

REPORT **O**N
FRANCHISE
RESTAURANT **B**USINESS
IN **B**ANGLADESH

REPORT ON FRANCHISE RESTAURANT BUSINESS IN BANGLADESH



KFC
HUT

PIZZA

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F RANCHISING

The word 'franchise' is of Anglo-French derivation - from *franc*-meaning free, and is used both as a noun and as a (transitive) verb. Franchising is a system for selectively distributing goods or services through outlets owned by the retailer or dealer. Basically, a franchise is a trademark license, entitling the holder to market particular products or services under a brand name or trademark according to predetermined terms and conditions.

"Franchising as a business created by a contract between a parent company, called the 'franchisor', and the acquiring business owner, called the 'franchisee', giving the acquiring owner the right to sell goods or services, to use certain products, names, or branded, or to manufacture certain brands."

-DAVID H. HOLT.

"A franchise is the best defined as a continuing arrangement between the parent company and an entrepreneur. It allows the entrepreneur to use all the know-how and experience of the parent company, such as the name, logo, production techniques, training methods, and expertise in general."

-STEINHOFF AND BURGESS (1989)

"A franchise is a form of business ownership created by contract whereby a company grants a buyer the rights to engage in selling or distributing its products or services under a prescribed business format in exchange for royalties or shares of profits. The buyer is called the 'franchisee', and the company that sells rights to its business concept is called the 'franchisor,'"

-DAVID D. SETTZ.

TYPES OF FRANCHISE BUSINESS:

1. ***The Product Franchise.***

With this the manufacturer uses the franchise agreement to determine how the product is distributed by the person buying the franchise. A retail company can be provided with a franchise to distribute, for example, a range of tiers. The franchisee can utilize the brand name and the trademark owned by the manufacturer to distribute or sell the car tires. The owner of the store will pay the manufacturer a franchising fee or agree to purchase a minimum inventory to sell on to their customers. The manufacturer gets the income from the purchase of the retailer, and/or the franchise fee, and the retailer gets the benefit of the brand and experience of the franchisor.

2. ***The Manufacturing Franchise.***

The franchisee is permitted to manufacture the products under license and sell them using the originator's trademark and name. They also get the benefit of the national advertising of the product they manufacture. The company owning the product gets the franchise fee and sometimes a fee for every unit sold. Examples include the food and beverage industry.

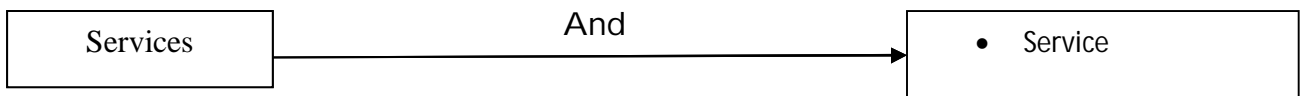
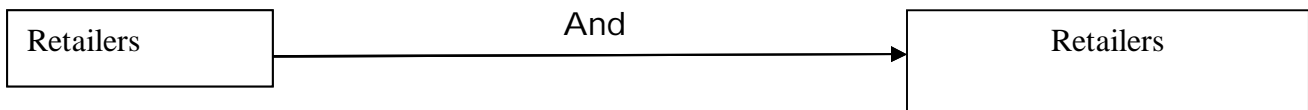
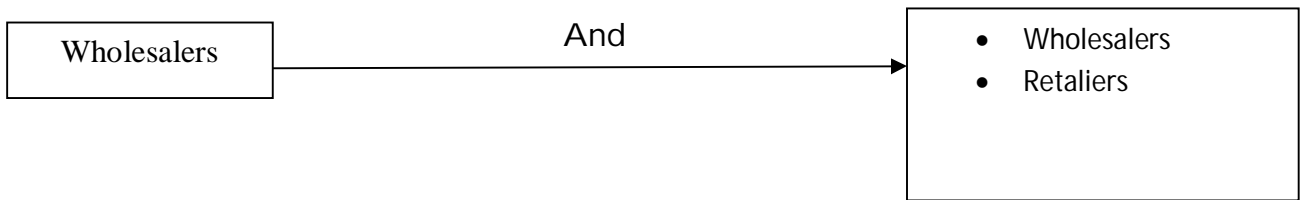
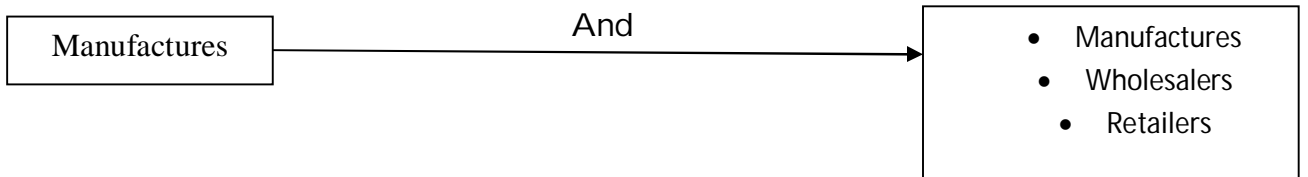
3. ***The Business Franchise Venture.***

The franchisee purchases and distributes the products for the franchise owner. A client base is provided by the product owner for the franchisee to maintain. Vending machines are a classic example of this, where the franchisee purchases the vending machines and distributes and services them, taking their share of the takings of the machines.

4. ***Business Format Franchise***

This opportunity is very popular, and involves providing the franchisee a proven business model using a recognized product and brand. Training is provided by the franchise owner and assistance in setting up the business. Supplies are purchased from the franchisor and the franchisee pays a royalty fee. Frequently the franchisor will sell the franchisee the products or raw materials to provide the same quality of product. Most of the well known fast food franchises are of this type, and also many jetsetters and other ubiquitous High Street names.

CHANNEL LINKS OF FRANCHISING:



FRANCHISING ARRANGEMENTS:

	Type	Description
1.	Business Format franchises	Based in a specific operating system: consist mainly of retail and service businesses. Franchisor provides franchisee with formal training and continued support
2	Area franchises	Franchisees that have the right to run franchise on territorial basis this allows franchisee to develop entire city, state or region.
3	Single-unit franchises	Franchisees that have the right to run franchise at only one site.
4	Multi-unit franchises	Franchisees that have the right to open several franchise units at once
5	Trade-name franchise	Franchises that develop from supplier relationship in ways similar to distributorship agreement. Franchisor supply products that franchisee sales under franchised trade mark or logo.
6	Sub franchises	Franchised outlets sold by area franchisees to other business people in their areas
7	Piggyback franchises	Two or more franchised businesses that share space to offer a more comprehensive product or service to customers
8	Convention franchised	Independent businesses that become franchised units of existing franchises.
9	Distributorships	Franchisees that distribute products manufactured by franchisor or some other source

POINTS ABOUT WHICH TO REMAIN ARE CAREFUL:

From the foregoing discussion we find franchise appears to be blessing to both the parties. But sometimes it may prove to be a curse to the franchisees it carelessly agreements are entered into in a hurried manner. The parties desiring to be involved in franchise business should be cautious about some points as under:

- Consider the experience and reputation of the franchisor.
- Ask questions of several existing franchisees. (If names are not available from the company beware.)
- Agree on management assistance and promotion.
- Examine territory. Is a clearly defined, exclusive franchise?
- Ask if they have participation in the decision for site selection.
- Find out if they can open other outlets.
- Make sure they understand terminations, transfers, and renewals.
- Ask if prices to the customers are predetermined or flexible.
- Determine if the contract includes a “refine from entering similar business” clause.
- Be skeptical of franchisors who mainly sell franchises or distributorship rather than products.
- Make sure the product or service is proven, marketable, and in demand in your area.
- Find out the total cost of the franchise (including fees, assessments. etc.)
- Determine how “locked-in” they would be to exclusive vendor’s supplies.
- Audit their owns books and not take franchisor’s word for profits.

COST OF FRANCHISE:

Franchise vary in initial fees from a few hundred taka to several hundred-thousand taka, depending on the form of business and agreement. The franchisee must be able to determine the total start-up or turnkey cost required by the franchisor. This may be a total lump sum amount, or a periodical rental to be agreed upon by the franchisor and franchisee. However, usually the franchise cost should include:

- The franchise fee.
- Land and building costs or lease deposits.
- The location or site evaluation fee.
- Working capital.
- Bookkeeping and Accounting fees.
- Legal and professional fees.
- Insurance.
- Opening Product Inventory.
- Utility charge.
- Payroll.
- Debt services.
- State and Local Licensee, Permits, and Certificates.

WORLD FAMOUS FRANCHISE BUSINESS

Business through franchise increasingly getting popularity because of its relatives opportunities & advantages both to the franchisors and to the franchisees. This has made the following franchises most popular in the United States:

Top 10 franchise in the world

Franchise	Parent Company	Industry
1. Domino's Pizza	Domino's Pizza Inc.	Fast Food
2. Chem-Dry	Harris Research Inc.	Maintenance/cleaning
3. McDonald's	McDonald's Corp.	Fast food
4. Jazzercise	Jazzercise Inc.	Health/Fitness
5. Packy the Shipper	PNS Inc.	Business Services
6. Jani-King	Jani-King Int'l.	Maintenance/Cleaning
7. Novus Windshield Repair	Novus Franchising Inc.	Auto Maintenance
8. Subway Sandwiches & Salads	Doctor's Associates	Fast food
9. Burger King	Pillsbury Co.	Fast food
10. Coverall	Coverall North America	Maintenance/Cleaning

PROCEDURE FOR EVALUATING FRANCHISE OPPORTUNITIES

In the previous section, they have seen the matters about which the potential parties willing to enter into franchise should remain vigilant. Hereunder are presented seven steps or procedures. If the parties interested to become franchisees piously follow the under noted procedures, the risks of being in the wrong footing may be minimized to a great extent:

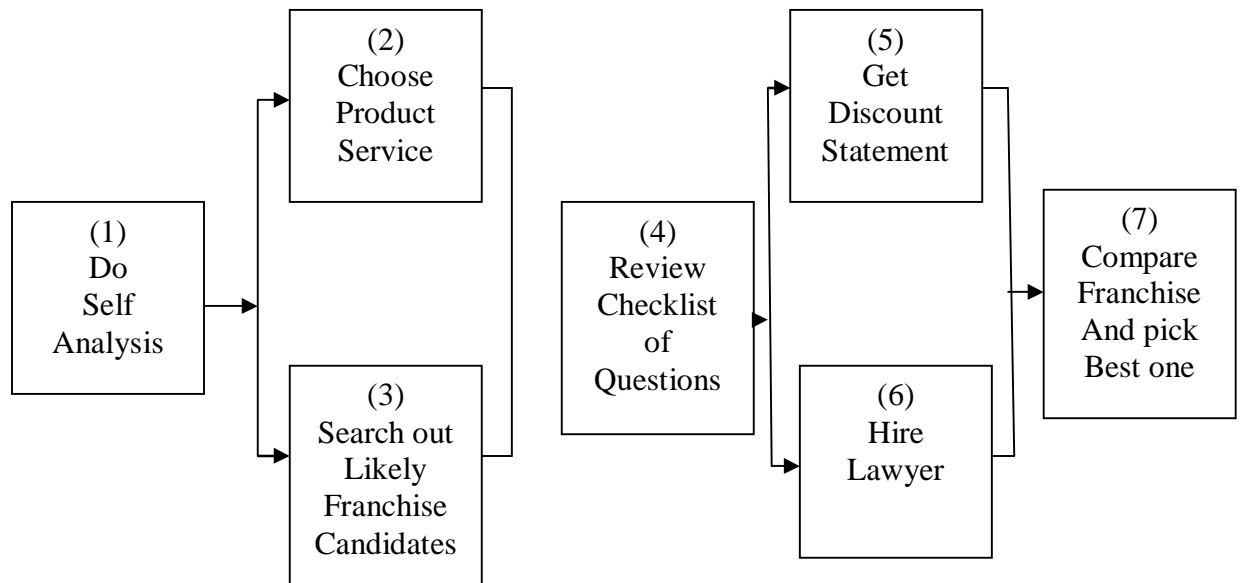


Figure- 6A: Procedure for Evaluating Franchise Opportunities

FRANCHISE AGREEMENT

The basic features of the relationship between the franchisor and the franchisee are embodied in the franchise contract. This is typically a complex document, often running to several pages in length. Because of its extreme importance in furnishing the legal basis for the franchised business, no franchise contract should ever be signed without legal counsel.

A good basic franchise agreement will stipulate the conditions for both parties, and will contain information on:

1. Fees and initial cost
2. Product service method stipulations.
3. Restriction upon purchase of materials
4. Record keeping requirements
5. Life of Franchise
6. Termination
7. Royalties
8. Location and territorial rights
9. Training Provisions
10. Controls of operations and performance standards

MAJOR CONTRACTUAL OBLIGATIONS

One of the most important features of the contract is the provision relating to termination and transfer of the franchise. Some franchisors have been accused of devising agreement that permit arbitrary cancellation. It is reasonable of course that a franchisor should have legal protection in the event a franchisee fails in a substantial way to obtain a satisfactory level of operation or to maintain satisfactory quality standards. However, it is important to avoid contract provisions that contain overly-strict cancellation policies. Similarly, it is important that the rights of the franchisee to sell the business be clearly stipulated.

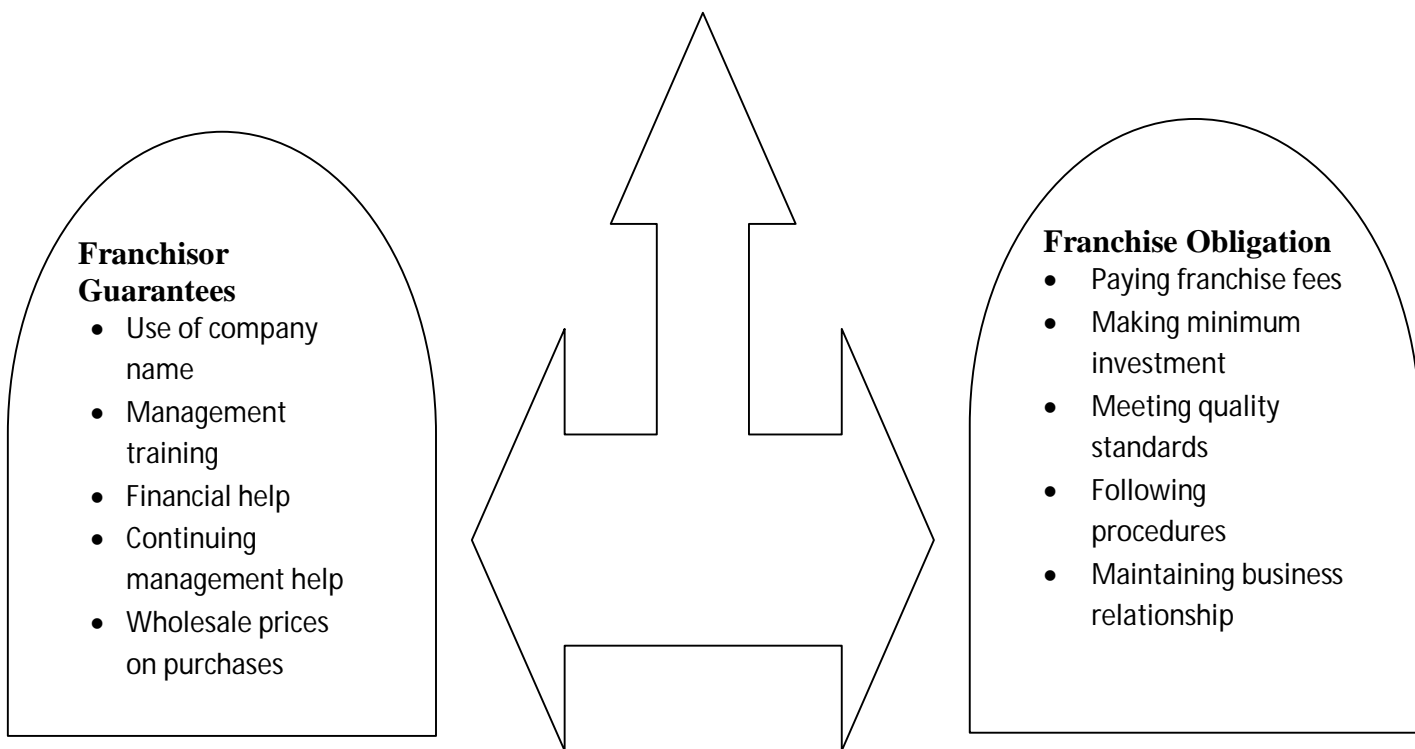


Figure: Showing the obligations of the Franchiser and the Franchisee

FAVORS OBTAINABLE FROM THE PARENT COMPANY:

Some favors that a franchisee normally enjoys from his parent franchisor. These are given below;

<ul style="list-style-type: none">• Location selection and advice.• Product, product design, and product development.• Marketing strategy, with emphasis on advertising.• Help in the development of uniform image creating advertising modes and language.• Initial employee and management training.• Purchase and construction of a standardize structure.	<ul style="list-style-type: none">• Store design and equipment purchasing.• Standardized policies and procedures.• Centralized purchasing with savings.• Continued management counseling.• Help in installing standardized accounting and cost control systems.• Develop a set of customer's service standards.• Negotiate of leases.• Financing at the start-up and afterwards.
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It shows that the parent company who is known as the franchisor acts as the patron and guide of the franchisee. In the capacity, the franchisor rightly perceives that success of the franchisee will bring money and goodwill for the parent company. The latter, therefore, seemingly for its own interests cares and properly nurses the franchisee in its promotion in the right track.

BENEFITS AND PROBLEM OF FRANCHISE:

The type of business through franchise has both benefit and problems to the franchisee. The entrepreneur who starts his venture among a franchise agreement can become a businessperson with little experience and funds but he cannot run the same all by his own judgment. He needs to honor wishes of the parent company. Specifically, important benefits and problems of the franchisee can be observed.

Benefits	Problems
Less stake of capital-installment and/or deferred payment facility.	Profits need be shared with the parent company
Easy to manage credit.	After initial agreement, unfavorable terms often imposed
Management/technical training is obtainable with little/no cost.	Most of the suppliers at a higher prices to be had from the parent in spite of better alternatives.
Easy/cost-free advices/consultancy is available	Compliance of the technology very little scope for any R&D and innovation.
Available market and clients	If wants to remain only franchisee, franchise agreement may appear expensive.
Promotions and advertising cost is very low.	Most important decisions are taken by the parent company, hence no freedom of making such decisions.

ADVANTAGES:

Franchising arrangement is a symbolic one for the franchisor and the franchisee. Following are, for example, the distinct advantages that franchising provides to the franchisee;

- Franchising makes the task of getting started easier because the franchisee gets a business format already market tested and found to work.
- It reduces chances for failure. Here, significant to mention is that further than 10 percent of all franchise fail. In dramatic contrast with this is the fact that two out of every five entrepreneurs who start on their own fail within three years, and eight out of every ten fail within ten years.
- A well-established franchise brings with it the very important advantages of recognition. Many new businesses experience lean months, or years, after start-up. Obviously, the longer the period the business must experience it, the greater the chances of failure. With the well-tested franchise, this period of agony may reduce to only weeks, or perhaps just days.
- Franchising may increase the franchisee's purchasing power also. Because, being part of a large and that too recognized organization means paying less for a variety of things such as supplies equipment, inventory, services, insurance, and so on.
- One gets the benefit of the franchisor's research and development in improving the product.
- The franchisee has the protected or privileged rights to franchise within a given area.
- The prospects of obtaining loan facilities from the bank are also improved.
- The backing of a known trading name (franchisor) becomes quite helpful while negotiating for good sites with setting agents or building owners.

DISADVANTAGES:

Franchising is not an unmixed blessing. There are some disadvantages as well associated with a franchise arrangement. The main ones listed as follows

- Unlike entrepreneurs who start their own business, the franchisees find no room or scope for enjoying their creativity. They have to work as per the given format. One classic example of regimentation in franchising can be found in the McDonald's restaurant organization. A McDonald's franchise is given very little operational latitude; indeed, the operational manual attends to such minor details as when to boil the bearings on the potato slice.
- A number of restrictions are also imposed upon the franchisees. Restrictions may relate to remain confined to product line or a particular geographical location only.
- Franchisees usually do not have the right to sell their business to the highest bidder or to leave it to a member of their family without approval from the franchisor.
- Though the franchisee can build up goodwill for his or her business by his or her efforts, goodwill still remains the property of the franchisor.
- The franchisee may become subject to fail with the failure of the franchisor.
- Franchisor generally reserves the option to buy back an outlet upon termination of the contract. Many franchisees become vulnerable to this option. As such, they operate under the constant fear of non-renewal of the franchise arrangement.
-

Then, do these disadvantages mean that franchising is no longer a desirable way to go into small business? Certainly not. Franchising is a proven and complete business concept. In fact, what do they really mean is that the security that some people associate with franchising is an illusion? Hard work, realistic expectations, and very careful investigation are required if becoming a franchisee is to be a successful, satisfying experience.

CHECKLIST FOR EVALUATING A FRANCHISE:

Before making final decisions as to the franchise agreement, the concerned person should have a deeper knowledge of the information as outlined in the present check list.

On the Franchise opportunity itself:

- Did your lawyer approve the franchise contract after he studied it paragraph?
- Does the franchise call upon you to take any steps which are, according to your lawyer, un-wise or illegal in your state, country, or city?
- Under what circumstances and at what cost can you pull out of the franchise contract?
- If you sell your franchise, will you be paid for your goodwill, or will the goodwill you have built into the business be lost by you.
- Does the franchise give you an exclusive territory for the length of the franchise?
- Is the franchisor connected in any way with any other franchise companies handling similar merchandise or service?
- If the another to the last question is yes, what is your protection against this second franchisor organization?

On the Franchisor:

- For how many years has the franchisor been in business?
- Will the franchisor help you with:
 - A management training program?
 - An employee training program?
 - A public relation program?
 - Merchandising ideas?
 - Franchising?
- Will the franchisor help you find a good location for your franchise?
- Is the franchisor adequately financed so that it can carry out its stated plan of financial help and expansion?
- Is the franchisor a one-man company with a trained and experienced management team-so that there would always be an experienced person as its head?
- Exactly what can the franchisor do for you who cannot do for yourself?

- Does the franchisor have a reputation for honesty and fair dealing among the local entrepreneurs holding its franchise?
- Has the franchisor shown you any certified figures indicating exact net profits of one or more going franchises, which you yourself checked with the franchisee?
- Has the franchisor investigated you carefully enough to assure itself that you can successfully operate one of their franchises at a profit both to them and to you?

On you-the Franchisee:

- How much equity will you need to buy the franchise and operate it until your sales revenues equal your expenses?
- Where are you going to get the equity you need?
- Are you ready to spend much or all of the rest of your business life with this franchisor, offering its product or service to your public?
- Are you prepared to give up some independence of action to get the advantage offered by the franchise?
- Do you really believe you have the ability, training and experience to work smoothly and profitably with the franchisor, your employees, and your customers?

On your Market:

- Have you made any study to find out whether the product or service which you purpose to sell under franchise has a market in your territory at the prices you will have to charge?
- What competition exists in your territory for the product or service from non-franchise firms and franchise firms?
- Will the population in you territory increase, remain static, or decrease over the next five years?
- Will the demand for the product or service you are considering be greater, about the same, or less in five years?



KFC

KFC

KFC Corporation (KFC), founded and also known as Kentucky Fried Chicken, is a chain of fast food restaurants based in Louisville, Kentucky, in the United States. KFC has been a brand and operating segment, termed a *concept* of Yum! Brands since 1997 when that company was spun off from PepsiCo as Tricon Global Restaurants Inc.

KFC primarily sells chicken pieces, wraps, salads and sandwiches. While its primary focus is fried chicken, KFC also offers a line of grilled and roasted chicken products, side dishes and desserts. Outside North America, KFC offers beef based products such as hamburgers or kebabs, pork based products such as ribs and other regional fare.

The company was founded as Kentucky Fried Chicken by Colonel Harland Sanders in 1952, though the idea of KFC's fried chicken actually goes back to 1930. Although Sanders died in 1980, he remains an important part of the company's branding and advertisements, and "Colonel Sanders" or "The Colonel" is a metonym for the company itself. The company adopted KFC, an abbreviated form of its name, in 1991. Starting in April 2007, the company began using its original name, Kentucky Fried Chicken, for its signage, packaging and advertisements in the U.S. as part of a new corporate re-branding program netheyr and remodeled restaurants will have the new logo and name while older stores will continue to use the 1980s signage. Additionally, Yum! continues to use the abbreviated name freely in its advertising.

KFC Corporation



<u>Type</u>	<u>Wholly owned subsidiary</u>
<u>Industry</u>	<u>Fast food</u>
<u>Genre</u>	<u>Southern fried chicken</u>
<u>Founded</u>	1930 (original) (<u>North Corbin, Kentucky</u>) 1952 (franchise) (<u>South Salt Lake, Utah</u>)
<u>Founder(s)</u>	<u>Harland Sanders</u>
<u>Headquarters</u>	<u>Louisville, Kentucky, U.S.</u>
<u>Key people</u>	<u>Roger Eaton, President</u> Harvey R. Brownlea, <u>COO</u> James O'Reilly, <u>VP for Marketing</u>
<u>Products</u>	<u>Fried chicken, grilled chicken,</u> related <u>Southern foods</u>
<u>Revenue</u>	\$520.3 million <u>USD</u> (2007) ^[1]
<u>Employees</u>	24,000 (2007) ^[1]
<u>Parent</u>	<u>Yum! Brands</u>
<u>Website</u>	<u>http://www.kfc.com</u>

MENU ITEMS

- KFC's specialty is fried chicken served in various forms. KFC's primary product is pressure-fried pieces of chicken made with the *original recipe*. The other chicken offering, *extra crispy*, is made using a garlic marinade and double dipping the chicken in flour before deep frying in a standard industrial kitchen type machine.
-
- Kentucky Grilled Chicken – This marinated grilled chicken is targeted towards health-conscious customers. It features marinated breasts, thighs, drumsticks, and wings that are coated with seasonings before being grilled. It has less fat, calories, and sodium than the Original Recipe fried chicken. Introduced in April 2009.
-
- KFC has two lines of sandwiches: its "regular" chicken sandwiches and its Snackers line. The regular sandwiches are served on either a sesame seed or corn dusted roll and are made from either whole breast fillets (fried or roasted), chopped chicken in a sauce or fried chicken strips. The Snackers line are value priced items that consist of chicken strips and various toppings. Both of these are available as "totheyr" variants, which include a slice of cheese and a hash brown.
-
- A variety of smaller finger food products are available at KFC including chicken strips, wings, nuggets and popcorn chicken. These products can be ordered plain or with various sauces, including several types of barbecue sauces and buffalo sauce. They also offer potato theydges.
-
- Several pies have been made available from KFC. The Pot Pie is a savory pie made with chicken, gravy and vegetables. In the second quarter of 2006, KFC introduced its variation on Shepherd's pie called the *Famous Bowl*. Served in a plastic bowl, it is layered with mashed potatoes or rice, gravy, corn, popcorn chicken, and cheese, and is served with a biscuit. The bowl had been available at KFC's special test market store in Louisville since the third quarter of 2005.
- Shish kebab – in several markets KFC sells kebabs.
- Kentucky Barbecued Chicken – barbecued chicken dipped in the original recipe
- Wrap star is a variant of the KFC Twister, consisting of chicken strips with salsa, cheese, salad, pepper mayonnaise and other ingredients, contained in a compressed tortilla.



KFC IN BANGLADESH

KFC stands for high quality fast food in a popular array of complete meals to enrich the consumer's everyday life. KFC strives to serve great tasting, "finger lickin good" chicken meals that enable the whole family to share a fun. Uninhibited and thoroughly satisfying eating experience, with same convenience and affordability of ordinary Quick Service Restaurants.

Transcom Foods Limited, a concern of Transcom Group is the franchisee of KFC in Bangladesh. The first ever KFC restaurant has been opened in September at Gulshan, Dhaka with a seating capacity of 178 persons. In the coming days, KFC plans roll out more restaurants in Bangladesh .

Offers of KFC in Bangladesh:



Serial no	Menu	Price (tk)
	Temping meals	
1	Combo1	290
2	Combo2	320
3	Combo3	280
4	Combo4	285
5	Combo5	300
6	Combo6	220
7	Combo7	1200
8	Combo8	2050
	KFC special	
9	Original Recipe/Hot & Crispy	190
10	Zinger Burger	285
11	Spicy Thai Checken Rice	250
12	Totheyr Zinger	230
	TASTY FILLERS	
13	Strips Chicken	195
14	Colonel Fillet Burger	185
15	Veggie Burger	160
	Add-Ons	

17	Fries	65/100
18	Coleslaw	60/110
19	Mashed	70/130
20	Bun	25
21	Extra Cheese	30
22	Mixed Rice	75
	Beverages	
23	Small	40
24	Regular	50
25	Large	60
26	Diet Pepsi	65
27	7up Light	65
28	Mineral Water	20
	Desserts	
29	Soft Twirl	60
30	Choc Twirl	80
31	Sundae	90/120
32	BrowineFudgeSundae	130
33	Tea	30
34	Coffee	40
35	Hot Wings	160

Opening a KFC franchise

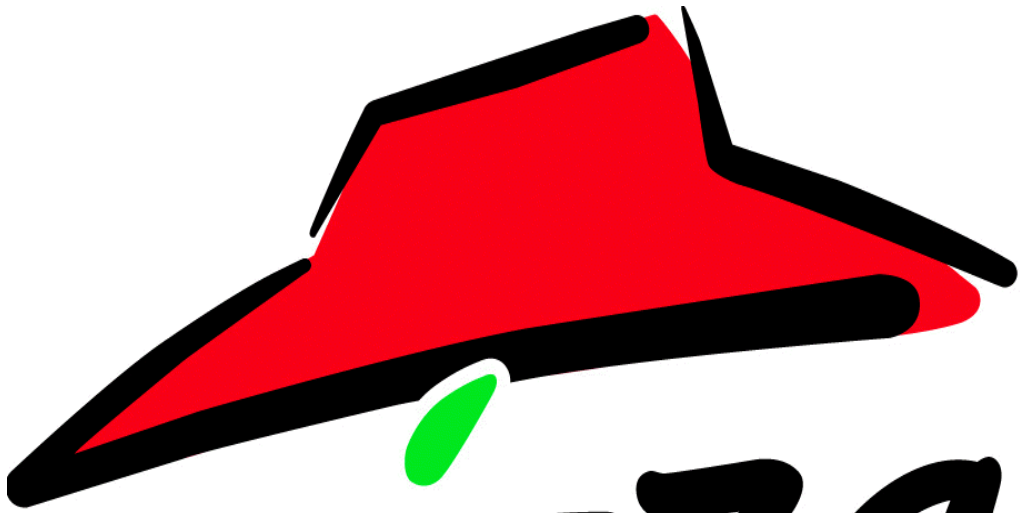
KFC is the world's largest chain of chicken-based Quick Service Restaurants (QSR). They firmly believe the significant potential, which exists for the growth of KFC in most worldwide markets, has not yet been fully realized.

With over 700 restaurants throughout the UK and Ireland, and many new openings planned every year, they are always keen to hear from potential new franchisees (either individuals or businesses) who offer:

- Strong belief in our brands
- Entrepreneurial spirit
- Proven management capabilities
- High levels of commitment to serving the customer
- Broad business experience (hospitality experience an advantage).
- Commitment to developing people
- The ability to provide high levels of customer service
- A minimum of £5MM (minimum £2MM own money) and with access to additional funding to suit growth requirements
- The capability and drive to reach 10 units within 5 years
- Owners and operators of other franchise systems can be considered as a potential KFC franchisee, provided that the other franchise business is NOT a food service business competing with KFC or its affiliates. Examples of competing food service businesses include major brands like McDonalds, Burger King, Wimpy, Theyndy's etc

They look for companies or individuals with access to significant funds. To become an approved franchisee, their business plan will need to demonstrate the ability to open multiple units from year 1. Some general guidelines on the current costs per unit (which are not exhaustive) are shown below.

- Initial new license fee - US \$43,600
- Franchise royalty fee - 6% of sales, paid monthly
- Advertising contribution - 5% of sales paid into a co-operative mainly used for National TV & 0.5% of sales on local marketing



Pizza
Hut



Pizza Hut (corporately known as **Pizza Hut, Inc.**) is an American restaurant chain and international franchise that offers different styles of pizza along with side dishes including pasta, buffalo wings, breadsticks, and garlic bread.

Pizza Hut is a subsidiary of Yum! Brands, Inc. (the world's largest restaurant company⁽²⁾) with approximately 34,000 restaurants, delivery/carry-out locations, and kiosks in 100 countries.

Pizza Hut is split into several different restaurant formats; the original family-style dine-in locations; store front delivery and carry-out locations; and hybrid locations that offer carry-out, delivery, and dine-in options. Many full-size Pizza Hut locations offer lunch buffet, with "all-you-can-eat" pizza, salad, bread sticks, and a special pasta. Additionally, Pizza Hut also has a number of other business concepts that are different from the store type; Pizza Hut "Bistro" locations are "Red Roof"s which offer an expanded menu and slightly more upscale options.

Pizza Hut Express" and "The Hut" locations are fast food restaurants. They offer a limited menu with many products not found at traditional Pizza Huts. These type of stores are often paired in a colocated location with a sibling brand such as Wing Street, KFC or Taco Bell, and are also found on college campuses, food courts, theme parks, and in stores such as Target.

Traditionally, Pizza Hut has been known for its ambiance as much as pizza. Vintage "Red Roof" locations can be found throughout the United States, and quite a few exist in the UK and Australia. Even so, many such locations offer delivery/carryout service. This building style was common in the 1960s and 1970s. The name "Red Roof" is somewhat anachronistic now, since many locations have brown roofs. Dozens of "Red Roofs" have closed or been relocated/rebuilt. Many "Red Roof" branches have beer if not a full bar, music from a jukebox, and sometimes an arcade. In the 1980s, the company moved into other successful formats including delivery/carryout and the fast food "Express" model.



<u>Type</u>	<u>Wholly owned subsidiary</u>
<u>Industry</u>	<u>Restaurants</u>
<u>Founded</u>	<u>Wichita, Kansas (1958)</u>
<u>Founder(s)</u>	<u>Dan and Frank Carney</u>
<u>Headquarters</u>	<u>Plano, Texas, U.S.</u>
<u>Key people</u>	<u>David C. Novak</u> , Chairman <u>Scott Bergren</u> , President
<u>Products</u>	<u>Italian-American cuisine</u> <u>pizza</u> · <u>pasta</u> · <u>desserts</u>
<u>Employees</u>	30,000+
<u>Parent</u>	<u>PepsiCo (1977–1997)</u> <u>Yum! Brands (1997–present)</u>
<u>The website</u>	<u>Pizzahut.com</u>



Pizza Hut in Bangladesh

Pizza Inn has continued its worldwide franchise expansion with the opening of its first location in Bangladesh. The USA-based pizza restaurant chain has opened its first Bangladesh franchise in the capital city Dhaka. The Bangladesh restaurant is owned and operated by the Pizza Inn Master Franchise Owner S.A.K. Edramuzzaman of Mohammed Food & Allied Private Limited.

Charlie Morrison, CEO of Pizza Inn, said: "They're excited about our expansion into Bangladesh as they'll as the entire Asia and Middle East region. It is a pleasure to provide our freshly made pizzas, pastas and other popular menu items to the local residents at affordable prices in one of the largest restaurants in our system."

Each Pizza Inn restaurant provide customers with a variety of specialty and traditional handcrafted pizzas, pastas, salads and desserts in a dine-in buffet format with additional delivery and carryout options

Humayun Hyder, Project Manager for the Pizza Inn Bangladesh Master Franchise Owner, said: "It is with immense pleasure that they have opened the first Pizza Inn in Bangladesh and our opening was greeted with great coverage from the television and print media. The opening was inaugurated by the Honorable Minister of Civil Aviation and Tourism of the Peoples' Republic of Bangladesh and attended by many of the country's elite and prominent businessmen."

"With the addition of our first location in Bangladesh, they have successfully opened six restaurants internationally since our fiscal year began in July 2009," added Madison Jobe, VP of Development for Pizza Inn. "They are excited to continue our aggressive growth internationally and anticipate tremendous success in Bangladesh."

MENU OF PIZZA HUT



Serial no	Menu	Personal serves (tk)	Medium serves (tk)	Family serves (tk)
1	Spicy beef	280	520	950
2	Chicken Hawaiian	280	520	950
3	Chicken exotica	280	520	950
4	Shrimp lover	280	520	950
5	Veggie lovers	250	470	850
6	Ultimate adventure	250	470	850
7	Supreme	330	650	1150
8	Chicken supreme	330	650	1150
9	Beef pepperoni	330	650	1150
10	Veggie supreme	270	530	950
11	Country feast	270	530	950

12	Chicken classic	380	750	1350
13	Chicken super supreme	380	750	1350
14	Seafarer	380	750	1350
15	Seafood symphony	380	750	1350
16	The works	380	750	1350
17	Meatball super supreme	380	750	1350
18	Pepperoni premium	380	750	1350

MISSION STATEMENT

Pizza Hut provides the perfect mix of great food, great service and great place at a great value to our customers who are looking for a grand experience. They believe in positive intension, and maintain a strong internal environment by developing our competitive work force, which they trust. The latest technological tools along with the best support systems from our franchiser YUM! International is used to ensure easy workflow and to make our restaurants the favorite in the Country.

H_R AND A_DMINISTRATION

In Pizza Hut is determined to maintain a strong organizational culture by following specific and strict guidelines and rules for conducting our business. They believe that their employees are their primary assets and provide them the opportunity to build their skills and to grow with our organization. They are known to provide a safe and secured work environment and are an equal opportunity employer.

As their appraisal system is based on performance, employees are always enthusiastic to serve their best, which ensures a healthy and competitive internal environment, as they know that their work is always appreciated. They also have evaluation system for all hierarchical levels, which always gives the room for improvement for everyone.

Our organization, believes in ***HWWT (How They Work Together)***, concept, because only by working together can they build a great team and achieve our goal.

They follow elaborate recruitment process for all levels to ensure that the most deserving candidates are employed. And before they begin their service they undergo extensive training program to enlighten them about our organizational culture and processes

MARKETING

The success of Pizza Hut relies heavily on delighting customers by ensuring that all their needs and desires are met in every way. Hence, they give strong importance to their marketing efforts to ensure that. Along with customer satisfaction, they make sure, that the business makes money! Therefore, the first task is to understand our consumers from every aspect.

In this regard, they have tried to gain a thorough understanding of our competitive environment and continuously strive to develop unique business ideas to make our business a success. Thus, Pizza hut has successfully attained a broad range of loyal customers, to whom pizza has gained extreme popularity. In order to expand this range, our marketing team is involved in developing new products and concepts, all the time.

Above all, not only do they make GOOD FOOD, they are also famous for providing great service and dining experience, to give our valued customers more reasons, to return

RESEARCH

Before launching any new product, they conduct extensive research to find out:

- What people think about pizzas (what role do they play in people's lives, when do they eat them and so on)
- What do they like about pizza
- What do they dislike about pizzas
- What do they want from pizzas
- What are the expectations about our food, when they enter into our store

This information is collected together and used to create ideas for prototypes. The ideas are tested first, before introducing new items. Once they have perfected the pizza, they LAUNCH!

Due to the vast success of our flagship restaurant in Gulshan, and huge demand from our consumers, opening of new stores in different cities are already under way. And from this experience our marketing team has the recognition and understanding of

- cultural influences
- governmental and political influences
- demographic and lifestyle trends
- local and national economic trends

DELIVERY SERVICE

Carry Out Kiosk If you wish, you may place your take away order from this carryout kiosk touch screen. Please ask the host/hostess for assistance if necessary. The order will be automatically transmitted to the carry out counter and cashier will bring your bill for payment. Your items should be ready within 18 minutes. They are constantly working towards serving you better

O PERATION

In Pizza Hut the role of operations is to be obsessed with the quality of our pizza and the experience that our customers receive.

There are 3 distinct categories of restaurants.

Full Service Restaurants

These are the traditional pizza restaurants that offers seated service and take-away.

Home Service Restaurants

Restaurants that offer home deliveries and take-away.

Restaurant Based Delivery

A full service restaurant in combination with delivery and takeaway service.

Currently, we are operating as the first category of restaurant, i.e a full service restaurant, with take-away facility. In the near future we will plan to introduce the other categories as well.

All our Pizza Hut sites work on the CHAMPS standard

Cleanliness

Hospitality

Accuracy

Maintenance

Product

Speed

These six objects define the very core of customer expectations. CHAMPS have become the vehicle, which drives Operations Excellence into our business and is also supported by a reward and recognition scheme for the Team members.

The 'CHAMPScheck' is a tool used to ensure consistency of service and product quality across the entire Pizza Hut estate; in fact it is used for all the Yum! Brands internationally.

Environmental considerations

Pizza Hut uses environmentally friendly materials where applicable, e.g. water based paint and recycled Pizza boxes.

PROMOTION



South Avenue, Gulshan 1
8857535, 011880077
www.pizzahutbd.com
TRANSCOM FOODS LIMITED

GIFT VOUCHER

On popular demand offer @

99/-

continues

The Pizza Hut deal at Tk. 99 for a PPP ~~129/-~~ continues. The unbelievable offer is for **1 Personal Pan Pizza** from the favourites line only.


Offer valid for both dine in & take away between 3 pm to 6 pm till end of April, 2005



8857535, 011880077

South Avenue, Gulshan 1
www.pizzahutbd.com

*Prices exclusive of VAT.



Pizza Hut

In 1991, Pizza Hut made one of its most historic deliveries to Russian President Boris Yeltsin and his supporters, who prevailed over an attempted political coup. When food supplies dwindled in the Russian Parliament Building, Yeltsin called Pizza Hut delivery.

**South Gulshan Avenue
between Circle 1 and Shooting Club**

8857535

OPEN 12 noon to 12 midnight everyday

Item code FF 02

June 2004

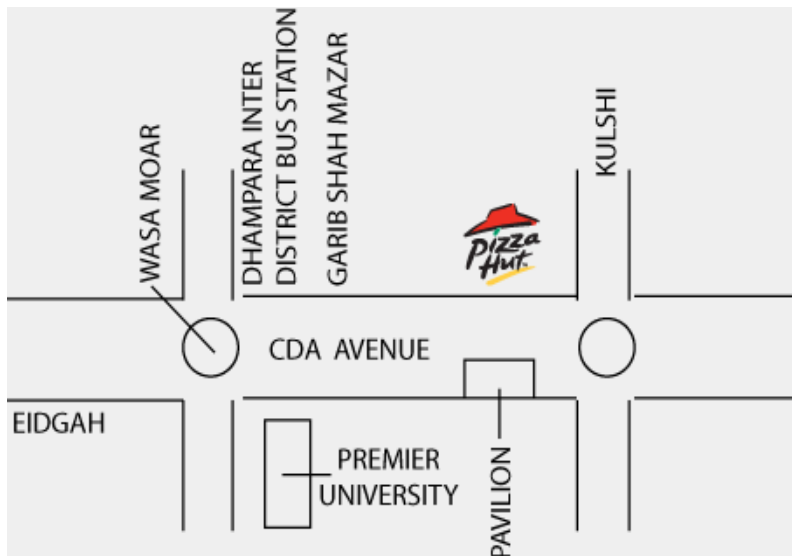
KIDS PROMOTION



At Pizza Hut we want to add value for families with kids aged between 4-10. We have a kid's area equipped with slides, spring animals etc. for them to be entertained. For the tiny toddlers we have baby chairs and bibs. We also arrange birthday parties, where our mascot, 'Pooch' appears in person to entertain the children.

PIZZA HUT IN CHITTAGONG

Pizza Hut is passionate about making and serving the best pizzas. And that includes going to any length to make the customer's experience with Pizza Hut an enjoyable one. The signature pizza crusts at Pizza Hut are **Pan Pizza**, **Thin 'n' Crispy**, **Stuffed Crust**.



Initially, three of these crusts will be served at the outlet in **Chittagong**– **Pan Pizza**, **Thin 'n' Crispy**, **Stuffed Crust** which is golden brown and crisp on the outside, and light and fluffy on the inside; Other than pizzas, Pizza Hut also offers a range of delicious Soups, refreshing Beverages, scrumptious Pasta, fresh and crispy fruits and vegetables (and dressings) at the Salad Bar, and delightful Desserts.



SWOT ANALYSIS OF PIZZA HUT

Strengths – the main strength of the company is their focus on their products and services. Added to that is the ambience or the facility which is not under the category of fast food but a restaurant. The idea of creating this kind venue is to provide the bond between families and friends. Another factor is the on-going efforts of the restaurant to provide the healthier pizza. It is because they found out that there is a percentage of their target that is health conscious. The idea is to strip or cut off the unnecessary calories and fats when the cheese is added to the dough. The product reinvention did not stop there as the company included to their menus that new tastes and combinations of different pizza which is according to the tastes and preferences of the consumers. To gain additional trust from the market, the company pursues their research and develops pizza dippers, as another answer to their never-ending customer demands.

Weaknesses - Pizza hut is identified as the largest users of cheese that affects the pizza hut branches that lacks the supply of cheese. The problem with alternatives is eventually identified buy the consumers and there is a narrow choices for substitutes. Other than that, the company reported that they incurred high cost in terms of their production; the root of this problem is on the intense competition and their pizza reinvention just to satisfy the taste buds of the customers. As a result, the overhead cost pushed the restaurant branches to have additional charge, not knowing that because of their action, there is more probability to lost most of their consumers.

Opportunities - Pizza hut opened lots of doors through their pizza reinventions or product innovation. This is evident in the increase on the revenue and increasing brand loyalty with their customers. Their service and products are outstanding and the offered new taste combinations and expansion of the varieties of menus also touched their pastas, beverages, and desserts. As said earlier, the opportunity is also part of the marketing strategy

of the company to provide the proper utilization of the technology through their online-ordering system. The use of landline is still viable but the evolving world of technology where almost 70% of their customers is sitting in front of the computer gives the company bright ideas to establish their relation with them, with their customers' own convenience.

Threats - Many companies are bothered by the high competition and Pizza Hut is not different from those companies. Competition really gets the firms to push their limitations and boost up the needed investment just to answer the risky competition. Pizza hut is also concerned with their customer satisfaction and most of the extensive research and development is allotted to the needs of the customers. The roles of prices, promotions, advertisements, and delivery systems make the competition too risky and lead the customer in some series of confusion. When there are many options, the customers find it hard to choose and sometimes lead to dissatisfaction.