CHAPTER 1
INTRODUCTION

1. INTRODUCTION

The food industry is a combination of various organizations that engage in supplying food to the world population. Agriculturists are the only group of people that are excluded from the extent of the modern food industry as they survive on what they grow. Food Industry incorporates different activities, i.e., agriculture, food processing, food service, marketing, manufacturing, wholesale and distribution, food innovation, financial administration, national and international principles and laws for food production and sale. The Food Standards Agency of India describes the whole food industry from cultivation and food production, packaging, and distribution, to retail and catering industry. The Economic Research Service of the USDA utilized the term food framework for clarifying a comparable issue. The U.S. food framework is a system that links the farmers and furthermore the industries along. These links include farm equipment manufacturers and chemical producers as well as agribusiness service providing firms. The system is also inclusive of the food marketing industries that link farms to consumers additionally the food and fiber processors, wholesalers, retailers, and foodservice establishments.

1.1 OVERVIEW OF FOOD SERVICE INDUSTRY

Food service is a business of making and serving prepared meal and drink. It incorporates restaurant, inns, clubs, school and business cafeterias, medicinal services offices, comfort stores, aircraft and voyage lines.

Food service is a part of the Hospitality business, which has four sections:-

1.1.1 Food Service: Food service industry also known as catering industry include those businesses, and companies responsible for offering meal arranged outside the house. Restaurant, school and hospital cafeterias, providing food operations, and numerous different organizations are incorporated into this business. The suppliers of raw materials to food service operators are termed as food service distributors. Few companies manufacture products for both consumer and food
service operators. The food manufactured for consumers more often comes in individual-sized packages with the elaborated label design for retail sale. The food packaged for food service is available in a substantially larger industrial size and often lacks in the colourful label designs compared to the food packaged for the consumers

1.1.2 Lodging: Lodging is a sort of private convenience. Individuals who travel and stay away from the house for more than a day require lodging for sleeping, resting, food, wellbeing, shield. Lodging is self-catering, in which case no food is given, yet cooking facilities are accessible. Lodging is served in the hotel, inn, a private home (commercial, i.e., bed and breakfast, a visitor house, a vacation rental, or non-economically, with individuals from accommodation administrations or in the home of friends), in a tent, band/camper (frequently on a campground).

1.1.3 Recreation: Recreation is an activity carried out to give relaxation time. Recreation is an essential component of human biology and psychology in nature. Recreational activities are designed for satisfaction, delight, or joy which helps in serving as a source of entertainment for customers.

1.1.4 Travel and tourism: Tourism is the destination to which an individual visits for pleasure, it likewise incorporates the act of drawing in, pleasing, and accommodating and entertaining tourists and business of conducting tours. Tourism might be international or inside the traveller’s nation.

Food Service Industry is a branch of the national economy that produces and offers a range of arranged food and services to consumers. This industry provides the significant proportion of the activities, services, and business capacities required for preparing and serving food to individuals consuming from home. The food service industry incorporates large manufacturing plants involved in all stages of food processing, readiness, and serving; business is creating "accommodation" foods; takeout kitchens; and different eating foundations, including restaurant, teahouses, bistros, cafe, and buffets. Some of the targeted consumers are the office and school/college going crowd.

Food Service industry is also known as a restaurant and was set up since the 12th century in Hangzhou, a social, political and monetary focus during China's Song Dynasty. Ma Yu Ching's Bucket Chicken House was built up in China, in 1153 AD, and
they are serving till date. Hangzhou's restaurant sprouted into an industry serving the local people as well. Restaurant classification is carried out according to various styles of food, price, and religious necessities. It is the world's oldest restaurant. It had been operational since 1153 and witnessing various wars and dynasty changes during this survival yet at the same time offers takeout food.

In the West hotels and bars were known for antiquity, they engaged the voyagers only, and residents would rarely go for dining there. In the 18th century, the restaurant business emerged, and they were dedicated to serving food where particular dishes were offered and mostly prepared on and as ordered by the visitor. The Sobrino de Botin (Madrid) in Spain was opened in 1725 and is the most established restaurant in this day and age.

The term restaurant first appeared in the 16th century, signifying "food which restores" and referred especially to a rich highly flavoured soup. It was built up around 1765 established by a Parisian soup-seller named Boulanger. The first restaurant that ended up standard was the Grand Taverne de Londres was customer take a seat with an individual portion of individual tables, choose food from menus, fixed opening hours. The Great Tavern of London, established in Paris in 1782 by a man named Antoine Beuvilliers, who achieved notoriety for being an effective restaurateur.

Restaurant wound up noticeably ordinary in France after the French Revolution broke up catering societies and constrained the upper class to escape, leaving a follower of servants with the skill to cook excellent food. Restaurant improved as a means by which two individuals were brought together, and the French tradition of feasting out was brought to life.

The modern formal style of dining is the place offering its customers a plate of effectively arranged food on it, also known as Service a la Russe, as it is said it has been introduced by French by the Russian Prince Kurakin in the 1810s, from where it spread quickly to England and beyond.

Cafeteria concept came into existence in 1891 in the YMCA of Kansas City and was considered the main cafeteria. The "drive-in restaurant," the facility where consistent customers are served food in their vehicles, goes back to pre-World War II. The concept made its mark of prominence in the early 1950's. The first drive-in restaurant opened in
Glendale, California in 1936. Raymond Albert Kroc was the pioneer of the fast food industry with his worldwide McDonald's enterprise (1954).

1.2 FOOD SERVICE OPERATIONS

1.2.1 Types of food service

Food can be inclusive of an extensive variety of styles and cuisines for example, traditional British or Italian; by kind of cuisine, for example, oriental; or a particular specialty, for example, fish, vegetarian or health food. There are various types of food service operations, which are described as per the following:-

- **Bistro**: A bistro is a small restaurant, serving reasonably simple meals in a modest setting. Bistros are classified mostly as per the foods they serve. French home-style cooking and slow-cooked foods like cassoulet, a bean stew, is typical food served in a bistro.

- **Brasserie**: Brasserie is sort of a French restaurant with a casual setting, serving single dishes and other meals. A brasserie has professional servers, printed menus, and, generally white linen on their tables. Brasseries are typically not the same as a bistro. Usually, a brasserie is open all week and serves a similar menu throughout the day.

- **Coffee shop**: A café, coffee shop or coffeehouse (now and then spelled cafe) is a shop which is primarily into serving hot coffee, related refreshments like tea, and other hot drinks. Some cafés additionally serve cold refreshments, for example, cold coffee and ice tea. Numerous cafes additionally serve some food, for example, light snacks, biscuits, or baked goods. Cafés run from proprietor worked private companies to large multinational enterprises.

- **Fine dining restaurant**: Fine dining restaurant are a full-service restaurant with specific dedicated meal courses. The stylistic layout of such restaurant focuses on higher-quality materials, with dining restaurant having particular rules of dining which visitors are for the most part anticipated that would take after, frequently including a dress code.

- **Restaurant**: A restaurant is a business which engages in preparation and serving food and beverages to customers in exchange for cash. Meals are served and mostly consumed on the premises, yet numerous restaurants likewise offers to take away and food delivery services. Restaurant differs vastly in appearance
and offerings, including an extensive variety of cuisine and service models ranging from reasonably valued fast food restaurant and cafeterias to relatively mid-priced family restaurant, to the high-priced luxury restaurant.

- **Ethnic restaurant**: Ethnic restaurant specializes in ethnic or national cuisine.

- **Themed restaurant**: Theme restaurant is restaurant dedicated to a particular concept and takes main concern over everything else, mainly affecting the design, food, music, and general "feel" of the restaurant. The food served is not signature style compared to the theme of the restaurant, and this type of restaurant attracts customers exclusively on the theme of the restaurant.

- **Destination restaurant**: A destination restaurant is one that has a strong appeal to attract customer from beyond its group of locals. The idea of a destination began in France with the Michelin Guide, who appraised restaurant in the matter of whether they did justification irrespective of the special trip.

- **Health food restaurant**: Health food restaurant is a restaurant that serves only healthy food which includes exclusively vegetarian food, dietary food, and low-calorie food.

- **Fast casual**: the Fast-casual restaurant is primarily a chain of restaurant. Fast-casual restaurant mostly does not engage in offering full table service. However, many offer non-dispensable plates and cutlery. The quality of food and price is intended to be higher than those of an ordinary fast food restaurant however it might be lower than casual dining.

- **Fast food restaurant**: Fast food restaurant put significant emphasis on speed of service. An operation ranges from small-scale street merchants with food trucks to multi-billion dollar organizations like McDonald's and Burger King. Food is ordered not from the table but instead requested from a front counter (or at times, utilizing an electronic terminal). A coffee shop generally conveys their particular food from the counter to a table of their picking and sooner discards any waste from their plate. Drive-through and take-out administration may likewise be accessible. Fast food restaurant is referred to in the restaurant business as QSRs or quick service restaurant.
1.2.2 Trends in food service

Trends are the new practices or conditions that focus on ways things will be conducted in future. The Current trends of food service industry are:-

- **The globalization of cuisine:** Global cuisine is a mixture of ingredients and cooking techniques adopted from around the world. Today’s meals are hardly limited to local dishes and food products. Restaurant owners and chef are ceaselessly investigating the world of food for the innovative and exciting item to place on their menus. Food lovers are voyaging and experiencing new foods, and through the vast media exposure, they are being introduced to new foods and cooking techniques.

- **Technological development:** Change in technology assist foodservice experts in creating spreadsheets and word processing and monitoring their everyday operation. Computer programs aid servers to take and send the order to the kitchen precisely and instantly. Video technology enables chef to control more than one area at any given moment. Managers use cell phones and walkie-talkies to maintain contact with staff. Technology has helped achieve accurate and effective kitchen equipment, some with programmable cooking cycles.

- **Sustainable practices:** Concerns about the Earth, and going "green" the food service professionals are practicing and following this concept ritually in their day to day life. The amount of product consumed and waste created by the industry has a significant impact on nature. The sustainable product can be produced or carried over an extended period without impacting the environment negatively. Natural foods are grown without employing synthetic composts or pesticides and from creatures that have not gotten anti-infection agents or hormones. The specialist organization is undertaking reuse of waste material.

- **Home meal replacements:** Due to increasing number of dual earners, longer working hours and hectic schedule, home meals substitutions have become more prominent. Home meal substitutions are meals that are prepared elsewhere but consumed at home. Restaurant offer and complete package meals. Meals stores offer meals made efficiently and frozen, which can be brought home to reheat and consumption
1.3 CONSUMER BUYING BEHAVIOUR

Consumer Buying Behaviour is the investigation of people, gatherings, or associations and the procedures they undertake to choose, secure, utilize, and discard items, administrations, encounters, or thoughts to meet and satisfy their requirements and needs. Consumer buying behaviour refers to the study of the ways of purchasing and disposing of goods and services by the individual, groups, and organizations to satisfy their needs and wants (Kotler and Keller (2011). Alternatively, (Kumar, 2010, p.218) stated consumer buying behaviour is the study of the final consumers buying behaviour who buy goods and services for their consumption. It encapsulates issues about the social and monetary effects that affect both the individual shopper and society. Customer involves different components of brain research, human science, human social sciences, promoting and financial aspects, particularly behavioural financial matters. It analyses how feelings, mentalities, and inclinations influence purchasing conduct. Characteristics of individual customers, for example, socioeconomics, unique ways of life and behavioural factors, for example, use rates, utilization event, faithfulness, mark promotion, ability to give referrals, trying to comprehend individuals' needs and utilization are altogether researched in a formal investigation of shopper conduct. The study of shopper conduct additionally examines the impacts, on the buyer, from gatherings, for example, family, companions, sports, reference gatherings, and society altogether.

Gabbot and Hogg (1998) stated that the process might contain different activities and stages. The consumer buying behaviour process is generally delineated of 5 steps:

- **Problem recognition:** The primary phase of the buying behaviour process begins with issue acknowledgment (otherwise called classification need or need excitement). It is the point at which the buyer recognizes a need, ordinarily characterized as the distinction between the purchaser's present state and their coveted or perfect state. A less complicated state of mind about issue acknowledgment is that it is the state where the customer concludes that he or she is 'in the market' for an item or administration to fulfill some need or greed. The value of the basic need drives the whole choice process.

- **Information search:** Having perceived an issue or need, the accompanying stage customer may follow the data seek to organize to find what they feel is the
best arrangement. This stage is the purchaser's push to look interior and outside business situations, acknowledging the end goal to distinguish and assess data sources identified with the focal purchasing choice. Customer may rely on print, visual, online media or verbal exchange for acquiring data.

- **Evaluation of alternatives:** Customer will inspect unique items or brands at this phase on the premise of option item qualities – those which can deliver the needs of the client. Client's disposition is a significant factor in impacting this stage vigorously. The contribution is another factor that affects the assessment procedure.

- **Purchase decision:** The penultimate stage is the place where buying is undertaken. Kotler et.al (2009) states that the last buy choice might be "upset" by two components: several clients with negative feedback and the zeal to acknowledge the criticism. For instance, having experienced the past three phases, a client purchases another telescope. Nonetheless, considering that his great companion, a sharp cosmologist, gives him negative criticism will undoubtedly make him change his inclination. Besides, the choice might be interrupted because of unexpected circumstances, for example, a sudden employment misfortune or migration.

- **Post-purchase behaviour:** In brief, customers will depict fulfillment or disappointment and contrast product and their past desires. In this way, these stages are fundamental in holding clients. This stage can largely influence the choice procedure for comparable buys from a similar organization, later on, having a thump on impact at the data look stage and scrutiny of options arrange. On the off chance is when the customer is satisfied, this will bring about devotion to the brand, and the Information hunt and readily evaluating option stages will frequently be optimized or skipped by and large.

1.3.1 Internal influences on the purchase decision

Obtaining conduct is likewise affected by a scope of interior impacts, for example, mental, statistic and identity factors. Statistic factors incorporate pay level, psychographics (way of life), age, occupation and financial status. Identity factors incorporate learning, mentalities, individual esteems, convictions, feelings, and sentiments. Mental elements include a person's inspiration, states of mind, individual
esteem and confidences. Different variables that may influence the buying choice incorporate nature and the customer's related knowledge with the classification or brand.

- **Motivations and Emotions**: Consumer’s basic inspiration drives buyer activity, including data look and the buying choice. The shopper's mentality for a brand (or brand inclination) is described as a connection between the brand and a buy inspiration. These inspirations might be either negative or positive. Negative, to maintain a strategic distance from torment or obnoxiousness; Positive, to accomplish some form of reward, for example, tactile delight. Abraham Maslow produced one such way to deal with understanding inspiration. Maslow's advancement of requirements depends on five levels of necessities, composed as needs be to the level of significance. Maslow's five needs are:
  a) Physiological: basic levels of essentials, for example, food, water and rest
  b) Safety: The essentiality of physical wellbeing, haven, and security
  c) Belonging: The need for adoration, fellowship and furthermore a yearning for bunch acknowledgment
  d) Esteem: The requirement for status, recognition, and sense of pride
  e) Self-realization: The urge for self-satisfaction (e.g., self-improvement, creative articulation)

The purchaser's inspiration to scan for data and to participate in the buy choice process is sometimes known as inclusion. Purchaser inclusion has been described as the own pertinence or significance of a message or a decision. Buy choices are assigned low association when purchasers undergo just a little psycho-social misfortune if they settle on a poor choice. Then again, a buying choice is assigned high contribution when psycho-social dangers are seen to be slightly elevated. The customer's level of contribution is subject to various elements including, witnessing hazard of negative results in case of a poor choice, the item classification - particularly the social perception of the item and the shopper's incidental knowledge with the class.

- **Perception**: The observation procedure indulges people to acquire, classify and translate data with a specific end goal to impart some significance. Discernment includes three distinct methods: detecting data, choosing data and decoding data. The sensation is additionally part of the discernment procedure, and it is
connected directly with feedback from the faculties making some response aimed at the brand name, publicizing and bundling.

- **Prior Experience:** The purchaser's incidental knowledge of classification, item or brand can have a significant bearing on buying. Among all the shoppers experienced shoppers are more advanced customers. They intend to be a more appropriate source of acquiring data for investigating the buyers choice. Fledgling buyers, then again, are less effective data searchers and tend to see larger amounts of procurement chance by their novelty to the brand or class. At the point when purchasers have related knowledge, they lack the inspiration to scan thoroughly for data, spend less labour on data seek however can manage new data all the more proficiently.

### 1.3.2 External influences on the purchase decision

Buying conduct can similarly be influenced by external impacts, for example, culture, sub-culture, social class, reference gatherings, family and situational determinants.

- **Culture:** Culture implies the unpredictability of learning implications, qualities, standards, and traditions common to individuals from the general public. Social norms are moderately stable after some time, in this way, culture majorly affects shopper conduct. Advertisers dedicated to global development are particularly fascinated by comprehending culturally different contrasts in acquiring and utilization.

- **Subcultures:** Subcultures might have been founded on age, geographic, religious, racial, and ethnic variations. All the more regularly, nonetheless, a subculture occurs when individuals with shared interests shape a free weave amass with a distinct character (at times called purchaser tribes). Individuals from subcultures are self-chosen and demonstrate their participation status by embracing images, ceremonies or practices that are generally understood by different individuals from the tribe (e.g., a clothing regulation, haircut or even a one of a kind method for talking). An alternate kind of subculture is a utilization subculture relying on the mutual sense of duty regarding a typical brand or item. As it were, utilization subcultures run across statistic, geographic and social boundaries.
• **Social class:** Social class generally mentions homogenous divisions in general public, commonly given financial factors, for example, instructive achievement, wage, and occupation.

• **Reference group:** A reference aggregate is described as "a gathering whose assumed a person is utilizing points of view or qualities as the reason for his or her judgment, conclusions, and activities." Reference bunches are essential because they serve to control a person's demeanour, convictions, and qualities. Sections of knowledge into how customers achieve a given esteem framework can be acquired from an understanding of impact and socialization forms.

### 1.4 FOOD INDUSTRY IN INDIA

India is the second biggest food producer in the world. In India, food Industry comprises of different sectors like fisheries, plantation, fruits and vegetables and confectionary. In July 1988, the ministry of food processing industries (MFPI) was established to provide a boost to the development of food processing industry concerning the overall national priorities and objectives.

The Ministry of Food Processing Industries (MoFPI) under the government is undertaking all endeavours to support interests in the business. It has accepted the proposal for promoting joint ventures, foreign collaboration industrial licenses, and 100 percent export oriented units. The Indian food processing industry, one of the largest industries in India, accounts for 32 percent of the country’s total food market and is ranked fifth regarding production, consumption, export and expected growth. In 2017 value of food sector was US$ 39.71 billion, and by 2018 it was expected to grow at a (CAGR) of 11 percent to US$65.4 billion. Food and grocery marks for around 31 percent of India's consumption pattern. (IBEF, 2017).

The Indian gourmet food market is currently valued at US$ 1.3 billion and is growing at a Compound Annual Growth Rate (CAGR) of 20 percent. The organic food market growth in India is expected to triple itself by 2020 (IBEF 2017).

The online food ordering business in India is in its initial phase, but undergoing exponential growth. The Indian organized food business is worth US$ 48 billion, including the food delivery is valued at US$ 15 billion. The organized food business has a promising future of great potential as they are marking establishment association with online food delivery giants like Zomato, FoodPanda, TinyOwl, and Swiggy. Notably, as
per the data provided by the Department of Industrial Policies and Promotion (DIPP), the Foreign Direct Investment (FDI) made under food processing sector in India is around US$ 6.82 billion during the period April 2000-March 2016. The food processing sectors can attract as much as the investment and also create employment over the next decade. (IBEF 2017)

Mr. Tomasz Lukaszuk, the Ambassador of the Republic of Poland, had also emphasized on the keen interest shown by Polish companies for exploring opportunities in India to expand collaboration and invest food processing.

In the past some of the major investments are made in this sector which is as follows:

- Di Bella, the Australia-based espresso chain, plans to contribute Rs 67 crore (US$ 10 million) for setting up around 20 new outlets in Mumbai, other than entering Delhi and Bangalore by 2017.
- KKR and Co LP, the US-based private value firm, plans to contribute about Rs 520 crore (US$ 77.38 million) in dairy company Kwality Ltd, which will be utilized to reinforce its milk procurement infrastructure and increase processing capacity.
- Henry Ford Health Systems (HFHS), a US-based health and wellness group, plans to enter India by marking an establishment association with Chandigarh-based hospitality and food services firm KWalls Hospitality and set up 'Culinary Wellness' marked stores the nation over.
- Mondelez International, the US-based confectionery, food, and beverage, introduced its new manufacturing plant in Andhra Pradesh set up for Rs 1,265 crore (US$ 190 million), with a yearly generation limit of 250,000 tons.
- Natural sweetener producer, Pure Circle, a Malaysia-based firm, plans to contribute around Rs 1,300 crore (US$ 200 million) in India to set up a manufacturing plant and make the nation its territorial producer and export hub in the next five years.
- Swiggy, a food delivery start-up claimed by Bundl Technologies Private Limited, has raised Rs 230.34 crore (US$ 33.80 million) in a Series C subsidizing round, with its current financial specialists SAIF Partners, Accel Partners, Norwest Venture Partners and Apoletto Asia Ltd contributing 79 percent of the new finances raised.
• Amul, Gujarat Cooperative Milk Marketing Federation (GCMMF), plans to contribute Rs 5,000 crore (US$ 733.6 million) to build up ten new preparing plants and also expand the current capacity to 32 million liters for every day (MLPD) limit by 2020.

• Dunkin’ Donuts, an American donut chain, has tied up with nearby online grocery delivery platform Grofers for home-delivery of its bundled and newly made items.

• Private Equity (PE) firm India Value Fund Advisors (IVFA) plans to put around US$ 100-150 million in the food business in India throughout the following two years.

• Zomato, an engine for the search of a restaurant, has raised US$ 60 million from Singapore government-possessed venture organization Temasek, alongside existing speculator Vy Capital, to explore new business verticals.

• ITC Limited intends to contribute Rs 800 crore (US$ 117.4 million) to set up a world-class food processing facility in Medak, an area situated in Telangana. The organization has likewise figured plans to enter the dairy market.

1.4.1 Government Initiatives
With a specific end goal to promote food processing industries, increment level of processing and exploit the potential of the local and global market for processed food products, Vision Document-2015 was set up by the Ministry of Food Processing Industries. The report predicts the size of investment in the processed food sector by increasing the level of processing of perishables from 6 percent to 20 percent, esteem expansion from 20 percent to 35 percent and share in global food trade from 1.5 percent to 3 percent by 2015. As indicated by the Ministry, speculation of Rs 100,000 crore (US$ 14.67 billion) would be required in 2015 to accomplish these objectives. The Government of India has also relaxed foreign direct investment (FDI) standards for the division, permitting up to 100 percent FDI in food product business through a programmed course. (IBEF 2017)

Some of the major initiatives taken by the Government of India to enhance the food processing sector in India are as follows:

• The Government of India allotted Rs 1,500 crore (US$ 225.7 million) and reported different measures under the Merchandise Exports from India Scheme
(MEIS), including setting up of organizations for aquaculture and fisheries in coastal states and export incentives for marine products.

- Union Budget 2016-17 has proposed 100 percent FDI through FIPB (Foreign Investment Promotion Board) course in the marketing of food products created and fabricated in India.

- All of the ration cards in India have been digitized, and 42 percent of the digitized ration cards are currently connected to Unique Identification (UID) or Aadhaar cards.

- The government of India intends to permit two Indian dairy organizations, Parag Milk Foods, and Schreiber Dynamix Dairies, to export milk products to Russia for six months, after these organizations got an endorsement for their products by Russian review specialists.

- Ms. Harsimrat Kaur Badal, Union Minister for Food Processing Industries, Government of India, introduced the first of its kind Rs 136 crore (US$ 20 million) mega global food park at Dabwala Kalan, Punjab. She has likewise communicated certainty that the choice to permit 100 percent Foreign Direct Investment (FDI) in multi-brand retail with 100 percent local sourcing condition, will go about as an impetus for the food processing sector, in controlling inflation, inspiring the state of agriculturists, and creating more jobs in the nation.

- The Food Safety and Standards Authority of India (FSSAI) has issued new principles for importing products, to address worries over the passage of sub-standard items and disentangle the procedure by setting time span of usability standards and unwinding labelling guidelines.

- The Ministry of Food Processing Industries declared a plan for Human Resource Development (HRD) in the food processing sector. The scheme has the following four components:
  - Creation of infrastructure facilities for degree/diploma courses in food processing sector
  - Entrepreneurship Development Programme (EDP)
  - Food Processing Training Centers (FPTC)
  - Training at recognized institutions at State/National level
• In 2011, The Food Safety and Standards Authority of India (FSSAI) under the Ministry of Health and Family Welfare have issued the Food Safety and Standards (Food Product Standards and Food Additives) Regulations and the Food Safety and Standards (Contaminants, Toxins and Residues) Regulations which recommend the quality and security gauges, individually for food products.

• The Ministry of Food Processing Industries has taken some new activities to build up the food processing sector which will likewise improve the earnings of agriculturists and export of agro and processed food among others.

• Spices Board, set up by the Ministry of Commerce to create and advance Indian spices around the world, aims at exporting of US$ 3 billion by 2017.

• The Government of India has endorsed the setting up of Mega Food Parks in Bihar, Maharashtra, Himachal Pradesh and Chhattisgarh. The Government intends to set up 42 such mega food parks across the nation over in next three to four years.

• In the Budget 2015-16, Rs. 2,000 crore (US$ 293.44 million) was created under National Bank for Agriculture and Rural Development (NABARD) to provide cheaper credit to food processing industry. Excise duty on plant and apparatus for packaging and processing has been conveyed down to 6 percent from 10 percent.

To keep up the food security and quality confirmation numerous systems devices are being utilized, for example, Total Quality Management (TQM) including ISO 9000, ISO 22000, Hazard Analysis and Critical Control Points (HACCP), Good Manufacturing Practices (GMP) and Good Hygienic Practices (GHP) by the food processing industry offers a few advantages. It would keep up the quality and cleanliness standards and in this manner ensure customer health, set up the business to confront worldwide rivalry, improve item acknowledgment by abroad purchasers and keep the company mechanically side by the side of universal accepted procedures.

1.4.2 Reasons for the growth of the food industry

• Increasing urbanization has given a lift to the food industry in India.

• Majority of the ladies in the nation are working and subsequently, families have additional income which they are spending on purchasing food products.
• The way of life in the nation has enhanced and thus there has been an increased demand for food.
• Supermarkets and shopping malls have been opened everywhere throughout the nation and this has helped in making shopping pleasurable experience as food courts are likewise accessible under one rooftop.
• Open kitchen ideas have given consumers a chance to choose, check and get food items those they like in an atmosphere that is agreeable. This too has helped to boost the sale of food items in the nation.

1.5 FAST FOOD RESTAURANTS IN INDIA

With the changing lifestyle of the young Indian population, the fast food industry in India has grown rapidly. The complete variety of cooking inclinations over the districts has realized different modules across the nation. It might require some time for the nearby enterprise to coordinate with the level of international players in the field.

A considerable lot of the common dishes have been adapted to meet the emerging fast food outlets. The necessary adaptation is to diminish the processing and serving time.

The diversity in Indian cuisine postures strategic issues with regards to this special care is to be taken. Consequently, it is regular to serve diverse foods at various counters inside similar premises. Presences of a large vegetarian population, who eschew non-vegetarian food, have offered to ascend to outlets which solely serve vegetarian fast food. Likewise, a unique variety of food might be served to rely upon the seasons of the day. Refreshments such espresso, tea, soft drinks and fruit juices may likewise be served in such outlets. A few outlets may moreover have uncommonly planned counters for ice-cream, Chaats and so forth.

Prevalent arrangements of the fast food business in India have the accompanying highlights in like manner:

• The wide opening on the roadside
• Easy to keep up and strong stylistic décor
• A cash counter where food coupons are sold
• A food delivery counter which perpetually is granite topped
• Additional counters for ice creams, Chaats, beverages and so on.
• A well-fitted kitchen located to be noticeable to the clients
- Tall stainless steel tables, where one can eat while standing
- A drinking water fountain adorned with a water filter
- Rust-proof and non-breakable crockery

The Indian fast food market has been seen with rapid growth on the back of positive development and nearness of enormous investments. Currently, market growth is largely fuelled by the rising young population, working women, hectic schedules, and increasing disposable income of the white collar class family units. Properties of fast food like quick served, cost advantage, and so forth are making it exceedingly famous among the majority. In this manner, India offers gigantic open doors for both local and also global players. Envisioning the future growth, numerous enormous worldwide players are going into the market by making deals with the local players. Those effectively exhibit in the Indian market are growing their presences in various regions of the nation. This pattern will emerge more unequivocally amid our conjecture period, giving chances to local players to enlarge their product portfolios. It is being observed that there is a substantial extent of growth in the undiscovered tier II and tier III urban areas, inferable from which, major fast food retailers have just begun applying different marketing strategies in popularizing their brands in these urban areas. Besides, they mean to give a reasonable and modified product to suit the requirements of individuals that would, at last, provide a vital lift to the Indian fast food industry. Besides the country’s fast food market, segments like Noodle market, Pizza market, and others food market are seen growing rapidly. Along these lines, it gives essential data about the fast food companies and provides vital knowledge for an investor looking to enter this market.

1.5.1 India – Emerging Market for Global Players

The rate of share held by foodservice of aggregate customer expenditure on food has expanded from a low base to stand at 2.6% out of 2001. Eating at home stays particularly imbued in Indian culture, and changes in eating habits are prolonged moving with barriers to eating out dug in specific divisions of Indian culture. In India, the rise of nuclear families especially in urban areas lead to exposure to global media and western cuisine and an increasing number of ladies working which have affected eating out trends.
Fast food is one of the world's biggest growing food types. By 2020 it is expected that fast food market in India to be worth of US$ 27.57. Nearby 10 percent of the fast food market in India is organized. NOVONOUS estimates that by 2020 the organized fast food market in India is expected to grow at a CAGR of 27 percent. Out of the whole fast food market in India, vegetarian fast food constitutes around 45 percent and is expected to grow at a CAGR of 18 percent by 2020. By 2019-20 fast food Casual dining restaurant (CDRs) market in India is projected to grow at a CAGR of 27 percent. (India Fast Food Market Report 2015 – 2020) In last 10-15 years, Non-casual dining restaurant (NCDR) or fast casual dining restaurant have gained tremendous market. In next 5-year Non-Casual dining restaurant (CDRs) market in the organized fast-food sector in India is also projected to grow at a CAGR of 27 percent. By 2019-20 Quick Service Restaurant (QSRs) market in the organized fast-food industry in India is expected to grow at a CAGR of 20 percent. By 2019-20 ethnic fast food market in India is projected to grow at a CAGR of 31.95 percent (Research and Markets, (2015)).

The fundamental purpose for the accomplishment of the multinational chains is their aptitude in product development, sourcing hones, quality gauges, benefit levels and standardized working methodology in their restaurant, a quality that they have created over years of experience the world over. The home developed chains have in the previous couple of years of competition with the MNCs, learned a couple of things however there is still a great deal of extension for development.

1.5.2 Reason for Emergence

- **Gender roles:** sexual orientation parts are right now developing. Females have started working outside. Like this, they have less time for their home and cooking food. Fast food is a straightforward way out because these can be orchestrated adequately.

- **Customer refinement and certainty:** purchasers are winding up perceptibly further developed now. They would incline toward not to design food and put their chance and essentialness in household works. They are building their sureness more on 'arranged to eat and easy to serve' kind of food.

- **The scarcity of time:** people have no time for cooking. In light of ascent of working women and besides some other incitement things. As a general rule either people work or need to acknowledge with their family.
• **Double income group:** the ascent of twofold salary amasses prompts an increase in additional money. Presently individuals have all the more additional money so they can spend easily in fast food and diverse activities.

• **Large population:** India being the biggest country to the extent people have an immense potential market for each one of the things/organizations. This results in the entry of a considerable number of fast food players in the country.

• **Relaxation in rules and regulations:** with the financial progression of 1991, the greater part of the tax and non-levy obstructions from the Indian limits are either evacuated or limited. This caused essentially the MNC's to enter in the nation.

• **Menu diversification:** augment in the usage of pizzas, burgers and another kind of snappy food's.

### 1.5.3 Challenges for the Industry

• **Social and cultural ramifications of Indians changing to western food:** Generally, Hindus generally inhibit from all food that is accepted to restrain physical and otherworldly advancement. Eating meat isn't expressly prohibited. However, numerous Hindus are vegetarian lover since they cling to the idea of ahimsa. Those looking for spiritual unity stay away from garlic and onions. The idea of virtue impacts Hindu food practices. Products from dairy animals (i.e., milk, yogurt, ghee-elucidated butter) are considered pure. Unadulterated food can enhance the immaculateness of impure food when they are prepared together. A few food items, for example, beef or liquor, are inherently contaminated and can never be made unadulterated. In any case, now, Indians are changing the too fast food that contains every one of those things that are viewed as sullied or against their convictions. Some conventional and fundamentalist are against this change of food propensity and number of times they incite their counterparts to rebel against such food. And that is what happened when McDonald’s chosen to enter the multifaceted nature of Indian business scene, checking just on its "fast food worldwide recipe," with no evident previous cultural training.

• **Emphasis on the usage of bio-degradable products:** Glasses, flatware, plates and material napkins are never furnished with fast food. Rather, paper plates and napkins, polyurethane compartments, plastic mugs and flatware, drinking
containers or PET (polyethylene terephthalate) bottles are utilized, and these are generally disposable. A large number of these things are hurled in the waste instead of being recycled, or far and away more terrible, just tossed on the ground. This weights nature pointlessly and waste crude materials. To lessen soil and water contamination, the government now accentuation more on the use of bio-degradable items.

- **Retrenchment of employees**: Most of the new enterprises will be capital escalated and may drive nearby contenders, which have more specialists, out of business.

- **Profit repatriation**: Repatriation of profit is another area of concern for the Indian economy. As when multinational enters any nations, individuals and government trust that it will expand the business rate and result in economic development. Be that as it may, with the multinational operation, have nation encounters these advantages for a brief timeframe period. In the long run, neither employment increases (due to capital concentrated nature of MNC’s) nor it expands the GDP or GNP since whatever MNC’s gain they repatriate that profit back to their nation of origin.

**1.5.4 Problems of Industry**

- **Environmental well-disposed products cost high**: the government is administering laws with a specific end goal to keep beware of the fast food industry, and it is underscoring more on the use of bio-degradable and environment-friendly products. In any case, related to this issue the problem that fast food player faces is the cost related to the nature-friendly product. They cost substantially higher than the ordinary products that companies utilize for packaging their items.

- **Health-related issues**: Obesity is one of the major health related issue it has been seen that typical fast food has very high density and food with high density leads to people consuming more than they usually need. With obesity low calories food is of concern and thus many restaurants are working on producing food items of low calories.
1.5.5 Opportunity for the Industry

- **Expansion:** India is an immense market for fast food. The extensive capability of development exists in the market because there are numerous territories or urban communities in India which are right now not served by the organization. Changing sexual orientation parts, scarcity of time, client advancement and certainty, double income group and huge populace of India in them can contend as an opportunity for fast food players.

- **The trend of Out-of-Home Breakfast:** a large percentage of people in big cities has a desire to have breakfast out of their home if suitable breakfast is available due to a hectic schedule. This is another opportunity for the company to increase its sales by capturing such market segment by serving breakfast in its outlets.

- **Better Home Delivery:** To enhance customer services restaurants are implementing home delivery strategies. This incorporates, both, the arrangement of faster delivery and development of their home delivery over all outlets in India.

1.5.6 Trends in Indian Market

- **Targeting to children's:** Fast food outlets in India focus on children's as their genuine customers. They introduce combinations of things that will pull in the children's thought and by concentrating on adolescents' they thus focus around their folks since their folks always join children's.

- **Low-level customers responsibility:** Because of a large number of retail food outlets and moreover because of the inclination of the customer to change from one thing to other, this industry stands up to low-level customer obligation.

- **Change technology services:** There is a steady change in the advancement to the degree fast food publicizes in India is considered. Since food is a perishable thing thus as to ensure that it remains fresh for a more expanded time period restaurant are inclined towards the use of more advanced technology.

- **Attracting diverse segments of the market:** Fast food outlets are exhibiting combinations of things remembering the ultimate objective to give food the solicitations of every segment of the market. They are displaying all
arrangements of thing with the objective that people of all age, sex, class, and income can come and transform into a customer of their food line.

1.6 CONSUMER BUYING BEHAVIOUR IN REFERENCE TO FAST FOOD RESTAURANTS IN INDIA

Diversity in food in India is a verifiable normal for India's diversified culture comprising of various areas and states inside. Generally, Indians like to have home-cooked meals – an idea bolstered religiously and also exclusively. However, with the influence of western culture and awareness, there is a slight change in food consumption pattern among urban Indian families. It began with eating outside and proceeded onward to tolerating a wide variety of delicacies from world-over. Advancement of the Indian economy in the mid-1990s and the following section of new players set a huge change in lifestyle and the food tastes of Indians. Fast food is one who picked up an acknowledgment of Indian sense of taste after the multinational fast food players adjusted the essential Indian food necessities viz. vegetarian meals and selected non-vegetarian alternatives barring beef and pork entirely from their menu. Multinational fast food outlets, in the beginning, confronted dissents and rejection from Indian consumers. This was because of essential discernment that fast food players serve just chicken and don't serve vegetarian meals. Moreover, fast food is seen costly adjacent to being out-of-way meals in Indian culture. Today, the fast food industry is getting adjusted to Indian food necessities and is developing in India. It is gaining up acknowledgment mainly from Indian youth and younger generation and is winding up some portion of life.

The immense changes in the economic condition, the demographic status of individual and open smaller scale and large-scale economic conditions have empowered the retailers to make sorted out retail configurations to provide food as per the dynamic needs of the consumers. Customer interests, perception, awareness and experience drive for the growth of fast food companies in India. Consumer behaviour has an immediate and positive association with the demographic status of consumers, economic and psychographic characteristics of the consumers that rapidly change the behaviour of consumers towards fast food in the nation.
Henceforth, in recent time significant move in the behaviour of consumers has been seen, as they now want to have fast food over conventional and home cooked food, dissimilar to the pattern that was predominant in India before. In this manner, the adjustments in the consumer behaviour empowered the global retailers to enter the market trying to gain market share and brand presences. Consumers aim to purchase product rely on different variables including the want, perception, experience, the highlights of goods and services among other substantial and immaterial qualities concerned with the individuals.

Domestic players too acquainted fast food as per the change in food habits, taste and preference of the local customers. Consequently, companies are taking several steps to gain high market share among their competitors. Because of few elements like regular visit, media, customer relationship strategies empower the size of fast food stores in guaranteed that consumers have thought of a variety of factors like preference, individual spending mentality purchasing the food from the stores. Once the need of customer is perceived next stage includes the gathering of significant information about the product or service which is being offered to them. Both local and worldwide organization's uses channels like media, advanced, online strategy keeping in mind the end goal to hold and enhance their customer based. At last, the evaluation of product relies upon the value, convenience, services and different components. Hence the last phase of consumer buying behaviour is the post-purchase behaviour. In the consumer acknowledge the capacity of the product towards fulfilling their necessities.

1.7 GLOBAL MARKETING STRATEGY

The multinational enterprises have the option of choosing two fundamental strategies for marketing their products and services: Standardized strategies or Localization (Adaptation) strategies.

1.7.1 Standardization

Gupta and Randhawa, (2008, p.77) stated that Standardisation involves using the same range of products, the same pricing, promotional and location strategies. Standardization implies that companies will offer in a foreign market, precisely the same product or service it offers in its market. The fundamental focus of the standardization for a company is to minimize the expenses by the procedure of economies of scale. The procedure could be on an entire production chain like it could
be on marketing mix activities from product packaging to the distribution of the finished good to the consumers. Here and there, it is vital for companies to standardized, as, it diminishes the working expenses as well as enables the companies to decrease the hazard extensively while going in an outside market regularly obscure. Besides, standardization has to meet consumer’s needs and wants.

1.7.2 Localization (Adaptation)
Adaptation strategy involves changes in various aspects of products and services to meet the needs of consumers in international markets (Chung (2009). Localization strategy is not at all like the standardization one, refers to the change a company works while going on new global markets; various factors can drive adaptation as framework of the host nation, yet companies, for the most part, utilize a localization strategy with a specific end goal to sell their product to a population that has an alternative social and cultural style. Implementing localization strategy can empower the company to get a higher income by persuading a more customer who typically has another need for the company's home market buyers. Likewise, localization strategy is sometimes more costly than standardization strategy. However, it is essential for the company to know and identify its customers while entering the international market. Thusly, adapting companies need to procure the financial prerequisites for the internationalization as well as need to understand the real needs of the host nation consumers, and particularly have the capacity to react to it.

1.7.3 Use of Standardized Marketing Strategies
Consequently, there are situations where companies utilize standardization strategy without overlooking the impact of culture and practices, and because of this the companies will think internationally yet will act locally, executing what is known as a 'glocalization.' Since there isn't a one of a kind method for getting things done, as expressed over, the strategy that company may utilize to come to incorporate and facilitate in an effective way, all the essential marketing endeavours that will enable companies to get a significant portion of the potential collaborations coming about of such tasks among various nations or domains. Moreover, the practice of standardization in marketing additionally benefits the idea of "world consumers." As indicated by which expanding powers of globalization and part of media, and continuous going at the worldwide scale have fuelled harmonization of qualities and ways of life over the
outskirts. The global image of the brand can be successfully strengthened using the utilization of standardization to incorporated promoting correspondence methodology.

The abnormal state of the adequacy of observing the result of showcasing correspondences likewise adds to the proficiency of standardization strategy. At the end of the day, in light of the fact that there are no or minor contrasts in marketing communication strategy because of the implementation of standardization approach, a similar arrangement of instruments can be used to survey the levels of adequacy of showcasing technique in connection to each topographical market portion with positive ramifications on the levels of cost viability.

1.7.4 The need of Localization (adaptation) within the Fast Food Industry
Fast food companies need to consider all business functions, products, and marketing elements such as product design, name, positioning, packaging, theme, price, advertising materials, distribution, promotions, and customer service while going into new market territories.

Moreover, it is essential to consider emotions of consumers as a necessary element within the selected market as it may come to guarantee the short and long haul achievement of the company. There might be specific qualities of the cultural or market being entered that may have a greater weight, and subsequently, because of its impact, could win in contrast with others. Consumer buying behaviour is influenced by cultural or actual behaviour, and its drive them to attempt new product or services based on their prior experience.

In this manner, general assessment of consumer behaviour is necessary as it constitutes their satisfaction with specific products or services, and turns into the fundamental factor influencing customer retention. Such customer retention is characterized by the long-term relationship that can be produced with a customer through satisfaction, which is essential for the company to operate in short and long-term. Also, for the fast food companies, it is necessary to implement adaptation strategy. When the fast food companies enter into new region or territories, it is essential to study consumer buying behaviour. In every region or territories, we have consumers with a different mindset and cultural values and this behaviour affect the consumption pattern of the food product. Therefore, companies need to consider these cultural factors before producing a product as just the product by itself does not influence consumption. Thus, cultural
sensitivity cannot be ignored to succeed in different cultures, and especially within a global environment and strategy. With cultural values taste, flavour preferences can also not be ignored.

1.8 RATIONALE OF THE STUDY
Global business marketing with regards to standardization or adaptation issues is one of the biggest discussions. The difference between multinational companies’ home market and external market influences the marketing strategy and these strategies influences performance of multinational companies. To succeed in a competitive environment every firm uses special strategy for each external market from the positioning of the product, channel of distribution to promotion style, matches as per to the need of different customers. Inside out understanding about the business an edge over in the industry and facilitates strategy formulation under the highly dynamic business condition like the fast food market. The present research here tries to develop a knowledge base with respect to the fast food market, it’s intercedes and sensitivity. This tries to provide insight which will enable the marketers, consumers, government and other stakeholders to maximize their benefits.