

## Sundrop Yummeals

# Ready, steady, grow

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**A**gro Tech Foods has stepped into the ready-to-eat meal segment with Sundrop Yummeals. Sundrop is accompanying its meals with uncooked rice, making it a complete meal offering. The packaged meals, priced between ₹35 and ₹45, will be manufactured through an outsourced partner in Gujarat, under the company's supervision.

To play safe, the brand is initially launching only six north Indian flavours. Gradually, the range will include south Indian dishes, which are slightly difficult to standardise.

To market its meals, Sundrop is drawing lessons from sister brand ACT II popcorn. One of the major growth drivers for the ACT II brand was showing people how to make popcorn in pressure cookers. "Likewise, we will have demonstrations at trade stores and

high traffic zones near colleges," says Asheesh Kumar Sharma, head, marketing, Agro Tech Foods. Initially, Sundrop Yummeals will be available in the top 8 cities after which it will be rolled out in another 32. Print and television advertising are also on the cards, but will happen once the brand gains critical mass.

The estimated ₹450-crore Sundrop brand

### AGRO TECH FOODS HAS STEPPED INTO THE READY-TO-EAT SEGMENT WITH SUNDROP YUMMEALS, STARTING WITH SIX NORTH INDIAN FLAVOURS

whose flagship product is a premium edible oil, has been vigorously extending its portfolio to new formats and categories. For example, it has recently unveiled Sundrop Slim-Lite cooking spray; just before that it was the turn of Sundrop Peanut Butter and Healthy

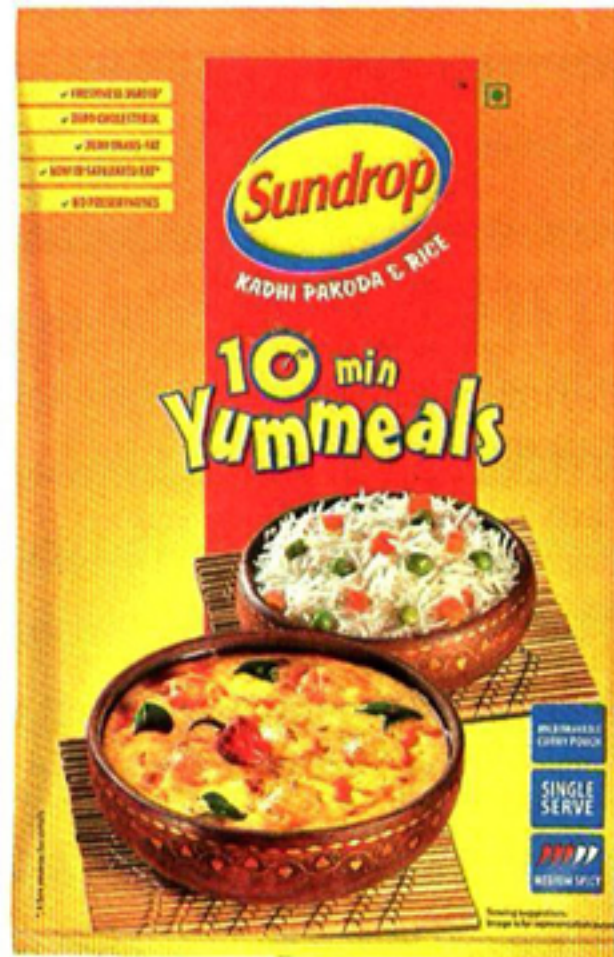
World frozen peas. "This is in line with Agro Tech's strategy to become a health and convenience-driven food company," says Sharma. Newer products touting similar benefits are in the offing, says Sharma.

Analysts say the move makes sense given that margins in ready-to-eat foods are much higher than in edible oil. Arch-rival Marico's Saffola has also extended its Saffola brand to rice (Saffola Arise) and oats (Saffola) for better margins. Marico's entry into ready-to-eat foods will not be surprising, says an analyst who does not wish to be named.

Sundrop, which has established an element of trust among Indian housewives, might have an edge, but it has to fight big players with strong marketing and distribution muscle. Among its competitors are ITC's

Aashirvaad and Kitchens of India, Heinz Kitchen Classics, MTR Foods and local warriors Gits Ready Meals and Rasoi Magic, which have their strongholds in certain regions.

While urbanisation and an increasing working population is fuelling growth of



ready-to-eat foods, a big challenge is changing consumer habits and attitude towards ready meals. According to industry estimates, in the ₹10,000-crore packaged food market, ready-to-eat is still a small segment, valued at ₹300 crore. MTR Foods head (marketing) Vikran Sabherwal says, "The segment is one of promise rather than actual delivery." Indian homemakers prefer intermediary offerings that assist them while cooking. "Our breakfast mixes which allow housewives to customise is growing much faster than our ready-to-eat foods," claims Sabherwal. ▲