

# Bakery industry to touch levels of Rs 483 bn in 5 years

The Baking Company, a property of the Brigade Hospitality Group, aims to promote healthy baked products and is in sync with the current demand of customers. This venture into the bakery sector started with in-house patisserie delights which cover cup cakes and muffins among other offerings for the residents within the Brigade residential properties. This was later launched as a standalone offering at the Brigade Gateway located in the World Trade Centre. Now The Baking Company is in aggressive mode to expand its reach to various kiosks and lounges across Bengaluru. Vineet Varma, executive director, Brigade Hospitality Services, in an email interaction with Nandita Vijay highlights the growth, innovations, new technologies and emerging trends in the sector. Excerpts.

What led to setting up the Baking Company?

Our clubs have always had a bakery as an integral part of the overall facilities. Encouraged with the good feedback that we continually received for our products, we decided to give our bakery its own identity and name. Thus was born 'The Baking Company.'

Share details on funding and investments into setting up operations.

## "Bakery industry to touch levels of Rs 483 bn in 5 years"

Monday, 13 April 2016, 10:00 AM [IST]

Nandita Vijay



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### Share details on funding and investments into setting up operations.

All our The Baking Company outlets are self-funded. The extent of investment depends on the type of outlet we are proposing, be it a kiosk like in Orion Mall or a coffee lounge model as is being planned in a few of our projects.

### Provide us details on bakery unit in terms of manufacturing equipment and other novel baking apparatus that are being used.

The bakery unit is equipped with a range of equipment and these include the Planetary mixer, Spiral mixer, Dough mixer, and Rack ovens. Since we follow traditional methods of baking we do not use proofing machines etc. However, we do use dough stretchers to save on the manual labour.

### How has the company fared since its inception?

To clarify, it is not a company in itself but just a brand name called 'The Baking Company'. All outlets are owned and managed by Brigade Hospitality. Customer response to TBC has been most encouraging especially for our quality that is among the best in the industry. However, considering that it is still a very young brand, we need to give it some more time before we start seeing far better numbers.

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What are the expansion plans envisaged?

In addition to five outlets we already have in operation, we are scheduled to open four new outlets in the near future. The first of these will open very shortly in our Orion East Mall, Bengaluru.

Are these expansions specific to Bengaluru? Provide details.

Presently, we are looking at expanding only in Bengaluru and will look at taking our brand beyond this territory once we have been able to firmly establish our presence in the city.

How would you describe the scene for bakery business in India?

The bakery business has achieved a prominent place in the industrial map of India due to changing perception of the baked goodies coupled with changing lifestyles. Bakery products were not part of the Indian culture, however, with Western influence on eating habits, our food consumption habits are changing and bakery products have found a prominent place on the shopping list. Rising incomes, increasing consumption and sudden spurt in organised retail offer great opportunities for the bakers.

What are the visible trends?

The growth in the bakery industry has been promising and has seen rapid progress due to increased

consumption in both rural and urban India. Innovations on the products, ingredients used and the use of the latest technology is bringing in a massive change in the perception of the way people look at the bakery products. Increasing awareness on eating right & eating healthy has led to introduction of a number of healthy baked goodies where traditional ingredients are replaced with whole wheat, millets and sugar with healthy, natural sugar substitutes, are highly popular amongst the health-conscious.

**E-retailing is gaining momentum and bakery products have seen considerable traction in the e-retailing segment.**

According to the market research report released by Niir Project Consultancy Services, the Indian bakery industry is estimated to touch levels of Rs 483 billion in the next five years, which includes the bakery sector as well as biscuit and bread segments.

**What are the challenges for outlets like The Baking Company to succeed in this space?**

The bakery business is indeed a very competitive space to be in where one's success or failure will depend on how quickly the bakery unit owners are able to adapt to customer preferences and taste. In our experience, bakery items are mostly an impulse purchase especially in environments like shopping malls and this is where visual merchandising plays an important role. Footfalls can convert to eye-balls only with good display and it is only then that conversions happen. What we need to watch out for is repeat business that happens only if quality of your product sees no compromise and customers perceive your product as good value for money.