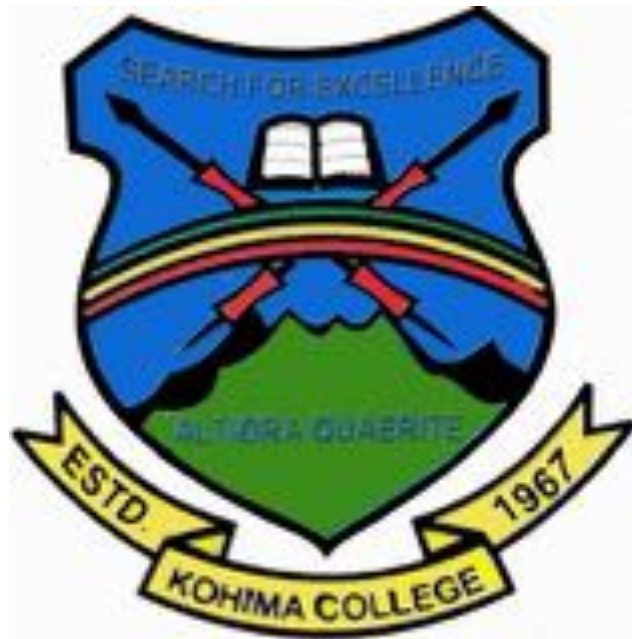


# **A BRIEF STUDY OF BAKING BUSINESS IN KOHIMA**

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

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Date:25-03-2022

**DECLARATION**

I declare that the project report entitled “A Brief Study of Baking Business in Kohima” submitted by me for the award of the degree of **Bachelor of Commerce** of Nagaland University is my own work. The project report has not been submitted for any other degree of this University or any other university.

**KENEINGUNUO PFUSE**

**CERTIFICATE**

I forward this project report be placed before the examiners for evaluation.

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# **CHAPTER – 1**

# **INTRODUCTION**

## 1.1 INTRODUCTION

Baking method of preparing food that uses dry heat typically in an oven but can also be done in hot ASUS Or can also be done in or on hot stones , the most common baked items are bread, cake n cookies. Heat is gradually transferred from the surface of cakes, cookies and breads to their center . The art of baking remains a fundamental skills and is important for nutrition as baked goods especially breads, cakes and cookies are a common and important food, both from an economic point of view. A person who prepares baked goods as profession are called a baker. The world oldest oven was discovered in Croatia in 2014 acting back 6500 years ago. The Egyptians were also pioneers in baking as the first recorded civilians to use yeast in their breads.

Bakery business in Kohima has a large scope of earning as it's products are use in our day to day lives. There are multiple bakery's in Kohima. If your budget is big you can start a big store or if the budget is small u can start as based. In my research I found that many of them are home based and are young bakers some pursuing their studies some are mothers who started at a very young age . Baking started as their hobby and they are now running it as their career.

The purpose of the study is to analyze the overall profit and the business in Kohima.



## **1.2 Review of Literature:**

According to Kwang suck Lee (Food science and industry) 45(4), 16-20, 2021

“Although the technology of breadmaking simply goes through the process of mixing, fermentation and baking, it is very hard to make a same product everyday. The reason is that baking science begins with the very first process of breadmaking which is mixing, and every steps and working environment are so closely connected. The baking science has short time since the theory of fermentation has released. Because the baking business is making and selling the product, baking itself is a business, and it has the form that manufacturing and service business coexist”.

According to Bernard Bruinsma, “onething has always bothered me when purchasing a sandwich or burger at any fast food restaurant. Just prior to handling me the burger or sandwich the person the person will carefully add the condiments I ordered, gently wrap it in a perfectly sized paper, and then turn it over and press firmly down on the sandwich until the entire sandwich plus wrapper is less than a ½-in high.

Perhaps it’s because I know about the multitude of people involved in the quality control process that this single act of smashing irritates me so much. We in the baking business work hard to ensure that the ingredients purchased are of the highest and most consistent quality. My experience has shown me that the lack of quality controls in a bakery are far more often responsible for In-plant problems than are huge in Consistencies in incoming ingredients. Our supplier works very hard to supply consistently high quality ingredients. It is not in their best interest to supply an inferior product, since it will most certainly results in a loss of over all business. Miller’s also do a good job of taking an agricultural commodity, with all it’s inheritance variability due to weather, planted variety, location in the field, protein content, freeze- thaw conditions, etc and providing a uniform product for the baking industry to use as it’s man ingredient”.



### **1.3 OBJECTIVE OF STUDY:**

- Study of bakery's in Kohima
- Understanding the various challenges face by the owner
- Needs to be registered
- Study the sales of the bakers
- More advertisement on social media for vast experience

### **1.4 Research Question**

1. Is Baking a sustainable business in Kohima in terms of profitability?
2. What are the challenges and problems faced by bakers in Kohima?

### **1.5 Research method :**

Interview on phone method was used for the collection of data.

#### **Primary data collection:**

In this study the data was collected directly from the owner of the bakery in kohima. The interviews were done in texts.

#### **Secondary data collection:**

It was collected from articles, websites and sources from net.

#### **Communication approach:**

Communication was done through texts.( firstly from Instagram and later on WhatsApp as they preferred texting and not call).

# **Chapter:2**

## **Analysis of the**

### **Study**

## **2.1: BENEFITS OF RUNNING BAKERY BUSINESS**

Although there are varieties of breads, cakes and pastries people may choose to focus on a particular product line such as cookies as their primary product line. People can come up with different cookie and cake recipes.

Bakery business offers people a great potential for creativity, bringing in their own ideas and also enjoying what they love doing.

People have the potential to expand their bakery business. A home bakery allows them to save huge capital investment. Just a little construction of shelves, counter, cabinets etc and the bakery is done they don't need to worry about monthly rental fees, electrical fees for their store and also their house, water supplies etc. But of course they have to comply with the licensing requirements.

It is open for both men and women anyone can bake. We have some great bakers who are doing great in this field. Even if they are a working mom or dad a bakery inside their house will be easier for them to comply with. Once people try their baked goods and they enjoy them, then they will be establishing a brand loyalty automatically. Anytime that a customer is close to the bakery and smells what they are baking, he or she will be ringing through the door. Over time as more customers give their bakery a try, they will be able to establish a base of local customers that will frequently help their goods.

## **2.2 Demerits of running bakery business :**

Agreeably, the bakery industry is multi-billion dollar market, but it is not without its weak areas. Bakery products are perishable so there is a risk that they will have a lot of

wastage if there products do not get sell, and staffing may present an ongoing problem. Below are some few disadvantages of opening and running a bakery.

### **1. Intense competition**

The bakery industry is large and diverse. There are large bakeries that mass produce the most popular baked goods, including many small snacks. There are also small bakeries that focus on artisan baked goods, including breads and many other kinds of pastry.

### **2. Multiple levels of regulations and compliance**

Once they plan to sell food products they are expected to excel the regular health and safety inspection at their business. They will have to have a standard business license. They may also be required to collect sales taxes or meet other specific licensing needs in their community. Also specific certification regarding their skills as a baker may even be required to start this business. Although not all faces such.

### **3. Small profit margins**

When they consider the labour and utility costs of baking their preferred goods, there is a probability that their profit margins on some products could be under 5%. In this industry, a standard calculation for pricing is to set prices at 4x of what the cost per product happens to be.

If it costs you \$1.50 to make a loaf of bread, that means you would be charging \$6 per loaf and that just isn't in the budget of many households today. Moreover, price fluctuations happen to any business studies seasonal.

As it turns out this is exactly the nature of many of the raw materials that are used by a bakery. They tend to experience price fluctuations from one season to the next and also from one year to the next, with some of this price fluctuations being quite extreme.

This price fluctuations can have series consequences for the bottom line of a bakery business, as profit margins becomes slim, and sometimes the bakery's are force to pass some of those cost on to the consumer, to avoid going out of business. However, a common way to avoid the risk of price fluctuations in your bakery business is to negotiate contracts so that you buy all of your raw materials in bulk and at fixed wholesale prices.

#### **4.High price of ingredients**

Just the prices of butter or olive oil tell the whole story at this point. In this business, they will have to buy this ingredients before any packed goods are sold, which means they need cash -on -hand everyday. There is also no guarantee that they would sell all of there packed goods everyday, which means they could be out a lot of inventory without revenue and still need cash to pay for more. Packed goods are Perishable inventory so if you don't sell the bread today , it has to be marked down tomorrow.

However, it still cost the same to baked. Knowing exactly what your packed goods cost to produce gives them a better idea of what price to charge for them. If finance is not the strong point, hire an accountant to set up the accounting system and show them how to use it.

#### **5. Unfriendly working hours**

In this business, if they want to serve freshed packed goods for the morning commute that begins at 6:30 am, then they have to start baking by 2:30 am. This means they will get less sleep and stay awake when most people must be resting . They can't always mixed there dough the night before for certain products, so there is no getting around this faked.

### **2.3 Response on the basis of survey :**

Interview with bakery owners:

I was able to get in touch with the bakery owners from the phone as their schedule was really tight they preferred texting. I asked them questions and it was really kind of them to answer me. I took permission from them if I could I use the pictures which are on their page. As many of them were home based I could not visit.

The list of bakery's I studied on are :

1. Mini bakes Kohima.
2. Bake for you Kohima.
3. The gracious bakes Kohima.
4. Michelle's Baking.

#### **1. Mini bakes Kohima**

Medonüpusa is the owner of mini bakes Kohima . She is from visema village

Medo is 23 years old . She started baking since she was 17 as a basic . She bakes normal cookies and other stuffs for the shops. She started accepting cake orders only in June 2020.Medo wasn't really interested in baking but as their was a pandemic she tried baking to spend her time and with that it became her career. Medo was self trained she didn't take any baking class Or trainings. Coming to capital investment it's not accurate as medo runs different kinds of business. Medo invests 60k to 70k in a month and in return she earns 30k to 40k as profits but sometimes it gets lower as business is up and down. Sometimes when the weather is done and market is bad that time she often face some situation where she needs to replace everything we supplied but she continues to keep the business going on.

And about machines medo is using normal machines she is using 2 hand mixture, and 2 40litre

oven . Medo's bakery is home based but she supplies to different kinds of shop. Daily orders are not counted. When there is home orders such as birthday cakes or special occasions we do it else we just make a rough number of products everyday for supplying in the shops because of the food and safety registration we renewed it every once a year. No tax are paided. She works on two pounds mostly starting at 1400/- only. Black Forest cake which is best selling .

Self pick for cakes and home delivery are done by a local partner. Everything is COD. So far the business is going well. Medo said "Baking takes a lot of effort but it's all worth it at the end of the day " She runs the business alone, no employees are employed. She is planning to employed some very soon. Advertisement are done through social media ( Instagram) . Some customer's contact her through shopkeepers.

Some of her works are showcase below:



**Mini bakes kohima**



## **2. Bake for you Kohima**

Abigail Sitlhou is the owner of Bake for you Kohima. She started in 2014. Abi's start up capital was 50 to 60k. After paying all the bills the profit she gets in a month comes around 30k to 40k. Not exactly home based. She has a rented kitchen where she does all her production. The orders she takes per day depend on the occasion. Sometimes for simple cakes she takes multiple orders a day while for any customized cake single order per day. The only tax she pays is to the CMO for food safety per annum. Abi's cake ranges from 800/- to 900/- per pound. Different people have different palates so choices differ but among all the cakes flavors Butterscotch cake, Black Forest cake, chocolate caramel cake, coconut blueberry cake. Self-pick is done as cakes are very delicate but on certain occasions when orders come from outside they do arrange special delivery services. And in some cases where clients insist on delivery they arrange delivery services from their end at their own risk. When order comes from online 50% advanced payment at the time of booking is mandatory.

Abi said “There were so many challenges initially but slowly baking has become a boon in Nagaland and people are more aware about it so it's becoming easier to deal with clients and also today we have everything available in our state and the supplies etc”

When she first started there was a shortage of baking supplies and there were just one or two shops that cater to baking essentials and that too everything was not available so whenever we needed to buy something she had to persuade friends and family living in the cities to get it for her. She was very new to online shopping and stuffs that time so just to get one bottle of food color was also very hard. And the other big problem that she faced with this business is because of some ignorant people which creates havoc for them. For each order that we take we calculate the time that we would invest and depending on that we take orders. Some clients will ghost them after days of discussing on the flavor, size and designs. It is not that they are short of orders but what bothers them is when 1 client cancels an order or ghosts them they feel bad for the other clients they had to say no who badly wanted their cake. Another problem is pick up timing.

Some customers will tell them that they would pick up the cake at 7 or 6am and so we will have to wake up at five rush to the work place only to wait up for the clients who show's at 10 or 11 or even noon . She have two full time employees who stays with her and on days when they are catering for events they have part timers who comes whenever they need them. 99%percent of her orders comes from Instagram when she first started this business apart from her family and couple of friends nobody knew not even her neighbors. Slowly she made cakes for trails and would upload it on Instagram and that's how people got to know about it. So Abi is so grateful for Instagram because this is one platform where her business started to bloom. Abi gives baking classes /training and crash courses and she have trained over 300 woman till date.

Some of her cakes are showcase below:



**Bake for you kohima**

### **3.The gracious bake Kohima**

Grace mangar is the owner of The gracious bakes Kohima. Grace is 21 years old . She started in 2019. Grace capital start up was 1k . During her beginning their was no profit it was only for a promotional business tragedy . Grace said she started with a low budget method where, she have used low prices machines and baked at gas stove instead of an oven. Thus however slowly after getting renowned, she raised her menu prices and then eventually she bought her oven and quality machines. She is home based since she is still pursuing her studies. She takes three minimum orders per day . She sells her cakes at the rate of ₹700/- per pound and customers usually prefer the flavor of red velvet, black Forest and white forest which are her specialty. She provides both self pick up and home delivery. Both online and Cod are available. Through this business she have become an independent person where she can stand on her own getting all her needs for college and could look after her household stuff too. Which makes it very convenient and helpful. However due to her classes and business which clashes sometimes she finds it difficult to adjust too. She runs it alone. She gets her customers through social media Or through friends and family.

Some of her works are show case below:



**The gracious bakes kohima**

#### **4. Michelle's baking**

Michelle pienyü is the owner of Michelle's baking. She is 20 year's old. Michelle always had an interest in baking. So she took up basic baking class in early 2019 and that's when she started this business. She started with around 5k . She gets monthly profits between 3 to 6k it depends on the orders and more during special occasions and festive seasons a d expenses are between 1k to 2 k b.

She bought a new oven and mixture. Her business is home based. She takes 3 to 6 cake orders in a day. Her cakes ranges from ₹700/- per pound most of the client's order 1 pound cakes. Self pick up and delivery is available . If delivery she prefers prepaid . She finds it difficult to keep up with her social media and get back to her clients inquiry on times. She have also being ghosted once by a clients and sometimes not being able to stand up on some clients . Expectations is really stressfull sometimes. Michelle calls it as a family business because without the help of her mom and sisters helping in every step she takes, she would be no where . She gets customers through Instagram followers and whatsApp.

Some of her works are shown below:



**Michelle's bake kohima**

# **Chapter -3**

# **Conclusion**



### **3.1 Findings:**

Based on the research, it has been found that :

- People prefer low price cakes over high ones
- Most people prefers Black Forest cake and vanilla cake
- Most of the bakers are females
- Most of them are home based
- After comparing the four bakeries Bake for you kohima is the oldest and the most profitable of all
- Mini bakes Kohima and Bake for you Kohima invests 60k to 70k in a month and gets a profit of 30k to 40k in return
- The gracious bakes received 99% of there customers from Instagram
- Abi owner of Bake for you Kohima gives baking classes /training and crash courses and have trained over 300 women till date

### **3.2 Suggestions:**

- Social media is a very useful platform and can be used for advertising the business
- Offer new products and recipes
- Prepare the product well
- Giving out free samples
- Create a attractive logo
- Conduct small survey among your customers
- Be creative with offers
- Friendliness is everything

### **3.3 Conclusion:**

The various benefits and demerits of starting a bakery shows that it can be difficult to achieve success. Your best bet is to research and analyze if your community can benefit from having a bakery. It is their support that will keep you in the business. Baking involves creativity and helps us to get more ideas on art. The more you bake your skills gets better. Trying mixing new ingredients can also lead you to a new recipes .

If there is no high demand the risk may be too great. However, if baking is your passion, a bakery business is a good outlet. Armed with commitment, dedication and Hard work there is no doubt that your business will be a successful one.

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## APPENDIX

### QUESTIONNAIRE:

- Name, age?
- Name of the enterprise?
- When was it established?
- Initial capital investment?
- Profit and loss and machines bought?
- Home based or store based?
- How many orders do you take per day?
- Any taxes paid to any local authorities or services?
- What are your price ranges? Per pound and which range of cakes does people usually prefer?
- Transportation : self pick up or home delivery?
- Mode of payment?
- Number of employees employed?
- How does your customers contact you?
- How do u advertise your products?