



# THE INDIA FOOD REPORT 2018-19

A TERM REPORT ON THE WORLD'S  
MOST EXCITING FOOD MARKET

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# TASTE OF INDIA: NAMKEEN INDUSTRY ON THE RISE

– By Manoj Gupta

The market for namkeen and snacks in India is about INR one lakh crore. Being a most vibrant sector, it has been witnessing unprecedented growth in the recent past and continues to expand rapidly. Indian consumers seem to have recovered their taste for traditional snacks such as sev, bhujia and namkeen/ mixtures, which are contributing to the impressive growth rate of the firms.



**M**unching of namkeen and snacks is a very old practice in India. The history of snacks shows that until about forty years ago, there were just 2-3 types of available namkeens in the market. But after the mid-80s, the varieties developed tremendously and the triple layer pouch packing started playing a major role/ factor in developing the category, extending the shelf life of products to six-twelve months. Today, around 1,000 snack items are sold in India spanning various tastes, forms, textures, aromas, bases, sizes, shapes and fillings. Besides, some 300 types of savouries are sold in our country today.

The market for namkeen and snacks in India is of about INR one lakh crore. Being a most vibrant industry, it has seen an unprecedented growth in the recent past and continues to expand rapidly. Indian consumers seem to have recovered their taste for traditional snacks such as sev, bhujia and namkeen/ mixtures, which are contributing to the impressive growth rate of the firms. About 30% coverage of this market is in the hands of organized trade players dominated by Haldiram's, Pepsico, Balaji (wafers & namkeens), ITC (Bingo), Prataap Snacks (Yellow Diamond), Bikanervala (Bikano), DFM Foods(CRAX), among others.

The branded segment is expanding at the rate of approx. 15% per annum whereas the entire market is growing at the rate of 7-8 per cent.

Namkeen is a product essentially known for three important attributes: a) Taste b) Quality c) Variety. To elaborate further, namkeens can be characterized into three segments as:

- a) **Single product segment:** Moong Dal, Chana Dal, Peanut, Nut Cracker, Karare Peanut, Heeng Jeera Peanut, Masala Matar, Mathri, Namkeen Pare, etc.
- b) **Single product in bhujia:** Plain Sev, Bikaneri Bhujia, Aloo Bhujia, Punjabi Tadka, Rattlami Sev, Bhavnagri Gathiya, etc.



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c) **Lots of mix:** Navratan Mix, Khatta Meetha, Chatpata Mix, Magic Mix, Royal Treat, Kanpuri Mix, Bombay Mix, Kaju Mix, Kashmiri Mix, All in One, etc.

The namkeen market is divided into two categories: the first category of Indian & ethnic snacks comprises about 60-65% of market share and the rest belongs to the Western snacks category comprising extruded snacks and chips. There is also the inception of a third type of savoury being developed and called "bridge snacks", in which the taste and flavour is local but the product

format adopted is Western. These products are available in a very few high-end outlets.

Indian & ethnic snacks is the traditional fried category and is a leading trend in the market. Western snacks are of roasted category and is a quickly growing segment in India with the inception of low fat products. However, it may take several more years to develop this category for the market. The health category is also developing as a separate one. Traditional snacks boast of proven human craftsmanship, including cooking and frying by hand.

Since generations, the halwais have gained traditional expertise over recipes and spices and still dominate the market of savoury snacks in India due to better taste and other reasons as compared to the roasted ones. Western snacks is dominated by multinationals who are equipped with automated machines with a high production capacity.

In the past four years, Indian namkeens is growing at faster pace @22-25% (approx.) as compared to Western snacks growing @12-15% (approx.) overall. Again, this market is divided into three categories comprising kids, teenagers, and adults. The kid's category calls for new packaging and products that are soft, chewable, spicy, and also come with offers of freebies. Kids are always ready to adapt to new flavors and due importance has been given to this aspect by offering new flavors as Schezwan, Peri Peri, Wasabi, and more.

Teenagers, being health conscious, look for healthier and high-grade products and they also have attraction for new products. Adults look for the brand and price and they want their money spent well; hence the quantity aspect too forms a key consideration in their choice making. The average annual per capita consumption of commercial snacks is 500 gm. Consumers from western India are the leading snack consumers, followed by the North.

Last year, India exported nearly \$2.8 million worth of savoury snacks, including extruded or expanded products, registering a Y-O-Y growth of almost 22-23 per cent from the previous year. The top five import countries were the USA as the prime market followed by Australia, Thailand, Israel and the UAE due to the huge Indian expat population in these countries. 🇮🇳



**Narayanan KS** is a Food Industry expert with over 30 years of experience in running businesses across the various F&B Sectors in India & Europe. He is experienced across B2C, B2B, Hospitality, Retail, Customer & Business Development, Sales & Marketing in the Food & Beverage Industry spanning the Service, FMCG, Retail, Impulse & Foodservice categories. He has handled Categories/Businesses spanning Beverages, Edible Oil, Dairy, Ice Creams, Frozen Foods, Culinary products, Seasonings & Flavors, Restaurants, Parlours and Cafés. He is one of very few professionals who have handled the complete range of businesses from Farm to Fork and a keen observer of the happenings across the F&B world. KS is a member of National Restaurant Association of India (NRAI), and a regular guest lecturer at various Management Institutes. Additionally, he is a Health & Fitness enthusiast and a regular at the Mumbai Marathon.



**Kamaldeep Singh** is Group Business Head for Food Business for Large and Small Format Stores at Future Group. He has 16 years of work experience in Food, FMCG & Retail. He joined Future Group in 2008 and has worked in various roles in Food & FMCG in the organization. He was Category Head for Home & Personal Care and Deputy General Manager for Food Business in Zone in his earlier roles with Big Bazaar. Prior to Future Group he worked with Reliance Retail. He started his career with Wrigley in 2001 where he worked for nearly five years till 2006 in Sales and Marketing. He was Area Manager and later Brand Manager in Wrigley. He is an Engineer and graduated from IRMA in 2001.



**Madhumita Mohanty** is a seasoned professional with over two decades of experience in the Indian retail industry. She has worked across sectors like food & grocery, jewellery and beauty. She has held key management positions in Merchandising, Marketing and Operations in her long career. Being initiated into retail with Foodworld Supermarkets Ltd, the pioneering grocery chain, food retail will always remain her first love. However, her current passion is the exciting world of beauty and wellness. Currently, she heads Merchandising in Health & Glow, the pioneering and largest beauty retail chain in India. A Gold Medallist in B.A (Economics) and a Management graduate, Madhumita has kept her academic interest alive by writing on retail and consumer stories. She has taught retail management courses in various B schools in Bangalore, the city where she works and in Bhubaneswar, the city where she studied and lived earlier.



**Manoj Gupta** is Executive Director of AFP Manufacturing Co. Pvt. Ltd. and the creator of Munchon's brand – a well-known name in Indian Snacks/ Food Industry. He is a seasoned and innovative business professional with a vast, rich and diversified industry experience of more than 28 years in different areas of the food industry. He is known to be a company turn-arounder and his business acumen & grit has helped create several brands and establish the tradition of branded snacks in North & North-East India. He is a friend, philosopher and guide to his team and company and an idealist with the commitment of providing wholesome customer service. His mission is to provide products with quality, nutrition & hygiene through world-class standards. He is also a prolific columnist who believes in sharing his experiences with the upcoming generations in food industry.



**Narendra Baheti** is Director, Future Consumer Limited, and has been associated with the food business in all its facets for over 25 years. His journey spans across basic staple foods, manufacturing and value-added products across India. He has been associated with the explosive growth of modern retail, right from the inception of Future Group. He is one of the most recognized business leaders in leading the food businesses throughout India. His interest lies in democratizing food and making it available at affordable prices.