

Consumers in India would eat more plant-based meat or dairy alternatives if they were less processed, says Mintel's F&B Report.

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TECHNOLOGY

How CIOs are Integrating BI and AI in their 2025 Vision

DARK STORES

Redefining E-Grocery Retail for the Digital Age

RETAIL TRENDS

How Does the Next Generation Shop?

udaan

*Redefining Retail Partnerships
& Transforming FMCG Trade*



VINAY SHRIVASTAVA

Business Head for FMCG at udaan

FUTURE-FORWARD BRANDS

Staying attuned to evolving consumer preferences



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The future of the food and grocery industry is being shaped by the convergence of technology, consumer behavior, and retail strategy. A prime example of this kind of convergence is *udaan*, India's largest e-B2B player, which has harnessed technology to redefine the food and grocery landscape. Read the *pages 40-56*, which reveal *udaan's* meticulous strategy in the FMCG business.

Founded in 2015, *udaan* ventured into the FMCG sector three years later, aiming to unlock its potential and bridge the gap between manufacturers, wholesalers, and retailers for enhanced efficiency and an expanded product range. The company orchestrated a precise interplay of data-driven processes and advanced systems. This begins with efficient availability management, ensuring every product is easily accessible with a simple click.

Currently, *udaan's* FMCG business constitutes a robust 30% of its overall operations, recording a remarkable 2x growth in the past year alone. This growth stands as a testament to the transformative power of technological advancements, propelling *udaan* to the forefront of the industry.

In the food retail industry today, forward-thinking enterprises are prioritizing quality, innovation, and technology as the bedrock of their operations. Looking ahead, it is anticipated that a distinct cohort of brands will fully integrate technology into every facet of their operations.

Read our piece on Retail Tech Transformation (*pages 84-85*), which explains how the evolution of the retail sector is already unfolding as more and more businesses are building their business strategy by seamlessly blending physical and digital experiences.



Amitabh Taneja
Editor-in-Chief

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Cover Story 40

udaan's journey in the FMCG sector: Redefining retail partnerships & transforming FMCG trade

udaan's success in the FMCG sector stands as a testament to their ambition, strategic acumen, and determination. It underscores the profound truth that challenges can serve as gateways to substantial opportunities and can turn inefficiencies into improved outcomes.

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Quality and Innovation: How to Reshape the Food Industry and Transform Brands

For the food industry, the pursuit of quality is not an optional path; it's the very foundation upon which the entire edifice of the food industry rests. Quality and innovation are the pillars of trust and reliability in the food industry. From tantalizing sauces to gourmet meals, unwavering quality and steadfast innovation are the bedrocks upon which customer trust and loyalty are built.

BY AKSHAY BECTOR

Quality isn't a momentary action; it's a recurring practice. This enduring insight, attributed to the ancient philosopher Aristotle, bears significant relevance within the intricate landscape of the food industry. Also, quality

isn't a discretionary choice; rather, it serves as the cornerstone upon which the entire structure of the food industry is built.

In this article, we embark on a comprehensive journey through the multifaceted importance of quality within the food industry. We'll scrutinize its critical role



in guaranteeing consumer safety, adhering to rigorous regulatory benchmarks, elevating brand standing, and cultivating an environment conducive to innovation. Let's uncover the profound impact of quality on the food industry's myriad dimensions.

Hiring and Retention Strategies



Key Takeaways

- ▶ **Does your wage increase take inflation into account?**
- ▶ **It may be time to embrace gig workers.**
- ▶ **The work experience is key to retention.**
- ▶ **Make DEI accountability a priority.**

According to a poll of unemployed people conducted by the U.S. Chamber of Commerce in November 2021, fewer than half of U.S. workers who lost their jobs during the pandemic and remain unemployed are actively and consistently looking for work. A December 2021 Glassdoor labor market survey showed that what made hiring

difficult this past year is unlikely to disappear in 2022, namely a lingering pandemic, reduced availability of retirees and parents, and massive consumer demand. Meanwhile, Axonify's annual "Global State of Frontline Work Experience Study" showed in October 2021 that retail workers reported burnout (63%) as being a more important motivating factor for resigning versus compensation (50%), with grocery workers citing 56% burnout.

"We already know that the labor pool is at least 5 million people less than before the pandemic," says Dave Dempsey, CEO of Hyer, an on-demand labor app powering the gig economy, "and it's going to continue to shrink. The quit rates are the highest in retail, restaurants and hospitality. At the same time, you've got inflation. There's concern with what's going to happen with wage rates as they bubble up; it's going to put more pressure on retailers, who will need to have the corresponding revenue growth, and they probably won't. They've had great revenue growth lately, but that's going to moderate."

At a time when the grocery workforce is experiencing transformative change, there are four key strategies that retailers should be leveraging in 2022 not only to survive the labor crisis, but also to thrive during it.

The New Workplace

Four strategies for how grocers can hire and retain workers amid an unprecedented labor landscape.

BY GINA ACOSTA

So far in this so-called "Great Resignation" economy, grocery retailers have responded to worker shortages by offering "Great Raises," "Great Bonuses" and "Great Benefits." None of those seem to be sufficient to attract and keep enough of the right workers in food retail jobs, however.

According to the federal government, 600,000 people joined the workforce in November 2021, resulting in a labor force participation rate of 61.8%, the highest level since March 2020, but still depressed compared with the pre-pandemic period. According to the Bureau of Labor Statistics, there were 67 unemployed workers for every 100 job

openings in November 2021.

Many of the people who have left the workforce are mostly lower-wage workers seeking jobs that are raising wages and offering flexibility. Many of the other quits are seniors worried about getting sick in a pandemic. While reasons for the labor crunch run the gamut, the numbers are what they are, and seem to indicate that food retailers might not see their hiring struggles structurally improve anytime soon in 2022.

5 Transformations for Digital Advertisers to Thrive in a Dynamic World

In the digital age, digital advertising has emerged as a potent tool for marketers to connect with and influence consumer behavior. However, the landscape of digital advertising faces unique challenges and opportunities that have significantly reshaped consumer expectations, behaviors, and the competitive arena. In this evolving terrain, how can digital advertisers not only adapt but flourish? How can they navigate a reality where consumers exhibit greater discernment, heightened demands, and unprecedented empowerment?

BY SHIVA BHAVANI

In the digital age, digital advertising emerges as a potent instrument enabling marketers to connect with and shape consumer behavior. Nevertheless, the realm of digital advertising grapples with unique challenges and prospects that have significantly reshaped consumer expectations, behaviors, and the competitive arena. In this evolving landscape, how can digital advertisers not only adjust but also flourish? How can they navigate a reality where consumers exhibit greater discernment, heightened demands, and unprecedented empowerment?



UDAAN'S JOURNEY IN THE FMCG SECTOR: REDEFINING RETAIL PARTNERSHIPS & TRANSFORMING FMCG TRADE

In 2018, udaan recognized the untapped potential of the FMCG sector, aiming to bridge the gap between manufacturers, wholesalers, and retailers to boost efficiency and broaden product offerings.

Their meticulous strategy involved a thorough examination of every aspect of FMCG trade, driven by a clear vision to rewrite the rules.

A key objective was to address industry-wide distribution challenges, focusing on improving supply chain efficiency for precise and speedy product deliveries. Their unwavering commitment to precision and speed led to remarkable growth, with the FMCG sector now accounting for 30% of udaan's overall business.

udaan's success in the FMCG sector stands as a testament to their ambition, strategic acumen, and determination. It underscores the profound truth that challenges can serve as gateways to substantial opportunities and can turn inefficiencies into improved outcomes.

BY SANJAY KUMAR



VINAY SHRIVASTAVA

Business Head for FMCG at udaan

Unlocking Success with Hybrid Retail: Strategies for the Modern Marketplace

The retail industry is experiencing a seismic shift as the online shopping wave surges and consumers demand a seamless, omni-channel shopping experience. In response to this ever-evolving retail landscape, retailers are embracing a transformative approach – the hybrid retail model. This innovative model seamlessly blends e-commerce with brick-and-mortar establishments, crafting a personalized and frictionless customer journey.

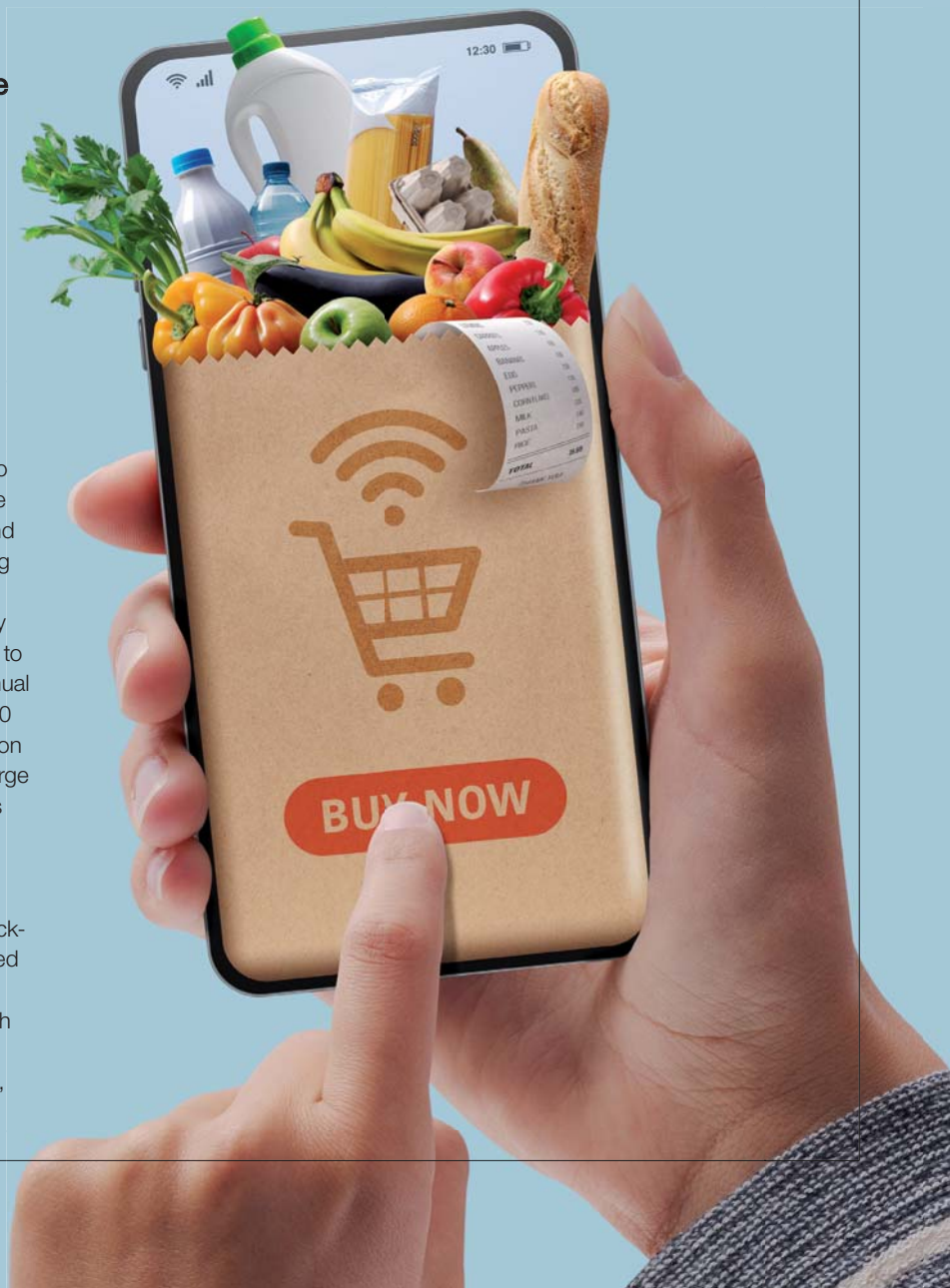
BY VINOD U.S.

The retail landscape is undergoing a profound transformation, driven by the increasing shift to online shopping and the rising consumer demand for a seamless shopping experience across

various channels. According to a recent report by Forrester, online retail sales in India are projected to experience robust growth, with a compound annual growth rate (CAGR) of 25.8% expected from 2020 to 2025, culminating in a market value of \$85 billion by 2025. It's crucial to note, however, that this surge in online shopping doesn't render physical stores obsolete.

In response to this evolving retail environment, retailers must embrace a hybrid retail model that seamlessly integrates e-commerce with their brick-and-mortar stores, thereby crafting a personalized and frictionless customer journey. This hybrid approach harnesses the unique strengths of both online and offline channels, granting customers increased convenience, a wider array of choices, and enhanced overall value.

The profound shift to online shopping and the demand for seamless experiences drive retail's transformation. India's online sales are projected to reach \$85 billion by 2025, but physical stores remain relevant.





The e-grocery industry has rapidly grown due to the COVID-19 pandemic, with over 1.25 billion global customers shifting from traditional stores to online platforms. The surge in e-grocery is transforming the consumer goods sector, with retail e-commerce sales reaching a staggering \$5.7 trillion in 2022.

The Impact of Dark Stores: Redefining E-Grocery Retail for the Digital Age

Consumers increasingly prefer online platforms for grocery shopping, propelling e-grocery outlets to the forefront of innovation in the fast-moving consumer goods sector. The emergence of “dark stores,” specialized distribution centers for online grocery orders, promises faster deliveries, enhanced convenience, and a new era in grocery shopping.

Their focus on proximity, innovative order fulfillment, and technology-driven customer experiences has the potential to transform the future of digital grocery shopping and the broader e-grocery industry

BY MAX AVTUKHOV

How CIOs are Integrating BI and AI in their 2025 vision



In today's dynamic business landscape, AI is reshaping organizations, with some aiming to be "AI leaders" by 2025. Chief information officers (CIOs) lead in integrating BI and AI for innovation, focusing on data's role in strategic decisions. They aim to create a more connected, AI-driven future beyond profit, enriching lives and improving the world through technology.

BY JAGANNADH KANUMURI

In today's rapidly changing business landscape, Artificial Intelligence (AI) is a transformative force that's reshaping organizations to their core. While many have ventured into the realm of AI, only a select few are committed to becoming true "AI leaders" by 2025. These pioneers aren't just dipping their toes in the water; they're wholeheartedly embracing AI and infusing machine learning into every aspect of their operations.

However, the journey toward AI mastery is not a leisurely stroll; it's an exhilarating race with significant challenges. Two major obstacles stand out: effective data management and the necessary infrastructure to support it. In this digital realm, internal structures, processes, and the pursuit of top-tier talent further complicate matters. Surprisingly, a substantial 72% of technology executives identify data-related issues as the primary barriers to their AI ambitions.

Leading the AI Race in Retail, Automotive, and Finance

- ▶ **Companies Embrace Mission-Critical AI Integration for Their Future:** Executives are expecting a significant expansion of AI within their organizations. They aim to integrate AI across various departments, including IT, finance, product development, marketing, and sales by 2025 to drive revenue growth.
- ▶ **Prioritizing Successful Scaling of AI Tops Our Data Strategy:** An impressive 78% of executives and a remarkable 96% of leaders have made scaling AI and machine learning the primary focus of their data strategies to achieve tangible business benefits over the next three years.
- ▶ **Substantial Investment Growth to Strengthen AI's Data Infrastructure:** CIOs, especially those in leadership roles, plan to make substantial investments in data and AI infrastructure by 2025. These investments will primarily focus on enhancing security, governance, and AI platforms.
- ▶ **CIOs Set to Increase Data and AI Investments by 2025:** This report is based on a survey conducted by MIT Technology Review Insights in May-June 2022, spanning 14 industries and involving 600 senior tech executives.

The Rising Popularity of Olive Oil in India: Market Dynamics and Growth Strategies

Olive oil, a cherished culinary gem, celebrated for its health benefits, has found a place in Indian cuisine over the past four decades, primarily through imports from countries like Italy and Spain. Initially used for massages, it has evolved into various olive oil variants.

The primary sales channels include Modern Trade and a growing E-Commerce segment, boosted by the pandemic. With the rise of gourmet platforms, and a penchant for Mediterranean cuisine, the future holds promise for this versatile and healthy cooking medium.

BY MILIND PINGLE

Olive oil, a time-honored culinary treasure, traces its origins to Latin's "Oleum" and Greek's "Elaia," both signifying "olive." This golden elixir stands out for its abundance of heart-healthy monounsaturated fats, making it a healthier choice

compared to traditional oils in India. Moreover, it boasts an impressive antioxidant profile, quelling inflammation and securing its status as a global dietary favorite.

Originating from the Mediterranean region, olive oil thrives in its ideal climate. Though it may seem a recent entrant to the Indian culinary scene, it has been gracing our shores for over four decades. India's love for olive oil hinges on imports, primarily from Mediterranean countries such as Italy, Spain, and Tunisia, a trend likely to persist.

Olive oil's journey in India, initially as massage oil, has now blossomed into a premium culinary delight, offering various olive oil variants.



Pure Olive Oil, the oldest in the category, initially reserved for massages, has gradually made its way into our kitchens. More than half of the Pure Olive Oil in India is still utilized for skincare and haircare, with smaller packs serving these purposes, and larger ones being favored for cooking. While it started in chemist outlets, it's now readily available in General Trade and Modern Trade outlets. Winter tends to boost Pure Olive Oil sales due to its skincare applications.

Extra Virgin Olive Oil, a cold-pressed gem, finds its place primarily in Mediterranean cuisines. The surge in Italian cuisine popularity and the emergence of salads and one-pot pasta meals have propelled Extra Virgin's growth. It's a premium choice and requires strategic distribution through gourmet outlets, National Modern Trade, and premium E-Commerce platforms. This variant often embraces experiential on-ground sampling to project its premium image.




Extra Light Olive Oil, the go-to option for Indian cooking, has seen increased usage due to health consciousness and its compatibility with Indian culinary traditions. It's becoming a staple for everyday cooking, available across General Trade, Modern Trade, E-Commerce, and gourmet stores.



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