

A BRIEF STUDY ON THE OVERALL PERFORMANCE OF CRESCENT INTERNATIONAL HOTEL KOHIMA

*Project report submitted to Nagaland University in partial fulfilment for the award of the
degree of Bachelor of Commerce*

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DECLARATION

I declare that the project report entitled “A Brief Study on the Overall Performance of Crescent International Hotel” is submitted by me for the award of the degree of **Bachelor of Commerce** of Nagaland University is my own work. The project has not been submitted for any other degree of this University or any other university

AKANGMAR

CERTIFICATE

I forward this Project Report to be placed before the examiners for evaluation.

NGIPLON RACHEL CHOHWANGLIM

Supervisor

ACKNOWLEDGEMENT

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CHAPTER-1.

1.1. INTRODUCTION

The restaurant business is different from all other kinds of other industries within the service sector. This is an enterprise, which combines art and traditions, operation mechanisms and experience in marketing, service philosophy and the concept of the formation of the potential audience. Restaurant business is one of the most vigorous sectors of the economy. The development of the foodservice business undoubtedly is related to the social and economic changes taking place in recent years in our country. Restaurant that become successful usually have a combination of factors working on their behalf.

Crescent International Restaurant and Hotel is one of the popular restaurants in kohima located near Old NST main town. Their speciality is Indian Food which people usually prefer the most. The food that they serve consist of chicken and mutton since some people don't like having pork or fish. Starting up a restaurant is a great opportunity for entrepreneur whose passion is serving food. As a matter of fact, one must have a good amount of money as starting capital to start up a restaurant. Finally you must know how much you are going to spend, your budget will determine what type of restaurant and designs you can come up with.

Through my research the mainstream for running a restaurant is to provide employment to the unemployment youth of NAGAS and also to provide high standard hygiene food and profit to earn. The purpose of the study is to analyse the overall performance of Crescent International Restaurant.

1.2 REVIEW OF LITERATURE

According to YMH Romeo-Ciencia & Saude Coletive (2019) in his study food environment influence food consumption and population health. This study sought to establish the outstanding themes in recent scientific literature about healthy eating and restaurant. It would be expected that food choices made by individuals away from home maximize their wellness, particularly considering the relationship between health and food intake. For this reasons, a balanced diet is included in several strategies to generate optimal conditions for growth and development in childhood. In this study it is also said that healthy choices are often linked to the perception of less taste, less satiety and higher price which several establishment assume that providing this type of food will harm their profits so if foods with lower nutritional quality have a higher profit margin.

Bahattin Ozdemin, Osman Caliskan (2013) conducted a research on “A review of literature on restaurant menus; specifying the managerial issues.” While the menu at an esteemed restaurant speaks of the different food items and beverages sold and their retail prices, there is actually much more to it than what meets the eye. The menu restaurant’s transaction with various parties like vendors, suppliers, competitors, customers and employees of the organisation. Since it is solely the menu itself which affects customers preference and their perception of food ordering which at a restaurant, careful and meticulous work needs to be done encompassing the functions of menu planning, management, designing, price, operating and analysis. Food safety norms need to be paid special attention to while producing food items and on this basis, both qualitative as well as qualitative aspect of performance of different food and beverage items on the menu card be evaluated.

Syed Saad Andaleeb and Carolyn, Conway (2006) also conducted a research on “customer satisfaction in the restaurant industry. An examination of the transaction- specific model”. The purpose was to determine the factors that explain customers satisfaction in the full service restaurant industry. The result of the research suggested that full service restaurant owners and managers should focus on the major elements – service quality (responsiveness), price and food quality (or reliability). From the result, it was determined that the “ responsiveness” dimension of service quality was most important to customers.

John P. Harrison, B.S (2011) “operating a successful restaurant.” The purpose of this project was to learn the most attributes needed to operate a restaurant successfully through literary review, five attributes areas were identified as necessary for successful operation. These areas were, restaurant managers needed experience. The food had to be of good quality while following food safety regulations. The menus had to be diverse. Finally, the managers needed and customer service skills.

Beverly (Shin-Yun) Chen (2014). “ Lesson learned: A qualitative case study of restaurant success in Auckland, New Zealand” , a study conducted to bring out the importance of understanding both internal and external environment. The operating environment plays a vital role in the survival of a restaurant both in the long as well as short run. Just as awareness of changes in the environment, understanding and producing these changes and ultimately deciding how to respond to their changes forms an integral part of the human perception process, similarly, even a restaurant is an organisation needs to analyse the changes in the external and internal environment and formulate its policies and strategies accordingly in order to thrive in such a competitive market.

1.3 OBJECTIVES OF THE STUDY

- Study of Crescent International Restaurant in Kohima
- Understanding the various challenges that Crescent restaurant faces
- Knowing the customers reviews
- How Crescent Restaurant is beneficial for an entrepreneur
- Study of how Crescent restaurant operates

1.4 RESEARCH QUESTIONS

- Is restaurant business a profitable venture in kohima?
- What are the challenges and problems faced by restaurant business in kohima?

1.5 RESEARCH METHOD

- Primary data was collected from the managers and proprietor of Crescent International Restaurant and hotel Kohima Nagaland.
- Secondary Resources of data are collected from net sources.
- The interviews were formal in nature in order to gain much information as much as possible.
- Communication was done through face to face and even through telephone.

1.5.1 Sources Of Data

- **PRIMARY-** In this study the primary data was collected from the managers, staff and customer reviews of Crescent International restaurant Kohima, Nagaland. The interview were formal in nature to gain more information as much as possible.
- **SECONDARY-** The secondary sources of data are collected from Articles and net sources/websites.

1.5.3 Sample size of the study - The study was conducted inside the Crescent International restaurant office.

1.5.3 Communication approach

Communication was done through personal interview and even through telephone.

CHAPTER-2

ANALYSIS AND INTERPRETATION

A Restaurant requires a huge amount of money depending on who you will serve will determine every decision that you will make ranging from costing, menu design, interior design, suppliers, competitors along with purchasing of furniture, equipment, etc. One should have an advance planning for the business and should consider the location for the establishment of the restaurant. It should be located in such a place that people have easy accessibility and visibility in order to have more customers as well as more income. Mostly growing markets or campus areas offer a good starting point to open up a restaurant as they have a considerable footfall but before going forth with basing your business plan on a tried and tested location so understand why that location has worked. For a restaurant business, you should look at the food and beverage trends to identify which restaurant format is on the rise.

A way of running a successful restaurant lies in margins existing with the suppliers. It is possible to provide a cheaper service to your customers if a more significant profit margin exists with your supplier which enables you to get a competitive advantage. Even customers exercise a considerable influence on your restaurant. A massive number of customers and their preference can make or break your business especially if similar outlets exist. Thus, it becomes essential to keep your target customers and their behaviour and preference in mind while working with your business plan. Analyse current industry changes, trends and upcoming or expected changes as a part of your analysis. This will help to get direction as where to industry is heading and give you openings to gain an advantage over your competitors.

Though a little time consuming the process of doing industry and market analysis for your restaurant business plan will definitely pay back two-fold as it will not only give you a start but form the basic skeleton of your future growth plans.

Crescent International Restaurant and Hotel offers good quality of lodging facilities and also a wide range of Indian food. The interior design is more like luxury hotels and also better designs than other restaurants in Kohima. The menu of Crescent Restaurant is limited because it is relatively a new restaurant and hotel. The duration of time takes a little longer than the expectation of the customer, however the overall cuisine is beyond expectation of the customers. Most people prefer Crescent Restaurant since it is new and also provides better customer service among other restaurants in Kohima.

2.1 MERITS OF A RESTAURANT

Profitability as with many business, restaurants have several basic approaches creating profitability. You can go for the high-value, low-price strategy to try to generate enough traffic to multiply modest margins. Or, you can try to build an image of luxury, high quality and class to attract a higher-paying audience. You have to consider fixed costs of owning and operating a building and paying labour, as well as the variable costs for food and supplies. Setting menu prices that attract customers and exceed your cost structure is complex in restaurants operations.

One of the main benefits of local restaurant is to provide good food at a reasonable cost to people in the community which attracts more customers and more profits for the restaurant. Other restaurants in high traffic areas may just be money grabbers for tourists but the essence of a good local restaurant is beneficial to the community. Another benefit of restaurants is that they contribute to the local economy and local culture. Many towns and cities build their nightlife and culture located around a particular area, and a thriving restaurant scene helps contribute mightily for those people to gather.

For restaurant owners, one of the benefits of owning a restaurant is the creative control that one holds. An ambitious, creative owner can be instrumental in:

- Developing the food menu
- Acting as the face of the restaurant
- Coordinating the tables and seating layout
- Having input into the websites and branding

Restaurant can be successful with some of these key reasons:

Have a good concept- is a good food concept at the right time is a crucial factor in a restaurant's success.

Serve great food – A restaurant should hire a great chef who can create food for the audience that is desired. It will be a chef who creates art with the food while making it taste delicious. A restaurant owner should spend wisely on a good chef.

Achieve Financial Benefits- One must a close eye on costs. Restaurants are known for having financial margins that are thinner than a slice of parmesan cheese, so its critical to keep a close eye on the cost all the time. One way to do this is to hire a financial accountant to tract the cost going out, the sales coming in and the wages paid out to employees.

People have been hardwired to grab something to eat when they are hungry. This is a major advantage for any start up restaurant. The only thing that needs to consider is the future of your product and there will be a demand for it in your local area.

2.2 DEMERITS

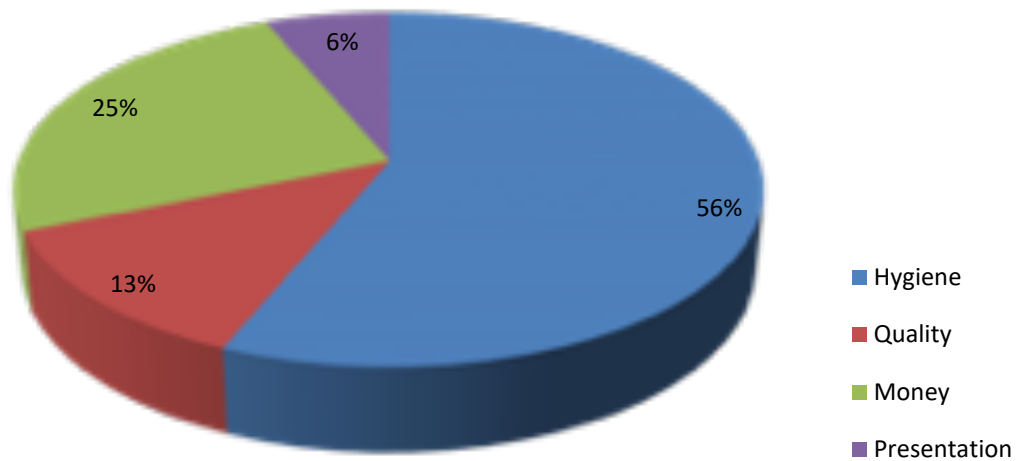
Restaurants must adhere to federal and state health and safety regulations. Food inspectors visit restaurants periodically, or in response to customers complaints, to ensure compliance. Safe equipment and operational standards are important to employee and customer safety. Standard for food storage and preparation, and for general cleanliness, all relate to customer health and sanitation. Keeping up with these standards is both time consuming and costly in some cases. In worst-cast scenario restaurant could be shut down temporarily or even permanently for failure to comply.

Time Commitment Operating or managing a restaurant is often a major time and energy commitment. You not only have to oversee normal business development related to buying, selling and logistics, but you also have to monitor the day-to-day offering of a valuable dining experience. Restaurants that open for breakfast and close late after dinner have perpetual business and customer activity that must be directed a manage.

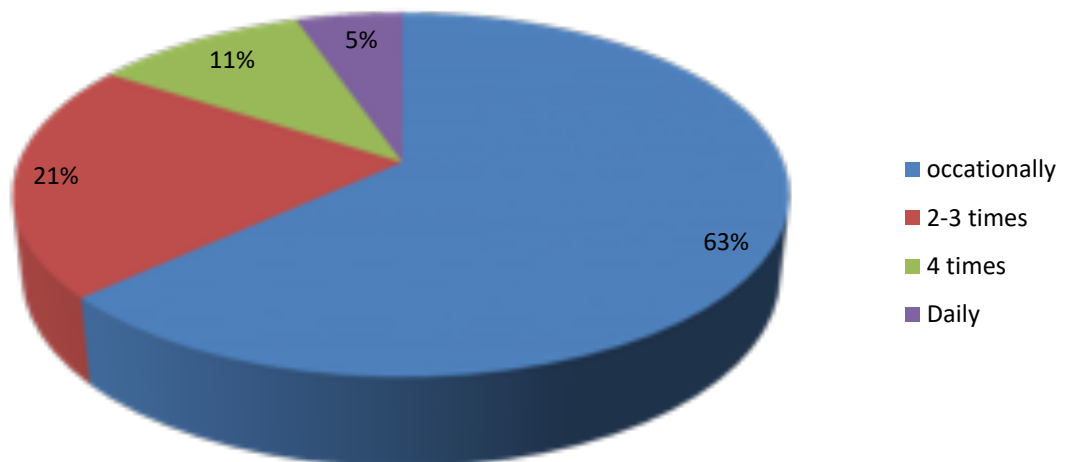
While having full control over your restaurant is advantage in terms of flexibility and creatively, it also comes with the disadvantage of full responsibility. When you are running a franchise, you usually have a lot of support from the chain in terms of training, mentorship and regular guidance. Having an independent restaurant means you are own your own and will have to seek own resources for help when you need it. If you are inexperience in running or managing a restaurant, having less direction can present challenges when things go wrong, whether you struggle to market yourself or have distribution issues. Another disadvantages is that it can take longer for your independent restaurant to gain customers and have a good profit. You might run into a hurdles if you want to sell and while you can sell an independent restaurant, you'll need to have put in the effort to make a reputation for yourself and show potential buyers that the purchase would be profitable for them.

2.3 RESPONSE ON THE BASIS OF SURVEY

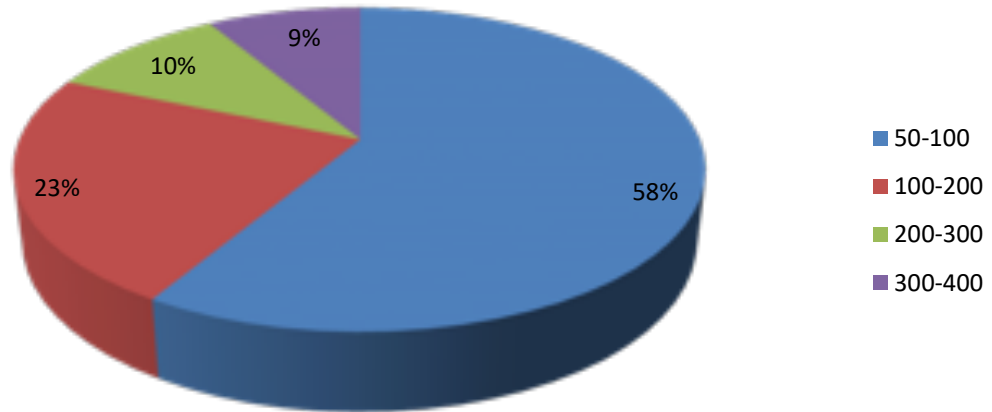
1. WHEN BUYING FOOD WHAT ASPECT DO YOU CONSIDER?



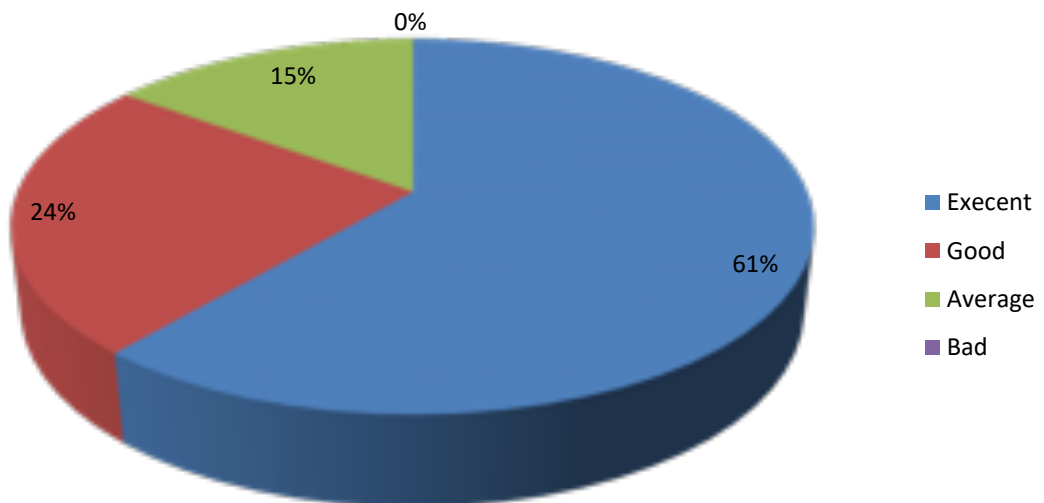
2. HOW MANY MEALS DO YOU EAT OUT?



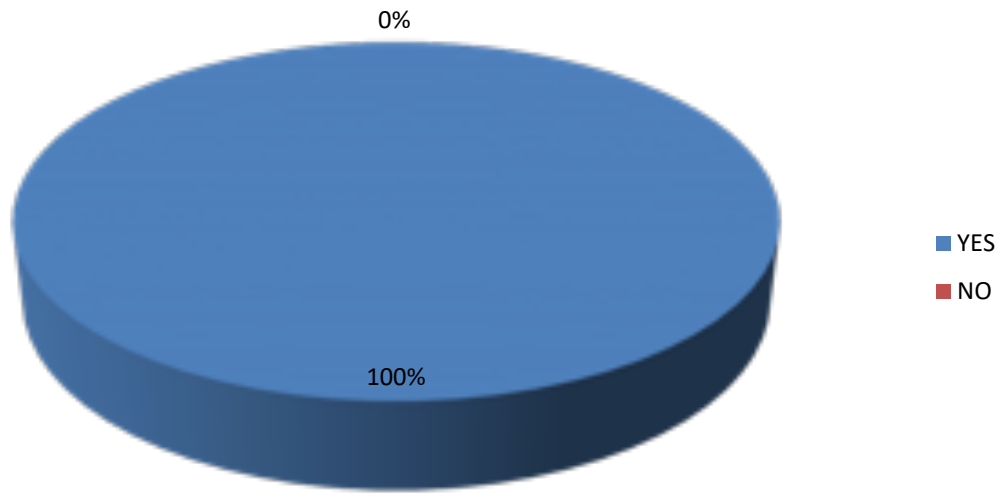
3. WHAT WOULD YOU BE WILLING TO SPEND AT FOOD?



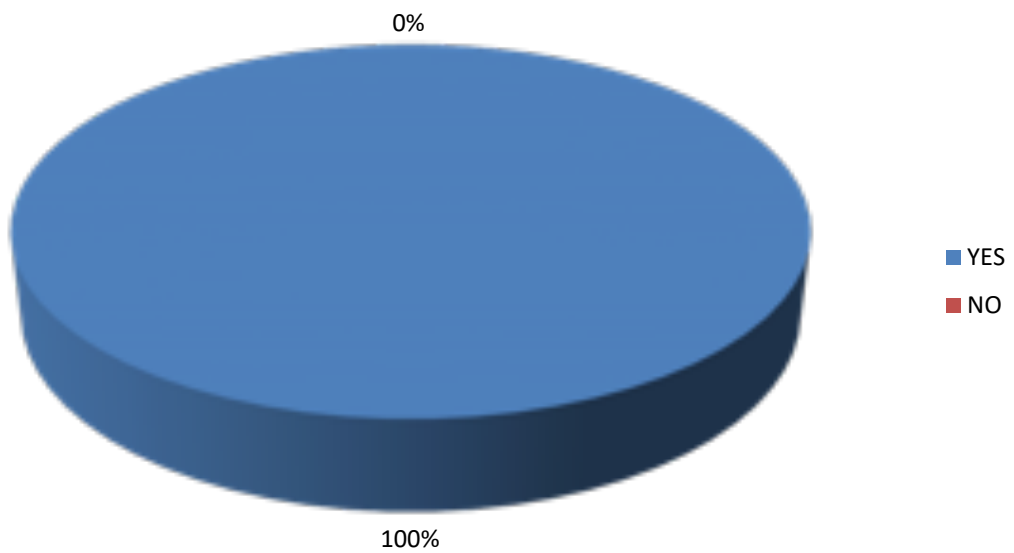
4. HOW ARE THE PORTION SIZE FOOD QUALITY AND PRESENTATION?



5.IS IT FILL IN?



6. SHOULD GOVERNMENT START ANY SCHEMES FOR THE FUTURE ENTREPRENEURS WHO WANTS TO START A RESTAURANT?



2.4 Visit on Crescent International Restaurant

I was able to visit the owner of Crescent International Restaurant and gather information about the restaurant. I took interview with the managers and the employees who work there. Clicked some photos and had a long talk about the business. Crescent International restaurant, It was established on the year 2021 on the month of April 4th with the starting amount of approximately around 20 to 30lakhs. The Overall employees in Crescent International restaurant is 22 and in search of more in the future. Crescent restaurant have wide range of Indian food in their menu mainly chicken and mutton, because most customers do not prefer pork and beef that is why it is known as International restaurant. The manager said that restaurant has been advertised through Facebook, Instagram and other companies. The restaurants have one chef and co-helpers. Salaries for the employees are 6000/7000 per month along with tips and bonus. The manager said that Crescent restaurant's highest sale was 1lakhs and the name "crescent" was taken because it sounded cool. Their working hours are 8hours which have different shift and different time. The major issue that crescent restaurant faces is man power. It was said that they have no rivalry with other restaurant but their main objective is to expand the business.





2.5 Some of the food served in Crescent Restaurant





CHAPTER-3

3.1. FINDINGS

According to the research carried on through survey, it is found out that attention is the most important concept in developing a restaurant. Proper planning and creativity can make the rest of your concept come easy. Once you have a vision of your establishment, you can begin to focus on the menu, staffing needs and other requirements. However, starting up a restaurant is a different from all other business enterprise. Through this study it is also found out that there are people who are successful entrepreneurs of a restaurant and there are people who failed due to lack of financial planning, locations, no management, poor business acumen etc.

Crescent International Restaurant was established in 4th April 2021. It has a luxury interior which has cost huge amount of capital along with the design and furniture. It is located in Old NST main town. Its exterior design acts as a center of attraction for the people. It has a wide range of Indian dish which is also the dominant dish of the restaurant. Crescent International Restaurant's menu is limited because it is a new restaurant and hotel but the restaurant receives positive feedbacks. It provides better customer service. An employee salary is 6000-7000 along with tips and it also has employee of the month, performance rewards in order to encourage them. They have 22 employees in the restaurant and they work up to 8hour a day. An overall sale of the restaurant is 1lakh in a month. Their objective is to expand the restaurant in different places. They allocate their resources in a refrigerator and also purchase goods from the local markets.

3.2 Challenges

- Increasing competition, there are number of restaurants that offer food which are more or less similar at competitive price. This makes it challenging for a restaurant to engage and retain consumers and heightens their performance related uncertainty.
- Manpower Issues: Shortage of Quality staff and high attributes
- High tax Rates is also a major issues for a restaurant to operate.
- The license required to start a restaurant needs approximately 12-15 license from the government department.
- Customer Service is important to focus on since your business depends on the satisfaction of the customers.
- A food security issue is one of the main ethical issues in food service. Since food is at the center of every restaurant, you should treat it with utmost care. Food transportation issues such as items not arriving on time, needing temperature controlled transportation or bring contaminated.
- Restaurant management team structure is that, even if you know how to manage restaurant staff, you won't have the time to do that and also keep a close eye on day-day operations.
- Restaurant Marketing is not something you cannot go without a restaurant owner. If you don't have a dedicated marketing budget, you don't necessarily have to get one.
- Cost and budget Management is one of the challenges because running out of money is the worst possible scenario.
- Employee Turnover can lose you a lot of money because it costs more to hire someone new than to keep an existing employee that you have already trained.
- Lack of Automation, this makes restaurant problems and their solution more complicated for small business. Most restaurants are taking online orders.
- Crafting the perfect menu is an important role in the restaurant because based on the menu that you have crafted will gain more customers.
- Menu Compatibility is that always keep the menu updated when something changes, from an entire dish to a price point.
- One of the main factors affecting the restaurant business is the difficulty of coming up with a unique selling point in an oversaturated industry.

3.3 Suggestions

The success of a restaurant is more dependent on how customers enjoy their dining experiences. If your restaurant is not good then it might lead to shutting down of your restaurant so a restaurant owner needs to have the skills to lead a team of people effectively.

A restaurant is an exciting and challenging business to run. You can never know whether it will be success until you get it off the ground and start building customer base. At the same time, being prepared minimizes risks for failure. Check and double-check your estimated cost, know your strengths and choose your tools wisely.

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<https://restaurant.indianretailer.com/amp/artic>

<https://www.buzztime.com>

<https://smallbusiness.chron.com>

APPENDIX

Questionnaire

1. When was the establishment date?
2. How many employees does your restaurant have?
3. What kinds of dishes do you serve in the restaurant?
4. How many chefs does your restaurant have?
5. What are the objectives of your restaurant?
6. What is your restaurant known for?
7. What are the employees monthly earning?
8. Does your restaurant utilized any performance rewards?
9. How did you come up with the name for your restaurant?
10. Unique about your restaurant?
11. Working hours?
12. What was the first objectives when you founded your restaurant?
13. What are your profit margins?
14. Did the bank give any financial assistance?
15. What are the major issues you face in a daily basis?
16. How are you handling the taxation of different fractions?
17. How long did it take for your business to turn a profit?