

# GROCERY SHOPPING – INDIAN CONSUMER – 2019

Offer the perfect mix of traditional and modern trade to appeal to the evolving Indian consumer. Highlight the convenience factor to push online grocery shopping.



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# Report Content



- What you need to know

## EXECUTIVE SUMMARY

- Collaborate with evolving Indian consumers to promote new shopping locations; offer the perfect mix of traditional and modern shopping
- Swiggy enters grocery
- Amazon launches Fresh delivery
- Amazon is building out its physical retail space presence
- Technology leads to gourmet foods becoming accessible
- Close to home – opportunity for online
- Provide options to top-up supplies in hypermarkets
- Key Takeaways

## KEY TRENDS

- What you need to know

### Key drivers

- Rise in disposable income
- Evolving grocery choices
  - Graph 1: Top claims in food, 2017-18
- Natural and organic variants are popular across categories
- Spread of digital technology leads to online grocery shopping
- Leading online grocery store Big Basket touches on ethics and moral responsibilities
- Start-ups enter busy consumers' lives through smartphones
- Brick-and-mortar stores move beyond tradition to keep relevance

## CONSUMER INSIGHTS

- What you need to know

### Grocery shopping patterns

- Tap into the trend for moving from traditional stores to modern channels
- Combine new launches with staples and oil/ghee in hypermarkets to tap into the consumers shopping in these stores
  - Graph 2: Grocery shopping patterns, by store type, May 2019

## Traditional trade

- Help expand product coverage at kirana stores
  - Graph 3: Purchase pattern of groceries at kirana stores, by age group, May 2019
- Take inspiration from kirana stores in South India, which are used for shopping across categories
- Strategise product positioning with kirana stores at the centre, especially for segments related to parents and kids
  - Graph 4: Purchase pattern of groceries at kirana stores, by parental status, May 2019
- Create DIY cooking kits with oils, spices and fresh produce to be sold at open markets, especially for East India
  - Graph 5: Purchase pattern of groceries at open/roadside vendors, by region, May 2019
- Tap into metro dwellers who are heavily engaged with the open market to cross-sell relevant products like spice mixes, oil and syrup
  - Graph 6: Purchase pattern of groceries at open/roadside vendors, by city tier, May 2019
- Take inspiration from the large number of special spices, oils, pickles etc which have a hint of provenance

## Modern trade

- Use youngsters as a hook to drive shopping at super- and hypermarkets
  - Graph 7: Purchase pattern of groceries at hypermarkets, by age group, May 2019
- Devise special offers for consumers living in extended families to become their top shopping destination
- Use West India as inspiration to drive usage of modern trade outlets
- Create awareness around the usage of online apps for purchasing grocery items
- Grofers – the online grocery aggregator – heavily promotes the deep discounts it offers
- Address the challenges faced by modern retail consumers while shopping at hypermarkets/online in order to drive usage
  - Graph 8: Biggest barriers to shopping at hypermarkets/online, by shopper type, May 2019

## Attitudes towards grocery shopping

- Focus on communicating new launches to younger men throughout the month, as they plan their shopping lists and shop on a need basis
  - Graph 9: Attitudes towards grocery shopping, select by gender and age, May 2019
- Cater to the younger cohort with Indian-branded organic grocery products
- Focus on in-store experiences that encourage younger men to shop more at a particular store
- Take inspiration from global players as hard discounters are undergoing a revamp
- Segment the retail space based on regional preferences which vary by culture and societal norms
- Take inspiration from metro dwellers for planned shopping trips; make it more effective and environment-friendly
  - Graph 10: Attitudes towards grocery shopping-select, by city tier, May 2019
- Educate consumers who shop in traditional stores on the importance of planned purchase and healthier food options
  - Graph 11: Attitudes towards grocery shopping, select by shopper type, May 2019
- Follow traditional stores and their methods to build strong customer relationships

## Influences for grocery shopping

- Keep convenience offered by stores as the cornerstone for grocery shopping as this is the biggest deciding factor



– Graph 12: Key factors in deciding where to shop for groceries, May 2019

- Hypermarket DMart adopts an omni-channel route
- Focus on prices for the North; quality is the yardstick for South India
- Appeal to the aspirations of Tier 3 consumers with store offerings which go beyond basics

– Graph 13: Key factors in deciding where to shop for groceries, by city tier, May 2019

- Diversify offerings of grocery stores based on consumers' working status to become a preferred shopping location
- Highlight the multiple benefits offered by online shopping platforms for consumers in extended families to popularise among consumers

– Graph 14: Key factors in deciding where to shop for groceries, by household groups, May 2019

- Accelerate checkout process in modern trade stores: adopt technology to improve the experience

## MARKET APPLICATIONS

- Opportunities: What you need to know

### Opportunities

- Leverage the comfort of neighbourhood supermarkets to help people adopt modern trade
  - Graph 15: Grocery purchase pattern at neighbourhood supermarket, by age group, May 2019
- Approach modern trade with a traditional channel lens to help drive its acceptability
- Transform grocery shopping into a family outing experience within the modern trade format
- Extrapolate the experiences offered by hypermarkets across India
- Adopt traits of traditional trade in hypermarkets and online
- Work to familiarise consumers with the online channel
- Big retailers adopt the online channel to reach tech-savvy consumers

### Who's innovating

- Provide omni-channel support to remain people's preferred shopping destination
- Online grocery aggregator expands to brick-and-mortar
- Start-ups lead the way in grocery shopping
- Small aggregators tap into the need for fresh produce

### Global innovations

- Hypermarkets provide home delivery at lightning speed
- Holland and Barrett launches on-the-go lunch range
- Starbucks closes Teavana stores and switches to supermarkets
- Private label NPD becomes more granular to satisfy consumers' unique needs
- Private label ranges built around giving reassurance
- The premiumisation of discounters' private label is evident across numerous product categories
- Retailers turn to private label to tackle plastic waste
- Retailers champion various ethical and eco-friendly causes

### APPENDIX

- Consumer survey methodology
- Terms of use

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