

**A PROJECT REPORT ON
“GROWTH OF FOOD FRANCHISE IN INDIA”**



1051-20-405-006

BARLA MANASA

**Project submitted in partial fulfilment of for the award of the
degree of
B. Com Computer Applications**

By

Osmania University, Hyderabad-500007



Certificate

This is to certify that the project work entitled

“A STUDY ON GROWTH OF FOOD FRANCHISE IN INDIA”

Is the Bonafide work done by

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As a part of their curriculum in the Department of Commerce

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This work has been carried out under my guidance

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ANNEXURE I

DECLARATION

I hereby declare that this project titled "A STUDY ON GROWTH OF FOOD FRANCHISE IN INDIA" submitted by me to the Department of Commerce, Osmania University, Hyderabad, is a bonafide work undertaken by me and it is not submitted to any other university or institution for the award of any degree, diploma/certificate or published any time before.

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Certificate

of Participation

Online Workshop

RESEARCH METHODOLOGY & PROJECT REPORT

Organised by

Department of Commerce
Osmania University, Hyderabad

This is to certify that **Mrs. Veena Malkhed, Aurora's Degree and PG College** has participated in **Online Workshop** on **"Research Methodology & Project Report"** organized by the Department of Commerce, Osmania University, Hyderabad, Telangana State on 11th April, 2022.

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Higher Education, Department of Commerce-Osmania University and
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ANNEXURE-II

CERTIFICATION

This is to certify that the Project Report title “ A study on growth of Food Franchise in India” submitted in partial fulfilment for the award of B. Com Computer Applications Programme of Department of Commerce, Osmania University, Hyderabad, was carried out by **BARLA MANASA** under my guidance. This has not been submitted to any other University or Institution for the award of any degree/diploma/certificate.

Name of the Mentor
Mrs.VEENA MALKHED

Signature of the Mentor

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This project work would not have been complete without the mention of following people. We express our hearty gratitude to our principal sir **Dr. Viswanadham Bulusu** for providing us the opportunity and platform to work on the project.

And our project mentor **Mrs. Veena Malkhed** who has supported and guided us throughout our project.

ABSTRACT

Franchising is a popular and multifaced business arrangement that has attracted considerable research attention. The purpose of this research is to identify the business system of the food franchise will be classified into three scales depending on the turnover of each unit based on key informants, which include managers supervisors, and sales control areas. The study is to identify the benefits of franchising process and to know effects of company sales.

The literature review found that franchisor resources and franchise entrepreneurial orientation are among the most critical variables to enhance franchise performance this study identifies uncertainties and limitations in the existing research.

The success rate of franchise business is about 85%. The growth of franchise business is around 40% over the last 5 years. This study will review and discuss the determinants of franchise performance in different contexts.

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CHAPTER-1
INTRODUCTION

1.1 INTRODUCTION:

A food franchise is a brand in which an investor, or franchisee, has bought the right to sell the products and services of the franchisor or brand. The franchisee is responsible for the day-to-day running and management of the brand. Franchising is a system and business relationship between franchisor and franchisee under one brand name. In exchange for money, the brand and business model owner grant the franchisee the right to utilize a said brand and business model, including all associated trademarks, goods, systems. In order to provide ongoing support and services, franchisors must generate income and profit. A royalty guarantee from the franchisee requires the franchisor to invest in the franchisee's success, ensuring the Brand's prosperity. However, at its foundation, franchising is about the franchisor's relationship with its franchisees. It is about the franchise agreement comprising a suite of contracts with implications regarding the nature of this interaction known as franchising. Compared to other types of business, starting a franchise would be less risky than launching an independent business since, franchisees benefit from the brand name recognition and know-how of their franchisor. This also affords younger franchisees success as they precisely follow the guidance of the franchisor. In return, the franchisees provide financial capital to the franchise system, knowledge of geographic locales and labor markets, and their labor management. Although franchising allows franchisees to own, manage, and operate their businesses without taking on all of the accompanying risks, franchise growth is becoming more widespread in response to changing competitive environment circumstances. This is because franchising products are recognized for their consistency and quality, which results in national and local trust in the products and services they deliver. Furthermore, franchising is based on a mutual interdependence and reliance relationship between franchisors and franchisees. Therefore, it requires a cooperative connection and reliance to grow between the franchisor and franchisee. However, franchisors need to care about their franchisees' performance, since it reflects their productivity and brand name. Moreover, franchising seems to focus on a growth strategy that allows franchise organizations to scale their business.

FOOD FRANCHISE IN INDIA:

India's liberalization begun in 1991, has brought about far-reaching changes in its Economy, the Foreign Direct Investment (FDI) has increased sharply boosting business opportunities and leading to exciting entrepreneurial endeavors. Franchising is in the midst of a market revolution in India and the prospects of the growth in franchising are boosted by an ample supply of energetic, home-grown entrepreneurs making India an exciting market place.

Franchises are relatively simple to set up and usually require an initial start-up cost to be paid from a franchise owner towards the franchisor along with an annual licensing fees. In return, the franchise owner receives access to the franchisor's brand recognition, a loyal customer base, food preparation processes, and trademarks. The franchisor helps with the training of the staff, uniforms, and the design and decor of the outlet as well. This support structure is what makes getting a franchise business extremely attractive, especially to people who have no prior experience with launching an enterprise.

In a country of 1.37 billion with 65% of its population under 35 years of age and over 600 million internet users, international exposure to various cuisines and global trends have played a crucial role in shaping consumer preferences in India. It comes as no surprise that a majority of international fast-food chains have found massive success in the country. This trend will continue to rise as a report suggests that by 2030, India is expected to witness four times the growth in consumer expenditure while its middle class is expected to grow from 50% to 80%, driving 75% of the consumer expenditure. As a result, the fast-food industry will bear a major portion of the fruit of this change.

One of the most demanding tasks that entail opening a fast-food restaurant business is figuring out the best means to market the brand, build recognition and attract consumers effectively. It's a crucial step in establishing the industry and can potentially make or break the brand, especially in a market that is as competitive as India's. This is a major risk factor that fast food franchises almost entirely eliminate. A franchise outlet gets the benefit of an already established consumer base of the franchisor brand, along with the marketing support of the overall brand which provides a much-needed boost to new business set-ups.

1.2 OBJECTIVES OF THE STUDY:

- To identify the benefits of franchising process.
- To know effect on sales of company by franchising.

1.3 SCOPE OF THE STUDY:

The Scope of the study is extended 5 different companies and the study is about the growth of food franchise in India. The scope is confined only to examine the process, growth and revenue of the food franchise.

1.4 NEED OF THE STUDY:

The need of the study is to understand how the franchise business effect the income of a company and how its helps in the growth of profit.

1.5 RESEARCH METHODOLOGY:

Research methodology is the specific procedures or techniques used to identify, select, process, and analyses information on about a topic. Research methodology is a way of explaining how a researcher intends to carry out their research. It's a logical, systematic plan to resolve a research problem. A methodology details a researcher's approach to the research to ensure reliable, valid results that address their aims and objectives.

This study is based on secondary data. Secondary data is the data that has already been collected through primary sources and made readily available for researchers to use for their own research. It is a type of data that has already been collected in the past.

Sources of secondary data include books, personal sources, journals, newspapers, websites, government records, published sources and unpublished sources.

Website: <https://www.foodistofranchise.com>

1.6 LIMITATIONS OF THE STUDY:

- Time is limited
- Data may be unreliable

CHAPTER-2
REVIEW OF LITERATURE

2.1 AUTHOR NAME: AVINANDA

TITLE: FRANCHISE MANAGEMENT: A MODEL OF SERVICE-QUALITY INTERACTIONS

The main research question addressed in this paper is how two independent retail outlets in a franchise chain would react to each other on the quality of services. To better explain the interaction, the franchise as an organizational form and its peculiar characteristics compare to the integrated firm on the one hand and market transactions on the other hand are initially discussed. The paper then proposes a theoretical model of the “free-riding phenomenon” related to the quality of service in the franchise chain, and interactions on the quality of services between the independent outlets in different environments. As spill-over exists, two franchisees start to react to each other's quality of services and they increase the quality as the positive spill-over effect becomes significant. The equilibrium with spill-over gets close to that without spill-over, as the spill-over effect approaches zero.

2.2 AUTHOR NAME: MELIH MADANOGLU

TITLE: FRANCHISING AND FIRM RISK AMONG RESTAURANTS

Franchising is a growth vehicle that helps firms scale their operations. Yet, the performance implications of franchising remain inconclusive. To solve this conundrum, we contend that firm-specific attributes lead to an optimal level of franchising and that the deviation from that optimal level has important firm-level consequences. Using a sample of 64 publicly listed restaurant firms that franchise in the United States, our study integrates the risk sharing perspective with resource scarcity and agency theories to show that a failure to adhere to these theoretical prescriptions can be a financially risky proposition. For restaurant firms that franchise, our results highlight the importance of maintaining an optimal mix of franchised and firm-owned outlets.

2.3 AUTHOR NAME: PAUL J. DAVIS

TITLE: A MODEL FOR STRATEGY IMPLEMENTATION AND CONFLICT RESOLUTION IN THE FRANCHISE BUSINESS

This paper aims to explore the inherent tensions of the franchisor-franchisee relationship from the view point of business strategy. It also aims to highlight seven areas of the partnership that can be developed to promote cooperation on a shared strategic direction that delivers improved business outcomes. The paper has real and immediate practical benefits for franchisors and franchisees in that it provides a seven-step guide for improving the working relationship between the two. This will result in greater trust and better business outcomes. This paper distills the theory into a compact, practical and easily implementable seven-step process for improving the franchising relationship. The result is a useful guide for franchising businesses based on research and experience. A new strategy model is developed for practitioners and is presented here for the first time.

2.4 AUTHOR NAME: ANNA WATSON

TITLE: WHEN DO FRANCHISORS SELECT ENTREPRENEURIAL FRANCHISEES? AN ORGANIZATIONAL IDENTITY PERSPECTIVE

In spite of the acknowledged importance of the franchisee selection process, only a few Semiprimal studies have examined this research area. This paper employs organizational identity theory to explain when the franchisor desires to select specifically franchisees that have the potential for entrepreneurial behavior. A mail questionnaire survey was utilized to collect data from a sample of franchisors in the UK. The results revealed that the systems that select entrepreneurial franchisees are those that have entrepreneurial values as part of their organizational identity, as reflected in the institutionalized support given by the franchisor for entrepreneurial activities. Additionally, we found that the performance of the franchise system is positively affected where the franchisor seeks to select franchisees whose entrepreneurial values are congruent with those of the system.

2.5 AUTHOR NAME: DHRUV GREWAL

TITLE: FRANCHISE PARTNERSHIP AND INTERNATIONAL EXPANSION: A CONCEPTUAL FRAMEWORK AND RESEARCH PROPOSITIONS

Although academic research has provided tremendous insights about the organizational form of franchising, considerable work remains with regard to understanding the critical factors that enable international franchise expansion and performance. The authors advance the argument that a franchise relationship is essentially an entrepreneurial partnership, and that this partnership influences the speed, scale, and scope of franchise expansion into international markets. In the proposed conceptual model, the authors detail the links among the franchise partnership, international expansion, and franchise system performance.

CHAPTER 3
INDUSTRY PROFILE

3.1 INDUSTRY PROFILE:

KFC:



Founder of KFC: Colonel Harland sanders

Year:1952

Introduction:

KFC franchise business is one of the most challenging yet profitable and rewarding options if you are searching to open a retail food business. But before jumping into the franchise business, go through a thorough analysis and decide based on your skills, a sharp experience. Also, think about whether the KFC franchise business is the best option for you or not.

To go for a KFC franchise business in India, you have to invest a huge amount which is nearly 1 to 2 crores with a 1,000 – 1,500 Square feet commercial space that follows their guidelines in order to start. Also, you have to pay a 4-5% royal commission on the original sales.

A minimum investment of 20 lakhs is much needed to start the franchise business. Marketing services will be provided to you by the franchisors. You need to find a prime location with a floor space of 1000 Sq Ft.

The Food Franchise Agreement of KFC Corporation gives permission to the franchisees a license to use certain KFC trade names, trademarks, logos, service marks, and commercial symbols such as the “KFC” and “Kentucky Fried Chicken”.

The you need to open a KFC franchise business. But before that, you need to know why you should start a franchise business for KFC.

- KFC is the largest business food chain that came into the limelight since it started.
- KFC is one of the most popular US-originated Quick Service Restaurant chains in the world.
- KFC is a subsidiary of Yum! Brands.
- KFC is based on the original recipe, and specializes in chicken. That’s why it got worldwide fame as a chicken restaurant.
- There are so many food options in the KFC menu book. Some of these extra delicate items include Crispy Chicken, Chicken Popcorn, KFC Hot Grilled Chicken, Kentucky Grilled Chicken, Extra Crispy Strips, Extra Crispy Boneless, Chicken wings, chicken sandwiches, and much more.
- The KFC food chain has already crossed so many years in the strong franchise-led outlet model around the world.
- KFC has crossed 335 restaurants in over 100 cities in India. You will enter into a rewarding experience if you are going to start one of the largest retail food businesses in India.

Before entering into the KFC Franchise Business, you should know the following things:

- Kentucky Fried Chicken or KFC has started its first-ever Franchise outlet in Utah.
- KFC is mentored by Yum! Brands.
- KFC is the most famous food chain in India with more than 335 outlets. Generally, it’s a little high by its cost.
- The franchise business operation of KFC is developed by their respective area developers and master franchises. In most cases, it’s not that easy to get a franchise from KFC in India.

KFC Franchise Cost in India:

KFC is an expensive option to be started as a franchise. It needs high investment at first to start the franchise business in India. KFC franchise business in India grants permission only to multi-unit franchisees because of its expensive investment.

If you want to start as a KFC franchise, then you have to hold a high financial capacity to invest. It's preferred to have strong retail and real estate participation in the area.

As an individual franchise, if you hold prominent premises in a good locality of tier 1, tier 2, or tier 3 cities then you can apply for a KFC Franchise Unit in India. Maybe your application will get approval in this case. KFC can lease your property also in this case.

You may carry up to 1 crore in Indian currency to start a KFC franchise.

Apart from investment, you need to follow the below-mentioned key factors while thinking of a KFC franchise.

- To overstep your business, you need some managerial skills and experience.
- A dedicated and passionate person who has the best customer relationship knowledge to keep your customer satisfied.
- A real entrepreneur with enthusiasm and spirit.
- Overall spirit and burning Passion to run your business in the market.
- A natural leader who can train other people to work with them.

To Apply KFC Franchise online in India:

When you are determined to start the KFC franchise, you have to apply for this first. Go to the KFC's main official website:

<https://www.kfc.com/about/franchising>

You have to select the franchise type. Now start filling up the form as per requirement. Go further by entering the details and submitting those.

You have to clearly mention the below-mentioned factors:

- Space available
- The amount that you can invest in
- Name of the owner of the property
- Contact details of the owner

- Address of the potential KFC store
- Photographs of the location
- Details of parking space

You have to submit documents related to your property, you also need to submit your Indian citizenship documents like voter ID card, and PAN card.

Training Overview of KFC Franchise Company:



There is some training based on the KFC franchise outlet business conducted by KFC officials.

- According to KFC’s policy, the franchises have to attend the initial training program provided by KFCLLC on “How to operate an Outlet”. The franchise must conclude the training program and all the learning sessions to the franchisor’s satisfaction.
- If you are applying for the designation of the key operator, then you must have to be occupied by the franchise. You have to attend the Key Operator Restaurant Training program given by the KFC Franchise company.
- Employees of the franchise have to go for the training program and must complete it to KFC Franchise Company’s satisfaction.
- All the training programs will be guided and conducted by KFCLLC. All the training programs will be held in the designated national, regional, or divisional offices.
- All the training programs will include computer-based training programs which are done via the Learning Zone program, written study notes, and on-the-job training programs at various KFC Outlets and other classroom instruction.
- The person who has already completed the Key Operator Restaurant Training program provided by KFC successfully, will train and lead other employees at the designated outlet.

- After all these above-mentioned training sessions, franchisors may go for a telephonic conversation with the Franchise and other employees to complete some other training, refresher course, seminars, and meetings at various locations.

Benefits of holding a KFC Franchise:

- When you are all set to run a KFC outlet, you will get three times the revenue within a year.
- With a significant time period, you can gain more earnings. Another good thing is the already fixed costs of all KFC meals in the market.
- They execute a delivery that makes routine tasks easier and simpler.
- The KFC platform supports online ordering and cash-on-cash payments

3.2 BURGER KING:



Founder of burger king: James McLamore, David Edgerton

Year:1953

Introduction:

Burger King is a privately held, American fast-food restaurant chain. The company has 11 million customers worldwide and has restaurants in over 75 countries. It was founded in Florida in 1953.

After McDonald's, Florida-based Burger King is the largest burger chain in the US. It not only delivers sumptuous burgers but also provides the best quality customer support and services. This American fast-food chain has managed to make itself popular in the global food industry and has a sizable customer base in different parts of the world.

Burger King has over 200 outlets in the country. It is not only popular in metropolitan cities like Delhi, Mumbai and Bangalore, but also in cities like Chandigarh, Patiala and Jaipur. There are plenty of perks associated with starting a Burger King joint. The fast-food chain helps the owner of a franchise in case of any enquiries or problems.

To get a Franchise of Burger King in India:

There are a few steps that need to be followed in order to open a Burger King Franchise in India. One also needs to know about the Burger King Franchise cost in India. But before that, you need to know that the company offers three options when it comes to franchising:

1. Individual agreements
2. Entity agreement
3. Corporate agreement

To apply for a Burger King Franchise in India:

In order to become the owner of any franchise, there are specific steps that an individual is required to follow. The same holds for investing in Burger King.

- The first step that a person has to take in order to become a Burger King franchise owner is to click on the company's official website.
- On opening the website, the person has to submit an application form applying for a Burger King outlet franchise.
- The potential investor's application is reviewed by the support staff of the company.
- If the application gets accepted, the individual is contacted by the company to take things forward.

Burger King Franchise Requirements:

- The franchise has to enlist for a training program conducted by the company itself to help people learn about the fast-food business and the industry. It helps people fully comprehend how to run a burger chain.
- The next requirement is regarding the location of the restaurant. The company has listed where all a person can open an outlet and this information is divided into three categories. The first category includes institutional locations like bus stations, airports, train stations, metro stations, sports arenas, government building areas, etc. The second category includes commercial areas like shopping malls. The third category includes non-conventional areas like gas stations, grocery stores, etc.
- Another requirement is that a franchisee needs to use the outlet for the single purpose of running a Burger King restaurant. The restaurant has to be open for the minimum hours listed in the franchise agreement.

Burger King Franchise Cost in India:

A Burger King franchise costs around \$3,398,600 in the US. So, the amount of money that a person needs to invest in order to become the owner of a Burger King franchise in India comes to over 20 crores. Apart from that, the individual needs to pay a royalty fee as specified by the company.

Burger King is definitely one of the most expensive franchises to own. By now you know that getting this franchise can be lucrative yet costly. However, rest assured that you will get

maximum support from the Burger King franchisor. Because this food chain has a brand value, you are less likely to incur losses.

Burger King Franchise Profit Margin:

There is no fixed number or statistic to underline the lucrativeness of a Burger King outlet in India. The franchise is growing real quick and gaining popularity all across the country. Sales amounting to Rs 375 crore rupees in 2018 indicate that Burger King will prove profitable for an individual wanting to own a Burger King joint.

Benefits of holding a Burger King Franchise:

- **Worldwide Presence:**

Burger King has various outlets presence across many countries. It has a high brand value and it shows its brand presence to its customers.

- **Proper way of development:**

The franchise development is driven by a proper restaurant program, where the company has designated Master Franchise for different countries that provide sub franchisees. Master Franchise handles and manages franchise expansion.

- **Promotional activities:**

The company has been consistently and broadly working on marketing to promote its items and outlets to its customers. It helps the franchise with building a strong experience for its customers.

- **Operational support:**

Its operational process is designed to convey top-class fast-food restaurant operations to develop friendly ambiance, neatness, service speed and overall customer satisfaction.

- **Product improvement and innovation:**

Burger King has a solid product and culinary improvement team that permits the franchise to develop new menus regularly and convey the right product in every country. It also checks which product is suitable for that particular country. Development of new products can attract customers and enhance quality of food and client base.

- **Best in production, supply and distribution:**

The company offers top class production, supply, and distribution to its franchise partners. It has a strong supply chain process. Burger King is very strict about their policies and process and always provides the best food to their customers.

- **Trusted client base:**

A well-known, leading brand with huge numbers of clients in every corner in India is a wonderful thing for any business. You need not bother about the client because Burger King is the serving for years in the different countries and in India too. In India the clients go and enjoy the tasty food in throughout the year.

3.3 TEA TIME:



Founder of Tea Time: Uday Srinivas

Year:2017

Introduction:

Tea time has been positioned as that authentic meet up corner where friends and colleagues meet up to discuss how much affection they have for tea and other things. Tea time pvt ltd has served 3 crores + consumers of India as of now providing quality tea with pure Assam tea leaves, in variety for each tea geek at affordable prices.

History Of Tea Time:

- Tea time pvt ltd is founded by Uday Srinivas Tangella in 2016.
- Tangella risked ₹12lakhs from his pocket as an initial investment for this start up.
- It was first established in a little town Of Rajahmundry in Andhra
- It has expanded its operations by incorporating its presence in 1500+ outlets within India itself in just 4 years.

REQUIREMENTS AND QUALIFICATIONS FOR A TEA TIME FRANCHISE:

REQUIREMENTS:

- A space requirement of 100 sq Ft outlet at a prime location I.e., near colleges, bus stops, high ways, hospitals, IT campuses etc.
- Some outlet requirements involving water connection, tile flooring, kitchen partition and outlet counter
- A staff requirement of 2 or more people who can trainable.

QUALIFICATIONS:

- Qualify for the financial and managerial background required by the tea time franchise
- Documents like: Aadhar card, bank details, rental agreement etc.
- Fulfilling the space, outlet and staff requirement

Investment Required to Run a Tea Time Franchise:

A Tea time pvt ltd franchise typically requires an investment of ₹2lakhs-₹5lakhs including expenses for:

- Franchise fee
- Marketing fee
- Start up kit consisting of:
- Equipment (refrigerator, deep freezer, stove, utensils)
- Initial stock to start the business + GST.

Tea Time Franchise Profits:

Investment ₹4.5lakhs

Staff: 2

Brand fee: 2000rs

Rate of investment ₹ 80000 – ₹ 1 lakhs in 5-6 months

Profit margin 40%-80%

How To Apply For Tea Time Franchise in India:

You can either visit the official website of tea time and leave your contact details and query and wait for the officials to revert back to you.

Benefits of holding a Tea Time Franchise:

Consistent demand: Tea time doesn't not only offer tea but also variety in flavours of tea along with the side snacks which every Indian craves serving every niche of the consumer market.

Benefit of Indian consumer market: The demand and love for tea by the Indians is as fierce as it is for cricket, making it a traditional routine consumption.

Perk of F&B retail shop: Tea time is a food and beverage retail which comes with a routine demand, less investment and stall-based approach.

Minimal requirements: Tea time comes with minimal staff, minimal expertise and minimal operational and management work of making and serving tea only.

Brand name: Tea time is booming in the F&B retail industry by already establishing 200+ stores in India, so it carries a reputed brand name along with it.

Low capital requirements: A tea time set up requires an investment as minimal as ₹4.25 lakhs only.

Assistance by Tea time: The support lent by tea time in terms of outlet establishment, training, operation management, marketing etc exists.

3.4 MCDONALD'S:



Founder of McDonald's: Ray Kroc

Year:1955

Introduction:

McDonald's was founded in 1955 with a concentrated menu of burgers, fries and beverages. Rajeev Rajan is the CEO of McDonald's. Just three years later, the quick service restaurant sold its 100 millionth hamburger and is now the most well-known fast-food chain in the world. As of 2017, McDonald's had 37,241 locations worldwide. McDonald's is the world's leading global foodservice retailer with over 38,000 locations in over 100 countries. Approximately 93% Of McDonald's restaurants worldwide are owned and operated by independent local business owners. McDonald's operating system is based on the four core principles of quality, service, cleanliness and value.

McDonald's Franchise Cost in India:

Opening a McDonald's franchise in India, it's essential to have a thorough understanding of the costs involved. The initial franchise fee for a McDonald's location in India is approximately Rs 25 lakhs. It is the amount you'll need to pay to McDonald's Corporation to acquire the rights to operate a McDonald's restaurant in India.

However, this initial fee is only a minute part of the total investment required to open a McDonald's franchise in India. The total investment ranges from Rs 6 to 7 crores.

It includes expenses for the lease or purchase of a suitable location, the cost of construction and equipment, and ongoing operational costs such as employee salaries and advertising.

Procedure To Get McDonald's Franchise in India:

If you are considering investing in a McDonald's franchise in India, you must first understand the procedure involved. Here are the key steps to follow:

- **Contact McDonald's India:** The first step is to get in touch with McDonald's India by visiting their website or reaching out to their franchising team. They will provide you with all the necessary information and guidance on how to proceed.
- **Submit Application:** The next step is to submit your application with the required documents. You can download the application form from the McDonald's India website. Besides, you'd have to provide details such as your business experience, financial stability, and location preferences.
- **Background Check:** Once your application is received, McDonald's India will conduct a background check to evaluate your eligibility. It will include a review of your financial and legal history. Plus, a personal interview.
- **Approval and Signing of Agreement:** If you meet all the eligibility criteria, you will receive approval for your franchise. You will then need to sign a franchise agreement that outlines the terms and conditions of your partnership with McDonald's India.
- **Site Selection and Construction:** After signing the agreement, you'd have to identify a suitable location for your McDonald's restaurant. McDonald's India will assist you with site selection and guide construction and design.
- **Training and Support:** Before opening your restaurant, you will receive comprehensive training and ongoing support from McDonald's, India. It includes training in operations, marketing, and management.

Getting a McDonald's franchise in India requires a thorough application process, background check, and adherence to strict standards set by the company. However, the investment can be profitable if managed well, with the added benefit of being associated with one of the world's most iconic brands.

Things To Keep in Mind When Applying for a McDonald's Franchise in India:

To apply for a McDonald's franchise in India, there are certain things that you need to keep in mind. Apart from the franchise cost, which varies based on several factors, there are a few procedures and documents you need to complete and submit.

Some of the vital things to keep in mind before applying for a McDonald's franchise in India:

1. Research and Understand the Market

Before investing in a franchise, it's significant to understand the market, customer preferences, and competition in the area where you plan to set up the restaurant.

McDonald's provides extensive training and support to franchisees, but having prior knowledge of the local market can be a pro.

2. Meet the Eligibility Criteria

McDonald's has specific eligibility criteria that applicants must meet. These include having a minimum net worth of Rs. 5 crores and a minimum liquid capital of Rs. 1.5 crore. You should also have experience in the food service industry and be willing to commit to the franchise for at least 20 years.

3. Submit the Required Documents

To apply for a McDonald's franchise in India, you must submit a few documents, including a detailed business plan, financial statements, and proof of funds. The company also conducts background checks and may ask for additional documents as part of the application process.

4. Understand the Franchise Agreement

If your application is approved, you will be required to sign a franchise agreement with McDonald's. It's vital to read and understand the terms and conditions of the agreement before signing it, as it outlines your rights and responsibilities as a franchisee.

5. Follow the Training and Support Program

McDonald's provides comprehensive training and support to franchisees, including assistance with site selection, construction, and marketing. It's essential to follow the training and support program to ensure the success of your franchise.

Applying for a McDonald's franchise in India requires careful research, planning, and preparation. By keeping these key things in mind, you can increase your chances of being approved and running a successful franchise.

McDonald's Franchise Profit in India:

McDonald's franchises in India can be a profitable business venture for those who are willing to invest in it. The average revenue of a McDonald's franchise in India is around Rs. 2.6 crore per year.

However, the franchise's profitability largely depends on factors like location, the restaurant's size, competition, marketing, and operational costs.

In order to get started with a McDonald's franchise in India, one needs to fulfil particular requirements. These include a minimum investment of Rs. 6.6 crores, a net worth of Rs. 12 crores, and a royalty fee of 4% of the gross sales.

The franchisee is also required to pay a one-time franchise fee of Rs. 30 lakhs, along with other expenses such as rent, equipment, inventory, and employee salaries.

Benefits of holding a McDonald's Franchise:

- Personal and business growth and satisfaction, both as an individual Owner/Operator and as a member of McDonald's respected worldwide organization.
- Personal growth and business knowledge from McDonald's extensive training and from your experience as an Owner / Operator.

3.5 THICKSHAKE FACTORY:



Founder of Thick shake factory: Yeshwanth Nag and Ashwin Nag

Year: 2013

Introduction:

The Thick Shake Factory has been a pioneer in the concept of specialty retailing of Shakes. It has been recognized as one of the most awarded and fastest growing QSR chains in India. The Thick Shake Factory plans to open over 500 stores in the next 3 years.

The Thick Shake Factory has over the last 4 years actively created a change in the way India consumes cold beverages; from serving a concoction that was major part Ice Cream and minor part Milk, to the creation of a retailing category that was not only unique but also a transition from the existing status quo. The Thick Shake Factory is not just a brand; it is a culture, the culture of slurping scrumptious flavours.

Cost of Thick Shake Factory Franchise in India:

Investment: An investment of 20-30 Lakhs INR is required. The franchise fee is about 5-7 Lakhs INR depending upon the unit area. The royalty fee is 8% of the net sales. The brand fee would cost around 8 Lakhs.

Years of Bond and Profitability:

The term of the franchise is of 5 years which brings in a long-term opportunity to grow with the company. It is known as the fastest growing QSR (Quick Service Restaurant) chain and has won many awards like 'Franchisor of the year' and 'Food and Beverage brand of the year'. They have a standard franchise agreement, and the term is renewable.

Requirements To Start a Thick Shake Factory Franchise in India:

Area

The area requirement for a Thick Shake Factory's outlet is 200-1,000 square feet. A preferable component for the outlet would be that the location is set in a mall or on a high street so that it attracts more customers, however, that is not necessary.

Experience or skills

As the company is growing, a person with a business understanding would be more suitable. It is not necessary for the franchisee to have knowledge about the Food and Beverage industry.

Regions of operation

Thick Shake Factory plans to open 500 stores in the next three years which can be a great opportunity for any person looking towards opening a franchise. For the past four years, they've been constantly growing and scaling the company. They are currently in America and India and have a 100+ outlets in 26 cities, combined from both the countries.

They are currently in Andhra Pradesh, Karnataka, Tamil Nadu, Telangana and are looking forward to scaling more in India in places like Delhi, Haryana, Himachal Pradesh, Punjab, Uttaranchal, Chandigarh, Gujarat, Rajasthan, Maharashtra, Goa, Chhattisgarh, Madhya Pradesh, Bihar, Jharkhand, Kerala, Assam, Meghalaya, Mizoram, Tripura, Arunachal Pradesh, Manipur, Nagaland, West Bengal, Sikkim.

Training

Operating manuals will be provided to franchisees to get a closer look at the company's work and its aims. They provide field assistance to the franchisees and their training programs are held in the head office. Expert guidance is provided in running the franchise smoothly.

Staff requirements:

Minimum two to three staff members are required if the area is anywhere between 200-250 square feet. An area larger than that would require more number of staff members.

Benefits of owning a Thick Shake Factory's franchise:

- **First thick shake brand in India**

As we all know, Thick Shake Factory is the first of its kind to sell high quality premium shakes to their customers. The idea of customized products is really hyped in today's time and so, taking advantage of this, Thick Shake Factory serves some delicious shakes that will have you wanting more.

- **Popular:**

Because of this new and fresh concept of selling premium shakes, Thick Shake Factory has gotten very popular among the masses. Just the idea of choosing and having your flavours mixed is exhilarating. It makes you want to try the shake atleast once.

- **Keen on Scaling**

The Thick Shake Factory is looking forward to expand more and are very keen upon scaling the business in every part of the country. This comes as a huge benefit to the franchisee especially if they don't have an outlet in your local city.

- **Growth**

It is an excellent opportunity to put your business and restaurant service skills to test and grow along with the company. The product is great and widely loved by all, all that's needed is great execution to make the company even more successful than it is at present.

CHAPTER-4
DATA ANALYSIS AND INTERPRETATION

4.1 GROWTH AND REVENUE OF KFC:

TABLE 4.1

YEARS	NO OF FRANCHISES	REVENUE [IN BILLIONS]
2019	502	5.6
2020	584	7.75
2021	642	5.9
2022	698	10.35
2023	749	

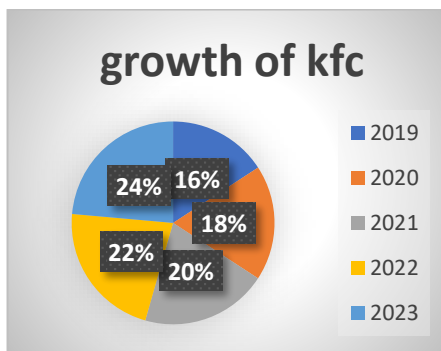


Fig 4.1(A)

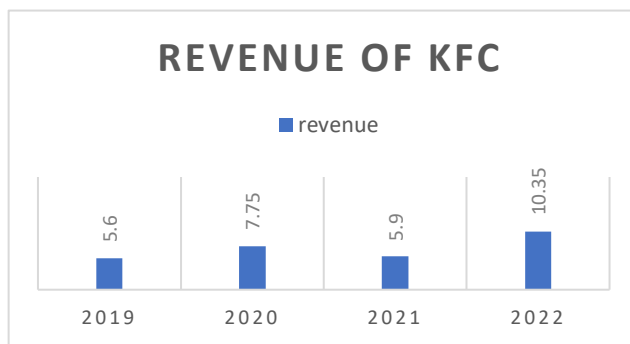


Fig 4.1(B)

INTERPRETATION:

From the above data it has been observed that the growth of the KFC franchises is more in the year 2020. 82 franchises increased in that particular year and the revenue of KFC was more in the year 2022 i.e 10.35 billion.

4.2 GROWTH AND REVENUE OF BURGER KING:

TABLE 4.2

YEARS	NO OF FRANCHISES	REVENUE [IN BILLIONS]
2019	205	5.6
2020	261	4.97
2021	275	7.84
2022	315	9.34
2023	335	

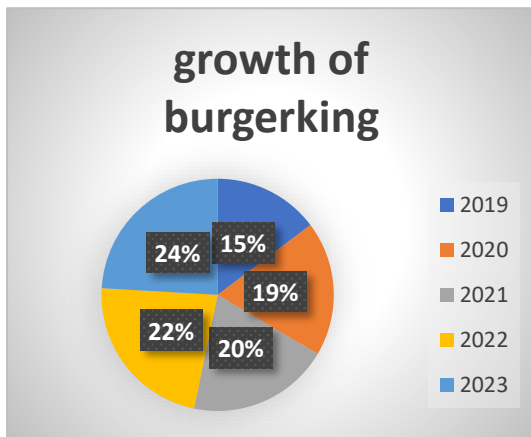


Fig 4.2(A)

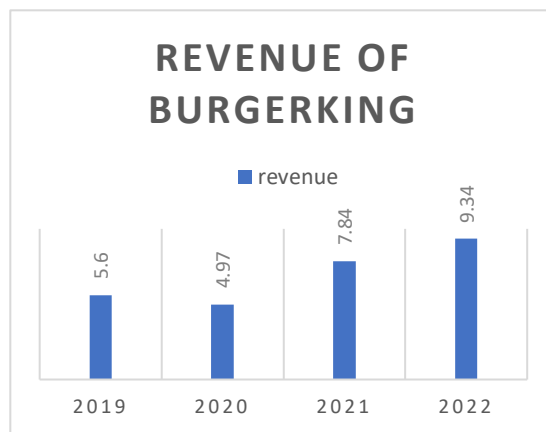


Fig 4.2(B)

INTERPRETATION:

From the above data it has been observed that the growth of the Burger king franchises is more in the year 2020. 56 franchises increased in that particular year and the revenue of Burger king was increasing year by year. We can see the highest revenue in the year 2022 i.e 9.34 billion.

4.3 GROWTH AND REVENUE OF TEA TIME:

TABLE 4.3

YEARS	NO OF FRANCHISES	REVEUNE [IN CRORES]
2019	913	27
2020	1236	32
2021	1890	29
2022	2900	35
2023	3528	

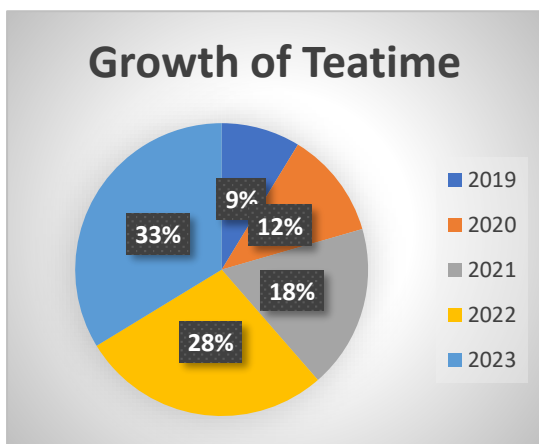


Fig 4.3(A)

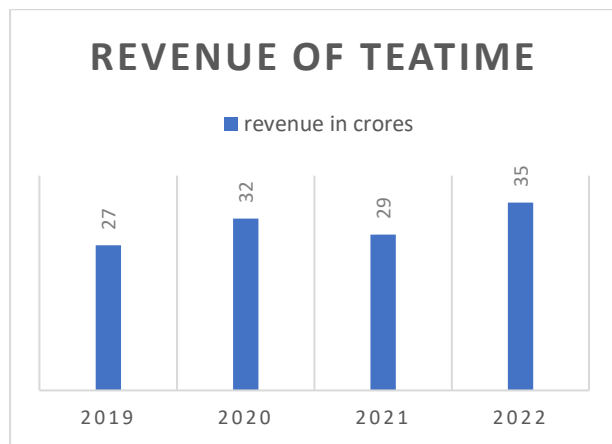


Fig 4.3(B)

INTERPRETATION:

From the above data it has been observed that the growth of the Tea time franchises is more in the year 2022. 1010 franchises are increased in that particular year and the revenue of the tea time is more in the year 2022 i.e 35 crores.

4.4 GROWTH AND REVENUE OF MCDONALD'S:

TABLE 4.4

YEARS	NO OF FRANCHISES	REVENUE [IN MILLIONS]
2019	300	21364
2020	515	19208
2021	1689	23223
2022	2900	23183
2023	3500	

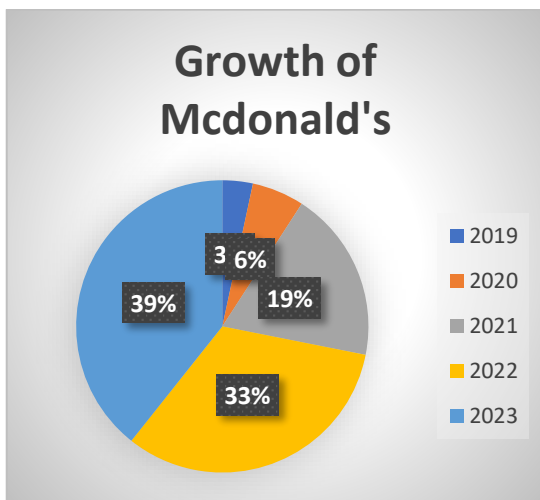


Fig 4.4(A)

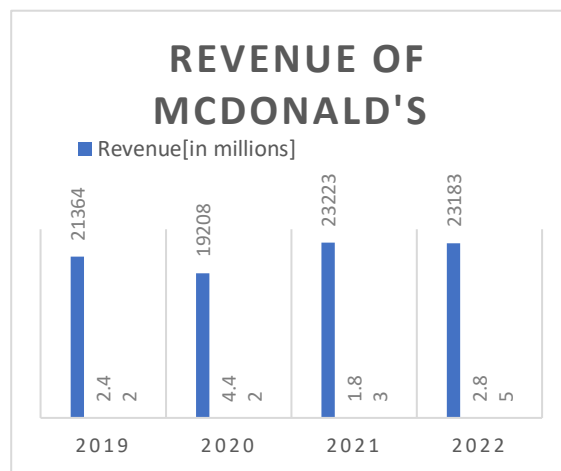


Fig 4.4(B)

INTERPRETATION:

From the above data it has been observed that the growth of the McDonald's franchises is more in year 2022. 1211 franchises are increased in that particular year and the revenue of the McDonald's is more in the year 2021 i.e 23223 millions.

4.5 GROWTH AND REVENUE OF THICK SHAKE FACTORY:

TABLE 4.5

YEARS	NO OF FRANCHISES	REVENUE [IN CRORES]
2019	200	4.79
2020	484	5.8
2021	650	6.42
2022	843	7.32
2023	1015	

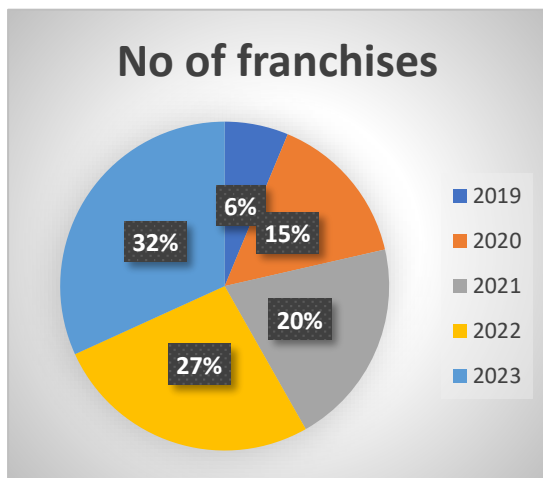


Fig 4.5(A)

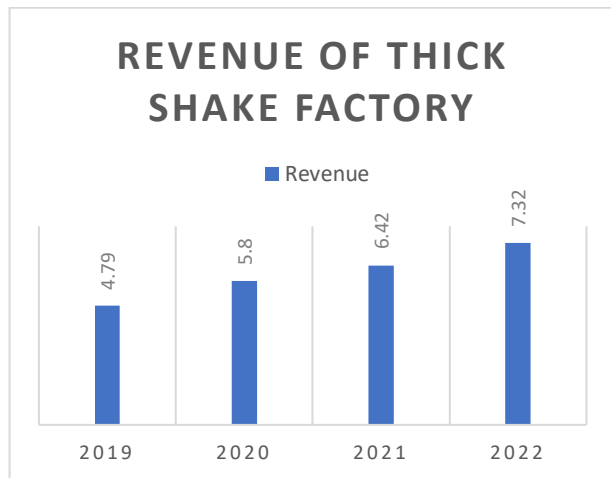


Fig 4.5(B)

INTERPRETATION:

From the above data it has been observed that the growth of the Thick shake factory franchises is more in the year 2020. 284 franchises increased in that particular year and the revenue of the Thick shake factory is increasing year by year. We can see highest revenue in the year 2022 i.e 7.32 billion.

CHAPTER-5
FINDINGS AND CONCLUSION

FINDINGS:

- The study reveals that When we are all set to run a KFC outlet, we will get three times the revenue within a year. KFC franchises increased more in the year 2020 when compared to the other 4 years and the revenue of the kfc is increasing year by year.
- The study reveals that Burger King serves more than 11 million people every day. Burger King franchises increased more in the year 2020 when compared to the other 4 years and the revenue of Burger King also increasing every year along with franchises.
- The study reveals that Tea time is known for its unique blends of tea and consistent quality at an affordable price. Tea Time franchises increased more in the year 2022 when compared to the other 4 years. Highest revenue is observed in the year 2022 i.e 35 crore.
- The study reveals that Over 68 million people eat at McDonald's each day. McDonald's franchises increased more in the year 2022 when compared to the other 4 years.
- Thick Shake Factory franchises increased more in the year 2020 when compared to the other 4 years and the revenue also increasing every year
- Kfc is the fastest growing franchise when compared to other four franchises, revenue of kfc is increasing along with the franchises every year.

CONCLUSION:

From the study it is concluded that Franchising is an efficient way of growing our business. It helps to create a wider market base, increase revenue and expand our business in a cost-effective way. Overall, the food franchise sector in India is expected to see strong growth in the coming years, driven by rising disposable incomes, changing lifestyles, and a growing preference for convenient and on-the-go food options. After the entry of the franchise food outlets in India it has affected the local restaurant's sales and they have witnessed a reduction in their customer base. They have been found to be in stiff competition with the franchise outlets but most of them have been found to be losing the race. Many of the local restaurants in the city have been found to close down their business after the entry of franchise outlets like Kfc, Mcdonald's, Tea time, Burger king etc .KFC was the fastest growing food franchise in India. Each franchise is increasing their franchises every year. The success rate of franchise business is about 85%. The growth of franchise business has been around 40% over the last 5 years.

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