

## Relocalizing in India

India has been one of the most challenging markets for any international player. The geographical and the cultural diversity among consumers and their preferences, which seem to embrace mini-continent, makes it difficult for any single offering to appease every consumer. Food & Beverage (F&B) outlets, especially those operated by international players, are therefore reengineering their international offerings to suit the tastes of local Indian consumers. This strategy has been termed as “Indianization” and is emerging as one of the key success factors for players in the Indian market.

Keeping the peculiarities of the Indian market in mind, McDonald’s invested six years of effort to develop a menu that was truly ‘Made for India’. The new menu was designed to suit the two largest communities, accounting for their aversion to beef and pork. Thus, McDonald’s new menu featured only chicken, fish, and mutton products. The Big Mac, the iconic beef variant internationally, was replaced by the Chicken Maharaja Mac. Apart from the variations in non-vegetarian options, the menu also featured a comprehensive range of vegetarian products, with infused Indian spices and flavors, e.g. McAloo Tikki. In further deference to the sentiments of the vegetarian consumers and, in a bid to build a strong connect with the mass market, separate vegetarian and non-vegetarian cooking areas were set up, each with separate equipment and workforce for each area. This mindset has permeated backward, to the supply chain itself, with the development of vegetarian sauces like eggless mayonnaise and the use of vegetable oil for cooking.

Another early mover which responded sharply to this issue of product Indianization, right from the initiation of its operations in 1996, is Pizza Hut. To meet market sensitivities in the otherwise high consumption, vegetarian state of Gujarat, Pizza Hut launched a first-of-its-kind vegetarian restaurant in Ahmedabad in 1999. The launch of the “Great Indian Treat” product range, its first completely localized menu which included tandoori and achari toppings, was another step towards Indianization. Even today the pizza chain’s menu mixes Indian and international ingredients and tastes with as much as 20% of the overall menu being localized and containing mostly vegetarian and chicken toppings.

The other international success story in India is Domino’s Pizza, which recently opened its 600<sup>th</sup> outlet in India. It also reengineered its menu to suit the Indian palate. For instance, there’s a Peppy Paneer Pizza for vegetarians and a Keema Do Pyaaza Pizza for non-vegetarians.

Another food service operator which has adjusted well to the Indian market is the international coffee chain, Starbucks, launched in India in late 2012. Their Indianized menu takes into account, for example, the fact that Indians tend to add more cream/milk in their coffee and that the concept of adding skimmed milk to coffee hardly exists in the Indian mindset. Therefore, their menu only features whole, low fat, or soy milk.

Not all brands incorporated this essential element while making inroads into the Indian market. Yum! Brands India opened the first Kentucky Fried Chicken (KFC) outlet in Bangalore in the mid-1990s, but had to close the outlets owing to local protests and a weak consumer response to the supposedly too western products. The brand was subsequently relaunched in 2004 with one of its most extensively meat-free menus across the globe and a vegetarian selection to which the Indian consumer was more receptive. Most of KFC’s preparations are now egg-free, and its special chicken dishes are now being offered in such local Indian flavors as Fiery Chicken. KFC has stretched its efforts at adaption in cities like Ahmedabad where the outlet features separate billing queues for vegetarian and non-vegetarian customers.

The list of international brands going Glocal includes the likes of Taco Bell, which started its Indian operations with special menu items designed especially for local palates, e.g. crunchy potato tacos and extra-spicy burritos filled with paneer. Likewise, Subway’s menu in India offers turkey, tuna, and ham (which is actually chicken) but not beef. The other Indian add-ons include Chicken Tikka, Achari Chicken, and Paneer Tikka.

With Indianization becoming a concept aggressively adopted by international chains, other brands like Yo! China, Little Italy, etc. are offering cuisines customized a priority; there may be no addition in terms of product offerings, but the taste is entirely aligned as per the Indian palate. International cuisines which are being customized and gaining in popularity among Indian consumers are Italian, French, Thai, and, the new entrant, Mexican, as a result of the using spices and Indian-like flavors.

With international cuisines making headway into every Indian menu, a cross-region cuisine receptivity and preference is being witnessed increasingly, among the diverse regions of India. Among these is the “Relocal” concept, or regional preparations made local again, wherein regional delicacies travel across state boundaries and even to your doorstep.

Today, the Chicken Chettinad of Tamil Nadu, Butter Chicken and Aloo Paratha of Punjab, Momos of Manipur, and Gujia of Gujarat are no more merely regionally-preferred dishes; by having penetrated deep into Indian palates, they are now seen as national delicacies. These are increasingly finding space in menus, across formats, and are the drivers behind such homegrown, nationwide dining chains as Momo Station, Sagar Ratna, and Paratha King, which are present in key cities across the country.

Another interesting mix between Glocal and Relocal strategies is being adopted by such restaurants chains as Haldiram's, Bikanervala, Sagar Ratna, Adigas, Barbeque Nation, etc., which are offering cuisines from not just different regions but also including such widely-preferred, international cuisines as Chow Mein, Manchurian, Pastas, Salads, etc.

The various cases of Indianization, via Glocal and Relocal strategies, by both international and Indian players, lead to the conclusion that it is important, and necessary, for any F&B organization to adopt menu customization as a key strategy while launching their operations in new markets. This needs to be done especially when local preferences are substantial, and the offerings differ significantly from non-local products.

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