

# IMAGES Business OF *food*

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## E-COMMERCE

Why the sector is poised for unprecedented growth in 2025.

## CONSUMPTION

Is Rural India the Future of FMCG?

## FOODSERVICE

How restaurants are adopting technology for modern dining experience.



# SAGAR DARYANI'S

**Bold Plan to Grow  
Wow! Momo  
to Rs. 5,000 crore**

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## Editor's Note

➔ Rural India is rapidly becoming the key driver of the fast - moving consumer goods (FMCG) sector's growth, surpassing urban markets and increasingly opting for premium products. As connectivity rises and incomes grow, rural consumers are increasingly reshaping the future of retail (see pages 44-45).

In a similar shift, Tier-2 and Tier-3 towns are now driving growth in sectors traditionally dominated by metros. Enhanced connectivity, affordable data, and better delivery networks have propelled these smaller cities into the e-commerce spotlight, revolutionizing how India shops. Read more on how brands are adapting to this dynamic, untapped consumer base on pages 46-48.

Expansion into Tier II and III cities is also driving demand for skilled labor in logistics, inventory management, technology, and customer engagement. These regions face more complex challenges than metros, requiring strategic inventory and delivery approaches. To meet this, companies must combine academic learning with hands-on training. Read more on pages 49-51.

Our cover story in the year-opening issue (pages 30-38) features the iconic homegrown QSR brand Wow! Momo, which has grown into India's largest momo chain, with over 700 stores across more than 50 cities. But this remarkable rise is anything but conventional—it all began with Co-founder Sagar Daryani's entrepreneurial journey to transform the humble momo into a beloved street food sensation.

Flip to pages 54-62 as we highlight the top foodservice brands celebrated at the 8th India Food Forum with the Pepsi-IMAGES Food Service Awards. These accolades recognize India's leading foodservice organizations for their exceptional contributions across business performance, marketing innovation, and retail growth, underscoring the transformative influence of the foodservice sector on India's evolving culinary landscape.

As we step into a new year, we count on our readers, advertisers, and contributors for their continued support and collaboration and look forward to another year of shared success and growth.



**Amitabh Taneja** | Editor-in-Chief

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On the lively streets of Kolkata, Sagar Daryani's entrepreneurial journey began with an idea to revolutionize a beloved street food staple—momos. Today, Sagar's Wow! Momo brand has grown into India's largest momo chain, with over 700 stores across more than 55 cities. Read the story of this remarkable rise, woven together with ambition, adversity, and a passion for food.

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## E-commerce Poised for

# Unprecedented Growth in 2025

*By 2024, India's e-commerce market reached a record INR 12.2 trillion, with projections for continued growth driven by advances in AI, mobile commerce, and sustainability. The rise of Tier 2 and Tier 3 cities, coupled with the success of cashback incentives and D2C brands, is reshaping the retail landscape. As innovations like AR, VR, and blockchain gain traction, the future of e-commerce looks poised for even more rapid evolution.*

By Rohan Bhargava

**E**-commerce, once a simple concept, has become an integral part of our daily lives and a cornerstone of modern retail. Today, it offers endless opportunities for businesses and shoppers alike, from instant grocery deliveries to virtual try-ons for clothes, seamlessly blending technology and convenience. In India over the past ten years, the e-commerce sector has experienced remarkable growth, driven by rising internet penetration, affordable smartphones, and the widespread adoption of digital payment systems like UPI. By 2024, the market reached an impressive INR 12.2 trillion (\$147.3 billion), with a projected CAGR of 18.7% through 2028. This year also witnessed businesses adapting to evolving consumer preferences through innovations in social commerce, mobile-first strategies, and sustainability initiatives. Social media platforms

emerged as shopping hubs, while voice assistants introduced intuitive ways to browse and purchase.

The festive season of 2024 showcased the sector's potential, with Gross Merchandise Value increasing by 12% year-on-year to \$14 billion. Over 60% of transactions were driven by Tier 2 and Tier 3 cities. Technological advancements like AI-powered personalization, quick commerce services, and sustainability efforts resonated with environmentally conscious consumers. Additionally, a 23.8% rise in digital payments underscored trust in online platforms, highlighting the sector's evolution.

### Unlocking Tier 2, Tier 3 Markets

The growing internet penetration in Tier 2 and Tier 3 cities has fueled e-commerce expansion, with these regions now contributing over 50% of India's online shoppers. Rising digital literacy and smartphone

adoption have made these markets both accessible and lucrative for businesses. Investments in logistics infrastructure, such as expanded warehousing and regional fulfillment centers, have enabled faster deliveries, even in remote locations.

Technology-driven innovations, including AI-powered route optimization, real-time tracking, and automated sorting systems, have streamlined operations, reducing delivery times. Partnerships between e-commerce platforms and local courier services have strengthened last-mile delivery, ensuring reliable services in underserved areas. These advancements have turned Tier 2 and Tier 3 cities into growth hubs for businesses across industries.

### Impact of Cashback and Coupons

The coupon and cashback industry has emerged as a key driver of consumer spending, influencing shopping behavior





## How Apex Coco is Redefining **Quality, Sustainability, and Wellness** with Innovative **Coconut Products**

*Apex Coco isn't just a coconut processing company—it's a sustainability pioneer. By blending cutting-edge technology with a deep commitment to sustainability, the company has emerged as a leader in coconut processing, offering a diverse range of high-quality, plant-based products that are transforming the way we think about wellness and eco-conscious living. With a strong focus on organic farming, zero-waste practices, and eco-friendly packaging, Apex is setting new industry standards while empowering farmers, reducing environmental impact, and meeting the rising global demand for plant-based alternatives.*

By Sanjay Kumar

**T**ucked away in the coconut heartlands where the borders of Tamil Nadu and Kerala meet—regions that together produce over 50% of India's coconuts—one company has quietly built a towering reputation for being a game-changer in the coconut industry.

**Apex Coco and Solar Energy Limited**, with its headquarters in Coimbatore and processing facilities in Dhrapuram, is rewriting the rulebook on how coconuts are processed and perceived.

For the health-conscious consumers looking for clean, natural products, to food manufacturers seeking premium

coconut-based ingredients, Apex Coco serves a wide spectrum of clientele who share a common love for quality, sustainability, and wellness. From creamy coconut milk and rich virgin coconut oil to refreshing coconut water and nutrient-packed coconut flour, Apex Coco's portfolio covers everything from coconut butter and desiccated coconut to coconut shake and dietary fiber. "Our products are vegan by nature and organic by choice," says **Shrinivasan Ramasamy**, *Co-Founder and Managing Director*. "We are dedicated to quality, sustainability, and meeting the growing global demand for plant-based solutions, driven by health trends and environmental awareness."





# **SAGAR DARYANI's**

**Bold Growth Plans  
to Take Wow! Momo  
from Rs. 1,000 crore to  
5,000 crore in Sales**



# Swapnil Parhad

## Shares his Insights on Tata Consumer Strategy for Modern Trade

*The world of modern trade in India has witnessed a dramatic shift over the past two decades. One person who has closely observed these changes, often being at the center of them, is Swapnil Parhad, Vice President and Head of Modern Trade at Tata Consumer Products. Sitting down for an in-depth conversation with Business Of Food, Parhad offered a fascinating look into the evolution of modern trade, the role of technology, and the emerging consumer trends shaping the future of retail in India.*

By Sanjay Kumar

“Modern trade has had its ups and downs,” Swapnil Parhad says, reflecting on the industry’s growth. “If we rewind the clock, about two decades ago, India was just beginning to explore the concept of modern trade. There were numerous formats—hypermarkets, supermarkets, discount-based models, and experiential stores. But over time, one thing became clear: Indian consumers value pricing above everything else.”

“From experiential and hyper formats, it has boiled down to a discounting model,” he explains. The key, as Parhad sees it, is offering value—whether it’s the price, product, or overall experience. “The shopper is now looking for value in the product, and that’s the direction the industry has moved in.”

### How AI and Technology Are Revolutionizing Retail

As consumer preferences evolved, so too did the need for innovative solutions. And here, technology has played a pivotal role. According to Parhad, technology has become the backbone of any successful company





# Is Rural India the Future of FMCG?

***Rural India, long overshadowed by urban markets, is now driving the future of India's FMCG sector. With a projected growth rate outpacing urban areas by 400 basis points, rural consumers are embracing premium products and reshaping the consumption landscape, compelling brands to innovate and adapt.***

By Business Of Food Bureau

**R**ural India, long considered a secondary market to urban centers, is now emerging as the driving force behind the growth of India's fast-moving consumer goods (FMCG) sector. With rural markets projected to outpace urban growth by 400 basis points, rural India is no longer simply playing catch-up—it is actively shaping the future of FMCG. In this new landscape, the once passive consumer is now aspirational, connected, and ready to embrace premium products, setting the stage for a major shift in consumer behavior and market dynamics.

## Rise of Rural FMCG Markets

The FMCG sector's growth in rural areas is not just a passing trend but a testament to the evolving socio-economic fabric of rural India. In recent years, the sector has experienced a surge in both volume and diversity of products purchased. As of 2022, rural households were responsible for over 35% of India's total FMCG sales, a figure that continues to grow as connectivity improves and incomes rise. Projections indicate that rural FMCG markets will continue to grow at a rate 4% faster than urban markets, creating a fertile ground for FMCG brands to thrive.

Key drivers behind this surge include substantial increases in rural incomes, government-led initiatives like the PM Gram Sadak Yojana, and improved infrastructure that facilitates last-mile connectivity. As of April 2024, more than

95% of Indian villages now have access to 3G/4G mobile networks, opening up new avenues for digital commerce and economic activity. This connectivity is not only expanding market access but also spurring consumer demand for a broader range of products, including premium goods once thought to be exclusive to urban consumers.

## Premiumization: Rural India's New Consumption Trend

What is perhaps most fascinating is the rise of premium consumption in rural India. Over the past few years, rural households have increased their FMCG basket sizes by 60%, from an average of 5.8 products per basket in 2022 to 9.3 products per basket in 2024. This trend reflects a shift in consumer aspirations, where rural buyers are not only upgrading their product choices



# E-Commerce Beyond Metros: How India's Small Towns Are Changing the Game

*Once overlooked, India's Tier-2 and Tier-3 cities are now at the heart of the country's booming e-commerce landscape, reshaping retail in ways we never imagined. From Bhopal to Coimbatore, these towns are driving a revolution, proving that big things are happening beyond the metros. As these towns lead the charge, businesses that adapt to their evolving needs stand to reap the rewards.*

By Sudeep Sen

**W**hen you think of e-commerce, it's natural to picture bustling metro cities like Mumbai, Bengaluru, or Delhi, with their tech-savvy shoppers glued to their smartphones. But look closer, and you'll find the real action is happening beyond these metros—in the



# Bridging Skill Gaps in India's Quick Commerce Sector

*With quick commerce projected to reach \$5.5 billion by 2025, the demand for skilled labor is intensifying, especially as companies expand into Tier II and III cities. By integrating academic learning with practical training, the industry can cultivate a workforce capable of navigating the complexities of logistics and customer engagement, ultimately ensuring its continued success and scalability.*

By Sumit Kumar

**T**he quick commerce market in India has witnessed a meteoric rise, particularly in the wake of the pandemic that ravaged the country, fundamentally reshaping consumer behaviour, drastically reshaping consumer behaviour and creating an unprecedented demand for rapid delivery services.

This transformation, driven by an increasing need for convenience and speed, has propelled the sector's remarkable growth, with leading companies pioneering the concept of 10-minute grocery deliveries in metropolitan areas. Quick commerce has rapidly become the fastest-growing channel in the retail space, outpacing traditional e-commerce. Currently, it accounts for a substantial 12-15% of total online grocery sales in India, surpassing the 6-8% seen in China and the 2-4% in the EU. The Indian retail industry, currently valued at \$930 billion USD, is projected to nearly double to \$1,930 billion USD by 2030, underscoring the immense potential of this sector.

This rapid growth is further evidenced by the quick commerce industry's expansion, projected to reach \$5.5 billion USD by 2025. The sector's gross merchandise value (GMV) surged to \$2.3 billion USD in 2023, marking an impressive increase of more than 70% over the previous year. The sector's explosive growth has attracted numerous players, including established platforms like Zomato-owned Blinkit, Swiggy Instamart, Dunzo Daily, and Country Delight, alongside

innovative newcomers like Zepto.

With a robust compound annual growth rate (CAGR) of 27.9% forecasted, companies are beginning to shift their focus beyond major metropolitan areas, with Tier II and III cities emerging as new growth catalysts for the fast-moving consumer goods (FMCG) sector. This strategic shift signals a new phase in the industry's expansion, opening up untapped market opportunities for quick commerce in India.

Furthermore, as the quick commerce sector advances into Tier II and III cities, the imperative for a highly skilled workforce becomes increasingly evident. Goldman Sachs estimates that India's addressable quick commerce market in the top 50 cities is valued at \$150 billion as of 2023, with the potential to support up to five profitable players by FY30. This





# The Rise of Clean Label Dairy: Year-End Trends and Predictions for 2025

*The dairy industry is undergoing a significant transformation, as consumer demand shifts toward clean-label products that prioritize transparency, health, and sustainability. This movement, which accelerated in 2024, is expected to define the sector's trajectory in 2025, reshaping both consumer behavior and the way dairy products are produced and consumed.*

By Kishore Indukuri

**T**he dairy industry is undergoing a profound and exciting shift as consumer preferences increasingly gravitate towards clean-label products—those that prioritize transparency, health, and sustainability. As we reflect on the rise of clean-label dairy, it's evident that 2024 has marked the year when these values moved from niche concerns to mainstream demands, setting the stage for a rapidly evolving landscape in 2025. This transformation is not merely a trend but a signal of deeper changes in consumer behavior, business practices, and the broader food industry.

## Transparency and Traceability

One of the most significant shifts in the dairy industry has been the

increasing demand for transparency and traceability. In 2024, consumers demonstrated an unprecedented interest in understanding where their food comes from, how it's produced, and the ethical practices behind it. For dairy brands, this was an opportunity to stand apart by offering clear, verifiable information about their sourcing, production methods, and quality controls. The rise of technologies such as blockchain and QR code labeling allows consumers to trace the entire journey of their dairy products, from farm to table, building trust through greater accountability.

This shift reflects a broader societal movement towards authenticity and food safety, where consumers are no longer willing to take claims at face value but seek proof of ethical practices and purity. Brands that have embraced transparency

not only meet the demands of a more informed and discerning consumer but also pave the way for a deeper relationship with their customer base. As we move into 2025, traceability will continue to be an essential pillar of the clean-label dairy movement, becoming a decisive factor in purchasing decisions.

## Health-Conscious Choices Drive Innovation

The clean-label dairy sector is increasingly influenced by health and wellness trends, driven by a more informed consumer base that is acutely aware of what goes into their food. In 2024, we saw an uptick in the popularity of dairy products such as A2 milk, lactose-free milk, and probiotic-enriched dairy, which cater to specific dietary needs like lactose intolerance,

# Celebrating Food Service Titans at The 8th Pepsi IMAGES Food Service Awards



*The 8th Pepsi IMAGES Food Service Awards, hosted by IMAGES Group, honored India's leading food service organizations for their exceptional contributions to the industry. These prestigious awards recognize outstanding achievements in business performance, marketing innovation, and retail growth. By honoring these pioneers, the awards celebrate the transformative impact of the food service sector on India's culinary landscape*

By Business of Food Bureau

India's leading food service innovators and pioneers were honored at the prestigious Pepsi-IMAGES Food Service Awards (PIFSA) 2024, held during a glittering ceremony on November 28, 2024, at The Westin Powai Lake, Mumbai.

Organized under the banner of the India Food Forum, PIFSA has established itself as the most coveted accolade in the Indian food service industry. The awards celebrate remarkable achievements in business performance, marketing, retail growth, and innovation within the

dynamic food service sector.

The 8th edition of PIFSA highlighted the evolution of India's restaurant and dining culture, recognizing excellence across multiple dimensions, including menu innovation, format creativity, marketing brilliance, customer experience, and ambitious business expansions. The awards evening was a tribute to the visionaries driving India's food service industry forward, spotlighting the brands and leaders reshaping the dining landscape and redefining growth benchmarks. This year's winners exemplified the spirit of excellence,

reflecting the rapid transformation of food service formats across the country, and inspiring others to raise the bar in this ever-evolving sector.

## Selection Process

The awards process started with a nationwide industry poll to identify top performers. These, along with self-nominations, were reviewed by a preliminary jury. The most promising were presented to a final jury who evaluate them based on nomination entries and LIVE presentations to an on-ground jury.

