

\$6.4 billion: Projected Size of India's Packaged Food Market by 2029, up from \$3.4 billion in 2024.

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FOOD & GROCERY
Kiranias in the Age of Quick Commerce.

CATEGORY WATCH
Navigating India's Spice Route.

FOOD SERVICE
Is India Ready for a Kitchenless Future?



BEER CAFÉ INDIA'S BIGGEST ALCO-BEV CHAIN

**51 Outlets across 21 Cities;
Rs. 120 Cr revenue in FY25;
Rs. 230 Cr Target by FY27**

- Rahul Singh, Founder & CEO, Beer Café

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Editor's Note



India's packaged food industry is booming, with projections indicating a surge from \$3.4 billion in 2024 to \$6.4 billion by 2029. This remarkable growth stems from increasing urbanization, changing consumer habits, and higher disposable incomes. The market's wide range of products, spanning from dairy items to ready-to-eat meals, showcases the diverse tastes of India's massive 1.4 billion population. As a result, the packaged food sector has become a crucial component of India's economic growth.

Refer to *pages 20-27* of the report, which explores how companies are adapting their strategies to meet the growing demand for convenient and healthier food options while catering to local preferences. The report also addresses the ongoing challenges faced by the sector, including rising production costs and the need to keep up with evolving health-conscious consumer trends, which continue to shape the market's dynamics.

Amid these evolving trends, the rise of quick commerce platforms has revolutionized urban retail, yet these platforms frequently neglect the importance of small, budget-friendly packages that form the core of India's consumer goods market. Neighborhood stores, known as kiranas, have long capitalized on the power of low unit packs, offering a diverse array of products in compact sizes that cater to a wide range of customers. As the retail landscape continues to evolve, read the story on *pages 40-41* about how these small packs may prove to be the key to the survival of kiranas, keeping them competitive in the age of convenience and speed.

Our cover story in this issue, on *pages 54-61*, is on Beer Café, which has become India's biggest beer chain for a reason. Offering more than 50 beers on tap and a 70:30 drinks-to-food revenue split, it hosts 1,000+ events annually—think craft beer tastings, trivia nights, and even pup-friendly parties—prioritizing inclusivity and variety over exclusivity. This approach has fueled Beer Café success, as evidenced by its revenue figures: generating Rs. 120 crore in FY25, the pub chain is targeting Rs. 170 crore in the next fiscal and has set an ambitious goal of Rs. 230 crore by FY27. Their success and growth prove why great bars aren't about exclusivity, but community.

Pick up the issue, which is packed with stories that reflect the dynamic shifts across retail, food service, and beyond.

Amitabh Taneja | Editor-in-Chief

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Its Way to Become
India's Top Alco-Bev
Chain

Since 2012, Beer Cafe has transformed the way people enjoy beer by creating a welcoming atmosphere. Offering more than 50 beers on tap, it hosts 1,000+ events annually, prioritizing inclusivity and variety. Their success demonstrates a growing demand for relaxed, unpretentious drinking establishments in the country.

- Rahul Singh, Founder & CEO, Beer Café



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Trends Shaping India's PACKAGED FOOD Market

An illustration featuring three food items at the top: a red ketchup bottle, a yellow can of corn, and a red can of tomato sauce. Below the main title, a hand in a blue polka-dot sleeve holds a carton of orange juice. The letters of the title 'PACKAGED FOOD Market' are filled with various images of grocery store shelves stocked with packaged food products.

India's packaged food market is experiencing rapid growth, projected to reach \$6.4 billion by 2029, driven by urbanization, shifting consumer preferences, and rising disposable incomes. The market's diverse segments, from dairy to ready-to-eat meals, reflect the evolving tastes of India's 1.4 billion consumers, making it a key player in the country's economic expansion. With rising demand for convenience and healthier options, companies are adjusting their strategies to cater to local preferences and tap into emerging channels like e-commerce and quick commerce. However, challenges such as rising input costs and evolving consumer health trends remain central to market dynamics.

In 2024, the market size of the Indian packaged food sector was **\$3.4 billion** in India. The size of the packaged food market is likely to reach about **\$6.4 billion** by 2029. The Indian packaged food market has evolved rapidly, driven by changing consumer preferences, urbanisation, and increasing disposable incomes. The industry encompasses various product segments, including bakery and confectionery products, dairy products, snacks and nutritional bars, beverages, ready-to-eat meals, and more. This diversity reflects the wide-ranging tastes and preferences of India's 1.4 billion population, making the packaged food industry a critical player in the country's economic landscape.

Quick Commerce in India

Challenges, Opportunities, and the AI-Powered Future

The quick commerce (q-commerce) sector in India is facing challenges, including thin margins, last-mile delivery issues, and unpredictable demand, which hinder profitability. However, AI-powered RetailGPT offers solutions to optimize efficiency, improve customer experience, and reshape the industry's future.

The Challenges Holding Back Quick Commerce

Last-Mile Delivery Complexities

A major challenge for q-commerce is ensuring deliveries within 10 to 30 minutes. Unlike traditional e-commerce, it requires hyperlocal fulfillment with a dense dark store network, real-time inventory, and precise logistics. Traffic, weather, and workforce limitations further complicate this.

Inventory and Demand Prediction Issues

Q-commerce businesses need to maintain a balance between stocking enough inventory to meet demand and minimizing wastage. Given the unpredictable nature of consumer purchasing patterns, especially for perishable goods like dairy, fresh produce, and bakery items, poor forecasting leads to either stockouts or excessive wastage, both of which hurt profitability.

High Operational Costs and Thin Margins

Q-commerce companies invest heavily in dark stores, rider incentives, real estate, and technology to ensure fast deliveries.

However, raising delivery fees or product prices isn't sustainable due to India's price-sensitive consumers.

Workforce Management and Rider Productivity

Ensuring the efficiency and well-being of delivery riders is another pressing concern. High attrition rates, unpredictable order spikes, and the need to maintain high service levels make managing the workforce a challenge.

How RetailGPT Can Transform Quick Commerce

RetailGPT is poised to tackle these pressing challenges with smart, data-driven solutions. Here's how:

Smart Demand Forecasting and Inventory Optimization

RetailGPT leverages advanced machine learning models to predict demand patterns with high accuracy. It enables q-commerce platforms to stock the right products at the right time, reducing wastage and preventing stockouts.

Personalized Customer Engagement and Retention

RetailGPT can analyze customer behavior to create hyper-personalized shopping experiences. AI-driven recommendations, dynamic pricing strategies, and automated reordering suggestions enhance customer satisfaction, increasing retention rates and boosting order frequency.

Workforce and Delivery Rider Optimization

Predictive analytics can also forecast peak demand hours, enabling better

workforce planning and ensuring that there are enough riders during high-demand periods without unnecessary labor costs during off-peak hours.

AI as the Future of Sustainable Q-Commerce

The future of quick commerce in India will not be defined by the speed of deliveries alone but by how intelligently businesses can manage their operations. AI-driven solutions like RetailGPT offer the technological edge necessary for q-commerce players to overcome existing hurdles and build a profitable, scalable, and consumer-friendly ecosystem.

Q-commerce can transform from a cost-heavy, unsustainable model to an optimized, high-efficiency industry. The road ahead is paved with challenges, but with RetailGPT as a partner, q-commerce companies in India can redefine urban convenience and profitability in the years to come.

For businesses looking to thrive in India's hypercompetitive quick commerce landscape, partnering with RetailGPT is no longer an option—it's a strategic imperative. ■■



<https://pathfinder.global/RetailGPT>

India's Growing Appetite for Australian Lamb

The implementation of the Australia-India Economic Cooperation and Trade Agreement in 2022 has significantly improved the availability of Australian lamb in India. By eliminating import tariffs, this premium meat has become more affordable and accessible to Indian consumers. As a result, Australian lamb is gaining popularity across high-end restaurants, gourmet stores and even home kitchens.

By Sanjay Kumar



Last year, when Karan Bhatia returned to his hometown in Faridabad having completed a Master's in Business Administration in Sydney, his family couldn't contain their excitement. For two years, they had missed his stories, his laughter, and his infectious enthusiasm for food—especially his newfound love for Australian lamb. To celebrate his homecoming, they decided to throw a welcome party, something unique that would remind Karan of his culinary adventures in Australia. And so, they made their way to Travertino, the elegant Italian restaurant within Delhi's iconic Oberoi Hotel, known for its exquisite lamb dishes.

"During my time in Australia, I developed a love for lamb meat," Karan recalls. "It wasn't just the taste—it was the way it was prepared, the tenderness of the meat, the richness of the flavors. It became a part of my life there, something I looked forward to on weekends or special occasions." His mother, seated beside him, smiles warmly. She remembers the countless photos Karan would send of perfectly grilled lamb chops, hearty stews, and even his attempts at cooking lamb in his student apartment. "Every time he sent a picture, I could see how much



Kiranas in the Age of Quick Commerce



The rise of quick commerce platforms has revolutionized urban retail, but they often overlook the small, affordable packs that are the backbone of India's FMCG market. Kiranas, however, have long capitalized on the power of Low Unit Packs, offering a diverse array of products in bite-sized portions that cater to a wide range of customers. As the retail landscape continues to evolve, these small packs may prove to be the key to the survival of kiranas, keeping them competitive in the age of convenience and speed.

By Arjun Krishan Puri



In the bustling streets of Gurgaon's Sushant Lok, where gleaming high-rises and swanky cafes coexist with modest kirana stores, a quiet battle is being fought. It's a battle of scale versus accessibility, of convenience versus affordability, and of quick commerce (QC) platforms versus the humble kirana. At the heart of this battle lies a simple yet powerful weapon: the Low Unit Pack (LUP).

These small, affordable packs—priced at magic points like Rs. 1, Rs. 2, Rs. 5, and Rs. 10—are more than just a pricing strategy. They are a lifeline for millions of budget-conscious Indians, a gateway for premium products to reach new consumers, and a moat that kiranas are building against the onslaught of quick commerce.

The LUP Phenomenon: Small Packs, Big Impact

Low Unit Packs, or LUPs, are the unsung heroes of India's FMCG sector. According to Kantar, these small packs contribute a staggering 67% of total FMCG sales in India. For categories like noodles, biscuits, and detergent bars, LUPs account for nearly 60% of sales. In shampoos, the figure jumps to over 80%. Even giants like Hindustan Unilever and Parle Products derive a significant chunk of their revenue—30% and 25-30%, respectively—from these small packs.

But LUPs aren't just about affordability. They're also about access. Known as "Access Packs," they allow premium variants to reach a wider audience by offering smaller, more affordable sizes. For instance, a sachet of premium shampoo or a mini bottle of body wash enables consumers to try high-end products without committing to a full-sized purchase.



Navigating India's Spice Route

Analysis of Market Trends, Growth Drivers, Challenges

India's spice dominance manifests through both its agricultural might and evolving retail landscape, producing 76% of the world's supply from just five powerhouse crops (chilli, cumin, turmeric, ginger, and coriander) while nurturing a Rs. 70,000 crore domestic market expanding at 9.2% annually. This growth engine is now being turbocharged by a retail revolution, where branded spices—already commanding 35% market share—are riding the e-commerce wave toward unprecedented scale, with analysts projecting 15 brands will surpass Rs. 1,000 crore revenues by 2030 as digital platforms redefine spice accessibility nationwide.

By Business Of Food Bureau

From the fiery kick of Andhra's chillies to the earthy warmth of Rajasthan's cumin, Indian spices have captivated global palates for centuries. As the world's largest producer, consumer, and exporter of spices, India's dominance in this aromatic trade is unmatched.

The numbers speak volumes: 11.14 million tonnes of spices were produced in 2022-23, with exports soaring to \$3.73 billion. Chillies lead the charge as India's top spice export, followed by spice oils, mint products, cumin, and turmeric. Remarkably, India cultivates 75 of the 109 spices recognized by the International Organization

HOW BEER CAFÉ BREWED

Its Way to
Become India's
Top Alco-Bev Chain

— **Rahul Singh**, Founder & CEO, Beer Café



In a world where Singapore's kitchens are becoming obsolete, India may soon follow suit as dining habits shift toward restaurants and food delivery services. The rise of cloud kitchens, health-conscious meals, and technology-driven food choices signals a dramatic transformation in the way Indians consume food.

By Christopher Anand Sargunam

Is India Ready for a Kitchenless Future?

Imagine a world where home kitchens are obsolete, and every meal comes from a restaurant or food delivery service. Sounds like science fiction? In Singapore, it's already a reality, as noted by entrepreneur Nikhil Kamath. Could India be next?

For generations, Indian kitchens have been the heart of every home, where meals are more than just food—they're a cultural and emotional experience. But urbanisation, rising incomes, and shifting lifestyles are changing the way Indians eat. The question isn't whether food habits are evolving, but how fast and in what direction.

The Rise of Eating Out and Food Delivery

In just a decade, India's dining habits have undergone a major transformation. Time-starved urbanites, dual-income households, and the convenience of food delivery apps like Swiggy, Zomato, and Rebel Foods have made restaurant-prepared meals a daily norm rather than an occasional treat.

According to the National Restaurant Association of India (NRAI), the food service industry is projected to grow at a 9% CAGR over the next five years. However, unlike countries with well-established affordable restaurant chains—like Jollibee in Southeast Asia or Haidilao Hot Pot in China—India still lacks large-scale, cost-effective dining solutions for everyday meals.

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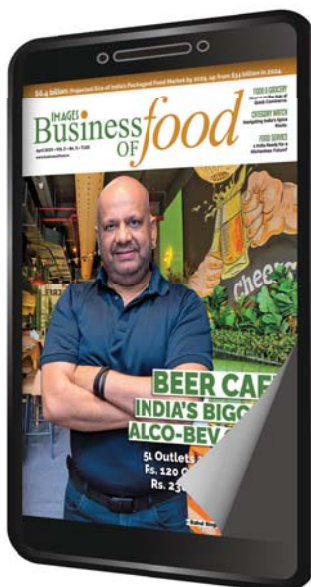
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Images Business of Food invites contributions from industry professionals, experts, and analysts to share their insights on the food & grocery (F&G) and foodservice sectors. We welcome thought leadership articles that explore India's rapidly evolving food retail and HoReCa landscape, as well as their insights on key topics such as: **Emerging consumption trends in the F&G and foodservice markets; Innovative strategies by foodservice brands and F&G retailers; Success stories, case studies, and breakthrough concepts in F&G and HoReCa; The potential of 'Make in India' in the food sector; The dynamic landscape of Modern Trade vs. Traditional General Trade and wholesale markets in India; Investment opportunities within food retail and foodservice operations; High-impact brand-retailer collaborations and partnerships; The rise of private labels and their market potential; Effective marketing, branding, and sales campaigns by foodservice brands and retailers.** We encourage contributors to provide valuable insights that drive forward-thinking discussions and contribute to shaping the future of India's food industry.

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MAKING A SPLASH!

Whatever be the packaging it offers itself in – Canned, Bottled, Tetra-Pak-ed – the beverage category is on a high! India's appetite for non-alcoholic brews, including CSDs and non-CSDs, is escalating, thanks to robust innovation in product, distribution and marketing.

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IN THE ISSUE

Market Trends: Biggest trends shaping the category, from premiumization and sustainability to fusion flavors, health 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 beverage innovation at retail and in HoReCa.

Emerging Opportunities: Untapped niches, such as nutraceutical blends, organic offerings, and functional brews

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