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FAST FOOD INDUSTRY IN INDIA

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ABSTRACT

Fast food is one of the world's fastest growing food types. It now accounts for roughly half of all restaurant revenues in the developed countries and continues to expand there and in many other industrial countries in the coming years. But some of the most rapid growth is occurring in the developing world, where it's radically changing the way people eat. People buy fast food because it's cheap, easy to prepare, and heavily promoted. This paper aims at providing information about fast food industry, its trend, reason for its emergence and several other factors that are responsible for its growth.

KEYWORDS: *Ready to eat, Speed of service, Rapid growth, changing life style, cheap, trend.*

INTRODUCTION

The concept of fast food isn't new. Early in the 19th century, at the start of the industrial age when people had to work 12 to 14 hours a day, there was scarcely any time for long breaks for eating. The first

snack bars and kiosks arose in front of factories. Today, quick meals outside the home have become an essential part of our lifestyle.

Fast food is the term given to food that can be prepared and served very quickly. While any meal

with low preparation time can be considered to be fast food, typically the term refers to food sold in a restaurant or store with low quality preparation and served to the customer in a packaged form for take-out/take-away.

Outlets may be stands or kiosks, which may provide no shelter or seating or fast food restaurants (also known as quick service restaurants). Franchise operations which are part of restaurant chains have standardized foodstuffs shipped to each restaurant from central locations.

The capital requirements involved in opening up a fast food restaurant are relatively low. Restaurants with much higher sit-in ratios, where customers tend to sit and have their orders brought to them in a seemingly more upscale atmosphere may be known in some areas as fast casual restaurants.

Meaning

Fast food is a type of mass-produced food designed for commercial resale and with a strong priority placed on “speed of service” versus other relevant factors involved in culinary science. Fast food was originally created as a commercial strategy to accommodate the larger numbers of busy commuters, travelers and wage workers who often did not have the time to sit down at a public house or diner and wait for their meal. By making speed of service the priority, this ensured that customers with strictly limited time.

History

The concept of ready-cooked food for sale is closely connected with urban development. In Ancient Rome cities had street stands that sold bread and wine. A fixture of East Asian cities is the noodle shop. Flatbread and falafel are today ubiquitous in the Middle East. Popular Indian fast food dishes include vadapav, panipuri and dahivada. In the French-speaking nations of West Africa, roadside stands in and around the larger cities continue to sell-as they have done for generation- a range of ready-to-eat, char-grilled meat sticks known locally as brochettes.

Fast food industry overview

Fast food is a food prepared and served quickly at a fast food restaurant or a shop. It is served usually in a carton or bags in order to minimize cost. Fast food outlets often provide take away or take out foods in addition to sit down services. Fast food is a multi billion industry continuing to grow at a rapid pace in coming years. Fast food is often highly processed and prepared in an industrial fashion i.e., with standard ingredient, methodical cooking and production methods.

FAST FOOD INDUSTRY IN INDIA

India – emerging market for global players

The percentage share held by foodservice of total consumer expenditure on food has increased from a very low base to stand at 2.6% in 2001. Eating at home remains very much ingrained in Indian culture and changes in eating habits are very slow moving with barriers to eating out entrenched in certain sectors of Indian society. The growth in nuclear families, particularly in urban India, exposure to global media and western cuisine and an

increasing number of women joining the workforce have had an impact on eating out trends.

Market size and major players

- a) Dominated by McDonalds having as many as 75 outlets.
- b) Domino’s pizza is present in around 100 locations.
- c) Subways have established around 40 outlets.
- d) Nirulas is established at Delhi and Noida only. However, it claims to cater 50,000 guests every day.

Major players in fast food are:

- MCDONALDS
- KFC
- PIZZA HUT
- DOMINOS PIZZA
- COFFEE DAY
- BARISTA

The main reason behind the success of the multinational chains is their expertise in product development, sourcing practices, quality standards, service levels and standardized operating procedures in their restaurants, a strength that they have developed over years of experience around the world. The home grown chains have in the past few years of competition with the MNCs, learnt a few things but there is still a lot of scope for improvement.

Reason for emergence

Gender roles: Gender roles are now changing. Females have started working outside. So, they have no time for cooking food. Fast food is an easy way out because these can be prepared easily.

Customer sophistication and confidence:

consumers are becoming more sophisticated now. They do not want to prepare food and spend their time and energy in house hold works. They are building their confidence more on ‘ready to eat and easy to serve’ kind of foods.

Paucity of time: people have no time for cooking. Because of emergence of working women and also number of other entertainment items. Most of the time either people work or want to enjoy with their family.

Double income group: emergence of double income group leads to increase in disposable income. Now people have more disposable income so they can spend easily in fast food and other activities.

Large population: India being a second largest country in terms of population possesses large potential market for all the product/services. This results into entry of large number of fast food players in the country.

CHALLENGES FOR THE INDUSTRY

Social and cultural implications of Indians switching to western breakfast food:

Generally, Hindus avoid all foods that are believed to inhibit physical and spiritual development. Eating meat is not explicitly prohibited, but many Hindus are vegetarian because they adhere to the concept of ahimsa. Those seeking spiritual unity may avoid garlic and onions. The concept of purity influences Hindu food practices. Products from cows (e.g., milk, yogurt, ghee-clarified butter) are considered pure. Pure foods can improve the purity of impure foods when they are prepared together. Some foods, such as beef or alcohol, are innately polluted and can never be made pure. But now, Indians are switching to fast food that contain all those things that are considered impure or against their beliefs. Some traditional and fundamentalist are against this transformation of food habit and number of times they provoke their counterparts to revolt against such foods.

Retrenchment of employees: Most of new industries will be capital intensive and may drive local competitors, which have more workers, out of business.

TRENDS IN INDIAN MARKET

Marketing to children's: Fast food outlets in India target children's as their major customers. They introduce varieties of things that will attract the children's attention and by targeting children's they automatically target their parents because children's are always accompanied by their parents.

Low level customer commitment: Because of the large number of food retail outlets and also because of the tendency of customer to switch from one product to other, this industry faces low level customer commitment.

Attracting different segments of the market: Fast food outlets are introducing varieties of products in order to cater the demands of each and every segment of the market. They are introducing all categories of product so that people of all age, sex, class, income group etc can come and become a customer of their food line.

The success of fast foods arose from the changes in our living conditions:

1. Many women or both parents now working
2. There are increased numbers of single-parent households
3. Long distances to school and work are common
4. Usually, lunch times are short
5. There's often not enough time or opportunity to shop carefully for groceries,

or to cook and eat with one's family. Especially on weekdays, fast food outside the home is the only solution.

CONCLUSION

Fast food had experienced fast growth in past decade. Changing lifestyles, breakdown of joint family system, increasing number of working women's and western influence in urban areas are fuelling the demand for fast food. India already has the entire requirement for a head start in food industry. Basic materials such as food, vegetables and meat can be sourced locally or easily imported if local availability is not adequate. Food outlets are just beginning to appear in India's big cities and this is a time for international chains to set a foothold. Competition will increase only with time.

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