. Our products are unique and the best-seller among them are the sweet potato fries, potato pockets, waffles and pizzas which contribute more than 90% of our sales.

How do you see the demand of your products growing in the future?

With growing awareness of global cuisine in India, there is definite affinity for source provenance and products made with authentic recipes. Consumers are not averse to paying premium for high quality innovative products. Also, with growing penetration for frozen foods, the term 'frozen' is no longer a taboo and is gradually finding greater acceptance amongst the masses in the urban centers. Factors like rapid economic development and a growing urban population, higher participation of women in the work force etc. are influencing consumers to

shift their dietary preferences towards ready-to-eat / cook food products. With a truly innovative and category building range, we see bright prospects for our brand in India.

What is your customer segments and markets?

Our key markets are in the metropolitan and Tier 1 cities. Mumbai, Pune & Goa have been coming out as a great market for the brand and we have better reach here. Currently we want to focus on consumers from SEC A in the top 15 cities in India, who primarily shop through organized retail channel.

What are the challenges and the opportunities facing this category?

The opportunities in the sector are increasing as the Indian consumers is becoming global travellers and have grown an appetite for global cuisine. There is increasing awareness among the consumers and the curiosity to try different products is also increasing. Our products have been accepted with a great response by Indian customers. The challenges in India are largely related to infrastructure. Availability of suitable storage space, temperature monitoring mechanism and cold chain led distribution network are key challenges.

What is your strategy for retail outreach?

We have partnered with almost all major organized retail chains in Western India and our products are also available in premium stand-alone supermarkets as well as in online retail channels. We will continue to focus on developing robust partnerships with retailers as we are one of the few companies who is genuinely focused on developing and expanding the frozen foods category.

Please tell us about your future plans.

Currently we are focused on building our brand in Mumbai, Pune and Goa in west and we will shortly expand our presence to the top 15 cities in India. We would also want to increase the range of products available in the coming months. We are educating the consumer about new product categories in the frozen foods space through in store efforts and digital outreach. **PG**



Is it Time for Grocers to Adopt VR?

Grocery vet Bob Mariano offers 3 ways that tech boosts back-end efficiency.

By Randy Hofbauer

In recent years, virtual reality (VR) technology has often been associated with consumer-facing entertainment — such as the novel and upcoming film “Ready Player One,” or the Playstation VR system — but it’s finding increased potential to drive back-end efficiency in business, including brick-and-mortar grocery.

And while many believe VR is an idea to approach in the future, some see earlier adoption as a way to actually approach the future today. Renowned grocery veteran Bob Mariano — who helmed Chicago-area grocer Dominick’s and Midwestern grocer Roundy’s, and now sits on the board of VR technology firm InContext Solutions — is one of those advocates.

Chicago-based InContext offers the ShopperMX flagship SaaS VR platform through HIVE (Hi-Immersion Virtual Experience), which transports users via headset into a virtual store environment. This allows them to interact with products, shelf sets, store layouts and in-store displays to quickly simulate in-store concepts and obtain data-driven insights on customer behavior by testing concepts and simulations with live shoppers using the technology.

Mariano sat down with me to offer three areas where VR technology can help grocers improve performance:

Shopper intelligence: VR technology can take away estimation about how a new product or concept is going to perform, enabling new ideas and concepts to be tested and even fail without significant time and financial strain. Even a department or store redesign can be tested before anything is changed or removed.

“This allows the retailer and the CPG to really put their heads together and come up with iterations, and then determine how the consumer changes behavior

most effectively,” so the parties aren’t just repeating what they did the previous year, Mariano said.

Category management: As a broad analysis based on logistics, category management has had to do more with shelf supply than anything else. However, it’s only recently that the process is beginning to realize the importance of factoring in the shopper. Using VR gives category and brand managers real-time, accurate data to test real shoppers’ experiences and work toward a reality.

“If we’re trying to match a category to give us a 2 or 3 percent increase next year, [and] all we do is look back on what we did ... it’s a matter of luck then,” Mariano said.

Like Mariano’s experience, the first time I tried the technology, I felt like I was in a real Walgreens store, seeing everything designed as it is in one of the chain’s typical shops. So if the customer feels like she’s in a store she shops, insights into her reactions can be more trustworthy.

Planogram improvement: Grocers can determine how best to update their planograms by determining which categories should be adjacent, what customers are seeking and how to get shoppers down the aisle.

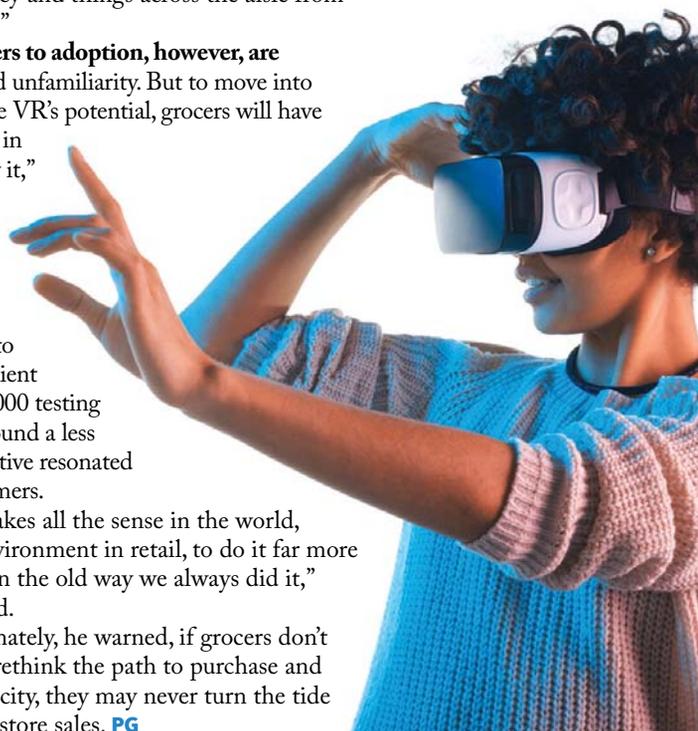
As an industry, “we really haven’t been doing a lot of work in terms of why consumers go down certain aisles, how heavy they shop, what do they look for,” Mariano noted. “That’s a whole area that is really underdeveloped in terms of knowledge of actually what makes a difference to the customer in terms of adjacency and things across the aisle from other categories.”

The major barriers to adoption, however, are twofold: cost and unfamiliarity. But to move into the future and see VR’s potential, grocers will have to “put their foot in the water and try it,” Mariano urged. If VR reveals a way to cut costs, however, it could pay for itself. He points to one InContext client that saved \$880,000 testing a concept, as it found a less expensive alternative resonated more with customers.

“I think it makes all the sense in the world, given today’s environment in retail, to do it far more scientifically than the old way we always did it,” Mariano asserted.

Because ultimately, he warned, if grocers don’t embrace VR to rethink the path to purchase and consumer-centricity, they may never turn the tide of fading center store sales. **PG**

Grocers can determine how best to update their planograms by determining which categories should be adjacent, what customers are seeking and how to get shoppers down the aisle.



what's next

▼ Iceland Foods launches three new variants

Iceland Foods India Pvt. Ltd has further expanded its range of innovative frozen foods in the Indian market. They have introduced a range of potato snacks and authentic Italian pizzas. It has also launched three new premium hand stretched and stone baked authentic



Italian pizzas – tomato & basil pesto, spinach & goats cheese, truffle and mushroom. These variants will further strengthen Iceland's pizza range and provide an unmatched product experience to the Indian consumers.

► Lavazza unveils new aroma intenso beans

Lavazza, the Italian coffee brand, has relaunched Aroma Intenso, a rich and intense blend perfect for the modern workplace coffee culture. The characteristics of this blend keeps its organoleptic properties intact until the moment it is brewed. Aroma Intenso beans are sourced from Chikmangalur and Coorg regions of Karnataka and processed in Lavazza's plant located at Sri City. This premium coffee blend is designed for office and vending businesses. It is best suited for the Indian palate with its Arabica and Robusta blend.



► Cargill launches NatureFresh Acti-Heart

NatureFresh, the home-grown brand of Cargill's oils business in India, has launched NatureFresh Acti-Heart. Positioned as 'Goodness for the Good Hearted', it is India's first oil, which fulfills all requirements of being a healthy oil. Packed with the goodness of Omega 3 that fights inflammation and provides a healthy lipid profile, it also has the ideal Omega 6/ Omega 3 ratio, as stipulated by National Institute of Nutrition (the ideal ratio should be between 5 to 10). Along with this, it has high MUFA, which ensures low oil absorption in food and Gamma Oryzanol that reduces bad cholesterol and increases good cholesterol. It is also fortified with Vitamin A, D, and E. NatureFresh Acti-Heart is available in 1 ltr bottle priced at Rs. 175/- which has the first-ever four-sided in-mold labeling that prevents label damage, post application. It is also available in 1 ltr pouch priced at Rs. 175/- and an environmentally friendly 5 ltr recyclable tin packaging priced at Rs. 829/-. The new offerings are available across E-Commerce platforms, Modern and General Trade, in India.



▼ Storia launches a range of beverages

Storia Foods & Beverages, launched in April 2017, is a young Indian food and beverage brand. Storia shakes are trans-fat free and come in 9 exciting flavors. It is absolutely preservative free and contains natural fruits and ingredients. The products are shelf stable for six months, without refrigeration, and use aseptic pet technology, which helps to reduce nutritional losses. Storia's portfolio comprises ready-to-drink shakes, 100% natural coconut water, beverage whitener and street style drinks. Storia shakes are available at all leading supermarkets and retail stores like Godrej Nature's Basket, Spencer's and More as well as on e-commerce sites and are priced at Rs. 30 & Rs. 25.



▼ Puratos launches a Fruitfil range

Puratos India's newest launch, the all-natural Fruitfil range allows you to discover a wide range of delicious fruit fillings, which contain up to 30% natural fruit content. With these versatile fruit fillings, you can now make your creations look delightful and taste better. The Fruitfil range has no artificial flavor and no added colors, which gives it the coveted NAFNAC label.



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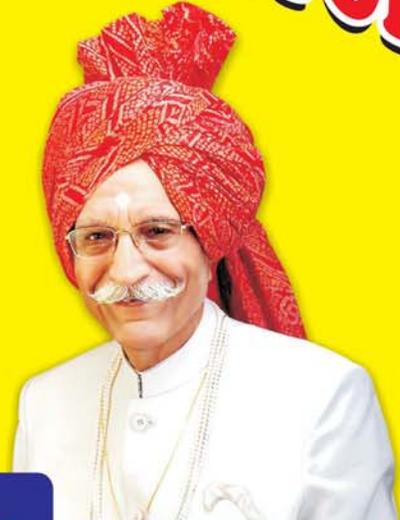
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Mahashay Ji has dedicated the business for the service to the society and mankind at large. Besides being an ace industrialist, he is not only a philanthropist, but also a pillar of strength & support for the weaker section of society. He draws inspiration from the works & teachings of great social reformer & founder of Arya Samaj Maharishi Dayanand Saraswati Ji. He is heading many important Arya Samaj Institutions and Trusts. He has not only put hardwork to expand the trade industry but also contributed towards the betterment of the society as a result of it more than 70 Institutions like Schools, Hospitals, Old Age Homes, Orphanage, Women Shelters, Gowshalas, Arya Samaj, Gurukuls, Boarding schools in tribal areas, Helping Poor Students, Widows, Poor Families etc. are running in the service of humanity. These social services are executed through Mahashay Dharampal Charitable Trust and Mahashay Chunnilal Charitable Trust.



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