Solve. New.

The Big Bite

Scaling success in India's food services

JANUARY 2025

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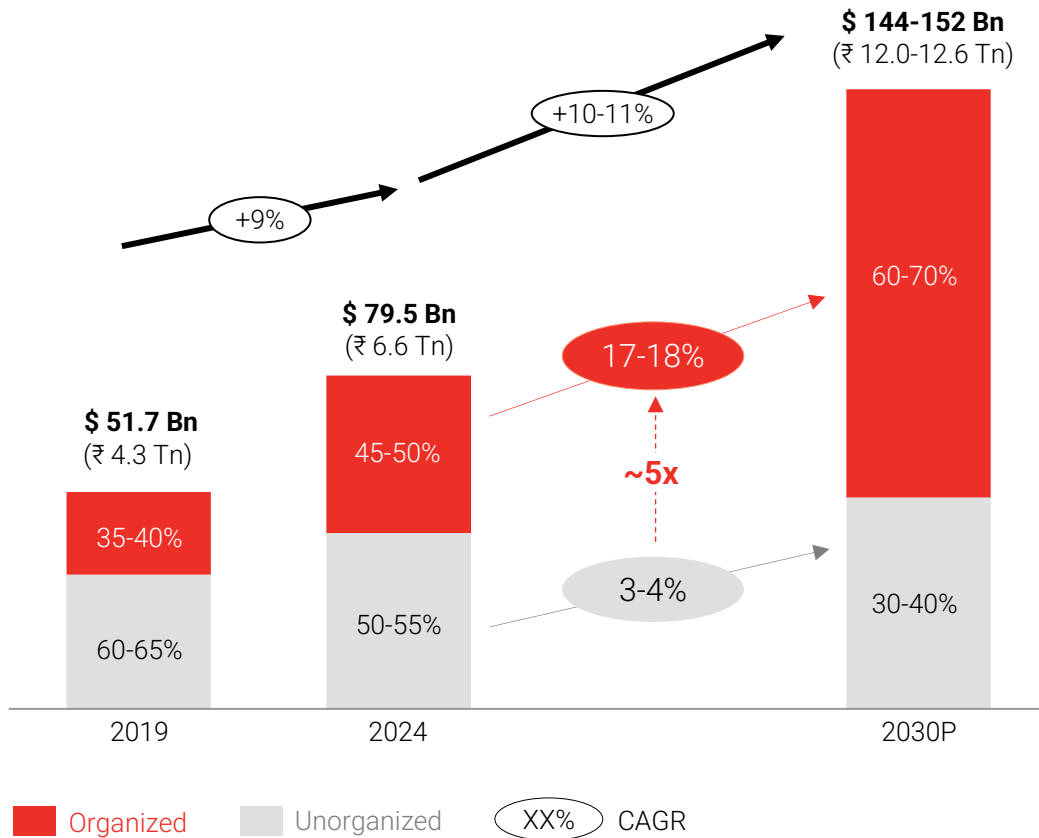
Bangalore. Delhi. Mumbai. Dubai. Singapore. New York

Indian food services market is a ~$ 80 Bn opportunity, growing at a CAGR of 10-11%, driven primarily by the organized sector

Food services market (value) segmented by organized and unorganized

$ 51.7 Bn
(₹ 4.3 Tn)

	2019
Organized	35-40%
Unorganized	60-65%

+9%

$ 79.5 Bn
(₹ 6.6 Tn)

	2024
Organized	45-50%
Unorganized	50-55%

+10-11%

$ 144-152 Bn
(₹ 12.0-12.6 Tn)

	2030P
Organized	60-70%
Unorganized	30-40%

17-18%

~5x

3-4%

■ Organized ■ Unorganized ⬭ XX% CAGR

GROWTH DRIVERS

Increased spending on convenience
Increased allocation of money to leisure & convenience, implying more consumption of non-home-cooked meals

Rising preference for outside meals
The young population, especially in Metro and Tier-1 cities is choosing eating out for convenience, socializing as well as for all celebratory occasions

Shift to organized led by new brands
Organized market comprises 45-50% of the total market and is expected to grow faster than unorganized market

Note(s): 1. $ 1 = ₹ 83, 2. Organized includes online food services and offline out-of-home consumption (restaurants) registered at food authorities (FSSAI)

Source(s): Redseer Research and Analysis

The growth of the organized food services market is being led by both online food delivery and organized dine-in

(XX%) CAGR

Online food services market size and growth

ORDER

Discounts rationalized, and the sector maturing in certain high demand pockets

$ 3.1 Bn
(₹ 0.3 Tn)
2019

+24%

$ 9.1 Bn
(₹ 0.8 Tn)
2024

+17-22%

$ 23-30 Bn
(₹ 1.9-2.5 Tn)
2030P

Offline organized food services market size and growth

With new brands/ eating out avenues along with players like Swiggy & Zomato providing accessible loyalty programs, the space is expected to grow further

$ 17 Bn
(₹ 1.4 Tn)
2019

+12%

$ 29 Bn
(₹ 2.4 Tn)
2024

+13-17%

$ 60-74 Bn
(₹ 5.0-6.1 Tn)
2030P

GROWTH DRIVERS

ONLINE

Service Innovations
Both Swiggy and Zomato have enhanced the services through offerings such as scheduled delivery, large order fleet, cancelled orders at discounted prices, 10-15 mins deliveries etc.

Delivery-only brand and cuisine launches
Launch of delivery-only brands, menus, cuisines, occasion-based menus, etc. is resulting in higher online traction

OFFLINE

Availability
750+
stores added in the last five years by Dominos as it expands across India

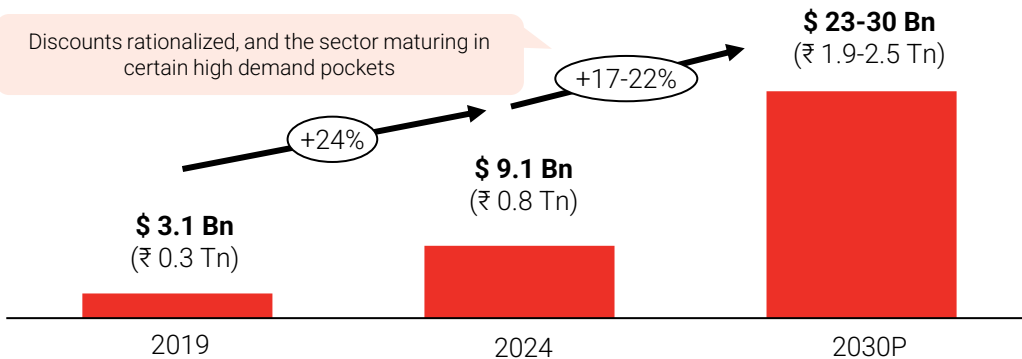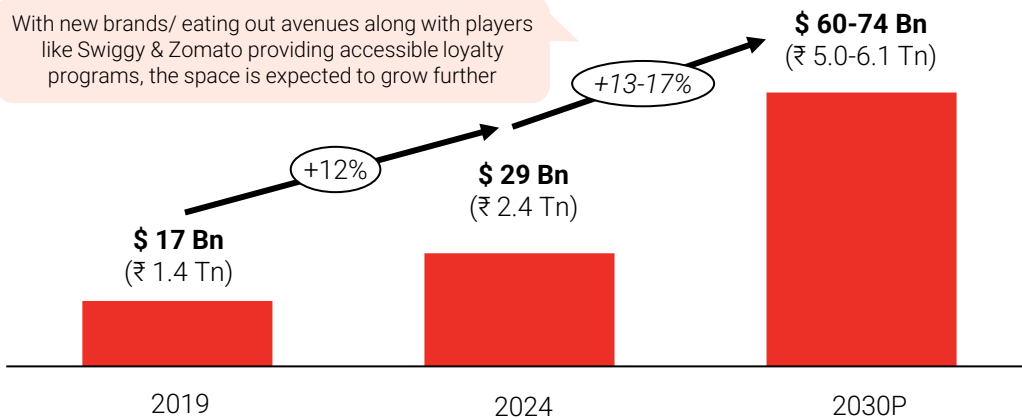**Consumer Preferences[1]**
~50%
of Metro and Tier-1 consumers have reported an increase in dine-out frequency in 2024 since 2019

Note(s): 1. Based on Consumer Survey N=317 for consumers from Metro + Tier 1 cities, 2. $ 1 = ₹ 83
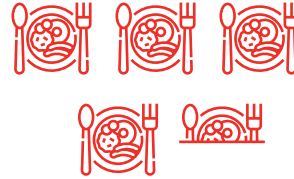
Source(s): Consumer Surveys, Redseer Research and Analysis

Metro and Tier-1 consumers are increasingly dining-out / ordering-in with monthly spends upwards of ₹ 2000
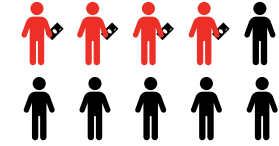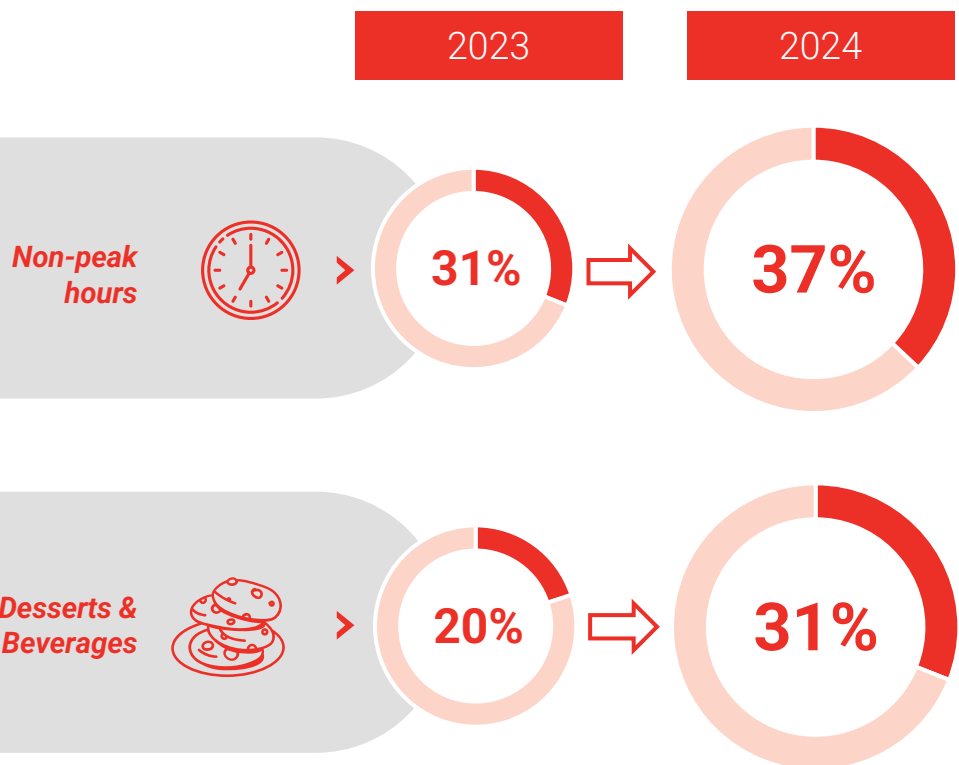
~50%
Respondents reported increase in dining out/ordering in frequency over the last few years

~4.5
Outside meals consumed in a month on average

~40%
Respondents spend
₹ 2000 – ₹ 4000
per month on outside food

CONSUMERS SPEAK

Earlier, we would dine out maybe once a month for special occasions. But now, with so many great restaurant options and variety, it's become a regular way to unwind with friends and family.

-   *Self-employed male, Noida*

Food delivery apps have made ordering in so convenient. We used to cook most meals at home, but now we order in at least 2–3 times a week, especially during busy workdays.

-   *Salaried female, Mumbai*

Desserts and beverages in cuisines and non-peak hours are emerging as high growth segments, accelerated by quick delivery options

Meal slot contribution[2]

	2023	2024
Non-peak hours	31%	37%
Desserts & Beverages	20%	31%

Quick delivery options (<20 mins) accelerating the shift

Bolt ⚡
Food in 10 mins
Fresh, Hot & Crisp
From nearby restaurants

QUICK ▶▶
10 MINUTE DELIVERY

CakeZone Patisserie View Items >
4.4 (2.1K+) • 15 mins
Items At ₹69
Extra 10% Off + Free Delivery   one BENEFITS

Chocolate Truffle Pastry   Butterscotch Pastry   Choc
₹119   ADD   ₹99   ADD   ₹14

Coffee Walnut Ice Cream - ₹79
NATURALS

10 mins • 1.4 km • Free
Natural Ice Cream   4.6★
Pure Veg • Ice Cream • ₹100 for one
Flat ₹75 OFF above ₹599

Sabari Juice Junction   View Items >
4.6 (18K+) • 15 mins
Free Item
Extra 10% Off + Free Delivery   one BENEFITS

Bestseller   Bestseller
Pineapple Juice   **Watermelon Juice**   Cold
₹70   ADD   ₹60   ADD   ₹80

Note(s): 1. Based on Consumer Survey N=317 for consumers from Metro + Tier 1 cities, 2. # of outside meals in the slot as a % of total outside meals, N=317

Source(s): Consumer Surveys, Redseer Research and Analysis

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Increased frequency of outside meals is being driven by factors such as celebrations and social occasions, need for variety, and convenience

Reasons for consuming non-home cooked meals

1 Unavailability to cook meals at home

2 A change from regular meals consumption

3 Spending quality time with loved ones

4 During celebrations and other social events

To address this social demand, Swiggy and Zomato introduced large order fleet, designed to handle substantial orders for gatherings, parties, and events

27% Respondents[1] eat non-home cooked meals due to their unavailability to cook

30% Respondents[1] prefer having variety in the kind of food they consume

45% Respondents[1] prefer having non-home cooked meals to spend time with friends and family

Note(s): 1. Based on Consumer Survey N=317 for consumers from Metro + Tier 1 cities

Source(s): Consumer Surveys, Redseer Research and Analysis

Consumers are increasingly seeking variety – while some seek new cuisines, others look for more variety within cuisines of choice

~38%

Actively seek / open to trying **new cuisines**

~39%

Look for / open to **new brands and restaurants** in preferred cuisines

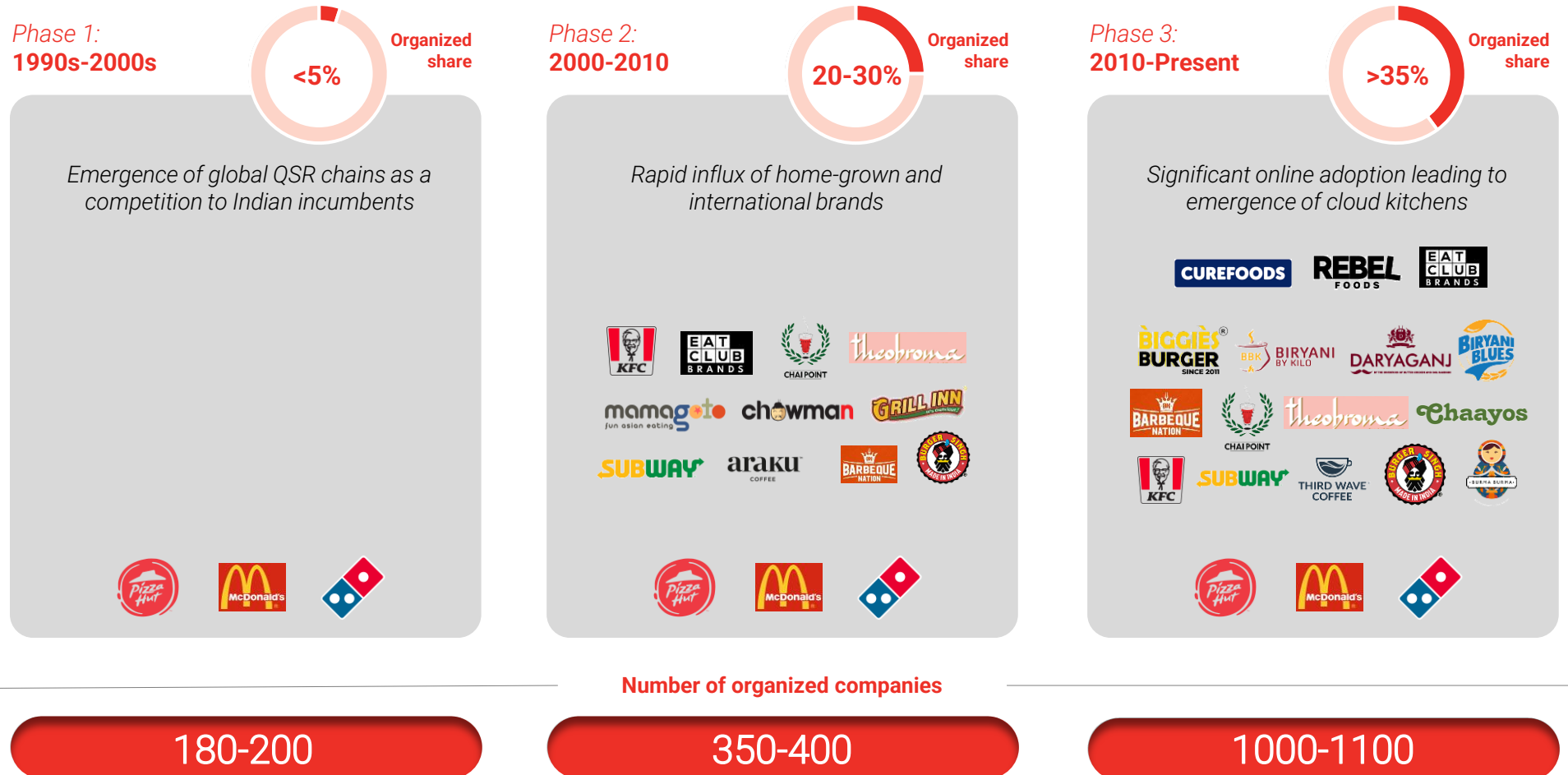**~23%**

Prefer to **stick to their existing** preferences

Social media and popular culture are driving the awareness of multiple food trends which consumers tend to pick up and adopt

Google trends over the last 5 years – popular food items

Vietnamese Coffee

Tteokbokki

Flavour Wave
Have been increasingly searched for a long time

Dalgona Coffee

Banana Bread
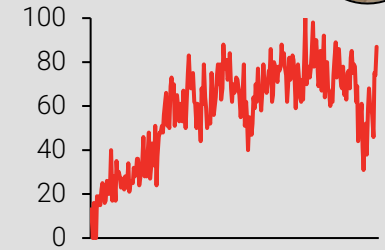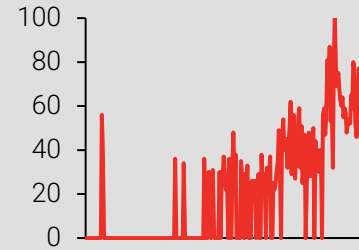
One-hit wonders
Have been prominently searched for during a specific time period and decreased sharply later
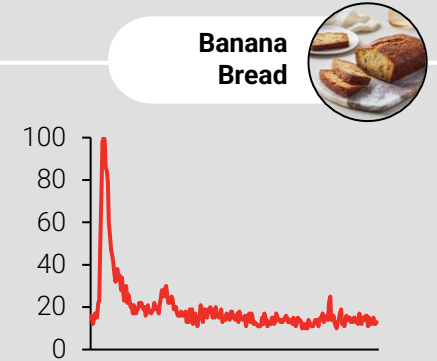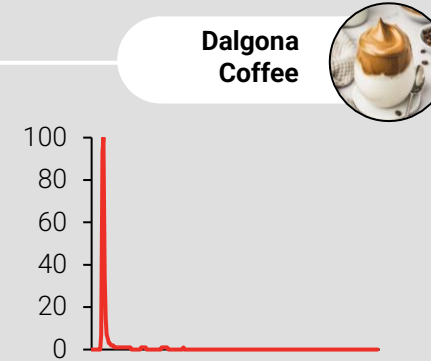
Note(s): 1. Based on Consumer Survey N=317 for consumers from Metro + Tier 1 cities

Source(s): Consumer Surveys, Redseer Research and Analysis

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This need for variety has driven significant brand creation across a wide range of cuisines

Indian food services market evolution

Phase 1:
1990s-2000s

<5% — Organized share

Emergence of global QSR chains as a competition to Indian incumbents

Phase 2:
2000-2010

20-30% — Organized share

Rapid influx of home-grown and international brands

Phase 3:
2010-Present

>35% — Organized share

Significant online adoption leading to emergence of cloud kitchens

Number of organized companies

180-200	350-400	1000-1100

Only 1-2% of the companies in India have scaled beyond ₹ 500 crore, primarily driven by the multiple brands model

Multi-brand companies

Organized companies – split by revenue[1]

Illustrative companies in each category

1000-1100 Companies

Emerging Brands

91-93% brands

< ₹ 50 Cr

Growth Brands

6-7% brands

₹ 50 – 500 Cr

Large Brands

1-2% brands

> ₹ 500 Cr
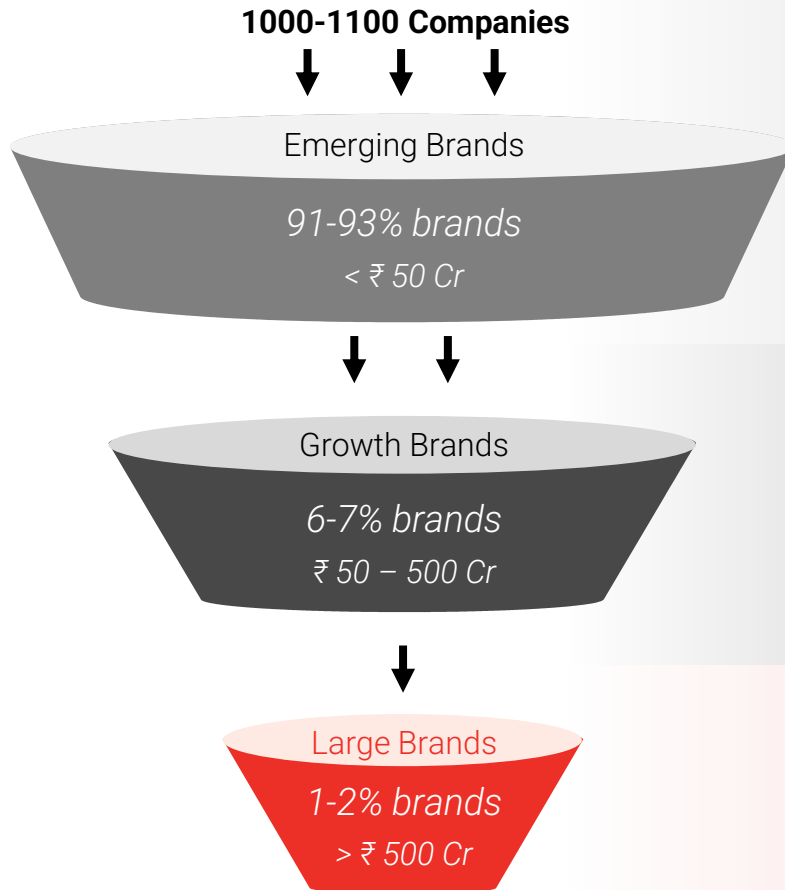
Larger companies are witnessing a plateau in SSSG, with revenue growth primarily being led by the addition of new stores

	Multi-brand company – 1	Multi-brand company – 2
Revenue Growth	↑ ~13% increase	↑ ~13% increase
SSSG Growth	↓ ~6% decline	↓ ~5% decline
Net-store Growth	↑ ~21% (245 stores added)	↑ ~19% (121 stores added)
RoCE Growth	↓ ~23% decline	↓ ~4% decline

• With the increasing number of storefronts, multi-brand companies experience pressure on their profitability, evidenced by the decline in ROCE

Note(s): 1. Same store sales growth

Source(s): Redseer Research and Analysis

Globally, and in India, companies have acquired brands to drive the next wave of growth, enabling mutual expansion for both the brand and the acquirer

Annual Revenue[1] – Global brands

Annual Revenue[2] – Indian brands

Fast-food chain

Growth of acquiring firm during 2020-22:

14%

+15%

$ 872 Mn

Acquired by a multi-brand company in 2021

$ 1,154 Mn

2020 → 2022

Desserts chain

Growth of acquiring firm during FY21-23:

>100%

+85%

$ 3 Mn

Acquired by a multi-brand company in FY 2022

$ 11 Mn

FY 2021 → FY 2023
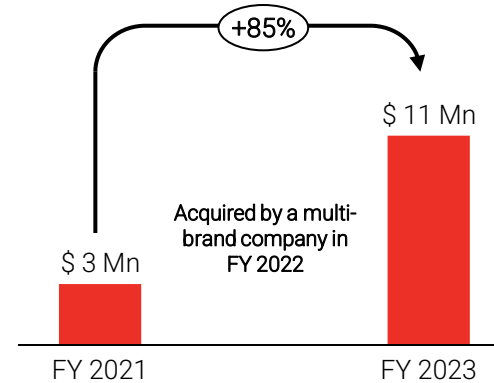
American beer & food chain

Growth of acquiring firm during 2011-13:

7%

+21%

$ 262 Mn

Acquired by a multi-brand company in 2012

$ 368 Mn

2011 → 2013

Desserts chain

Growth of acquiring firm during FY21-23:

72%

+62%

$ 6 Mn

Acquired by a multi-brand company at the start of FY 2023

$ 15 Mn

FY 2021 → FY 2023
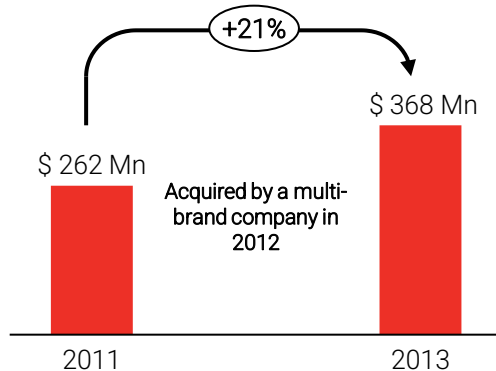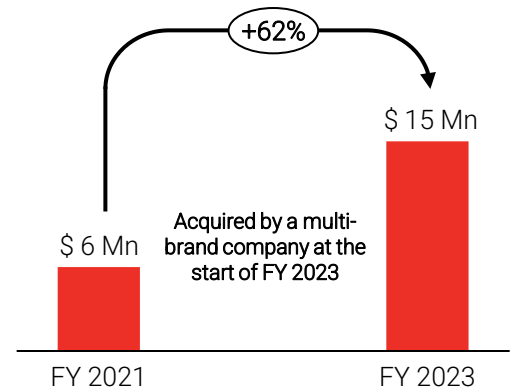
Note(s): 1. System-wide sales considered, 2. Operating revenue considered for Financial Year (April to March), 3. $ 1 = ₹ 83

Source(s): Company Annual Reports, Redseer Research and Analysis

In India, multi-brand companies have been able to scale 2-3x when compared to single-brand companies

Representative Multi-brand cos.

Representative Brands

Annual revenue of top organized companies[2] (₹ Cr, FY24)

Legend:
- Multi-brand companies (red)
- Single-brand companies (grey)

Average multi-brand company revenue

2-3x

Average single-brand revenue
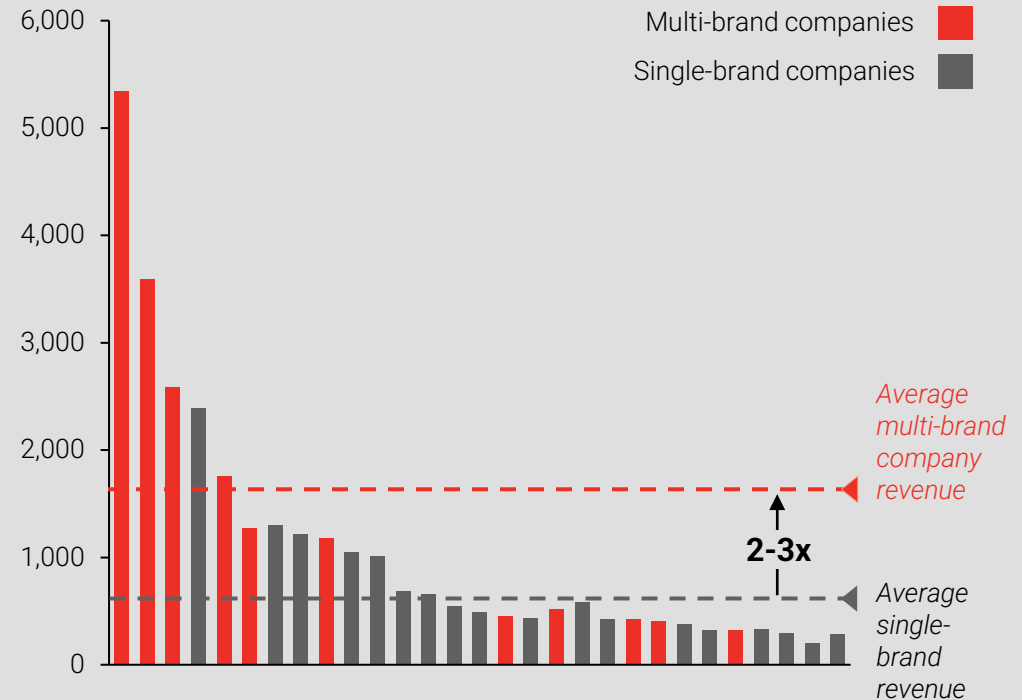
Note(s): 1. The list of multi-brand companies and their brands is representative in nature and not exhaustive;
2. Revenue figures basis public sources for top 30 food services companies have been added

Source(s): Company Filings, Redseer Research and Analysis

This is partly attributed to the ability of multi-brand companies to build a diversified portfolio that caters to multiple meal slots and cuisines

Width of brands – meal slot and cuisine presence across brands

Single-brand companies

Company	Current # of brands	Meal slots				Cuisines							
		Breakfast	Lunch	Evening Snacks	Dinner	Asian	Beverage	Biryani	Desserts	Healthy Food	Indian	Italian	Snacks
CUREFOODS	15	●	●	●	●		FROZEN BOTTLE	Sharief Bhai	CakeZone / Krispy Kreme	EATFIT	Indian Khichdi	OLIO	CHAAT
DEVYANI INTERNATIONAL LIMITED	04	●	●	●	●		COSTA COFFEE				Vaango!	Pizza Hut	KFC
EAT CLUB	11	●	●	●	●			ZAZA MUGHAL BIRYANI	globo ice creams	wefit	BOX8	MOJO PIZZA	mealful rolls
JUBILANT FoodWorks	04	●	●	●	●	HONG'S KITCHEN			DUNKIN' DONUTS			Domino's	Popeyes
REBEL FOODS	09	●	●	●	●	MANDARIN OAK		BEHROUZ The Royal Biryani	Sweet Truth	THE GOOD BOWL	LUNCH BOX	Oven Story	Faasos
SapphireFoods	02	●	●	●	●							Pizza Hut	KFC
BBK BIRYANI BY KILO	01	●	●	●	●			BBK BIRYANI BY KILO			BBK BIRYANI BY KILO		
THIRD WAVE COFFEE	01	●	●	●	●		THIRD WAVE COFFEE						

Note(s): Primary focus cuisines of the brands highlighted

Source(s): Redseer Research and Analysis

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Among multi-brand companies, the cloud-kitchen model tends to drive faster growth trajectory

Scale and SKSG[1] comparison among cloud-kitchen and dine-in focused brands

● Cloud-kitchen brands

● Dine-in focused brands

High (>25%)

Low (<-25%)

SKSG FY 2023-24 (%)

Scale (by FY24 revenue)

Low (< ₹ 500 Cr.)

High (> ₹ 5000 Cr.)
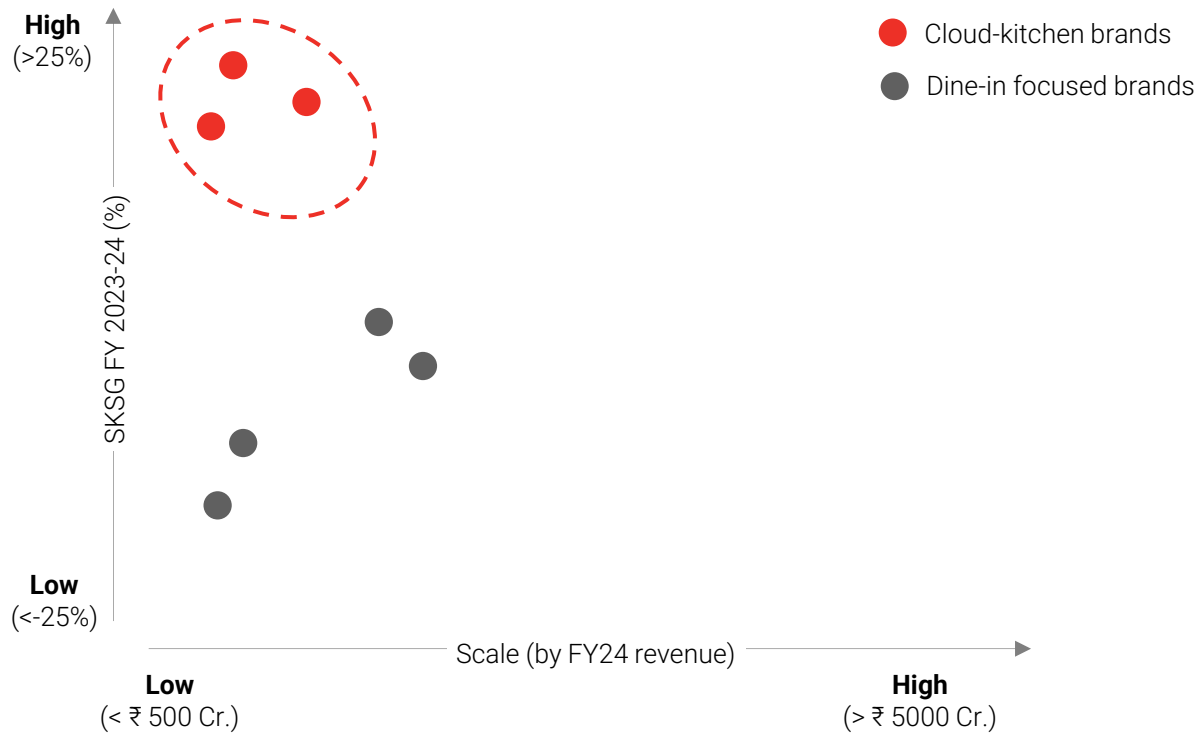
Note(s): 1. Same Kitchen Sales Growth

Source(s): Expert Interactions, Redseer Research and Analysis

GROWTH DRIVERS

1

Operating leverage
Cloud kitchens utilize shared resources with lower costs as compared to dine-in focused companies resulting in higher revenue per Cloud kitchen

New brand launch and scaling
Cloud kitchens scale brands quickly with a plug-and-play model, while dine-in companies expand via franchises requiring near ground-up development

2

Cloud kitchen companies have operating leverage, yielding higher revenue per kitchen

Cloud kitchen serving multiple brands out of a single kitchen drive higher utilization across all meal slots

Resulting in higher revenue per kitchen for Cloud Kitchen

Typical kitchen utilization across meal slots

Level of Kitchen Utilization *Low* ○ ⟶ ● *High*

Average daily revenue per kitchen (₹, FY24)

	Dine-in focused Multi-brand Company *With separate kitchens for each outlet*			**Cloud Kitchen** *(serving multiple cuisines/brands from a single outlet)*
	Pizza Brand	*Burger Brand*	*Coffee Brand*	*Multi-brand Kitchen*
Breakfast *(6-10 AM)*	○	◔	●	◔
Lunch *(10-4 PM)*	●	●	◔	●
Snacks *(4-7 PM)*	◑	●	●	●
Dinner *(7-12 PM)*	●	◑	◔	●
Post Dinner *(12-6 AM)*	◔	◔	○	◑

50-70K — Dine-in focused Companies

70-80K — Cloud Kitchen

+25%

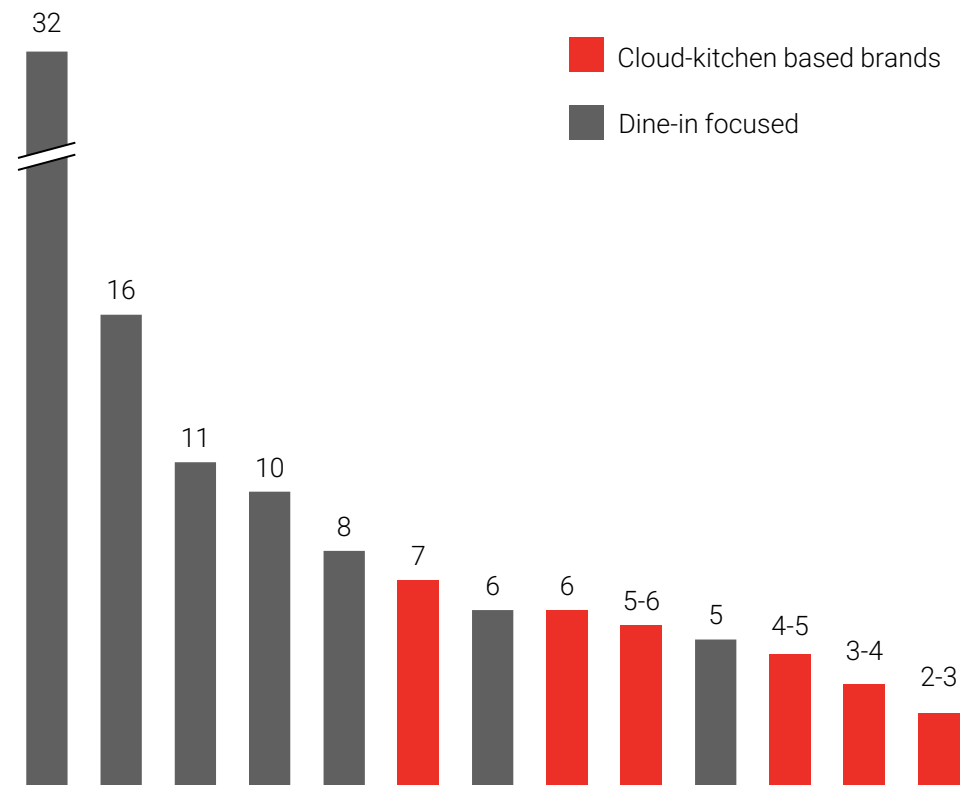© Redseer
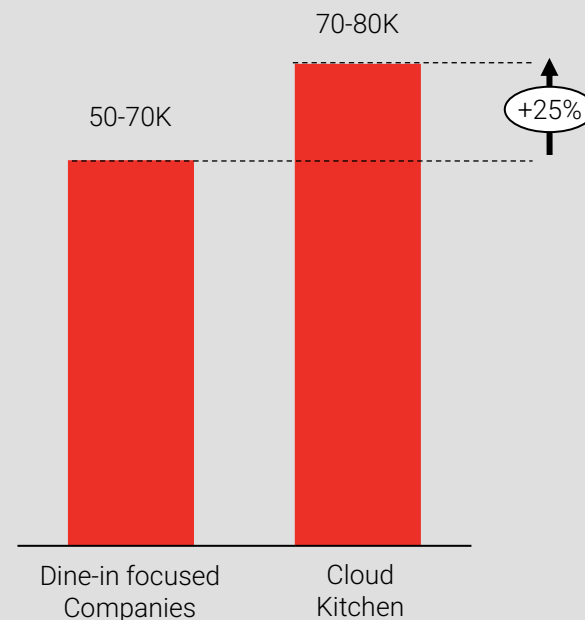
And they can leverage the plug-and-play model to launch and scale new brands faster

The faster time-to-scale to ₹ 100 crore achieved by cloud-kitchen-based brands highlights their agility and the efficacy of their replicable growth playbook

Time taken for brands[1] to scale to ₹ 100 Cr revenue (in years)

🟥 Cloud-kitchen based brands

⬛ Dine-in focused

Time taken (in years) for brands to scale to ₹ 100 Cr revenue

Cloud Kitchen Company 1

	Brand 1 2011	Brand 2 2011	Brand 3 2016
	6-7 years	5-6 years	4-5 years

Cloud Kitchen Company 2

	Brand 1 2020	Brand 2 2021
	3-4 years	2-3 years

Notes(s): 1. The brands considered are for the companies with >₹ 100 Cr revenue

Source(s): Redseer Research and Analysis
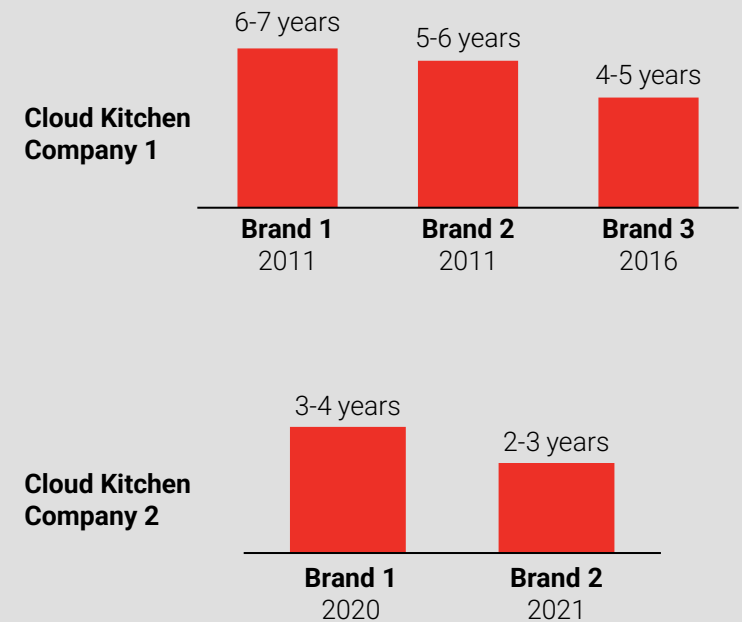
To drive the next wave of growth, companies must focus on diversity in offerings, ability to launch and scale new brands, and their operational moats

01 Diversity in Offerings

- Consumer preferences are evolving, marked by increased frequency and spending on dining out / ordering-in among metro and Tier-1 consumers

- This shift in consumer preferences is further fuelled by greater exposure to new cuisines and food trends, driven by social media and popular culture

To sustain growth, companies must proactively identify and expand into new offerings

02 Launch & Scale New Brands

- Offering multiple cuisines under a single brand can dilute its identity and create challenges when market trends lose momentum

- With diversifying their offerings, companies must also be able to retain its customer base through great food quality and superior service

Companies must remain agile in adapting to market dynamics to rapidly launch and scale new brands

03 Operational Efficiency

- Dine-in focused brands typically achieve lower operational efficiency as compared to cloud kitchens that leverage shared kitchens and resources.

- Significant capital and operational investments required for growth through new store launches can adversely impact margins

Brands should strategically leverage shared resources, driving operational efficiency and sustainable profitability

Source(s): Expert Interactions, Redseer Research and Analysis

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