



DEMOCRATIZING THE PREMIUM

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RAHUL KHANDELWAL
Country Manager, Nabati Food PTE Ltd





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Source: Euromonitor International Limited, Packaged Food 2022ed, Nabati Group. Retail value RSP, 2021 data

301 million: The number of users expected to be in India's e-commerce food market by 2029.

Progressive GROCER

Ahead of What's Next

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QUICK COMMERCE

Can India Become a Quick Commerce Success Story?

STRATEGY & OPERATIONS

The Importance of Dual-Channel Strategy for CPG Firms



GSTIN - 33A

From School Dropout to Retail Mogul in Health Foods



DINESH KUMAR
Founder, Brown Tree



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In India's growing retail market, traditional stores, known for personalized services and credit sales, have been able to build strong loyalty among low-income customers. In contrast, modern trade outlets, located in urban areas, serve middle-to-upper income groups with less frequent, larger purchases and a wider range of premium products

However, this ecosystem is currently undergoing significant transformations due to various factors. For a deeper dive into this evolving landscape, read the story (pages 24-27) detailing how modern trade, cash-and-carry formats, e-commerce, and new-age B2B providers are transforming India's grocery retail market.

Talking of E-commerce, the quick commerce model in particular is expanding as rapidly as UPI payments. In the rapidly expanding Indian quick commerce sector, projected to reach \$3.35 billion by the year-end and \$9.95 billion by 2029, players face significant challenges. Competing with established services like Domino's, which delivers pizzas within 30 minutes, requires more than just financial backing. Read the story (pages 80-83) on how success hinges on mastering technology, developing efficient supply chains, and achieving profitability.

This issue also features a compelling cover story (pages 34-43) on Chennai-based entrepreneur Dinesh Kumar. After dropping out of school to pursue business, Kumar founded the successful health food retail chain Brown Tree. With 19 stores generating Rs. 30 crore annually in Chennai, Kumar is now embarking on an ambitious expansion plan to extend his brand across India. His journey underscores how pursuing one's passion can lead to extraordinary success and innovation in unexpected places.



Amitabh Taneja
Editor-in-Chief

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From school dropout to retail mogul and health food pioneer

Dinesh Kumar's journey from a teenage entrepreneur to a leader in Chennai's health food and organic food market highlights the impact of passion and perseverance. Leaving school at 16, he founded Brown Tree in 2009, revolutionizing the city's grocery scene with premium organic options. His success underscores the power of following one's true calling.



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The Dual-Channel Strategy: CPG Firms and the Importance of Kirana Stores in India

In emerging markets, particularly like India, where the retail industry will be worth \$30 billion by 2030, modern retail stores can thrive with a dual-channel strategy.

When India entered its first Covid-19-triggered national lockdown in March 2020, 54-year-old housewife Lata Chellappan didn't reach out to her relatives in other cities but instead called Family Stores, her local grocer. She urgently requested essentials ranging from salt to soap, and within two hours, her supplies were delivered to her doorstep.

By the second week of the lockdown, regular patrons of Welcome Stores in South Mumbai began receiving daily WhatsApp updates with lists and photos of available products. These updates were based on customers' previous purchases and current needs, all without the aid of any automated algorithm.

Family Stores, Welcome Stores, Prabhu Stores, Bansal Store, Apna Store, and over 12 million other small retail outlets known as 'kiranas'—mom-and-pop general and grocery stores—are ubiquitous across every Indian city. Grocery purchases constitute half of India's total retail consumption, with kiranas commanding 90% of this market, or more than 12 million outlets.

Emerging markets are projected to surpass the GDP of developed economies, sparking an interest in the structure of various industries within these regions. The consumer packaged goods (CPG) industry in emerging markets presents a stark contrast to its counterpart in developed Western economies. In these developed areas, retail is predominantly controlled by large multinational chains. In contrast, emerging markets still depend significantly on small family-owned stores, despite the presence of organized chain stores.

The USD 110-billion organized retail sector, representing 12-15% of total retail, grew 25-30% in FY23 and is projected to reach USD 230 billion by 2030, with significant expansion in rural areas. Despite this, large retailers like Reliance Retail and Aditya Birla Retail have not overshadowed regional stores, which remain dominant in their local markets across various categories.



Democratize the Premium: How Nabati is Turning Aspiration into Affordable Indulgence

FMCG major Nabati is successfully bridging the gap between aspiration and affordability with innovative products and a strategic approach to pricing and distribution. In a short span of time, the company has become a market leader in premium, accessible food products. Its journey exemplifies how understanding and addressing consumer needs can drive extraordinary success.

BY SANJAY KUMAR

I

n the summer of 2005, IIT Bombay student **Rahul Khandelwal** stumbled upon a book titled “The Great Indian Middle Class” in a friend’s room. The book’s deep dive into India’s emerging middle class and their unmet desire for high-quality goods despite economic limitations profoundly impacted him. “The author reflects on a consumer segment whose aspirations far surpass their current purchasing power,” recalls Khandelwal. This insight, resonating with his own experiences while growing up in Jaipur, highlighted the potential for brands that bridge the gap between aspiration and affordability.

Years later, as *Country Manager for India at Nabati Food PTE Ltd*, **Khandelwal** has applied these lessons to drive the company’s growth by offering products that align with this vision.

FROM SCHOOL DROPOUT TO RETAIL MOGUL AND HEALTH FOOD PIONEER

From a teenage entrepreneur to a trailblazer in Chennai's organic food scene, Dinesh Kumar's journey exemplifies the transformative power of passion and perseverance. At just 16, Dinesh left behind the familiar comfort of school to carve out his own path, eventually redefining what it means to shop for healthy, premium food in his hometown.

By founding Brown Tree in 2009, Dinesh not only embraced a personal passion for organic food but also reshaped the grocery landscape in Chennai. His story is a testament to the idea that following one's true calling can lead to remarkable success and innovation in unexpected places.

BY SANJAY KUMAR



DINESH KUMAR
Founder, Brown Tree

THE GREEN FOOD FUSION WITH A NUTRITION PUNCH

In the quest for optimal health, a holistic approach to wellness is gaining traction, merging organic farming, natural foods, herbal remedies, and plant-based nutrition into a unified model of well-being. By integrating these elements, individuals are discovering a balanced lifestyle that not only promotes personal health but also supports environmental sustainability.

As India's organic and plant-based food sector expands and evolves, challenges such as product authenticity and market growth are met with innovative solutions and increased consumer awareness. The sector's future lies in harmonizing these diverse elements to foster a healthier lifestyle for both people and the planet.

BY SANJAY KUMAR



PLANT-BASED SECTOR: OVERVIEW

In today's world, people are increasingly aware of their dietary choices, which are driving a surge in plant-based products. In India, known for its vegetarian traditions, the plant-based sector is growing rapidly and is expected to expand significantly by 2030. The global market for plant-based ingredients is projected to nearly double from \$60.71 billion in 2022 to \$120.74 billion by 2029, reflecting a 10.32% annual growth rate.

As more consumers focus on health and sustainability, the plant-based industry is set for continued success. Plant-based versatile ingredients are now used in various food categories, from snacks to desserts. These products, including various ingredients and their derivatives, are making their way into an array of food categories, such as ready-to-eat and ready-to-cook meals, frozen foods, packaged snacks, spreads, sauces, baked goods, desserts, ice creams, and confectionery. Plant-based ingredients are remarkably versatile, serving numerous functions: from sweeteners and thickening agents to stabilizers,

emulsifiers, bodying agents, additives, anti-caking agents, and flavor carriers, as well as contributing to texture.

While plant-based eating is not a new concept in India, the business surrounding these products has only flourished in recent years. However, industry projection points to a much bigger market in the next few years. India offers potential for expansion, owing to the presence of a diverse crop yield, an advanced food and beverage industry, research institutions, notable R&D achievements and growing private equity sector.

With about 30% of India's population identifying as vegetarians, and a growing awareness of the benefits associated with plant-based diets, the future of this sector looks promising. As more consumers seek healthier and environmentally friendly options, the plant-based industry is well-positioned for continued success and growth.

According to a report from The Plant Based Foods Industry Association and EY, global dietary habits are shifting significantly towards plant-based foods as people become more conscious of environmental and



Can India Become a Quick Commerce Success Story?

Gone are the days of last-minute panicking. Quick Commerce has surged across India as rapidly as UPI payments, with the market projected to hit \$3.35 billion by year-end and \$9.95 billion by 2029. However, behind this seamless convenience lies a challenging business model. Deep pockets and big brand names don't guarantee success in this fiercely competitive sector. What strategies underpin the success of India's leading QC players? Let's explore.






At the height of the pandemic, more than 10 players, along with countless local ones, were competing fiercely. However, as life began returning to normal, the market hit a major roadblock: VC funding started to dry up.

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