

Fast Food - China - November 2015

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“Online food ordering and delivery service represents an opportunity for fast food restaurants to drive revenue. By offering customised dishes, using healthier and more premium ingredients and extending the brands, the leading fast food chains will revive from the temporary downturn.”

– Terra Xu, Senior Research Analyst

This report looks at the following areas:

- Revival of international brands against competition
- Growing fast food business via food for delivery – targeting breakfast and snacking occasions
- Recovering from the impact of food safety issues

Under the impact of a series of food safety issues, China's fast food market has seen a significant drop in growth from 2012. In 2015, the total market value is estimated to grow by 8.5%, reaching RMB 690 billion, and individual fast food restaurants see faster growth than chains. International players are confronted with the fierce competition brought by domestic brands.

Chinese consumers are becoming used to online food ordering and delivery service. Fast food restaurants have the opportunity to grow revenue by expanding their delivery services into breakfast as well as snacking occasions. As consumers are caring more and more about healthy dining, offering innovative menus with various choices and using healthier ingredients may help restaurants resolve food safety issues.

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DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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The implications

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Recovering from the impact of food safety issues

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China's fast food market is expected to see gradual recovery

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Individual fast food brands see faster growth than chained brands

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Eat-in is as popular as take-out for fast food restaurants

Ordering for food for delivery has become a habit for consumers

When ordering food for delivery, consumers prefer using online food delivery platforms and ordering from chained restaurants

Lunch and breakfast see growth potential, while dinner may face a challenge

Casual dining and snacking are emerging occasions to drive growth

Western-style fast food brands are more popular, while non-western style brands appeal to consumers aged 25 or above

McDonald's and KFS share similar brand image, Subway is considered innovative and trendy; Zhen Kungfu and Yoshinoya are perceived as safer

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Dicos

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Jill Wonton

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Figure 30: Fast food brand image perception, correlation analysis, August 2015

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