

INNOVATION & STRATEGY: RE-ENGINEERING THE SALES & DISTRIBUTION SYSTEM IS THE NEED OF THE HOUR FOR FMCG BRANDS

Ahead of What's Next

Progressive GROCER

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TRIBUTE

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Customers
across multiple
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CATEGORY WATCH

Technology, Innovation and Invention are Transforming the Spice Industry

Kunaal Kumar

Managing Director, Modern Bazaar

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FOODS**

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Year**
2021

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beaming smile and love in your heart. Wishing you health,
wealth and happiness in the New year ahead



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While the worst (read year 2020) seems to finally coming to an end, we are still in uncharted territory and businesses will need to be much more careful about how they approach the future. The pandemic has transformed the grocery retail industry radically. Consumers are

much more technologically empowered now and this is ushering in a new normal for the FMGC industry that experts believe to be permanent.

As is apparent by now, innovation and technology has become indispensable for business continuity.

In this issue we look at how brands and retailers from the Spices category are utilizing emerging technology and clever marketing strategies to re-dress production, supply & distribution processes as well as come up with innovative ways of building consumer confidence.

Inside you will find a slew of industry leaders who expatiate on the innovations and strategies they have utilized for their respective brands, so that you can adopt them in your own capacities to help stabilize our businesses now and fortify it for the times to come.

Wishing you all a very happy new year 2021! Hope that the upcoming year prove to be progressive and prosperous for your family as well as your business.

For FAQs pertaining to shift in market dynamics, consumer sentiments and on all things related to FMCG retail, do log on to our website, <https://www.indiaretailing.com/>.

Amitabh Taneja
Editor-in-Chief

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Technology, Innovation and Invention are Transforming the Spice Industry

A LOOK AT HOW INCREASING RELIANCE ON TECHNOLOGY, CREATIVE INNOVATIONS ACROSS MANUFACTURING, PRODUCT CONCEPTUALIZING, MARKETING, AND OPTIMIZED BUSINESS MANAGEMENT PROTOCOLS HAVE BECOME THE NEW NORM OF THE INDIAN SPICE INDUSTRY POST THE COVID-19 PANDEMIC....

By Progressive Grocer Bureau



2020 has delivered a VUCA disruption like never before. Since the pandemic hit, the entire retail industry has been evolving by the day. Just like the shifts in societal and economic order, the COVID-19 pandemic has brought about significant changes in consumer behavior. Consumers across the world have changed in massive proportions and are continually developing newer habits, compelling brands and retailers to continually bank on innovation

and new age technology to explore newer business models.

While it is true that the food and grocery industry was spared of the horrors that non-essential retailers were faced with during the crisis, this industry too was influenced by the pandemic and the subsequent lockdown. Even though things have stabilized now, the fear of the contagion continues and businesses across the FMCG segment are compelled to make major overhauls both in the way they manufacture and retail their products.

Just like other FMCG segments, the Indian spice industry was no exception to this reality, and has witnessed significant disruption over the past few months. As a result, businesses operating in this segment have been compelled to streamline their brand portfolio, and continually innovate in all aspects of their operations - right from product development and in-store services to marketing strategies, so as to appeal to consumers, who have now become more discerning than ever before.



Rakesh Group: Using Technology & Innovation to Produce Authentic Flavours

EVER SINCE ITS INCEPTION, THE RAKESH GROUP HAS EMPHASIZED ON PRODUCING ONLY PREMIUM QUALITY PRODUCTS WITHOUT COMPROMISING ON TASTE, TEXTURE, OR AROMA, AND TO ENSURE THIS, THE COMPANY ADHERES TO A SERIES OF METICULOUSLY FORMULATED PROCESSES...

By Progressive Grocer Bureau

T

he Rakesh Group's respected position in the Indian spice segment is a testimony of their labour of love, of more than three decades. What started as an obligation to offer authentic Indian flavors has today transformed into a behemoth that dictates industry standards, an industry giant that consumers can trust with their eyes closed. Central to this success story have been the organisation's unflinching attitude towards quality and a natural tendency for best in class innovation and technology. Today, the group's main

brand, Rakesh, has become a household name and is trusted across the country for its range of spices (ground as well as formulated), besan and sattu, roasted gram, soya chunks, vermicelli, roasted sewai, papad, baking powder, food colours, pickles, ghee, etc. Along with Rakesh, the company's other brands – *La' Indian*, *Abhivadan* and *Yuva* – have also graduated to a position of dominance in a very short span of time, enjoying equal demand from consumers across India.

All products that bear the stamp of the company are FSSAI, HACCP, and ISO - 9001-2015 certified.

Ever since its inception, the Rakesh Group has emphasized on producing only premium quality products without compromising on taste, texture, and aroma. To ensure this, the company adheres to a series of meticulously formulated processes. All spices are made from the purest of ingredients sourced from finest of crops and are manufactured under very strict quality surveillance. The company has also installed indigenous labs that conforms to international standard quality checks to produce avant-garde spices.

To further aid the company in achieving this, the Rakesh Group has armed itself with the latest in technology and machinery. Today, it boasts

- ▶ 9 state-of-the-art manufacturing units that are furnished with newfangled machinery and technology
- ▶ 2 high-efficiency Cryogenic Grinding plants with installed manufacturing capacity of 4 tons per hour ensure that there is no loss of volatile oil or flavouring components in spices produced
- ▶ Heat Drying Treatment
- ▶ Mechanised cleaning and sorting of spices to ensure purity
- ▶ High-End Magnets to eliminate ferrous contamination
- ▶ In-house capacities of microbiological and physical analysis
- ▶ Air conditioned mezzanine floors for packing

The Group has recently launched a one-of-a-kind Food Zone in Kanpur, adding yet another feather in its already decorated cap. This ultra-modern hub sprawls across more than 15 impressive acres and is home to 5 manufacturing units that feature a perfect coalesce of emerging technology and proficient manpower.

In addition, Rakesh Group has recently signed a contract with AXOR – ITALY for the supply of a high-tech pasta plant with a production capacity of more than 2 tons per hour.

In a tête-à-tête with Progressive Grocer, **Vivek Pathak, CEO, Rakesh Group**, recounts how the company banks on innovation and modern technology to create authentic flavours that exude the true taste of Indian spices.



Ease of access to customers across multiple channels is our USP, says Modern Bazaar's Kunaal Kumar

MODERN BAZAAR WAS ESTABLISHED IN THE YEAR 1971, WHEN FOUNDER VISHWANT KUMAR REALISED THAT THERE WAS A DISCERNING CONSUMER WHO WAS LOOKING FOR A BETTER AND WIDER RANGE OF CONSUMABLE PRODUCTS WITHOUT HAVING TO TRAVEL ABROAD FOR THEM. IT WAS INDIA'S FIRST SUPERMARKET WHICH PROVIDED THE CUSTOMER WITH A WIDE RANGE OF QUALITY PRODUCTS FROM ACROSS THE WORLD AND UNDER ONE ROOF.....

By Progressive Grocer Bureau

Modern Bazaar was the brainchild of the late Vishwant Kumar. The brand started operations from Vasant Vihar in New Delhi in the year 1971. Vishwant Kumar realised that there was a discerning consumer who was looking for a better and wider range of consumable products without having to travel abroad for them and thus Modern Bazaar was born. At that time, it was India's first supermarket which provided the customer with a wide range of quality products from across the world and under one roof.

Since its inception Modern Bazaar has operated as a single store entity, however a major fire in 2004 burnt it down completely. In 2005 Kunaal Kumar, who had joined the family business in 1991, opened a new store – in Vasant Vihar again. Having re-established the brand once again he then ventured out into other areas / markets and over the next few years branches were setup at regular intervals across Delhi and Gurugram.

Currently there are 12 stores operating in Delhi & NCR. In an exclusive interview with Progressive Grocer Bureau, Kunaal Kumar, Managing Director, Modern Bazaar spoke about the brand's strategies during the pandemic, its major customer value proposition, and the top technologies they are looking at adopting over the next one year.

Mahashay Dharampal Gulati: The Legend that Shaped India's Foodscape

THE OWNER OF MDH SPICES AND ITS ICONIC FACE, DHARAMPAL GULATI, PASSED AWAY AT THE AGE OF 98. ACCORDING TO REPORTS, HE WAS UNDERGOING POST-COVID TREATMENT AT A HOSPITAL IN DELHI FOR WEEKS TOGETHER BEFORE SUCCUMBING TO A CARDIAC ARREST IN THE EARLY HOURS OF DECEMBER 3, 2020.

A

ll of us have a life to live but very few people can afford a life that's as inspiring and extraordinary as Mahashay Dharampal Gulati. The life of the founder and CEO of Mahashian Di Hatti (MDH), Dharampal Gulati, is studded with so many crowning accomplishments that ordinary mortals might take several lifetimes to achieve. The news of his death drew condolence messages and tributes from many distinguished personalities of the country across social media - right from President

Ram Nath Kovind, ministers, politicians and business tycoons to Bollywood superstars, everybody hailed his entrepreneurial spirit in their eulogy.

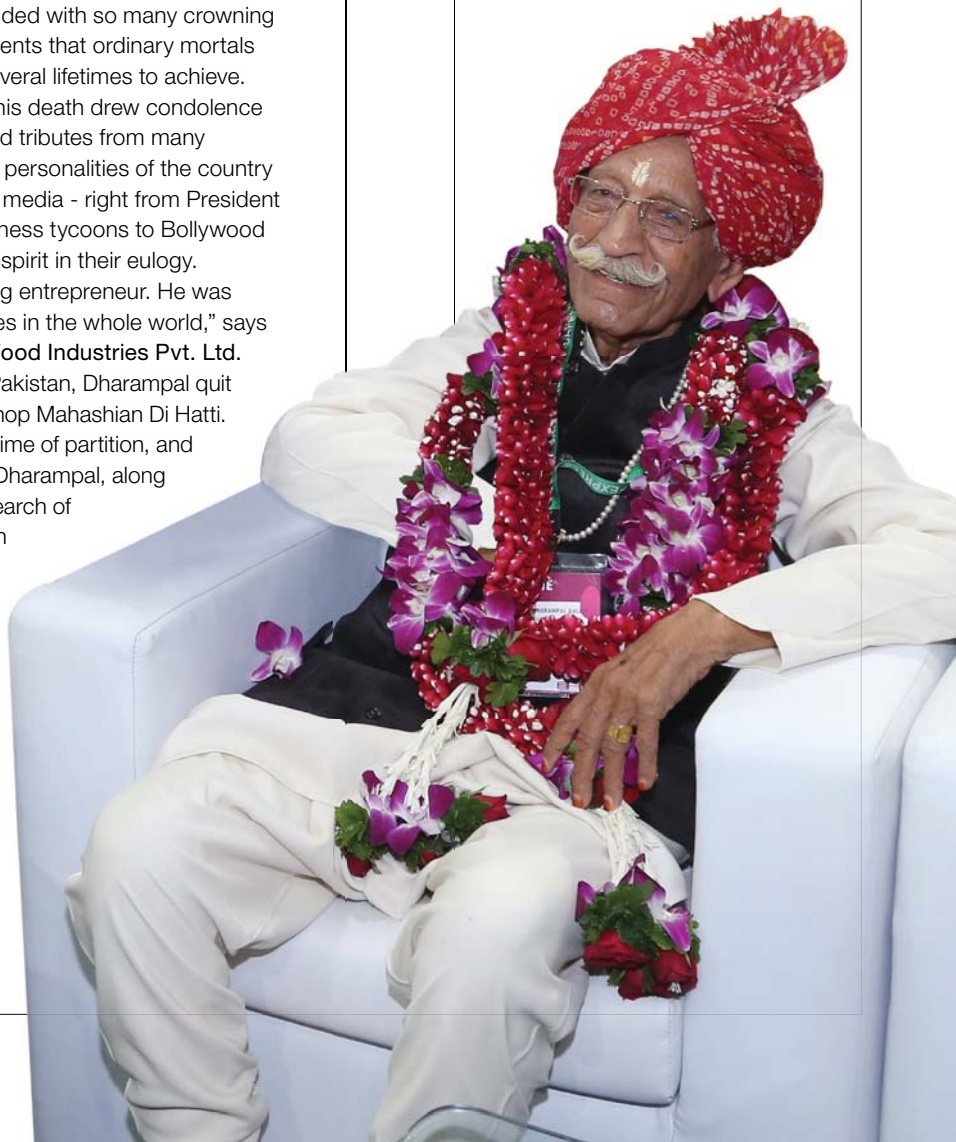
"He is definitely one of the India's most inspiring entrepreneur. He was the one who spread the fragrance of Indian spices in the whole world," says **Gaurav Gambhir**, Managing Director, Shubh Food Industries Pvt. Ltd.

Born on March 27, 1923, in the city of Sialkot, Pakistan, Dharampal quit school at a tender age to help his father at their shop Mahashian Di Hatti. The family migrated from Pakistan to India at the time of partition, and stayed at a refugee camp in Amritsar for a while. Dharampal, along with his brother-in-law, then travelled to Delhi in search of work, and after a few gruelling years, during which he pushed his luck trying his hands at and dabbling in many things, he eventually found the spice trade, which became his calling card thereafter. With a humble beginning from a modest shop in Karol Bagh, Delhi, Dharampal Gulati laid the building blocks and the foundation of his future empire in the spice business, whose worth is multi-crore today and growing in value.

As the business took off, Dharampal rented another shop in Chandni Chowk in 1953. He then decided to purchase a plot in Kirti Nagar in 1959 to start his own factory, and this led to the birth of Mahashian Di Hatti Limited.

The company is one of the biggest brands of spices in the country today.

Besides being a manufacturer, MDH is also a distributor and exporter of ground spices and spice mixtures. It specializes in several unique traditional blends of spices suitable for different recipes. Currently, MDH has more than 60 products in its kitty and it exports to about 100 countries, including the U.K., Europe, U.A.E., USA, Canada, South East Asia and others. Its best-selling products include Deggi Mirch,



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HIGHLIGHTS OF THE NEXT TWO ISSUES

JANUARY 2021: READY TO EAT: The trend of ready to eat has gathered momentum in recent times of Covid-19. Going forward, this category is expected to become an essential and will no longer be seen as a discretionary spends.

FEBRUARY 2021: SWEETS & CONFECTIONERY: With changes in consumption patterns and lifestyle trends, the dynamics of the sweet & confectionery market is rapidly changing in India. Especially post the pandemic, Indian confectioners are going to have to adapt to these changes in preferences by merging health with taste.

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What's the Proper Path for Better Payments?

HOW THE PANDEMIC AND LOYALTY CAN HELP FOOD RETAILERS GET A FIRMER HANDLE ON TRANSACTIONS.

By Thad Rueter

Just as the holiday season was getting in gear, CVS Pharmacy offered a glimpse at the future of payments in the food retail world and beyond.

The drug store chain launched a service enabling customers to check out touch-free using PayPal and Venmo QR codes at 8,200 stores. These codes allow customers to securely pay for their items without needing to touch a keypad or sign a receipt, while also being able to access multiple payment methods available in PayPal and Venmo wallets.

According to CVS, this made it the first national retailer to integrate PayPal and Venmo QR code technology in its point-of-sale experience at all stand-alone locations across the country. The touch-free experience will be available to existing PayPal and Venmo customers, while new customers can sign up and link their preferred payment method, usually within minutes.



Key Takeaways

- ▶ Fueled by the pandemic and the associated spike in grocery e-commerce, food retailers are embracing new forms of payment.
- ▶ One way to eliminate food retail friction is to integrate a retailer's loyalty program and other discounts with, for example, the digital wallet on a shopper's mobile phone.
- ▶ Major food retailers like Walgreens are beefing up their loyalty programs as payment methods grow more numerous and digital.



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As retail adjusts to the mega disruption of 2020, one truth is clearer than ever before: Customers are calling the shots in consumption influencers — from products to channels. How fast can food retail pivot to be omnipresent across all consumption destinations?

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