

Changing Flavours of Breakfast

Home-cooked breakfast is gradually making way for the ready-to-eat and ready-to-cook items for urban time-poor Indian consumers. Rooting the opportunities, restaurants are dishing out breakfast menu.



GUNJAN PIPLANI

Sameer Malhotra, a 37 year old, working in a media firm and heading the marketing team, has seen the way his breakfast habits have changed in past 13 years of his career. During his initial years, it was all about pranthas made by his mother, and once getting married with a working wife and now kids, breakfast is now about cereals in the morning or quick bites at the QSR with one hand grabbing the cell to the ear to stay connected with the office colleagues.

Breakfast, which is supposed to be eaten like a king, has now become the most abused meal. Estimates indicate that 20% of urban Indians miss breakfast while another 15% have an inadequate breakfast. "There are people, who either do not have breakfast or have it in a very sorry job of breakfast and run away. People see convenience as a factor to decide the menu of their breakfast. Everyone says breakfast is the most important meal of the day so health is other aspect which determines what one should have in breakfast. And that is the time when you have the least amount of time, so running to the nearest food outlet is the upcoming trend in the

urban India. Whereas in smaller towns, convenience is still the decisive factor as in such places two meals have to be cooked – lunch, which is taken away, and breakfast before leaving for office or schools. And this is the factor attracting different vehicles to enter the breakfast market," says Sanjay Sharma, Chief Executive Officer, MTR Foods Private Limited.

Vikram Bakshi, MD & JV Partner, McDonald's India (North & East) says, "Majority of Indians have breakfast. In fact, our research done to discover the consumer trends and preferences revealed that as much as 98 per cent of the population has breakfast at home, and OOH breakfast market is very limited with only 9 per cent of consumers having breakfast at home as well as out of home."

The trends, in urban areas of the country, have now changed from having convenience food at home to going out to QSRs or casual dining spaces to have their breakfast. While in the smaller town, people are now moving towards convenience food.

India has come far in the way people have their breakfast. Influenced by the West, if we may say so, we have moved from pranthas to bread sandwiches or toasts, and to cornflakes and now to frozen food (Ready-to-Cook or Ready-to-Eat) or eating out.



"According to market estimates, if the total number of urban households is around 70 million, 10% of this, which would mean seven million households, have already adopted the new breakfast habit."

Ritu Mukherji

Marketing Manager,
McCain Foods India



MARKET SIZE OF INDIAN BREAKFAST SEGMENTS (2012) ₹Crore



“Food habits are increasingly being spurred towards globalisation through travel, the growing grip of television and the internet. Indian consumer is a lot more open to new food categories and demanding more choices now than he or she ever was before,” says Arabind Das, COO, Godrej Tyson Foods Ltd.

EATING OUT: REASONS MANY

“We have grown out of going to coffee shops to the morning for only a cup of coffee or tea. People are now looking for options or restaurants which can serve a full-fledged breakfast with options to choose from the menu,” says Sonia Mohindra, Director, Under One Roof Hotel Consultants Pvt Ltd.

She adds saying, “People look at having breakfast at a QSR or casual dining space. The reasons being firstly, they are running out of time; secondly,

they have their morning team meetings over breakfast; and thirdly, on weekends they might want to give the home maker a break from morning chores and take the whole family out for breakfast.”

HOW'S THE PROMO DONE?

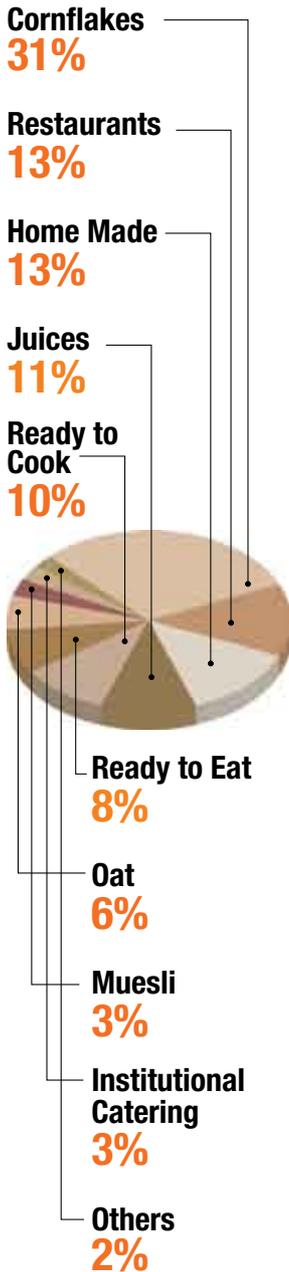
Times have changed and the restaurants offering morning breakfast open as early as 8 am in the morning. Moreover, people prefer fast casual dining over QSR as Indians love to be served than to do self service, even if they have to spend on an average 25 minutes in a restaurant.

The restaurants are getting their communication right as the target audience for breakfast menu is very limited. For instance, Mohindra, who is a consultant for Rang De Basanti Dhaba (RDBD), says, “For RDBD, which is located in South Extension,

EATING OUT PATTERNS

Restaurant	Target Audience	Average ticket size	Best selling product
Hinglish--The Colonial Café Route 04	Youngsters (college crowd), young mothers and housewives and the morning movie crowd Students, corporates and families	₹200 for breakfast per person ₹350 per person	Nihari and fresh assorted eggs Omelette selection, baked beans on toast or mushroom on toast, All-American mixed Grill; Pancakes, French Toasts
RDBD (Rang De Basanti Dhaba)	Corporate & medical professionals	₹125 for breakfast	Bottle omelettes, assortment of stuffed paranthas, bread and bhurji, and beverages like lassi, juice and dhaba chai

PERCENTAGE SHARE OF BREAKFAST SEGMENTS, 2012



New Delhi is very close to the AIIMS hospital and posh localities. So our target audience becomes doctors and corporate. We have also carried out tie-ups with the medical community at AIIMS, have similar tie-ups and promotions for offices and institutes in the vicinity and carry out a fair amount of marketing/PR for the same."

While Route04, which is located in Khan Market and Cannought Place, has tied-up with offices and media offices located around CP, it also gets into a consistent amount of advertising so that people know. Looking at the future, "We would love to open at 7am and become the preferred stopover point for people before they head to office – that's how it happens in the West and we'd like more of the same in India," says Manish Choudhary, Owner, Route04.

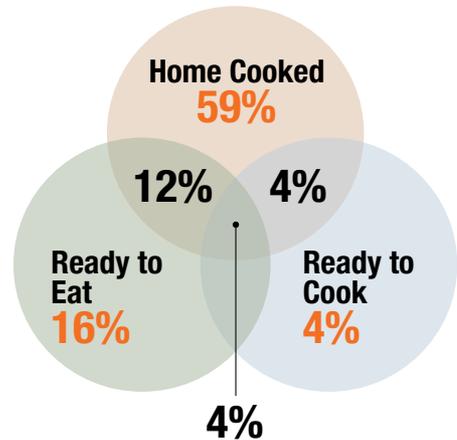
Shagun Somani, owner of Hinglish-The Colonial Café says, "It is a market with tremendous potential – it's already happening at the 5-star level, just needs to permeate to a mass market level."

Vaango, the popular South Indian restaurant, offers wholesome and healthy breakfast combos starting at ₹49, which includes all popular breakfast options like Upma, Dal Vada and Mini Idlis along with the beverage combination comprising of refreshing buttermilk and aromatic filter coffee.

This South Indian restaurant chain is quite aggressive in its promotion. "All our F&B launches are promoted through in-store promotions with marketing collateral like danglers, external glass facades, standee banners and table top communication, counter communication. Vaango is also a digitally very active brand, thus we promote all our offerings on social media channels like Vaango FB page, Vaango website, mailers to our database and through SMS campaign to our database," informs Malabika Gupta, Marketing Manager, Vaango

Veg. McMuffin; Egg and Sausage McMuffins; Pan Cakes and Hash Brown are some of the popular breakfast products from McDonald's that have found great acceptance from the customers along with freshly brewed coffee and tea, informs Bakshi.

WHAT IS PREFERRED FOR BREAKFAST?



QUICK FOOD AT HOME: SASTA NASHTA

Not so successful but a revolution in Indian breakfast came in 1994, when Kelloggs made its entry in the Indian market, challenging and competing with the traditional foods. Marketed as a sumptuous and healthy breakfast, it couldn't really make a mark and failed. But a successful re-entry, with kids' specific product, Chocos, and sugar frosted flakes, Frosties, were made. Moreover, the marketing strategies were set right as brand names like 'Shakti' were adopted which clicked more people locally. In today's time, Kelloggs hold a 60 per cent market share in the cereal market.

In cereals category, after cornflakes, products including muesli, oats and roasted dalia (porridge) emerged as strong products. "The main driver for the shift is the need to include healthier foods in one's diet. Breakfast cereals like muesli are a great way to start your day as they provide you with ample nutrition and keep you energetic throughout the day. Another plus is the great convenience factor. It saves up on preparation time and gives you another reason not to skip the most important meal of the day," informs Dolly Kumar, Director, GAIA. The brand is present in more than 3000 outlets across 16 states in India, specially in modern trade with key accounts in major outlets, such as Big Bazaar, Godrej Nature's Basket, Le Marche, Easy Day, Sabka Bazaar, More, etc.

After cereals, people were introduced to the frozen food,

Ready To Eat (RTE) and Ready To Cook (RTC) market. These products required only a few minutes of heating or cooking and this grabbed the eyeballs of the people who wanted to have traditional food but cooked at a faster pace. The RTE category holds about 25 per cent, that is, ₹38 crore turnover of frozen foods segment. The organised frozen food market is estimated at ₹1,600 - 2,000 crore.

The RTE and RTC segment has seen an insurgence of many flavours, including traditional dishes from all across India.

“According to the market estimates if the total number of urban households is around 70 million, 10% of this, which would mean seven million households, have already adopted the new breakfast habit,” says Ritu Mukherji, Marketing Manager, McCain Foods India. The company is looking at doubling its retail network from current 4,500 outlets to 10,000 over a period of time. Available in over 100 cities across tier I and II cities, McCain ensures that the retail outlet wanting to stock its product should be well equipped with freezers and electricity back-up.

“These products are giving options to people. RTE and RTC products are not as expensive as eating out can be, and they are equally convenient. The process of idli making, which used to start 12 hours before the actual cooking time, has now reduced to 15-20 minutes due to our products. These products use technology to help the consumers cut short the entire cooking process,” informs Sharma. Till now MTR offers varieties from the South Indian menu, but now they are working on brining in the breakfast menu from other parts of the country.

“Though the frozen food category is estimated to be growing only at 20-25 per cent CAGR, however, driven by the popularity, the brand is growing much faster than the category at 48 per cent. Real Good Yummiez as a brand has presence in more than 55 cities across India. With the evolution of modern trade, our growth in this channel has been healthy and Yummiez is available in more than 3000 outlets all over India,” says Das.

CONSUMPTION PATTERN RTE & RTC

Brand	Target Audience	Average ticket size	Fastest selling product
McCain	Women	₹125	French Fries, Smiles and Aloo Tikki
MTR	Younger housewives (25+)	₹100 – ₹150	South Indian breakfast options
Real Good Yummiez (Godrej Tyson Foods Ltd)		₹150-₹250	Kababs and Chicken Nuggets

CONSUMPTION PATTERN: CEREALS & JUICES

Brand	Target Audience	Average ticket size	
Gaia	30+ urban men and women	₹100	Gaia Crunchy Muesli

These products are being well reached to its target audience through various ATL and BTL activities. While McCain has tied up with RWAs in Delhi to conduct kitty parties for home makers, GAIA conducts various activities at regular parks and gyms. On the other hand, Godrej Tyson centres its brand Yummiez around celebration and enjoyment. Keeping this in mind it has unveiled a new set of ‘Y party’ commercials aimed at positioning itself as a ‘Party Maker’.

“Since breakfast menu is not available in all McDonald’s restaurants, we have not gone on television. Currently, it is largely promoted in trading area of the restaurant where it is available through in-store marketing elements and other BTL activities”, informs Bakshi.

TOWARDS A BRIGHTER FUTURE

Lack of time and healthier options available, the conventional foods today have become a novelty and people have them rarely on menu.

The brands and restaurants are positive about the future. Currently, breakfast servings, which contribute 5-7 per cent of total revenues, the restaurants aim at taking this contribution to 12 per cent.

While brands look at penetrating further into tier II and III cities, reaching to more and more people looking for quicker breakfast option. ©R

Some data by Franchise India Research



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