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# Apeejay eyes FMCG pie with Flurys

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Calcutta: Apeejay Surrendra Group, the Calcutta-based conglomerate with its business spanning hospitality, shipping, real estate and logistics, has firmed up plans to enter the FMCG sector, leveraging the enterprise strength in food and beverage and the pull of Flurys — the Swiss confectionery chain.

The group has already tiptoed into retailing coffee under the Flurys brand with instant coffee and coffee beans. Plans are afoot to launch iced coffee, iced tea and hot chocolate going forward.

Down the line, it also plans to bite into the food segment with biscuits, cookies and cakes. “Priya and I had looked at what Flurys has to offer and selected a few that could be taken out of the four corners of the confectionery to a wider audience,” Karan Paul, chairman of Apeejay Group,

told The Telegraph.

For Karan and his sister Priya, who is the chairperson of Apeejay Surrendra Park Hotels, the challenge is to retain the premium quality associated with brand Flurys when it ventures into FMCG trade, which comes with its own set of dynamics.

“Flurys is artisanal and handmade till today — nothing is factory produced — but we are now looking at cookies and cakes, chocolates as part of mainstream FMCG that requires a different scale of production, distribution logistics and marketing,” Paul said.

Paul said Flurys would play in the premium segment of the pyramid and, hence, quality would be key to make a mark. Paul tested many coffee blends himself before deciding on what would go into the pack. “Our family is the final arbiter of taste,” he chuckled.

The campaign for coffee will start in mid-July and he



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has convinced Indrani Dasgupta, the supermodel and his wife, to be the face of the campaign. Food (for FMCG), even though started in a small way through Flurys outlets, will go to e-commerce and general trade two years down the line.

## Focus on beverage

For the time being, the beverage segment will be in focus.

With coffee, the Apeejay group hopes to cover 90 per cent of the hot beverage market of India. It already has tea bags under its portfolio and the distribution channel for teas will be used for coffee as well.

Tea bags are now sold under the Flurys brand, having successfully migrated from Typhoo. Apeejay had exited Typhoo tea of the UK in

2021 but retained the right to sell under the Typhoo brand in India for two more years.

With beans and instant coffee, Apeejay hopes to straddle the entire spectrum of the market which is upward of ₹6,000 crore in value and growing in double digits. Nestle is the dominant player in instant coffee while Lavazza holds sway in beans. However, both Nestle and Lavazza are now offering both instant and bean versions to coffee aficionados.

With a generational shift happening from tea to coffee as the choice of hot beverage in Indian upper middle-class homes, the segment is seeing interest from new entrants. For instance, Tata Consumer Products Ltd, which merged Tata Coffee with itself, is now flexing its muscles in this space apart from scores of direct-to-consumer brands that are leveraging the quick and e-commerce platforms to proliferate. Seeing the opportuni-

ty, Nestle has also introduced the renowned Nespresso brand in India, with machines and coffee pods.

Paul, however, believes the love and recognition of the Flurys brand will pay dividends. The foray into coffee and other FMCG products will also play out at a time when Flurys confectionery is charting a rapid expansion.

From a single, yet iconic, outlet on Park Street in Calcutta, it now boasts of 100 outlets and the plan is to reach 200 outlets by 2027, the centenary year of the Swiss confectionery. The geographic expansion will serve the purpose of extending the appeal of the brand across multiple cities and also the reach of the FMCG products.

“The opportunity is large, the path is challenging but we are confident of our legacy of taste and quality,” Paul remarked as Apeejay gears up to get a taste of India’s consumption story.