The Nutritious Food and Beverage Sector: Exploring and Understanding Trends, Insights, Opportunities and Challenges in U.S.A.

Mohd Suleman*

Doctoral Candidate, Argosy University, U.S.A.

*Correspondence:
Mohd Suleman, Doctoral Candidate, Argosy University, U.S.A, Tel: 6786328649; E-mail: harvard7841@gmail.com.

ABSTRACT

People spend more on restaurants than groceries. As it is evident most of the time in societythat the junk and restaurant food have become habit of kids, youngsters, teenagers, adults, andadolescents today. They like non nutritious food items in their daily lives. Despite availabilityof nutritious food supplements in the market, there is need of nutritious products in the marketsince there is lack of nutritious food items in supply chain and retail marketing of manybusiness entities. The entrepreneur and marketer need to focus on making widespread publicawareness and implementation of strategic planning related to nutritious items at micro andmacro level in society. The strategic initiative of all shareholders and stakeholders willtransform and change the nutritious business in the market. The organizations can deliver corporate social responsibility and ethical business practices once they start to serve nutritious items to the entire population. The paper will explore and understand the trends, challenges,and opportunities for nutritious products in fast food sector. The collection and findingsof data will give incredible insights to entrepreneurs, scientists, innovators, domesticcompanies, and MNCs around the world about nutritious food items. The paper will show stakeholders and shareholders about how the nutritious products can overcome the problem ofhealth and obesity among diverse people in society. The researcher used and mentionedsecondary data, personal experience, and observation of fast food restaurants in U.S.A. Thepurpose of the study lies in SWOT analysis of fast food sector in U.S.A. The findings andresults came in terms of suggestions and recommendations to new and existing business entities.

Keywords

Introduction

With inclusion of different types of research in fast food restaurants, they did consider obesity, nutritious, and other health issues over times. These researches date back to two decades ago. Over this period of time, many things have changed in fast food restaurants in U.S.A. There is need for modern qualitative and quantitative research in all areas of nutritious and fast food restaurants across U.S.A. McDonald's launched Smoothie since the brand understood the needs and wants of consumers. The research claims that one mother gave cold breakfast cereals to her children. The children became hungry before lunch time. It was observed and analyzed that the cold breakfast cereals did not work on children. MacDonald's understood the problem of these customers. It launched smoothie in its restaurants so that consumers may satisfy their hunger and needs. The current research followed suit. This article gives insights and recommendations to new and existing entrepreneurs for starting and expanding business of fast food restaurants. The article is helpful for all shareholders, stakeholders, suppliers, employees, customers, and executives, innovators, entrepreneurs, small, and large companies in the sector.

Some Fast Food Restaurants or Brands in U.S.A.

Many brands sell more or less nutritious food items under their umbrellas. The following brands sell more or less these food items in many ways across United States.

MacDonald's: The brand sells salads, chicken, fruits, vegetables etc.
Chipotle: The company deals in burritos, tacos, salads, rice, beans etc.
Panera Bread: The brand deals in healthy soups, salads, sandwiches etc.

Wendy's: The brand sells chicken salad & grilled chicken wraps.
KFC: The chain of restaurants serve grilled chicken, corn cobs, green beans etc.
Subway: The brand sells whole grain bread, vegetables, salads etc.
Chick-fil-A: The brand serves salads, grilled chicken, chicken nuggets, multi-grain breakfast etc.
The Cheesecake Factory: TThe brand sells sea foods, veggies, salads, appetizers, fish etc.

The above mentioned brands reflect a few food items. They may have different menu in their restaurants in terms of needs and wants of customers in a specific location.

Nutritious Food Items of Fast Food Restaurants in U.S.A.
Meat Items: The different brands include to sell (i.e.,Turkey, Ham, Meat Ball, Chicken Patty, Rotisserie, Chicken, Steak, Tuna, Cold Cut, Pepperoni, Salami, Bacon, Rib Pork, B.L.T., B.M.T., Italiano, Subway Club, Egg, Meat Salad and other items).

Veggie Items: The different brands deal in (i.e., Veggie Delight, Veggie Patty, Salad, Cheese, and Veggie Pizza).

Desserts & Drinks: The various brands include to sell (i.e., Ice-Cream, Bowl of Fresh Fruits, Smoothie, Sweet Tea, Un-sweet Tea, Cold Tea, Slushie, Fruit Juice, Coffee, Nutritious Drinks, Cock, Pepsi, and other drinks).

Condiments: The brands included to use (i.e., Mayonnaise, Light Mayonnaise, Mustard, Brown Mustard, Ranch, Honey Mustard, Caesar, Barbeque, Ketchup, Mint, Buffalo, Sriracha, Chipotle, Salt, Pepper, Salsa, Oregano, Olive Oil, Vinegar, Salsa, Relish, Soy, Thousand Island, and Parmesan).

Vegetables: The brands include to use (i.e., Onion, Cucumber, Tomato, Green Pepper, Spinach, Olives, Jalapeno, Pickles, Mushroom, and Banana Pepper).

Fries & Chips: The various brands sell (i.e., Different flavored Chips, Potato Fries, and Patties).

Breads: The various brands included to use (i.e., Wheat, Multi Grain, Italian White, Honey Oat, Italian Cheese, Bagel, Bun, Wrap, Flat Bread, and Banana, Corn, Brown, Graham, and Muffin).

Cookies: The various restaurants and brands included to sell (i.e., Chocolate, Double Chocolate, Raspberry, White Macadamia, Peanut Butter, Ginger Bread, Oatmeal Cream, Garbage, Fluffernutter, Raisin, and other cookies).

Cheese: The varied brands included to sell (i.e., Pepper Jack, American, Provolone, Cheddar, Shredded, and Mozzarella Cheese).

The above said menu and ingredients are more or less in every brand in U.S.A. This shows the product line, depth, and width in restaurants business. There are opportunities for adding more such items in menu of fast food restaurants in U.S.A. The SWOT analysis helps understand business at micro and macro level. The strength and weakness are internal variables that a company can manage while opportunity and threats are external factors or macro variables controlled by external environment. The analysis will help analyze business of fast food restaurants from different point of views. This analysis can assist new and existing business entities to enter and expand new and existing fast food business in U.S.A.

Strengths
The fast food sector has the following strengths in the market. There is huge possibilities and opportunities available in the business. This statistic ranges from 2004 to 2018. In 2013, the number of fast food employees became 3.65 million in the U.S. In 2018, the number of employees was expected to be 3.8 million.

There are about 50,000 fast food chains across the United States. McDonalds remained largest restaurant chain In the world (Google Map, 2018).

Product Length, Depth, and Width: The sector has potential to leverage product innovation. The restaurants have a line of products that include chips, drinks, sandwiches, and cookies. The depth of products lies in small, medium, and large sizes of drinks and food items in restaurants. The width of products comprises of add-on items like toys for kids and other complimentary items. This shows strength of fast food restaurants across U.S.A.

Differentiation, Price, Quality, & Brand Loyalty: The fast food restaurants have differentiated themselves in terms of price and quality. Chipotle is known for using high quality ingredients in its food items while MacDonald's is popular for low price food items. These chains of fast food restaurant have achieved sustainability and competitiveness through differentiation in the market. They understand bargaining power of customers and suppliers.

Change in Demographics: Change in Demographics: The fast food restaurants have got a change in demographics as well. The half of adult goes outside homes and eats on a typical day in restaurants across U.S.A. It means that they visit restaurants four times in a week. The income of people has increased in U.S.A. They want to spend this in-disposable income on food items in restaurants. People became more educated in U.S.A. That is why they became more health conscious. They want to consume organic and nutritious food items. This is the trend ongoing in U.S.A. The buying behavior of consumer has changed a lot. They need fresh, nutritious, quick, and convenient products or services.

Competitive Advantage: The fast food restaurants got loyal customers. These loyal customers are the biggest source of more business. The IHOP changed its name recently. The brand did change letter B in the last letter of its name. The name became IHOB. The change of name will sustain existing customers with more new customers. MacDonald's introduced Mac Café in its product line. It did add new sub-brand and met the needs of

customers for coffee and teas. Chipotle introduced meat items in its menu in U.S.A. The innovation and expansion of products led to competitive advantage in fast food business.

Weakness

The weakness shows areas for improvement. If the weaknesses are overcome, they become strengths. The fast food restaurants got the following weaknesses in the sector.

Availability of Chemicals, Preservatives, Artificial Color and Flavor in Food Items: The consumers and critics claim that fast food restaurants use chemicals, artificial color, and flavor in its food items. This is one of the weaknesses in restaurants. The restaurants are taking initiatives to turn this weakness into strength. They are directing their supply chains to improve ingredients, packaging, and other specifications of products.

Obesity and Unhealthy Food Items: The consumers and critics claim that fast food items are unhealthy. It grows obesity and other diseases. People follow previous researches which claim that the more, a person takes fast food items in restaurants, the more he/she becomes obese. The consumers shifted their preferences to low fat, sugar, and sodium free items. The research claims that the sale of these items has decreased in grocery stores across U.S.A. It shows that people became health conscious now.

Lack of Concepts and Other Marketing Elements: There is always gap in the market of fast food items. The business needs to learn and innovate its concept and elements of marketing mix over times. If a fast food brand needs efficiency and effectiveness in its operation of business, it will need to implement Eight P's of marketing mix effectively.

Lack of Innovation: There are century old brands. If they innovate their products, services, and entire supply chain effectively, they will attain sustainability both in the market and society.

Emergence of Issues Due to Lack of Transparency: The fast food restaurants have grappled with many uncertainties. MacDonald's faced transparency issue in the market. The problem of unhygienic food items came from customers and critics. MacDonald's resolved the problem by starting online and offline chatbts. They heard the complaints of customers and resolved them through proper communication on time. MacDonald's started to show the method and process of its cooked food items in restaurants. Thus, MacDonald's maintained transparency in its chain of restaurants. The issue of transparency lingers in the business. This is a weakness. The company must be ready to meet any such uncertainty in advance. Technology can facilitate channels of communication to resolve such issue. The organizations must understand the importance of social media to link customers at large in a short span of time.

Opportunity

The opportunity reflects possibilities and gap to be tapped in the business. The opportunity reflects growth and expansion of business entity in terms of products and services. The fast food restaurants are enjoying the following opportunities in the market.

Changing Buying Habits of Consumers: Consumers eating habits are changing in U.S.A. They like fast food items. They prefer to visit restaurants and enjoy eating experience there.

Possibilities for Expansion & Diversification: There are many opportunities in terms of innovation and diversification. The chain of restaurants can target other regions also. There are gaps to be tapped in product lines and concepts.

Demand for Fresh and Organic Food Items: The consumers have become educated. This trends resulted in awareness of health consciousness among people. They want to take organic and fresh food without preservatives and artificial color. The is an opportunity to exploit by entrepreneurs.

Age of Automation, AI, Robotics, & Machine Learning: This is the age of automation, artificial intelligence, virtual reality, and machine learning. The modern technologies have improved efficiency and effectiveness of processes and systems in fast food restaurants. The driverless car can provide delivery of food items at the doorsteps of customers. Some grocery stores have started to use such car. Now, customers do not need to be in line and queue for long time in restaurants. They can give their orders online and pick up food items at restaurants. The mobile app has facilitated the process of all types of purchase and transactions in restaurants. These technologies are opportunities for competitive advantage that can optimize supply chain and deliver good customer experience in restaurants. One restaurant started to give customer experience through Hologram on dining table before serving food in France. The customers enjoyed the story of the restaurant on visual plate of Hologram. The advanced technology will facilitate transaction and payment by scanning or reading face and eyes of customers in restaurants. The big data has potential to customize and personalize communication, messages, and promotions of fast food restaurants to its target customers effectively.

Threats

There are many threats to sector of fast food restaurants. There in intense competition among rivals and brands. There are dilemmas to new entrant in the market. The new and existing business entity will have to formulate strategies to win over customers in this sector. It is possible through acquisition, new concepts, diversification, innovation, and sustainable initiatives. The fast food brands are well established and reputed among people in U.S.A. It is upto the entrepreneur or company about how they differentiate its concepts and enter the market. The government regulates certain meats in U.S.A. The margin and profit remain constant from meats in restaurants.

There is a perception of customers, critics, and employees who claim that staff of fast food restaurants are underpaid. This is the threat to morale and motivation of employees in restaurants. The entrepreneur or company must resolve this issue so that

they may have good image and perception from customers and employees. If the issue remains unresolved, the new and existing business entities will not be able to enhance motivation level of its employees. Ultimately, this is the front staff who has direct interaction with customers in restaurants. The positive attitude and level of motivation will determine customer service or experience of customers with the employees. The fast food restaurants face problem of high cost in the business. However, the alternative lies in starting mini and customized units of restaurants with multiple varieties of food items. This activity will increase footfall and conversion in restaurants. Thus, the restaurant brand will be able to achieve breakeven point in a couple of months rather than waiting for two or three years. This strategy is helpful for low budget restaurants as well. There is threat of new products, substitutes, and supplements in fast food restaurants. The chain of restaurants needs to adhere top legar rules, laws, and regulations in a specific location over time so that it may continue its sustainable business in society. The companies need to shoe complete transparency in its operation, processes, services, and delivery of food items.

Conclusion and Recommendations

There is need for further research in fast food restaurants. There are many opportunities in this sector. As the demographic of consumers, technology, and consumer buying behavior underwent a sea change over last two decades. The marketer needs to understand new market dynamics and mechanisms. Accordingly, they must customize and personalize their services for new generation of educated and health conscious consumers in U.S.A.

- There are many possibilities for research and business in Fast Food Sector. The new and existing entrepreneurs have to find them in terms of product line, depth, width, concepts and brands.
- There is need for delivery of good restaurant experience like Homemade Food Items in restaurants. The companies have to understand about how they can provide customers with homemade food items that should be full of tasty, delicious, healthy, and nutritious menu in restaurants. This opportunity to be tapped by new and existing entrepreneurs. Today, customers need such service from restaurants in U.S.A.
- The entrepreneur must focus to use new technologies that can streamline processes, and systems. The technologies can facilitate the customer buying and eating experience in restaurants. This is the right time to customize services and products in the market. There are latent opportunities in product line. The entrepreneur can optimize the scope and significance of breakfast, lunch, dinner items in restaurants. There is opportunity for cutting cost and accelerating quality through small units and different varieties of food items in restaurants.
- There will be demand and awareness for nutritious food items since customers' demographic factors are changing in U.S.A. The modern customers want quick, fast, convenient, and quality products or services in restaurants. They are ready to pay even higher prices to organic, fresh, and locally sourced food items. This trend is prevailing across U.S.A.

- The fast food restaurants will continue to win trust and transparency. If the new and existing entrepreneurs gain trust of customers, they will reap higher sale, revenue, and profitability.

The companies need to analyze any uncertainty proactively. They must be ready to meet any issue in advance. The regular feedback of customers and critics will help facilitate the operation of business on daily basis. There is need for continuous interaction with customers who can guide entrepreneurs for improved products and services in restaurants. If the entrepreneurs listen to customers effectively, they will be able to achieve relevancy and mission of brand in fast food restaurants. This is the need of hour now. The social media and other means of communication can help achieve this objective since it can leverage interaction with customers effectively.

The SWOT analysis of fast food restaurants is helpful for new and existing business entities that want to enhance sale, profitability, and revenue through effective ways of operation in restaurant business. When the new and existing chain of fast food restaurants opt for scale and market, they can achieve it by cutting cut cost through innovation in marketing, supply chain, and operation of fast food restaurants across U.S.A.

Conflict of Interests

The researcher gleaned knowledge through observation of fast food restaurants in U.S.A. The investigator gathered and analyzed information, knowledge, experience and observation in this article in terms of commentaries. The article may have less or more relevancy of information about brands of fast food restaurants in other works. That is not duplicate work. The information has been analyzed and presented in new informed way. The researcher has used Google map for sourcing some figures. The source of this information has been revealed. The investigator mentioned all practical examples of fast food restaurants in U.S.A. The name of these brands have been mentioned as examples in the article. All this information is open to public. The researcher met executives of Macdonald's and Chipotle. Thus, the researcher gained practical examples. The observation and personal meeting facilitated the knowledge about Macdonald's, Chipotle, and other brands with fast food restaurants in U.S.A.. The facts may overlap in other works.

qualitative research done by me. I did give oral presentation of this article on Nutritious Biochemistry conference held at Prague Czech on September, 2018.

References

1. Bonnie Tandy Leblang; Carolyn Wyman: Supermarket Sampler // Critique of new food items// Nutritious, tasty hot sandwiches for folks on the go: [MORNING Edition] Special to the Register. Orange County Register; Santa Ana, Calif. [Santa Ana, Calif]21 Mar1996: 02.
2. https://www.hpe.com/us/en/insights/articles/developing-a-taste-for-big-data-1710.html
3. https://www.google.com/search?q=how+many+fast+-food+restaurants+are+available+in+u.s&spell=1&sa=X-&ved=0ahUKEwjhiYGiw9LeAhVFnAKHYN9Bmc-QBQgvKAA&biw=120&bih=664
4. Global Industrial Robotics in Food and Beverage Industry Market Growth Forecast and Analysis Report to 2020: Dniamericas M2 Presswire; Coventry 2015.
5. Global Industrial Robotics Market (Products, Functions, Applications and Geography) -2014, Global Industry Analysis M2 Presswire; Coventry 2014.
6. Global Organic Food and Beverages Industry Outlook to 2016- Rising Health Awareness Anticipated to Escalate Demand M2 Presswire; Coventry 2013.
7. Industry Dynamics, Growth, Threats & Opportunities in the Food and Beverage Industry -2012-2013 : Survey Intelligence PR Newswire; New York 2012.
8. Research and Markets: Sustainability in the Global Food and Beverage Industry 2012-2013:
9. Introduction of Healthy Food Items Predicted to Emerge as a Significant Trend in the Global Quick Service Restaurant Market Until 2019, Says Technavio Business Wire; New York 2016.
10. Industrial Robots for Food & Beverage Industry: Global Market 2016-2022; New Report Launched M2 Presswire; Coventry [Coventry] 2016.
11. Kirkpatrick SI, Reedy J, Kahle LL, et al. Fast-food menu offerings vary in dietary quality, but are consistently poor, Public Health Nutrition; Cambridge. 2014; 17: 924-931.
12. Morin, Richard. Why Fast Food?; Poll Shows Convenience Is What Counts: [FINAL Edition] The Washington Post pre-1997 Fulltext Washington, D.C. 1990: e01.
13. Solomon, Neil. Supermarkets offer nutritious fast foods: FINAL Edition The Gazette; Montreal, Que. 1992: C4.
14. Trends and Opportunities, Budgets, Food and Beverage Industry Procurement, and Marketing Initiatives Business Wire; New York 2012.
15. US Social Media Mobile Marketing Strategies and Innovations in Food & Beverage Industry, H1 2014PR Newswire; New York 2014.