**ARANCINO’S KARMA**

Arancino’s Karma (AK) is our newly-created brand addressed to the Indian market. The main purpose of our creation is to offer an alternative to the traditional fast food chains. We are planning to open several points of sale all over India, mainly in the metropolis. Here’s a brief extract of what our brand will offer to its customers.

**Recipe**

The recipe is a revival of a traditional Italian dish: the “arancino”. AK turns this tradition into a much more modern concept. By using 100% Indian ingredients, we don’t just guarantee the customer a decidedly high quality, but we also provide a recipe adapted to the Indian’s culinary culture. Here’s the ingredients list.

*Ingredients*

* *1.8 oz Basmati rice*
* *0.4 oz chicken ragout*
* *0.5-0.7 oz Paneer*
* *0.35 oz peas*
* *0.1 oz butter*
* *0.5 oz plain flour*
* *1 oz fine dried breadcrumbs*
* *3.5 fl oz vegetable oil, for frying*
* *white onion, peeled and finely chopped*
* *a pinch of curry or coriander*
* *beaten egg*

**TCH**

AK can position itself separately from the other fast food chains by offering nutritious and healthy food products based on the TCH (which stands for tasty, cheap and healthy) standards. The brand has taken a differentiation concept whereby the food products are differentiated from that of the conventional fast food restaurant chains. The pricing of the products is at the higher end of the scale and intended to promote unique value to the customers who are health-conscious and looking for quality service.

The tastiness is given by the cooking and elaboration process of the primary ingredients, which strictly follows the original recipe from Sicily. The filling relates to India’s most important and ancient traditions. It consists of a chicken ragout, as most of Indian people do not eat red meat and some Paneer, which is a typical cheese. The rice inside is the famous “Basmati”, a symbol of Indian culinary’ s tradition. The spices like curry and coriander add flavour to the recipe.

AK is a very cheap product. It’s due to its cheapness that it can become a sensational phenomenon all over India. Everybody can buy it, from the wealthiest to the poorest of the men. It is probably the brand which presents the best comparison between price and quality. With few rupees you can easily eat a proper lunch.

Another important aspect is AK’s quality guaranteed products, which are proved to respect every kind of law and license related to the food area. Our standards are very high and the ingredients we choose completely respect them. Despite its being a fast food chain, the brand is based on good ingredients, without preservatives and additives.

The combination of tastiness, cheapness and health turns AK into a brand full of potential. In a few years we hope we’ll have set up a consistent network of points of sale all over the country.

**Targeting and prices**

High levels of customer satisfaction through nutritious food products and high quality service are the unique value propositions for the customers. AK has positioned its products based on the health and nutritional aspects which can be said to be positioned at a different level to that of the competitors. AK can offer enhanced value proposition to the customers by providing healthier and nutritional food along with quality and similar to the food products offered by other fast food chains. Moreover the brand is trained to provide excellent customer service.

When analysing from the aspect of targeting of the customers it can be seen that AK is not targeting just the younger segment of the population who is health-conscious, but also a middle-age sector which includes every kind of worker: from the employee to the bank director. Our points of sale are street food like and it is this aspect which has made the creation so excellent: you can eat whilst walking in the lunch-break or after school. We adapted the whole lot to a rising country which already has many links to the Western culture. In the next years, AK is also planning to expand in the other developing countries in the Eastern area.

The targeting strategy of AK in the expansion mode to the developing nations should be different from that of the present targeting strategy. The fast food chains such as AK offering differentiated products can be developed based on a differentiated focus approach with a target group of higher class of the society, upscale lifestyle and status of customers. Unlike in the developed countries, the stores of AK in developing nations have to be in the upscale areas rather than distributed in different geographies. The franchisees can be provided to high-quality individuals and groups who have prior experience in providing and developing such retail outlets. The stores have to be located in upscale shopping malls and business areas. The specific target segment of the population would be families and individuals in the upper social classes.

As a fast food, we have very low prices. One piece costs 15 rupees, which is a very reasonable price regarding the high quality we guarantee. Almost everybody can afford such a price and this factor is the decisive one: as long as there’s no other chain like AK, we’ll be able to fulfil our purposes at the best.

**Costs and profit**

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| --- | --- |
| Rice (1 kg) | 48 ₹ |
| Eggs (12) | 58 ₹ |
| Local cheese (1 kg) | 311₹ |
| Chicken (1kg) | 204 ₹ |
| Onion (1 kg) | 27 ₹ |
| Water (1.5 l) | 27 ₹ |
|  |  |
| Stand (per month) | 500 ₹ |
| Paper cornets (100) | 20 ₹ |
|  |  |
| Petrol (1 l, train or truck) | 68 ₹ |
|  |  |
| PROFIT | 30% |

**Marketing strategy**

The marketing strategy adopted by AK is to provide fresh, customised arancini based on such a deeply-rooted tradition like the Italian’s one, mixed with the culinary aspects of India, whose cuisine is believed to soon expand worldwide. The specific and unique product offering a healthier diet and nutritious products is an important aspect in the equity of our brand. For many years to come, AK will align itself with several organisations, associations, social events and programs promoting health consciousness in the developed countries.

AK is an example of developing a focus on a specific segment of customers based on demand factors, a developing trend and innovative products. The need for good, healthy but also cheap food in such a rising economy like India’s was evident. That’s why we set up our brand

When analysing the success factors it can be seen that healthier menu options, based on the food quality, convenience provided to the customers and the lower capital costs required for franchisees are the important aspects of the marketing strategy of AK. The unique brand equity of lower levels of fat content in the food products has developed high levels of consumer attraction.

Regarding the advertisement, AK relies mainly on radio and TV, as they are the most used media in the Indian region. Adverts perfectly show the product’s main lines and clearly highlight the clue aspects of the brand. The advertisement sector is now developing on the Internet technologies and it is believed that in a couple years AK’s customers will have grown of 30%. We are also planning an investment on some billboards to be placed in the metropolis.

AK aims to develop and enhance an alternative strategy for improving the market share, profitability, value creation and sustainability based on theories and concepts relating to marketing. Although from the first part it is seen that our brand has positioned itself with a differentiated focus on health consciousness and nutritious food, in order to expand into the developing nations where the trend of self-consciousness and nutritious food has not yet caught up with the customer’s lifestyle, it is necessary to develop an alternative strategic approach. Moreover the social and cultural factors of the developing nations has been considered in developing innovative products specifically aligned to the customer’s needs and requirements in these markets.

Unlike that of the developed countries, the lifestyle and concept of healthier food have not caught up with the consumers in the developing countries, so AK is trying, in a way, to make India aware of the advantages of an healthy diet and the disadvantages of an unhealthy one . Many of the multinational fast food chains such have positioned themselves as upscale quick service restaurants offering quality food with a high level of differentiation from that of the conventional food products available in these markets. However, AK is based on a street food format, to guarantee the customers a quick and healthy way of eating. You are forced to walk whilst eating your arancino or to sit on a bench, at least. It is still better than locking yourself into a room.

Due to the pricing of products, AK has to positioned itself as a niche brand rather than a huge chain. However healthy and nutritious concept is the main brand philosophy and hence this needs to be followed in any of the markets it enters. The positioning strategy should be based on targeting the young segment of the population and with higher purchasing power.

Based on the social and cultural parameters of the developing nations, innovative products do not have to be developed, as AK’s first purpose is to bring a traditional dish in a totally different area of the world. Arancini are definitely not the common food consumed by the customers in the developing nations. A particular focus should be provided on geographic locations where vegetarianism and halal food concepts are prevailing. The arancini can be offered as differentiated products for the customers who would like to have differentiation. As AK has done to India, the traditional recipe could be changed adding local ingredients and typical culinary’ s elements.

It was seen from the analysis of the marketing strategy that the unique value proposition to the customers is the tasty but healthy diet and nutritious food with an element of quick service. AK has differentiated itself from the competitors by providing healthy food which is nutritious and custom prepared from fresh ingredients. This is the unique value proposition for the customers who are increasingly getting health-conscious.

In the developing nations health consciousness and the concept of fast food restaurants have not caught up. Here in India we are facing a trial, but the innovative side of the idea, mixed to the traditional one is the clue point. Hence AK can differentiate itself from the quick service restaurants by providing something which is a differentiated food product along with developing innovative products based on the social and cultural attributes of the different areas.