

Nigeria Foodservice - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts 2017 - 2029

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Report description:

The Nigeria Foodservice Market size is estimated at 10.01 billion USD in 2024, and is expected to reach 17.24 billion USD by 2029, growing at a CAGR of 11.49% during the forecast period (2024-2029).

Increased tourist arrivals from Asia led to great exposure to diverse Asian cuisines

- Quick service restaurants (QSRs) held the highest market share by foodservice type. With the increasing frequency of dining out in pivotal cities like Lagos, there has been an expansion in domestic and international fast-food chains. Residents in Lagos spent USD 125.4 per capita in dining out in 2022, representing 34% of total food expenditure. Fast-food consumption is popular among the residents owing to the affordability of the menu options and the convenience of consumption. The growth of online delivery services has also helped in improving the QSR landscape of the country by assisting the newly opened fast-food franchises in spreading their brand name to a wide base of customers. As of 2021, almost 97% of residents declared that they had ordered food via Jumia, one of the leading online food delivery services in Nigeria.

- FSR holds the second major share of the market. In the full service restaurants (FSRs) segment, Asian cuisine is expected to be the second most popular cuisine by market value. It is projected to register a CAGR of 10.91% by value over the study period. South Africa is a diverse country with a multicultural population. This exposure has led to a greater appreciation and demand for Asian flavors and dishes. In 2022, Nigeria witnessed the most tourist arrivals from Niger and India, with 9% and 5% of the total arrivals that year, respectively, followed by China, accounting for 4%. Also, owing to its close proximity to top tourist destinations in Africa, Morocco, Egypt, and Kenya, Nigeria is expected to attract more visitors from the Asian continent in the future.

- Cloud kitchens are projected to register a CAGR of 21.80% by value during the study period. Hephie's Cloud Kitchen and Hearth Cloud Kitchen and Cafe are some of the prominent cloud kitchens operating in Nigeria.

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Nigeria Foodservice Market Trends

Foodservice expansion driven by tourism, as Lagos emerges as the fourth most visited city in Africa, with visitors drawn to its rich culture and cuisine.

- Quick service restaurants (QSRs) occupy the largest share of the Nigerian foodservice market, owing to the high rate of consumption of fast food in the country. The market is characterized by local and international franchising models while it continues to expand and evolve. QSRs provide a wide range of fast-food options, including regional and international cuisines. Some of the major fast-food franchises in the country are Chicken Republic, PieXpress, and The Chop Box franchise. Chicken Republic has announced its expansion plans in the country to open 430 stores by the end of 2024. A few multinational QSR brands, such as Domino's Pizza, KFC, and Pizza Hut, are also present in the country.
- Lagos in Nigeria was the fourth most visited city in Africa in 2021, up by 5.8% from the previous year. Lagos welcomed 1.3 million visitors in 2021, and the tourist expenditure increased by USD 26 million to USD 710 million. The United Kingdom, the United States, Canada, and South Africa were the main source markets in Nigeria. Owing to the high propensity of visitors in the country, casual and fine diners have expanded in the country to cater to this base. Most international visitors prefer to try out traditional dishes while visiting Africa, owing to the richness of their culinary culture. This can be attributed to the 49.26% market share occupied by African cuisine in the sub-segment for other full service restaurant (FSR) cuisines. Some prominent African restaurants in the region include The Yellow Chilli Restaurant & Bar, Terra Kulture, and L'Afric. Cloud kitchen is expected to be the fastest-growing segment in the market. It is projected to register a CAGR of 9.44% over the forecast period, owing to the increasing internet penetration and usage of smartphone applications.

Increasing affluence and popularity of dining out drive demand for full service restaurants in Nigeria.

- The average order value was observed to be the highest among the full service restaurants (FSRs) in 2022, compared to other foodservice types, with a price of USD 29.92. The demand for FSRs in the country is driven by the increasing affluence of the population, the growing popularity of dining out, and the availability of a wide variety of cuisines like Asian cuisine, which accounted for a significant contribution. Some of the most popular FSRs in the country include Izanagi, Bungalow, Orchid House, and Jade Palace. These restaurants offer a variety of Asian cuisine, a popular choice among consumers. Popular dishes offered by the FSRs in the country were Abacha/Ugba, Iyan, Ewa Agoyin, and Soup, priced at USD 2.58, USD 3.45, USD 4.15, and USD 4.80 per 300 g, respectively, in 2022.
- Cloud kitchens are expected to grow at a faster rate in the country due to their ability to provide high-quality food at a lower cost. Cloud kitchens also have a significant opportunity for growth due to the increasing demand for food delivery services. The market is expected to expand rapidly, driven by technological advancements and a growing number of food delivery platforms. The average order value of the cloud kitchen segment was USD 9.75 in 2022. Popular dishes in the segment were fried chicken products and Suya - Spicy Grilled Kebab, priced at USD 3.45 and USD 3.78 per 250 g, respectively, in 2022.
- The average order value of quick service restaurants (QSRs) increased by 4.25% from 2017 to 2022. The QSR segment has been expanding rapidly due to the increasing number of international and local fast-food chains entering the market. Popular dishes

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offered by the QSRs in the country include Puff Puff Fried Sweet Dough Ball and Akara, priced at USD 2.54 and USD 1.86 per 300, respectively, in 2022.

Nigeria Foodservice Industry Overview

The Nigeria Foodservice Market is fragmented, with the top five companies occupying 2.69%. The major players in this market are Devyani International (Nigeria) Limited, Eat & Go Limited, Food Concepts PLC, Tantalizers PLC and United Africa Company of Nigeria PLC (sorted alphabetically).

Additional Benefits:

- The market estimate (ME) sheet in Excel format
- 3 months of analyst support

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