

India's food service market size to double over the next six years

According to the 'How India Eats' report by Swiggy and Bain & Company, the Indian food service market is expected to double in size over the next six years, growing from an estimated INR 400-500K crore in 2023 to INR 900K crore to INR 1000K crore by 2030, at a CAGR of 10-12%.

The report highlights several key trends driving this growth:

- The addressable customer base is expected to increase from 320-340 million in 2023 to 430-450 million by 2030, with an additional 10 crore young customers.
- Increasing craving for indulgence, rise in eating out occasions, and more specialty and concept restaurants will propel industry growth.
- Online food delivery penetration is projected to grow from 12% currently to 20% by 2030, with the online food delivery business expected to grow at 18% year-on-year for the next seven years.

However, India still lags behind comparable markets in terms of restaurant density and average monthly consumption of non-home cooked food. While Brazil and China have 7000-9000 restaurants per million population, India has only 1000-2000. Similarly, the average monthly consumption of non-home cooked food for the addressable consumer base is 5 in India, compared to 33 in China, 14 in South Korea, and 11 in Vietnam.

Demand patterns show that 70% of consumption happens in the top 50 cities, with 70% of the consumer base being upper middle income and high income segments. However, incremental growth is expected to come from tier II and III cities as well, as the majority of these top 50 cities expand due to rapid urbanization.

Eating patterns are also changing rapidly, shifting from conventional breakfast, lunch, and dinner to brunch, evening snacks, and late-night meals. Experts emphasize the importance of online presence for food retailers, as discovery is increasingly happening online