

Saudi Arabia Quick Service Restaurants - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts 2017 - 2029

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Report description:

The Saudi Arabia Quick Service Restaurants Market size is estimated at USD 9.35 billion in 2024, and is expected to reach USD 14.59 billion by 2029, growing at a CAGR of 9.31% during the forecast period (2024-2029).

The rising popularity of burgers among the younger population is leading to the expansion of fast-food chains across the country

- By cuisine, the meat-based cuisines segment is expected to dominate the quick service restaurants (QSRs) market in 2023. In the past three decades, chicken has surpassed beef and pork as the most popular meat consumed in Saudi Arabia. In 2022, Saudi per capita poultry meat consumption was estimated at 40.68 kg. Therefore, a majority of Saudis favored chicken-based cuisines. This scenario has pushed the operators to add more items, such as kabsa, ghuzi, and harees, to their menu offerings. Multiple QSRs have added fried chicken sandwiches to their offerings.

- The burgers segment holds the second major market share in the market studied. It registered a CAGR of 7.54% during the study period. Burgers have become increasingly popular in Saudi Arabia in recent years. The growth of fast-food chains and the increasing availability of international food options have contributed to the popularity of burgers in the country. Many global fast-food chains, such as McDonald's (214 outlets), Burger King (200 outlets), and KFC (220 outlets), have a significant presence in Saudi Arabia. They offer a variety of burger options in the country. Local fast-food chains, such as Al Baik and Kudu, also offer their own takes on the classic burger.

- The chained QSRs segment is the fastest-growing segment by outlets in the market. It is projected to register a CAGR of 9.37% during the forecast period. Chained fast-food restaurants are on the rise in Saudi Arabia as consumers favor traditional and local fast food along with healthier and quality foods. The most widely preferred fast foods in the country are kebabs, hamburgers, pizzas, and ghuzi. Pizza and kebab were priced at USD 5.8 and USD 6.4 per 300 g, respectively, in 2022.

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Saudi Arabia Quick Service Restaurants Market Trends

Saudi Arabia's quick-service restaurant industry growing in popularity among the youth, due to the increase in disposable income

- Quick service restaurants are expected to register a CAGR of 5.99% by value during the study period. Saudi Arabia has a large and growing youth population, and younger consumers tend to be more open to trying new foods and experimenting with different cuisines. Around 85% of Saudi Arabian youths prefer fast food to home-cooked food. Fast-food chains offer a range of items that appeal to younger consumers, including burgers, pizzas, and fried chicken. In addition, students with the highest monthly family income of USD 5,599.73 and above registered a significantly higher frequency of fast-food consumption than those with a lower monthly family income.

- The fast-food franchise in Saudi Arabia is expected to grow in 2023. Facilities such as drive-thru, takeaway, and home delivery are widely used by Saudis. Some of the major QSR chains operating in Saudi Arabia include global brands such as McDonald's, KFC, Subway, and Burger King, as well as local brands such as Al Baik and Herfy. These chains have been expanding rapidly in the country, with many opening new locations in major cities and towns. The initial requirement to set up franchises of global fast-food chains like McDonald's in the country ranges from USD 1.05 million - USD 2.23 million, depending on the location. Similarly, for KFC, the initial investment required is USD 1.44 million - USD 2.77 million. The key driver of growth in the QSR outlets in Saudi Arabia is the increased adoption of online and mobile ordering platforms, with a high percentage of the population now owning smartphones and having access to the internet. Saudi Arabia is the third-largest smartphone market in the world, with 72.8% of its population owning a smartphone. Many QSR chains have invested in digital ordering and delivery systems to meet the growing demand for convenience.

Popular QSR dishes in Saudi Arabia include burgers, kebabs, fried chicken, pizzas, qatayef, and sandwiches

- With the limited availability of entertainment options, the culture of eating at restaurants and food trucks gained prominence in the country. The consumption of fast food particularly increased among the younger population of the country. In 2022, around 30% of the population consumed fast food more than twice a week. Despite the cost of living, consumers have recently spent more money on takeaway and fast food than ever before. This increase is especially noteworthy because it follows the takeaway tradition post-pandemic. Moreover, with a relatively high per capita income of USD 24,216 in 2022, Saudis spent about 18% of their income on food and an estimated USD 355 monthly on eating out in restaurants.

- Popular QSR dishes preferred by the consumers in the country are burgers (costing USD 6.8 per 300 g), kebabs (USD 6.4 per 300 g), fried chicken (USD 7.25 per 300 g), pizzas (USD 5.8 per 300 g), qatayef (4.6 per 300 g), and sandwiches (USD 5.2 per 300 g). The average order value in the QSR segment increased by 9.75% from 2017 to 2022, owing to the rising inflation rate, which increased by an average of 3-4% from 2017 to 2022, and the number of orders per year which increased to more than 26,362 per outlet in 2022. In recent years, local investors have also developed new home-grown QSR chains along with expanding their franchises. For instance, as of 2022, local chain Maestro Pizza had over 170 outlets and was preferred by many Saudi and Arab consumers for its quality and price. It has become a formidable competitor to several global chains like Pizza Hut and Domino's. Also, another local chain Al Baik has become extremely popular in the country, with its outlet count expected to increase from 40

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to 150 during the study period.

Saudi Arabia Quick Service Restaurants Industry Overview

The Saudi Arabia Quick Service Restaurants Market is fragmented, with the top five companies occupying 1.91%. The major players in this market are ALBAIK Food Systems Company S.A., Americana Restaurants International PLC, Fawaz Abdulaziz AlHokair Company, Herfy Food Service Company and M.H. Alshaya Co. WLL (sorted alphabetically).

Additional Benefits:

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

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