

## International Business Lectures - Doing Business in Brazil

Prof. Dirceu Tornavoi Carvalho - University of São Paulo

### Consumer Foodservice in Brazil

#### Industry Overview

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#### EXECUTIVE SUMMARY

##### **Positive year for consumer foodservice, with opportunities for all channels**

In 2014 consumer foodservice recorded a better performance in terms of outlet numbers, transactions and retail value when compared with the previous year, mainly driven by the entry of new important players in the country, as well as the expansion of existing chains. The pursuit of different experiences, combined with high-quality food, offered opportunities in all channels, both for independent and chained players.

##### **Mobile/online tools for ordering food: changes in consumers' habits**

In the last few years 100% home delivery/takeaway presented double-digit current value growth rates. The search for convenience, practicality and even safety were some of the factors behind this performance. In addition, the boom of mobile apps and online platforms for ordering food supported sales, as did changing consumer habits.

##### **New international players increase the competition in consumer foodservice**

2014 was a remarkable year in terms of new international players entering Brazil, as well as the consolidation of existing domestic players at a national level. Madero S.A. is a good example of expansion throughout the whole country, offering fierce competition to older chains, such as Outback Steakhouse and Applebee's Neighborhood Grill & Bar. Other important new restaurants entering the market were Abbraccio from Bloomin' Brands and Red Lobster from International Meal Co.

##### **Good performance for independent foodservice**

Independent consumer foodservice posted 11% current value growth in 2014; an expected performance, bearing in mind their majority of sales in comparison with chained outlets. Experienced businesspeople and entrepreneurs tend to opt to build a new brand and/or business concept, therefore investing in this format. Also, the start-up costs for setting up a franchise outside the major cities are often higher.

##### **Opportunities in challenging times**

High inflation and the devaluation of the Brazilian Real, added to increased fixed costs related to water, the electricity crisis (especially important in the southeast of the country) and tax increases on imported products are increasing cost pressures and challenging foodservice when trying to reduce costs and maintain prices to consumers.

#### KEY TRENDS AND DEVELOPMENTS

##### **Opportunities in challenging times**

When trying to reduce costs and maintain prices to consumers, consumer foodservice operators face challenges such as: rising inflation (which climbed to 8% in April 2015); the devaluation of the Brazilian real against the US dollar (which closed 2014 with a rate of 2.4); the increasing fixed costs related to water; the electricity crisis (especially important in the southeast of the country – the most affected by lack of rain and decreases in its water receiver); and tax increases on imported products (an important composition of many meals).

Within this scenario, with the growing rate of unemployment, the total number of outlets in consumer foodservice is expected to expand by a CAGR of 2% from 2014 to 2019; a slightly slower performance than that observed during the review period 2009-2014. Meanwhile, the number of transactions will benefit independent companies, which tend to offer lower prices in comparison with chained companies. Chained consumer foodservice is expected to be negatively impacted, with a CAGR of 5% in terms of number of transactions in the forecast period, in comparison with a CAGR of 9% during the review period.

Altogether this scenario increases cost pressures and leads to operators offering fixed-price meals (executive menus), promotional prices and low-priced products. Examples include Applebee's Neighborhood Grill & Bar, with a fixed menu for lunch time with discounts for companies, and Habib's promotional campaign for its sfihes and pizzas, whereby on selected days of the week consumers buy-one-get-one-free. The opening of lower-cost solutions, such as kiosks, with low start-up and maintenance costs in comparison with the opening of a full-service restaurant, will also be preferred. For instance, it is going to be far more common to find adapted bicycles and other mobile kiosks within shopping malls; solutions already adopted by Bacio di Latte and Freddo in ice cream fast food.

### **Outlook**

The Brazilian economic situation is not set to improve in the short term, with the unemployment rate increasing by almost 7% in the beginning of 2014 (the highest level in four years), inflation forecast to remain at 8% in August 2015 (according to Euromonitor International), and the interest rate (SELIC) increasing to 13.75%. This will negatively affect households' purchasing power, and more and more people will opt to take their own food to the office as a way to save money, linked to the growing interest in the relationship between diet and health.

This trend is leading to a movement of diversification of lunch-boxes for executives, who can now opt for products which maintain the food fresh and hot, can be washed in a dishwasher, and even go to the oven.

Future concerns about diet and health are likely to boost the available options of healthier dishes in foodservice, which are tending to have a lower price due to rising demand. Although still only a niche, as only some consumers, mainly women and those with a higher educational level, seek healthier versions of products, this is where opportunity lies in terms of innovation and higher margins.

A good example of this trend was the recent introduction of Spoleto's Green Revolution. This is a line composed of gluten-free pasta, veggie hamburgers, seed mix and onion crisps, taking advantage of some of the recent concerns of the population, for instance gluten intolerance, to offer target-oriented options which are still tasty. As limited editions, it is expected that new entries will be seen from time-to-time, followed by other companies.

### **Food trucks in Brazil: driving consumer foodservice in a new direction**

Initially a very specific foodservice niche in Sao Paulo city, food trucks are now present in most Brazilian capitals and major cities. This trend started with gastronomic street fairs in Sao Paulo, attracting many upper- and middle-income young consumers, not only because of more attractive prices than in full-service restaurants, but also because of originality. Gastronomic events increasingly attracted the attention of chefs in famous restaurants, such as Alex Atala, who endorsed the campaign to bring high-quality food to the streets at a more affordable price. Other players previously operating under the food truck format also played an active role in terms of disseminating this culture, such as Rolando Massinha (a food truck specialised in artisanal pasta, opened in 2008). As a consequence of very positive demand from consumers, these food truck festivals evolved to fixed food parks. Sao Paulo city already has three of them, with a complete structure in terms of music/DJs, toilet facilities, parking, tables and chairs and even heaters, in accordance with the more gourmet concept of street food.

Specialisation and differentiation, therefore, are the key words for consumer foodservice. It is common to see food trucks which offer only one type of product, with variations only in terms of flavours – usually based on premium and different ingredients. Differentiation is important not only in regard to menu options, but also when it comes to truck design. Colours, sound systems and flashing lights – everything is valid to help consumers remember a brand.

Whilst many micro and small entrepreneurs saw food trucks as a great opportunity to invest, without high start-up costs, full-service restaurants which already existed also decided to invest, to complement their existing sales channel and as a tool to improve brand awareness. A good example is Burger Lab, a full-service restaurant specialised in gourmet hamburgers, which also operates under the food truck format in Sao Paulo.

The impact of this trend is relevant not only for the street stalls/kiosks channel, but also for full-service restaurants and fast food. As food trucks offer premium food at more affordable prices, and food parks provide a

very good structure in terms of comfort, many consumers are choosing food trucks instead of full-service restaurants, especially in times of economic uncertainty. As food preparation is quick in these trucks, the fast food channel is also impacted. With similar prices and preparation time, food trucks are at an advantage when it comes to the variety of menu options and premium quality in comparison with many fast food chains.

Independent street stalls/kiosks recorded 9% growth in the number of outlets in 2014; double the growth rate in the previous year, reaching 373,000 points of sale in the country, as a result of the entry of many new players in this channel. The number of transactions also saw a higher growth rate than in 2013, at 5%, whilst value sales increased by 18% in current terms, mainly due to the gourmet concept that food trucks are bringing to street food.

## Outlook

This trend is expected to remain strong and continue growing in the forecast period, as an alternative type of high-quality food at a more affordable price in difficult economic times. The number of independent street stalls/kiosks is expected to increase by 6% in 2015, and this positive performance should also be reflected in the rest of the forecast period. As the adaptation of food trucks is a very specialised market in Brazil, with only a few companies capable of doing so, many players wanting food trucks have to wait for more than six months to get their vehicle. 2015, therefore, should record a positive performance in terms of new entrants. The growth rate in value terms should be driven by greater awareness of these trucks, as many consumers are still discovering this new format of foodservice, with a CAGR of 7% in value terms at constant 2014 prices over the forecast period.

Although existing full-service restaurants might have greater experience in consumer foodservice, small or independent players are expected to record greater success in the segment of food trucks. For full-service restaurants that choose to compete in this segment with the objective of improving brand awareness, the challenge is doubled. It is not enough just to differentiate from other players; it is also necessary to maintain or improve the quality standard offered in fixed restaurants – something which is not always easy, considering the logistics requirements for food trucks. Freedom to innovate in terms of menu options is also greater for small or independent players, which makes it easier to differentiate and increase brand awareness.

Tough economic times may benefit food trucks in terms of sales, but as a consequence of the more attractive prices they offer, their success is expected to continue. Once they have attracted the attention of young consumers, combining good prices with high-quality and innovative food, it is unlikely that demand will decrease. Despite the fact that many food parks are still popping up and investing in structure and comfort, this should be perceived by consumers as a bonus. The main focus – especially for younger consumers – is on the experience, which helps to explain why some parks offer live music and/or DJs, and some trucks offer customers the opportunity to assemble their dishes the way they want.

With the increasing participation of food trucks at private events, the potential demand for franchising in this segment is also increasing, as one truck might be requested to be at various events at the same time. Brands such as Rolando Massinha, for example, already have two trucks (in its case, one specialised in pasta and the other in churros). The main obstacle for such market movement, however, is the lower experience of these players in consumer foodservice, which may limit the support provided to franchisees. Investment is quite similar to a regular chained kiosk or even a fast food restaurant, so it is very important that franchisees feel as supported as they would within any other segment.

Professionalism will be imperative for those who want to be successful. The acceptance of credit card payment, for example, is just one of the barriers to overcome. Careful planning in terms of costs and production will probably determine those which will last and those that will not. The publication of guides, workshops and professional advice provided by SEBRAE (Brazilian public body specialised in advice for micro and small companies) is expected to help new truckers to perform better in the market.

## Diversification and quality support channel expansion

Diversification is always a good strategy to stand out, increase visibility and therefore sales. In difficult times such as the current economic situation in Brazil, this is of extremely high importance in order to drive consumers to consume, especially when it comes to food. In this sense, high-quality ingredients and products and different locations play an important part in order to overcome the pricing barrier.

After the construction of in-house gourmet places and astonishing kitchens it is time to look for the right ingredient to be used in a certain meal and serve it in a dinner occasion or maybe sitting down in a renewed restaurant to share a dish (and moments). Both ideas are behind the main drivers of Eataly, the result of an

investment of more than BRL40 million in the heart of Sao Paulo. This concept was created eight years ago in Turin (Italy) as a big food market where one can find carefully selected Italian products mixed with several restaurants. The idea was an enormous success, and nowadays Eataly is present in 28 outlets in five different countries. With more than 7,000 items composed of home-made options, products from small regional producers and genuine Italian imports, as well as 13 establishments amongst cafeterias, restaurants and bars, this place connects with the consumer foodservice atmosphere of exclusivity and novelty.

Quality and gourmet options have gone beyond attracting high-income consumers, but also the middle-classes, crossing channels and reinforcing the premiumisation trend. Pizza fast food and 100% home delivery/takeaway operators are taking advantage of premium ingredients, such as the use of Philadelphia cream cheese by Domino's Pizza, and Catupiry and Andorinha by Pizza Hut. The year was further marked by the introduction of a new popsicle concept – "paletas Mexicanas". This is highlighted as a gourmet and artisanal version of the traditional popsicle, usually filled with condensed milk and/or fruit pulp, with an average weight of 120g; almost twice as much as the size of a traditional Brazilian popsicle. The major brand, Los Paleteros, is present in kiosks, and accounted for a 2% share of value sales in chained street stalls/kiosks in 2014, with the potential to grow in the short term. Bacio di Latte, through the concept of artisanal Italian recipes, is also expanding its business in kiosk format, and has plans to expand to international locations.

## Outlook

Diversification by means of gourmet and artisanal offerings is set to remain a strong trend during the forecast period, especially amongst higher social strata consumers, who are less affected by the hard economic situation in Brazil. In addition, these consumers are passionate about novelties and fancy food, and tend to look for places that they have visited on their international travels; supporting the continuous expansion of this trend.

Home-made options with selected ingredients and high quality are projected to perform well. Full-service restaurants such as Madero S.A. invest a lot of effort in this regard; in despite of the simplicity of its menu, with the main dish being a cheeseburger, its biggest claim lies in the manufacturing process, highlighting all the aspects mentioned above.

Fast food and 100% home delivery/takeaway are set to post value CAGRs of 6% at constant 2014 prices during the forecast period 2014-2019, with strong contributions from ice cream, pizza and burgers, amongst others. The incorporation of personalisation in such categories, with consumers having the option to switch, include or exclude a certain ingredient, will certainly be a factor in the decision over price, attracting those people who eat out constantly and seek different menu options.

Cost pressures due to inflation and the unfavourable exchange rate in comparison with the US dollar will challenge companies when trying to reduce costs and maintain prices to consumers. This scenario tends to benefit lower-cost solutions, such as kiosks, as the start-up costs and maintenance are normally lower than in full-service restaurants. For instance, it will be far more common to find adapted bicycles and other mobile kiosks in shopping malls (solutions already adopted by Bacio di Latte, Freddo and Diletto in ice cream).

## Mobile/online tools for food ordering: changes in consumers' habits

In the last couple of years 100% home delivery/takeaway presented positive double-digit current value growth rates. The current value growth rate in 2014 was 15%, reaching BRL2.0 billion. Growth in the number of transactions was 3% in 2014 – almost twice the rate in 2013. Especially in major cities and capitals, the pursuit of convenience, practicality and even safety were the factors which contributed to this performance. 2014 in particular was a remarkable year for the channel, with the boom of mobile apps and online platforms for ordering food.

The growth and consolidation of players such as RestauranteWeb (part of Just Eat international group), iFood (from the Brazilian company Movile) and also hellofood.com (Brazilian operation of foodpanda.com) contributed significantly to boosting value sales in this channel. The advertising carried out by these brands included prime time television campaigns, social media and massive promotions and discounts. This strategy brought a more dynamic pace to the penetration of these tools when compared with their performance in previous years.

In terms of market share, the leading brands are RestauranteWeb + iFood (merged in 2014) and hellofood.com. Other small regional players are gradually being acquired by these bigger groups, as part of a strategic growth plan. These players usually have a consistent and structured regional customer base, which helps these major groups to increase their penetration in all regions of the country. iFood, for example, bought several platforms in 2014, such as Alakarte (strong in Minas Gerais and Rio de Janeiro states), Papa Rango (focused on Sao Paulo, Minas Gerais, Mato Grosso do Sul and Santa Catarina) and Central do Delivery (Northeast region).



The expansion of online/mobile tools benefits not only small or independent players, which are now able to cover a wider delivery area and spend less on advertising, but also bigger chains. Players such as Babbo Giovanni, Lig-Lig, Domino's Pizza, Giraffa's, Makis Place, Yoi Roll's & Temaki, Subway and many others are already using these tools. Whilst for smaller players these represent their only marketing channel, in many cases, bigger players tend to see them more as a complement to existing channels. Domino's Pizza, for example, now deals with order requests by telephone, its own website and also these platforms.

## Outlook

100% home delivery/takeaway is expected to maintain a good performance in the forecast period, as a consequence of a good level of penetration in major Brazilian cities, and intense efforts to promote mobile/online platforms. Value sales are expected to increase by 5% at constant 2014 prices in 2015, presenting an increasingly positive performance in value terms over the forecast period.

Even though the economic scenario in 2015 might dissuade some consumers from eating out, 100% home delivery/takeaway should, in general, benefit. With the boom of online/mobile services, the competition is stimulated, notably in terms of price. Consumers see the benefit of this, as they can continue to eat their preferred type of food, but spend less. Although they still have to pay the delivery taxes, they can save money by avoiding service fees, parking costs and so on. The major impact of the boom of these platforms will be evident in 100% home delivery/takeaway, but the performance of full-service restaurants should also be impacted in different ways. If a restaurant is already operating with a delivery service, the negative impact of the economy should be mitigated, as consumers can still have food from the restaurant they like, but with the possibility of spending less. On the other hand, for full-service restaurants which only operate under an eat-in system, home delivery and takeaway services may take a share of their sales.

Despite the fact that the coverage of Brazilian states by these companies is reasonably high – iFood, for instance, is present in 15 states already – there is still a long way to go, and much potential for growth, mainly in the Northeast, North and Mid-West regions. Local players with good and consistent customer portfolios are likely to continue to be bought or incorporated by larger ones, as part of their expansion strategies.

However, the main competitor for these platforms is still the telephone. In Brazil, even though smartphones and internet access penetration rates are rising each year, changing consumers' habits is the hardest obstacle to overcome. Educating final consumers and restaurant owners to use these services must be their focus of communication, considering it involves developing a new routine for ordering food.

As part of a strategy to make these services more "human", and therefore encourage even the least daring in terms of technology to try them, these platforms should also invest in new resources and functionalities. In March 2015, for example, hellofood.com launched a channel for customer service through the app Whatsapp. The objective, according to trade press, is to provide support in terms of password recovery, online payment, cancellation, and even asking for suggestions for restaurants. The company expects to improve its relationships with clients and get closer to them, by choosing a strategy which is closer to a telephone service and might be more efficient at attracting the attention of end consumers.

## OPERATING ENVIRONMENT

### Franchising

- Franchising is prevalent amongst all channels in Brazil, and is operated by multinational and local players. Franchising contracts usually have a five year period, and investments vary in accordance with the type of business and expected revenue.
- Overall, franchising is more prominent in fast food, self-service cafeterias and street stalls/kiosks, although does not exclude other channels, such as full-service restaurants.
- There are some exceptions, including Starbucks and Havanna Café, which operate in Brazil through master franchisers. Chained full-service restaurants such as América, Viena Delicatessen (International Meal Co), Outback Steakhouse and Galetto's Grill & Pasta, and also Burger King in chained fast food, operate mainly through partnerships and/or owners.
- ABF is the franchising association responsible for several industries, including beauty and personal care, clothing, footwear, foodservice and tourism. The association aims to promote these industries by improving the management of franchising operators and the investment of local operators to enable them to expand in foreign countries.

- Annually, ABF publishes its Franchising Guide, with information about franchising chains (such as the number of outlets in the entire country and average sales per month, amongst others), suppliers and consultants in Brazil.
- Large operators present in consumer foodservice in Brazil include both international operators, such as McDonald's, Doctor's Associates and Yum! Brands, as well as local companies, including Al Saraiva Empreendimentos Imobiliários e Participações, Brazil Fast Food Corp and Restpar Alimentos, encouraging them to invest in acquisitions and joint-venture partnerships.
- The majority of franchising operators are local, and are concentrated in cafés/bars, fast food, self-service cafeterias and street stalls/kiosks. It is estimated that around 90% of such chains are franchises. McDonald's, Subway and Pizza Hut are part of the small group of foreign franchised brands present in Brazil.
- Pizza Hut entered Brazil through a joint-venture partnership with a local operator. Subway operates through franchising represented by Subway Systems do Brasil. Meanwhile, McDonald's, which is operated by Arcos Dorados in Latin America, manages company-owned outlets, but also outlets franchised to individuals or companies.
- No restrictions are imposed by the local authorities regarding the entry of foreign operators in Brazil. Such operators are only required to follow all the legal obligations of any consumer foodservice company in the country.

## EATING CULTURE

- Brazilians commonly eat three meals a day. Breakfast often includes coffee, orange juice, French bread with spreadable oils and fats or a regional type of spreadable processed cheese (requeijão) and fruit. The consumption of meat, eggs and cereal is uncommon during the early part of the morning. Lunch is typically consumed between 12.00hrs and 13.00hrs, and includes a wide variety of options, such as fresh salads, steak or chicken, rice, beans, potatoes, dessert (fruit or sweet) and coffee. Afternoon coffee breaks and snacks are customary, given that dinner is frequently consumed between 20.00hrs and 21.00hrs.
- Breakfast is not a popular meal when eating out in Brazil. In general, people prefer to eat breakfast at home before leaving for work, and their breakfast is very different from breakfasts in the US, which include vast and varied types of snacks in the morning.
- Lunch is a common meal, often being the most important meal of the day, in particular for workers.
- It is a habit in Brazil to eat out with a group of friends or colleagues, due to the fact that Brazilians prefer not to eat alone. Culturally, the population is accustomed to eating complete meals known as set meals (a side vegetable, steak or chicken or fish, rice, beans and eggs or potatoes) during lunchtime, despite the emergence of fast food establishments.
- Independent bars also serve a set meal of the day, including a small salad, rice, beans and one small portion of meat or chicken or fish, depending on the day of the week; for example, serving the traditional feijoada (rice with black beans and pork) on Wednesday, fish on Friday, and so on.
- Brazilians are passionate about coffee, which is drunk during the morning or break hours throughout the day. It is common to go to a cafeteria after lunch to drink a strong coffee prepared in the espresso or pod format.
- Natural orange juice, lemonade and carbonates are the preferred soft drinks amongst Brazilians during breakfast and lunchtime. After work (mainly on Thursdays and Fridays), friends and colleagues who work in large groups go to bars and/or restaurants (for example, if it is a special occasion to celebrate a birthday) for "happy hours", during which they drink beer and spirit-based drinks, besides snacking.
- During weekends families eat out, mainly for dinner. Middle- and high-income consumers prefer to go to restaurants, whilst low-income consumers opt to go to shopping centres, within which fast food establishments are preferred.

## MARKET DATA

**Table 1 Units, Transactions and Value Sales in Consumer Foodservice 2009-2014**

	2009	2010	2011	2012	2013	2014
Units ('000)	933.7	959.8	978.0	996.2	1,018.3	1,060.0
Transactions (mn)	22,826.2	23,649.7	24,149.3	23,963.6	22,591.0	23,243.9
BRL billion current prices	205.4	225.8	251.6	285.7	303.4	340.3
BRL billion constant prices	205.4	214.9	224.6	242.0	242.0	255.4

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

**Table 2 Units, Transactions and Value Sales in Consumer Foodservice: % Growth 2009-2014**

% growth	2013/14	2009-14 CAGR	2009/14 TOTAL
Units	4.1	2.6	13.5
Transactions	2.9	0.4	1.8
Value current prices	12.2	10.6	65.6
Value constant prices	5.6	4.5	24.3

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

**Table 3 Consumer Foodservice by Independent vs Chained: Units/Outlets 2014**

outlets	Independent	Chained	Total
100% Home Delivery/Takeaway	7,995.0	438.0	8,433.0
Cafés/Bars	415,063.0	2,224.0	417,287.0
Full-Service Restaurants	66,731.0	696.0	67,427.0
Fast Food	152,666.0	14,266.0	166,932.0
Self-Service Cafeterias	22,668.0	450.0	23,118.0
Street Stalls/Kiosks	373,224.0	3,578.0	376,802.0
Pizza Consumer Foodservice	15,409.0	880.0	16,289.0
Consumer Foodservice	1,038,347.0	21,652.0	1,059,999.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

**Table 4 Sales in Consumer Foodservice by Eat-in/Home Delivery/Takeaway/Drive-Through: % Foodservice Value 2014**

% value analysis	Eat in	Home Delivery	Takeaway	Drive-Through	Total
100% Home Delivery/Takeaway	2.1	96.7	1.2	-	100.0
Cafés/Bars	98.7	0.4	0.9	-	100.0
Full-Service Restaurants	86.7	1.3	12.0	-	100.0
Fast Food	81.2	2.8	15.8	0.3	100.0
Self-Service Cafeterias	97.4	0.1	2.4	-	100.0
Street Stalls/Kiosks	0.4	-	99.6	-	100.0
Consumer Foodservice	85.3	1.7	13.0	0.1	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

**Table 5 Sales in Consumer Foodservice by Food vs Drinks Split: % Foodservice Value 2014**

% value analysis	Food	Drink	Total
100% Home Delivery/Takeaway	97.9	2.1	100.0
Cafés/Bars	27.5	72.6	100.0
Full-Service Restaurants	63.4	36.6	100.0
Fast Food	84.2	15.9	100.0
Self-Service Cafeterias	87.9	12.1	100.0
Street Stalls/Kiosks	75.0	25.0	100.0
Consumer Foodservice	56.7	43.3	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

**Table 6 Sales in Consumer Foodservice by Location: % Foodservice Value 2009-2014**

% value	2009	2010	2011	2012	2013	2014
Leisure	1.6	1.7	1.6	1.7	1.8	1.9
Lodging	5.2	5.1	5.1	4.9	4.7	4.7
Retail	7.0	7.3	7.6	8.1	8.7	9.2
Travel	10.3	10.3	10.5	10.5	10.3	10.3
Stand-Alone	75.9	75.7	75.3	74.9	74.5	74.0
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

**Table 9 GBN Brand Shares in Chained Consumer Foodservice: Units/Outlets 2014**

	Global Brand Owner	outlets
McDonald's	McDonald's Corp	1,773.0
Subway	Doctor's Associates Inc	1,740.0
ampm	British Petroleum Co Plc, The	1,600.0
Coco Express	Vertbelo Ltda	1,082.0
Bob's	Brazil Fast Food Corp	1,072.0
BR Mania	Petrobrás Distribuidora SA	908.0
Shell Select	Koninklijke Shell Groep/Royal Dutch Shell Group	900.0
Nosso Bar	Anheuser-Busch InBev NV	450.0
Habib's	Al Saraiva Empreendimentos Imobiliários e Participações Ltda	435.0
Giraffa's	Restpar Alimentos Ltda	409.0
Burger King	Restaurant Brands International Inc	372.0
Rei do Mate	Rei do Mate Distr Imp e Exp Ltda	370.0
Casa do Pao de Queijo	CPQ Brasil S/A	365.0
Spoletto	Grupo Trigo	340.0
Chiquinho Sorvetes	Chiquinho Gestão Empresarial e Franchising Ltda	305.0
Chopp Brahma	Anheuser-Busch InBev NV	285.0
Entrepoto	AleSat Combustíveis SA	260.0
Grão Espresso	Grão Espresso Com e Ind Ltda	252.0
Hungry Tiger	Exxon Mobil Corp	218.0
Over Dog	Over Dog Ltda	203.0
Vivenda do Camarão	Vivenda do Camarão	200.0
Patroni Pizza	Patroni Pizza Ltda	179.0
Divino Fogão	Reinan Comércio de Gêneros Alimentícios Ltda	176.0
Sodiê	Cleusa Maria da Silva Salto ME	170.0
China in Box	RHS Franchising S/C Ltda	161.0
Fran's Café	Fran's Café Franchising Ltda	150.0
Mr Mix Milk Shakes	Mr Mix Franchising Ltda	150.0
Grilletto	Grilletto Franchising Ltda	130.0
Makis Place	Franqueadora Makis Place	120.0
Tempero Manero	Epaminondas Vaz Ltda	115.0



**Table 8 GBN Brand Shares in Chained Consumer Foodservice: % Foodservice Value 2011-2014**

% value	Global Brand Owner	2011	2012	2013	2014
McDonald's	McDonald's Corp	29.2	28.8	27.7	26.8
Subway	Doctor's Associates Inc	4.7	5.7	7.1	7.9
Bob's	Brazil Fast Food Corp	6.7	6.7	6.8	6.8
Habib's	Al Saraiva Empreendimentos Imobiliários e Participações Ltda	8.0	7.7	7.2	6.7
Burger King	Restaurant Brands International Inc	-	-	-	5.9
Giraffa's	Restpar Alimentos Ltda	3.7	3.5	3.4	3.3
Spoletto	Grupo Trigo	-	2.0	2.1	2.3
Outback Steakhouse	Bloomin' Brands Inc	1.5	1.7	1.7	1.6
Pizza Hut	Yum! Brands Inc	1.5	1.5	1.5	1.5
ampm	British Petroleum Co Plc, The	1.1	1.2	1.2	1.2
Vivenda do Camarão	Vivenda do Camarão	1.3	1.3	1.2	1.2
Casa do Pao de Queijo	CPQ Brasil S/A	1.8	1.3	1.3	1.2
Patroni Pizza	Patroni Pizza Ltda	0.7	1.2	1.2	1.2
Frango Assado	International Meal Co	0.7	1.0	1.0	1.1
Divino Fogão	Reinan Comércio de Gêneros Alimentícios Ltda	0.7	0.7	0.8	0.9
Montana	Gálica Comércio de Alimentos Ltda	0.9	0.9	0.8	0.8
Rei do Mate	Rei do Mate Distr Imp e Exp Ltda	0.9	0.8	0.8	0.8
Nosso Bar	Anheuser-Busch InBev NV	0.2	0.3	0.6	0.7
Chopp Brahma	Anheuser-Busch InBev NV	2.3	0.7	0.5	0.7
Koni Store	Grupo Trigo	-	0.3	0.5	0.7
China in Box	RHS Franchising S/C Ltda	0.7	0.6	0.6	0.7

**Table 10 Forecast Units, Transactions and Value Sales in Consumer Foodservice 2014-2019**

	2014	2015	2016	2017	2018	2019
Units ('000)	1,060.0	1,092.3	1,116.6	1,138.7	1,159.9	1,181.8
Transactions (mn)	23,243.9	23,709.1	24,174.3	24,600.6	24,999.0	25,409.8
BRL billion	340.3	353.6	369.1	384.4	399.5	415.4

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

Source: Euromonitor