



# Certified Restaurant Manager

## Sample Material

**V-Skills Certifications**

**A Government of India  
&  
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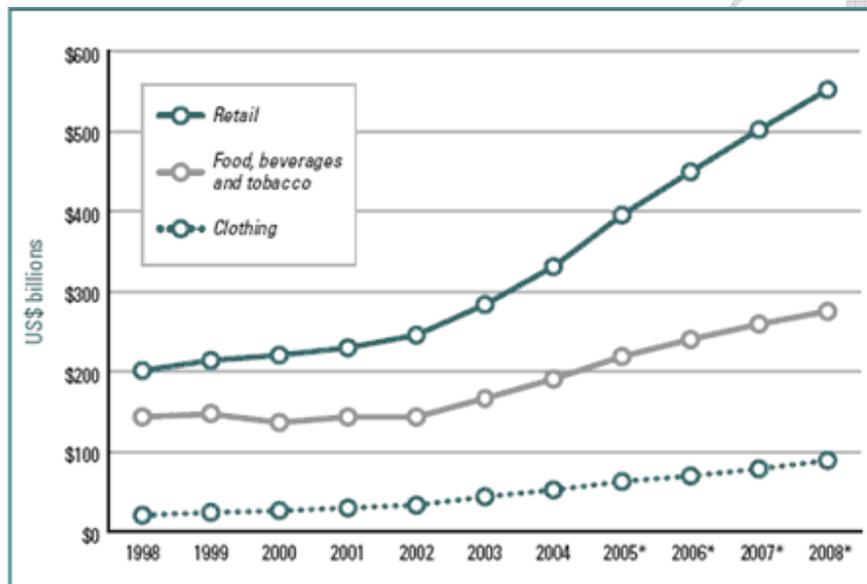
**V-Skills**



## 1. INDIAN FOOD RETAIL SCENARIO

In India the retail sector is witnessing an overhaul throughout whether it is food, beverage or clothing etc. India is ranked amongst the top most emerging retail markets and is rated second in a Global Retail Development Index of 30 developing countries. Food and clothing are the key drivers of growth in the retail sector. Organized retail units are largely concentrated in urban areas, where on the other hand retail units in rural markets emerge as a huge opportunity reflected by the share of consumption by the rural market.

Graph showing growth Retail Sales trend in India from 1998\*-2008\*



One of the most flourishing sectors is the service industry/Hospitality sector. As a layman hospitality is the service given to people. The primary focus in the hospitality sector is on the service to be provided to the customers.

The different profiles in which an individual can be absorbed depending upon their skills and qualification in the hospitality sector are Management Trainee, Customer Relations Executive, Marketing/Sales Executive, Kitchen Management/ House Keeping Management, Catering Officer or Chefs in Hotels, Flight Kitchens, Cruises, Fast Food Chains and related industry.

## 1.1 Fast Food Chains in India

Fast food is one of the world's fastest growing food types. Fast food sector and restaurant industry is witnessing rapid growth all across. The revenue share generated from the restaurant industry in the developed countries is very high share and continues to expand.

In India snacks are one of the most preferred delicacies with various types of snacks being served and enjoyed by people all across the country. The consumer base has ascended tremendously witnessing changes in the eating habits of the consumer, especially in the urban areas.

The rising income level and changing consumer habits contributes radically to the fast food consumption trend. Due to which, all national and international food players like McDonalds, Pizza Hut, KFC and Dominos are investing heavily to capture a productive share of the highly lucrative market.

The increasing brand awareness has led to rising consumption trend of multi cuisines thereby continually instilling interest of international player in the Indian market. One of the favorite destinations these days for opening such food joints and restaurant bars are malls and supermarkets which are more organized modern formats. Big business houses in order to promote their brands are collaborating with small franchisors and mall owners.

The emerging fast food chain segment comprises of fast food joints, cafes and fine dining restaurants etc. The changing preferences of the Indian consumers have no doubt contributed to the success. Initially these brand outlets started only in major metropolitan cities such as Delhi and Mumbai. But today the food and beverage industry is continuously expanding all across India to cities like Pune, Ahmedabad, Aurangabad, Chandigarh, Jammu, Chennai, Goa and Bangalore, with a motive to capture growing demand.

A recent survey shows that in the previous year, around 400 fast food restaurants and snacks parlors have been set up in various cities and tourist destinations in the country under well known domestic and international food chain brands. In India most of the food chains cater to the urban and cosmopolitan population with high standard of living.

The most popular food chains that have their set base in India and cater to the vast consumer base are Pizza Hut, Domino's, McDonald's, and KFC etc. In the local brands, Café Coffee Day (CCD) has a significant share in the snacks market and in case of vegetarian fast food, Haldirams tops the chart. It is expected that in the coming years more fast food chains will open up and join the market with lots of money put in to expand the retail sales across different cities in the country. According to a survey there are more than 900 fast food restaurants and coffee shops in the country.

In India another area experiencing growth is the 'Ready To Eat' (RTE) market for food. RTE market basically consists of food products that make up a complete meal which needs minimal processing, if any, typically requires re-heating to desired temperature or addition of water. They are also referred as Convenience Food as they solve the problem of time-constraints faced by consumers due to the stressful life style.

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RTEs are categorized into two products

- ✓ Shelf stable packaged food
- ✓ Frozen packaged food

The concept of RTE food has been recently accepted due to changing life style and movement towards westernization. There is a strong correlation between the growth of RTE foods and organized retail formats such as supermarkets and hypermarkets. These trends show that the modernization of India is well on its way. These changes in the eating habits are being referred to middle class and upper earning class of India.

### 1.2 Challenges faced

The challenges being faced by these new styles of Indian restaurants and fast food joints are,

- ✓ Food price fluctuations
- ✓ Cumbersome licensing laws
- ✓ High cost of real estate
- ✓ Lack of skilled workers
- ✓ High food inflation
- ✓ Rigorous competition

Even though the volumes have not dipped yet, the companies are struggling for margins.

There is severe cost pressure in raw materials and fuel charges, which is causing a lot of strain which is no different for other quick-service-restaurants and cafe chains. Input costs have increased 10-20% across food and beverage categories.

The fast-food chain business in India is very lucrative, but no player wants to price himself out of the market. In the coming few years, the key challenge for the food companies will be to keep their products reasonable, especially for the mass markets, to enable conversion from non-users to users and from unorganized to organized units.

Pizza restaurants and cafe houses make up the largest chunk of the organized food and beverage retail business. Brands such as Pizza Hut, KFC, McDonald's, Café Coffee Day, Costa coffee are some of the formats that already have already created a mark and are looking to grow further. The food and beverage retail market in India is growing but the market so dynamically, that a lot of movement is expected over the coming years.

The cafe business is more competitive than the fast-food chain business in India with players such as Café Coffee Day, Barista Lavazza and Costa Coffee competing in the same market. At present,

the café business is estimated to be worth 600 crores with approximately 1,400 outlets across players. But the catastrophe of the industry is that it is dominated by the unorganized sector with branded chains accounting for less than 10% share, as per reports.

### 1.3 Top food joints and restaurants in India

In today's time India has almost all the major food chains and restaurants of the world in our cities. Some of the well known and highly ranked food chains and restaurants are,

#### **McDonald's**

It is the world's largest chain of hamburger fast food restaurants, serving more than 64 million customers daily. In 1955 McDonald's had its break through by the founder Ray Kroc who was a businessman. A McDonald's restaurant is operated either by a franchisee, an affiliate, or the corporation itself. The corporation's revenues come from the rent, royalties and fees paid by the franchisees, as well as sales in company-operated restaurants.

McDonald's primarily sells hamburgers, cheeseburgers, chicken products, french fries, breakfast items, soft drinks, shakes and desserts. In response to changing consumer tastes, the company has expanded its menu to include salads, wraps and fruit. McDonald's have their outlet in almost every big and small city in India. McDonald's is for all as it is quite reasonable and very anyone to afford.

#### **KFC**

The company was founded as Kentucky Fried Chicken by Colonel Harland Sanders in 1952. KFC, founded and also known as Kentucky Fried Chicken, is a chain of fast food restaurants based in the United States. KFC is run in all over India by master franchise Devyani International Limited (DIL). KFC primarily sells chicken pieces, wraps, salads and sandwiches. While its primary focus is fried chicken, KFC also offers a line of grilled and roasted chicken products, side dishes and desserts. After McDonald's, it is KFC that has its branches almost in every city. For those who love to eat chicken would know what KFC really means.

#### **Pizza Hut**

Pizza Hut is an American restaurant chain and international franchise that offers different styles of pizza along with side dishes including pasta, breadsticks, and garlic bread.

Pizza Hut is a subsidiary of Yum! Brands, Inc., one of the world's largest restaurant companies. Pizza Hut being the flagship brands of Yum! Brands, Inc. has KFC, Taco Bell, A&W and Long John Silver's under its umbrella. Pizza Hut is run in all over India by master franchise Devyani International Limited (DIL).

As per records, there are more than 6,000 Pizza Hut, restaurants in the United States, and more than 5,600 store locations in 94 other countries and territories around the world. In particular

Pizza Hut has 143 stores across 34 cities in India. Indeed, The Italian food is a hit among Indians, especially students, even though being a bit expensive.

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### **Cafe Coffee Day**

Café Coffee Day is a division of India's largest coffee conglomerate, Amalgamated Bean Coffee Trading Company Ltd. (ABCTCL). It is the largest producer of Arabica beans in Asia. Apart from this, the group also sources coffee from 11,000 small growers. ABCTCL is one of India's leading coffee exporters with clients across USA, Europe and Japan.

This Indian Coffee shop is one of International Standards and popular amongst all. Be it the prices or the ambience, it is one of the best coffee houses everywhere in the country.

### **Costa Coffee**

Costa Coffee is a British coffeehouse company was found in 1971 by Italian brothers Sergio and Bruno Costa, as a wholesale operation supplying roasted coffee to caterers and specialist Italian coffee shops. It is the largest coffeehouse chain in the United Kingdom and second largest in the world. Costa Coffee is run in all over India by master franchise Devyani International Limited (DIL).

Costa Express is a new concept created by a coffee chain of self-service coffee bars. Costa has plans to expand Costa Express to 3000 locations. Costa has plans to target hospitals, universities and transport interchanges.

### **Dominos**

Domino's Pizza, Inc. is an international pizza delivery corporation has its headquarter in Ann Arbor, Michigan, United States. Dominos was found in 1960 with nearly 9,000 corporate and franchised stores across 60 countries. The menu features pizza, pasta, oven-baked sandwiches, wings, boneless chicken, breadsticks, cheese sticks, and a variety of dessert items.

**Self Assessment Questions**

1. What is the full form of ABCTCL?

- A. American Bean Coffee Trading Company Ltd.
- B. Active Bean Café Trading Corporation Ltd.
- C. Amalgamated Bean Coffee Trading Company Ltd.
- D. None of the above

2. KFC stands for \_\_\_\_\_.

- A. Kentucky Fried Chicken
- B. Knitting Foreign Corporation
- C. King of Fried Chicken
- D. None of the above

3. Pizza Hut is a subsidiary of \_\_\_\_\_.

- A. Yummy Brands, Inc.
- B. ABCTCL
- C. Yum! Brands, Inc.
- D. None of the above