

QUICK COMMERCE: WHILE THERE IS A GROWING DEMAND TO CATER TO THIS WHITE SPACE, THERE ARE ISSUES AROUND THE MODEL'S VALUE PROPOSITION AND VIABILITY, ITS OPERABILITY AND PROFITABILITY.

Ahead of What's Next

Progressive GROCER

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DARK STORES

The Forward-Looking Retail Model.

TECHNOLOGY

How new inventions are advancing the process of grocery shopping.

INTERNATIONAL RETAIL

Walmart, on its 60th birthday, is just getting started on disrupting grocery.

Namdhari's

**The only 100%
vegetarian
omnichannel
retailer in India
with a seed-to-
plate concept**

GURMUKH ROOPRA

CEO, NAMDHARI'S GROUP



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It's the most buzzy segment of grocery retail to have emerged after the post-Covid era, occupying the headspace of both retailers and consumers. Yes, we are talking of Quick Commerce, and the model seems to have brewed up a perfect storm in the grocery industry.

We gathered a slate of leading retail professionals who spoke out their minds (Industry Round Table, pages 44) on the nitties and gritties of the model and walked us through the important metrics that matter in this business: average ticket size, unit economics, product mix, blended margins, number of bills, average bill value, key value categories and items and, of course profitability. As we see it, though it's too early to predict the future of the quick commerce model, the segment has already become a market darling with venture capitalists and investors rushing in with dreams of striking gold.

Our Cover Story on Namdhari's (pages 36) turns the spotlight on perhaps the only fully integrated seed-to-plate retailer in India. The Bangalore-based Namdhari's Group forayed into the retail business in 2002 and currently operates a total of 31 stores under its two banners: Namdhari's Fresh and Simpli Namdhari's. The striking thing about the retailer is that about 50-60 percent of its sales comes through products of which it controls the complete value chain – from the seed to the plate stage.

At a time when food safety and sustainability has come to acquire the mindshare of consumers everywhere, Namdhari's retailing strategy and initiatives deserve a big shout out. We hope that their success story will spawn more such emulative initiatives from other retailers as well.

Amitabh Taneja
Editor-in-Chief

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Cover Story 36

Namdhari's: A Front Runner in Food Retail Value Chain

As a corporate group with established credentials in the production, distribution, retail and export of fresh vegetables & fruits, Namdhari's forayed into the food retailing business with the launch of the first Namdhari's Fresh store in the year 2002 in Bangalore.



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THE TRIUMPH OF TECHNOLOGY

FROM CASH REGISTERS TO BARCODE SCANNING AND NOW AI VISION, NEW INVENTIONS HAVE CONTINUED TO ADVANCE THE PROCESS OF GROCERY SHOPPING.

By Jenny McTaggart

It's hard to imagine the success of the supermarket without considering the impact of technology. Long before computers came along, the retail business made use of the latest scientific inventions to create new efficiencies and make consumers' lives easier. From the invention of the first cash register, to the development of long-haul trucks and highways that made cross-country trade available, and on to today's hand-held devices and the latest cameras equipped with artificial intelligence (AI) vision that can teach us more than ever before about consumer behavior, technology has truly triumphed over the past century.

And if you think technology has evolved at a rapid clip over the past several decades, hold on to your seat for what's coming next, according to the experts. "I talk all the time about this exponential growth curve of technology," observes Gary Hawkins, CEO of Center for Advancing Retail & Technology (CART), based in Walnut, Calif. "It's really the exponential growth curve of computer processing power and Big Data and so on. It's accelerating so rapidly because we're now moving past that inflection point on the growth curve. What that means is that all this change — more and more technology, more and more innovation — is going to be more noticeable, and it's going to be happening faster and faster. Science fiction is becoming real."



Key Takeaways

- ▶ **Technology has evolved at a rapid clip over the past several decades, and is poised to ramp up even more as the line between brick-and-mortar stores and the digital world continues to blur.**
- ▶ **The new level of consumer data made possible by vision technology will become more important than ever for retailers seeking more "smart data."**
- ▶ **Today's technology is allowing each shopper to have their own experience based on their unique preferences.**

Indeed, with the accelerated pace of today's retailing environment — where the line between brick-and-mortar stores and the digital world is blurring more than ever — it's both exciting and perhaps a bit intimidating to think of how the next 100 years in grocery retailing might pan out. Experts share more of their thoughts on the future of grocery retailing in the sidebar on page 24.

For the time being, though, as we celebrate Progressive Grocer's 100th year as a publication, let's take a look back at some of the major achievements in grocery-related technology over the past century.

The Shopping Cart

One of the earlier technological advancements of the 20th century in the supermarket industry took place in 1937, when grocery store owner Sylvan Goldman worked with mechanic Fred Young to design the first shopping cart,



Namdhari's: A Front Runner in Food Retail Value Chain

AS A CORPORATE GROUP WITH ESTABLISHED CREDENTIALS IN THE PRODUCTION, DISTRIBUTION, RETAIL AND EXPORT OF FRESH VEGETABLES & FRUITS, NAMDHARI'S FORAYED INTO THE FOOD RETAILING BUSINESS WITH THE LAUNCH OF THE FIRST NAMDHARI'S FRESH STORE IN THE YEAR 2002 IN BANGALORE.

THE SUCCESS AND POPULARITY OF NAMDHARI'S FRESH STORES INSPIRED THE GROUP TO TRY A NEW CONCEPT AND FORMAT UNDER THE BRAND NAME OF SIMPLI NAMDHARI'S, WITH THE FIRST STORE LAUNCH IN 2019 IN BANGALORE.

WHILE NAMDHARI'S FRESH WAS SET UP WITH THE OBJECTIVE OF FILLING THE SEGMENT OF PREMIUM GREEN GROCERY, SIMPLI NAMDHARI'S MADE ITS DEBUT IN 2019 AS THE ONLY 100% VEGETARIAN OMNICHANNEL RETAILER IN INDIA WITH A SEED-TO-PLATE CONCEPT AND OFFERING A DISTINCTIVE GROCERY EXPERIENCE STEEPED IN ENVIRONMENTAL VALUES AND SUSTAINABILITY.

CURRENTLY, THERE ARE 23 NAMDHARI'S FRESH AND 8 NAMDHARI'S SIMPLI STORES IN OPERATION – ALL IN BANGALORE – SPANNING ABOUT 80,000 SQ.FT. NAMDHARI'S FOCUS IS ON MAKING ITS BUSINESS FUTURE READY, WHICH MEANS THAT NEW AND UPCOMING STORES WILL BE MODELLED AROUND THE SIMPLI NAMDHARI'S CONCEPT.

By Sanjay Kumar



QUICK COMMERCE: **Is it a case of too much too quick?**

IT'S THE MOST BUZZY SEGMENT OF GROCERY RETAIL TO HAVE EMERGED AFTER THE POST-COVID ERA, OCCUPYING THE HEADSPACE OF BOTH RETAILERS AND CONSUMERS. THE SEGMENT IS AN OFFSHOOT OF THE CONSUMERS' DESIRE FOR INSTANT GRATIFICATION, INSTANT FULFILLMENT AND DELIVERY. WHILE THERE IS EMERGING CONSUMER NEED AND DEMAND TO CATER TO THIS WHITE SPACE, THERE ARE ISSUES AROUND THE BUSINESS MODEL'S VALUE PROPOSITION AND VIABILITY, ITS OPERABILITY AND PROFITABILITY, AND HOW IT IS GOING TO IMPACT AND SHAPE CONSUMER BEHAVIOR IN THE FUTURE ALONG WITH THE MODEL'S IMPRINT ON TOPICAL LEADERBOARDS SUCH AS CARBON FOOTPRINT, AND OTHER SUSTAINABILITY BENCHMARKS.

PROGRESSIVE GROCER REACHED OUT TO A CROSS-SECTION OF LEADERS IN THE RETAIL INDUSTRY TO GAUZE THEIR VIEWS AND OPINIONS ON THIS TRENDING SUBJECT AND HOW THEY THINK THE QUICK COMMERCE MODEL SHOULD ADDRESS THE UNDERLYING FACTORS OF CONCERN FOR THE SEGMENT TO PAN OUT SUCCESSFULLY.





Key Takeaways

- ▶ Walmart's redesign of its stores aims to earn primary-destination status from shoppers.
- ▶ Hyper-localization of the retailer's grocery assortment and expansion of private label continue to drive sales.
- ▶ Investing heavily in convenience, omnichannel, supply chain capacity and automation enables the company to stay ahead of demand.



The New Walmart

On its 60th birthday, the retailer is just getting started on disrupting grocery.

By Gina Acosta

With the rate of inflation in the United States at a 40-year high of 7.5%, and geopolitical strife threatening to take prices even higher, there are only a handful of grocery retailers in a unique position to leverage these crises into drivers of business. At the top of that list of food retailers is Walmart.

“During periods of inflation like this, middle-income families, lower-middle-income families, even wealthier families become more price sensitive, and that’s to our advantage,” Walmart CEO Doug McMillon said during the company’s fourth-quarter earnings call in February. “So we’ve been through this before, and we run with inflation around the world all the time. But inflation is a different environment in the U.S. right now than it has been in recent times, for sure.”

Especially in hard times, Walmart keeps growing. As the Bentonville, Ark.-based retailer prepares to celebrate its 60th birthday this year, it’s just getting started on a whole new business model perfectly suited for these hard times and poised to drive even more growth: one that leverages the company’s multibillion-dollar investments in store experience, product assortment, digital convenience and sustainability.

Walmart Chief Merchandising Officer Charles Redfield offers Progressive Grocer an exclusive glimpse what’s next for the company that already sells more groceries in the United States than any other retailer.

“We may be the largest, but we also want to be the best and the customer’s first choice,” Redfield says. “We do that by evolving and innovating. We are innovating across our stores, supply chain and customer experience to ensure we exceed their expectations on however and whenever they want to shop. We’ll continue to evolve and innovate for the future. Our continued commitment is to always provide our customers with fresh, high-quality food items at the everyday low prices they expect, no matter how they shop.”

Variety Redefined

At first glance, Walmart at the age of 60 might not look all that much different from the shop that founder Sam Moore Walton first opened in the 1940s in Newport, Ark.

From 1945 until the 1960s, Walton’s retailing business was devoted entirely to the operation of variety stores. In 1962, he opened the first

“We may be the largest, but we also want to be the best and the customer’s first choice. We do that by evolving and innovating. We are innovating across our stores, supply chain and customer experience to ensure we **exceed their expectations on however and whenever they want to shop. We’ll continue to evolve and innovate for the future. Our continued commitment is to always provide our customers with fresh, high-quality food items at the everyday low prices they expect, no matter how they shop.”**

— Charles Redfield, Chief Merchandising Officer, Walmart



PRODUCT LAUNCH

Hershey India comes out with 'Crunchy Cookie' Chocolate spread



Hershey India Pvt Ltd., a part of The Hershey Company, a leading global snacking giant and the largest producer of quality chocolates in North America, has expanded its portfolio of breakfast offerings with the launch of its 'Crunchy Cookie' Chocolate Spread.

Breakfast is the most important meal of the day. But it is a frequently skipped meal, particularly among young adults. Hershey India's new crunchy spread, combining the indulgence of creamy chocolate spread and crunchy cookies, will not only make breakfast indulgent and something which the chocolate lovers look forward to.

The new product aims to expand the company's reach to Millennials and Gen Z audiences, who are seeking multi-sensorial

options to turn breakfast into the day's favorite meal. Similarly, Hershey's new creamy cocoa spreads and crispy cookies combine to provide consumers with a multi-sensory experience that combines the best of both worlds.

Commenting on the launch of Hershey's Crunchy Cookie Chocolate Spreads, Ankit Desai, Marketing Director at Hershey India said, "We're celebrating togetherness with the launch of our new Hershey's Crunchy Cookie Chocolate Spread, which combines the richness of creamy cocoa and crispy cookies. Hershey strives to keep consumer trends and demands at the forefront of its product development, resulting in innovative, relevant, and differentiated offerings."

Malaki launches low-cal Tonic Water and Ginger Ale

For the teetotalers or those on a health-conscious diet, Malaki has come up with its delicious and low-calorie crafted beverages with natural ingredients and avant-garde flavours. Keeping the fitness-oriented and health-supportive movement in mind, Malaki has just hit the market with their 1 cal Tonic Water and their 1 cal Ginger Ale.

"While everyone needs a good mixer, the health-conscious movement in the last year has taken over and we want to give people a healthier and fitter option for mixers for their favourite drinks. So, several trials and innovations later, we have launched our 1 calorie tonic water and our 1 calorie, Ginger Ale. So, If you love your Gin and Tonic or your Vodka Ginger Ale, you don't need to give up on them – just opt for the lighter Malaki variant," said Mohit Bhatia, co-founder of Malaki.

Founded by Ashish Bhatia and Mohit Bhatia, Malaki is now a leading name in the the alternative beverage market and aims to redefine India's functional beverage landscape. Since its launch, the brand's luxury beverage offerings have earned acclaim in multiple countries. Touted by Forbes as the youngest and most innovative brand in the beverage space in 2018, they are consistently expanding their offerings – Sparkling Water from the

Himalayas; Tonic Water; Coffee Tonic for coffee lovers; and Ginger Ales.

"Consumer taste and preferences have drastically changed over the last 5 years. They are moving away from traditional colas and toward new-age beverages that balance taste, quality, and calories. We have been able to track this and create such products. We are currently supplying our products in the D2C sector through online quick commerce platforms and have a strong presence in the B2B sector as well," said Ashish Bhatia, Co-founder.

Packaged in swanky glass bottles and easy-to-use cans, the brand has partnered with most major hotel chains and many premium restaurants across the country, making India its largest global market. Besides being a refreshing drink that can be enjoyed as is, its elegantly designed bottles make for a strong decor element at your at-home bar.





Dark Stores: The Forward-Looking Retail Model

WITH AROUND 49% OF PEOPLE FOCUSING ON PRODUCT AVAILABILITY WELL AHEAD OF PRICE AND QUALITY FACTORS, RETAILERS ARE TURNING TO “DARK STORES” AS THE LAST FULFILMENT CENTRE TO MOVE THEIR PRODUCTS TO CONSUMERS.

By Sunil Munshi

A

Most every aspect of traditional retail has undergone massive transformations in the last few years. The recent rise of online shopping and overnight doorstep

delivery options have changed customer expectations, with around 49% of people focusing on product availability well ahead of price and quality factors. It has expedited the need for phygital retail model to stay afloat and substitute gaps in offline footfalls with online interactions. As a measure to maximize sales and meet orders, retailers are turning to “dark stores” as the last fulfilment centre to

move their products to consumers.

Dark stores, also called micro-fulfilment centres, are mini warehouses from where orders can be picked up and delivered to customers. It is basically a physical retail space that has been shut down and transformed into a fulfilment centre. The space is not open for in-store shopping, allowing larger space for inventory and quickly fulfilling orders.

Transitioning to dark supply centres

As stay-at-home and social distancing orders become a modern-day mandate, some brands have forced shutdown stores and transformed them into locations that facilitate order delivery and pickups. Leading brands like Whole Foods, Walmart, along with many OEM and fashion brands, have already adopted this trend. These dark stores have streamlined the supply chain networks of brands and provided an effective alternative to reduce the strain on the primary fulfilment hubs.

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Consumption trends in F&G / FMCG market; Innovations by brands and retailers; Success Stories/ Case studies on interesting concepts in F&G / FMCG; The scope of 'Make in India' in the food sector; Modern Cash & Carry business vs. Traditional general trade and wholesale markets in India; Investments Opportunities in Food backend operations; Successful brand-retailer collaborations and partnerships; Private Labels; Successful marketing/ branding or sales campaigns by brands and retailers

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