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# Fast food joints cash in on new-age transit locations

Throng To Airports, Railway & Metro Stations And Highways

## GROWING FAST

**SANJAY SACHDEVA**  
DIRECTOR, BUSINESS DEVELOPMENT & PROJECTS, NIRULA'S

The reason for growing opportunities at transit locations is an increase in number of travellers. Privatisation and policy reforms have also made it easier to open an eatery at places like an airport

● **New Delhi-based fast-food company Nirula's**, which recently opened 10 Express Kiosks at transit locations in Delhi-NCR, plans to scale it up to 100 in the coming financial year

● **The Indian arm of American fast-food company McDonald's** has outlets at airports and railway stations in cities such as Mumbai, Delhi and Hyderabad.

● **McDonald's** plans to open 40 transit outlets this year with an investment of Rs 120 crore

● **Coffee chain Cafe Coffee Day (CCD)** operates in all big airports. Now it plans to expand its reach to smaller airports

● **Encore Hotels (EHPL)**, which owns Gujarati fine dining restaurant chain Rajdhani, has signed a deal with HPCL for opening food outlets at HP petrol pumps across the country

● **Mumbai-based Kamats Restaurants (KRPL)** plans to open family restaurant chain along highways

**ALOK GUPTA**  
DIRECTOR, CAFE COFFEE DAY

Eating at the airport is convenient, less time-consuming and refreshing. We are keen to expand our presence across emerging metro stations & inter-city railways



Maulik Vyas  
MUMBAI

INDIA is on the move. So are Indians. With around 20 million people using the railways everyday across 7,000 stations and thousands boarding flights from airports, branded food retail chains too have started making lucrative business moves. Be it airports, railway and metro stations, bus stands or highways, these new-age transit locations have set the cash registers ringing for food retail chains.

The changing working hour pattern, lifestyle and a growing upper middle class population have changed the eating habits of the Indians. Add to it, consumers on the move, with little time in hand.

"The reason for growing opportunities at transit locations is the growing number of travelers and their emerging needs, along with privatization and policy reforms which makes opening an eatery at place like an airport easier," said Sanjay Sachdeva, director, business development & projects at fast-food firm Nirula's. "The consumer now has developed a need for recognizable brands and they also need a source of entertainment or socializing while travelling," adds Sanjay. The New Delhi-based fast-food company recently opened 10 Express Kiosks at transit locations in Delhi-NCR and plans to scale it up to 100 in the coming financial year.

McDonald's plans to open 40 transit outlets this year with an investment of Rs 120 crore. Amit Jatia, managing director, McDonald's India (West & South), feels that restaurants at airports and railway stations serve as an extension of retail presence and helps to cater to customers in transit. "While opening the outlets, transition, work, shopping and entertainment are some of the key

areas we consider," said Mr. Jatia. The Indian arm of American fast-food company already has outlets at airports and railway stations in cities such as Mumbai, Delhi and Hyderabad.

Ditto for coffee chain Cafe Coffee Day (CCD), which operates in all big airports and plans to expand its reach to smaller ones too. "With airports getting better and more remotely located from the cities, these are providing opportunities in and outside the airport area," said Alok Gupta, director, Cafe Coffee Day (CCD). "Eating at the airport is convenient, less time-consuming and refreshing. We are keen to expand our presence across emerging metro stations & inter-city railways."

## FLYING HIGH

**Low-cost airlines and economic boom, which have fuelled the growth of air traffic, too have aided the growth of branded transit food retail outlets**

Low-cost airlines and economic boom, which have fuelled the growth of air traffic, too have aided the growth of branded transit food retail outlets. In 2009, 43.3 million people used airlines, out of which 70% came from Mumbai and Delhi. No wonder, there are 71 food and beverage outlets at Chhatrapati Shivaji International Airport (CSIA) in Mumbai, and soon another 15 will be added.

Manish Kalghatgi, spokesperson, Mumbai International Airport (MIAL), said, "With the modernization of Mumbai airport, we have kept ample room for retail food chains."

Encore Hotels (EHPL), which owns Gujarati fine dining restaurant chain Rajdhani, has recently signed a deal with HPCL for

opening food outlets at HP petrol pumps across the country.

Mumbai-based Kamats Restaurants (KRPL) also plans to open restaurant chain along key highways under the brand name of Vithal Kamats Original Family Restaurant. "We have seen that families feel quite uncomfortable to halt at most of the dhabas located on the highways. So, in order to serve the segment in a better way, we are focusing on the highway format," a senior official from the group said.

Himachal Pradesh Agro Industry Corporation (HPAIC), a state-run body for promoting agro and agro-related products and having 375 kiosks across the country, is planning expansion. "All our kiosks are on the railway stations. We have the advantage of operating for longer hours and being a government agency, it's a bit easy for us to establish outlets," said Kashmir Singh, MD, HPAIC. He, however, declined to comment on the expansion plans.

"Quick Service Restaurant (QSR) business at airport in India is worth Rs 400 crore and is growing by around 25% annually. With over 47,000 km of highways, there is a huge potential going untapped in this segment," said Zahir Abbas, associate director, Travel retail, Technopak Advisors.

However, some analysts feel that as a majority of the transport infrastructure is either owned by the government or highly regulated, a lot of licenses and tendering process is required which makes it a bit difficult for private players to come in a big way despite the huge potential. "There are merely 50 cities in the country where such quick-service restaurants have seen some success," said Shirish Pardeshi, a senior analyst at Anand Rathi Securities.

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