

NPD Finds Morning Meal Drives Foodservice Industry in China

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Day begins with steamed or pan-fried buns and soybean milk purchased from vendor

Half of all foodservice traffic in the People's Republic of China occurs before 9 a.m., according to a study conducted by The NPD Group, a leading market research firm, that tracked how Chinese consumers use restaurants and foodservice outlets. The NPD study, which was conducted in seven of China's coastal cities and gathered behavioral and attitudinal data through focus groups and consumer diaries, found that just 13 percent of traffic occurs between the peak lunch hour of noon and 1 p.m., and only 12 percent occurs between the peak dinner hour of 6 p.m. and 7 p.m.

'The morning meal drives the foodservice industry in China, and it has an effect on all aspects of the foodservice market,' said Bob O'Brien, president of Global Foodservice Development at The NPD Group. 'The top food and drink items are driven by what Chinese consumers buy for their morning meal and what can easily be produced and distributed by foodservice operators.'

Chinese consumers reported to NPD that steamed or pan-fried buns and soybean milk, a typical morning meal, are the foods they most often purchase to eat away from home. Other top foods include fried-dough products, noodles, clay-oven rolls, boiled dumplings, milk, vegetable dishes, soup, and fried rice with meat or vegetables.

NPD found that half of all foodservice visits in China went to a class of restaurants called vendors, which can be small restaurants with counter ordering and tables, shop windows that open street side, or street carts. Twenty percent of purchases occur at fast-food outlets and 16 percent at restaurants. Ten percent occur at retail outlets and just 3 percent at bakeries or coffee shops.

With support from three international foodservice companies with China-based operations, NPD plans to launch its Consumer Reports on Eating Share Trends (CREST(R)), which tracks consumer purchases of prepared meals, snacks and beverages, in China early 2009. CREST(R) currently tracks consumers' use of commercial foodservice in France, Germany, Japan, Spain, U.K., U.S., and Canada.

'While there are challenges in store for the foodservice manufacturers and operators who seek to expand their business in China, there are many opportunities to provide services to consumers in the People's Republic of China, and many foodservice chains have embraced the risks and succeeded in their efforts of building their brands there,' says O'Brien. 'Understanding the behaviour of Chinese consumers will help companies in planning an effective entry strategy into the world's most populous country.'

The NPD Group is the leading provider of reliable and comprehensive consumer and retail information for a wide range of industries.

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