

Progressive GROCER

Ahead of What's Next

April 2023
Volume 17 • Number 4
Rs 100
www.indiaretailing.com

SUPPLY CHAIN
Challenges and
Opportunities in 3PL
Fulfillment

TECHNOLOGY
Omnichannel Promotional
Strategies for in-store and
online

INDIA EDITION



Fresh to home

*Fixing a Broken Market for
Meat Retailing in India*

MATHEW JOSEPH, COO & Co-founder, Freshtohome

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

EDITORIAL ADVISOR: **R S Roy**

CEO: **Nikhil Behl**

PUBLISHER: **S P Taneja**

EDITORIAL

GROUP MANAGING EDITOR: **Rasul Bailay**

EDITOR: **Sanjay Kumar**

CREATIVES

ART DIRECTOR: **Pawan Kumar Verma**

DY. ART DIRECTOR: **Deepak Verma**

PRODUCTION

SR. GENERAL MANAGER: **Manish Kadam**

SUPPORT

SR. GM ADMINISTRATION: **Rajeev Mehandru**

ADVERTISING

DELHI:

SR. GENERAL MANAGER: **Karsan Bedi**

karsanbedi@imagesgroup.in

MUMBAI

GENERAL MANAGER: **Rajesh Acharya**

rajeshacharya@imagesgroup.in

MANAGER: **Kratika Singh**

kratikasingh@imagesgroup.in

BENGALURU

REGIONAL HEAD: **Suvir Jaggi**

suvirjaggi@imagesgroup.in

CONSUMER CONNECT & SUBSCRIPTION

SR. MANAGER: **Priti Kapil**

pritikapil@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**

EnsembleIQ
SMARTER TO MARKET

CORPORATE OFFICERS

CHIEF EXECUTIVE OFFICER: **Jennifer Litterick**

CHIEF FINANCIAL OFFICER: **Jane Volland**

CHIEF INNOVATION OFFICER: **Tanner Van Dusen**

CHIEF HUMAN RESOURCES OFFICER: **Ann Jadown**

EXECUTIVE VICE PRESIDENT, EVENTS &

CONFERENCES: **Ed Seval**

SENIOR VICE PRESIDENT, CONTENT: **Joe Territo**

Ever wondered why retailers like McDonald's, Subway, 7-Eleven, The UPS Store, and Dunkin' have successfully carved out large business empires globally? That's because these global retail brands have established operational procedures and cracked a business model that can be replicated transnationally.

In this issue of the magazine, we bring you stories of two retailers that are trying to build their brands along the lines of their more illustrious global peers, with a business model that can be scaled nationally and internationally.

In step with the growing aspirations of the country to "Make in India, Make for World", a young start-up has envisioned itself as an Indian model of an international convenience retail chain. Conceived as a home-grown Indian convenience retail brand for the world, The New Shop (TNS) launched in 2019, has grown at a blistering pace and currently has some 100 stores under its banner, of which 70 are franchise outlets.

Read the story (*pages 18-20*) to know how TNS is leveraging its successful franchise model for expanding its business footprint within and outside India. With the franchise model as its business compass, TNS is hoping to hit its hottest expansion streak over the next 1-2 years, and take its store fleet to a thousand outlets across India and abroad.

Our cover story in this issue (*pages 24-29*) on online meat retailer Freshtohome recounts a fascinating tale of how two entrepreneurs came together to revive a doddering enterprise and turn it into a bellwether of the meat retailing industry in India. Today, FreshtoHome, through its online grocery platform delivers over 2 million orders every month across all meat categories in 160+ cities across India and the UAE. The retailer has managed to raise \$256 million in investments till date and is on its way to rapidly expand its operations in India and the UAE.



Amitabh Taneja
Editor-in-Chief

All feedback welcome at **editorpgindia@imagesgroup.in**

All material printed in this publication is the sole property of Stagnito Media, 111 Town Square Place, Suite 400 Jersey City, or Images Multimedia Pvt. Ltd. or both, and each of them have copyrights on their respective materials. All printed matter contained in the magazine is based on information provided by the writers/authors. The views, ideas, comments and opinions expressed are solely of the writers/authors or those featured in the articles and the Editor and Printer & Publisher do not necessarily subscribe to the same.

Printed & published by S P Taneja on behalf of Images Multimedia Pvt. Ltd. Printed at Modest Print Pack (P) Ltd., C-52, DDA Sheds, Okhla Industrial Area, Phase 1, New Delhi - 110020 and published by S P Taneja from S-61A Okhla Industrial Area Phase - 2, New Delhi.110020 Editor : Amitabh Taneja

In relation to any advertisements appearing in this publication, readers are recommended to make appropriate enquiries before entering into any commitments. Images Multimedia Pvt. Ltd. does not vouch for any claims made by the advertisers of products and services. The Printer, Publisher and Editor-in-Chief of the publication shall not be held for any consequences in the event of such claims not being honored by the advertisers.

Copyright Images Multimedia Pvt. Ltd. All rights reserved. Reproduction in any manner is prohibited. All disputes are subject to the jurisdiction of competent courts and forums in Delhi/New Delhi only. Progressive Groccer does not accept responsibility for returning unsolicited manuscripts and photographs.

For subscription related queries, email to: **subscription@imagesgroup.in**
For feedback/editorial queries, email to: **letter2editor@imagesgroup.in**
visit us at **www.imagesgroup.in**

Images Multimedia Pvt. Ltd. (CIN:- U22122DL2003PTC120097)

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

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

Email: info@imagesgroup.in, **Web:** www.imagesgroup.in

Mumbai: E 519, Floral Deck Plaza, Central MIDC Road, Opp SEEPZ, Andheri East, Mumbai 400 093, **Email:** info@imagesgroup.in, **Ph:** 022-28398000

Cover Story 24

FIXING A BROKEN MARKET FOR MEAT RETAILING IN INDIA

Today, FreshtoHome, through its online grocery platform and its offline stores and with a 5,000-person direct and indirect workforce, delivers over 2 million orders every month across all meat categories in 160+ cities across India and the UAE. The retailer has managed to raise \$256 million in investments till date and is on its way to rapidly expand its online and offline operations in India and the UAE.



30. Category Watch: Beverages

How brands can make consumers drink their kool aid.



43-44. Beverage Brand Profiles

So Good and Cravova.

46. Dairy: Single Origin Milk

The Power of Purity: Why Single-Origin Milk is the Future of Dairy.

48. International Retailer

Walmart fires up the flywheel.

54. Health & Wellness

Ayurveda market in India: Trends and growth outlook.



60. Omnichannel Promotions

Taking on in-store and online promotional strategies.

62. All's Wellness

Health-focused store brands.

8. Market Update

News and Reports on the Food & Grocery industry.



16. Supply Chain

Challenges and opportunities in 3PL fulfillment.



18. Retail Growth Strategy

The New Shop makes a bold bet on its franchise model.



22. Equipment & Design

Schnucks becomes the latest retailer to deploy Picadelli's innovative concept.





Challenges and Opportunities in 3PL Fulfillment

WHILE THE INCREASING ADOPTION OF E-COMMERCE HAS SCALED THE OPPORTUNITIES FOR THIRD-PARTY LOGISTICS, IT HAS ALSO BECOME ESSENTIAL FOR COMPANIES TO ENSURE THAT THE LOGISTICS MOVEMENT IS STREAMLINED, OPTIMIZED AND SAFE BESIDES ENSURING SPEED AND LOWERING OF DELIVERY COSTS.

By Dr. Ashvini Jakhar

Warehousing and 3PL (Third-Party Logistics) fulfillment are the most dynamic, complex, and critical service verticals for modern economies. For any country to ensure economic prosperity, employment, food security and life quality, it is essential

that the logistics movement is streamlined, optimized and safe. With e-commerce gaining ground in the retail sector, speed and lowering of delivery costs has become another major need for 3PL companies.

The adoption of e-commerce, more so in the last three years, has scaled the opportunities for 3PL companies. They also need to make some fundamental changes to overcome the challenges that this growth brings along. Let us first look at the challenges faced by operators in this scale, and then at the ways through which we can navigate through to success.

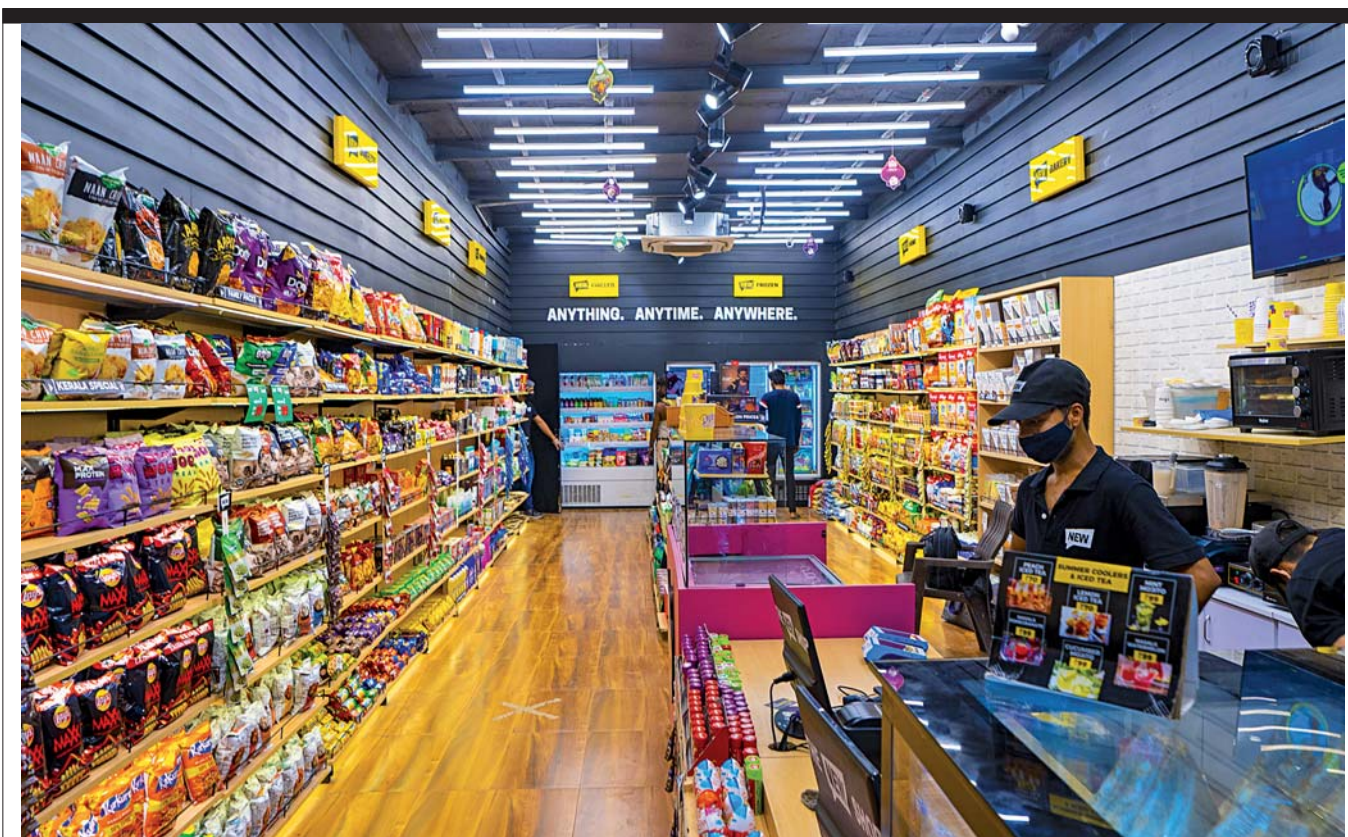
Understanding the customer: The e-commerce era has transformed customer expectations in an unprecedented way. Earlier, they might be considerate about the constraints faced by an operator and would patiently wait for days to get the shipment or the updates. However, now the expectation is the same or next-day delivery. The common belief is that if Amazon Prime can do it then why can't you? Any 3PL players that fail to level up, are considered as inefficient.

Poor inventory visibility: In the omni-channel environment, a brand might be present at 20 different points of sale, and successful sales

operations require complete inventory visibility across all channels. In the absence of such visibility, you might remain in the dark and end up replenishing stocks at a platform where there was already sizable stock available and miss out on another that has declined orders due to outage. In the era of 24x7 retail, this could lead to losing out on hundreds of potential sales, and if it is the festive season then even more.

Inefficiency of warehousing processes: As a warehousing services provider, one of the biggest challenges is legacy technologies. Most operators have introduced certain tools such as ERP systems etc, but these are often inadequate when it comes to fulfilling the needs of modern supply chains. The need of the hour is to have access to automation, data-driven insights, and seamless integration of all supply chain components. The ERP software that you had deployed as a cutting-edge solution 5-6 years ago, might fail to meet the expectations.

Resource optimization: Warehouse space is at a premium these days. It is essential for 3PL companies like you to make the best use of the available space, and the personnel you deploy at



The NEW Shop Makes a Bold Bet on its Franchise Model

THE NEW SHOP'S FRANCHISE MODEL IS INSPIRED BY LEADING GLOBAL CONVENIENCE RETAIL & QSR MODELS SUCH AS MCDONALD'S, SUBWAY, 7-ELEVEN, THE UPS STORE, AND DUNKIN' THAT HAVE BUILT A STRONG BRAND AND ESTABLISHED OPERATIONAL PROCEDURES THAT CAN BE REPLICATED ACROSS DIFFERENT LOCATIONS, INCLUDING INDIA.

By Sanjay Kumar

Lunched in 2019, The NEW Shop (TNS) has fast racked up a reputation as India's fastest-growing 24/7 omnichannel, convenience commerce company. Over the past two years, the company has been on a great ride in the grocery retail business, clocking a torrid pace of expansion by adding over 50 stores to its fleet.

TNS stores are located in densely populated residential areas and at mass transit hubs — railway stations, airports, highways, tourist attractions, and petrol stations. The stores also double up as online stores and fulfillment centres that provide instant hyperlocal delivery within 1.5 km of all locations. With some 100 stores under its belt currently out of which 70 are franchise outlets, TNS has become the punchline to how to make a breakout success in grocery retail.

Now, with popular Bollywood actor Rajkumar Rao taking on the mantle of brand ambassador for TNS, the retailer has quickly launched a commercial campaign designed to fuel its business growth further. The fresh initiative marks a new chapter in the retailer's onward journey with the ground being laid to ratchet up its franchise operations and the brand's peppy profile in the days to come. Already, the association has stirred up buzz in the industry, and TNS expects the campaign to radiate a strong force field that will propel its franchise model into higher orbit.

"The NEW Shop is indeed banking on the franchise model as a key strategy to ramp up its business and expand its brand footprint. With a market size of \$3 trillion globally, the

FIXING A BROKEN MARKET FOR MEAT RETAILING IN INDIA

When Freshtohome began operations in Bengaluru in 2015, not even its founders expected it to become one of India's top online retailers for meat products. But the company's journey since its inception has been staggering, making it the blue-eyed boy of investors.

Today, Freshtohome, through its online grocery platform and its offline stores and with a 5,000-person direct and indirect workforce, delivers over 2 million orders every month across all meat categories in 160+ cities across India and the UAE.

The retailer has managed to raise \$256 million in investments till date and is on way to rapidly expand its online and offline operations in India and the UAE.

A fascinating tale of how two entrepreneurs came together to revive a doddering enterprise and turn it into a bellwether of India's meat retailing industry.

By Sanjay Kumar



Mathew Joseph, COO & Co-founder, Freshtohome



How brands can make consumers drink their kool aid

THE MARKET FOR BEVERAGES KEEPS GETTING MORE SEGMENTED AND NICHE, EVEN AS THE CATEGORY IS SEEING THE ENTRY OF MANY NEW PLAYERS AS WELL AS THE BROADENING OF ITS CONSUMER BASE. WITH A SURGE IN INNOVATION AND PRODUCT DROPS, NATIONAL AND REGIONAL BRANDS ARE ATTEMPTING TO CREATE A NICHE MARKET FOR THEMSELVES BY TARGETING DIFFERENT CONSUMER SEGMENTS AND OFFERING UNIQUE DIFFERENTIATION.

By Progressive Grocer Bureau

India's non-alcoholic beverage sector is a significant and promising industry that holds immense potential and is a crucial component contributing to the country's economic growth. Of late, many global and domestic companies, including startups are investing in this sector, promoting innovation and bringing greater choice for the consumers.

Existing companies are diversifying their product portfolio and many startups and small and medium-sized enterprises have entered this sector in the past 10 years.

Industry observers say that about 35% of the companies have introduced new products in the Indian market, which include zero-sugar or sugar-free products and other products like tea and coffee-based drinks, and organic drinks.

The industry has also been experiencing steady growth in recent years, driven by factors such as rising disposable incomes, changing lifestyles, and the growing popularity of health and wellness products. The industry includes a wide range of beverages, such as carbonated soft drinks, fruit juices, tea, coffee, energy drinks, and bottled water.

The Power of Purity: Why Single-Origin Milk is the Future of Dairy

THE CONCEPT OF SINGLE-ORIGIN MILK IS A RELATIVELY NEW IDEA IN THE DAIRY INDUSTRY BUT THERE ARE SEVERAL REASONS IN ITS FAVOR, WHICH MAKES IT A TREND THAT IS HERE TO STAY AND IS ON WAY TO BECOMING THE FUTURE OF THE DAIRY INDUSTRY.

By Akshali Shah

The dairy industry has been under a lot of scrutiny in recent years. There have been concerns about the environmental impact of dairy farming, and the quality of milk products. This has led to a growing interest in alternative dairy products, such as plant-based and single-origin milk.

Plant-based milk is often perceived as a highly processed product, leading to a preference for single-origin milk. Most consumers view single-origin milk as a more authentic choice with distinctive taste and flavor, which is closely tied to the unique characteristics of the region where it is produced. Unlike conventional milk, which may be sourced from multiple locations and blended together, single-origin milk is a pure expression of the specific area where the milk is produced. This results in a product that is uniquely flavorful and reflective of its origins, offering a one-of-a-kind taste experience for discerning consumers.

Single-origin milk is exactly what it sounds like, milk that comes from a single farm or region. It's a concept that's been popular in the coffee industry for years, where coffee connoisseurs seek out beans from specific areas with unique flavor profiles, but it's a relatively new idea in the dairy industry.

How Single-Origin Milk is Revolutionizing the Dairy Industry

So, why is single-origin milk the future of dairy? There are several reasons. First, single-origin milk is all about purity. By sourcing milk from a single farm or region, you can be sure that the milk you're getting is free from any additives or contaminants. This means that single-origin milk is often of a higher quality and tastes better than regular milk.





Second, single-origin milk is a reliable choice for consumers who prioritize the traceability and hygiene of their dairy products. Unlike conventional milk, which undergoes heavily industrialized processes that can obscure its origins, single-origin milk comes from a known source, making it a trustworthy option.

Third, single-origin milk offers a unique taste experience. Like with coffee, the taste of the milk can vary depending on where it comes from. Single-origin milk can have unique flavor profiles that reflect the soil, and even the breed of cows used to produce it. This can make for a more interesting and complex tasting experience, and can also add a new dimension to culinary creations.

Challenges

There are a few challenges to single-origin milk. It can be more expensive than regular milk, as it's often produced in smaller quantities and sold at a premium. It may also be more difficult to find in some areas, as the market for single-origin milk is still relatively small. As the only brand offering single-origin milk in India, Pride of Cows sets the standard for quality and transparency in the dairy industry. Pride of Cows is the epitome of premium, high-quality, single-origin milk in India. Their commitment to authenticity, hygiene, and sustainability makes them the top choice for consumers looking for the finest dairy products.

Unlike conventional milk, which may be sourced from multiple locations and blended together, single-origin milk is a pure expression of the specific area where the milk is produced. This results in a product that is uniquely flavorful and reflective of its origins, offering a one-of-a-kind taste experience for discerning consumers.

More Than Just a Trend, It's the Future of Dairy

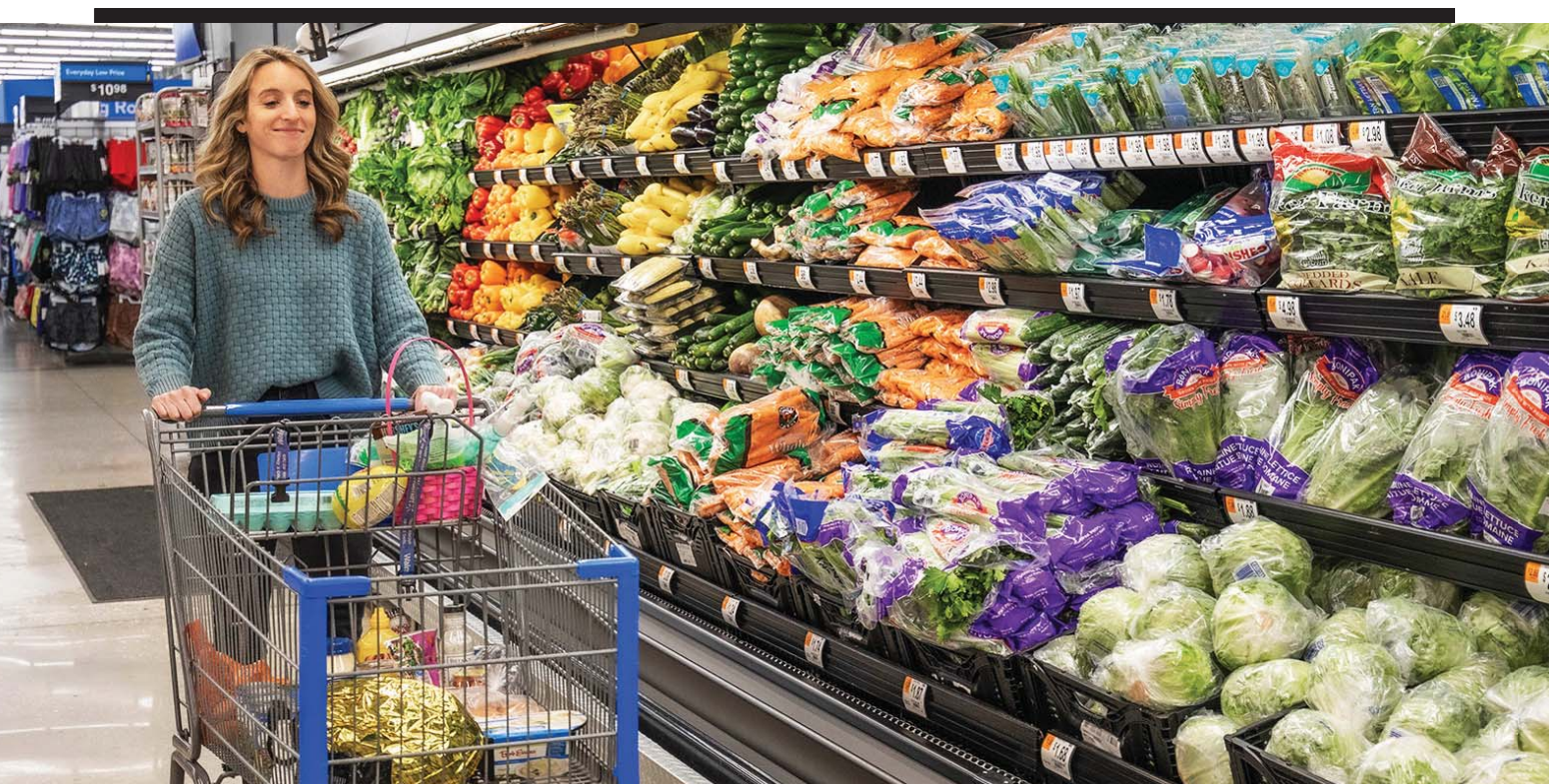
Despite the challenges, single-origin milk is a trend that's here to stay. As consumers become more interested in the quality and provenance of their food, single-origin milk offers a way to connect, support sustainable agriculture, and enjoy a unique taste experience. It's a trend that's worth exploring, whether you're a dairy lover, a foodie, or just someone interested in trying something new.

In conclusion, the power of purity is a force to be reckoned with, and single-origin milk is leading the way. With its unique taste experience and commitment to purity, single-origin milk is the future of dairy. **PG**



The writer is Executive Director of Parag Milk Foods, which was established in 1992 and is the largest private dairy FMCG Company with a PAN-India presence.





Walmart Fires Up the Flywheel

The retailer doubles down on a new business model for the future.

By **Gina Acosta**

Earlier this year, on a rare rainy day in Las Vegas, Walmart executives gathered together to lay out a vision for the future of the grocery retail industry. At the CES Show, Walmart Chief Revenue Officer Seth Dallaire led a discussion with Cheryl Ainoa, SVP of new business and emerging technology; Julie Barber, EVP of general merchandise; Jill Toscano, VP of media; and Walmart Chief Economist John List. The topic of the conversation was the state of the company's flywheel business model, first unveiled in 2021. Two years ago, President and CEO Doug McMillon described the company's future business model as being based on three main pillars: e-commerce, financial services, and health and wellness. But at CES, Walmart execs detailed how that model has evolved to comprise a larger strategic innovation framework with three additional pillars: media, advertising and fulfillment services.

Just one example of how this new flywheel is spinning came in January, when Walmart teamed up with San Francisco-based Salesforce to get into the last-mile fulfillment business for other retailers. The partnership aims to help small and large retailers offer a "buy online and pick up" service for their customers through an app known as AppExchange. Walmart, which has often been accused of putting smaller retailers out of business, is now offering up its omnichannel order and delivery system to independent



Key Takeaways

- ▶ **Walmart's new strategic innovation framework is focused on media, advertising and fulfillment services.**
- ▶ **E-commerce is still a big focus as the company invests in revamps of websites and fulfillment technology.**
- ▶ **A partnership with Salesforce is a good example of another alternative revenue stream.**

Ayurveda Market in India: Trends and Growth Outlook



THE GLOBAL WELLNESS INDUSTRY IS NOW WORTH OVER \$4.5 TRILLION AND ALTERNATIVE HEALING PRACTICES LIKE AYURVEDA ARE A BIG PART OF IT. IN INDIA, THE AYURVEDIC PRODUCTS MARKET SIZE REACHED INR 626 BILLION IN 2022 AND IS EXPECTED TO REACH INR 1,824 BILLION BY 2028, REGISTERING A CAGR OF 19.3% DURING 2023-2028.

By Akshi Khandelwal

Ayurveda has been a part of India's cultural and medical heritage for thousands of years. As a sustainable healthcare system, Ayurveda highlights the use of medicinal plants and herbs for internal healing, preventing illnesses and maintaining wellness. Its holistic approach helps in maintaining a balance within the body, mind and soul. It promotes a culture of self care and its remedies and practices are still followed in Indian households, making it highly sustainable and relevant in Indian markets and beyond.

As per a report by the Global Wellness Institute, the global wellness industry is now worth over \$4.5 trillion and alternative healing practices like Ayurveda are a big part of it. In India, as per IMARC, the Ayurvedic products market size reached INR 626 billion in 2022 and is expected to reach INR 1,824 billion by 2028, registering a CAGR of 19.3% during 2023-2028.

One of the prime growth drivers of the Ayurvedic market was the COVID-19 pandemic, whose uncertainties made us value

the importance of a healthy mind and body even more. The consequent rise in awareness about Ayurveda's healing benefits among the masses has caused a massive shift in consumer trends and preferences towards herbal teas, herbal infusions and Ayurvedic health supplements and more. Further, a noticeable rise in the demand and supply of Ayurveda-based food and beverage products is being seen in the market.

There are several other growth drivers contributing to the burgeoning of the Ayurveda market in India:

Government support and initiatives: One of the key growth drivers for the Ayurveda market in India can be attributed to the government's support and initiatives. The Ministry of Ayurveda, Yoga &

	PDF		
Term	1 year	2 years	3 years
No. of issues	12	24	36
Cover Price	₹1200	₹2400	₹3600
SAVING	35%	40%	45%
Discount	₹420	₹960	₹1620
GST 18%	₹140	₹259	₹356
You pay	₹920	₹1699	₹2336
Please Tick	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

PAYMENT OPTION 1

Please charge my card   

Amount _____ Card Expiry Date _____

Card No. _____

Card Member's Signature _____

PAYMENT OPTION 2

I am enclosing Cheque/ DD No. _____

drawn on (specify bank) _____

favouring **Images Multimedia Pvt. Ltd.**, payable at New Delhi

Delivery Address _____

City _____ Pin Code _____ State _____

Phone _____ Fax _____

E-Mail _____

Name Mr. Ms. _____

Designation _____

Business Activity _____

Company _____

BECOME A THOUGHT LEADER

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

Contact **Sanjay Kumar**
(sanjaykumar@imagesgroup.in);
or call on 9818507730 for editorial
enquiries and contributions.



INSIGHTS TO EMPOWER YOUR BUSINESS

INDIA'S LEADING & LARGEST READ FOOD & GROCERY RETAIL MAGAZINE

IMAGES
GROUP.IN

Please fill up the subscription form & mail with your remittance to: **Subscription Department, Images Multimedia Pvt. Ltd.**

S-61 A, Okhla Industrial Area Phase 2, New Delhi 110 020, India.

Ph: +91 11 40525000, Fax: +91 11 405 25001, E-Mail: subscription@imagesgroup.in

Mumbai: E 519, Floral Deck Plaza, Central MIDC Road, Opp SEEPZ, Andheri East, Mumbai 400 093, Ph: 022-28398000

Terms & Conditions: • Rates & offer valid in India only • Please allow 4-6 weeks for processing of your subscription • In case of non receipt of the publication, please inform the Subscription Department within 30 days • IMAGES reserves the right to terminate this offer or any part thereof at any time or to accept or reject any request at their absolute discretion • No request for cancellation of subscription will be entertained after three months of subscription • Disputes if any are subject to the exclusive jurisdiction of competent courts and forums in Delhi only.

For online subscription, please visit shop.indiaretailing.com