



Foodservice in Asia

1st edition, 2003 – 2005

China

“... one of the top foodservice markets in the world, with double digit growth rates”

- Shanghai
- Beijing
- Guangzhou
- Shenzhen



FOOD & BEVERAGES

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Appendices

- Appendix 1: Survey questionnaire
- Appendix 2: List of respondents
- Appendix 3: Consultant interviews and topic list

INTRODUCTION

This is the first edition of a most comprehensive study of the four major foodservice centres in China: Shanghai, Beijing, Guangzhou and Shenzhen.

With much higher than average income per head, twice the national average population growth rate and high degree of urbanisation, these four cities are China's major foodservice markets, accounting for around US\$17 billion of sales, at retail prices, or over a quarter of the total China market.

Our study reflects the typical business plan modules, so that this information can be easily combined with internal company data to prepare individual marketing plans.

The structure of our report is as follows:

A summary of key findings.

An overview of the foodservice market presented in context of the total food and beverage market/consumption.

Target markets – outlets reviews the main types of foodservice outlets both institutional (i.e. hospitals, schools etc.) and commercial (i.e. restaurants, caterers, hotels etc.), providing details of the number of meals served and value of food and beverage products purchased.

Target markets – products provides a value analysis by market segment, of more than 100 food and beverage products, including the ranking of major brands/suppliers. The full product list is provided in the table overleaf.

Distribution – this chapter identifies the relative importance of wholesalers, distributors, manufacturers and retailers, as suppliers to the foodservice industry in the distribution chain.

Competitive insight – reports how key suppliers are rated by foodservice operators on the issues of price, quality, distribution, customer service and trade promotions. The market positioning of major suppliers is also discussed.

Strategic and marketing issues – investigates the effectiveness of promotional activities, factors affecting the choice of suppliers and the attitude towards local versus imported products.

Outlook to 2005 – in this last chapter we identify the likely future developments of the foodservice industry in the four cities, in the light of our assessment of changes in economic and social conditions.

The interviews for this study were conducted in each country during the months of November and December 2002, in the local language, by a reputable field research agency. The questionnaire was prepared by BIS Shrapnel in consultation with our subscribers. BIS Shrapnel also provided the local research agency with sample details, and our project manager personally briefed the research agency in China. All data analysis was conducted in Australia.



A copy of the questionnaire used is attached, together with a list of respondents in Appendices 1 and 2.

Sample details are provided in the following pages.

In addition, consultant interviews were conducted with major suppliers, distributors and outlets operating in the foodservice industry. The list of interviewees is reported in Appendix 3, together with the list of topics discussed.

All of these interviews were conducted by two senior BIS Shrapnel Project Managers.

Survey sample profile

<i>Outlet type</i>	<i>Number</i>	<i>% of total</i>
<i>Institutional sector</i>		
Hospitals	14	2
Nursing homes/welfare facilities	8	1
Schools	8	1
Tertiary/education facilities	22	4
Work canteens - factory	3	0
Work canteens - office	19	3
Prisons	3	0
Government/military messes	8	1
<i>Commercial sector</i>		
4/5 star restaurants	25	4
Other restaurants	66	11
Airline caterers	2	0
Other caterers	32	5
Airports/railways/ferry stations	16	3
Sport & leisure centres	20	3
Conference/convention centres	9	1
Clubs	17	3
Cafés, tea houses	23	4
Bakeries	8	1
Western quick service restaurants	42	7
Local fast food chains	41	7
Casual dining & theme	24	4
Street vendors/hawker stalls	61	10
Independent/general takeaways	41	7
Major (4/5 star) hotels	33	5
2/3 star/other hotels	38	6
Boarding houses/hostels	25	4
<i>By location</i>		
Beijing	195	32
Shanghai	188	31
Shenzhen	140	23
Guangzhou	85	14
<i>By position of respondent</i>		
Owner/manager	205	34
Purchasing manager	99	16
Catering manager	77	13
Cook/chef	68	11
Canteen supervisor	51	8
Administrator	45	7
Buyer	32	5
Administration manager	14	2
Vendor	7	1
Finance	2	0
Others	8	1

Total	608	100
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Fast food chains interviewed

<i>Chain</i>	<i>%</i>
McDonald's	24
Pizza Hut	10
KFC	21
Burger King	10
A&W	3

Other western restaurants interviewed

<i>Other western restaurant</i>	<i>%</i>
You Sheng Bao	3
Huabaozhijia	3
Dajiang	10
Xiangmainong hamburger	3
Others	12

Local fast food chains

	<i>%</i>
With central kitchen	27
Without a central kitchen	73

Cuisine types served by restaurants (percentage of respondents)

	<i>Total</i>
Cantonese	26
Shanghai	14
Si-chuan	26
Dong Bei	10
Western	1
Other Asian	3
Various Chinese	7
Islamic food style	5
Seafood	3
Suzhou style food	2
Others	3

Food and beverage products covered by our survey

Meat, poultry and fish	
Fresh/frozen beef/veal/lamb/pork	Fully prepared beef products (patties)
Fresh/frozen poultry	Fully prepared chicken product (nuggets)
Fresh/frozen other meat (goat, etc.)	Frozen prepared fish/seafood
Frozen/frozen seafood, fish	Dried/cured meat
Fruit and vegetables	
Fresh fruit and vegetables	Other canned vegetables
Canned fruit	Potatoes – frozen
Canned tomatoes	Other frozen vegetables
Canned beans	Dried/cured fruits
Breads, pasta and cereals	
Bread, fresh/frozen	Noodles
Bread crumbs	Fresh/frozen cakes and non-dairy desserts
Biscuits (sweet/savoury)	Pasta - dry
Pizza dough	Pre-mixes for cakes, etc. dry mixes
Breakfast cereals	Flour
Rice	
Prepared meals, soup and snacks	
Soup, canned/liquid	Canned baked beans
Soup, powder/dehydrated	Frozen complete meals
Canned spaghetti/pasta	Dim sum – fresh/frozen
Dairy products	
Milk – fresh	Cheese
Milk – UHT	Butter
Milk – powder	Chocolate blocks/cooking
Milk – evaporated	Ice cream
Sweetened condensed milk	Yoghurt
Buttermilk	Toppings
Cream	

Beverages

Carbonated drinks	Tea – bags
Coffee –beans	Tea – leaves
Coffee – ground	Tea – powder/dust
Fresh fruit juice– bulk	Tea – concentrate
Fresh fruit juice (packaged) – single serve	Tea – ready-to-drink
Juice from concentrates – bulk	Hot chocolate – powder
Mineral water – carbonated	
Mineral water – still	

Fats and oils

Vegetable oils	
Margarine	
Animal fats	

Sauces and condiments

Clear salad dressing – liquid	Tomato paste
Mayonnaise	Tomato sauce/ketchup
Vinegar	Worcestershire sauce
Chilli – sauce	BBQ sauce
Chilli – paste	Other sauces
Fish sauce	Mustard
Hoi sin sauce	Sugar
Sesame sauce	Other condiments (relishes, chutney, pickles)
Chuhor sauce	Stock powder – all types
Sacha sauce	Liquid stock – single strength, all types
Oyster sauce	Liquid stock – concentrate
Soya sauce	Stock cubes – all types
Seasoning sauces – fermented soy	Spices, herbs & seasonings
Seasoning sauces – HVP based	MSG
Seasoning sauces – Japanese style	

Spreads and jams

Jams	Peanut butter
Marmalade	Savoury spread
Honey	



Note: All figures in dollars refer to US dollars



Foodservice in Asia

◆ China

1st edition, 2003–2005



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