

India's Makhana industry is expected to grow from Rs. 3,000 crore to Rs. 6,000 crore in the next 2-3 years.

# IMAGES Business OF *food*

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## FOOD & GROCERY

Why FMCG giants are shrinking products, not prices.

## FOOD SERVICE

Transforming corporate dining by rotating regional cuisines.



## LIGHTNING SPEED GROWTH

National Mart Targets  
Rs. 5,000 Crore Revenue,  
75 Stores, And  
2 MN SFT, By 2030

**National Mart**  
India Ka **HYPERMART**

**Yash Agarwal**  
Founder

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## Editor's Note



In an era of rising costs, shrinkflation is subtly reshaping how we shop—selling less for the same price. As FMCG giants trim product sizes to protect margins, consumers wonder: Is this a fleeting trend or the new norm? Will shoppers favor transparent brands over stealthy downsizing? Explore this dynamic on *pages 40-41*.

Meanwhile, retailers like National Mart, founded in 2022 by Yash Agarwal, are striving to deliver value and affordability. With 14 large-format stores across Telangana, National Mart is transforming retail for quality-seeking, aspirational consumers. Learn more on *pages 30-37*.

Of course, delivering value isn't just about pricing—it's also about operational efficiency. For retailers grappling with creeping expenses, store management challenges, and shrinkage, we've curated cutting-edge solutions. Our stories on *pages 48-51* and *56-58* offer actionable insights on how to stop cash leaks and secure your retail operations with digital tools, while also recommending practical steps to curb daily thefts. These strategies are essential for any retailer looking to protect margins without compromising on customer experience.

Shifting gears to the foodservice industry, we explore how Generation Z is reshaping the HoReCa landscape on *pages 42-45*. With their distinct preferences for speed, personalization, and transparency, Gen Z is transforming how, where, and why we eat. From quick commerce to plant-based menus, brands are racing to adapt to this influential demographic.

On a related note, we delve into how rotating regional Indian cuisines can transform corporate meal programs on *pages 52-54*. As employees' culinary preferences evolve and corporations rethink the value of these programs, workplace dining is at an inflection point. Innovations like rotating regional cuisines are redefining the experience, catering to diverse tastes, health-conscious choices, and cultural inclusivity.

This issue is packed with stories that reflect the dynamic shifts across retail, foodservice, and beyond. We hope you will find them as insightful as we did in curating them. Happy reading!

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

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In just three years, National Mart has emerged as a retail powerhouse in India's semi-urban heartlands, defying competition and redefining the shopping experience. As it deepens its presence in Telangana and ventures into Andhra Pradesh and Karnataka, National Mart is poised to set new benchmarks in the retail industry.

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## 60. Retail Solution

How to reduce daily theft in retail stores.



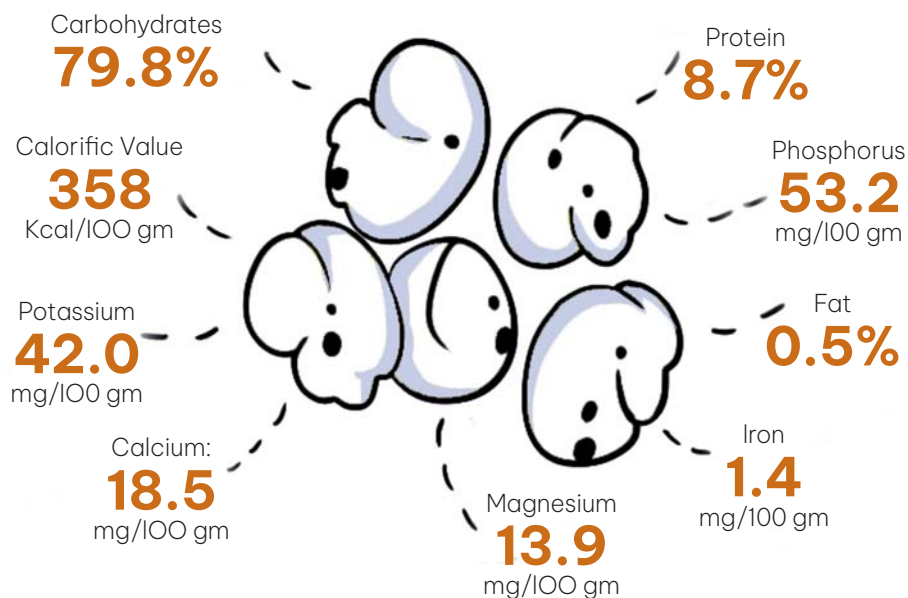
# How India's Makhana is Becoming a Superfood for the World



**F**inance Minister Nirmala Sitharaman's Union Budget proposal aims to elevate makhana to global superfood status, with plans for a Makhana Board in Bihar to boost production and marketing. Can it become the next kale or quinoa? The challenge and the opportunity is for makhana to make that leap and become the next global sensation.

## From Historical to Nutritional Value

Makhana (Fox Nut), a staple in Indian rituals, is prized for its high protein, low calories, and rich minerals.



Makhana has become a favored snack for heart health, diabetes, weight control, and skin care.

Source: PMFME-MOFPI, ICAR-RCER, IMARC



# The Rise of Hyperlocal Food Retail:

## How AI is Shaping India's Next Big F&B Revolution

India's food retail sector is witnessing a paradigm shift, driven by the surging demand for hyperlocal, sustainable, and regionally inspired food products. Consumers prioritize authenticity, freshness, and ethical sourcing, creating both opportunities and challenges for small and medium-sized food retailers. The need for smarter solutions is growing due to customer engagement, faster delivery, inventory management, and demand forecasting complexities. AI-powered platforms like RetailGPT provide data-driven insights to enhance personalization, speed delivery, reduce inefficiencies, and boost profitability.

### Shift Towards Community-Driven Food Retail

Hyperlocal food retail is reshaping consumer expectations with locally sourced ingredients and community-driven experiences, promoting sustainability and economic resilience. However, small retailers face challenges like delivery, digitalization, and inventory



management. AI-powered solutions help by providing data-driven insights on sales trends, customer preferences, and demand, enabling better stock management, waste reduction, and streamlined operations.

### AI as a Game Changer for Small Food Retailers

AI, particularly through tools like RetailGPT, is transforming hyperlocal food retail by integrating phygital commerce, engagement, business AI, and conversational AI. This is vital for retailers to stay competitive and retain local customers amid growing competition, preventing significant financial losses.

AI boosts customer engagement by enabling hyper-personalized shopping experiences. By analyzing purchasing behaviors, it helps retailers offer targeted promotions, loyalty programs, and region-specific recommendations, enhancing satisfaction, repeat purchases, and brand loyalty. Furthermore, AI simplifies digital payments, supports omnichannel marketing, and automates order fulfillment, ensuring a seamless customer journey. Real-time delivery updates and specialized notifications, like fast-tracking perishables, further improve service efficiency.

### The Democratization of Food Retail

Small food retailers have long struggled to compete with large e-commerce

platforms and supermarket chains. Now, AI-powered tools like RetailGPT are leveling the playing field by providing scalable, cost-effective solutions. These platforms enable small businesses to adopt smart pricing, automate marketing, and leverage real-time analytics—features once reserved for larger corporations. Beyond operational efficiency, AI supports sustainability in hyperlocal commerce by optimizing supply chains, reducing food waste, and shortening transportation distances, lowering carbon footprints. By enhancing local sourcing with data-driven insights, AI strengthens regional economies and promotes environmentally responsible practices.

### The Future of Hyperlocal AI-Powered Food Retail in India

AI adoption is transforming hyperlocal food retail in India, integrating online and offline solutions to enhance convenience and create seamless shopping experiences. Consumers will enjoy access to fresh, locally sourced food, personalized recommendations, and smooth transactions. Local retailers, empowered by AI platforms like RetailGPT, will drive the next wave of innovation, scaling efficiently and redefining the future of food retail. This shift enables intelligent, customer-centric, and sustainable retail, helping small players compete and stay connected to their communities. ■■

<https://pathfinder.global/RetailGPT>



# NATIONAL MART

## TARGETS RS. 5,000 CRORE REVENUE, 75 STORES, AND 2 MILLION SQ.FT. BY 2030

— Yash Agarwal, Founder, National Mart





## FACT FILE

**Retailer/ Brand Name:**  
National Mart - India Ka Hypermart

**Launch Year:**  
2022

**Parent Company:**  
Ratnadeep Retail Pvt. Ltd.

**Company Headquarters:**  
Hyderabad, Telangana

**Stores' Operating Structure:**  
Leased

**Number of Employees:**  
3,500+

**Total Number of Stores as on date:**  
14

**Geographic Location:**  
Telangana

**Total Retail Space as on date:**  
3.87 lakh sq.ft.

**Average Bill/ Ticket Size:**  
Rs. 1,175

**Average Foot Traffic across Stores:**  
1,060 per Store/ Day

**Average SKUs per store:**  
12,000

**Supplier Base:**  
600

**Average Store Size:**  
27,500 sq.ft.

**Projected Turnover for FY25-26:**  
Rs. 1,000 crore

**Retail Space Expansion in 2025-26:**  
400,000 sq.ft.

**Vision 2030:**  
75 stores, 2 M sq.ft.,  
Rs. 5,000 crore revenue

*In just three years, National Mart has emerged as a retail powerhouse in India's semi-urban heartlands, defying competition and redefining the shopping experience. With its unbeatable prices, unwavering quality, customer-first philosophy, cutting-edge private-label offerings, and a deep commitment to community impact, National Mart isn't just growing—it's redefining retail in India's underserved markets. As it deepens its presence in Telangana and ventures into Andhra Pradesh and Karnataka, National Mart is poised to set new benchmarks in the retail industry, proving that growth and goodwill can go hand in hand.*

By Sanjay Kumar

India's retail landscape is shifting, and the action is no longer confined to bustling metros. The real growth story is unfolding in the semi-urban heartlands—where modern supermarkets were once a distant dream. These underserved markets, brimming with untapped potential, are now the battleground for retail innovation. With a rising middle class, increasing disposable incomes, and a hunger for quality consumption, the opportunity is massive. For visionary retailers, this isn't just an opportunity—it's an imperative.

Enter National Mart, the bold disruptor rewriting the rules of retail. Launched in 2022 by entrepreneur Yash Agarwal, National Mart set out to challenge the status quo of traditional kirana stores and local markets in Hyderabad and Telangana. "We knew we were stepping into a space dominated by habit and familiarity," recalls Yash. "But we also saw a glaring gap—a demand for affordability, quality, and a superior shopping experience that no one was addressing."

What followed was nothing short of extraordinary. In just three years, National Mart has achieved staggering growth milestones: 14 large-format stores, 375,000+ square feet of retail space, and a rapidly expanding footprint that has made it a household name in India's semi-urban heartlands.

# Why FMCG Giants are Shrinking Products, Not Prices

*In the age of rising prices and shrinking budgets, one sneaky tactic is quietly reshaping your shopping experience—shrinkflation. It's the practice where your favorite products—like biscuits, shampoo, and snacks—are slowly shrinking in size, while the price remains unchanged. As major FMCG brands quietly reduce their product quantities, consumers are left wondering: is this a temporary fix or the new normal?*

By Business Of Food Bureau



**S**hrinkflation—a term that may sound unfamiliar, yet it's something that affects nearly every shopper on a regular basis. It's the subtle sleight of hand where you're paying the same price, but receiving less of the product. The contents of your favorite biscuit pack might be shrinking, or that shampoo bottle might feel emptier than it used to. While it's a tactic businesses have quietly employed for years, its increased visibility has made many consumers more acutely aware of this phenomenon.

At the heart of this practice are major FMCG (fast-moving consumer goods) companies like Britannia, ITC, Parle, and Godrej, who have cleverly reduced the

size of their products—without altering the price tag. This stealthy maneuver aims to sidestep the psychological impact of price hikes. Instead of hitting consumers with an obvious increase in price, these companies subtly reduce product sizes, hoping it goes unnoticed or causes less backlash. But why now, and why is this becoming a prevalent strategy?

## **The Economics of Shrinkflation: A Subtle Yet Effective Strategy**

The rationale behind shrinkflation is rooted in consumer behavior. Studies have consistently shown that even a modest price increase can lead to a disproportionate loss of customers—

often much more than the percentage increase itself. For instance, a 1% price increase could result in a 2.6% drop in customer retention. For FMCG companies, whose success depends on mass-market appeal and high volume sales, such price hikes are a risky move. So, they pivot to the quieter, less noticeable route of reducing the size of their products while keeping the cost the same. This tactic, although it may seem trivial, allows these companies to absorb rising costs without alienating their customers too much.

Take Parle, for instance. Recently, it reduced the size of popular products like Parle-G biscuits by 5-10% across several of their smaller pack sizes. The price, however, has remained the same.



# Gen Z's Influence on Dining, Quick Commerce and Plant-Based Menus

As technology and evolving consumer values redefine India's HoReCa sector, businesses are scrambling to adapt to the unique preferences of Gen Z. From quick commerce platforms revolutionizing delivery speeds to plant-based menus and sustainability efforts gaining traction, the industry is on the cusp of a new era where experience and transparency are paramount. Brands that can balance speed, quality, and innovation are poised to thrive in this rapidly changing landscape.

**By Sanjay Kumar**



In India's fast-evolving HoReCa (Food, Hospitality, Restaurant, and Catering) landscape, change isn't just happening—it's reshaping the entire industry. From dark kitchens to sustainable menus and immersive dining experiences, technology and shifting consumer values are driving a revolution.

And at the center of this disruption? Generation Z. Brands are racing to adapt to their distinct preferences for speed, personalization, and transparency, which are transforming how, where, and why we eat.

"Gen Z expects more than just a meal—they want a full experience. Speed, personalization, and engagement are non-negotiables," says Abhinav Sinha, Co-Founder and Head of Innovation & Strategy, GoodDot. And he's not wrong. This digital-first generation is less about passive consumption and more about active participation in what they consume. As Sinha points out, "What made products like cheesy tacos and soft drinks popular 20 years ago doesn't necessarily resonate today. It's the evolution of brand storytelling that truly connects."

This shift is also noticeable in how brands are connecting with Gen Z's hyper-awareness of authenticity. Amrut Mehta, Director, Little Italy Group, says, "Gen Z is more socially conscious, and their desire for authenticity in everything—from the product to the brand story—demands a new kind of



# Stop Cash Leaks and Secure Your Retail Operations with **Digital Tools**

The retail food and grocery sector is grappling with mounting financial pressures as rising inflation, fluctuating supply costs, and changing consumer behaviors strain bottom lines. But amidst the chaos, a digital revolution in expense management is offering retailers a lifeline, with the potential to cut costs, prevent fraud, and unlock long-term profitability.

**By Abhishek Saxena**

**E**xpense management in the food and grocery retail sector is essential but can be highly tedious to a business establishment. Rising inflation, fluctuating supply chain costs, changing consumer behaviors, and a volatile business landscape make it imperative for establishments to focus on effective financial control. As the global expense management market is projected to rise to USD 16.48 billion by 2032, the industry presents significant growth opportunities.

For instance, you run a grocery chain in a metropolitan city. Daily operations involve juggling hundreds of supplier relationships, managing inventory across multiple locations, and responding to unpredictable customer demand patterns. Each day brings new financial challenges like a sudden spike in transportation costs, unexpected produce spoilage, or shifts in consumer purchasing patterns that leave high-value inventory languishing on shelves.

These challenges compel retailers to adopt smart expense management strategies, which include software, to ensure sustainability and long-term profitability. Through the strategic implementation





# Ways to Reduce Daily Theft in Retail Stores



Installing mirrors on the ceiling of your store might sound unconventional, but this cost-effective strategy offers a powerful way to reduce theft, enhance visibility, and foster a sense of accountability. By leveraging mirrors, retailers can eliminate blind spots, subtly deter potential thieves, and support their existing security measures—all without breaking the bank. Learn how this simple change can lead to big results for your store's bottom line and customer trust.

By Kanishka Agrawal



operating a retail store comes with an array of challenges, particularly when dealing with high-volume, low-margin products such as fruits, vegetables, and other everyday essentials. Among these challenges, daily theft can silently erode your profits, strain resources, and create operational disruptions. While sophisticated solutions like CCTV cameras can be effective deterrents, they may not always be financially viable for smaller stores, nor are they always adaptable to space constraints. So, what's a more practical, cost-effective way to tackle the problem of theft?

## The Solution: Mirror Roofs

Enter mirror roofs—a simple yet incredibly effective strategy that retail stores can implement to reduce theft while enhancing security. By

strategically installing mirrors on the ceiling, store owners can gain enhanced visibility of their space without breaking the bank. Here's how mirror roofs work and why they're a game-changer for retail security:

### 1 Increased Visibility

The most immediate benefit of installing mirror roofs is the enhanced visibility they offer. Mirrors positioned on the ceiling create multiple viewing angles, giving store staff the ability to observe the entire shop floor, including areas that might otherwise be hidden from view. This broader perspective can reveal suspicious behavior that might go unnoticed otherwise.

**Blind Spot Elimination:** In a crowded retail environment, blind spots are an inevitable challenge. Mirrors cover these blind spots,



# IMAGES Business OF food

## ON THE SPICE ROUTE

Flavor is soul of every unforgettable menu. And the brands bringing it to life are front and centre in our next edition. As India's HoReCa industry evolves, driven by a growing appetite for cuisine adventurism, the spices and condiments category is helping to fuel this innovation.



## IN THE ISSUE

**Market Trends:** Biggest trends shaping the category, from premiumization and sustainability to fusion flavors and global influences

**Success Stories:** Curated profiles of leading brands and suppliers in the category

**Expert Insights:** Perspectives from industry leaders, chefs, and market analysts on the future of spices and condiments in the HoReCa space.

**Emerging Opportunities:** Untapped niches, such as ready-to-use spice blends, organic offerings, and region-specific flavors

## WHY PARTICIPATE?

- **Unmatched Visibility:** Be featured in a premium, industry-leading magazine read by leaders across India's HoReCa ecosystem.
- **Brand Recall:** Showcase your innovation to a targeted audience of industry professionals.
- **Thought Leadership:** Share your insights on the spices and condiments category.

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