

# Food a rocketed boom. despite fierce competition within

[Art & Culture](#), [Music](#)



**FOOD TRUCK BUSINESS PLAN** Food trucks are commonly seen in foreign countries and considered a thriving business there, but in Pakistan this trend is not very common. Over the last few years the food industry has gained quite a lot of attention and people are becoming more open to changes. This particular industry in Pakistan is seen to be undergoing a rocketed boom. Despite fierce competition within the industry, it has managed to report profitability and is well-received by the public. In Pakistan, statistics have revealed that the fast food industry is the second largest industry, with approximately 169 million consumers, as reported in 2013. Furthermore, this sector accounts for 16% of the total employment in the manufacturing sector. An industry with such dynamics has a great probability of exceptional growth in the future as well. Within this industry, a food truck would be a new concept for most of the Pakistani's.

As we all know Pakistani's love to eat, and they have recently opened themselves to new food experiences. Accordingly, we believe that with the right marketing strategy we can make our business thrive. **DETAILED DESCRIPTION OF OUR BUSINESS** The food truck business is a mobile food business that would provide food services to customers. The truck carrying the food would drive to a suitable location within easy access of customers so that they can easily walk up to the truck's window and order their food.

Only healthy and hygienic food will be served in our food truck that is both tasty and affordable. A food truck can carry quite a variety of foods and some sophisticated equipment for cooking, storing, preparing foods and serving. Traditional food trucks were known for providing lunches, typically

sandwiches, kebabs, burgers and other standard fare for the lunch crowd. Food trucks are larger than carts. The trucks can handle more business as they can carry more food. However, food trucks need more space to park both when doing business and when off-duty. There are two types of food trucks.

One is the mobile food preparation vehicle (MFPV) where food is prepared as customers wait, hopefully not very long. The other is the industrial catering vehicle (ICV), which sells only prepackaged foods. For our business we would drive an MFPV (mobile food preparation vehicle) as this fits our business description. We would prepare the food on the spot for the customers so as to keep the food fresh and healthy. Vision Statement: The food Truck will help provide community with healthy, sustainable, affordable and simple food that is both pleasing to the eye and tasty. Mission Statement: To become the most popular and successful food truck in Islamabad by providing a complete package of tasty, healthy and affordable food with quality customer service on wheels. Value Proposition: The Food Truck provides the solution of convenience to consumers in Islamabad area, by offering healthy and sustainable food at a competitive price.

The value proposition reaches the consumer, as it provides sustainable solutions to many of their environmental and social problems such as affordability and hygiene. The food truck is a value driven business that provides accessibility, high quality sustainable food, convenience, all that at comparatively low prices. Our truck provides our customers with accessibility and convenience in three ways as mentioned below: 1.

By providing healthy meals quickly. 2. Making the food in front of the customer so it ensure hygiene 3.

By driving near customer's workplace so they can easily have good food within their lunch break and reach office in time. Another competitive advantage is that the food will be consistent in quality, taste and price and this service will be reliable. Our business will focus towards providing the following values to our consumers: 1. Quality food 2. Accessibility 3. Convenience 4.

Reasonable Price 5. Friendly Environment 6. Sense of community

INDUSTRY ANALYSIS Porter's Five Forces Framework: Threat of New Entrants: The Fast Food/Restaurant industry in Pakistan is highly fragmented; occupied with many quick service and dine in restaurants and numerous cafes and coffee shops including café burnout or papa roti.

These brands are extremely valuable, boasting strong customer loyalty and recognition; indicating consistent quality and service. Key players including chaaye khana and street 1Cafe adapt their marketing orientation to suit local cultures and social norms, strengthening the brand and avoiding consumer alienation. Established cafes and restaurants have the resources to retaliate aggressively through pricing promotions, deterring new players from entering the marketplace. New entrants lack economies of scale, which existing cafes have developed over time, and utilize to remain competitive in this low-margin, high-turnover industry. However, social media websites have evened the playing field in terms of marketing communications; they

allow firms to efficiently communicate their message inexpensively. Initial capital outlay and fixed costs are low, encouraging new entrants. In this situation we would be one of a kind food truck.

However, the imitability of the product is such that the threat of new entrant is very high. In these circumstances or brand identity and customer loyalty are the only things preventing new entry. Threat of substitutions: Substitutes are readily available. Fast food products and ready-made products are available in any nearby restaurant, dine-in and cafes. However, convenience is the value adding component of the service which reduces the threat of substitutes but with many differentiated players and varying service offerings, customers can select the best value option. Consumers can cook at home cheaply, but this lacks the convenience element which people require nowadays. Even though the switching between substitutes is low and market is highly fragmented, we would have any edge over other cafes, being a one of a kind food truck in the area.

.. Power of buyers: The market's competitiveness increases buyer power and customers are price sensitive with no or low switching cost between providers. However, key players attempt to reduce buyer power, offering a product range which caters for the entire demographic, rather than one specific segment. For example we would target youth with our snacks menu and attract professionals by providing different fast food choices like sandwiches, soups, salads and beverages. Already present fast food services target the segment, for which the products offered by them are well

affordable as compared to their total spending. Highbrand value and customer loyalty has reduced buyers' bargaining power.

Buyerpurchase criteria in this market is primarily based on convenience and enjoyinggood quality food. Power of Suppliers: A fast food truck selling on quality core characteristic cannot affordto compromise on quality. The quality of the produces has to meet certainstandards. The suppliers are not highly differentiated in this industry that isif quality is not met by one supplier a switch can between suppliers, so as tonot compromise on quality Competitive Rivalry: The direct competitors of our food truck would be eating places CafeBurnout, Clique Café, Kuch Khaas Gallery Café, Gloria Jean's and Pappa Roti andindirect competitors include all the thelay walas as well.

Competition isprimarily cost based with restaurants and cafes continuously investing in theirproduction and service processes to undercut competitors. Exit costs are low and branding is the most prevalent weapon forcompeting, mostly through social networking sites. PEST

Framework Political: Political factor can have the major impact on threat of entry. In acountry where there is uncertainty and definite political unrest; lead to anegative impact on potential investors. The firm has to abide by the policiesand market regulations imposed by the government of Pakistan. The level ofcorruption is high and fast food services may use unethical ways to increasetheir profit margins. Economic: Due to the high income disparity and the adverse economic conditions, unemployment is on the rise due to which

the labor cost is decreasing, increasing the wealth of already well off people which is our target market, aiding in the growth of fast food services alike.

The products and service offered by them are under the disposable income of our target market. Inflation which is high in our target region, may provoke higher wage demands from employees and raise costs. Social: Due to increasing Health Awareness and consumers' changing Attitude towards healthy products it is now important for fast food services to offer healthier selections within their menus. People are now more status conscious in our society, opinions and attitudes of other people matter. Even the choice of place to eat is considered important and signify your status.

Consumers now prefer these high end café, fast food services and restaurants. Increasing consumer awareness about food products, flavors and tastes has led to a demand in more varieties to choose from. Convenience is also an important factor in our society which constitutes a segment of working class which prefer a fast food service, dine-in restaurant or a café than to cook at home. Technological: With the advancement in technology and innovation the efficiency of operations can be increased. Technological Innovations attracts people attention and can be an edge for the operating firms. Modernist-Technological themed café, fast food services and restaurant with for example Wi-Fi facilities and soothing music playing in the background are getting more importance in consumer's mind. MARKET

AUDIT Market: The market in this scenario for us will be the region of Rawalpindi and Islamabad to begin with.

Depending upon the reaction we receive from the market as well as the time needed to understand the market and the people's reaction to it; we will consider expanding to other major cities in the country. Our target market will range from about 15 to 40. The range of people mostly comprise of teenagers and young adults that like to eat out or on the go as well as corporate people that are short on time and care for a quick and healthy meal on a hurried basis. We will target places like F-8 Markaz and Blue Area which are the hub of corporate ventures yet often lack the aspect of quick and healthy meals in the surrounding area. We also intend on targeting the youth present in universities across the two cities who are interested in fresh and healthy food which is different from what their daily dose of repetitive food seems to be. The pricing of our food will also accordingly cater to the target market at hand and we will work on providing food as cheap as possible. Competition: Our competition in this case we would consider to be all the restaurants in the areas that we will aim to cater to as they are alternatives to our service. Certain trucks of ours will constantly be on the move and will stop at whatever area seems appropriate to a food truck.

This can range from areas like Gol market in F-7 which is popular in times of cricket season as people all gather to watch the match on the big screen, certain melas around the city where we can set up our truck and provide fresh and hot food, commercial and shopping areas across the city during the time of Eid, such as PWD shopping area, Commercial Market itself etc. As our food will be mobile depending upon the need and demand, the competition for us will also differ and range depending upon the areas we are focusing



and ranging upon. Certain areas like F-8 markaz will lack in competition as there are very few restaurants in the area which the corporate market has access to and the option of eating in. We could also consider one aspect of our competition to be the thalaywalay outside of schools and colleges as they also provide on the go mobile food, however, the type of food they provide are mostly snacks and do not have the same type of food as out food trucks will e. g salads, burgers, sandwiches, pasta etc. We will test our different menus to begin with and see which suits best with the people.

There might be certain types of food popular in one area, like fast food in universities, which we could cater to in that particular area alone or even have specific food trucks that offer one type of food while others offer other types. ENTRY STRATEGY: The business would have the first movers' advantage in the market as no such direct competition is present in the market for a food truck. The business would also have a novelty value of being one of its kind, which can be ultimately utilized from the marketing perspective.

The food truck would be the producer and distributor of its own service, i. e. it will fall in the middle of the supply chain between its suppliers and its customers. This is the best method to ensure quality which has been our main focus throughout. One thing to consider is that we will be starting with Islamabad and Rawalpindi region, where we will be required to have a permit for the business. We would have to get a license from the Directorate of Municipal Administration of the civic authority before starting any commercial activity in the federal capital.

The licenses will have the whole information of the business and the business-holder. The following procedure is required to be followed to register and set up a business. \* 1. Obtain approval of company name through the Securities and Exchange Commission of Pakistan website 2. Pay the fees for name registration and company incorporation using bank challans at the designated Muslim Commercial Bank (MCB) 3. Register the company for incorporation with the Securities and Exchange Commission of Pakistan (SECP) through online e-Services 4. Obtain digital signatures from the National Institutional Facilitation Technologies (NIFT) through the SECP e-Services 5. Register for income tax by applying for a National Tax Number (NTN) at the tax facilitation center of the Regional Tax Office (RTO) of the Federal Board of Revenue (FBR) 6.

Register for sales tax by applying for a Sales Tax Number (STN) at the tax facilitation center of the Regional Tax Office (RTO) of the Federal Board of Revenue (FBR) 7. Register for professional tax with the Excise and Taxation Department of the District 8. Register with the Employees Social Security Institution (ESSI) 9. Register with the Employees Old Age Benefits Institution (EOBI) 10.

Register under the West Pakistan Shops and Establishment Ordinance 1969 with the Labor Department of the District After having gone through the procedure we shall move on to the design of the business canvas model which gives a visual representation of the business

details. \*Information obtained from the World Bank Group:

Subnational Doing Business in Pakistan 2010 data for Islamabad <http://www.>

<https://assignbuster.com/food-a-rocketed-boom-despite-fierce-competition-within/>

doingbusiness.org/data/exploreconomies/pakistan/sub/islamabad/? topic=  
dealing-with-construction-permits#starting-a-business