**Case Study- A Design Thinking Approach**

**RESTAURANT NAME:**

**TYPE:** Fast Food

**LOCATION:** BTM-Layout, Bangalore (a local shop)- not in main road.

**Food varieties:** Biriyani, Maggie, Egg-Bhujia, Omelets, Chicken-Kabab, Ve-Foods (During first month only), Beverage (Coke, soda, water).

**Rent:** 14,000₹- per month.

1. **Decline in Sales and Profit:**

**Problem:**

* Was it due to seasonal factors?,
* Changes in customer preferences, or something else?
* Due to Operational Inefficiencies?
* Does increased competition with other shop cause loss?

**Solutions:**

* **Was it due to seasonal factors?** Weather can indeed have an impact on fast food businesses, For example, people might be more likely to order comfort foods during cooler weather or opt for lighter options during warmer periods.
* During a particularly hot week in BTM Layout, a fast food restaurant could run a promotion on cold beverages like iced tea and chilled juices. They might also emphasize salads and lighter meal options.
* On rainy days, they could promote warm and comforting items like soups or hot sandwiches for delivery.
* Incorporating weather-related considerations into your fast food business strategy can help you cater to customer preferences and maximize sales opportunities based on the current climate.
* **Changes in customer preferences, or something else?**   
   Customers may become tired of a particular food item if it has been on the menu for an extended period. This can lead to decreased demand over time.
* Consider removing or revamping items that are not selling well. Introduce new, innovative, or seasonal items to attract customer interest like

|  |
| --- |
| * Masala Dosa * Chaats (Pani puri, sev puri and bhel puri), * Sandwiches, * Frankies and wraps with various filling like panner, chicken, & veggies, * Momos (it’s a popular street food in bangalore) and * Fried chicken |

* **Due to Operational Inefficiencies?**

The fast food has been facing operational challenges, including longer wait times during peak hours and occasional errors in orders. This has led to customer dissatisfaction, negative reviews, and reduced foot traffic.

* + - * Streamline operations, improve kitchen efficiency, and train staff to provide faster and accurate service during peak hours.
      * Prep ingredients and menu items in advance during slower hours so that you can serve customers quickly during peak times. This reduces wait times and enhances customer satisfaction.
      * Offer a streamlined menu during peak hours to expedite order processing. Focus on popular and faster-to-make items to reduce wait times for customers.
      * Implement mobile apps for order placement and payment. This can help reduce long lines and wait times at the counter.
      * Promote online ordering and delivery services to encourage customers to place orders remotely. This can help distribute orders evenly throughout the day.
      * Offer specials and promotions during off-peak hours to encourage customers to visit during quieter times, thereby distributing the demand more evenly.
      * Regularly seek customer feedback on wait times and service during peak hours. Use this feedback to identify areas for improvement and implement necessary changes.
* **Does increased competition with other shop cause loss?**

As there were other international fast food shop in the vicinity like, McDonald's, KFC, Domino's Pizza, Subway, Burger King etc..

Also there are some local shop’s like, BTM Fast food, Popeyes, UpWale Food Corner, Burger Friendz, Eat Again, Biggies, Biriyani Zone, Gadang Sports Bar & Kitchen, and so on.

The increased competition has diverted customers' attention and preferences regarding quality of food, service, or overall experience is considered inconsistent. It might have lead to customer dissatisfaction and reduced patronage.

* **How Location and services of shop affect the sales?**

A fast food outlet's visibility from main roads, intersections, and high-traffic areas can attract more customers. A location that is easily accessible by both pedestrians and vehicles tends to have higher footfall.

By analyzing various Reviews regarding location and service preferences.

McDonald’s

* This one's interior was superior than other Mc-D.
* The dining place was nicely seated.
* A self check out counter, which is helpful.
* A great place to have a pocket friendly **junk food.**
* Fast **food** available in budget.
* Locating at a very prime location
* Finding **parking space** is a problem.
* Soimeone's bike got towed due to lack of parking space.
* The service was also a bit slow and the washrooms were not very clean.
* Sometimes billing takes too much time.
* Waiting time for placing order is high because too many food delivery executives are in queue

* **Visibility and Accessibility:** A fast food outlet's visibility from main roads, intersections, and high-traffic areas can attract more customers. A location that is easily accessible by both pedestrians and vehicles tends to have higher footfall.
* **Proximity to Residential and Commercial Areas:** Being situated near residential neighborhoods, office complexes, and educational institutions can lead to more customers, especially during lunch breaks and after-school hours.

Example:

UP Wale Food Corner

Burger Friendz

* Close to PG (Vaka Living for ladies)
* Navaya Sir Executives –PG
* MA Residency
* Gym
* IT service / solution company
* Cricket ground nearby.
* Apartments
* 2-Temples near by.
* BSNL Division Engineer Office
* Speak To achieve Spoken English center
* 220m from PG
* 230m from Nandini Park
* 240m from Masters Cricket Academy
* **Competition:** The proximity to other fast food or dining establishments can influence sales. Being located near complementary businesses (e.g., movie theaters, shopping centers) can attract more customers looking for a convenient meal option.
* **Events and Festivals:** Locations near event venues or places where festivals are celebrated might experience increased foot traffic during these times.
* **Local Marketing:** Leveraging local marketing strategies to promote the fast food outlet, such as distributing flyers, offering special promotions to nearby residents, or collaborating with nearby businesses, can boost sales.

Understanding the demographics of the area is crucial. As the population in BTM Layout consists of a lot of young professionals or students, fast food options might be more popular.

1. **High Initial Profit and Sales**

**Problem:**

* Analyze the menu?
* Does pricing mismatched?
* How to get customer preferences? For strategy.
* Marketing strategies during this period?

**Solution:**

* **Is customer satisfied with the variety of menu ?** According to the decrease in no of order in past two month it can be define that the customer’s were not satisfied with the menu. To address declining sales and customer disinterest in the fast food business, making strategic changes to the menu can help revive interest, attract new customers, and retain existing ones.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Biriyani** | **Combo Meals** | **Fast Food** | **Beverages** | **Desserts** |
| * Chicken Biriyani * Vegetable Biriyani * Egg Biriyani * Paneer Biriyani | * Biriyani + Soft Drink * Biriyani + Raita + Salad * Family Biriyani Platter (serves 4-6) | * Chicken Shawarma * Veggie Wrap * Chicken /Veggie Burger * Grilled Chicken Sandwich * French Fries * Chicken Nuggets (6-piece and 12-piece) * Onion Rings * Cheese Garlic Bread | * Soft Drinks (Coke, Pepsi, Sprite) * Iced Tea (Lemon and Peach) * Fresh Lime Soda * Fruit Juices (Orange, Pineapple, Apple) * Mineral Water (Regular and Sparkling) * Milkshakes (Chocolate, Vanilla, Strawberry) * Smoothies (Mango, Banana, Mixed Berry) * Hot Coffee * Cold Coffee * Masala Chai (Indian Spiced Tea) | * Chocolate Brownie Sundae * Vanilla Ice Cream * Fruit Salad * Gulab Jamun |

* **Pricing Mismatch?**

Here, pricing is slightly higher compared to competitors offering similar quality and portion sizes. Customers are choosing more budget-friendly options in the area.

**Factors Influencing Pricing:**

* Ingredient Quality, Branding, Overhead Costs( Rent, labor, and operational expenses can impact pricing decisions).

So how to tackle this problem,

* + - * Reevaluate pricing to align with local competition while maintaining profitability. Consider offering value meals or combo deals.

For example: The price of one chicken Biriyani here is 300 while it being compared to another competitor.

|  |  |  |  |
| --- | --- | --- | --- |
| Shop name | Food | Price | Quantity (no of Serving) |
| Ambur Star Biryani Since 1890 | Chicken Biriyani | 239 | 1 |
| Mutton Biriyani | 319 | 1 |
| Egg Biriyani | 199 | 1 |
| Fish Biriyani | 318 | 1 |
| Empire Restaurant | Empire SPL Chicken Kebab | 95 | 1 |
| 175 | 2 |
| 345 | 3-4 |
| CHILLI Kebab (Batter Fried kaba with fried chilli) | 110 | 1 |
| 190 | 2 |
| 370 | 3-4 |

* + - By aligning prices with customer expectations and offering a fair value proposition, the fast food shop can enhance customer satisfaction, attract more business, and maintain profitability.
    - Regularly monitoring pricing and making necessary adjustments ensures that the shop remains competitive and meets the preferences of its target audience.

Note: Instead of selling one type food, we can choose variety of order on different quantity.

* **How to get customer preferences?**

1. Place feedback cards on tables or near the counter.  
**example:**  
"We'd love to hear about your favorite dishes and suggestions for improvement. Fill out this card and drop it in our suggestion box for a chance to win a free dessert!"

2. Post engaging content on social media and initiate conversations.  
**example:**  
"Which biriyani/burger do you crave the most? Comment below with your favorite!"

3. Train staff to ask about customer preferences during interactions.  
**example:**  
"Hi there! Are there any specific flavors or ingredients you enjoy in your wraps?"

4. Host an event where customers can sample new items.  
**example:**  
"Join us this Saturday for a free tasting of our upcoming menu additions. Your feedback matters!"

5. Create online surveys using tools like Google Forms or SurveyMonkey.  
**example:**  
 "Help us improve by sharing your thoughts in our quick online survey. Plus, get a special discount code at the end!"

6. Engage with regular customers in conversations.  
**example:**  
 "John, you're a regular here. Do you have any ideas for new flavors we should explore?"

7. Keep an eye on online reviews to identify trends.  
**example:**  
"We noticed many of our customers love our spicy fries. We'll definitely keep those on the menu!"

8. Add a comment section on receipts for customers to provide feedback.  
**example:**  
"Please take a moment to tell us about your experience and preferences."

11.Use Instagram Stories or Facebook polls to engage customers.  
**example:**  
 "Help us decide the next flavor for our milkshake! Swipe up to cast your vote."

* **Marketing strategies during this period?**

During a period of loss in a fast food shop, implementing effective marketing strategies is crucial to attract customers, increase foot traffic, and turn the situation around.

1. **Losses and Rent Due**

**Problem:** The business is incurring losses, and rent is overdue for 2 months.

**Solution:**

* Regularly review financial statements, sales data, and customer feedback to track progress and make necessary adjustments.
* By addressing both losses and overdue rent through a combination of cost management, strategic pricing, operational improvements, and effective communication with the landlord, you can work towards stabilizing the business and gradually turning it into a profitable venture.

1. **Laziness and Lack of Investment**

**Problem:** The owner is lazy and not inclined to work hard.

**Solution:** Running a business requires dedication and hard work. Consider hiring a manager or partner who is motivated and committed to the business. Alternatively, outsource certain tasks or responsibilities to individuals who are more invested in the business's success.

1. **Poor Investment Choices**

**Problem:** The owner is not skilled in making investments.

**Solution:** Focus on building expertise in the industry. Attend workshops, seek mentorship, or hire consultants who specialize in the food business. Make informed decisions based on data and market trends.

1. **Diversification and Adaptation**

**Problem:** The owner stopped selling certain items after the stock wasn't moving.

**Solution:** While diversification can be good, focus on items that are popular and selling well. Regularly monitor inventory turnover and adjust the menu accordingly. Introduce new items based on customer preferences and demand.

1. **Marketing and Promotion**

* **Solution:** Invest in effective marketing and promotion strategies. Utilize social media, local advertising, and collaborations with nearby businesses to increase visibility. Offer promotions, loyalty programs, or discounts to attract and retain customers.

1. **Continuous Improvement**

* **Solution:** Regularly review and analyze business performance. Gather customer feedback and adapt accordingly. Stay updated on industry trends and customer preferences to remain competitive.

1. **Conclusion**

In summary, the key to tackling this situation is a combination of understanding the business dynamics, taking proactive measures to address issues, seeking professional guidance when necessary, and demonstrating dedication to turning the business around. It's important to be flexible, adaptive, and open to making necessary changes to achieve long-term success.