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Project By:

**Economics**

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* **Glimpse into journey of Jay Bhavani:-**
* Jay Bhavani started as a roadside stall in an autorickshaw in 1997. In 2016, it has a colossal of 54 outlets with 23 of its own branches and 31 franchises which are handled by other dealers. Also, the investment which was a mere of couple of thousand rupees has now grown thousand fold and has came up with many attractive products to fulfill the demands of their consumers.
* **Demand distribution:-**
* Two decades since its establishment, the demands have grown exponentially, surpassing supply at each and every stage.
* There has always been more demand for quality food products in different areas in entire Gujarat, thereby giving opportunity of opening new branches and franchises.
* The business is seasonal and is governed by many factors including but not limited to wedding seasons, functions and stalls giving an hike of as much as 150%.
* Also, even weekends provide a hike of 40% in the days’ sale, with regular days selling around 10,000 vada pavs while the sale is as much as 14,000 during weekends.
* **Supply curve:-**
* The outlet is setup when firm expects 30% increase in total revenue.
* Only one outlet is established in 3km area supplying to the demand from the consumer.
* There are in total two factories catering the demand of this outlets.
* First factory( producing buns and required material ) established around 2004 while another
* the factory was recently inaugurated in 2015 keeping in mind production for 54 branches.
* Total staff of 450 in their 23 outlets.
* **Why there are no frequent changes in price?**
* In this market scenario abnormal consumer behavior is observed, with demand increasing with increasing price making it an entirely different case from the traditional elastic or non-elastic cases.
* Demand elasticity behaves differently for our case, brand has created such an impact on consumers that though there is increase in price demand curve is constantly increasing.
* **Equilibrium :-**
* Market equilibrium is achieved when consumer is ready to purchase at price where producer want to sell.
* JB has not increased prices since last 3 years and is constant at Rs.22 this has given sustainability and equilibrium has achieved where both producer and consumer are satisfied on a particular price.
* Though complete equilibrium is not achieved due competition.
* Competition affects sales of vada pav by 10-15% due to offers given by other brands.
* **Change in Demand vs Change in Quantity demanded:-**
* Change in demand due to factors other than price.
* Change in demand only due to price is called Change in quantity demanded.
* Demand of vadapav has always increased but Change in quantity demanded has decreased by 15% due to other offers of other competition.
* **Revenue :**
* Revenue generation has increased due to the introduction of new products.
* Fixed revenue is generated from 31 franchise. About 30-35 % of profit incurred is given to Jay Bhavani by the dealer.
* Functions, stalls, parties, etc.
* **Margin:-**
* Margin is decided profit
* Formula : *Price-cost= Profit*
* It has fluctuating value, earlier margin was more but customers were less. Now, as consumers have increased at a higher rate so it more than compensates the profit earned earlier.
* Eg. : - margin 3rs \* 500 customers = 1500rs. Profit
* Margin 2.5rs\* 1000 customers = 2500 rs. Profit.
* Now here, the cost of raw materials and labour is fixed and hence in order to maximize profit other areas need to be optimized.
* **Substitutes :**
* Substitutes like maskabun, dabeli were introduced from time to time.
* However instead of affecting the main product, it helped in attracting customers.
* There more than 35 products sold at Jay Bhavani.
* **Conclusions:-**
* Market type: *monopolistic*
* As there are competitors like Shreeji, karnavati, Bombay vadapav, etc. so this type of market is monopolistic market.
* Changing culture and mindset of people about food habits.
* Increasing income
* Supply fulfilling the consumer demand
* Attracting consumers by introducing other products.
* **Free home delivery has boosted market sales twice in four months.**