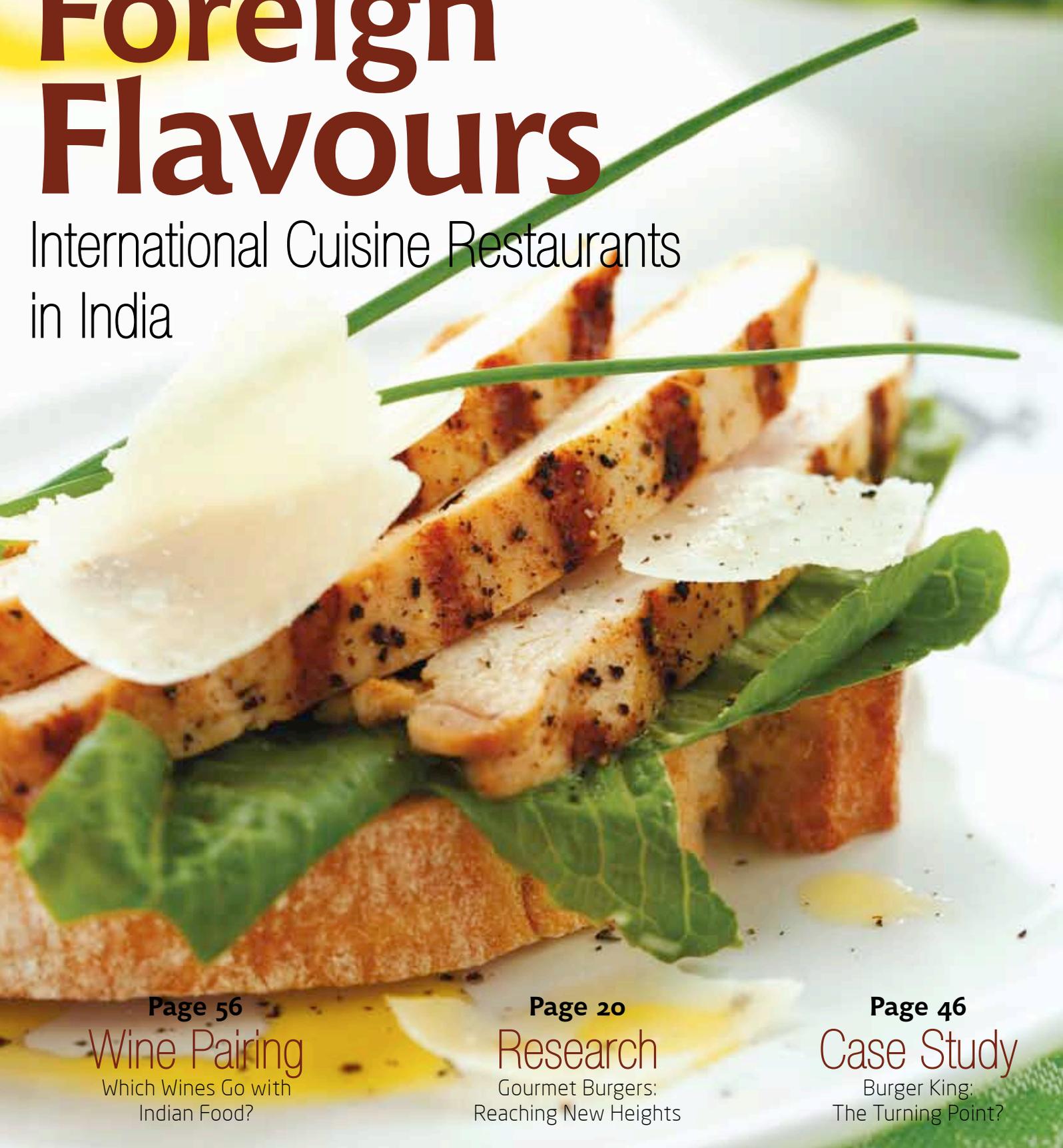


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## Moving Up the Food Chain

Indians love food but most of them have long been traditionalists in all matters culinary. Time was when they never used to deviate from their food habits, accustomed as they were to them since childhood. And even if they wanted to experiment with something new, there were few options available in the market. A sea change occurred in the '60s and '70s when restaurants selling masala dosa and idli sambar became popular in the North, and North Indians got hooked to South Indian fare. The next phase of Indian culinary adventure began in the '80s and '90s when Chinese food – the now-routine chow mein and chop suey – came into the market in a big way and quickly became an attractive dine-out option.

Well, the Indian consumers have evolved and are now ready to get a bite of the whole world. This is evident by the rapid growth in the number of restaurants – both QSRs and fine-dine – offering foreign cuisines in India. Driven by a rapidly expanding middle class and the urban youth population, the market for global cuisines is growing at an impressive rate. The next 10 years would be a game changer as more home-grown and foreign chains open outlets built around global cuisines. Our cover story this issue explores the phenomenon – the opportunity, the challenges and the future.

We also bring you an international case study on Burger King which lost out on its number two title in the US to Wendy's earlier this year. The fast-casual chain is now planning to introduce new initiatives to broaden its appeal and stop its declining sales. The organised Indian foodservice segment is still small but full of stories of first-time entrepreneurs who are busy creating brands that will hopefully one day be quite well-known in the world. Our Mumbai bureau chief Nivedita Jayaram Pawar talked to one such personality – Sanjay Kotian, the man behind the Mia Cucina chain of Italian restaurants in Mumbai – to savour his recipe of success.

I wish many more such entrepreneurs and concepts flourish in India to take the foodservice industry to newer heights.

Amitabh Taneja

#### Corrigendum

On page 37 of the July–August 2012 issue of *FoodService India*, the average ticket size at Flurys of Kolkata was wrongly mentioned as ₹1,200. The average ticket size is actually ₹300. We regret the error.

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Want a taste of the world? Indians need not even leave the shores to taste exotic foreign cuisines. Many restaurants have cropped up in recent years in the metros to bring global food to them, from French and South American dishes to Korean, Polynesian, Greek and Moroccan cuisines. This has spawned a new segment in India's F&B industry and many restaurateurs are rushing in to cash in on the opportunity. Varun Jain explores the trend.

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The Straits restaurant in Kolkata is among the very few in India to offer the Nyonya cuisine that originated in South East Asia among the descendents of the early Chinese settlers. The dishes can be a bit tricky to prepare and need special expertise, even though they share a lot of ingredients with the Indian cuisine. Read on to know more.



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The Kolkata-based catering major Savourites Hospitality was one of the early entrants into East India's catering market. Today, it is one of the most successfully organised caterers in the region which also runs restaurants like "6 Ballygunge Place" specialising in Bengali cuisine and "The Wall" which serves pan-Asian food. S Ramani, Co-director of Savourites Hospitality, talks about East India's catering market, the company's future plans and the challenges faced by the catering industry of the region.

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In the last few years, fast-casual chains, such as Five Guys Burgers in the US, have been eating up market share by offering fast service and higher quality items. While Burger King failed to react to this and stuck to its old formula, it prompted many of its rivals to start their transformations. Nonetheless, after 2011 full-year sales declined 3 percent (compared to 2010), in March 2012 Burger King announced that it too will adapt its business strategy, introducing new initiatives such as a wider food offering, to broaden its appeal.



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Bengalis are essentially big-time foodies with refined culinary tastes. They even today prefer the traditional Bengali menu over a contemporary food platter. This is one of the reasons for the thriving business of restaurants serving Bengali cuisine in Kolkata. It is important for a restaurant serving Bengali cuisine in East India to cater to the discerning tastes of the customers while keeping in mind the price-sensitive nature of the people in the region.



## IN CONVERSATION

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The frustration of not finding the right quality bread anywhere goaded the Belgian chef and restaurateur Alain Coumont to become a baker. Today, *Le Pain Quotidien* is a thriving community of 175 outlets in over 18 countries. Nivedita Jayaram Pawar broke bread with Coumont at Quotidien's rustic, long and antique-style communal table in *Bandra* and asked him some questions.

The Swedish kitchen equipment major *Electrolux Professional* has been present in India since 2008, selling a host of products for the F&B sector, from cooking ranges and ovens to dishwashers and refrigerators. Marco Pesce, the Country Manager of *Electrolux Professional India*, talks about the company's journey so far in the country and the challenges and opportunities it faces in its quest for growth.



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Restaurants serving Indian food are sitting on a gold mine of opportunity. If they can create a wine list that goes well with their food, train and enable their wait staff to offer suggestions and handle guest queries confidently, and create the right infrastructure for serving and storing wine, there is no limit to what they can achieve. Nikhil Agarwal, Sommelier and Director of *All Things Nice*, writes about pairing wine with Indian dishes.

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You would think that the man who runs one of the best Italian restaurants in Mumbai always wanted to be a chef. The truth is quite to the contrary. Sanjay Kotian, the Chef and Owner of the Italian chain of restaurants called *Mia Cucina*, is an accidental chef. It was actually a part-time job with an Italian catering firm while studying for a degree in Houston that got him interested in food. Nivedita Jayaram Pawar met up with the amazing chef, who lives and breathes phenomenal food.



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The design of the recently opened *F Lounge, Bar, Diner* at the *One India Bulls Centre* in Lower Parel, Mumbai, is spread across 10,000 sq.ft. over two levels and an outdoor area. The structures are predominantly made of wood, right from the floors to the high ceilings.

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The craft of mixology is as old as the first taverns and bars in history. Mixologists are bartenders or alcohol innovators who create new mixes for others to enjoy. Mixology comes with its own set techniques and patterns with plenty of variations which have been evolving with time. Learn more about this wonderful technique with Manu Mohindra.

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Delhi and the surrounding National Capital Region (Delhi/NCR) comprise multiple cities that are at different stages of development. While Delhi is the most evolved within this region, Gurgaon and NOIDA have also gained traction and emerged as high-potential destinations for commercial, housing and retail development in the past few years. Not surprisingly, the buzz in the F&B sector revolves around Delhi, Gurgaon and NOIDA, proportionate to their popularity and potential. Here is a look at the opportunity the region offers to restaurateurs..

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With a huge customer base that is not averse to experimenting with new cuisines, India is one of the best markets for any restaurateur to be in. But it also poses a big challenge: a huge customer base that is split into several groups, each with its own taste preferences, making it difficult to entice everyone at one go.

A mammoth challenge indeed, unless you learn to harness the power of data analytics and create smarter marketing campaigns targeted at your customers



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The Foodservice Council of India (FSCI) has recently been founded by the IMAGES Group with support from the industry body NRAI (National Restaurant Association of India). Endorsed by many leading brands, the Council is meant to bring industry players on a single platform to brainstorm ideas for growing consumption further, exchange best practices and discuss various challenges. The FSCI will regularly hold industry roundtables in various cities across the country. The first such roundtable was held at the New Delhi's 'The Park' hotel on 27th June 2012. It was attended by many prominent players of the capital's F&B industry. Here is a verbatim report about what all was discussed at the FSCI Delhi roundtable.



# Better Burgers, Please

Many countries are currently experiencing a veritable burger boom. However, it's not the big fast-food players but regional fast-casual chains with a store count still far below 1,000 that are making headlines with ambitious growth spurts. On their menus is a new generation of better quality burgers made to order and served in a pleasant ambience. Because the home country of the burger plays the leading role in this connection, we begin this issue's pan-European survey with a close look at the United States where numerous examples show how America's staple food can be elevated to new culinary heights.

## USA

Eating a burger is part of the American way of life. Throughout the country all types of restaurants – from breakfast venues and international eateries to fine dining hot spots – have a burger on their menu. Generations have grown up eating this favorite meal on a bun. And American's appetite for burgers is all but waning. According to Technomic's 'Burger Consumer Trend Report', in 2011 nearly half of US consumers (48%) ate a burger at least once a week, up from 38% in 2009. Much of this increase is driven by foodservice purchases. Today's consumers buy burgers more often from both fast-food and fast-casual restaurants. In terms of unit growth, especially smaller brands and a steady stream of new better burger entries are making their presence felt on the market. Technomic research shows that more than half of the Top 75 US burger chains are now fast-casual brands. (However, with giants such as McDonald's, Wendy's and Burger King being part of this segment, fast-casual chains are only 2.6% of total Top 75 sales). What makes these fast growing players 'better burger' destinations and why are they so popular? Premium food quality is the number one issue that all gourmet burger vendors take pride in. "We don't even own a microwave, heat lamp, or freezer", proclaims the website of 278-store strong burger chain In-N-Out. Others share this fresh-never-frozen approach to cuisine. In fact, premium ground beef and hand cut fries are the trademarks of many a gourmet burger joint. Some even make their own buns. While numerous quick-service chains in the segment are expanding their menus to include breakfast, specialty coffee and



broader entrées, better burger concepts usually have very focused menus. However, that does not mean that every guest is eating the same burger. Far from it! Most places allow customers to jazz up their burgers e.g. by selecting their favorite type of cheese, an additional slice of bacon and choosing from a wide variety of specialty toppings and sauces. It goes without saying that each burger is made-to-order. Consequently, a little wait is part of the deal, which most burger aficionados accept for the sake of perfect taste. Another field where fast-casual burger chains score are beverages: unlike fast-food restaurants, they provide a selection of bottled or draught beer and wine – at a much lower price point than casual-dining chains. Besides, for a majority of operators shakes are their second area of expertise.



Last but not least, let's take a look at who's craving those juicy, fresh, customized, cooked-to-order burgers. No doubt: it's people who have been eating Big Macs, Whoppers and Jumbo Jacks ever since they were little. However, these people have grown up – and so has their taste. They have turned into discriminating guests, quality-conscious yet penny-wise, with an appreciation for food that is made according to their individual liking. Here are five outstanding examples that meet these requirements:

The Washington D.C. based gourmet burger chain Five Guys has long achieved cult status. Founded in 1986, the family enterprise – named after the five sons of founders Janie and Jerry Murrell – has expanded to over 900 stores in 46 US states and Canada. Franchising licenses were first issued in 2002. Today, all franchise areas in the US and Canada have been sold with franchisees “feverishly working on completing development of their territories.” According to company information, over 1,500 units are currently in development. And: the better burger chain is also looking at opening its first restaurant in London in 2012.

The Five Guys system is rather simple: after choosing from four types of burgers (Hamburger, Cheeseburger, Bacon Burger, Bacon Cheeseburger), which all come in small (one patty)



## BUSINESS CHARACTERISTICS

- Better burger concepts are characterised by premium food quality and a clear focus on fresh regional and/or organic products. Especially in the USA, they transfer taste of home-grilled meat from the barbecue to the restaurant.
- The target group comprises young people who grew up with burgers from McDonald's and other fast-food chains, and who now, thanks to greater purchasing power and higher culinary expectations, want to enjoy their favourite project on a fast-casual level. To this end, the hand-held product is upgraded to a proper meal on a plate. Additionally, many concepts score through big portions and patties over 100 g, and by serving alcohol.
- Transparency is an important subject. The origins of the meat are communicated clearly. Concepts have open kitchens with show grilling.
- The product range is relatively narrow but, thanks to a wide variety of toppings, distinguished by extensive opportunities for customization. Almost everything can be served between the two halves of the bun that, in many cases, is wholemeal or, at least, freshly baked. Similar criteria apply to the side dishes – a narrow range (generally French fries) but top quality. Shakes are very popular.
- When it comes to service, the majority of concepts are based on guest cooperation with counter or semi-service.
- The world-market leader is the US Five Guys chain with around 900 outlets in North America and ambitions to cross over to Europe. [www.fiveguys.com](http://www.fiveguys.com)
- Communication – many better-burger concepts reach their target group on the internet. Five Guys has over 670,000 fans on Facebook!

or regular (two patties) sizes, guests may add up to 15 free toppings. The selection includes grilled onions or mushrooms, relish, Jalapeño peppers, green peppers or BBQ Sauce.

“There are over 250,000 ways to order a burger,” the company proudly proclaims. And there's more to be proud of: The kitchen is open concept, so customers can watch their burger being assembled while chewing on a handful of salted whole peanuts provided in bulk containers throughout the restaurant. The burgers are hand-formed from fresh ground beef and the potatoes are fresh-cut every morning and fried in peanut oil. In fact, stacks of the 50 pound potato sacks contribute to the red-and-white tiled restaurant design. Prices vary according to location, for example, the most expensive menu item, the two-patty bacon cheeseburger, may cost from \$6.29 in the state of Colorado up to \$8.59 in New York City. All meals come the same way - in a brown paper bag. There are no cafeteria-style trays, but there are tables and chairs should customers want to sit down and eat.

“The Washington D.C. based gourmet burger chain Five Guys has long achieved cult status. Founded in 1986, it has expanded to over 900 stores in 46 US states and Canada.”

# Foreign Flavours

By Varun Jain

**Want a taste of the world? Indians need not even leave the shores to taste exotic foreign cuisines. Many restaurants have cropped up in recent years in the metros to bring global food to them, from French and South American dishes to Korean, Polynesian, Greek and Moroccan cuisines. This has spawned a new segment in India's F&B industry and many restaurateurs are rushing in to cash in on the opportunity**

Indians love food. Take any Indian social or family function – it is simply incomplete without a lavish spread. With limited options for outdoor recreation, is it any wonder that dining-out with friends or family is one of the most sought after events by Indians? Well, the options available to them for titillating their taste buds are getting broader with the arrival of restaurants specialising in foreign cuisines. As the disposable income of Indians goes up and they forge business relations with other countries, it seems they are going to be spoilt soon in terms of food from abroad.

## **Foreign Invasion**

The foreign cuisine portion of the Indian F&B industry is booming, with a couple of dozen QSR chains built around international food either planning to enter India or already operating in the market. In addition are many stand-alone restaurants – both home-grown as well as Indian outlets of global names like Le Cirque and Hakkasan – serving foreign cuisine to well-travelled Indians with discerning tastes, and expats



All American Diner serves American breakfast day-long at Delhi's India Habitat Centre

temporarily settled in the metros. Their offerings range from South African and Japanese food to Vietnamese, South Korean, Brazilian, Greek, Mexican and even Polynesian or Nyonya dishes.

The charge of foreign cuisines in India is going to be led by the QSR chains which will be the key in popularising non-Indian dishes among the masses, argues Sonia Mohindra, Director of Under One Roof Hotel Consultants. "I feel the growth of foreign-cuisine QSRs would get customers hooked initially and they would then eventually move up the scale to the casual dining and fine dining outlets for a more gourmet experience," she says, reeling off statistics. Out of the current registered restaurants in India, about 20 percent serve foreign cuisine (excluding Asian, South Asian or multi-cuisine offerings). Of these, around 8 percent fall in the QSR category. "About half of all new restaurants that we are currently helping set up in India are build around non-Indian cuisine (excluding the typical oriental fare)," she adds.

Chef Nikhil Chib, the founder of Busaba in Mumbai which bills itself as the "first authentic South East-Asian restaurant in India," seems to agree. He notes that the collective culinary consciousness within the country has definitely caught on over the past few years, with joints springing up across the city serving Spanish, Greek, Mediterranean, Modern American, Mexican and Arabian cuisines, to name a few. "Consumers nowadays have become very adventurous and don't restrict themselves to Indian, Continental and Chinese fare, like they used to a decade ago," he says. With foreign-cuisine restaurant brands marketing themselves aggressively coupled with Indians travelling to different shores from Tokyo to Zagreb, a myriad of possibilities have been unleashed in culinary experimentation.

Chaitanya Rathi, Asst. VP (Business Development) with Sula Vineyards which runs the Vinoteca By Sula wine bar in Mumbai, says Indians have started letting their taste buds explore new flavours and are looking for a different experience each time they dine out. "Chinese and Italian cuisines have more or less become a part of our daily diet while Spanish, Japanese, Thai and French have started grabbing their fair share of the



pie. The market is now open to cuisines which have not been discovered in India yet," he adds. India has a history of colonialism with a strong Christian and European influence on the urban society. This has also led to the changing food trends and cooking styles in India, according to Akhil Sahni of Delhi's Qafe Pasha which serves Moroccan cuisine.

But not everyone running a foreign cuisine restaurant in India feels the same. Sanjay Kotian of the Mia Cucina Italian restaurant chain in Mumbai says there is way to go before we see different types of global cuisines in India. "In my opinion, the Indian market is at the moment only open for cuisines that are similar or adapted to the Indian palate," he declares.

#### Pushing the Pie

Mohindra of Under One Roof recounts two elements that are contributing to the growth of foreign cuisines in India: the much easier availability of ingredients compared to the past and the increasing amount of travel undertaken by Indians these days. The easy availability of even products like Sushi in the country has led to the permeation of restaurant models across levels and price categories. In addition, as more and more Indians travel abroad and become exposed to global cultures, the rise of foreign cuisines in India is a natural corollary.

Thai curry or pasta can be found in almost every menu today, from a fine dine to a food court and QSRs. However, not all dishes are uniquely popular. For example, within Italian food, while Pasta Arrabiata may be popular, a Duck Ravioli in orange sauce remains niche," says Mohindra. Certain cuisines – such as Middle Eastern, Mexican, Spanish or Italian – hold the potential to permeate across levels, price categories and cities in certain

**“I feel that the growth of foreign-cuisine quick-service formats (QSRs) in the country would get the Indian customers hooked initially to international food, and they would then eventually move up the scale to the casual dining and fine-dining formats to enjoy a more gourmet experience”**

**– Sonia Mohindra,  
Director, Under  
One Roof Hotel  
Consultants**

In the last few years fast-casual chains, such as Five Guys Burgers in the US, have been eating up market share by offering fast service and higher quality items. While Burger King failed to react to this and stuck to its old formula, it prompted many of its rivals to start their transformations, which eventually resulted in Burger King losing its number two title in the US to Wendy's earlier this year. Nonetheless, after 2011 full year sales declined 3% (compared to 2010), in March 2012 Burger King announced that it too will adapt its business strategy, introducing new initiatives such as a wider food offering, to broaden its appeal. An analysis by **Nicole Parker-Hodds**, Associate Analyst, Planet Retail.



# Burger King the Turning Point?

## TOP 10 MARKETS 2011

Country	System sales (US\$ m)	Number of outlets
USA	8,794	7,270
Germany	917	705
Australia	678	356
UK	676	511
Spain	540	500
Mexico	453	415
Canada	386	287
Turkey	377	345
Puerto Rico	264	175
Brazil	181	132

Source: Planet Retail

## Changing Core Consumers

This new direction is not completely surprising; Burger King has never changed its strategy of focussing on teenage and early twenty year old males as its main consumer base – now an outdated approach. It concentrated on hamburgers, especially the Whopper burger, and had its marketing campaigns revolve around its mascot The King, that aimed to bring humour to the advertisements to appeal to its youthful audience. This strategy had been successful until the latest recession, when rising unemployment and lower disposable income led to reduced spending by its core customers – and hence fewer visits to its stores. This affected Burger King's whole business because it was a slow mover in terms of diversifying. Because its main competitors were already targeting a wider audience Burger King was doubly affected in market shares, because it needed to readjust all its strategies – including its menu, marketing and store design – to target a new consumer, women. Although this is a time consuming and expensive move, it is also a critical one for Burger King.



To help the hamburger chain battle with the economic downturn, and to reduce investor pressure, Burger King had a change of ownership. Burger King has had a chequered past in terms of ownership, having swapped between being a public company and being owned privately more than once. Most recently, in 2010, Burger King was acquired by Blue Acquisition, a private equity company owned by 3G capital, to provide the capital for the company to readjust its strategy and to take time away from the 'limelight' following the harshest recession in our lifetime.

However the company announced in April this year that it will once again become public through a second IPO (Initial Public Offering) – to sell off 29% of the business for US \$1.4 bn to Justice Holdings LTD, a UK-based investment firm who will list itself on the New York Stock Exchange. This is part of its new turnaround strategy to catch up with its rivals in the US, and to remain competitive globally. Daniel Schwartz, Chief Financial Officer at Burger King said: "We believe it is the right time for Burger King to be publicly traded in the US again [on the New York Stock Exchange]. With this transaction, we are positioning the Burger King brand for long-term growth both domestically and internationally."

#### **Evolving Menus**

Burger King is not generally known as a first mover in the fast food market in terms of evolving its menus – at least not recently – which has led to its troubles. While its competitors revamped their offerings to attract a wider audience, Burger King continued to focus on burgers and relied on its Whopper burger to target its core consumers, as mentioned previously. However, it has ten new menu items that are currently being introduced; such as salads, wraps, fruit smoothies and frappes; to help the company catch up with its rivals and widen its customer base to include women – mainly mums – as well as children.

Riding on the success of food trucks in the US,



Burger King is offering free samples of its new menu to consumers across 40 cities in the country. The company will use this as further trials for the new items, as well to create interest and loyalty for the brand. However, Burger King has been criticised because many of these new items aren't new to the market, but are similar to those already sold in McDonald's and Wendy's. While true, these items are based on customer preferences (and are what sells well at its rivals). Burger King does need to be careful not to rest on its laurels again though, but to become innovative with new products and flavours or stand point (e.g. animal welfare or customisation) to differentiate itself from the rest of the market. Miguel Piedra, Vice President of Global Communications at Burger King, said: "For us, it's really not about being first to market, it's about being best to market."

Children's meals are one area that Burger King was pioneering in. Before it was acquired by Blue Acquisition, the company stopped automatically serving French fries as an option in its children's 'Crown meals' and introduced 'apple fries' (apple

**“While the competitors of Burger King revamped their offerings to attract a wider audience, it continued to focus on burgers and relied on its Whopper burger to target its core consumers.”**

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## Ricca Range

### Coco Ricca

(Refined Coconut Oil)

### Coco Brite

(Filtered Coconut Oil)

### Ricca Summit

(Hydrogenated Coconut Oil)

### Ricca Premium

(Frozen Dessert Fat)

### Ricca Primor

(Refined Palmkernel Oil)

### Ricca Margarine

(Dairy Fat Analogue)

## Lily Range

Refined Palm Olien - IV 56-57

Lily Gold - IV 59-60

Refined Groundnut Oil

Refined Sunflower Oil

Refined Soyabean Oil

Refined & Filtered Til oil

Lily RBD Palm - IV 52-53

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