

**Voluntary Report** – Voluntary - Public Distribution

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**Report Name:** City Guide Hyderabad

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**Report Highlights:**

Hyderabad, the capital of Telangana in southern India, has an economy driven by information technology, pharmaceuticals, and retail, making it a prime market for expanding U.S. products. Consumer trends in the city reveal a growing preference for health-conscious, organic and premium imports. Hyderabad consists of diverse and young population that is increasingly demanding fresh and foreign goods, a significant opportunity for U.S. exporters.

Hyderabad, Telangana, is the sixth-largest economy in India, with a rapidly growing population of 11 million, and a literacy rate at 81 percent. While Telugu and Urdu are official languages, English is widely spoken in business, making it an easy location for U.S. companies to engage. Recognized for its booming information technology sector, the city is often referred to as "Cyberabad" and as India's "Pharmaceutical Capital," with 35 percent of the country's pharmaceutical production based here.

Hyderabad has a clear division between its old and new regions. The "new city" areas like Jubilee Hills, Banjara Hills, and HITEC City host affluent consumers and expatriates, with a preference for premium products. Local grocery chains like [Q-Mart](#) and [Ratnadeep Super Market](#) caters to these segments, offering imported goods and health-conscious products. Hyderabad's consumer [purchasing power index](#) stands at 132, compared to Delhi at 113 and Mumbai at 72, again making it a favorable market for U.S. exporters.

Traditional mom-and-pop stores are still common, but modern supermarkets and gourmet chains are expanding rapidly. Store sampling, education seminars, cooking classes, and demonstrations are effective ways to market new products. While online grocery shopping is on the rise, brick-and-mortar stores remain dominant. Retail chains offer delivery services, but most consumers still prefer in-store shopping, valuing the experience and variety of products available.

## **CONSUMER PREFERENCES AND TRENDS**

The city's cuisine features a mix of rice, wheat, and meat dishes, known for its use of spices, tree nuts, and dried fruits. While local palates prefer spicy flavors, they also have a deep appreciation for sweets and desserts. There is great emphasis on the quality of ingredients, and consumers are open to incorporating international ingredients such as U.S. tree nuts and dried berries in traditional sweets and festive foods. The gifting of premium food items, particularly during festivals, presents a major opportunity for U.S. exporters.

Trends in Hyderabad show a growing focus on healthy eating, with rising demand for vegan, organic, and gluten-free options. Themed restaurants are becoming popular, and presentation matters more with the rise in sharing meals on social media. Supermarkets and gourmet stores are expanding their selection of imported ingredients to cater to the increasing interest in international ingredients used in cooking global recipes. Online retailers are also making imported food more accessible.

## **MARKET SIZE AND GROWTH**

According to the [India Food Services 2024 report](#) by the National Restaurant Association of India, Hyderabad's food services industry is estimated at \$1.2 billion and hosts 74,807 restaurants in both the organized and unorganized sectors. U.S. exporters could benefit significantly by targeting restaurants and retail outlets, particularly in premium and health-conscious categories, where demand is growing.

## **MAJOR RETAIL PLAYERS**

[Q-Mart](#), a leading supermarket chain, has been a significant player in Hyderabad's retail market for over two decades. Approximately 40 percent of its products are imported, with U.S. products accounting for a significant portion. Popular items include snacks, fresh fruits, and chocolates. Similarly, [Ratnadeep Super Market](#), with over 150 stores, is expanding its range of imported products, including U.S. tree nuts under private labels. Other major retail companies in Hyderabad include [Reliance Retail](#), [Lulu Mall](#), [Spencer's Retail](#), [Spar India](#), [More Retail](#), and [D Mart](#). In retail, total sales of imported and domestic fruits and vegetables account for 12 percent, and imported packaged food products account for 2 to 3 percent. The premium grocery chain [Foodstories](#) has opened an outlet in Hyderabad, offering a fresh gourmet food experience and further stimulating the market for imported products. E-commerce growth is soaring, with platforms like Swiggy Instamart that are leading in rapid deliveries within minutes, and major retailers and local shops offers WhatsApp-based ordering services and quick home delivery.

## **FRESH FRUIT MARKET**

Hyderabad has a variety of fruit markets, including specialized and wholesale hubs. The Batasingaram fruit market contains imported apples, pears, and cherries from the United States. However, competitors to U.S. products are also widely present. Major suppliers distribute to leading retailers, including Ratnadeep Supermarket, Reliance Smart Stores, and [Vijetha Supermarket](#).

Imported fruits are transported by truck from cities like Mumbai and Chennai and stored in cold storage facilities, with wholesalers reporting an increasing consumer preference for imported fruits because of taste and rising disposable income. There is also a noticeable shift away from gifting traditional sweets toward mixed fruit hampers that feature imported fruits during festivals, weddings, and corporate gifting events.

## **CHALLENGES**

Hyderabad has a relatively small but affluent consumer base for imported food products, with a target audience of around 30 percent. A large portion of the population remains, and cold storage and infrastructure challenges are prevalent in the landlocked city. The city has a strong local food industry, so imported products must offer a clear value proposition to stand out. U.S. exports can also face challenges from other countries offering the products at lower prices because of trade agreements.

## **OPPORTUNITIES AND RECOMMENDATIONS FOR U.S. EXPORTERS**

- U.S. exporters should target health-conscious consumers, premium food categories, and festive gifting opportunities. Products like tree nuts, dried berries, and organic snacks have strong potential.
- U.S. importers can tap into the rising demand for premium fresh fruits, particularly apples and pears.
- Collaborating with local distributors can help U.S. exporters access both high-end and mass-market retail channels. These partnerships can also facilitate promotional activities and product launches.
- In-store sampling and cooking demonstrations are effective for gaining consumer trust. Additionally, U.S. exporters should highlight health benefits and quality certifications to appeal to Hyderabad's premium market segments.

### **Attachments:**

No Attachments.