

Ahead of What's Next

Progressive GROCER

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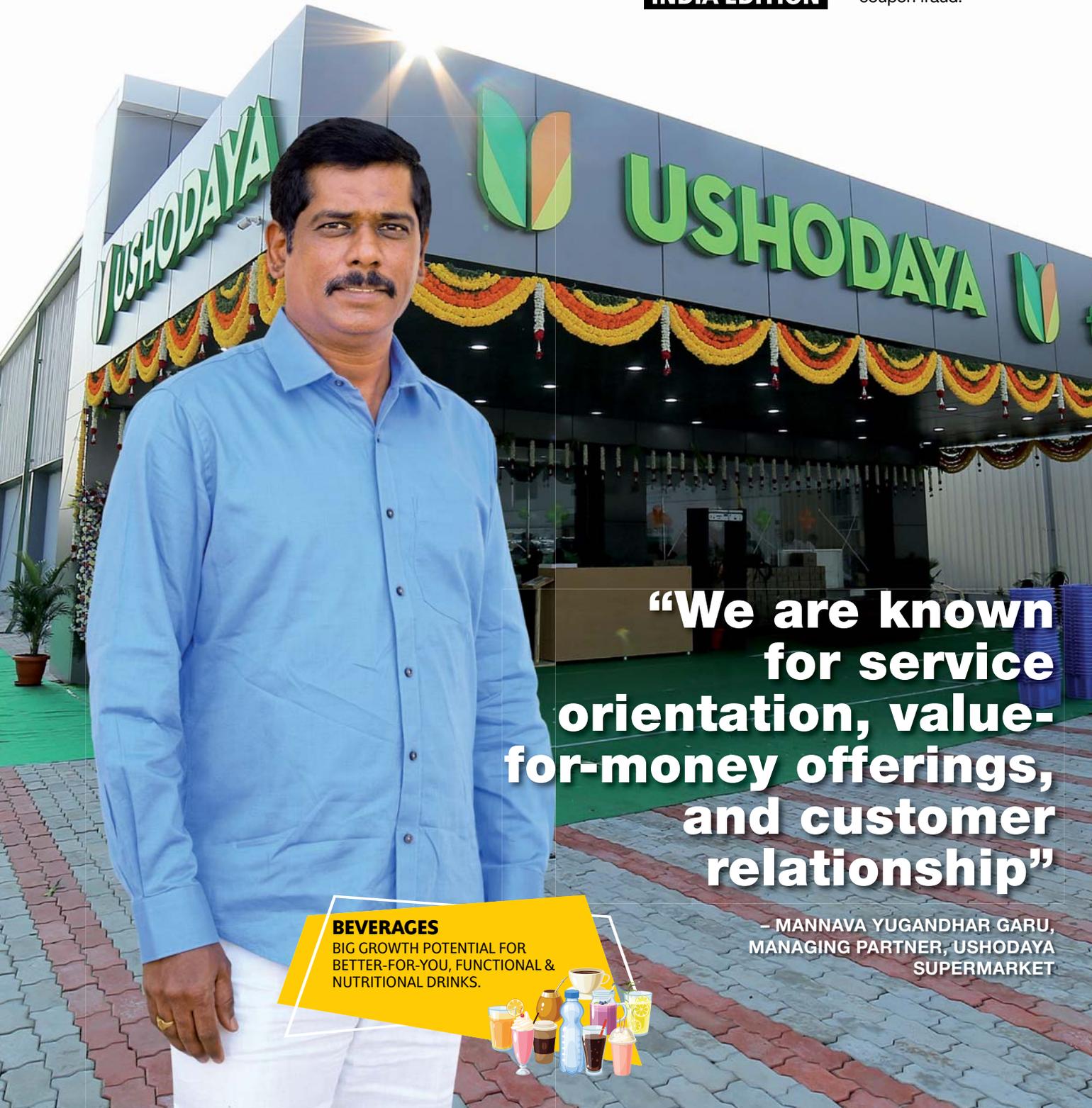
SUPPLY CHAIN

Retailers are making use of micro-fulfilment to service online orders as quickly as possible.

TECHNOLOGY

New payment processes and technology emerge to solve the problem of coupon fraud.

INDIA EDITION



“We are known for service orientation, value-for-money offerings, and customer relationship”

– MANNAVA YUGANDHAR GARU,
MANAGING PARTNER, USHODAYA
SUPERMARKET

BEVERAGES

BIG GROWTH POTENTIAL FOR BETTER-FOR-YOU, FUNCTIONAL & NUTRITIONAL DRINKS.



EDITOR-IN-CHIEF: **Amitabh Taneja**

EDITORIAL DIRECTOR: **R S Roy**

PUBLISHER: **S P Taneja**

EDITORIAL

EDITOR IN CHARGE: **Sanjay Kumar**

CREATIVES

ART DIRECTOR: **Pawan Kumar Verma**

AD. ART DIRECTOR: **Deepak Verma**

PRODUCTION

SR. GENERAL MANAGER: **Manish Kadam**

SUPPORT

SR. GM ADMINISTRATION: **Rajeev Mehandru**

ADVERTISING

BUSINESS HEAD & ASSOCIATE PUBLISHER: **Lokesh Arora**

E: lokesharora@imagesgroup.in, M: +91 9999033612

DELHI:

ASST. GENERAL MANAGER: **Ekta Roy**

MUMBAI

REGIONAL HEAD (WEST): **Santosh Menezes**

ASST. MANAGER: **Kratika Singh**

BENGALURU

REGIONAL HEAD (SOUTH): **Suvir Jaggi**

MANAGER: **Ashraf Alom**

FOR ADVERTISING QUERIES, PLEASE WRITE TO

E: salesfood@imagesgroup.in

CONSUMER CONNECT & SUBSCRIPTION

DEPUTY MANAGER: **Priti Kapil**

E: pridikapil@imagesgroup.in

PROGRESSIVE
GROCCER

GROCERY GROUP PUBLISHER: **John Schrei**

GROCERY GROUP EDITORIAL DIRECTOR: **Mike Troy**

EXECUTIVE EDITOR: **Gina Acosta**

MANAGING EDITOR: **Bridget Goldschmidt**

SENIOR DIGITAL & TECHNOLOGY EDITOR: **Abby Kleckler**

CONTRIBUTING EDITORS: **Lynn Petrak** and **Barbara Sax**

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F

or all the disruptions caused by this pandemic, brick-and-mortar retailers have a good chance to show how smart they are in the back half of this year. Even putting in place a simple but forward-looking customer strategy can help retailers to take advantage of a rebound in store traffic that's sure to happen following the ongoing period of dramatic e-commerce growth.

To give just one example, hundreds and thousands of customers can be nudged into visiting the stores by easing on the checkout time. But, this certainly does not mean adding numerous self-checkout stations while neglecting to have the check-lanes staffed by actual people.

It's not uncommon for customers to have to cool their heels before they can clear the checkout. Quite often, this avoidable experience happens because even though there may be multiple check-lanes with payment terminals, there's only one or two staffed by people who can quickly scan the purchase and bill the payment.

Grocers should look to invest in heightening their strategic focus on store experience by rolling out contactless payment terminals featuring expanded scan detection range and easy fresh-item lookup to accelerate check-stand throughput. By committing to some smart technology investments designed to advance both customer experience and store efficiency, retailers can grab the opportunity to win back customers who may have migrated to online platforms during the course of this pandemic.

Amitabh Taneja
Editor-in-Chief

All feedback welcome at editorpgindia@imagesgroup.in

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Registered Office: S-61 A, Okhla Industrial Area Phase 2, New Delhi 110 020,

Ph: +91-11-40525000, **Fax:** +91-11-40525001

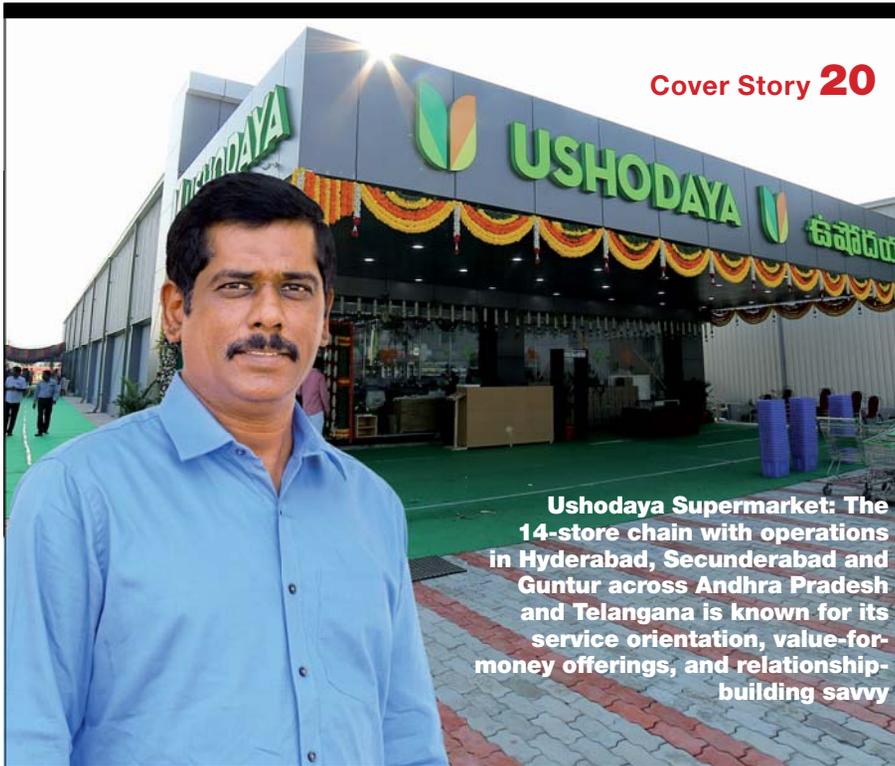
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Mumbai: Pinto House, 2nd Floor, Plot No. 3 / 116, Marol Co.-Op. Industrial Estate,

Opp. GPL House, Near Marol Bhavan, Marol, Andheri (East), Mumbai - 400 059

Ph: +91 22 28508070/71, **Fax:** +91 22 28508072

Bengaluru: 523, 7th Cross, 10th Main, (Jeevanbhima Nagar Main Road), HAL 3rd Stage, Bengaluru 560 075, **Ph:** +91-80-41255172/41750595/96, **Fax:** +91-80-41255182



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New flavours and functionality are transforming iconic categories in food and grocery

Ideas to transform global food systems in the run-up to UN Food Systems Summit

The Food Systems Game Changers Lab – a multi-phase program conceptualized by EAT, IDEO, Thought for Food, The Rockefeller Foundation, and other collaborators – has announced the launch of The Global Open Call, which is an invitation to individuals, teams, institutions, companies and cooperatives everywhere to bring their ideas, initiatives or innovations for food systems change forward in partnership with others. Select ideas will be featured in a flagship publication, and matched with potential implementation partners or investors at the 2021 United Nations Food

the table, realizing the ambition of being “a people’s summit.”

For the past several months, hundreds of groups have supported the UN Food Systems Summit process by developing calls for solutions around 5 key themes or Action Tracks. As the Summit approaches, these topics are being prioritized under “Areas for Collective Action” for which innovation, initiative, partnership, and commitments are needed. Through the Food Systems Game Changers Lab, people across the world are invited to join in this effort, to make their voices heard and ideas visible.

“Transforming the food system cannot be done by organizations and individuals working in silos. This call engages the global community to share all kinds of ideas and initiatives—local to global, traditional to innovative—and collaborate to design for impact,” said Rebecca Chesney, Director at IDEO.

Those submitting solutions to The Global Open Call—teams,

individuals, organizations, and other groups—compete to become Game Changers who will be invited to continue to the second phase of the Food Systems Game Changers Lab, where they will further refine their solutions ahead of the 2021 UN Food Systems Summit. The Food Systems Game Changers Lab brings people into an experiential program, hosted by Thought For Food, that fuses tailored mentorship, facilitation, expert masterclasses, and partnership formation. In Phase 3, their ideas will be featured in a flagship publication released at the time of the Summit and they will be matched with potential implementation partners or investors. Then these new coalitions will begin the work of turning ideas into reality in Phase 4 post-Summit. Throughout the Food Systems Game Changers Lab, participants will work with diverse teams to develop and launch bold and actionable solutions to transform the way the world produces, processes, distributes, and consumes food.



Systems Summit (UNFSS).

“Today’s food system doesn’t meet the needs of people or our planet,” said Sara Farley, Managing Director of The Rockefeller Foundation’s Food Initiative. “The status quo is increasing diet-related disease and accelerating the effects of climate change, not to mention predicated on inequity. We need an inclusive approach that transforms the global food system to be nourishing and regenerative while advancing human dignity and supporting cultures to thrive.”

The United Nations Secretary-General is hosting the 2021 Food Systems Summit to spearhead transformation of the world’s food systems to work for people, planet, and prosperity by 2030. The event will push beyond the bounds of food and agriculture to include solutions that take into account environment, health, climate, economy, human rights, and more. To that end, the UNFSS wants to engage directly with diverse communities around the world to bring their ideas and actions to

Allana Group picks up minority stake in consumer giant LT Foods

The Allana Group, India’s largest exporter of processed food products and agro commodities, has picked up a minority stake in LT Foods, a leading consumer products company in India. The Group has picked up a one per cent stake in LT Foods with an investment of Rs. 20 crore.

The Allana Group distributes premium brands such as London Dairy Ice Cream, Sunny Oil, and Pristine Bakery. It is India’s largest exporter of frozen and chilled meat, processed and frozen fruit and vegetable products, coffee, spices and cereals to over 85 countries. The group is making several strategic investments in both public and private companies they can partner with.

Fauzan Alavi, Director of Allanasons, said, “Both companies have underlying strengths in distribution, production and marketing of food products. This will give the alliance a superior edge in the market. We look forward to working with LT Foods and synergise our strengths to provide our products in the Indian market and also explore export markets together to capitalise on our strengths while maintaining the highest standards of quality in procurement, manufacturing and distribution.”

LT Foods is a leading player in the rice market with leading brands like Daawat, Royal and Devayya and has a network in over 65 countries. The company clocked an impressive revenue and bottom line growth looking to end FY21 with revenues of Rs. 4,500 crore and EBITDA of Rs. 600 crore.

Last year, LT Foods acquired a 30 per cent stake in Leev.nu of the Netherlands through its subsidiary Nature Bio Foods BV (NBF B.V.), with an option to acquire a further 21 per cent stake at the end of five years.





Milk Magic casts its spell beyond its B2B perch to national and international markets

KISHAN MODI, MANAGING DIRECTOR, JAYSHRI GAYATRI FOOD PRODUCTS, WHICH OPERATES THE MILK MAGIC BRAND, SPEAKS TO PROGRESSIVE GROCER ABOUT HIS DAIRY COMPANY'S STELLAR ROOTS IN THE B2B BUSINESS, ITS RECENT IMPRESSIVE DEBUT IN THE CONSUMER RETAIL BUSINESS, AND HOW IT CONTINUES TO SPREAD ITS WINGS BY TAKING ITS PRODUCT RANGE TO MANY COUNTRIES OVERSEAS.

By Sanjay Kumar

Many of us see Dairy through the prismatic lens of a traditional legacy business. The notion is reinforced through our folklores and mythologies which, since millennia, celebrate the country as a land of milk and honey. Some of our most enduring epic stories are woven around the magnetic cowherd figure of Lord Krishna and his overweening love for milk and milk products, especially "makhan".

Just as the Krishna mythology continues to captivate over the ages, so has our love for milk and all such products that belong to "the milky way". And playing a stellar role in making our interest in milk products all the more abiding is **Jayshri Gayatri Food Products (JGF)**, a nearly Rs. 400-crore company in annual revenues with headquarters in Bhopal, Madhya Pradesh, which has grown strong roots from its modest beginnings as a family-run local dairy business.

The transformation of the once small and localized operations into a flourishing modern dairy enterprise powered by the latest cutting-

“We connect customers with the joy of food by understanding their needs and providing better customer service”



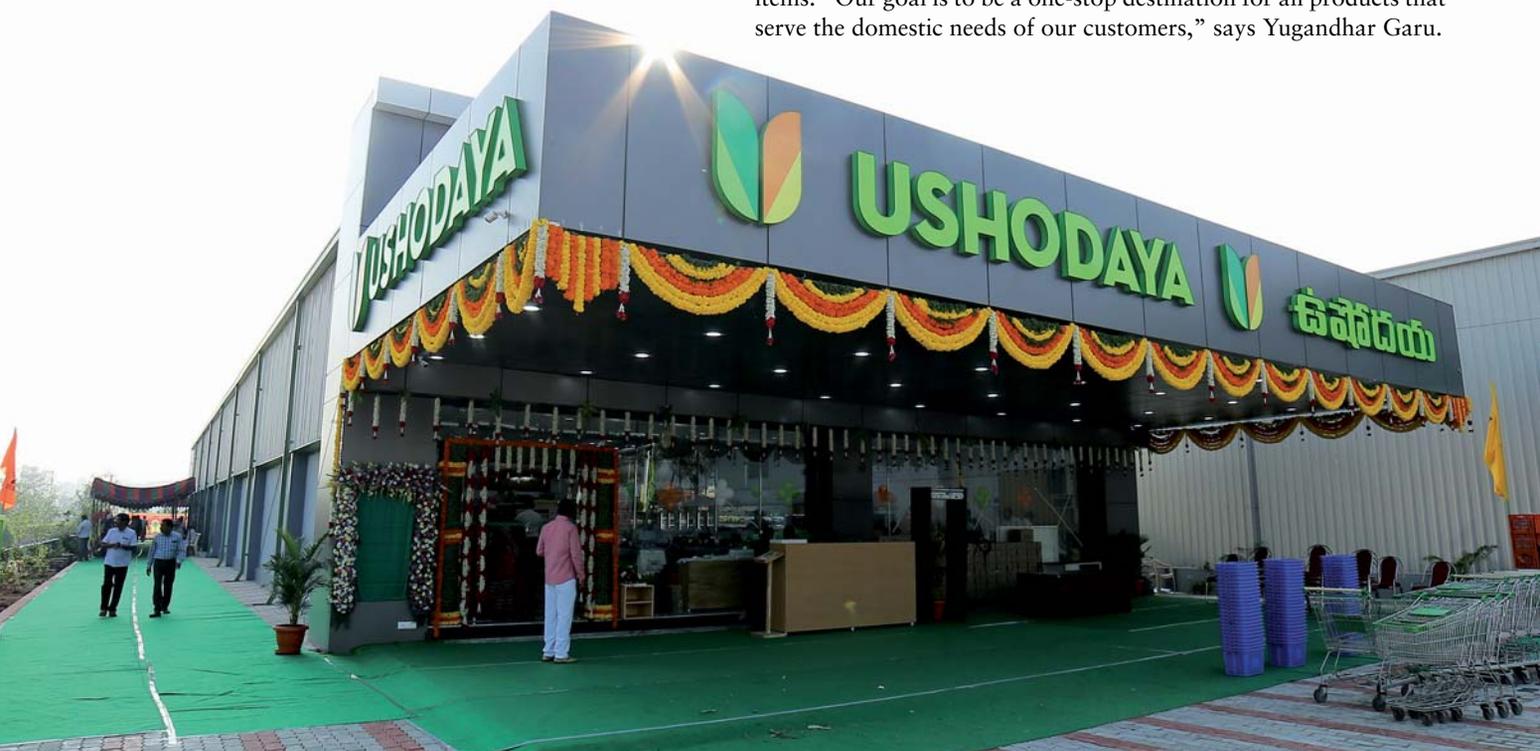
IT TAKES YEARS OF HARD WORK AND CUSTOMER FOCUS FOR A SUPERMARKET CHAIN TO BECOME WELL-KNOWN FOR ITS SERVICE ORIENTATION, OFFERING VALUE FOR MONEY, AND RELATIONSHIP-BUILDING SAVVY. THE HYDERABAD-BASED 14 STORE CHAIN USHODAYA SUPERMARKET HAS EARNED ITS CACHET WITH DILIGENCE AND DEDICATION. **MANNAVA YUGANDHAR GARU, MANAGING PARTNER OF USHODAYA SUPERMARKET,** SPEAKS TO PROGRESSIVE GROCER ABOUT HOW THE STORE CHAIN HAS BEEN ABLE TO BUILD ITS CUSTOMER IDENTITY OVER THE PAST 15 YEARS OF OPERATIONS AND ABOUT HIS PLANS TO EXTEND HIS BRAND'S FOOTPRINT TO NEWER LOCATIONS IN HYDERABAD AS WELL AS TO THE OTHER CITIES IN TELANGANA AND ANDHRA PRADESH.

By Sanjay Kumar

Ushodaya Supermarket is one of the top ranking food and grocery retail companies and a leading independent supermarket chain in the States of Telangana and Andhra Pradesh today. The Food & Grocery (F&G) retailer set up shop and launched its first store on 1st April 2005 from A.S. Rao Nagar, Hyderabad. “That is how Ushodaya’s retail journey started and that is when our first store was launched,” says **Mannava Yugandhar Garu, Managing Partner, Ushodaya Supermarket.**

Now in its 16th year of operation, the retailer has not only expanded its retail footprint to 14 stores spread across Telangana and Andhra Pradesh and occupying 76,000 sq.ft. of trading area, Ushodaya Supermarket has also cemented and sealed its reputation as a sterling F&G chain of convenience stores.

Ushodaya Supermarket offers a wide variety of quality products in every category ranging from food and grocery, fruits and vegetables, bakery, dairy, housekeeping products, office stationery, organic products, laundry and detergent, sanitary products, toys, gifts & novelties, sports accessories, electronics, and many other items. “Our goal is to be a one-stop destination for all products that serve the domestic needs of our customers,” says Yugandhar Garu.





Beverage segments are growing at a healthy clip of 20–25%

THE MARKET FOR BEVERAGES IS GETTING MORE SEGMENTED AND NICHE THAN EVER BEFORE. AND WITH MORE AND MORE INDIANS OPEN TO THE IDEA OF TRYING OUT NEWER AND DIFFERENT FLAVOURS, IT IS A GOOD TIME FOR BEVERAGE COMPANIES TO LAUNCH NEW DIFFERENTIATED PRODUCTS, FLAVOURS AND VARIANTS.

By Sanjay Kumar

The beverages category contributes 8-10 per cent of the total food & grocery (F&G) market in India. With the entry of major international beverage players over the past few decades, the market has evolved and has made way for many new products, which have found an instant connect with Indian consumers.

According to research conducted by **IMAGES Group** – the publisher of *Progressive Grocer India* – the overall market for beverages in India was close to Rs. 195,000 crore in 2016 and was growing at 20–23 per cent. Though confirmed market figures are not awaited, this growth rate was expected to take the beverage category to three-and-a-half times its size by 2020.

But even if that milestone were to be reached, India's per capital consumption of non-alcoholic beverage drinks is just about 5 litre, which is very low in comparison to the global average of 85 litre. According to market intelligence and research firm **Mintel**, "for most packaged beverages in retail, India still remains a small market but one that is growing rapidly."

Be that as it may, beverage products are gaining big traction among Indian consumers largely because of the convenience and hygiene offered by value-added non-alcoholic beverages. This is particularly true among those aged between 18 and 34 years as Indian consumers in this age group have either grown up consuming these products or have seen the market grow enough to be familiar with them.



Beverage Trends in India

IN A CROWDED BEVERAGE SPACE IN INDIA, ALL SEGMENTS – FROM THE TRADITIONAL CARBONATED SOFT DRINKS AND JUICES TO THE NEWLY EMERGENT CATEGORIES OF FLAVOURED WATER AND FLAVOURED MILK PRODUCTS – ARE COMPETING TO MEET CONSUMERS' HYDRATION AND THIRST QUENCHING NEEDS.

By Rushikesh Aravkar

T

he post-pandemic interest in nutrition means brands can create standout beverages by going beyond hydration or thirst-quenching needs and delivering better-for your (BFY) benefits.

Some key trends in the category are:

Sugar reduction is high on agenda: In line with Mintel Trend 'Supermanny State', globally as well as in India, governments have been stepping up to help consumers make better health decisions through new regulations. FSSAI aims to cut down on salt, sugar and oil consumption in the diet by 30% by 2022.

Need for holistic wellbeing drives drink choices: Mintel Trend 'Help Me Help Myself' highlights how consumers are learning new ways to nudge themselves towards better habits and healthful choices. Living a healthier lifestyle is a top goal for almost half of Indian consumers. On cue, forward looking brands are promoting, facilitating and guiding consumers to choose healthy beverages.

Consumers seek proteins in beverages: Mintel Trend 'Help Me Help Myself' highlights how consumers are learning new ways to nudge themselves towards better habits and healthful choices.



How e-commerce has been a gamechanger for Indian MSMEs

INTERNET WAS ONCE THE WEAKNESS OF MSMEs IN INDIA. BUT, WITH THE PASSAGE OF TIME, THE WEAKNESS HAS TURNED INTO A SOURCE OF STRENGTH, AND EVENTUALLY E-COMMERCE HAS PROVED TO BE A GAMECHANGER FOR INDIAN MSMEs.

By Raghunandan Saraf

Governments, whether belonging to a State or the Centre, have always accepted the potential of Micro, Small and Medium Enterprises (MSMEs) in India across both online and offline platforms, and the pivotal role that MSMEs play in the Indian economy. No matter what the industry or domain is, MSMEs have always contributed a major role in the growth of a particular sector. But, with the advent of the internet, the MSMEs have gained muscle like never before by catering to an online audience. Internet was once the weakness of MSMEs in India but with the passage of time, the weakness has

turned into a source of strength, and eventually e-commerce has proved to be a gamechanger for Indian MSMEs.

MSMEs enhance revenues

By embracing e-commerce platforms, MSMEs in India are surpassing their existing revenues and business margins. This is all thanks due to the increased market reach and by establishing online connections with the new and unexplored markets. Moreover, it has been proved in many surveys and reports that MSMEs using the internet are making their jobs way easier as compared to MSME entities that are hesitant or challenged in any manner to embrace e-commerce.

India to be 2nd largest e-commerce market by 2034

Continuing with the positives that the MSME sector has received in the past due to the e-commerce boon, it is expected to fetch likewise returns in



BEYOND COVID-19

After a tumultuous period of pandemic disruption, key grocery categories face an uncertain outlook for consumer demand.

By Mike Troy

A

period of reckoning has arrived for the food retailing industry. After the onset of the pandemic more than a year ago caused a massive spike in sales, there was a steady deceleration in the rate of growth throughout 2020. The new year began the same way, but now, as retailers are in the midst of lapping the great pantry-loading period of 2020, sales comparisons have become extremely challenging and the growth outlook for the remainder of the year remains murky.

To review, total perimeter department sales increased 11.2% to \$161.3 billion, during the 52 weeks ended Feb. 21, 2021. The two biggest constituents of the perimeter, produce and meat, grew 12.9% to \$70.9 billion and 21.9% to \$48.3 billion, respectively.

The overall deli department's once-in-a-lifetime growth numbers were held back somewhat by challenges in the deli prepared area, where sales declined 16.6% to \$13.8 billion. However, the full-year figure doesn't tell the true story of a section that appears poised for a rebound in the second half of 2021. The deli prepared area saw sales declines of 30% or more during the early months of the pandemic, but then retailers figured out how to modify their operations and resume sales. Declines persisted as fewer people ventured inside stores, with low double-digit declines becoming the norm in late 2020 and the start of 2021.





The big winner of all of the perimeter departments during the pandemic was seafood, with sales advancing 30.5% to \$6.2 billion. However, the trajectory of sales in seafood appears to have been driven somewhat by supply chain disruptions early on in the pandemic that caused in-stock challenges in other protein categories. For example, meat sales surged 41.3%, 32.9% and 42.8% during March, April and May, respectively, before falling back to Earth somewhat to grow in more of the 15%-to-20% range.

By comparison, shoppers showed little interest in seafood during the early days of the pandemic, with sales rather muted in March and April. Then the category caught fire in May, June and July, growing more than 40% each month, with sales maintaining a near, or above, 30% monthly rate of growth through the 52-week period ending Feb. 21.

Optimism Prevails Among Some

Despite what's expected to be a challenging year for sales growth, CEOs and consumer and retail companies are very optimistic. Worldwide financial consultancy KPMG recently surveyed 60 CEOs at global consumer and retail companies with revenues in excess of \$1 billion, and 90% said that they're confident or very confident in their company's growth prospects over

Perimeter Categories

(Fastest-Growing)

CATEGORY	PERCENT CHANGE	DOLLAR SALES
PERIMETER	11.2%	\$161,257,324,659
Produce	12.9%	\$70,908,225,330
Meat	21.9%	\$48,303,016,302
Deli/Prepared Foods	-16.6%	\$13,775,077,600
Bakery	-6.4%	\$6,767,802,023
Deli Meat	11.2%	\$6,648,653,138
Seafood	30.5%	\$6,177,493,605
Floral	3.3%	\$5,761,939,827
Deli Cheese	12.8%	\$2,915,116,834

Perimeter Categories

(Highest-Volume)

CATEGORY	DOLLAR SALES	PERCENT CHANGE
PERIMETER	\$161,257,324,659	11.2%
Produce	\$70,908,225,330	12.9%
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Bakery	\$6,767,802,023	-6.4%
Deli Meat	\$6,648,653,138	11.2%
Seafood	\$6,177,493,605	30.5%
Floral	\$5,761,939,827	3.3%
Deli Cheese	\$2,915,116,834	12.8%

Source: IRI Market Advantage-TSV

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