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McDonald's to bring McCafé to India

Our Bureau

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Hardcastle Restaurants, master franchise for west and south India operations of McDonald's Restaurants, is finally bringing its coffee retail format McCafé to India. It would be launched within the existing McDonald's restaurants and the first opening will be at So Bo Central outlet in Mumbai. More than 150 McCafes are expected to be set up in the next five years.

Amit Jatia, Vice-Chairman and CEO, Hardcastle Restaurants, said, "McCafes would serve as a beverage destination and apart from coffee there would be added beverages like juices and ice teas. We are positioning the McCafé as premium coffee with affordable pricing and

are expecting incremental sales from this format."

It has marked an investment of Rs 35 lakh for each McCafé format.

"It is a tough environment to operate in but the QSR segment is growing between 10 and 12 per cent and within it there is phenomenal growth for the coffee segment which is expected to reach \$700 million in the next five years," added Jatia.

The 75-100 McDonald's outlets slated to be launched in the next two years will measure almost 4,000 sq ft and would include the 500 sq ft McCafes within it. The existing McDonald's outlets would undergo renovation to facilitate the new format within its premises.

Currently McDonald's serves beverages under Coca-Cola's brand of Georgia tea and coffee. But once McCafé gets launched, Georgia branded beverages may get discontinued.

Beverages at McCafé will be priced Rs 90 onwards for a latte or cappuccino which will be made from Arabica beans sourced from the coffee plantations at Chikmagalur in South India.