

Is online delivery helping to sustain SA's fast food industry?

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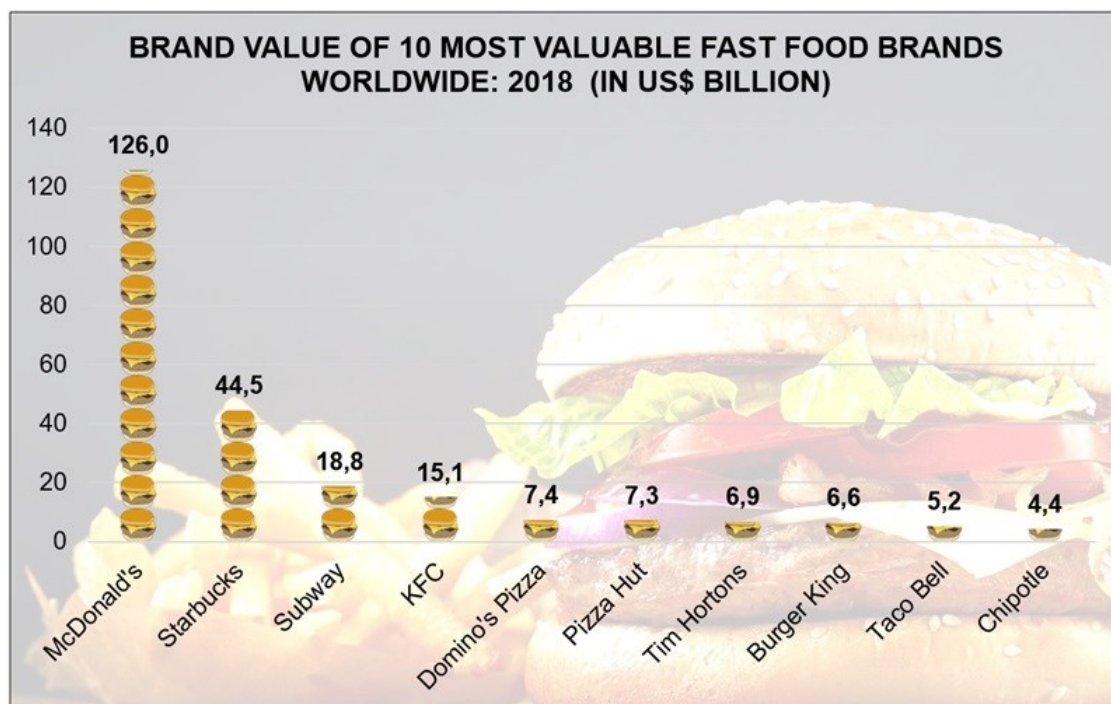
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Whether it is a weekend temptation or a mid-week emergency dinner, fast food has been the convenient choice for most South Africans, with the industry enjoying robust growth over the past 10 years.

However, for the first time in many years, the income from fast food and take-away outlets have declined substantially during the first half of 2018, putting significant stress on the fast food industry. The saviour for the industry may potentially be the continued development of online food delivery services that have simplified access, and in the process, assisted in sustaining an industry that is experiencing increasing pressure.

Insight Survey's latest SA Fast Food Landscape Report 2018 uncovers the global and local fast food markets based on the latest information and research. It describes the market drivers and restraints as well as the relevant global and local market trends to present an objective insight into the South African fast food industry environment, market dynamics and its future.

The global fast food market was valued at US\$651bn in 2017 and is predicted to grow at a CAGR of 5.2% between 2018 and 2022. As illustrated in the graph below, certain key brands continue to dominate. In terms of brand value, McDonald's is the largest global fast food brand in 2018 valued at US\$126bn, followed by Starbucks and Subway valued at US\$44.5bn and US\$18.8bn, respectively.



Source: [Statista](#) Graphics by [Insight Survey](#)

Technological innovation will be one of the key drivers of growth for the fast food industry in the future. In South Africa, it has become particularly important for fast food franchises to ensure they have effective systems in place that enable consumers to order and buy online.

A rapidly growing number of consumers are opting for the convenience of online delivery services when purchasing fast food. Currently, Mr D Food and UberEats are South Africa's top two online ordering platforms. Mr D Food, which is owned

by multinational Naspers, has a network of over 1,400 restaurants and delivers to over 1,900 suburbs in South Africa, while **UberEats** has a network of approximately 1,200 restaurants in Cape Town, Stellenbosch, Johannesburg, Durban, and Pretoria.

Devin Sinclair, the CEO of Mr D Food, says that the company's success has been strongly related to its ability to transform from a phone ordering business to an online ordering service. The transition has been particularly successful as the **Mr D Foods** mobile app has been downloaded over one million times and over R500m in orders were processed through the app in the last year. Mr D Foods also claims to have 270,000 active users per month and 2.6 deliveries per customer per month.

UberEats, which operates in 100 cities in 27 countries, is another influential player in online food delivery services in South Africa. In **February 2018**, the food delivery app stated that it had surpassed over 550,000 downloads in South Africa and is getting over 10,000 additional downloads every week. UberEats also introduced restaurant ratings, which allows consumers to see how users in their city have rated a specific restaurant.

Despite the significant growth of online delivery in South Africa over the last few years, there is still the potential for more growth in the future. **Larry Illg**, Naspers Ventures CEO, says that food delivery in South Africa is still under-penetrated and will continue to show rapid growth in the future.

The **South African Fast Food Industry Landscape Report 2018** (137 pages) provides a dynamic synthesis of industry research, examining the local and global fast food industry from a uniquely holistic perspective, with detailed insights into the entire value chain – from analysing competitors to discussing retailing, pricing and purchasing trends.

Some key questions the report will help you to answer:

- What are the key factors that are driving the growth of the local and global markets?
- What are the local and global industry challenges currently restraining market growth?
- What are the latest South African fast food and street food trends (food trucks, on-demand mobile ordering)?
- How did fast food companies perform in 2017/18, what is the strategic focus and expansion plans?
- How is each of the fast food competitors positioned in the market?
- What are the latest marketing and advertising news for each of the fast food competitors?
- What is the pricing and recent promotions by category: Burgers, Chicken, Pizza, Pies
- What is the local consumption and purchasing trends in the fast food industry

Please note that the 137-page report is available for purchase for R25,000 (excluding VAT). Alternatively, individual sections can be purchased for R9,000 (excluding VAT). For additional information simply contact us at info@insightsurvey.co.za or directly on (021) 045-0202.

For a full brochure please go to: [South African Fast Food Landscape Report 2018](#)

About Insight Survey:

Insight Survey is a South African B2B market research company with more than 10 years of heritage, focusing on business-to-business (B2B) and industry research to ensure smarter, more-profitable business decisions are made with reduced investment risk.

We offer market research solutions to help you to successfully improve or expand your business, enter new markets, launch new products or better understand your internal or external environment.

Our bespoke Competitive Business Intelligence Research can help give you the edge in a global marketplace, empowering your business to overcome industry challenges quickly and effectively, and enabling you to realise your potential and

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