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Established kirana stores have started delivering items to the doorsteps of people. (Photo: Bloomberg)

## The neighbourhood kirana store makes a roaring comeback this season

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[Suneera Tandon](#), [Madhurima Nandy](#)

The neighbourhood kirana stores have again gained relevance in the minds of consumers during this period and this will continue in the days post-covid-19, says Dabur India CEO Mohit Malhotra



**NEW DELHI/BENGALURU** : Neighbourhood stores are back in business. They have made a comeback in the lockdown after appearing to be in terminal decline, at least in the cities, in the face of the onslaught from modern chain stores and online retailers.

Established kirana stores have stepped up their efforts to service customers, delivering items to the doorsteps of people amid a 21-day nationwide lockdown, a convenience that big departmental stores are struggling to provide.

“The neighbourhood kirana stores have again gained relevance in the minds of consumers during this period and this will continue in the days post-covid-19,” said Mohit Malhotra, chief executive officer (CEO), Dabur India Ltd.

For the past two weeks, Vikas Bhagwani, owner of Vikas Morning Store in Delhi’s Sarita Vihar, has been working longer hours than usual. With supply from wholesalers becoming sporadic, every morning Bhagwani drives around to fetch goods from different parts of Delhi to cater to his customers, sometimes making several rounds because there is only so much his vehicle can carry.

Typically, neighbourhood kirana stores are serviced by distributors of household goods makers who send over their sales teams to take orders and fulfil them. But as India entered the lockdown phase on 25 March, movement of distributors became infrequent—they too grappled with shortage of labour and restrictions in vehicle movement.

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This is why, beginning every morning at 6, Bhagwani travels all over Delhi to collect goods from distributors' godowns. He has been doubling up on the stock as demand for everything from flour to soap and milk has surged. The store-owner has also been approached by an online grocery retailer to partner, but Bhagwani says he has his own deliveries to make and cannot take on the added work. His staff of five are also putting in longer hours making home deliveries and packaging goods for takeaways.



The traditional grocery stores have shown that they are quite resourceful and agile. (Photo: Bloomberg)

Bhagwani and millions of other small store owners like him are working extra hours to keep India fed and supplied with daily essentials, even as larger modern stores and online retailers struggle to deliver.

The traditional grocery stores have shown that they are quite resourceful and agile, said Ajay Motwani, head of marketing for consumer business at Adani Wilmar, which sells cooking oil and flour under the Fortune brand.

As of February, India had 6.65 million kirana stores in the country, according to Nielsen. Unlike in the West, general trade stores in India form nearly 90% of the country's total trade. The overall contribution of supermarkets and organized grocery stores remains at 10%.

Small stores manned by 3-4 people have emerged the winners, said Karthik Venkateswaran, co-founder and CEO, Jumbotail, a business-to-business firm that delivers stocks to kirana stores. The company is seeing many more repeat purchases from small retail stores on its platform. In all, Jumbotail serves 24,000 groceries. To ensure steady supply, Jumbotail said it is focusing on the top 700-800 stock keeping units or SKUs of the 3,500 it offers to kiranas, based on the immediate consumer needs.

Kumar Vembu, CEO and founder, GoFrugal Technologies, which works with 5,000 kiranas in cities such as Nagpur, Lucknow and Pune, said that his company is helping kiranas by offering solutions free of charge for the next six months. These free solutions will help them practice contactless and safe deliveries.

At Top in Town, a neighbourhood supermarket in east Bengaluru's CV Raman Nagar locality, the lockdown has altered the way it has functioned for the past 14 years. It has stopped home deliveries to the nearly 120 families in the area it services since the lockdown. The store was unable to meet the surge in demand for home deliveries from panicked buyers. Supply of certain products has been patchy, too. "We aren't getting products of Britannia or Haldiram's because distributors are unable to send them across due to acute shortage of delivery staff," said store manager Sohail M.

Morning Store's Bhagwani said his margins are hurting since companies no longer offer any schemes or freebies that retailers typically avail on bulk purchases. Most kiranas opt for a credit period of 7-14 days. However, since they have enough cashflow they are able to make upfront payments.

*Kalpana Pathak, Meera Vankipuram, and Nandita Mathur contributed to this story.*

