

A PROJECT REPORT ON
"A BRIEF STUDY ON FOOD TRUCK BUSINESS IN 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 Food Truck business in Kohima" is submitted by TULIP WANGSA KONYAK 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.

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CERTIFICATE

We recommend that this Project Report be placed before the examiners for evaluation.

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CHAPTER 1 INTRODUCTION

1.1 Introduction

Food Truck business is a great opportunity for entrepreneur whose passion is serving food. A food truck is a large vehicle equipped to cook and sell food. It is beneficial in many ways like there is no need of buying costly spaces for opening up a restaurant, all you need is a full-fledged truck licenses and your passion for catering food in the city. A food truck is best parked in crowded locations such as parks, schools, colleges, offices etc. The food truck does not come cheap. As a matter of fact, one must have a good amount of money as starting capital to purchase one.

Finally, you must know how much you are willing to spend on a food truck your budget will determine what type sizes and designs. If you have large budget you can purchase a large type truck. But if you are on a strict budget, a small or medium sized food truck will do, especially if you are starting out in the business.

Through my research it is said that the mainstream for running the food truck and van is to provide employment to the unemployed youths of NAGAS. It is also to provide at reasonable rates to everyone with highly hygiene food.

1.2 Review of Literature

The amount of scholar work and inquiry specifically on the historical background of K.Z Food truck, J.Khelio Food Truck and Auntie's Hut Food Truck is actually quite limited because it is relatively a recent phenomenon. In order to have a better understanding of the historical context of this food trucks, it is important to place them in a border category of street food. Food Trucks are the newest incarnation of food that is bought and consumed in the street, but food being served on wheels is something on wheels is a recent idea in Kohima. Our contemporary notions of street food are usually of those something that is "on the go" or attractive because of its accessibility and efficiency and not something that is heralded as a place of community building and convergence .

1.3 Objectives of the Study

- To study Food Trucks in Kohima
- To understand the various challenges faced by the owner`s, licenses needed
- To know the customer review
- To study the operations of a food truck
- For more exposure and to have vast experience in food truck.

1.4 Research Question

- License required to start a food truck business in Kohima
- Advantages of food truck

- Disadvantages of food truck
- Is food truck popular in Kohima?
- Investment
- Profits earn
- Idea for expansion of his business

1.5 Research Method

Personal interview method was used for the collection of data

1.5.1 Sources Of Data Collection

Primary: In this study the primary data was collected from the owner, staffs and customer of the food truck Kohima, Nagaland. The interviews were formal in nature in order to gain much information as much as possible.

Secondary: The secondary sources of data are collected from Articles and net sources/websites.

1.5.2 Sample Size of Study The Study was conducted at Belho's apartment, Kruoliezou Billy Graham Road Kohima, Nagaland.

1.5.3 Communication approach Communication was done through face to face and even through telephone.

CHAPTER 2 ANALYSIS OF THE STUDY

2.1) Benefits of Running a Food Truck

1) Food Truck Required Low Initial Investment

a food truck is considered to be a high-profit food business idea, mainly because it involves as much lower investment as against a sit-down restaurant. This alone is a competitive advantage of running a food truck instead of a regular restaurant as money you save in setting up can be used for other operations like marketing or menu engineering.

2) Food Truck Involve Relatively Low Operation Cost

Owning a restaurant requires you to invest in expensive utilities, hire a wide range of staff including cooks, cashier, servers, kitchen, managers, cleaners etc and pay monthly rentals if the property is on rent.

3) Food Truck Attract More Consumers With better quality food (as compared to street vendors) at a marginally lesser cost. Food trucks have become the latest food among the customers as well.

4) Food Truck Can Experience With Location

Restaurants rise and die with their location. Fortunately, food trucks are immune to these problems, they are mobile, and you can choose the location of your food truck as per your choice. If your truck services do not seem to work well at a particular location you can move to some other location and see if your business model is capable of thriving there.

5) Food Truck Allow You To Build (Or Expand) a business With a mobile food van, you can build your brand at a smaller level before expanding into something more significant, such as a sit-down restaurant or possibly franchising your truck. A food truck allows you to have a better control and more flexibility.

DEMERITS OF FOOD TRUCK

1) You'll Work In A Small Space

Food trucks are small and once you add in kitchen equipment, and other necessary cooking items, the space is even smaller.

2) You Must Abide By Local Zoning Laws Even though your restaurant is mobile, you can't park anywhere you like. There is a local zoning, which designates commercial and non-commercial zones. Due to this, most food truck owners plan their schedules months in advance so that they can get permits to park in certain locations.

3) You'll Need To Be Prepared To Pay For Future Repairs

This can be a costly and time-consuming process. In addition, while buying a used truck can save money in the beginning, the repair can be costly if the vehicle breaks down.

4) There's Considerable Competition In The Industry

Before you open a food truck, it's important to be aware that it's a competitive industry. While it's encouraging that there's a demand among consumers for quick, inexpensive meals, many entrepreneurs want to start their own food truck business.

Why Food Trucks fail?

Opening a food truck is much cheaper than opening a restaurant, and therefore a much more tangible goal for those wishing to serve. With a comparably low initial investment, people can see their financial freedom just a few years down the road. However, achieving success in the food truck world is much more complex than is often perceived. Just like restaurants, food trucks have a very high rate of failure with 60% going under within three years of opening. Just because starting a food truck is less expensive than many small businesses doesn't mean opening one is a guaranteed way to achieve financial freedom.

Reasons Food Trucks Fail and How to Prevent Them

People dream of opening food trucks for numerous reasons, among them a love of cooking, the flexibility and excitement of an ever-changing locale, the desire to share great food with the world, and the notion that a food truck is the ideal vessel to achieve all of this through. Opening a food truck is much cheaper than opening a restaurant, and therefore a much more tangible goal for those wishing to serve their culinary works to their community. With a comparably low initial investment, people can see their financial freedom just a few years down the road. Once they break even and pay off any loans, as long as their food truck continues to make a profit, they will have gained financial freedom doing what they love.

However, achieving success in the food truck world is much more complex than is often perceived. Just like restaurants, food trucks have a very high rate of failure with 60% going under within three years of opening. People thinking with their hearts decide they can easily reach their goals by opening a food truck and overlook many important details. Dreamers believe simply offering amazing food and acquiring funds to buy a truck and cover overhead will pave the way to success. Just because starting a food truck is less expensive than many small businesses doesn't mean opening one is a guaranteed way to achieve financial freedom. Breaking into the food truck world requires extremely hard work, a solid financial plan, and patient, persistent pursuit. Lack of Business and Financial Knowledge.

A food truck is, above all else, a business. As with any business, a detailed, viable business plan needs to be developed to provide a solid foundation upon which the business can be built. It may be easy to get lost in planning innovative menu items, but food isn't the only component needing thorough consideration before opening a food truck. Without a specified layout of costs, operational processes, marketing and branding plans, and research any food truck may be bound to fail. Details covering the necessary licenses, permits, and insurance to cover all food truck specific laws and regulations are sometimes overlooked by people planning to open food trucks.

Lack of Management and People Skill. Bad management can destroy any business. Many people who open food trucks can do most of the work themselves, but are not able to teach others how to do every task. Without complete dedication from the owner,

a food truck can fail. When an owner isn't around to make sure things are being done to their liking, food quality can suffer and customers can be lost.

Food truck owners must not only be able to communicate their ideas to others, but must also be able to listen to others. Listening to employees and their ideas about how to make a business run more efficiently could potentially lead to great things, but not doing so won't lead to failure. If customers are telling a food truck owner what they want, the owner should take the opportunity to provide it for them rather than ignore the customer's voice. When something isn't working, and customers are explaining why, food truck owners must be ready and willing to listen and incite change.

2.2 RESPONSE ON THE BASIS OF SURVEY



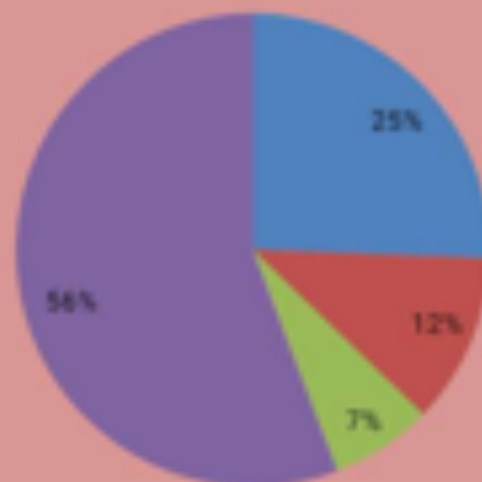
2. How many meals do you eat out?

■ Once a week ■ 2-3 times ■ 4 times ■ Daily



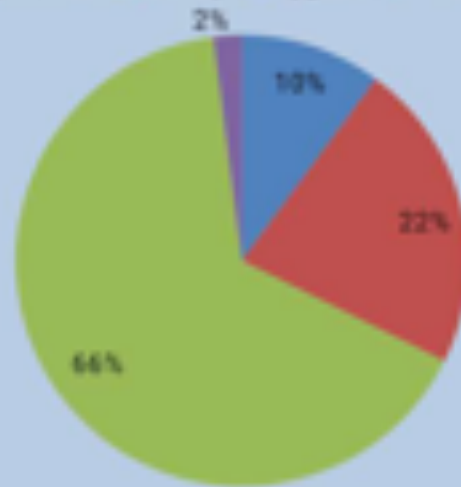
3. What would you be willing to spend at a food ?

■ 50-100 ■ 100-200 ■ 200-300 ■ 300-500



4. When buying food what aspect do you consider ?

Quality of food Money Hygiene Presentation



5. How are the portion size food quality and presentation ?

Bad Average Good Excellent



6. Is it fill in?

■ yes ■ no
0%



7. Should Government start any schemes for the future entrepreneur who wants to start the food truck?

■ yes ■ no



8. Have you ever tired buying food from a food truck

■ yes ■ no

0%



100%

9. Where do you mostly prefer to eat

■ Restaurant ■ Fast food ■ Food truck ■ Home



2.3 FOOD TRUCK VISIT

I was able to visit Mr. Kh. Phoshu the owner of three Food Trucks and gathered information on these food trucks. I took interviews of the owners and the employees who worked there. I clicked some photos and had a long talk about the business. With the investment over Rs 3 lakh for the food truck Mr. Phoshu said that the average daily profit is around 5000-6000 a day. During the festive season (November-December) in a month they earned 2,00,000 and above. As the business started off in the middle of the pandemic, he said that necessary safety measures are followed. "We are trying to maintain social distancing among the customers and providing hand sanitizers. For the staffs, they put on their masks and gloves for hygiene", he said.

In Nagaland the idea so called the food truck is a very recent creative innovation which has been an eye catch upon to everyone but this food truck are available only at Kohima and Dimapur only at present. The daily earning is at pace and the customers feedback is at high level as it gives the best service comparing to any restaurant or any street vendors. It is said that the profit margin is consistent with productive.

The list of food trucks visited for this survey are as follows:

- 1) K.Z food truck
- 2) J.Khelio Food Truck
- 3) Auntie`s Hut Food Truck

About the owner

- The name of the owner is Kh. PHOSHU. He is a B.A graduate in History from Patkai Christian Collage.

- He is working at Australian Dream Collage as a regional marketing Manager

-He owns three food trucks

- 1) K.Z food truck
- 2) J.Khelio Food Truck
- 3) Auntie`s Hut Food Truck

1. K.Z Food Truck:



It is placed at the main gate of secretariat which is the only street food with quality available for all common people with reasonable price. The timing for opening is at 10:00 am. The food truck is made from pickup truck. The items that they provide are reasonable and affordable where both average and below average can purchase.

The equipment's used are as follows:

Gas

Stove

Knife

Chopping plate

Frying Spoon

Tray

Bucket

Hot Gas

The same is used in J. KELIO and AUNTIE'S Food Truck

Menu:

Pork Momo

Chow(Pork/veg/egg)

Fried Rice(Pork/veg/egg)

Egg Roll

Omelette

Pork Sausage

Burger



2. J.Khelio Food Truck:



It is at high school near Vishal the colour of food truck is yellow colour, the model of the food van is 2002. The food van is serving all people even those who are coming from villages too. The main purpose is to serve people with low price there are items which the price is only 50 to 60. Daily costumers are around 100 to 150.

Menu:

Tea.

Pork Momo

Chow(Pork/veg/egg)

Fried Rice(Pork/veg/egg)

Egg Roll

Omelette

Pork Sausage

Burger

3. Auntie`s Hut Food Truck



It is placed at Solitary Park , the food van is 2004 model. The van is serving all the offices in those areas. Here are the people who serve :

-An Aunt

- A Professional Chef

The time for opening is from 10:00 am to 5:00 pm

Menu:

Tea

Chow(Pork/veg/egg)

FriedRice(Pork/veg/egg)

EggRoll

Omelette

PorkSausage

Working Hours

Chef 5:30 am - 3:00 pm

Staff's 5:30 am - 7:00 pm

Fooding and Logging Free

Salaries

Chef ₹10,000-20,000

Staff's ₹4,000 - 5,000

Owner`s opinion about food truck as a business:

- You have to work very hard daily to fulfil your dreams.
- The food truck business is not the easy one as they are having many challenges.
- We have to consider the tastes and the opinions given by the customers.
- You should be self-motivated to work this long hours.

CHAPTER 3 CONCLUSION

3.1 Challenges

The word “challenges” is a very small word for the food truck business because there are many challenges faced by the food truck owner.

- There are some in regard to licences as it is very difficult to get as we have to go through K.M.C to D.C and to approve it takes nearly 3 to 4 months.
- There are no proper rules and regulations for the food trucks.
- There is no scope for the more innovative dishes because of the mid-set of the customers.
- There are no policies for starting this business.
- It is a one man show i.e. from cooking to advertising and from purchasing of raw material to selling the dish everything is done single handedly. So the presence of owner very important to face the challenges.
- In the initial stage there is a risk factor will it be feasible & marketable.

Suggestion

Suggestions of Owner to the Future Entrepreneurs

- According to the owner to start the truck one should gather all the information related to the market.He must be having a good market research
- One must have a good marketing skills and also have to know how to do sourcing.
- Discipline is the most important tool.
- One must do research on what type of truck he is going to open and study of all the eating habits of the local customer.
- Never cheat your customers, always be loyal to them.

The idea of food truck is a very recent one where people are totally mind blow of. The normal street vendor is being replace by the new product called food truck. It is more convenient and easily accessible by all regardless of any back ground.

The food truck is providing employment to so many educated young boys and girls with good salaries. One good thing about the food truck is that everything you get is fresh with highly productive which one can see how the items are being made.

Having said that customer satisfaction is also at the high levels. The food truck is serving best service in Comparing to any other restaurant.

3.2 In reflection

Sometimes during the middle of the research, I had the wild idea that perhaps his food food truck will spread into the town and other districts. Perhaps their hype will never die down and people eventually stop going to fast food restaurants. Perhaps they will completely replace food chains one day. I think now its safe to say that we have at least a greater understanding of the recent evolution of street food in Kohima. After

analysing from a multitude of different perspective it was successfully identify that some of the qualities, which set apart K.Z Food Truck, J.Khelio Food Truck and Auntie`s Hut Food Truck from other types of food service . These food truck is a proven entrepreneurial business model that can coexist and compete with other food chain .

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