

Ahead of What's Next

Progressive GROCER

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INDIA EDITION



**ACCELERATING
THE HEALTHY SNACKING
REVOLUTION
ACROSS THE NATION**

Vikas D Nahar

Founder & CEO,
Happilo International Pvt. Ltd.

UNION BUDGET 2023: No significant direct takeaways for the Food Retail sector but initiatives in other parts of the economy could have a rub-off effect.

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RETAIL INSIGHT
Why plant-based savory snacks need a makeover

SPECIAL FEATURE
How Kannur in Kerala is turning into a cradle of organic food retailing

READY-TO-EAT FOOD
Product innovations will boost category consumption

INDIA EDITION

BRAND-RETAILER PARTNERSHIP

Success stories of shopper conversion and category transformation from the playbook of India's top food & grocery players



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If the edge in retail business comes from acting on consumer insights, it is through collaboration that brands and retailers can conjure up innovative ways to win new sets of consumers, expand their customer base and capture a bigger slice of the market.

Our cover story in this issue *Packing a one-two Punch* (Pages 36-53) showcases 10 outstanding success stories of collaboration between FMCG brands and retailers. The stories exemplify how brands and retailers can create a winning playbook by leveraging on each other's capabilities and resources.

Each of the 10 stories is a masterclass on brand-retailer partnership and how such collaborations can help each other to tap into new revenue streams, drive up sales, reduce costs, raise brand awareness and improve overall profitability.

Another fascinating story on collaboration highlights how farmers, retailers and the state government of Kerala have come together to spawn a widespread movement in organic farming and retailing. While the momentum began picking up in the early 2000s, a host of factors including government support for organic agriculture and a desire for more sustainable and environmentally-friendly food options have galvanized many producers and retailers to jump on to the organic bandwagon.

In cities like Kannur, several new generations of farmers have moved away from traditional farming methods due to a lack of commercial support and crop failures and have embraced organic farming in recent years.

Read the story (pages 20-25) to know how a new generation of entrepreneurs has taken to organic farming and retailing in Kannur, showing the way to transform their ventures into profitable business with enough potential to grow and scale up.



Amitabh Taneja
Editor-in-Chief

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How Kannur in Kerala is turning into a cradle of organic food retailing

KERALA'S OVER-A-DECADE LONG ADOPTION OF ORGANIC FARMING IS TURNING KANNUR INTO A HOT SPOT OF ORGANIC CULTIVATION. AND A NEW GENERATION OF ENTREPRENEURS ARE TAKING UP ORGANIC RETAILING AND SHOWING THE WAY TO OTHERS TO TRANSFORM THEIR VENTURES INTO PROFITABLE BUSINESS WITH ENOUGH POTENTIAL TO GROW AND SCALE UP.

By Roshna Chandran

When **Shaji Nambiar** quit his sales job in Bangalore, his mind was already made up on his next course of action. For some months now, he had been thinking of going back to his roots in Kerala and exploring the possibility of hanging his shingle in his home town of Kannur. Located in northern Kerala along the Malabar Coast in the Arabian sea, Kannur was fast gaining prominence as a hub for organic agricultural products.

Nambiar's mind was all hopped up at the thought of joining the organic revolution that was catching fire in Kannur

where local farmers and the government had joined forces to turn the city into a hub for organic products. "Organic is something I have always been very passionate about and I felt Kannur had

Shaji Nambiar





BUDGET 2023

Potluck for the Food Retail Industry

EXPECTATIONS OF SPECIFIC MEASURES AND ANNOUNCEMENTS THAT COULD HAVE REVVED UP THE ENGINE FOR THE RETAIL INDUSTRY MAY HAVE BEEN LARGELY BELIED BUT THE SECTOR IS REPOSING ITS HOPES ON THE INDIRECT BENEFITS AND IMPACTS THAT COULD ACCRUE FROM THE INITIATIVES INTRODUCED IN OTHER PARTS OF THE ECONOMY.

By Progressive Grocer Bureau

Innovations to boost category consumption

OUR MODERN LIFESTYLE AND CONSUMPTION HABITS ARE FAST ADAPTING TO THE ON-THE-GO CULTURE OF THE TIMES. TO MEET THE CHANGING NEEDS OF CONSUMERS, THE READY-TO-EAT FOOD INDUSTRY IS COMING FORWARD WITH NUMEROUS NUTRITIOUS AND ON-THE-GO PRODUCTS, WHICH ARE EASY TO EAT AND DO NOT COMPROMISE ON QUALITY AND SAFETY. RTE COMPANIES ARE ENSURING THAT EVEN STAPLE DIET ITEMS OF INDIAN MEALS ARE MADE READY TO HEAT AND EAT.

By Kishan Modi

Ready-to-eat products have for long been a part of the food segment in India. However, in the past 3 years, the industry has undergone a paradigm shift. New-age regional brands have fundamentally changed this space with their out-of-the-box thinking and by offering healthy scrumptious products.

According to a report by Technavio, the ready-to-eat (RTE) food market share in India is expected to increase by USD 751.43 million from 2021 to 2026, and the market's growth momentum will accelerate at a CAGR of 18.63%.

Convenience - The Driving Force

The covid-19 pandemic pushed the world towards adaptability and ready-to-eat brands have tailored their products to meet the changing needs of consumers. Today, millennials and zoomers especially do not have the time and patience to always prepare a complete home-cooked meal. This has enabled the ready-to-eat foods industry to surge to new heights with offerings that fulfil the requirements of the young generation.

Until a few years ago, the most people knew of ready-to-eat foods were instant noodles and dehydrated packed meals that required just boiling water. But things have changed now. Life in India's mega cities and now even in smaller ones is always on the go and it just makes sense that food too is available on the go.



Packing a one-two Punch

10 OUTSTANDING SUCCESS STORIES OF COLLABORATION EXEMPLIFYING HOW BRANDS AND RETAILERS CAN CREATE A WINNING PLAYBOOK BY LEVERAGING ON EACH OTHER'S CAPABILITIES AND RESOURCES.

Why is it important for brands and retailers to work together? Well, it all boils down to the eternal quest for market growth and expansion — the holy grail of success in the retail business. With technology disrupting traditional ways of doing business and shifts in consumer habits spurring quick changes in the retail industry, it has become more important than ever for both brands and retailers to constantly innovate and look for the next opportunity.

Also, with competition heating up India's food & grocery retail industry, even the Goliaths have to fight tooth and nail with the quick-footed Davids — young start-ups and upstarts that are more hungry and determined to carve their own place in the market. It is not uncommon to see young start-ups nipping at the heels of the traditional heavy weight players. In such a hot-house market scenario where brands and retailers have to strain their sinews and 'earn' their growth, going it alone can lead to many missed opportunities or even missing the bus altogether.

But capturing market share and winning over the new set of consumers is easier said than done. Fortunately, brands and retailers know these home truths and the hard realities of the market. No surprise that they are increasingly striving to forge more enduring relationships that can help them to navigate the market maze and even beat the odds at hitting the home run.

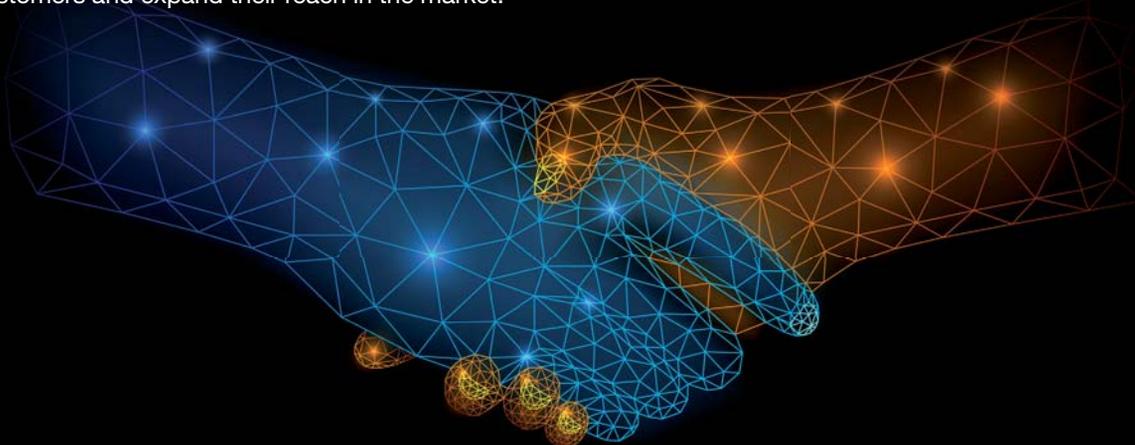
By collaborating, brands and retailers can reach out to new customers and expand their reach in the market.

Retailers can help brands distribute their products more effectively by leveraging their existing distribution networks. Brands can benefit from retailers' expertise and resources, such as data analytics and omnichannel capabilities, to enhance their operations and offerings. Together, they can collaborate on marketing and promotional activities to drive sales and raise brand awareness besides helping each other to tap into new revenue streams, reduce costs, and improve overall profitability.

At the end of the day, both brands and retailers work for the shoppers. And when they come together, they can create a more seamless and integrated shopping experience for customers. By gaining a deeper understanding of consumer preferences and buying habits, they can tailor their offerings to meet customer needs better. The edge in retail business comes from acting on consumer insights and collaboration helps brands and retailers to jointly act to gain the first mover advantage and capture a bigger slice of the market.

At the 15th edition of India Food Forum, many young and battle-hardened brands and retailers came out swinging to share their storied success stories of collaboration and the magic that spun from their partnerships. We bring you 10 outstanding success stories of collaboration between food and FMCG brands and retailers in building new consumption/ product categories or transforming a traditional category with innovation.

By Sanjay Kumar



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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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Frozen Food Makers Embrace New Techniques for Preservation

OVER THE LAST FEW YEARS, THE FROZEN FOOD INDUSTRY HAS COME A LONG WAY IN UTILIZING INNOVATIVE TECHNIQUES FOR PRESERVATION, WHICH HELP TO ENSURE THAT READY-TO-EAT FOOD IS TASTY AS WELL AS HEALTHY.

By Neeta Malik

Gone are the days when frozen or ready-to-eat foods were all about artificial preservatives and additives. Today, they are becoming one of the most preferred meal options in urban households, owing to their convenience and also because they now come packed with a lot of health benefits.

Specifically in India, the ready-to-eat food market stood at \$261 million in 2017 and it is projected to accelerate to \$647 million by 2023 at a CAGR of more than 16 per cent during the years 2018-2023.

With the advent of technology and research in the nutrition and wellness sector, infinite techniques for healthy food preservation have emerged and are being implemented across the globe. Some of these key techniques include:

Blanching to Inactivate

Enzymes: The foremost step towards preserving frozen food is blanching fruits and vegetables to inactivate enzymes and yeasts that can gradually cause food spoilage. This helps to avoid any vitamin or mineral loss in the frozen foods.

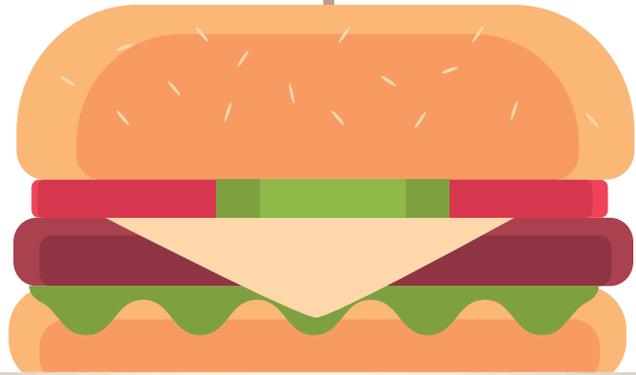
Making Use of the Retorting Technology: Retorting is a go-to technology these days in the food processing industry. It refers to the thermal processing of low acidic foods, which are prone to microbial spoilage in sealed containers. Retorting helps to extend the frozen food's shelf life and obtain commercial sterilization by application of heat.

Storing Frozen Foods at the Most Optimum Temperature: In order to sustain the micronutrients of foods and avoid freezer burn, frozen foods are stored at zero Fahrenheit or lower temperatures. Research shows that if



PLANT BASED
BURGER

Why plant-based savory snacks need a makeover



MOVE OVER, POTATO CHIPS! CONSUMERS, PARTICULARLY MILLENNIALS AND GEN Z ARE READY TO DISCOVER NEW SNACKS AND NEED MORE SNACK INSPIRATION IN THEIR LIVES. AS THIS DESIRE FOR NOVEL SNACKING OPTIONS GROWS, CUSTOMERS ARE BECOMING MORE SELECTIVE ABOUT THE PRODUCTS THEY CHOOSE AND ALTERNATIVE PLANT-BASED SNACKS SUCH AS BANANA CHIPS ARE BECOMING MORE POPULAR AS COMPARED TO POTATO OR YAM CHIPS.

By Manas Madhu

Snack time, which is the preferred mealtime for both children and young adults, has risen in popularity since 2020. Savory snacks especially have become the go-to snacks for most youngsters, especially millennials, due to their diverse flavors and variety. More and more individuals resorted to snacking to cope with the pandemic such as increased screen time and gaming time, which subsequently pushed the popularity of the FMCG category.

While chocolate candy and ice cream exhibited an early COVID-19 spike, gains in decadent foods were only transient. Savoury snacks experienced a more sustained boost. These behaviours have stuck with most people even post the pandemic, with increased preference for snacks such as chips, ready-to-eat popcorn, and other salty foods.

As per a Mondelez study, approximately 71% of consumers snack at least twice a day. Furthermore, consumers are increasingly replacing meals with snacks, with 55% reporting a higher likelihood to eat a snack across all three standard mealtimes.

This is because of the changing lifestyle of people post COVID; people prefer the convenience of eating ready-to-eat meals and snacks. This is partly due to the work from home trend at play. In supermarkets and local stores, we now have a wide variety of savory snacks to satisfy all palates. As per a Mondelez study, approximately 71% of consumers snack at least twice a day. Furthermore, consumers are increasingly replacing meals with snacks, with 55% reporting a higher likelihood to eat a snack across all three standard mealtimes.

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