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Pizza, Food Chains Book a Table in India

What's Cooking, Stella?

Papa John's
Headquarters
Kentucky

Global Presence
3,733 outlets
in 32 countries

In India through Om Pizza's & Eats, along with Chili's & Great Kabab Factory restaurants. Plans 100 outlets by March 2013

California Pizza Kitchen

Headquarters
Los Angeles, California

Global Presence
250 outlets in 11 countries

In India through Dubai-based Gourmet Gulf Company and JSM Corp. Plans 10-25 outlets in 3 years

Qulenos
Sandwich chain

Headquarters
Colorado

Global Presence
3,000 outlets
in 15 countries

In India with franchisee Apollo Elixirs. Plans 30 outlets by end 2012

Yogurberry
Yogurt chain

Headquarters
South Korea

Global Presence
Korea, USA, Brazil, UAE, China, Malaysia, Vietnam

In India through Dubai-based master franchisee Synergy Holdings. 10 outlets this fiscal, plans 100 in five years

2%
Size of the organised players in the overall restaurant business



"People may not be frequenting the five-Star outlets, but eating out at value-for-money places or food courts in malls continues"

Amit Burman, chairman, Lite Bite Foods

Now, Order Domino's Pizza Online!

NEW DELHI Jubilant Foodworks, which sells Domino's brand of pizza in India, said it plans to tap the internet and social media to boost its sales and expects around 6% of its overall sales from the platform this fiscal. The company, which announced the national launch of its online ordering system, said at present its online sales contributes around 4% to its total sales. It expects a double digit figure in the next few years. "In India, around 35-50 million people are using the internet.—PTI

SARAH JACOB & RATNA BHUSHAN
BANGALORE/NEW DELHI

Deep dish, thin crust or burritos. Chicken wings, tandoori gucci or mushroom pepper fry. It's not just chef speak, but part of the vocabulary of a growing breed of Indians who have taken to eating out as a quick-fix after a long day's work or for a get-together with friends. Result: a long queue of restaurant chains seeking to open shops, similar to those outside popular eateries in weekends.

The list includes Burger King, Applebees, CKE Restaurants with brands Hardee's and Carl's Jr., British noodles chain Wagamama, Carluccio's and Chinese chain PF Chang's, industry players said. A slew of pizza chains such as Pizzeria Uno, Donatos, Famous Famiglia, Little Caesar's, Round Table pizza, Spanish brand Tele Pizza and Pizza Express too have shown interest.

They are excited by India's increasing appetite for outside food and a rapid jump in the number of double-income families, helping quick service restaurants, casual dining and fine dining prosper in metros and smaller cities despite rising prices and signs of economic slowdown.

"People may not be frequenting the five-Star outlets, but eating out at value-for-money places or food courts in malls continues. It's this part of food retailing

that's beating the recession blues and reporting over 25% growth month on month," says Amit Burman, chairman of Lite Bite Foods, which runs restaurant chains Punjab Grill, Zambar, FresCo, Asia 7, Street Foods of India and Baker's Street.

"This is evident from the long queues outside restaurants.

FINGER LICKIN' COUPLES

Try step into Punjabi Grill at Gurgaon's Ambience Mall or the Manchester United Bar at Mumbai's Phoenix Mall on a weekend; you may have to wait for more than an hour. Several restaurants in metros and big cities now allow people to reserve tables to avoid long wait.

This is largely driven by rising incomes, an increasing appetite to travel and experiment, and drive for convenience among working families. Also, eating out has become as much fun as watching movies. "Choices for leisure are limited—it's either a movie in a theatre or eating out. And very often, the two are clubbed together," says Sandeep Kataria, chief marketing officer of Yum Restaurants, which runs Pizza Hut and KFC chains.

In a recent survey, nearly 63% of the participants in Mumbai said they eat out, followed by Bangalore and New Delhi at 53% and 44%, respectively. And it's not just about metros. In Ahmedabad 85% respondents eat out and the number is 59% in Kochi, says

Sriram Sharma, vice president of Starcom MediaVest, quoting Target Group Index data for 2010.

"More than half all these consumers eat out 2-3 times a month," he says.

Nearly 2.1 million people have joined the list of double-income homes between July 2010 and June 2011, Sharma says, quoting IRS figures.

All this have helped organised restaurant industry grow 20-25% a year, says the White Paper on the Indian Restaurant Industry 2010 published by the National Restaurant Association of India along with Technopak's research division Mindscape.

And the room for growth is huge as organised players account for just 2% of the overall restaurant business. Hence the big rush.

BEYOND METROS

To cash in, new players are rushing in and established ones are expanding rapidly, beyond metros and big cities.

"Most players are now expanding aggressively as many have achieved even bigger success from outlets in smaller cities," says retail planning consultancy Asipac Projects Chairman

Amit Bagaria. Om Pizza's & Eats—holding company of Papa John's pizzas, Chili's and Great Kabab Factory—has roped in Barista Lavazza's CEO Sanjay Coutinho to steer an expansion plan months after it landed ₹50 crore from TVS Shriram

Growth fund.

Yet, nobody is complaining about competition.

"High growth coupled with low penetration is what's making the Indian market boom. None of us have penetrated deep enough, so there's room for everyone to grow," says Harneet Singh Rajpal, GM-marketing at Jubilant Foodworks, whose stock price has grown nearly six times from ₹160 per share at the time of listing in early 2010.

PIZZA MANIA

Much of the pizzazz in the industry comes from pizza chains. While Domino's, run by Jubilant Foodworks, dominates the ₹1,500-crore industry with around 45% share, it faces strong competition from companies such as Pizza Hut, Papa John's, Chicago Pizza and Sbarro among others.

And then there are those waiting at the door. India has developed a taste for pizza, says Technopak Advisors Associate Director Pratiche Kapoor. "It's not just the higher socio-economic class—but the pizza consumption has percolated to the Indian middle class too as companies tweaked entry-level prices."

While Domino's introduced the ₹35 pizza a few years ago, Pizza Hut launched a meal at ₹99. International entrants Chicago Pizza and Sbarro innovated by offering pizzas by slice. Yet others are positioning themselves as specialised players.