

## 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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Revival of international brands against competition

The facts

The implications

Growing fast food business via food for delivery – targeting breakfast and snacking occasions

The facts

The implications

Recovering from the impact of food safety issues

The facts

The implications

## The Market – What you need to know

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

Consumers' increasing income and willingness to pay for service, the development of the online ordering platform and mobile payment are driving growth

Food safety issues and the rise of casual dining restaurants are potential barriers

Individual fast food brands see faster growth than chained brands

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Individual fast food brands see faster growth than chained brands

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Leading chains making efforts to develop franchise outlets

Key players embracing the mobile internet and online food ordering and delivery platforms

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Burger King gives away Peace Day Burgers

### The Consumer – What you need to know

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

Clean environment is key to attract repeat visits

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Dicos

Burger King

Hua Lai Shi

Subway

Yonghe

Zhen Kungfu

Daniang Dumpling

Jill Wonton

Malan Ramen

Yoshinoya

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KFC and McDonald's perceived brand image is similar

Subway may attract affluent consumers with a 'healthy' proposition

Emphasising food safety and variety may drive growth for Zhen Kungfu and Yoshinoya

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## Important Factors in Attracting Repeat Visits

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