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Dining delights to home delicacies, restaurants get into gourmet retail

From delectable pastes to artisanal blends, savoury chips to ice-creams, culinary treats crafted by in-house chefs are hitting the shelves

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New Delhi, 4 April

For its upcoming restaurants in cities such as Bengaluru, Mumbai and New Delhi, Burmese restaurant Burma Burma is redesigning its interiors to create prominent shelf space for its merchandise and ready-to-eat gourmet products.

These include khow suey pastes, chilli garlic oils, ready-to-eat lotus stem chips, tea leaf salad paste, crunchy seed mix, dry Burmese spices, tea blends, and artisanal ice-creams, along with t-shirts and branded chopsticks.

Burma Burma is one of many restaurants that are diversifying into gourmet retail.

Azure Hospitality, which runs pan-India food and beverage brands such as Mamagoto, Dhaba Estd 1986, Sly Granny and Foxtrot ventured into food retail in 2021. In the last two years, Café Diva, Hunan at Home (Bengaluru), Mahabelly (New Delhi), Kitchen Garden by Suzette (Mumbai) and Fig & Maple (New Delhi) have joined the list of restaurants that are selling gourmet pantry staples.

Among the first to enter the gourmet retail segment was ITC's iconic restaurant, Bukhara, which turned 45 this year. It launched its brand of ready-to-eat gourmet products, including its signature dal Bukhara, way back in 2001.

Customer acquisition and loyalty, besides brand recall, are some of the reasons restaurants are strategically pivoting towards gourmet food retail and merchandising.

When pandemic bit

For most players, this category was a construct of the Covid pandemic, when they returned to the drawing board to re-strategise as restaurants remained shut during the lockdown.

Post-pandemic, it has become a marketing strategy to widen the consumer base.

Take the case of Burma Burma, which launched its retail vertical in 2021 with eight products. Now, it has 25 to 30.

Apart from the restaurant's website, these products are available on platforms such as Amazon, Flipkart, Swiggy and Zomato, as well as in the retail store Nature's Basket.

With an initial investment of about ₹8 lakh, the promoters of Burma Burma started a separate factory-cum-laboratory in Mumbai with chefs, digital creators and food technologists hired specifically for its branded gourmet food retail vertical.

The 10-year-old restaurant's retail sales are now upwards of ₹15 lakh a month. Ankit Gupta, co-founder, Burma Burma, is confident of generating sales of ₹25-30 lakh per month by the end of 2025.

Rahul Khanna, co-founder of Azure Hospitality, says the company decided to venture into food retail backed by customer demand. While Mamagoto's merchandise (cushion covers, artworks, etc) has been on sale for the last 12-odd years, the company launched its range of dips, sauces and pastes during the pandemic.

"We have along the way realised that retail is an important extension of our brand's storytelling," says Khanna.

Within the next month, Azure Hospitality intends to roll out a bigger range of products: handmade pasta, black bean jam, pickles, flavoured oils, dips, artisanal ice-creams, black pepper, momo, and rice and noodle master sauces, among others.

Last year, Diva Casa Pantry shut its operations and tied up with Nature's Miracle, a hydroponic fruit and vegetable company, to co-create a range of sauces – salsa rossa, arrabiatta, aglio e olio – for Le Marche, a gourmet retail store. The packaging credits chef Ritu Dalmia.

Avantika Singh, manager, marketing and communication, Riga Foods, which owns Diva, says the shift happened so the focus could return to the core business of running restaurants.

Fresh ingredients

According to Anita Sahoo, founder and CEO of Home Kouzina, a two-year-old food aggregator that was in the business of supplying hot meals, restaurants getting into gourmet food retail requires fresh investments, clear strategy and a proper roadmap for growth. Also needed are a team of food technologists, analysts, a dedicated factory space, packaging units, lab-testing facilities (even if outsourced), tech designers and website developers.

For Home Kouzina, food retail has now become the main driver of business.

It creates pickles, ready-to-eat snacks, masalas, and paste from various regions of South India, including Coimbatore, Chettinad and parts of Kerala, besides Rajasthan, Odisha, Bihar and Goa.

Sahoo turned to branded retail after her hot meal business went kaput due to logistical issues – riders not reaching the destination; food getting cold due to extra time taken on account of traffic jams; home chefs increasing their prices due to inflation, impacting brand loyalty.

"We are seeing repeat orders and faster revenues in food retail since we are continuing to work with among the best home chefs to bring products that have zero-preservatives, no added colours, and fresh and authentic taste." The Goan masala range by chef Crescentia, creator of the iconic but now shut Bernardo's Goan Restaurant, for instance, continues to be a hit.

More than a side dish

Some of the newer restaurants are integrating retail at the outset. Aidu, a South Indian restaurant in Hyderabad's Jubilee Hills, which opened in February, started simultaneously selling packets of podis and pickles at the outlet.

Ditto for Colocal, a bean-to-bar chocolate factory and café brand, which launched both its café and the retail business together in 2020.

The company, which clocked a turnover of Rs 25-30 crore last year, says 10 to 15 per cent of its overall sales comes from retailing premium chocolate bars, spreads, baking chocolate and hot chocolate powder. By next year, it expects retail to account for 25-30 per cent of its revenue, and eventually, 70 per cent.

The cross-branding with its sister company, Hyderabad-based Roastery Coffee House, a café with locations in Delhi-National Capital Region, Lucknow and Kolkata, helps.

Anshi Saxena, Colocal's co-founder, says the biggest benefit of restaurants and café getting into gourmet retail is that "suddenly, the brand can be present in any part of the world".

In the next two years, Colocal expects to roll out a slew of chocolate products through tie-ups with offline gourmet retail partners.

Its production has already shot up from 160 chocolate bars a month in 2020 to over 4,000 now. "Retail is contributing to our growth in a big way," says Saxena. "We are looking to upgrade our factory so that by year-end or early next year, we can launch more varieties and look at selling with gourmet stores."

Pricey treat

Not everyone, though, wants to bite into this segment, considering that the margins are slim and cost of labour, real estate and raw material remain high.

"The effort of managing inventory and sales wouldn't be a worthwhile use of resources for a high-end restaurant like ours," says Rahul Bhambri, co-founder of Michelin-recognised ROOH (San Francisco and New Delhi) and Pippal (San Francisco). "It's a controlled preparation of food that happens at our restaurants and we might not want customers using condiments that could alter the intended taste of the dish."

That said, the Indian gourmet food market, currently valued at $1.3 billion, is expected to grow at 20 per cent every year.

Step into Food Stories, a gourmet retail store that opened a month ago in New Delhi's Ambience Mall in Vasant Kunj, and you find people reaching out for artisanal cheese from Australia, Arizona-imported dark chocolates, South Korean strawberries, and freshly ground spices and dry fruit.

Says Avni Biyani, founder, Foodstories, "With increased exposure to global food trends and greater access to quality ingredients, India has widely accepted gourmet food." According to her, globally renowned chefs and F&B brands frequenting India for pop-ups, the rise of culinary culture by way of food shows by home chefs, and an evolved Indian palate "to crave finer flavours and recreate the experience of fine dining at home" is leading to a growing interest in gourmet cuisine.

It's only a matter of time before gourmet products from Indian restaurants appear on these shelves. The consumer is already here.

GOURMET GAMBLE

- Burma Burma, Bukhara, brands by Azure Hospitality, among others have joined the list of restaurants selling gourmet products
- Customer acquisition and loyalty, besides brand recall, are some of the reasons restaurants are pivoting towards gourmet food retail and merchandising
- For most players, this category was a construct of the Covid pandemic, when they returned to the drawing board to re-strategise as restaurants remained shut during the lockdown
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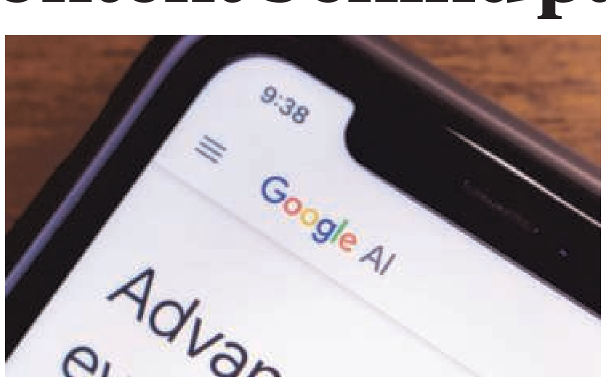
Google may put generative AI-powered search content behind paywall

HARSH SHIVAM
New Delhi, 4 April

Google is reportedly planning to make the Search Generative Experience (SGE), its generative AI-powered search tool, exclusive to paid-tier. According to a report by the *Financial Times*, Google is considering charging for generative AI features for Search, including the experimental AI-powered search service.

According to the report, Google's traditional search service will remain free to use, and the generative AI search experience will be added to its premium subscription services, which already offer access to Gemini Advanced and AI-powered tools for services like Gmail and Docs.



However, the company will likely run ads in search results, irrespective of the subscription. In a statement to the *Financial Times*, Google said, "With our generative AI experiments in Search, we've already served billions of queries, and we're seeing positive Search query growth in all of our major markets. We're continuing to rapidly improve the product to serve new user needs." However, the company added that there are currently no new announcements from their side. Additionally, the company stated that they are "not working on or considering" making the Search ad-free and that it would "continue to build new premium capabilities and services to enhance our subscription offerings across Google".

Google launched the AI-powered SGE in August last year and it has since remained available to users as an opt-in experiment in Google's Search Lab. Once enabled, SGE provides relevant information upfront on the search page, instead of showing links to multiple websites that may have information related to search queries and keywords. It generates an AI-powered overview of key information along with relevant links that point to the source of information.

The report states that this kind of Search experience, which includes an AI-powered overview, costs more to Google as generative AI consumes a lot more computing resources. Additionally, many online publishers who depend on Google for traffic on their websites have shown concern as they expect fewer visitors due to information being presented directly on the search result. Making SGE exclusive to the paid tier might solve both of these issues for Google.

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