In India, the Quick Service Restaurant (QSR) industry is undergoing major restructuring which is transforming the food and agricultural supply chain, consumption patterns of the population, and food industry competition. The transformations in India’s QSR industry can be attributed to the forces of globalization, urbanization, growing segment of black middle-class, and increased labour force participation by women. The QSR managers are using a combination of vertical and horizontal market coordination, branding, and product differentiation strategies to facilitate the efficient production, marketing, distribution, and consumption of fast food products in the country. The International Cricket Committee (ICC) World Cup, which was held in 2010, had exerted additional pressures on the QSR industry to improve their meal solutions, service offerings, customer responsiveness, and global competitiveness.

Fast food consumption patterns in India indicate that the tradition of eating home cooked meals is decreasing. As both household incomes and standards of living rise, more people are eating fast foods. Globalization and westernization of diets is also driving food consumption patterns. The increased demand for fast food by Indians, has led to significant changes in the alignment of the QSR industry structure. Previously, the industry was dominated by oligopolistic market structure but now a new form of configuration comprising multinational and regional franchises, independent food caterers, and informal traders has evolved. Most of the firms in Indian-QSR industry are operated as franchises while others are owned by independent newly emerging entrepreneurs that have mushroomed under the Broad-Based Black Economic Empowerment (BBBEE) policy.

India had to prepare to host an estimated half a million visitors from 32 countries during the ICC WC 2010, questions are being raised about the competitiveness and relative preparedness of its QSR industry in meeting the food needs of such a large segment of ethnically diverse consumers. The extent to which the QSR industry will cope with the surge in demand for a wide range of meal preferences remains unclear. Nonetheless, it is important to note that on the Asian continent, INDIA is one of the most culturally diverse countries with more than eighteen languages hence its name, the “Rainbow Nation.” Therefore, the diversity of INDIA-QSR meal choices may be attractive to those cricket fans willing to try something exotic.

Given the expected rise in consumer’s demand for fast food, changing consumption patterns and competition in the QSR industry, identifying strategies being crafted to respond to the diverse consumer preferences and industry rivalry is essential. These strategies are not only designed to win the competition, but are also shaping the organizational structure of one of India’s key industries. The expected surge in demand for all kinds of meals by thousands of cricket fans and their teams in India during the period from mid-June to end of July highlight the need to adopt strategies that will improve existing meal solutions, speed-up the pace of order taking and processing, and promote customer care and friendliness. To the visiting cricket fans and local consumers, the success of the ICC WC 2010 games will be measured by, among other dimensions, the ability of the QSR industry to deliver on customer needs and exceed their expectations. This implies superior speed when serving long lines of customers, increased convenience, food safety, and a wide choice of the flavours that customers seek.

The objectives of this paper are to; (i) examine the restructuring in IN-QSR industry, (ii) identify and describe competitive strategies being used by the QSR managers to respond to a growing demand in fast food, industry rivalry, and globalization and (iii) discuss challenges, future prospects, and research directions facing the industry.

**Conceptual Framework**

The complexity of today’s competitive and rapidly evolving food and agribusiness environment presents a myriad of challenges for managers . Understanding the competitive environment in which the QSR industry operates requires an appreciation of multiple perspectives to help craft long-term competitive strategy. Strategies are usually crafted in advance of the actions to which they apply, designed to outwit the competitor, and can be revolutionary. Further, crafting revolutionary response strategies involves redefinition of products, services, market segments, and the harnessing of creative potential in the industry.

This paper draws upon the industrial organization, Michael Porter‟s 5 forces, and information asymmetry literature as a basis to understand the restructuring of IN-QSR industry and the competitive strategies deployed. The Structure Conduct Performance (SCP) model describes an industry structure that influences firm conduct which in turn affects its performance. Structure deals with the number and size distribution of firms in the food industry. Conduct describes a firm’s pricing, advertising, product differentiation, procurement and other strategic behaviour. Performance is associated with fairness and efficiency of industry participants and is reflected in average production costs and relative profit levels. For instance, the use of “buyer power” by large supermarkets to demand more services and lower prices for fruits and vegetables has led to a declining proportion of the produce outsourced from small producers. Michael Porter’s model describes five competitive forces outside the firm; buyer bargaining power, supplier power, new entrance, product differentiation, and rivals, as key drivers affecting industry competitiveness. The utility of porter’s model is that it provides an analytical framework to determine how to gain competitive advantages by strategically positioning a firm within an attractive industry environment and then leveraging these advantages over rival competitors. Information asymmetry deals with problems of moral hazards and market failure. The paucity of information, inability to share or exchange available market information, the ability to extract rents from missing markets and hoarding information provides a basis for crafting strategies that not only enhance the flow of market information, but also creates competitive advantage from information exchange efficiencies.

Overtime the past two decades, the QSR industry has become increasingly global and highly competitive. The key factors that promote

Competition in the QSR industry is speed of service, quality of food, and a good price to value relationship. Crafting strategies that elevate competitive advantage is a key ingredient for success in the QSR industry. Competitive advantage in the global QSR industry is driven by various strategies such as franchising, maximization of brand equity, product and service differentiation, and corporate social responsibility. Franchising is a well-tested marketing strategy that started in 1935, accelerated in 1950s, and was popularized by McDonalds Corporations. The benefits of the franchising business model are well understood; and these are improved market access, risk sharing, and managerial support. A study on branding strategies in the QSR industry revealed a strong correlation between brand equity and revenues (Kim & Kim, 2004. Strategies for meal innovations in the United States have led to the integration of genetically modified meats and vegetable products to meet nutritional needs of aging baby boomers. Despite these advances, GM foods are still associated with consumer health risks, as well as environmental, ethical, and religious concerns. Further, global consumer concerns about pesticide residue and their human health risks are becoming more evident.

**Research Methodology and Data Collection**

The data and information used in writing this paper was obtained from a variety of sources and websites. The study is divided into two parts. The first part of this study is based on secondary sources such as the Statistics South Africa (STATSA), Franchise Association of South Africa (FASA), websites of key fast food restaurant operations, and a general review of the fast food industry literature including government publications (e.g. Department of Trade and Industry (DTI)). The second phase will involve an online survey of competitive strategies by managers of various fast food firms in all the 9 provinces of South Africa to complement the secondary data, and confirm some of the information obtained from key websites and literature survey. The respondents will be randomly chosen to accomplish the need to; (i) represent all the geographic regions of South Africa, (ii) include all the various kinds of fast food outlets or take-away establishments, and (iii) capture diverse competitive strategies being utilized or deployed by managers across the various parts of the country. Personal experiences as a consumer in South Africa coupled with observations and face-to-face communications with workers in the fast food industry provided some useful insights in writing this paper. This paper reports theoretical findings and observations from the first phase only.

There are three basic weaknesses to this study. First, a key limitation of the preliminary data is that it does not provide trends overtime yet the QSR industry is very dynamic and constantly evolving. Second, fast food industry uses procurement contracts with producers, and the latter‟s perspective on these procurement strategies could enrich this 6

type of study. Third, South Africa is hosting about half a million soccer fans who will be attending the FIFA WCS Cup 2010, and most of these people will be ordering and consuming fast food daily for three months. Understanding the food preferences and experiences of this niche market could have helped to provide key insights into global consumer perspectives of the effectiveness of competitive strategies being deployed by SA-QSR industry.