

RETAIL SOLUTIONS: HOW AI AND IMAGE RECOGNITION ARE HELPING CPG BRANDS AND RETAILERS TO ACCELERATE SALES.

Ahead of What's Next ▶

Progressive GROCER

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ONLINE RETAIL:
Must-have features for e-commerce warehouse management.

EQUIPMENT & DESIGN:
The design categories shaping grocery.

OPERATIONS: Maximizing store value through end-to-end retail management.

INDIA EDITION



METTO SUPERMARKET

ODISHA'S GROCERY CHAIN
INSPIRED BY THE D-MART STORY



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Today, it has become increasingly critical for retailers to ensure an equally strong presence across all customer touchpoints, whether it's through touchscreen, voice assistant, live streaming, and more. Only then can a retailer hope to make his store relevant to consumers, who are increasingly becoming nomads in their choice of shopping interface and the way they interact with brick-and-mortar stores.

Our story "Maximizing store value through end-to-end retail management" (pages 26-27) dwells on why retailers need to redesign their stores in sync with the emerging consumer demands. Stores need to have a footprint across all consumer touchpoints to be in step with the changing consumer habits and to maximize traffic and footfall. The story calls on retailers to dial up their retail management practices in order to make faster decisions on how to reengineer their store operations and amplify footfall quantum in the future.

Our cover story in this issue on Odisha-based Metto Supermarket (pages 18-25) offers a fascinating read on how even trained retailers, in their zeal to move the flywheel too fast, can come a cropper. It's the story of a retailer who had all the right creds by way of educational background (MBA), business lineage (family members in business) and one who went all the way to gather extra business moss by working with top retailers.

And yet, he went grievously wrong with his second store which had to shut within the first year of operations. The setback pushed the retailer back professionally by three years during which he went back to the drawing board, relearned the lessons of retail science and has since been operating his five stores successfully, with plans to cross Rs. 50-60 crore in revenue by 2024.

Amitabh Taneja
Editor-in-Chief

All feedback welcome at editorpgindia@imagesgroup.in

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Metto Supermarket:

Odisha-based Metto Supermarket currently has a portfolio of 5 stores, in Cuttack and Bhubaneswar.

Though a setback early in the career of its promoter pushed him back professionally by three years, the chain has been operating successfully after 2015, with plans to cross Rs. 50-60 crore in revenue by 2024.



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METTO SUPERMARKET: ODISHA'S HOME-GROWN GROCERY CHAIN INSPIRED BY THE D-MART STORY

METTO SUPERMARKET WAS STARTED AS A 2,500 SQ.FT. STORE INITIALLY WITH AN INVESTMENT OF RS. 25 LAKH. THE SIZE OF THE STORE WAS LATER EXTENDED TO 4,500 SQ.FT. AFTER SIX MONTHS OF THE LAUNCH, AND IT IS TODAY SPREAD ACROSS 6,400 SQ.FT.

METTO CURRENTLY HAS A PORTFOLIO OF 5 SUPERMARKETS — 4 IN CUTTACK AND 1 IN BHUBANESWAR. OF THE THREE STORES THAT ARE CURRENTLY OPERATIONAL — ALL IN CUTTACK — THE FIRST STORE AT 6, 400 SQ.FT. IS THE LARGEST FOLLOWED BY A 2,800 SQ.FT. STORE, WITH THE SMALLEST AT 850 SQ.FT.

THE TOTAL RETAIL AREA OF ALL THE FIVE STORES IS ABOUT 24,000 SQ.FT, WITH THE ONE TO COME UP IN BHUBANESWAR IN DECEMBER THIS YEAR BEING THE LARGEST AT SOME 10,000 SQ.FT., OF WHICH ABOUT 8,500 SQ.FT. IS GIVEN TO RETAIL TRADING AND THE REMAINDER IS FOR BACK-OFFICE AND BACK-END WORK.

IN TERMS OF REVENUE PERFORMANCE, FOR THE MONTH OF JULY, SALES CAME IN AT RS. 65 LAKH FOR THE 6,400 SQ.FT. STORE AND RS. 35 LAKH FOR THE 2,800 SQ.FT. STORE.

By Sanjay Kumar



L to R: AZIM MOHAMMAD, Managing Director, and IFFAT JAHAN, Executive Director, Metto Super Market



Maximizing store value through end-to-end retail management

HOW WILL CONSUMERS INTERACT WITH BRICK-AND-MORTAR STORES IN THE FUTURE? THIS IS WHERE RETAIL MANAGEMENT MUST NOW MAKE BETTER, FASTER DECISIONS ON HOW TO REENGINEER THEIR STORE OPERATIONS AND AMPLIFY FOOTFALL QUANTUM IN THE FUTURE.

By Sunil Munshi

Retail is an ever-evolving industry that has seen disruptions and transformations like no other. From being a brand-driven industry to a product and now pivoting to value-based experiences, the disruptions have been rather disquieting. The new generation of shoppers has grown up speaking to voice assistant devices and shopping on touchscreen devices from the comfort of their homes. Thus it is critical for retailers to establish a symbiotic relationship across all customer touchpoints.

The pertinent question at this point is — how will consumers interact with brick-and-mortar stores in the future? This is where retail management must now make better, faster decisions on how to reengineer their store operations and amplify footfall quantum in the future.

Capitalizing on the values of social shopping

Despite rapid digitalization, there is a growing proportion of customers who want to go shopping at stores delivering elements of theatre and interaction that e-commerce cannot offer. It's an immersive social experience that people crave. Retail



Why e-commerce is a complement to, not a replacement for, in-store grocery shopping

MORE THAN FIVE IN 10 INDIANS, OUT OF 3,000 INDIAN INTERNET USERS AGED 18+ POLLED IN A MINTEL RESEARCH STUDY, PREFER TO BUY FRESH/PERISHABLE PRODUCTS FROM A STORE RATHER THAN ONLINE. AT THE SAME TIME, 79% OF CONSUMERS AGREE THAT ONLINE GROCERY SHOPPING IS MORE CONVENIENT THAN IN-STORE SHOPPING. RETAILERS WITH BRICK-AND-MORTAR AND ONLINE OPERATIONS CAN LEVERAGE E-COMMERCE AS A COMPLEMENTARY TOOL. FOR THEIR ONLINE OPERATIONS, RETAILERS CAN FOCUS ON NON-PERISHABLES WHILE USING THE STORE TO FOCUS MORE ON SUCH PRODUCTS THAT PEOPLE WANT TO SEE, TOUCH AND CHOOSE THEMSELVES.

By Saptarshi Banerjee

Grocery shopping is a planned, habitual behaviour. Indian consumers shop for food, especially fresh produce, at local kiranas (mom-and-pop stores) and supermarkets, which remains the norm despite the pandemic.

According to the latest Mintel research on grocery shopping trends, more than five in 10 Indians, out of 3,000 Indian internet users aged 18+ polled for this study, prefer to buy fresh/perishable products from a store rather than online. A common theme here is that consumers want to view and select these products in person before purchasing them.

At the same time, 79% of consumers agree that online grocery shopping is more convenient than in-store shopping. For too long, they were confined to their homes during lockdowns and still remain wary



E-commerce Warehouse Management Solution: Must-Have Features

E-COMMERCE BUSINESSES SAVE MORE MONEY WHEN THEIR WAREHOUSES UTILIZE THEIR OPERATIONAL RESOURCES AND LABOR WELL. THIS IS BY FAR THE BIGGEST ADVANTAGE A WMS CAN PROVIDE AN ONLINE BUSINESS.

By Punit Sindhwani

Online retailers need effective warehousing to support their continued expansion in the fiercely competitive world of e-commerce. The challenge for retailers is that e-commerce warehousing, however, becomes significantly more difficult every time your company reaches a

new turning point.

Among the difficulties that could arise as online retailers go through different growth stages are:

- ▶ You outgrow your first storage facility
- ▶ You possess an excessive amount of safety stock that needs to be kept at an overflow location.
- ▶ Choosing between buying land and renting a warehouse.
- ▶ Invest in the fulfillment infrastructure, including personnel, technology, certifications, shipping supplies, forklifts, conveyors, and other machinery.
- ▶ Adding new sales channels and hence requiring multichannel inventory management tools
- ▶ To shorten travel times and save shipping costs, open a second fulfillment center or grow into one.
- ▶ Extend your foreign fulfillment capabilities and establish yourself as a global brand.

Finding the best warehouse and inventory management solution for online retailers that results in



The Ascendancy of Ahold Delhaize

The mega-chain is gaining momentum through omnichannel, private brands and sustainability.

By Gina Acosta

The grocery industry was abuzz with excitement last month as rumors swirled that Ahold Delhaize was in talks with the Albertsons Cos. on a merger. Whether the rumors are true, Ahold Delhaize CEO Frans Muller has repeatedly hinted that the company thinks that there's an opportunity for growth in the grocery industry, due to the accelerating pace of consolidation, especially in the United States.

At a Giant Co. store in Philadelphia, Ahold Delhaize showcases its customer value proposition by offering customers healthy, quality and delicious choices in all departments, but especially in the perimeter with fresh. The company has also been adding more plant-based choices, and some of its stores even have nutritionists on hand to guide consumers who are new to the vegan lifestyle.



Key Takeaways

- ▶ Ahold Delhaize's Food Lion banner continues to lead brand performance.
- ▶ The retail conglomerate has reached 30% private-brand penetration at a time when consumers are increasingly seeking out bargains.
- ▶ It has also converted its first facility into a self-managed network, part of a three-year journey to a self-distribution model.



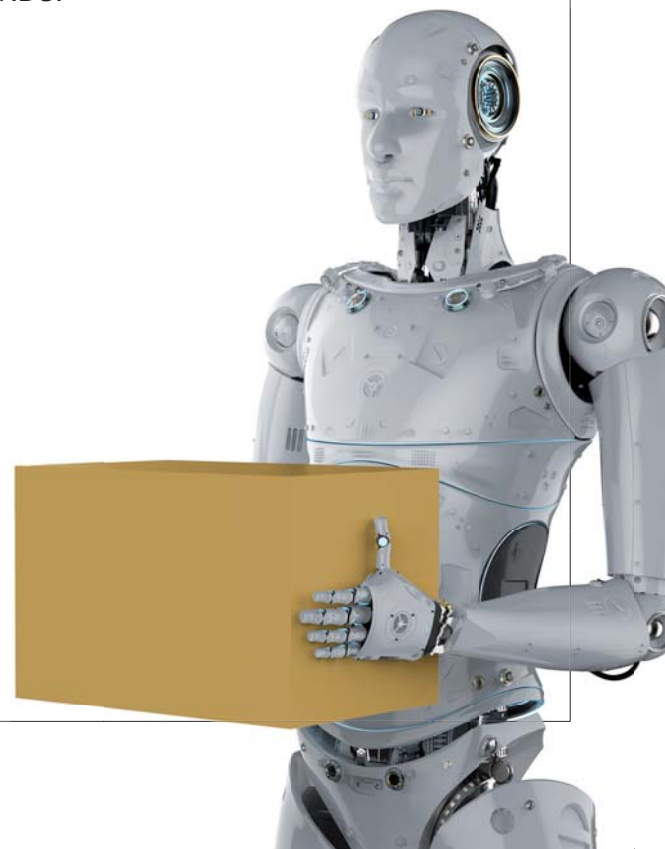
How AI and image recognition are helping CPG brands to accelerate sales

THE ADVANCED AGE OF RETAILING IN THE FORM OF MODERN RETAIL OUTLETS IS ADDING TO THE STRATEGIC COMPLEXITIES OF THE CONSUMER PACKAGED GOODS BRANDS. BUT THE MARKET IS BEING RESET WITH MORE ADVANCED INTELLIGENT TECHNOLOGIES THAT CAN BOOST MODERN RETAIL SALES FOR CONSUMER BRANDS.

By Paramdeep Singh Anand

When a customer looks at the shelf in a retail outlet, say for buying a beverage, what is the first brand they see and pick to buy. This is where technology is making all the difference for consumer brands placed on that shelf inside the modern outlet. While shopping is a pleasure for many consumers out there, it is a strategic battleground for consumer brands. The advanced age of retailing in the form of modern retail outlets is only adding to the strategic complexities of the consumer packaged goods (CPG) brands. There are over twenty-two thousand modern retail grocery outlets today totaling to a market size of \$20 billion. That means the potential is too high to miss. For years, technology has been helping consumer brands ace the traditional retail game with intuitive selling abilities and deep analytics in real-time. Now, the market is being reset with more advanced intelligent technologies that can boost modern retail sales for consumer brands. Here, the vision of CPG brands plays a vital role.

In local kirana stores, shop spaces are relatively smaller, making it slightly complicated for consumers to locate the product effectively. The retailer therefore dons the hat of an influencer, impacting consumer purchase





Target's first net-zero-energy store, in Vista, Calif., will inform the retailer's investments in new store and remodel programs as it strives to achieve net-zero greenhouse-gas emissions enterprise-wide by 2040.

A Journey Worth Taking

With a number of retailers making significant progress on the path toward a net-zero future, PG takes a look at their top sustainability initiatives planned for the next several years.

By Jenny McTaggart

Fifteen years ago, Progressive Grocer published its first-ever “green” issue, with the cover headline “Green is the New Black.” At that time (early 2007), sustainability was just becoming a mainstream trend in U.S. business as companies were beginning to recognize that it behooved them to invest in more earth-friendly practices and products to ensure a healthier environment, keep their shareholders happy and, especially, to reach consumers who were supporting these noble ideas with their wallets.

Fast-forward to 2022, and the grocery industry has started to



Key Takeaways

- ▶ A number of grocers have taken some major steps in areas such as energy efficiency, waste from packaging and surplus food, sourcing, and transportation and shipping.
- ▶ Some grocers see such actions as a competitive advantage.
- ▶ As food retailers embrace a circular economy, they're also encouraging consumers to recycle and reuse packaging.

rack up some rather impressive achievements while setting some major commitments related to sustainability. Of course, the industry has been gradually pulled along by government regulations that place more emphasis on climate change, but a growing number of retailers have recognized that what's good for the environment is often good for business, too.

Led by large mass-market retailers like Walmart and Target, which often have to answer to their concerned shareholders — as well as smaller chains with



Dark stores: A more optimistic future for retailers?

COMPANIES WITH A DARK STORE BUSINESS MODEL CLAIM THAT DARK STORE ADOPTION ADDS 3-4% TO THEIR BOTTOM LINE DUE TO MORE CONSUMER ORDERS AND LOWER OVERALL COSTS.

By Sandeep Mukherjee

A

Dark Store, also known as a micro-fulfillment center, is a place in a retail store dedicated to the speedy completion of online orders. When a customer order arrives, Dark Store staff pick and pack the items swiftly. The order is then shipped to the customer's address or a convenient collecting point selected by the customer

or alternatively collected by the customer personally.

Dark Stores is an idea where conventional stores are transformed into warehouses to make room for a click-and-collect service. It's a trend influenced by Covid-19, where stores that couldn't function during lockdown were transformed into "Dark Stores" to enable them to continue running. Companies with a dark store business model claim that dark store adoption adds 3-4% to their bottom line due to more consumer orders and lower overall costs.

Pandemic-led growth of Dark Stores

According to the Nielsen Bharat 2.0 report, India has 646 million active Internet users as of December 2021 and would surpass 900 million users by 2030. Though rural India accounts for 56% of active internet users, urban India continues to dominate online purchasing.

The COVID-19 pandemic has irrevocably altered internet purchasing habits. The survey, titled, COVID-19 and E-commerce, looked at how the pandemic affected

PRODUCT LAUNCH

Mother's Recipe launches its authentic Spicy Tomato Chutney



Mother's Recipe, one of India's leading Food brands, has launched its authentic and traditionally prepared Spicy Tomato Chutney in Bangalore. A quintessential element of every South Indian meal, chutneys represent the age-old culture that always makes our mouth water. Chutney has always been a favorite part of every meal; it adds flavor & excitement to all our food. To cater to the south Indian taste palate, Mother's Recipe Spicy Tomato chutney is prepared using tomatoes as the primary ingredient, along with oil, salt, sugar, chilli, coconut milk powder, tamarind, black gram split (udad dal), bengal gram split (chana dal), curry leaves, mustard seed, fenugreek, asafoetida, and turmeric.

Mother's Recipe Spicy Tomato Chutney adds peppery flavours that go perfectly well with all traditional South Indian meals. Attractively packed in an easy-to-pour spout pack and hygienically made, this Spicy Tomato chutney bursting with flavors, will surely enhance the taste of everyday meals and it is always with you when you feel like having some. Once opened it can be stored in the fridge and ready to consume whenever you want.

Commenting on the recent launch of the Spicy Tomato Chutney, Sanjana Desai, Executive Director, Mother's Recipe, said: "The recent launch of Spicy Tomato Chutney is a product we are very proud of and is always there in our pantry. Chutney is one category where we have witnessed consistent growth over the past few

years and is a welcome extension to already popular chutneys like Tamarind date chutney, Bhelpuri chutney, Panipuri chutney & Dhania Pudina chutney. This development is a result of demand from growing millennial consumers along with a rise in the working women's population. Parallely the demands of the FMCG sector are evolving and consumers are seeking convenience, hygiene, authenticity, and better-packaged products."

The products are available in all hypermarkets, exclusive Mother's Recipe outlets and local retail stores across Bangalore. Mother's Recipe Spicy Tomato Chutney is available in a spout pack at 200 gm at Rs.55 only.

Pansari Group introduces ready-to-cook and healthy snacking options

Taking note of the shifting preferences of the general public, the Pansari Group is now catering to the converging markets of breakfast and snacking by introducing packaged foods that are both ready-to-cook and healthy snacking options. Under the Indimix range, the company has introduced a list of traditional breakfast alternatives that are wholesome and nutritious.

Pansari Group's Indimix range includes nutritional nashta premixes, chapati treats, and meethi delicacies. The Indimix collection of products can be produced



in less than fifteen minutes, include no added preservatives, and maintain both their delicious flavor and high nutritional value level.

When developing these premixes, the Pansari group made certain that the premixes included alternatives for nutritious, balanced snacks and meals as well as options for people who enjoy indulging in sweets.

These Indimixes, which are offered in quantities of 200 gm and 500 gm, will make it simpler for individuals who are interested in making a transition to healthier food alternatives but do not have the time required to prepare meals and would benefit from these healthy ready-to-cook options.