

## **BUSINESS OF HOME DELIVERY OF DAILY MEALS : A STUDY ON MICRO-ENTREPRENEURSHIP OF WOMEN FROM KOLKATA**

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### Abstract

Rice, dal, brinjal fry, vegetables, fish or mutton curry, with some chutney thrown in...sounds just like home food? That's what Kolkatans are loving about the many new services that promise healthy, homely and reasonably priced food. Working couples, the elderly, bachelors - basically anybody unable or unwilling to spend time in the kitchen and at the same time loathe to eating out because of rich and oily food - are part of this new trend in Kolkata. A few people like it so much that they have practically shut down their kitchens! Many educated and modern women of Kolkata are grasping this opportunity and they are not making few bucks, but also doing big businesses of lakhs of rupees annual turnover over the years.

The study attempts to explore the different commercial aspects of such entrepreneurial initiatives like strategizing such ventures at the initial years, opportunities and problems associated with such business and further developing innovative ideas to make such more ventures to come up with more professional vigor. In the process of this exploratory research a selected number of successful women entrepreneurs of Kolkata from home delivery business have been interviewed and appropriate methodologies have been adopted to get the best possible results.

*Key words: Healthy , homely and reasonably priced foods , working couple , elderly and bachelors, different commercial aspects , innovative ideas , professional vigor , exploratory research ,*

### Introduction

Rice, dal, brinjal fry, vegetables, fish or mutton curry, with some chutney thrown in...sounds just like home food? That's what Kolkatans are loving about the many new services that promise healthy, homely and reasonably priced food. Working couples, the elderly, bachelors - basically anybody unable or unwilling to spend time in the kitchen and at the same time loathe to eating out because of rich and oily food - are part of this new trend in Kolkata. A few people like it so much that they have practically shut down their kitchens! Many educated and modern women of Kolkata are grasping this opportunity and they are not making few bucks, but also doing big businesses of lakhs of rupees annual turnover over the years. This new trend of a different types of women entrepreneurship has not only ensured better standard of living for dependent families , but also creating a different breed of entrepreneurs in this part of the country . Some of the entrepreneurial ventures have been so successful that branding initiatives have been successfully initiated and few of them have also converted in well known restaurants of

Bengali delicacies in the city, where people can throng and enjoy their weekends with families and friends.

Kolkata is a thriving city with millions of population. As per the report<sup>1</sup>, the city has the population of about 10.3 million, among which about 40% are occupationally engaged either in service or in business. The report also says that about 4000 people enters the city everyday for relatively permanent settlement objective, out of this relatively new settlers, 30% settles down permanently. Apart from that, the city has about more than 12% of the population, whose age goes beyond 60. In this demographic set up, the many new services like packers and movers, home delivery of daily meals, house keeping agencies etc. have come up at a phenomenal rate, which was not even thought ten years back. Smelling these phenomenal opportunities, new breeds of young as well as seasoned entrepreneurs have jumped in the bandwagon. However, in the subsequent courses of the research findings, attempt has been made to highlight some of the achievements by the women entrepreneurs, who have successfully ventured in to the business of supplying daily meals to the homes over the years.

### **Success stories : A glimpse**

A Kolkata based Non-government organization (NGO) called "*Institute of Self Employment For Women (IMSEW)*" has conducted the survey on 15 women entrepreneurs from the same trade from South Kolkata localities (covering areas like Jadavpur, Garia, Lake Garden, Jodhpur Park, and Tollygunge) during January- March, 2010. In the survey report<sup>3</sup>, the details of their average monthly turnover, net monthly earning, number of average clients served etc. have been mentioned in details. The report gives the comprehensive view on the trend of the same. The key observations from the report can be stated as follows:

- All of the surveyed women are married, 35-50 years of age, minimum qualification is graduation, running the business for 3-5 years.
- Their existing client number varies in between 35-70 per day.
- Their monthly gross sales turnover stand in between Rs. 50000/- to 80000/- and net monthly income (excluding wage paid to the people under them, rent and electricity bills, purchasing cost of raw materials etc.) stand somewhere in between Rs.22000/- to Rs.45000/- per month.
- Individually, they have created employment for about 3-5 people and the combined number of total people directly employed by them are 50 (as on 7<sup>th</sup> April, 2010, the report has been published).

Another study has given the findings<sup>4</sup> on few more successful ventures, where some of the initial years of home delivery of daily meals business have been gradually converted into few notable Bengali delicacy restaurants of Kolkata, where the original home delivery business has been kept as a parallel service as well. Some of the such ventures

have been popularized under the brand names like *Bordi's Rasoi* (Elder sister's Kitchen), *Aahar* (Meal), *Dui Burir Hessel* (Two aunties' kitchen), *Born Bong* and *Aap ki Passand* (Your choice). While some other researches<sup>5</sup> have shown that many such restaurant brands possess their short-term plans to enter catering business as well by targeting the corporate, social occasions like marriage etc. and other ventures like catering to the students of different colleges and institutions. So, a small journey from the kitchen of the family has taken a quantum leap in the direction of setting bigger family ventures.

Moreover, in search of primary information, a selected number of women entrepreneurs from the same business of home delivery of daily meals have been interviewed through structured questionnaire. This interview has attempted to explore the relevant areas of their businesses, future plans and problem of any type they are facing while carrying out the business.

### **Research Methodology**

The first step in the research process has been to determine the issues those need to be addressed for the purpose of the study. Initial talks and discussions have been held with the selected number of women entrepreneurs from a specific locality of Kolkata. In the process of collecting data both primary and secondary sources have been explored as far as possible. However, due to unavailability of the published official records on the number of women entrepreneurs in the business of home delivery of daily meal business of Kolkata, the combination and judgmental sampling technique has been used for the purpose of data collection. The "word of mouth" search revealed that in the specific area of South Kolkata, specially two highly populated localities like Behala and New Alipore, not more than 30 women are engaged in this kind of business at the time of survey. Combining the both the areas the total covered portion has been about 150 square kms (15x10) and the total population stands at about 1 million. The areas have the unique characteristics of concentration of both highly affluent and poorest slum dwelling population.

### **Research findings :**

Out of the 30 women entrepreneurs, a careful selection of 10 women entrepreneurs has been done only on the basis of their monthly net income. Here the women involved in the business with the average net monthly income of above Rs. 20000/- (Twenty thousand) from the business have been selected. The comprehensive list (as shown in table 1) on their business details has been prepared for the ready reference.

### **Table 1**

Name	Age & qualification	Doing business since	Gross monthly turnover (Approx.)	Net monthly income (Approx.)	Number of people employed
Rakhi Das	45 Graduate	2000	Rs. 78000	Rs. 32000	4
Dolon Biswas	43 Post-graduate	1997	Rs. 75000	Rs. 34000	4
Bibharani Sarkar	57 School final	1999	Rs.67000	Rs. 28000	4
Mayuri Sen	40 Graduate	2004	Rs.65000	Rs. 27000	4
Dipali Mukherjee	42 Graduate	2002	Rs. 59000	Rs.25000	3
Jayita Bose	36 Graduate	2005	Rs. 55000	Rs. 24000	4
Shilpi Mukherjee	40 Higher secondary	2000	Rs. 55000	Rs. 22000	3
Preeti Das	45 Graduate	2000	Rs. 52000	Rs.20000	3
Ratna Biswas	35 Graduate	2000	Rs. 50000	Rs. 20000	3
Anusua Ghosh	35 Post-graduate	2000	Rs50000	Rs.20000	3

Source : Primary data

From the above findings , it can be revealed that from the surveyed women entrepreneurs , the percentage of net monthly income out of gross monthly sales turnover varies from 45%( maximum) to 38% ( minimum) , whereas the average is about 41% . From the above revelation , top three women entrepreneurs have been selected on the basis of highest percentage of net monthly income out of gross monthly sales turnover . Effort has been made to understand to reasons of their success , any problem faced by them during different stages of business and their future plans . Top three women entrepreneurs are *Dolon Biswas* ( 45%) , *Jayita Bose* ( 43%) and *Deepali Mukherjee* ( 42%). Here, it has been found that all of them have different stories to tell .

*Dolon Biswas* (43) is a post-graduate in Bengali Literature from the University of Calcutta, got married in the year 1987 at the age of twenty to his businessman husband. Though belonged to an affluent family, soon she realized to start a business from home and cooking as a passion, home delivery of daily meals became an easy option. Initially, it was not a remarkable story to celebrate. But gradually since 2000, her business took a real turn, when she got the order of supplying one time meal to about 30 young BPO employees started in her locality. However, challenge was not very high as these young people used to prefer non-conventional dishes and at different time of the day. There has not been any fixed time to reach the meal like only at noon or only at night, but sometimes at noon and sometimes at night. Mrs. Biswas took it as a challenge and successfully catered the so called customer requirements. Normally, her kitchen staffs used to prepare meal for normal orders, but here she herself became involved. She started serving Chinese meals, Thai meals with reasonable charges. On the day of the interview, she serves about 60 meals a day, mostly non-vegetable items. Her clients include working couples (about 70%), single students and BPO employees (25%) and old persons staying at home (5%). To retain her customer, she adopts some innovative techniques like serving special dishes on special occasions like *Pulis and Pithes* (sweet delicacy of Bengal) during *Pous Parbon*, Cakes during Christmas absolutely free. Her 23 years son, a student of business management has already joined the business of his mother and has a serious plan to upgrade the same into a branded restaurant and catering business in near future. Her husband, a seasoned businessman has also shown eagerness to invest adequate amount of capital in a prospective food business in future. However, Mrs. Biswas has shown her apprehension about the entry of the small food business entities, which can easily convince the newly settled population to serve the cheaper one day (irregular) meal as the part of home delivery service.

*Jayita Bose* (36) also a house-wife, started her business with a small capital of Rs.5000 in the year 2005. Initially, her business was concentrated on serving parties like small social gatherings etc. Gradually, she smelled the opportunity in the regular home delivery business in her locality. A whole new breed of people started to come her locality with the coming up of high rise buildings. Many of those flats in those buildings have been licensed to companies for their executives. These executives were either single bachelors or married but living alone or living with small families, where spouses were also working somewhere. By simply distributing leaflets within the daily newspapers for several days, Mrs. Bose started getting phone calls for home delivery of meals from those apartments. At the time of interview Mrs. Bose had about 60% customers from this segment. Though, she did not want to reveal the intricacies of her success in the business for the last few years, yet it had been gradually explained by her that maintaining high level of flexibility in business approach remained the key to her success. Unlike, Mrs. Biswas, she also takes the orders for temporary period, say for one or two days. She calls them as "flying customers". However, this approach has given her the mileage in terms of *as and when required service provider* to all types of customers. She has a plan to expand

her business by opening a restaurant, but problems in terms of greater funding etc. have caused impediments in this regard.

*Dipali Mukherjee* (42) also a graduate and housewife from the New Alipore area, started the business with a pure amateur mindset. Starting from her business, she had the patronage of large number of cosmopolitan customers, specially the Gujratis and South Indian population. Being a Bengali house-wife, she has gradually gained mastery in the non-Bengali cuisines along with the Bengali delicacies only for the sake of business. Adaptability to the business demands has made her a proud entrepreneur. She has successfully branded her venture as "*Mukherjee's Kitchen*", which is a popular name among the localities of the area.

From the above stories following factors of success can be identified. The following table (Table 2) gives the detail of the revealed aspects in terms of prospects, problems etc. of these three women .

**Table 2**

<i>Name</i>	<i>Success factor/(s)</i>	<i>Customer segment/(s)</i>	<i>Future plans</i>	<i>Problems( if any)</i>
Dolon Biswas	1. Adaptability with customer requirement 2. Value added services /innovative services	Young BPO workers and students, working families.	Food business including a restaurant.	Small size unorganized eateries preventing the further growth of the business.
Jayita Bose	1.Utilizing opportunities 2.Flying customers /temporary customers	Executives and families of upcoming high rises in the adjacent areas.	Expanding the Business	Fund crunch as the whole family now depends on her business.
Dipali Mukherjee	Adaptability with business demands.	Cosmopolitan customers	Opening up a restaurant.	Over dependence on her locality .

Source: Primary data

The survey on these ten entrepreneurs have revealed a lot of other issues , much important for further research specially for future small/micro-level entrepreneurs .

1. Almost 90% of the respondents indicated that innovation is most important for sustainable growth in their business. Out of the 10 respondents five (i.e. 50%) respondents have strongly emphasized on product innovation, which means serving new dishes without any additional charge. Four respondents have expressed their opinion regarding innovation in marketing like developing some channels for extended location coverage. Remaining one respondent has not given any feedback on the issue.
2. On the issue of family support, the need has been acknowledged by all the respondents. It has been significantly observed that 70% of the respondents have acknowledged the need of family support especially in the situation of any decision of business expansion, which includes the starting of new restaurants or catering business. In such situation, need for support has been expected in the form of getting requisite clearance and licenses from statutory bodies, filing of tax returns etc. However, remaining 30% respondents have still put the purpose of financial support only on the issue of family support. When asked about the extent of family support (which includes immediate and the extended family as well) they are currently getting, 80% respondents have responded at the moderate scale, 10% at very high scale and another 10% at negative.
3. On the issue of the problems faced by these breed of women entrepreneurs, a ranking scale has been used, by which the respondents have been asked to prioritize the problems. The areas of such problems have however been set on the basis of normal conversations occurred in due course of research etc. From the feedback, it has been identified that all the respondents have identified the social factors like inadequate work-life balance as the most important problem. Though most of them (80% moderate support from family, refer point 2) receive some kind of support from family, still they have been share a lot of other family responsibilities side by side as well. Even about 5 or 6 respondents cook themselves for their family members separately, whereas they employ the kitchen staffs for the purpose of their business.
4. Regarding the problems from the commercial fronts few major issues have been identified by the respondents, which can be classified as follows:
  - i. It is no less a complex business situation. The combinations of purchasing, preparing, selling and servicing require maximum possible balance. The raw material is getting costlier day by day, are mostly perishable and it should be cautiously observed that the closing inventory must be equal to zero, specially for those, who also allow the flexibility in terms of "Flying customers".
  - ii. Meeting varied customer expectations in terms of spice component, taste component and retaining them has also been identified as a major challenge for most of the respondents. Most of the respondents have opined that the customers not only buy meals, but also expect at the same time expect it appetizingly prepared and served. In other words, the customers are expecting restaurant like services at home.
  - iii. None of the surveyed women entrepreneurs have registered themselves with any tax department etc., none of them have valid trade license, none of them have filed income tax returns etc. Therefore, whatever is the prospect of their business, their business is not a legal entity in the eye of law. Simply on this ground they

can not approach the banks or financial institutions for entrepreneurship loan , which are plenty in scope , specially for the women entrepreneurs.

- iv. The turnover rate among the kitchen people is also very high. All of the women entrepreneurs normally pays the monthly wages to their main cook at the rate of Rs.3000-3500/- , the helps ( mostly two in numbers ) get Rs. 1300-1500 and delivery person gets Rs. 800-1000 ( if only delivery is the job) and Rs. 1500-1600 ( if delivery job is combined with help work at kitchen). All these types of people leave their jobs suddenly without any prior intimation , when ever they get any better alternative anywhere. Some of the women entrepreneurs have disclosed the stories that how badly they have fallen in the crisis by such sudden vanishing act of these people.

### **Recommendations :**

The basic problems identified from the study can be classified as follows , based on which some recommendations have been developed :

1. Most of the women entrepreneurs have definitely some level of entrepreneurial zeal , but the way they are running their business lacks professional or managerial approach. Though , they have achieved a lot , yet their amateur attitude should be converted into real professional one.
2. Many of them have tasted the flavor of success. Their earning have significantly increased over the years . Many of them are dreaming of expanding their business , but till the day of survey none of them have gone for organized business mode , like tax filing etc., which can help themselves to get legal validity in the eye of law . Funding support from banks and financial institutions will not be a problem in that case.
3. Home delivery of daily meals is a type of business , which has a limitation in scope and therefore , big dreams are difficult to achieve easily. Growth is possible , but that is also limited in character . Therefore, expansion of such business in any form or shape like organized catering or restaurant may be the future option. In such cases involvement of the family is essential.
4. Finally to say, innovation in all possible shape , dimension is required to pursue on continuous basis for growth of any business . In this case , this is no exception. Though some of the women entrepreneurs surveyed under the study have talked about innovation up to a limited extent , yet much can be possible to done. Innovation can be done in terms of marketing strategy making , in terms of customer service , in terms of purchasing and food preparation etc.



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