

The Current Scenario of Operation of Small Food & Beverage Outlets in Vadodara

Kapil Mehta

Assistant Professor, Faculty of Hotel Management
Parul University

Satish Jha

HOD, Faculty of Hotel Management
Parul University

Abstract: *The life style and food habits of the residents of Vadodara city of Gujarat district give ample scope for small food establishments to provide various choices of foods as there are different communities like Jain, Marathi, Bengali, Odiya and many others from different parts of the subcontinent. There are numerous vendors and small & medium sized restaurants that offer food choice to food craving of people in the city. The present research aims to find out about what is the status of operability of these outlets as it has been found out that large outlets do survive for a longer period of time but small outlets often fail to keep the growth up and either survive on a low profits or get huge losses. This has been found out many a times that they do not succeed because of financial illiteracy and lack of proper standard operating procedures being implemented. This research covers the geographical area of the city of Vadodara in Gujarat state as it is widely known for stalls, small restaurants & Catering establishments that offer varieties of local food of Gujarati cuisine and other cuisines like Punjabi, Chinese , fast food etc. The sampling includes probability (Simple random sampling) for obtaining the information from small outlets owners about how do they operate their outlets. The output of this*

survey has been compared with some parameters and criterion set to ensure minimum wastage & maximum cost control as well as quality control in order maximizes the profit while maintaining the quality. The findings of the research results in knowing that it is the lack of financial literacy and quality control measures that obstruct the successful operations of small food outlets. The suggestions & conclusions given at the end seek to give solutions to small food outlets to operate successfully with increasing profit and longer duration of survival in the market and also briefly explain the further need & scope of research in the same area.

Keywords: *Operability, Financial Illiteracy, Standard Operating Procedure*

Introduction:

The economic activities of a place consist of primary activities, manufacturing activities & service sector related activities. The small food business being an integral part of money circulation in an economy provides employment to many skilled & unskilled labours in India. Though there has not been any census on number of street vendors & Small food outlet owners in India but as per the estimate of Ministry of Urban Development & poverty Alleviation there are

around 100 lakh street vendors In India and as far as F&B small businesses are concerned there is not a concrete data depicting the no. of these outlets which are operating. Vadodara city in Gujarat is called as its cultural capital as it accommodates people migrating from different states of India because it has the industrial growth too. The confluence of different cultures also makes it easy for food business holders to explore more and provide varieties of food to the consumers. Since the nature of services is such that it is inseparable, perishable & intangible, it requires total quality management in order to satisfy the customer. The quality & standard maintenance irrespective of the size of food outlet play a pivotal role in making business profitable, successful and growing but it is also seen in context of these small F&B outlets that normally these standards are neither made nor followed. Application of standards related to Hygiene, quality management especially in Food & Beverage industry gives an impulse to the business but the lack of approach towards managing cleanliness & hygiene's standards may be a consequence of ignorance, illiteracy & lack of desire to do to make sure that these standards are followed effectively. Further, the successful operation of food& beverage business also demands proper planning, cost cutting, marketing, service strategy & production control along with budget making skills. Though it is understandable that it requires the professional education for application of above mentioned standards but the need of basic quality management concept cannot be ignored as it is demand of the service sector irrespective of the size of outlets. Emergence of digitalisation has brought a change in service standards by means of educating the food outlets owners and by increasing the awareness about the status of hygiene & cleanness standards followed by food & beverage outlet owners. The gradual shift from the past to the present is evident in case of SOPs

making and follow-up of it as the study has taken the empirical inference of the current scenario of it in the city.

Objectives

1. The study tries to find out the application of food safety & hazard standard related applications in order to provide safe & quality food that is one factor that ensures the growth.
2. The research is oriented to find out the current status of operations of small F&B outlets in Vadodara as far as their working style that includes time duration, target market & awareness about competition in market is concerned.
3. It also aims to know the status of application of basic businessman skills required in food & beverage outlets like, service quality management, cost controlling techniques & marketing strategies irrespective of the size & scale of the business.
4. It focuses on finding out the customer feedback about these outlets.

Research Method:

The collection of data, sampling & analysis of data has been carried out as shown in following description.

Collection of Data: The present study is empirical and analytical in character. For reaching towards results and discussions, the data used are primary & secondary.

The primary data have been collected from customers for finding out the status of quality of food provided & from the small food outlets owners on the practices done by them to operate the outlets.

Sampling Method: The method of sampling has been done considering Probability (simple Random) sampling for data collection on food quality experienced by the customers & same method has been taken into consideration for collection of data on practices done by food outlet owners.

Sample Size: The size of sampling includes 100 customers & 100 food outlets out of which 75 are from urban area of the city & 25 are from rural areas. The sampling outlets from urban area belong to local market of “Mandvi & Ratri Bazaar”. The outlets for sampling from rural area include Outlets nearby Parul University in Limda village of Vadodara district.

Data Analysis:

Data collected through survey has been analysed and evaluated on quality of food provided by small food outlets as per the customers’ feedback. The data of status of operation of food outlets

has been analysed from the responses given by outlet owners in unstructured interview based on detailed questionnaire related with quality, financial and service management.

Statistical Analysis Tools

The data collected have been presented in graphs & e-tools.

Results & Discussion:

The criterion for evaluating the performance and finding out the status of operation of these small outlets has been given below with the results and discussion.

Table 1: Criterion for knowing the customers’ feedback of sample Food outlets in the area 1

Criteria				Bad	Average	Good
Food Taste & Smell						
Cleanliness at work station of outlet						
Cleanliness at the sitting/standing space						
Appearance of serving & Food making staff (Grooming)						
Price	Costly	Cheap	Economic			
Payment Mode	Online	cash				

Table 2: Criterion for knowing the status of Practices Done by Sample (Food outlet Owners)-1

Name of Vendor	Production control yes/No	Production Area (Clean/Unclean)	Purchasing (Wholesale / Retail)	Waste control yes/No	Storage Place availability yes/No	Storage place Cleanliness yes/No

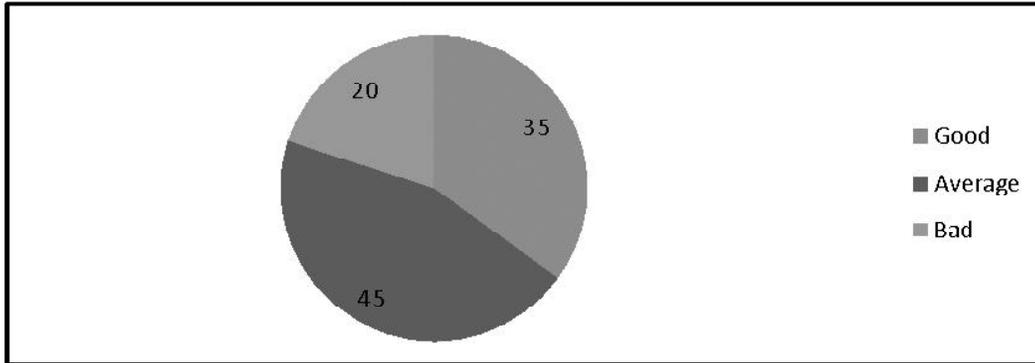
Table 3: Criterion for knowing the status of Practices Done by Sample (Food outlet Owners)-2

Name of Vendor	Marketing strategy yes/No	SOPs for production, storage & service yes/No	Research (Competition on market demand)	Innovativeness yes/No	Manpower management Grooming & Training (yes /no)	Budgetary Control & BEP Analysis

The study has revealed interesting facts that inspire the small F&B outlets owners to compete well in the market by bringing in professionalism in the business to grow well.

Following are the results shown in graphs with description.

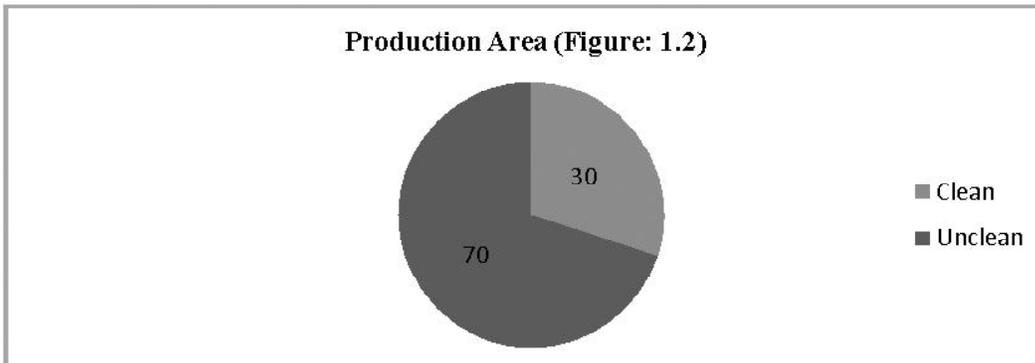
Production Control (Figure 1.1)



As far as production control that includes proper & measured use of raw materials & appropriate cooking method is concerned, it has been found that 20 out of 100 selected samples practice the production control very well and 45 outlets have a bit lower level of production control and 20 outlets are not so efficient in production control. On criteria of production area cleanliness (Figure:

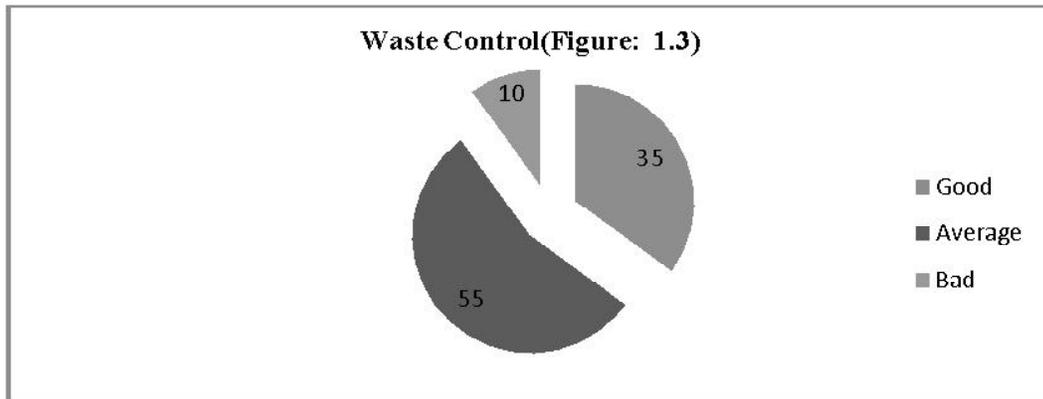
1.2), 70 outlets out of 100 have poor hygienic condition in production area with 30 outlets performing better. This needs the skilled staff who inculcate the habit to prepare the food hygienically as financial constraint is of lesser concern than the understanding of need of food safety and hygiene.

Production Area (Figure: 1.2)



Waste control (Figure: 1.3) as the significant part of food making is over all well focused on by all the outlets with 55 outlets doing average 35 doing very well 10 are not able to keep up with the standards. It has been seen that many a time's

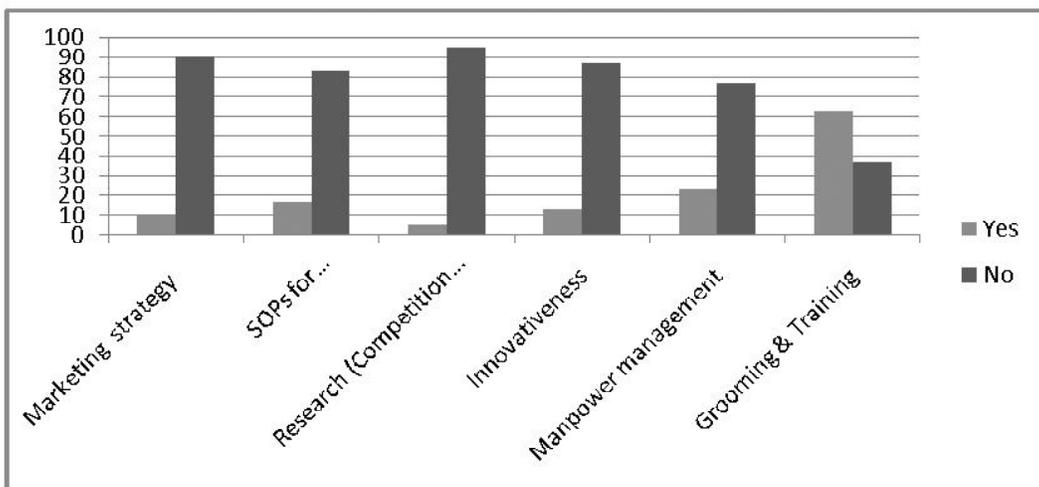
food waste control is a result of cost control that is done to hide the carelessness & the mismanagement of portioning and quality of the food product thereby compromising the food quality.



The importance and need of being able to inculcate professionalism in business has been described above briefly. The status in this regards has been depicted in graph (1.4) as on the criteria of Marketing strategy out of 100 only 10 do take marketing in consideration, out of 100, do have SOPs for production, storage & service with only

5 out of 100 having a small research about the market demand. The only thing which is generally good is appearance of staff (63 out of 100), with manpower management & innovativeness showing low indicators with 23 & 13 out of 100 outlets respectively practicing these activities.

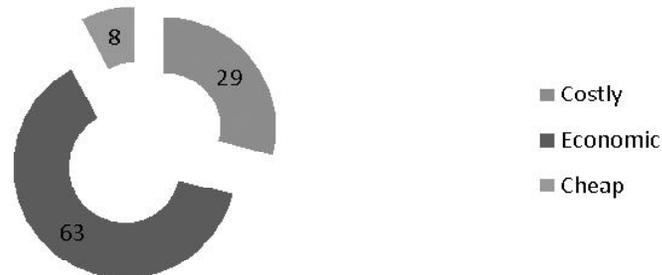
Other criterias that are important for running the business successfully (Figure: 1.4)



As shown in Figure: 1.5 the pricing of food in terms of quality is economic in 63 outlets, costly in 29 outlets out of 100 sampling units. The prices

of 8 outlets have been found to be cheaper as compared with the prices in the market.

Food price in the terms of value (Figure: 1.5)



It has been observed that the concept of budgetary control & breakeven point analysis is also unknown to many outlets as only 4 out of these 100 outlets do take the task as seriously as it should be taken because the whole problem of mismanagement of small food outlets occur because of illiteracy in financial management and skills acquired for producing and serving the food.

Customers' feedback finds similarities with the observation and empirical inference done at the time of interview of food outlet owners taken for the purpose of the study. The customers considered for the sampling are the ones who normally eat in the area where the outlets taken for sampling are located. Supporting the digitalisation in payment is also a criterion that boosts the business as it makes it easy to pay for customers and it attracts the customers. Out of 100, 74 outlets were found to have digital payment accepted whereas 26 were found to accept cash only.

Reasons for growth hindrance or failure of business

1. The inference analytics of this study show that production control though is considered as a part of making food but not with the objective of

maintaining the quality as per the price while focusing the cost cutting and quality compromise.

2. Lack of innovativeness somewhere down the line causes the inability of competition or survival and the main reason of lack of innovativeness is the lacklustre approach to research as the research plays a significant role in ensuring that the new market trends are kept in mind while operating the business.

3. Apart from issues like not considering research, innovation & production control, the most important thing which retards the growth by not attracting the footfall is poor cleanliness & hygienic conditions at work place & in seating areas.

4. Grooming and appearance are the most important factors that influence the service of food & beverage in outlets, the ignorance to this is clearly being observed in customers' perception of the quality food that is provided in these outlets.

5. The negligence of marketing strategies is also a point that needs the consideration irrespective of the size of the outlet. It has been observed that innovations & creativities in marketing always have the scope for betterment.

6. Financial illiteracy also impacts negatively on the business operations.

7. Mainly it has been observed that these outlets are not practising budgetary control and are unable to gauge the performance evaluation of business that provides a clear cut decision on continuation, improvement or closing of the business. Budgetary control & analysis of Breakeven point & return on investment also needs to be considered irrespective of the size of outlet.

Suggestions:

1. The outlet owners need to upgrade their skill with regards to financial literacy, marketing strategies, production control, purchase control, storing control, sales control, innovativeness and research to know the demand of market and its trends.

2. Skill development schemes of the government have been made. But these schemes have not been able to reach marginal food outlet owners, the impactful application of these schemes of governments & the dedicated participation to avail the scheme can bring a huge improvement in the services given and ultimately it shall be able to improve the livelihood of marginal food outlet owners.

Conclusion:

The study has concentrated towards evaluating the performance on the front of criteria set by us as hotel management academicians (Food Production & F& B Service Department faculty) though it has been done very well including most of the factors that influence the quality of product and successful operations, it provides a lot of scopes for research in the areas of specific skill development programs formulated & implemented by the local Government and their impact on small F&B outlets. Further researches in this regards may also include the role of corporate social responsibilities (CSR) activities of hotel chains & educational establishments (Hotel Management and Food Safety Institutes)

in improving the style of operating of these small & marginal food outlets.

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