



A DETAILED STUDY OF FOOD FRANCHISE IN COIMBATORE CITY

GUIDE: Mrs. M.SNEHA, M.COM CA.,

AUTHOR: K.SRINIDI Student at Sri Krishna

Adithya College of Arts and Science

(B.Com CA)

ABSTRACT

This study aims to explore the growth, operations, consumer behaviour, and market potential of food franchises in Coimbatore, one of the fastest-growing tier-2 cities in Tamil Nadu, India. With the rise of urbanization, increased disposable income, and changing lifestyles, Coimbatore has witnessed a significant expansion in the food and beverage sector—particularly through the franchise model. The research investigates both national and international food franchises operating in the city, ranging from quick service restaurants (QSRs) like McDonald's and KFC to regional brands such as Sree Annapoorna and Junior Kuppanna. The study also evaluates franchisee investment models, location strategies, customer preferences, and the influence of local culture on menu adaptations. Primary data was collected through surveys and interviews with franchise owners and customers, while secondary data was sourced from industry reports and government publications. Key findings indicate that brand trust, affordability, and accessibility are major drivers of franchise success in the city. Furthermore, the study identifies challenges such as high real estate costs, competition from independent eateries, and staffing



issues. Overall, this research offers valuable insights into the dynamics of the food franchise ecosystem in Coimbatore and serves as a strategic resource for entrepreneurs, investors, and policymakers aiming to understand or enter this market.

1. INTRODUCTION

The word Franchise comes from the Norman French word "Franchise" which was derived from the French word "frank" free man, free to work something. The English word "Franchise" originally was used to describe liberation from any prohibition, permission, or privilege by which a company is allowed to do or not to do something for which it would normally not have rights. A Franchise is a type of license that grants a Franchisee access to a franchisor's proprietary business knowledge, processes, and trademarks, thus allowing the Franchisee to sell a product or service under the franchisor's business name. In exchange for acquiring a Franchise, the Franchisee usually pays the franchisor an initial start-up fee and annual licensing fees. A food Franchise is a business model in which an individual or group the Franchisee is granted the rights to operate a restaurant or food-related business using the branding, products, and business systems of an established company the franchisor. In exchange, the Franchisee pays the franchisor an initial fee and ongoing royalties, typically a percentage of the business's revenue.

2. LITERATURE OF MAIN CONTENTS

2.1 OBJECTIVES OF STUDY

- To study various facets of the franchising business.
- To explore the performance evaluation of national & international food Franchises present in the study area.



- To conduct comparative analysis of various franchising models in India & world and check their feasibility or scope in the study area.

2.2 SCOPE OF STUDY

The scope of this study involves a comprehensive analysis of the food Franchise industry in Coimbatore District, focusing on the current trends, market dynamics, and key players in the sector. This study aims to examine the growth patterns, consumer preferences, and challenges faced by food Franchises in the region.

2.3 STATEMENT OF PROBLEM

Conducting market research to understand local preferences and adapting the menu accordingly
Implementing robust supply chain management systems to ensure timely and efficient delivery of ingredients

2.4 RESEARCH AND METHODOLOGY

Research methodology is a way to systematically solve the research problem and is the backbone of the study and is primarily based on the primarily based on primary data collected through questionnaire from the peoples.

2.5 COLLECTION OF DATA

The data was collected through questionnaire.

- The sample size was 100.
- The area of study was Coimbatore.
- Data's used in this study was both primary and secondary data's.



3. ANALYSIS AND DISCUSSION

TABLE: 3.1

TABLE OF CONSISTENCY OF FOOD IN MCDONALD

SNO	CONSISTENCY OF FOOD	FREQUENCY	PERCENTAGE
1.	1	16	16%
2.	2	14	14%
3.	3	35	35%
4.	5	35	35%
	Total	100	100%

SOURCE : Primary data

INTERPRETATION: In this above analysis 16% selected 1 that is poor consistency and 14% is 2 and finally 35% for both 3 and 5 that it was in consistency

INFERENCE: Majority is 35% for 3 and 5 of consistency

CHART NO 3.1

CHART OF OVERALL CONSISTANCY IN MCDONALD

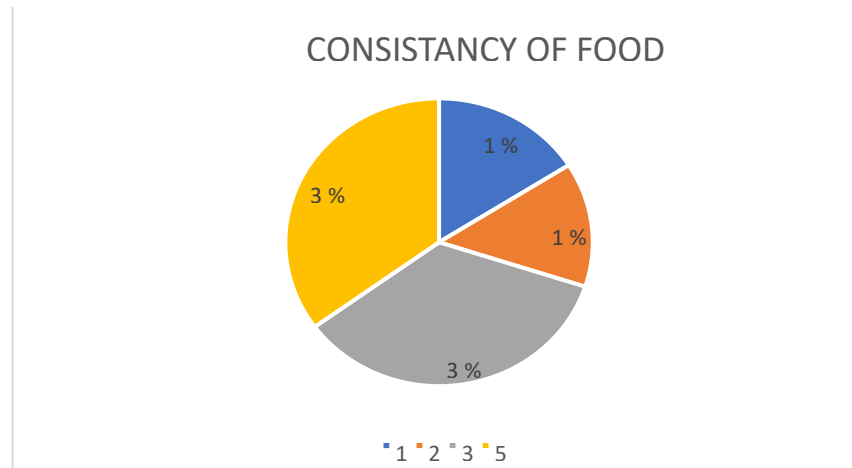


TABLE: 3.2

TABLE OF PROMOTION AND DEALS IN MCDONALD

SNO	PROMOTION AND DEALS	FREQUENCY	PERCENTAGE
1.	YES	63	63%
2.	NO	18	18%
3.	NO OFFFER	13	13%
4	NOT AVAILABLE	6	6%
	TOTAL	100	100%

SOURCE: Primary data

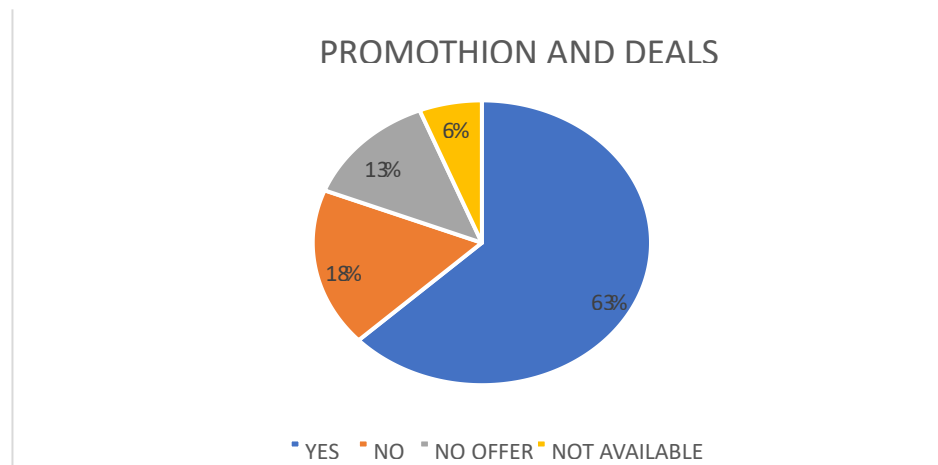
INTERPRETATION: From this analysis 63% says yes and 18% says no and 13% says no offer and 6% is not available

INFERENCE : Majority is 63% have selected yes for promotion and deals



CHART NO: 3.2

CHART FOR PROMOTION AND DEALS IN MCDONALD



CHI – SQUARE ANALYSIS

TABLE SHOWING THE RELATIONSHIP BETWEEN GENDER

AND TEMPERATURE OF THE FOOD IN MC DONALD

HYPOTHESIS:

- H0 There is no significant relationship between Gender and temperature of food in MC Donald.
- H1 There is significant relationship between Gender and temperature of food in MC Donald.

GENDER	TEMPERATURE OF THE FOOD				TOTAL
	HOT	WARM	COLD	MODERATE	
MALE	11	15	7	3	36
FEMALE	26	27	4	7	64
TOTAL	37	42	11	10	100

O	E	(O-E)	(O-E) ^2	(O-E) ^2 / E
4	7.06	-3.04	9.2416	1.312727273
7	3.96	3.04	9.2416	2.333737374
26	23.68	2.32	5.3824	0.227297297
11	13.32	-2.32	5.3824	0.404084084
7	6.4	0.6	0.36	0.05625
3	3.6	-0.6	0.36	0.1
27	26.88	0.12	0.0144	0.00053571
15	15.12	-0.12	0.0144	0.00095238
TOTAL	100			0.218108508

Chi – Square Value $\chi^2 = \sum (O-E)^2 / E$

$$= 0.218108508$$

Degree of Freedom = (row – 1) (column – 1)

$$= (2-1) * (4-1)$$



$$= (1) * (3)$$

$$= 3$$

Significance level = 0.05

Table Value = 0.218108508

INTERPRETATION:

In the above analysis the calculated value (0.218108508) is the higher than table value (0.218108508) at the level of 0.05 significance. Hence there is significant relationship between Gender and temperature of food in MC Donald.

LIKERT SCALE

5=SATISFIED

4=VERY SATISFIED

3=NEUTRAL

2=DISSATISFIED

1=VERY DISSATISFIED

FORMULA:

LIKERT SCALE = $\sum(fx) / \text{Total number of respondents}$

f = Number of respondents x

= Likert scale value

$\sum(fx)$ = Total score

MID VALUE:



Mid value indicates the middle most value of the likert scale.

TABLE SHOWING THE VARIETY OF MENU IN MC DONALD OF THE RESPONDENTS

S.NO	FACTORS	NUMBER OF RESPONDENT S(f)	LIKERT SCALE VALUE(X)	TOTAL SCORE $\sum (fx)$
1	SATISFIED	21	5	105
2	VERY SATISFIED	30	4	120
3	NEUTRAL	40	3	120
4	DISSATISFIED	6	2	12
5	VERY DISSATISFIED	3	1	3
	TOTAL	100		360

SOURCE : Primary data

LIKERT SCALE = $\sum (fx) / \text{Total number of respondents}$

$$= 360 / 100$$

$$= 3.6$$

INTERPRETATION:

The Likert scale value is 3.6 which is greater than the mid value (3) which shows that the customer are agree with the recommend other towards MC DONALD



4. CONCLUSION

In conclusion, the study of MC DONALDs Franchise operations in Coimbatore district reveals several key insights into its success and challenges in the region. The brand has made significant inroads in the city, offering a mix of international appeal combined with localized offerings to cater to the tastes and preferences of the local population.

Here are the main takeaways:

1. Strong Brand Presence and Recognition

MC DONALD's enjoys a robust global brand presence, which has played a key role in its success in Coimbatore. The Franchise leverages its international reputation for quality, consistency, and customer service, making it a go-to choice for fast food lovers in the district. The familiarity of the brand, along with the global standards of food quality and hygiene, attracts a wide customer base.

5. REFERENCE

1. Lussier, R. N. (2019). Franchise Management for Dummies. Wiley.
 - A comprehensive guide on Franchise management, including strategy, operations, and marketing, which can be applied to food Franchises in Coimbatore.
2. Combs, J. G., & Ketchen, D. J. (2018). Business Strategy: A Managerial Approach. McGraw-Hill Education.
 - Offers insights on strategic management applicable to the food Franchise industry, focusing on expansion strategies and market positioning.



3. Fletcher, M. (2016). Franchise Your Business: The Guide to Employing the Franchise Formula for Growing Your Business. Wiley. ○ This book provides detailed steps on franchising a business and the considerations for entering emerging markets like Coimbatore.
4. Chatterjee, S., & Singh, J. (2020). "Franchising in India: Growth and Market Opportunities." Journal of Business Venturing.
 - Discusses the growth trajectory of franchising in India, focusing on emerging cities such as Coimbatore and the demand for food Franchises.
5. Kumar, S., & Pillai, R. (2018). "Understanding the Franchise Business Model: A Case Study of Indian QSRs." International Journal of Business and Management.
 - Analyses the Franchise business model within the Indian context, with a focus on fast food Franchises in cities like Coimbatore.
6. Mishra, P., & Patil, M. (2017). "Consumer Behaviour Towards Food Franchises in Tier 2 Cities of India." Indian Journal of Marketing.
 - A study on the factors influencing consumer behavior towards food Franchises, with specific insights into second-tier cities like Coimbatore.