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PROGRESSIVE GROCCER

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**“WE OFFER VALUE
RETAILING TO A WELL
DEFINED TARGET
CONSUMER BASE”**

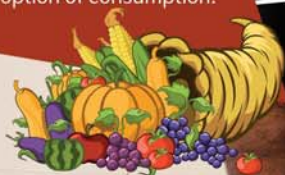
— DHIRENDRA CHOPRA
MANAGING DIRECTOR,
OSIA HYPER RETAIL LTD

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Special Project

HEALTH & WELLNESS FOODS

In today's age, consumers are looking for healthier food alternatives, which are changing the market dynamics and have become a mainstream option of consumption.



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In grocery retail, one trend that remains ever strong is that food retailers are embracing own brands more than ever, with some developing comprehensive strategies in this area. With the rising consumer acceptance of such items, a superior private label offering has emerged as key to differentiation among food retailers. To ensure that their private label strategy is successful, the new offerings must tick all of the emerging trend boxes that their national brand counterparts do.

It is heartening to see retailers embrace the best practices regarding the entire private-brand experience when developing new private label items. They are incorporating such emerging trends as simple ingredients, local sourcing and an emphasis on fresh perimeter products, while balancing quality and cost considerations. They understand that 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 about the product.

Top retailers are coming forward to 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, retailers are creating a cycle of continuous improvement and excellence in private-brand product delivery and raising consumer acceptability for store brands.



Amitabh Taneja
 Editor-in-Chief

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COVER STORY

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DHIRENDRA CHOPRA
Managing Director,
Osia Hyper Retail Ltd.

OSIA HYPERMART'S 50:50 FOOD TO NON-FOOD SELLING PROPOSITION EMERGES AS A UNIQUE MODEL FOR ORGANIZED RETAIL IN INDIA

From a single store in Ahmedabad in 2014 to a 15 stores today, the retail journey of Osia Hyper Retail Ltd. is one for the management case studies.



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A FAST EXPANDING CONSUMER AND MARKET BASE FOR HEALTHY FOODS

In today's age, consumers are looking for healthier food alternatives, which are changing the market dynamics and have now become a mainstream option of consumption.

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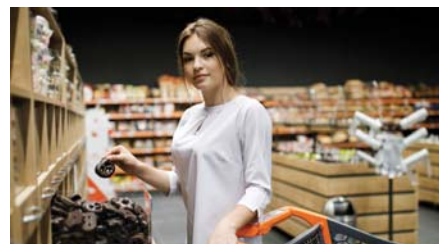
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Stirring up the market with sweet sensations



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Cutting Edge

Supermarket shelving is playing a more sophisticated part in marketing.

By Bob Ingram

Heretofore taken for granted, the once lowly shelf is taking on an expanded role in the evolution of food retailing. “The concept of ESLs [electronic shelf labels] has been around for years,” says Paul Milner, marketing director at Displaydata, based in the U.K. town of Bracknell, “but in today’s ever-growing digital retail environment, retailers and their customers are ready to make this new generation of ESLs a part of the store experience.”

Displaydata’s fully graphic three-color ESLs, with the option of integrated Bluetooth Low Energy beacons, enable grocers “to drive in-store pricing and promotions with speed, agility and consistency,” Milner notes, adding that they can also display product, price, promotion, nutritional information and stock levels, as well as enable centralized management of any number of ESLs across any number of stores in seconds.

“We believe that ... key drivers for grocery retailers adopting ESLs are transparency and integrity,” Milner observes. “Grocers want to earn the customer’s trust, which means it is critical to offer price and promotion accuracy at the shelf edge that also matches what is advertised in online channels.”

With Amazon’s aggressive moves into grocery, he notes, the stakes are higher than ever, and the right technology innovations can help grocers compete.

“We believe that in the next five years, the majority of retailers will achieve full digital integration,” Milner says, “and grocery retailers will adopt ESLs to achieve everyday low pricing, easily match prices with competitors or web-based delivery services, and much more.”

The End of OOS?

According to John White, CEO of Annapolis, Md.-based Compass Marketing, one of most



FRONT AND CENTER

The Like Machine offers measurable, two-way shopper engagement.





Osia Hypermart's 50:50 food to non-food selling proposition emerges as a unique model for organized retail in India

From a single store in Ahmedabad in 2014 to a trailblazing expansion across Gujarat with 15 stores that occupy 3,65,569 sq.ft. of trading area, the retail journey of **Dhirendra Chopra, Managing Director, Osia Hyper Retail Ltd.**, is one for the management case studies.

By Zainab S Kazi



DHIRENDRA CHOPRA

Managing Director,
Osia Hyper Retail Ltd.



Stirring up the market with sweet sensations

Young consumers looking for novel varieties of confectionery products are fuelling expansion of the category as brands and retailers collaborate for better category management, consumer insights and to grab a bigger share of the consumer wallet.

By Sanjay Kumar

The confectionery market in India is one of the fastest growing in the world with a strong double-digit annual CAGR. Research from global market intelligence agency Mintel reveals that India is one of the world's fastest growing chocolate confectionery markets. According to Nielsen India, the confectionery market in India is valued at \$1.5 billion, growing at a two-year CAGR of 9%. Various reports suggest that India is the fastest growing confectionery market among the BRIC countries.

According to the estimates of a leading market research agency, the market size of confectionery super category annually is approximately Rs. 11,200 crore in 2019 (GT - All India U+R) and Modern Retail would be at ~ 3% of the same. The category is estimated to grow at 9.9% this year and would maintain similar higher single digit growth for 2020.

The confectionery market in India is divided into three main segments: a) Chocolates; b) sugar candies; c) gums. The chocolate segment has a growth rate of about 20% followed by gums at 9% and candies at 5%. The market share for chocolates is 46%, sugar candies 34% and gum 20%.

According to data from market research agency Canadean's, sugar confectionery and gum will outsell

chocolate in volume in India. That's in part because chocolate continues to be a favourite among children whereas gums, sweets and toffees are popular with both adults and kids alike, and their love for products in this segment are responsible for its persistent high demand.

As per market estimates, the distribution of confectionery products across Modern Trade channels is about 15% whereas General Trade accounts for nearly 70% of distribution. In terms of consumption of confectionery, the western states of India are the leaders with a 32% consumption share followed by northern states at 28%, south India at 23% and eastern India at 17%. In India, sugar candy is majorly an impulse purchase whereas it is mostly a planned purchase for chocolates. The north region of India constitutes the largest share in the candy market followed by the west region.

According to a report by Research and Markets, metros such as Delhi/ NCR, Mumbai, Hyderabad, Bengaluru, Chandigarh, Chennai and Kolkata are amongst the leading demand generators of candies in the country, while Tier II cities have also been contributing significantly. What is worth noting is that today, most candy segments target not just children, but youngsters as well. To expand their horizons, many manufacturers have moved beyond





Easy as Pie

Grocers can harness pizza's allure to make it a centerpiece of meal solutions.

By Jim Dudlicek

“Grocers should leverage cross-selling promotions to complete the pizza meal. To make it even more enticing, a grocer could sample small bites of everything to sell the complete package right at the demonstration.”

— Ryan James Dee
Interactions

The aroma is all too familiar: savory spices, pungent garlic, with undertones of baking bread. You're at the supermarket, and you know that you smell pizza.

But you're not in the deli or near the hot bar — you're in the frozen aisle. Of course, as of now, this scenario is entirely fictional, outside of a random product sampling. This kind of romance only happens in the fresh perimeter.

But why can't it happen in the frozen aisle? In our industry's ongoing quest to reinvent the store, why should frozen constantly play second fiddle to fresh? There are plenty of opportunities to demonstrate the flavor, convenience and versatility awaiting shoppers in the freezer case.

“Grocers should leverage cross-selling promotions to complete the pizza meal,” asserts Ryan James Dee, creative director at San Diego-based experiential marketing solutions provider Interactions, a subsidiary of Daymon. “For example, a store could easily upsell garlic and cheese bread from bakery, freshly packed salads from produce, hot wing appetizers from the deli, and wine from adult beverage to create a total

meal solution. In order to make it even more enticing, a grocer could sample small bites of everything to sell the complete package either right at the demonstration or provide a small map with exclusive offers to collect the components across the store.”

To be sure, product innovation has taken frozen pizza well beyond the cardboard-like disks of yore to highly diverse and delicious offerings that can rival their counterparts on the other side of the store and at budget-friendly price points. Strategically cross-merchandise them with complementary products, demonstrate the ease of putting them together, and satisfy shoppers' mealtime need states.

Disruptin' in the Oven

Despite peaks during big-game and holiday periods, frozen pizza could use a boost. Schaumburg, Ill.-based Nielsen reports sales approaching \$6.5 billion in the pizza/snack category for the year ending last Dec. 17. But Chicago-based market researcher Mintel predicts that sales will remain flat through 2019 after a steady decline since 2010, with household penetration contracting despite the overall popularity of pizza.





Special Project

Health & Wellness Foods

A Fast Expanding Consumer and Market Base for Healthy Foods

In today's age of rising health consciousness, consumers are looking for healthier food alternatives – ready to eat quinoa salad is preferred over ready-to-eat fries. Healthier food alternatives are changing the market dynamics and have now become a mainstream option of consumption.

By Sanjay Kumar

Organic Harvest

The category is robust and growing, thanks to a certain sought-after demographic.

By D. Gail Fleenor

For anyone out there who dismissed organic produce as having only temporary appeal for consumers, take another look at the numbers: After skyrocketing sales have settled down to a mature but healthy level, prices are now lower, even competing with conventional in some cases — a comfortable place to be.

Primary buyers are the coveted Millennials, who are starting families, a strong indicator of continued growth. Organic produce has hit the sweet spot of sales.

The organic produce category is the biggest-selling organic category, according to the Washington, D.C.-based Organic Trade Association (OTA). With the price gap narrowing between many kinds of conventional and organic produce, more price-reluctant customers are trying organic produce.

The industry has matured and sales have gone from double-digit to still-strong single numbers. Overall, the OTA notes that organic produce sales have increased a healthy 5 percent to 6 percent over last year, and that 15 percent of the produce Americans buy is organic.

“Organic is a strong driver influencing consumer behavior now and moving forward, and it has a strong advantage over other influencers, because it has ties to several hot-button areas: sustainability, health, and motivational ties like the need for transparency, authenticity and knowing a food’s origin,” observes Laura Batcha, CEO and executive director of the OTA. “That is all playing into the





Card Sharp

Paper greetings aren't disappearing, manufacturers insist, but innovation in the category is essential to compete with digital and social alternatives

By Barbara Sax

Paperless substitutes and higher postage stamp rates have taken a toll on the greeting card category. But even as more consumers migrate to e-cards, card manufacturers say that occasions remain when only a traditional paper greeting card will do, and cards and wrap continue to see strong sales at retail.

According to Jeanne Sheehy, executive director of the Washington, D.C.-based Greeting Card Association, it's a myth that people are sending fewer cards. "While more people may be acknowledging birthdays with the availability of social media, they are not sending fewer cards as a result," she asserts. "In fact, with the emergence of digital and social greetings, the term 'card-worthy' has emerged for people to whom one sends a paper card. The term captures the emotional connection of sending and receiving a greeting card."

New and improved

Cleveland-based American Greetings sees consumers turning to digital greetings as a complement to paper greeting cards, not a replacement, according to a company representative, who adds that American Greetings paper cards consistently outperform the general merchandise

category in the grocery channel. "We are seeing growth in both cards and gift packaging as a result of our focus on innovation," stresses the rep. "These new products offer a great value at a slightly higher price and have put the excitement back in greeting card departments."

Sheehy agrees that innovation is the key to capturing sales and the premium end of the card market, with items featuring interactive sound, LED lights and other customized enhancements as one driver of category growth. "The growth of social media and frequent communication has made consumers willing to spend more for special-occasion card-sending occasions like weddings, births [and] milestone birthdays, to name a few," she says. "Cards featuring special techniques, intricate designs and new technologies are at the top of the price scale for paper cards, but they remain popular as consumers look to send cards to 'card-worthy' people in their lives."

Designer Greetings, a company that's strong in the value segment, has expanded its premium offerings. "We're seeing embellishments growing, from jewel gems and tip-ons to stamping and embossing," affirms Michelle Madonia, art director at Edison, N.J.-based Designer Greetings. "These products can retail for up to two times the price



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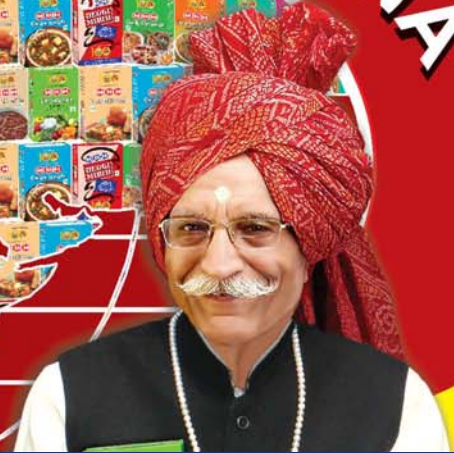
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