

MARC

# Top 5 Business Ideas for 2023

Emerging sectors for entrepreneurs to consider in 2023.



# Skin and Haircare Products

The Indian Beauty and Personal Care market is expected to grow at a CAGR of 9%, from USD 19 billion in 2020 to USD 29 billion in 2025.

The industry is further categorized into seven major categories – cosmetics, fragrance, men's grooming, skin care, bath & shower, hair care and oral care. Specialized categories like cosmetics, Hair and skin care hold 40-45% of the overall market.

The hair care market includes shampoo, conditioner, hair oil, hair spray, hair mask, hair gel, hair serum, color, and various heat protective products. Skin care market includes sun protection creams, anti-aging creams and skin brightening creams and many other products.



## Drivers

The rising awareness of beauty products, increasing premium on personal grooming, changes in consumption patterns and lifestyles and improved purchasing power among women are expected to boost the industry. India's per capita spend on cosmetics and personal care products are growing in line with India's GDP growth. Domestic players are catching up over the emergence of the trends towards organic, herbal (natural) and Ayurveda products. Growth in the unorganized cosmetics industry is expected to increase owing to the emergence of a young urban population with increasing disposable income in Indian cities, an increase in the number of working women, increased affordability of luxury products, and greater product choice.

## Imports

Imported cosmetics have had a major impact on the Indian market. Indian consumers tend to look towards international brands as lifestyle enhancement products. Total value of imports in India is \$1.39 billion. The total value of exports in India is \$2.36 billion in 2019.

## Restrain

Majority of the consumers are hesitant to try new brands or the upcoming brands, and they prefer their traditional brands, hence the upcoming brands need marketing strategies.

## Supply Chain

Could be distributor/supplier of the business. Can collaborate with manufacturers and distribute/supply to retail, institutions, salons, etc. They could also provide marketing services to the upcoming brands.

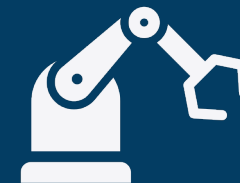
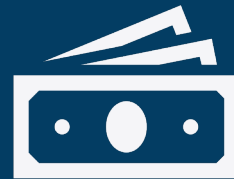
## Conclusion

Even though there are a lot many distributors/players present in the market, the huge market for Hair and Skin care products makes it a high potential opportunity. This market comprises of organised as well as unorganized players. Many players also indicate the significant demand of the suggested products in the market. Upcoming and newer brands/products especially in beauty care maintains and enhances the market growth rate. There is a segment of the population who hesitate to try new products, similarly there is a segment of the population who wants to try new launches. Retailers makes this job easier by providing shelf space.

Based on the above, we believe that even though the competition is high, but due to larger audiences and with good marketing strategies the business can be successful.

We recommend taking up the distributorship of both Branded Products as well as new launches / non branded products specifically newer brands/products, so that the entire potential customer base is covered. Ideal customers will be Cosmetics Shops, Beauty parlours (High end and Low end) etc.

## Initial Investment



Initial investment amount will be purely incurred towards the set up of a storage unit plus the purchases of raw materials of INR 5 Lakhs to 30 Lakhs on the basis of demand.

# Tea and Coffee

One of the oldest organized sectors in India are tea and coffee. India is the second largest producer of tea, globally, after China. India is one of the world's largest consumers of tea, with about three-fourths of the country's total produce consumed locally. Revenue in the Tea segment amounts to US\$17,589.9m in 2021. The market is expected to grow annually by 5.78% (CAGR 2021-2025).

Revenue in the Coffee segment amounts to USD 940m in 2021 and the market is expected to grow annually by 7.18% (CAGR 2021-2025). **Additionally, Vending Machines can be traded.**



## Drivers

With the growing middle classes developing a taste for specialty and more sustainable tea/coffee the demand is expected to increase in the country. Regular black tea continues to be the largest category share in the overall tea market. Non-black tea (Fruit & Herbal, Specialty, Cold Infusions, etc.) have been witnessing strong growth in the markets, led by shifts in consumer preference for health & wellness products.

The country is home to a wide variety of teas, including CTC tea, orthodox tea, green tea and organic tea. Unlike many other teas producing and exporting nations, India has a manufacturing base for both CTC and orthodox tea in addition to green tea. India offers high-quality specialty teas, such as Darjeeling, Assam Orthodox and the high-range Nilgiris, which have a distinctive aroma, strength, colour and flavour.

## Imports

Total tea export stood at USD 830.90 million in FY19 and USD 826.47 million in FY20. India stands fourth in terms of tea export after Kenya (including neighbouring African countries), China and Sri Lanka. The import value of tea into India amounted to approximately USD31.54 million in 2020.

India is the third-largest producer and exporter of coffee in Asia, and the sixth-largest producer and fifth-largest exporter of coffee in the world. The total coffee export accounted for USD 459.87 million from April to November 2020 and for November 2020 it was USD 45.13 million. Of the total coffee produced in India, 70% is exported and 30% is consumed domestically. India imported USD 96.27 Million of Coffee in 2020. Viet Nam, Indonesia, Kenya, China, Cote d'Ivoire are the countries that import coffee to India.

## Restrain

As importance is given only to production increase and not for quality improvement, Indian tea/coffee known for its superior taste may lose its market in the international arena if quality is not taken care of.

## Supply Chain

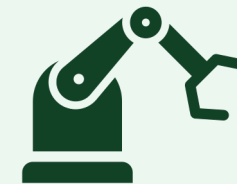
The company can establish direct linkages with the farmers or producers of tea and enter into packaging & distribution and also enter the export business for Russia, Iran, UAE market as well as the US market. In addition, the company can also invest in production, and have a strategic alliance with new players with unique offerings.



## Conclusion

It is observed that 90 per cent of all Indian households as regular tea drinkers. Additionally, Restaurants, Cafes, Tea Joints, Takeaways are growing day by day thereby boosting these industries. Standard number of players exist in the market but huge market and continuous demand allows Tea and Coffee as potential business to do. We believe that the Tea and Coffee can be purchased from major hotspots and distribute across the India keeping logistic expense into consideration. It is also noted that in all the different varieties of Tea and Coffee powder are not available that gap can be fulfilled.

## Initial Investment



Initial investment amount will be around INR 1 Lakh to INR 2 Lakh and space of 100 sq. metre.



# Organic Foods

Organic products are grown under a system of agriculture without the use of chemical fertilizers and pesticides with an environmentally and socially responsible approach. India produced around 2.75 million Metric Ton (MT) in 2019-20 of certified organic products which includes all varieties of food products namely Oil Seeds, Sugar cane, Cereals & Millets, Cotton, Pulses, Aromatic & Medicinal Plants, Tea, Coffee, Fruits, Spices, Dry Fruits, Vegetables. Organic food products also include organic candies, organic fruit bars, organic pickles, peanut butter, honey, processed foods and many others. India's rank 8th in terms of World's Organic Agricultural land and 1st in terms of total number of producers as per 2020 data (Source: FIBL & IFOAM Year-Book, 2020).

The India organic food market stood at a value of USD 849.5 million in 2020. The market is further expected to grow at a CAGR of about 20.5% in the forecast period of 2021 and 2026 to reach a value of about USD 2601 million by 2026.



## Drivers

The Government of India is keen to involve the private sector in organic food business, and is trying to come up with supporting regulations. The APEDA, Ministry of Commerce & Industries, Government of India is implementing the National Programme for Organic Production (NPOP). The programme involves the accreditation of Certification Bodies, standards for organic production, promotion of organic farming and marketing etc.

Major driver for the Industry is rising consciousness amongst people about the side effects of artificial chemicals in food production has boosted the growth of organic food in recent years. With the booming fitness industry will have a positive impact on Organic foods.

## Imports

The key markets for Indian organic food product exports include developed countries such as the European Union (EU), the US, Canada, Switzerland, Japan and Australia, developing countries such as Bhutan, Middle Eastern countries such as Saudi Arabia, and member countries of the Association of Southeast Asian Nations (ASEAN). The annual growth of Indian organic food market is at 20%–30%. The total volume of export during 2019-20 was 6.389 lakh MT. The organic food export realization was around INR 4,686 crore (689 million USD).

All food products imported into India and which claim to be organic must comply with the applicable provisions laid down in the FSS Act, 2006 and regulations made there under in addition to the provisions of the Food Safety and Standards (Organic Foods) Regulations, 2017. Due to this reason there are less imports compared to exports. The imports of organic food amounted to \$1,102,839.

## Restrain

India is a price sensitive nation, with great disparity in the earning power. Organic food, due to various factors, steeper the price. Unaware consumers are wary of spending that much on Organic food. Huge difference between the pricing of Organic and the conventional product price has created disfavour towards Organic food.

## Supply Chain

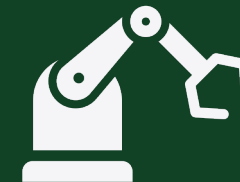
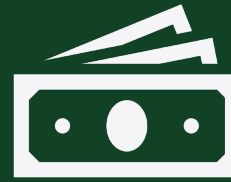
The company can establish direct linkages with the farmers or producers of Fruits, nuts and spices and enter into packaging & distribution and also enter the export business for European market as well as the US market.



## Conclusion

From the past few years, Organic food market has grown significantly due to the rise in health consciousness amongst the population. We understand that the cost for such products is comparatively high, therefore we recommend to focus on Urban areas, also as a higher number of health-conscious population is found in those areas. It is also found that the Organic products are not easily available in the market which states that there is supply gap in the market. Also, there are less distributors for organic products making it a good market to enter. Therefore, we recommend to go for this trading business excluding the products which are perishable in nature.

## Initial Investment



Initial investment amount will be purely incurred towards the setup of a storage unit plus the purchases of INR 1 Lakhs to 3 Lakhs on the basis of demand.

# Dry Fruits

Dry fruits are a rich source of antioxidants and proteins attracting health conscious consumers. Dry fruits include cashews, almond, dates, raisins etc.

The global dried fruit market size was valued at USD 8.94 billion in 2019 and is expected to witness significant growth in the forthcoming years. The Indian dry fruits industry size is currently pegged at INR 15,000 crore (4,50,000 tons approx.). By 2022, this is likely to reach almost a million tonnes in volume, leading to an industry size exceeding Rs 30,000 crore. The Dried Fruits Market is expected to grow at a CAGR of 5.2% from 2020-2025.



## Drivers

The Dry Fruit Market in India is showing remarkable growth owing to the growing gift culture during various festivals and occasions along with the rising health awareness among the consumers.

## Imports

Dry Fruit is exported to over 77 countries. In the year 2020-2021 (Apr-Nov), India has exported Dry Fruit worth of 2.33 USD million.

## Supply Chain

Could be distributor/supplier of the business. Can collaborate with manufacturers and distribute/supply to retail, institutions, salons, etc. They could also provide marketing services to the upcoming brands. The Investment Required: INR 5 Lakhs – INR 6 Lakhs.

## Restrain

Some of factors holding market back include:

- A) Hypersensitivity to certain fruits, followed by the loss of a certain percentage of vitamins during the dehydration process, may hinder the market for fried fruits over the forecast period.
- B) Enthused by the promise of Organic products, several dry fruits and nut manufacturers are busy formulating organic version of their traditional label.

## Conclusion

With respect to Goa, in dry fruits mainly cashews are famous all over India and many producers are available in Goa. In this scenario, we believe that the cashews can be traded outside Goa. And with respect to other dry fruits in Goa few unorganised players purchase from producers/wholesalers from outside Goa and sell it in Goa, namely the wholesale markets of Mumbai and Hubli.

# Pet Food

The Indian Pet Food Market is Segmented into Product like (Dry Pet Food, Wet Pet Food, Veterinary Diet, Treat/Snack, and Other Products), Animal Type (Dog, Cat, Bird, and Other Animals), and Sales Channel (Specialized Pet Shops, Internet Sales, Hypermarket, and Other Sales Channels).

The pet food market in India is projected to cross USD270 million by 2019. The market is expected to **grow annually by 8.3% (CAGR 2021-2025)**.



## Drivers

The Indian pet food market has been segmented by animal type into dog, cat, bird, and others. Dog food is going to be the largest and the fastest-growing segment during the forecast period. The increasing trend of adopting companion animals is due to urbanization; a busy lifestyle is the other major driving factor for the dog food segment. Snack/treat is the fastest-growing segment in the dog food segment. Bird and small animal food are the opportunity segment in the market. Government programs aimed at encouraging pet adoption are resulting in the rising pet adoption rates for dogs and cats.

## Imports

Exports totalled USD 38.2 million in 2018, with a growth of 489% from a 2008 start, although in terms of tonnage, India exported 9,093 metric tons of pet food in 2018, starting at 2,638 metric tons in 2008 for a growth of 245%

Between 2008 and 2018, Indian pet food imports saw a 797% increase by value, totalling USD 45.3 million in 2018. In terms of tonnage over the same time period, Indian pet food imports increased by 746%, for a total of 24,606 tons in 2018



## Restrain

Though the current retail scenario with regards to the pet industry is completely unorganised, but it has been witnessed that this trend is gradually changing.

## Supply Chain

The company could be distributor/supplier of the business, can have a tie ups with manufacturers and distribute/supply to the retailers/individuals. The company could get involved in import of pet foods from different countries and supply to the manufacturers/dealers/retailers in India.

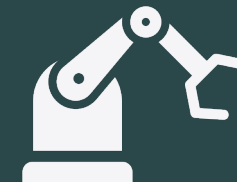
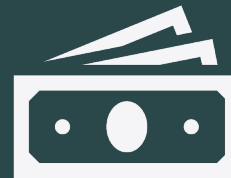


## Conclusion

Rising health concerns over animals and high investment in their foods and health are driving the pet food market. Dogs and Cats together contribute to over 80% of share in the consumption of pet foods. We understand that the cost for such products is comparatively high, therefore we recommend to focus on Urban areas, also as a higher number of pet lover population is found in those areas. It is also found that the Pet food are not easily available in the market which states that there is supply gap in the market.

Also, there are less distributors for pet food making it a good market to enter. Therefore, we recommend to go for this trading business.

## Initial Investment



Initial investment amount will be purely incurred towards the setup of a storage unit plus the purchases of INR 1 Lakhs to 3 Lakhs on the basis of demand.



## Contact

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