

Ahead of What's Next ▶

# Progressive GROCER

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**INDIA EDITION**

On a mission to make **groceries and essentials** affordable and accessible to entire India.

**Yash Agarwal**  
Founder, National Mart  
India Ka Supermarket



**NATIONAL MART:** Telangana-based supermarket chain has grown to 6 stores spanning 50,000+ sq.ft. within a year. With monthly revenues totaling Rs. 10 crore, the chain is all set to press the accelerator in the days ahead.

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## LOOKING AHEAD

Trends and Developments that will ripple or recede for the Food and Retail industry

## SPECIAL FEATURE

India's coffee machine market is in a fast spin with HoReCa creating the froth

**INDIA EDITION**

## *Celebrating the crème de la crème of India's Foodservice Industry*

*The 6<sup>th</sup> Pepsi IMAGES Food Service Awards shines the spotlight on the country's top foodservice operators.*



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A new year comes laden with the promise of a fresh beginning. Even our mental accounting calendar is programmed to hit the refresh button this time of year. In line with the year-start sentiment, this maiden 2023 issue of the magazine features a slate of articles by leading experts that looks into the possibilities, opportunities and curveballs that India's food retail industry will likely run into as the year unwinds.

What will be the key trends that will shape the operability of retail businesses and keep them relevant in the future? What opportunities and challenges will brands and enterprises face as they step up to meet the new set of expectations from modern consumers increasingly being influenced by technology? Read the articles (*pages 24-30*) to grok the context in which these issues and concepts have been framed and how they will pan out during the year.

In a befitting choice to this year's first issue, our cover story (*pages 32-37*) pick is a young start-up retailer that burst on the scene only about a year ago in a small Telangana town. Some may say that National Mart, as an offshoot of Ratnadeep Retail, is a chip off the old block. But the brand and its young founder Yash Agarwal certainly deserve big-ups for moving the retailing needle and thread for taking modern grocery to India's backwaters. Another interesting story on India's coffee machine market (*pages 38-46*) reveals how fresh brew coffee and the specialty segment of the coffee market are in a simmer with new café chains and brands gunning up demand for more premium coffee machines.

To wrap up, we bring you the winners at the 6th Pepsi IMAGES Food Service Awards at India Food Forum on December 8 (*pages 50-61*). These best-performing retailers were honoured for their outstanding achievements in business performance, marketing, innovation, and growth of the food service business in India.

**Amitabh Taneja**  
Editor-in-Chief

All feedback welcome at [editorpgindia@imagesgroup.in](mailto:editorpgindia@imagesgroup.in)

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This new brand offering by south India's biggest and fastest-growing food and grocery retail chain Ratnadeep Retail has already grown to six stores within a year of launch.

The newly-launched stores are clocking monthly revenues totaling Rs. 10 crore and the brand is looking to press the accelerator further, positioning itself as 'India ka Supermarket' for Tier II & III cities and towns where modern grocery retail is looking to bloom.



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# The Top **7** Trends that will transform brands and enterprises in 2023

THE NEW YEAR WILL USHER IN NEWER INNOVATIONS IN AUTOMATION AND INDIAN ENTERPRISES WILL WITNESS GREATER ADOPTION AND IMPLEMENTATION OF ROBOTIC PROCESS AUTOMATION.



# A

utomation is becoming an integral component in the digital transformation journey of every Indian organization. According to the UiPath-commissioned IDC APJ Automation Survey 2022, 84% of Indian organizations will scale up their robotic process automation (RPA) initiatives or achieve an enterprise-wide RPA deployment by 2025.

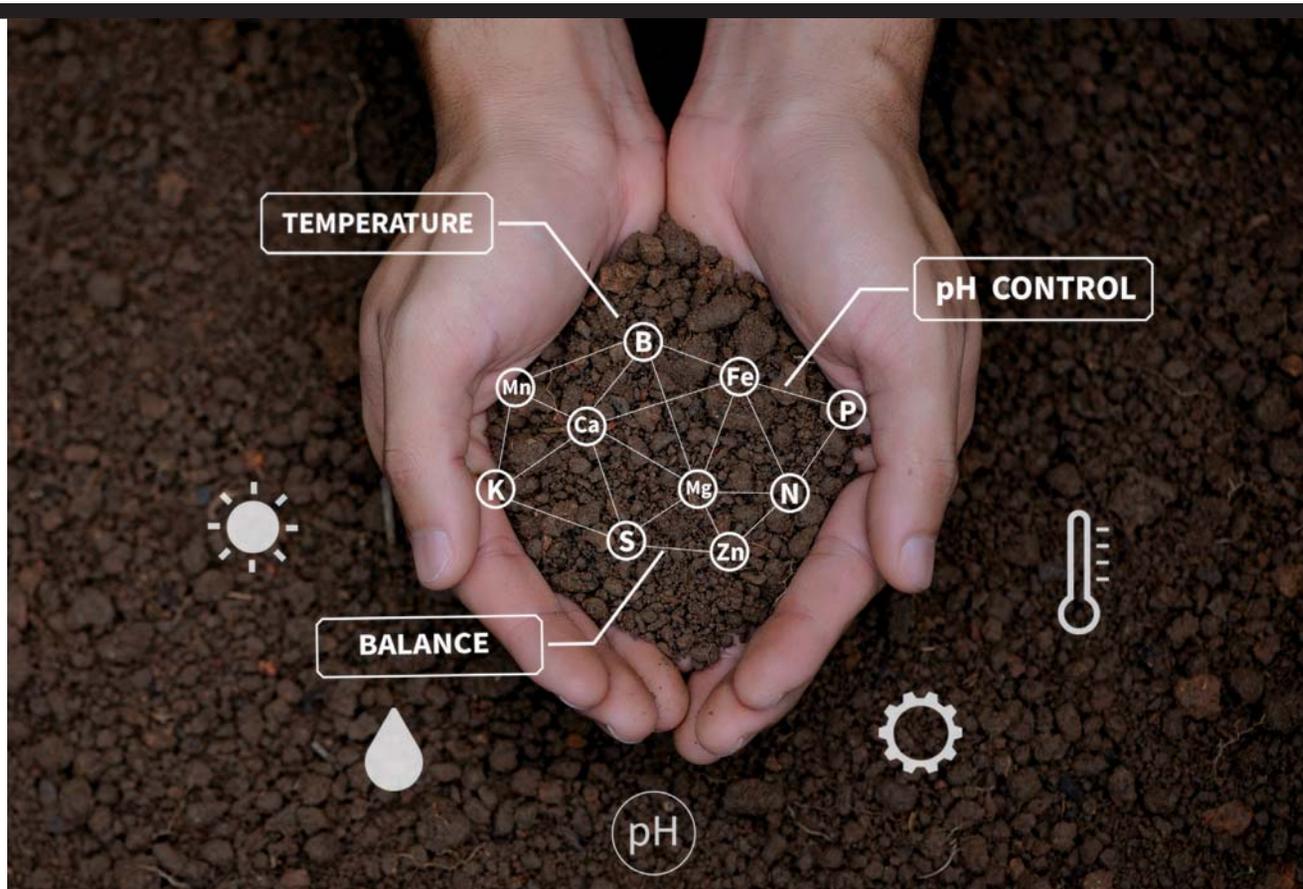
The survey says that Indian brands of the future have to harness the power of automation to become nimble and stay ahead of the competition. In automating tasks to make processes more efficient, the workforce can operate with greater speed and accuracy, which can have a significantly positive impact on an organization's employee retention rate and help in saving costs. As the need for productivity and efficiency increases, automation can empower workers in India to take on more complex tasks and create a dynamic world in which people and robots work together.

Here are the top trends that will transform automation this year.

## **1** Automation becomes the enterprise's new way of operating and innovating

The C-suite has come to understand and embrace the true potential of automation in driving business transformation and value. Enterprise-wide automation introduces 40% greater productivity and efficiency improvements over piecemeal automation alone.

By elevating automation, they're elevating its impact which leads to a better experience for both customers and employees and results in more value and more revenue. Based on the IDC APJ Automation Survey 2022 commissioned by UiPath, 88% of Indian organizations agree that automation will be a critical requirement for business excellence, customer experience, and competitive success in the next three years.



# Which agri-food industry trends will accelerate in 2023?

FROM AGRI FINANCE TO TECHNOLOGY INVESTMENTS IN AGRICULTURE, AND BUILDING SELF-RELIANCE AND SELF-SUFFICIENCY IN FOOD PRODUCTION TO HIGHER INVESTMENTS IN SOIL CONSERVATION AND BIODIVERSITY, THE YEAR WILL SEE SOME SIGNIFICANT INITIATIVES AND TRENDS GATHER FORCE THAT WILL GIVE A MAJOR BOOST TO THE PLANET'S FOOD SYSTEM.

By Krishna Kumar

**T**he past year was a challenging one for the global food system, to say the least. It uncovered several structural weaknesses in the wake of challenges such as extreme weather events, supply-chain disruptions, geo-political tensions, international conflicts, and growing food waste. The year also exposed our inability to manage global hunger and food security, reversing the progress made over decades of efforts.

The enormity of the challenge is evident from the fact that food security, climate-resilient agriculture, and agri-financing were the central theme of discussions at the recent COP27 event in Egypt and the G20 Summit in Indonesia.

In this context, we expect some significant agri-food industry trends to accelerate in 2023.

## **Agri-financing and sustainability investments will skyrocket**

Expect investments in sustainability projects to continue to see momentum. The United Nation noted recently that the world has not been doing enough to help poorer nations withstand

# NATIONAL MART

## A NEW GUARD RISES WITH A FRESH RETAIL TEMPLATE FOR NEW INDIA

National Mart – India Ka Supermarket – is the latest store format and a new brand offering by south India’s biggest and fastest-growing food and grocery retail chain, Ratnadeep Retail Pvt. Ltd.

Launched in 2021 in a small, provincial town of Telangana, National Mart and its founder **Yash Agarwal** certainly deserve big-ups for moving the retailing needle and thread by taking modern grocery to India’s backwaters.

National Mart’s mission to “make groceries and essentials affordable and accessible to entire India” may not be the petri-dish of some prescient retailing concept, but it’s definitely a move that will light a fire under the industry for other retailers to react. The new gambit certainly ranks up there as a bold and ambitious exercise in looking for where the hot spots of retailing future will be.

Six National Mart stores already up and running within a year of launch proves that the retailer knows how to test-bed new ideas, hatch an action agenda fast, and boost commercialization efforts. The newly-launched stores have been able to clock monthly revenues totaling Rs. 10 crore, which is further proof that when retail innovators with guts and glory dive into deep waters, the waters can turn out fine! And for retailers willing to think outside-the-box without being wedded to stale nostrums, taking a page out of National Mart’s book can hold out valuable lessons.

By Sanjay Kumar



**F**or any retailer hoping to earn a big slice of the country's expanding retail pie, India's Tier III & IV cities and villages in the semi-urban areas are like virgin markets waiting to be cracked open profitably. With the market for food & grocery retail business on the verge of saturation in India's top tier cities, it's a no-brainer that food and grocery retailers need to set their sights on the next growth markets to grow their business book.

Various reports on India's food retail industry suggest that the growth rate and stability of Tier III and IV cities in India are healthy and are bound to get even better – from 36% to 45% in the near future. That's all the more reason for food & grocery retailers to look out for the new and emerging middle class India. This segment of the population is going to matter most in the coming years – their spending capacity is constantly rising and will account for 40% of the overall wallet share which, in the long run, will make a significant contribution to the FMCG sector and could help bring about faster growth for the industry and food retailers.

As the desire for better-quality consumption is increasing among Indians with the growing reach of education – whether in urban, semi-urban and rural population – there is a strong move towards unlocking value with more food and grocery retailers willing to mine such opportunities. People in these regions are used to going to a kirana store, which may have just 300-400 SKUs kept in a cluttered arrangement and without the desirable standards of hygiene and health.

**Customers at our stores will find prices on all our products to be lower than the market price and we offer discounts on all products round the year. Customers can save more while shopping from National Mart.**

**– Yash Agarwal**  
Founder  
National Mart



But today's new-age consumers are looking for a change and better choice and it is incumbent on modern retailers like National Mart to offer shoppers what they wish for and nudge them towards salutary change and better choices. With the increasing education levels of consumers, greater focus on health and hygiene factors — more so after the pandemic — and with more of new-age consumers entering the market, there is a visible demand for change on the part of consumers and that perhaps also explains why a lot of retailers are gravitating toward smaller cities and towns in order to capture a greater pie of consumer's stomach share, wallet share and mind share.

In one such retail play designed to kick things up a notch in the semi-urban and provincial cities of Andhra Pradesh and Telangana, Ratnadeep Retail has thrown another hat into the retail ring with a new format store-chain under a new brand, which comes with a compelling



# India's coffee machine market in fast spin with corporate and HoReCa creating the froth

THE COFFEE MACHINE MARKET IN INDIA IS CURRENTLY GOING THROUGH SOME PIONEERING FEATS OF BEVERAGE ENGINEERING WITH SLEEK, MODERN, AND ADVANCE TECHNOLOGY-WIRED MACHINES REPLACING THE PRE-MIX MACHINES OF YESTERYEARS IN THE CORPORATE AND HOSPITALITY SECTOR, AND JUICING UP THE MARKET FOR FRESH BREW COFFEE AND THE SPECIALTY COFFEE SEGMENT, WHICH IS GROWING NORTH OF 10% YEAR ON YEAR.

By Sanjay Kumar



**A**sk any cubicle farm worker, any corporate worker ant or even a blue-blood Cadillac-crested C-suite executive about their favorite office-hours beverage. Most likely, coffee will be hands-down winner. Caffeine, usually in the form of coffee, is as necessary to the morning as sunrise. It is also the perfect antidote to shake off the inertia of an afternoon energy slump or whenever the brain feels low on energy.

In a world that runs on tea and coffee, the gently humming coffee machine in an office corner is a de rigueur for that constant supply of metabolic fuel and dopamine hit. Like an oyster that filters the water to showcase the beauty of the pearl that it hides, a good coffee machine can help deliver that extra pizzazz and kick to your beverage by extracting and filtering the true value out of coffee beans. The obverse is equally true. A bad machine will dispense coffee that will make you want to deterge your palate and wreck your day.

But thanks to the ubiquitous coffee machine, it has become possible for any coffee lover to enjoy the beverage at home, office, or at a cafe. And apart from helping companies and offices provide the employees with their daily soul-nourishing brew, coffee machines with superior technology are like oxygen to the business of millions of FMCG brands and coffee players in the HoReCa industry, and can kick up their enterprise into another gear.

In the coffee retailing eco-system, the quality, make, and technology features of coffee machines can also directly impact the revenue, customer loyalty and growth of FMCG coffee brands and coffee-selling players in the HoReCa industry. Today's new-gen coffee machines can give you coffee that has a distinctive texture and flavor profile that's far more edifying than the common, everyday garden-variety beverage dispensed by machines with yesteryear technology.

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Progressive Grocer welcomes contributions from industry professionals, experts, and analysts for writing insightful and informative articles on the food & grocery industry. You can share your observations on India's evolving food & grocery retail landscape or on any of the topics below.

**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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