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Abstract  

This article attempts to portray the growth strategy of Tunday Kababi, a famous food joint selling famous kababs in India, starting from a single outlet in Chowk area of Lucknow Uttar Pradesh in 1900’s, to spreading to many cities and states in India and to Gulf countries, from proprietary based business to large corporate house. The growth for Tunday Kababi has been stupendous. But now it seems that relying only on the traditional method of business will not suffice for keeping the business alive which has more than 100-year-old ‘Tunday Kababi’ brand. The article attempts to look into expansion plan and the strategic decision taken by Tunday Kababi in their journey for making Tunday kababi small outlets to a big business house. The study also tries to explain reasons for the failure of franchise distribution model.  

Keywords: Strategic Marketing decisions; Franchise; Family Owned Business  

1. Introduction  

When you enter in bustling by-lanes of Aminabad and Chowk area Lucknow (The city of Nawabs) Uttar Pradesh, taste of delicious kababs appeals you to the 100 years old kabab shop named Tunday Kababi. Tunday Kababi is the personification of rich Awadhi cuisines 1. Lucknow 3 proudly flaunts for being the home to ‘Tunday Kababi’.

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1 One of the famous Awadhi cuisine, made by Chiken, mutton or beef  
2. Awadhi Cuisines are very popular out of delicious taste and refers to cuisines originated from awadh region. The awadh region is central part of Uttar Pradesh which is one of the biggest province in India  
3. Lucknow is Capital City of Uttar Pradesh Province.
There is a very interesting history behind the beginning of ‘Tunday Kababi’. There was a Nawab – a member of the royal family in Lucknow, who really loved to have non-vegetarian kababs. He set up a contest that whoever cooked the softest and luscious kabab was to enjoy royal patronage henceforth. For the contest, a secret recipe for kababs was innovated by Late Mr. Haji Murad Ali, a very talented and innovative one armed chef from Lucknow. In Lucknow dialect, one-armed person is called ‘Tunday’. So at that time people usually called Mr. Haji Murad as Tundy. The melt-in-the-mouth kababs are now the famed in the nick name of Mr. Haji Murad Tunday kababi of Lucknow. They are delicious, soft and easy to digest. The recipe of these kababs is said to incorporate more than 160 ingredients (it’s a secret and patent with tunday kababi’s owners). The ingredients of that Kabab has been a family secret and has been passed down through the generations by the family members specially ladies of the house.

2. About the Company

Tunday kababi chain is running by Haji Mohd Usman, the grandson of illustrious Haji Murad Ali. It is an impenetrable family business. The governance-related policies at ‘Tunday Kababi’ are informal but are followed as a general rule to run the business. The focus of that family is the core activity of making delicious and mouthwatering kababs. Since the business is running by the family members, it has the adaptability and willingness to adopt unconventional strategies.

Starting from a small eating outlet for quality kababs now it’s a 10 decades old one of the top brands in the field of Kababs. It started at Chowk and then expanded to Aminabad- both being the busy streets of Lucknow. A new generation of tunday Kababi realizes with the passage of time that the need to expand business was essential. The owners to spread their presence in Lucknow, another part of the country and abroad, they distributed franchise for its inorganic expansion. However, they withdraw this business model because their franchisees serve poor quality of food and spoil their brand image. Profitability and viability were the other bottlenecks in the franchise model.

Today, ‘Tunday Kababi’ has evolved as a Private Limited Company but the Directors of the Company are still their own family members. The desire at Tunday
Kababi owners is to build a brand for future generations and thus all their strategic business decisions focus on its sustainability, brand positioning and growth.

‘Tunday Kababi’ has not only survived for more than a century but has also prospered and grown leaps and bounds. Although there is no formal data to substantiate but it seems that their daily business turnover (as observed by the interviewer during visit to ‘Tunday Kababi’s two outlets and as also confirmed by Haji Mohd. Usman) is more than INR 2.75 lacs which translate to a rough yearly turnover of around INR 100 crore/15 million USD.

3. Major Competitors

The competition in serving real Mughlai food is, however, increasing manifold. If we think about a competitor for tunday kababi, Wahid Biryani is a close competitor to Tunday Kababi. Although there USP (Unique selling point) is biryani (Awadhi rice dish) but they also offer a variety of other Mughlai food including kababs. Wahid Biryani is not as an old brand as tunday kababi. Wahid biryani is only 55-year-old brand but this has been growing exponentially in India and abroad and their pricing and quality of food pose a serious challenge to the business of Tunday Kababi.

Dastarkhan, a recently opened Mughlai/Awadhi food joint is gaining popularity in Lucknow for its quality food and competitive pricing. The other roadside eateries too with their aggressive pricing strategy have posed a challenge to the business and brand of ‘Tunday Kababi.’

‘Fast service’, ‘Friendly staff’, ‘Family friendly’, ‘Healthy food options’ or especially in today’s economy ‘offers the best value for the price’ are the few competencies Quick Serve Restaurant (QSR) strive for their success in business. These core competencies are nurtured to stay on top of the competitive trends. Mc Donald's world famous QSR has been popular for its fast service, quality food and affordable price. Subway specializes in serving breakfast menus. Starbucks, a world famed coffee brand has a very robust loyalty program which sticks customer revisit. KFC today is aggressively following ‘best value for price strategy’ and has been offering their food at an affordable price. Goli Vada Pav, an Indian ethnic snack chain has its USP in Quality food at affordable price. All QSRs (quick service restaurants) have a different strategy for their customer delight.
4. Business Strategies of Tunday Kababi

At ‘Tunday Kababi’ the business strategies have been dynamic and renewed/regenerated umpteen times during its long years of existence. The new strategies have been incorporated to flourish the business and maintaining the pressure to balance the market and competition. The reason attributed to the success of this more than century-old brand is its precise marketing mix which predominantly focusses on the product mix, quality of the product and its price.

The menu at ‘Tunday Kababi’ has been growing over years. The menu at ‘Tunday Kababi’ ranges from their famed mouth-watering kababs to biryani (An Awadhi dish made by rice and chicken), korma (A dish made by chopped chicken / mutton), roasted chicken, roti, parathas (Bread made by wheat flour / Maida refined wheat flour) and rolls for their non-vegetarian clients. The outlet offers vegetarian biryani, paneer butter masala, and paneer roll with rich Awadhi kheer as a dessert to their vegetarian clients. According to Haji Mohd. Usman, the man behind the success of ‘Tunday Kababi’, “Menu at Tunday has grown but not outgrown. At the time of diners, people love the wider range, but a larger menu is more difficult to choose and to deliver as it requires more ingredients and more employee human resource. The end result is a costlier restaurant to operate.”

5. Positioning Strategies

The USP at Tunday is the ‘affordable price’. Setting price at Sunday involves many factors like the cost of food, the cost of labor, the price of the competitors and above all what your target customers are willing to pay. The pricing strategy has been customary pricing, that is, the prices are established by the tradition of being sold for the same low price for a very long time. Till date, you get four pieces of mouthwatering, delicious kababs at a paltry amount of only INR 12 / $ 0.17 at the Chowk outlet (the first outlet) of ‘Tunday Kababi’. They have in fact lived up to the expectation of providing best quality food at an affordable price. One of the customer remarks “You can eat your heart out with just your pocket change. It’s that cheap. A stomach full of kebab-paratha for you and your spouse will cost you the same as that of the price of a cold coffee in Café Coffee Day.”

When the price of a product is within the reach and easily affordable, customers come and expect that the price will never rise dramatically. ‘Tunday Kababi’ with a long history of selling their kababs at a price that has become custom has two choices. It can risk upsetting the customer loyalty by increasing the price or it can extend the legacy of that low price by cutting back on product costs.

It seems amazing how Tunday Kababi can sustain their profit markups with this pricing strategy. How on the earth could they make the same profit by selling the
same product for roughly the same amount of money for last 50 years? Interestingly enough, while the price of Tunday Kababs has varied very little during those years but the size of kebabs have varied wildly. This provides an answer to their profitability. The price has remained the same but you got a lot less for your dime than you used to. Furthermore, at ‘Tunday Kababi’ the overhead costs are kept minimal. The stalls are self-owned and capital expenditure is made only when necessary. Ingredients are bought in large quantities and at the cheapest markets so as to minimize the cost of production.

But now the pricing strategy is being rewritten. Food inflation in India has been persistently high for now several years. The price escalation now seems inevitable. In words of Haji Mohd Usman (the grandson of Tunday) “With the escalation in the price of raw material to maintain similar quality has become a challenge.”

‘Tunday Kababi’ started from the narrow by lanes of Chowk and soon spread to Aminabad (Two biggest market / Commercial place of the city)- another busy and crowded area of Lucknow (State capital of Uttar Pradesh, India). The limited resources and lack of expertise in managing outlets in other areas, cities and states, franchise model of business struck as a brilliant strategy to, Haji Mohd. Usman, for the expanding the business exponentially.

6. Expansion Plan

‘Tunday Kababi’ had 70+ franchises which strengthened its presence not only in India but also abroad. They provided the trained chef and the support staff to the franchise so as to maintain the uniformity in the quality of kababs and other food products offered at the franchise outlet. The homemade masala (spices-the secret recipe) was provided by them to its franchise. Revenue sharing model was practiced wherein 10% of the revenue went as a royalty to ‘Tunday Kababi’. Salary of the chef, support staff and the cost of the masala were borne by the franchise.

It is believed that franchising makes owning a small business easy. One follows the proven business model, simply monitor the instruction manual and presumably experiences financial success. In the case of Quick Serve Restaurants (QSRs), especially, this model has been hugely successful. Mc Donald’s, Pizza Hut, Dominos, Sagar Ratna, Goli Vada Pav and many more of such type of QSRs have penetrated the market by following franchise model of business. But at ‘Tunday Kababi’ it turned out as a myth. The franchise model failed. Tunday kababi is more than 100 years old brand and still performing very well. Word of mouth is the main advertising activity to positioned brand in the mind of the consumers. Tunday kababi has big celebrities rights from Dilip Kumar Sahab, Amitabh Bachchan, Shahrukh Khan, Aamir Khan, Jawaharlal Nehru (Former Prime Minister), Indira Gandhi
(Former Prime Minister), Atal Bihari Bajpai (Former Prime Minister) and the list is endless as its customers. This publicity and brand positioning shows the business expansion strategy of Tunday Kababi.

7. Issues Faced by Tunday Kababi

Farabi (earlier as franchise worked under the name of Tunday Kababi), was a popular franchise of Tunday Kababi at Vikas Nagar. It was started in 2008. At that time it was a new eating joint and wanted to cater to quality Awadhi food to the local population of the area. Tunday Kababi’s outlets at Chowk and Aminabad were quite distant from Vikas Nagar and adjoining areas which led Farabi to finalize its location at Vikas Nagar. Thus, in order to leverage Tunday Kababi brand and to provide good quality kebabs, franchise appeared as a good business model to Farabi. The business ran fine for two years but the fissures between Tunday Kababi and Farabi soon surfaced. On being asked by Mr. Saleem Farooqui, the owner of Farabi, the main reason for discord was high revenue percentage sharing sought by Tunday Kababi. He was of the opinion that since chefs in his outlet can make kebabs of similar quality and taste there was no need of secret recipe of spices provided by Tunday Kababi. The owner of the franchise, thus, decided to dispense with Tunday Kababi brand as it would bring down his cost but will have no impact on business volume or profitability. According to Mr. Saleem, the customers still walk into his outlet in large numbers on the strength of its superior quality kababs and competitive price. According to him, the absence of Tunday Kababi brand name today has no impact on his business. (Interview of Mr. Saleem Farooqui, owner of Farabi- Appendix 2)

We also tried to explore the reasons for the failure of franchise model from Haji Mohd.Usman. The reasons attributed by him to the failure of this franchise model were a lack of funds, poor people skills, reluctance to follow the formula, higher profit expectation and above all inability of the franchisee to maintain the quality of the product. Currently, ‘Tunday Kababi’ has stopped doling out any new franchisees. The few existing franchisees are held and run by family members only.

‘Tunday Kababi’ today has two outlets (one at Chowk and the other at Aminabad) that are owed and run directly under the supervision of the owners. Their stalls are located outdoors but with a roof for diners. These stalls are easily accessible from the street. They have low-cost seating facilities. The only thing that the customer needs to be assured at ‘Tunday Kababi’ is that it is hygienic.

A traditional food preparation method of food like cleaning the kitchen and food items, sanitizing the serving area, human resource management etc. and contributes largely to the hygiene of the food served. However, personal hygiene, cleanliness, health and food handling practices are stressed on but there is no formal process or procedure to adhere to it. It may be thought that the time required for
hygienic preparation would delay service and in fact drive customers away. The food served at Tunday is tasty, it is irresistible. The process of maintaining the proper hygiene may appear to be lengthy but it is actually only healthy. The management at Tunday Kababi realizes that with the growth in disposable income of Indians it is a good business opportunity for them to venture into fine dining restaurant space. They are shortly coming up with a fine dining restaurant in Aliganj area- one of the high streets of Lucknow to cater to the palate of upper strata of the society.

‘Tunday Kababi’ like any good restaurant has always relied on good word-of-mouth advertising by the local community. The thing with legends is that it takes years to make a reputation and once that happens everything is in the name. As one sees, branding is about creating loyalty: generating repeat customers and positive word-of-mouth that leads to referral business. With this perspective, ‘Tunday Kababi’ is definitely an iconic brand. Today, Lucknow also draws its place of prominence on account of ‘Tunday Kababi’. The company is reluctant to deploy other channels of advertising and promotion as it builds on the cost. The company does not have its website and has a very marginal presence on social networking sites.

‘Tunday Kababi’ is a family owned business and faces many daunting challenges, unique to a typical family owned business. The biggest challenge, however, starting the firm now is to not only expand its market base but also to retain its current customer base. The market seems limited as the company has no future plans to extend their presence outside Lucknow.

8. Conclusion

Normally, it has been observed that the early start-up of any family-owned business have non-clarity in the role of family members. This is principally true with respect to financial relations and accounts of the company’s and family’s assets. They are not legally separated. This causes the problems in peculiarly company-owned assets and company owned assets can be used by the family members as a shareholder. To mitigate this problem, ‘Tunday Kababi’ has now converted from a proprietary entity to a private limited company. It was incorporated in 2009.

It looks that the challenges being faced by Tunday Kababi as a Private Limited Company are typical of a brand which has seen 100 years of life and looking ways to continue for perhaps another 100 years. How will be this made possible will depend on the strategic decision the management will take in the current phase of the challenges presently starting the brand. The present decision will clearly have an everlasting impact on the sustainability as well as the growth of the brand in the coming years. What should Haji Mohd. Usman do?
Alternative Solution

Haji Mohd. Usman has two alternative solutions based on current situation.

First, Haji Mohd. Usman can withdraw the Franchisee system and expand their own by opening more outlets across the globe. By this system, their unique recipe will not get shared with anyone and their uniqueness and importance will remain same in the market.

Second, Solution Haji Mohd. Usman can reduce their profit margin and share more profit to their franchisors so that they feel that there is a good future with this group and they will try to maintain long their relation with Tunday kababi and by this practice, they can easily expand their business and generate more and more profit.

Teaching Note

- Overview/ Introduction
  - Synopsis
  - Objectives
  - Target Audience

- Class Plan
  1. Teaching Strategy (and suggested sequence)
  2. Discussion questions and Facilitating the case
  3. Board Layout

- Related Articles
- Proposed solution and Link to concept
- Conclusion

1. Overview

The case is an attempt to study the marketing strategy of Tunday Kababi a small food joint selling it's India famous kababs. The business started from a single outlet in Chowk area of Lucknow Uttar Pradesh in 1900’s. ‘Tunday Kababi’ spread its presence to many cities and states in India and even to Gulf countries through franchises. The business has thus evolved from proprietary recipes to selling its product through franchise model and to now selling its product under the umbrella of private limited company. The changes in business strategy have been phenomenal and growth of the business has been stupendous over a period of time.

The case will try to delve into strategic decision-making process of marketing a proprietary product through franchise and the causes which led to the
failure of this business model. The case will also investigate the challenges faced by Tunday Kababi in its evolution from proprietary concern to its expansion through franchise model to now as a private limited company. The case challenges franchise model of business which has although been well adopted and successful in several eating brands.

2. Synopsis

The case has been divided into three parts. The first part introduces Tunday Kababi and its interesting story of evolution. It focuses on the stupendous success of this more than 100-year-old brand which is still going strong and is ready to face the challenges ahead. The second part deals with analyzing the organization of the conventional elements of marketing mix mainly product, price, place & promotion apart from the three other elements people, process & physical evidence. The third part discusses the challenges they are facing, as a family run enterprise, on various fronts related to marketing, branding & distribution. The case also highlights the future areas of concern for the brand.

3. Case Objectives

The main learning objective of the case is to highlight and understand the nuances of a family run business. It serves as an effective tool to discuss the importance of strategic decision-making in the expansion of business. The case can be used to gauge the effectiveness of franchising as a model for business expansion. The case will provide insight to the need of converting a proprietary concern to a limited company and how it aids in the overall growth of the business.

The case aims to address the following dimensions in particular:

- Growth in business in coming years (Strategy for expansion)
- Serving of vegetarian cuisines along with predominantly non-vegetarian cuisines offerings as a change in product mix
- Ambiance and location of outlets
- Dilemma of competitors- whether low priced outlets or high priced outlets
- Measures to safeguard proprietary information

4. Target Audience and Style

The case is suitable for postgraduate students of management. The case has been primarily designed to be used in Service Marketing class as the very edifice of business for ‘Tunday Kababi’ is marketing of service. However, the case will also be very effective for strategy class where the importance of strategic decision-making process can be delved into. This case will provide an insight into the areas of Family Business & Entrepreneurship. ‘Tunday Kababi’ is a classic example of family owned
business and its enormous success as a 100-year-old brand will help students identify its key success factors.

The case is written in a simple manner to establish an easy connect with the students. The case has followed an approach that avoids guiding any analytic frame to the students; thereby giving leeway to the faculty to fine-tune class discussions.

5. Class Plan
5.1 Teaching Strategy (and suggested sequence)

The case should be distributed to students at least three days prior to scheduled class so as to allow sufficient time for reading and processing the case content. If required, faculty/ instructor may choose to form small groups to facilitate discussion before the commencement of class. This will do ‘priming’ and everybody will have a basic understanding of the case.

Faculty can begin the discussion by initiating the questions like:
- How to cater to wide customer base- non-vegetarian and vegetarian - along with an increase in the variety of offerings? Can the business model of Gorakhpur outlet of Tunday Kababi which caters to a lot of vegetarian clients be replicated across the business? Do use of separate crockery and cooking utensils enhance the acceptability of Tunday Kababi to vegetarian clients? (has been successfully implemented by its franchise outlet at Gorakhpur)
- Whether ambience needs to be given focus and reposition itself as a fine dining restaurant?
- How to decide on the place? Does location of the outlet be in the high street to give more accessibility to the majority of the population in the city?
- How to tackle the issue of quality and profitability for the franchises so as to protect the brand?
- Can the facility of Home Delivery give an impetus to the sales?
- Has competition from roadside eateries with aggressive pricing strategy diluted ‘Tunday brand?’

5.2 Board Layout

Faculty should optimize the use of white board/ black board. It is preferable if the entire discussion can be summarized neatly on board. This will facilitate in building a broad framework and would let the students understand the entire trajectory of discussion.
6. Related Articles & Books

Article and Web Pages are as follows:


Books:

- The Service-Dominant Logic of Marketing (2006) by Lusch and Vargo (Eds.) lays out the academic logic and background behind the view that product marketing is a subset of service marketing principles.

7. Proposed solution and Link to the concept

Faculty must push the class to discuss key issues of a family business like inadequate accounting system, inability to cope with growth, inability to plan a strategy to reach the customer, failure to develop a system of control to keep track of performance. The concept of Resource Based (RB) Theory of Competitive Advantage can be bought forth to understand the strategy for expansion of Tunday Kababi. Faculty must goad the class to discuss the 4 P’s of marketing, the use of marketing mix elements & its contribution to the success of the organization. They should be questioned on the decision of expansion through a franchise model. The students should be encouraged to delve into the challenges faced by Tunday Kababi. Faculty should ensure that at least the following challenges faced by ‘Tunday Kababi’ as on today are deliberated.

1. The success of ‘Tunday Kababi’ is its secret recipe. The challenge is how to adapt the secret recipe to the changing taste of people.
2. The market of the firm is limited to Lucknow. The extension of Tunday Kababi brand outside Lucknow is to be looked on priority.

3. Some customers today are looking for low prices; others are looking for perceived quality. Some are looking for healthy snacks; others are looking for indulgences. The challenge to solve this dilemma is to offer options on both sides.

4. ‘Tunday Kababi’ draws its success to its low pricing. Now the purchasing power of the customer and their preferences have dramatically changed. Now they have more disposable incomes for their outing and parties. The demand for food products is now increasingly becoming inelastic. The challenge is to redraw the pricing strategy which will boost both the bottom-line and the top-line.

5. Dilution of the brand is evident as most of the customers are unable to differentiate between authentic Tunday foods (except kabab) with the food being offered by roadside eateries.

6. Good ambiance is a hallmark for the success of a restaurant and the customer is now willing to pay a price for it. For ‘Tunday Kababi’ this is a pullback. These needs focus so that families start visiting in big numbers.

7. Limited advertising and promotion may restrict the growth of the brand. Even the results from word-of-mouth promotion need to be measured.

8. The governance policies are informal, as a general rule. This can lead to reliance on key people rather than structure and processes. The challenges only increase as the family and business grow more complex with each succeeding generation.

9. Since the firm is a closely knit family business, it lacks transparency and accountability. In case if a company needs to mobilize funds from the public for scaling up their operation they might have to face a stiff challenge.

10. The long-term and the short term plans of the firm are undocumented.

Faculty can further probe and trigger the class discussion to strategic decision-making process in a family run business and challenges faced by these businesses.

8. Conclusion

This case focuses on strategic decision-making process in a family owned business and the challenges faced by them. It also highlights the dilemma the business is facing. ‘Tunday Kababi’ needs to build their business on the edifice of professionalization that would facilitate strategic planning, analytical decision making and formalization. They need to understand that as they grow and professionalize themselves, family members should concentrate more on strategic issues and leave day to day operations to professionals. True professionalization will thus result in more efficient business practices, sustainable business model and appreciation from all
stakeholders. The case is an example for management students to chalk out strategies and policy so as to make the brand more viable and business profitable in next decade or centenary.

Bibliography

Books


APPENDIX 1

Following are the excerpts of the interview with Haji Mohd. Usman, grandson of Haji Murad Ali (Tunday) who now runs the chain of ‘Tunday Kababi’ in Lucknow. The interview was conducted on 15th December 2013.

Good Morning Sir!!
I am from Amity University. We are impressed with your business model but are inquisitive to know more about it. We want to explore and develop your business model into a case study for the benefit of our students in management. Sir, your information will help us in giving insight to how successful brands like your’s are built. We confirm that the information provided by you will only be used for business research only.

Q1. Sir, how did Tunday Kababi come into existence?
Ans: Tunday Kababi is more than 100-year-old firm. It was started by my grandfather Haji Sahab. He was a very talented chef of the royal family. He made kebabs which were very delicious, soft and melted in the mouth (galawati kababs). Since he was one-armed (in Hindi it is Tunday) therefore his kebab recipe is now famously known as ‘Tunday ke kabab’

Q2. What in your opinion is the USP of Tunday Kababi?
Ans: The USP of Tunday Kababi is their delicious kababs. They are soft and melt in the mouth. The kababs are made from spices which are ground at home so as to maintain its purity and quality. We make use of 160 spices and mixed in appropriate proportions. The recipe is a family secret and has passed down to next generation by the ladies of the house.

Apart from this, another USP of Tunday Kababi is its price. We provide the best quality at the cheapest price. At our Akbari Gate outlet in Chowk- our first outlet we still give 4 pieces of kabab at a meager price of Rs.12/-. I will say our USP is the best quality, most delicious food at a cheapest price.
Q3. Sir, what are the food delicacies you used to offer earlier and what are your current offerings?
Ans: Earlier we used to be only an outlet for kababs but now in line with the changing tastes of consumers we have added biryani, korma, roasted chicken, roti, paratha and roll. For our vegetarian consumers, we have added veg biryani, paneer butter masala, paneer rolls and rich Awadhi kheer as dessert to our menu.

The menu at Tunday has grown but not outgrown. While diners may love the wider selection, a bigger menu is more difficult to execute as it requires more ingredients and employee training. The end result is a costlier restaurant to operate.

Q4. How many outlets of Tunday Kababi do we have now Sir? Please also elaborate on the geographical presence of these outlets.
Ans: Tunday Kababi presence is limited to Lucknow only. We have two shops- one at Chowk and other at Aminabad. We are planning to have a big outlet at Kapoorthala, Aliganj which will have a rich menu for non-vegetarian as well as vegetarian customers.

Earlier we had 70+ franchisees but now we are limiting their presence. The present franchisees are now only with family members. This model has failed for us. Lack of skilled manpower, reluctance to follow formula by the franchise, higher profit expectation by the franchise and their inability to maintain our standards in quality has forced us to stop doling out any new franchisees.

Q5. Sir, we are all amazed by the quality of food served at your outlets and we are proud that you have made Lucknow famous for its Tunday ke Kabab. How do you maintain the quality of your food? Is there any secret recipe? How do you ensure that taste of Tunday Kabab is same at all the outlets?
Ans: The quality of our food is maintained on account of the quality of raw materials we use. All raw materials are purchased under our close supervision. The spices used in the recipe are ground at home by the ladies of the family. The recipe is a secret. We make use of around 160 species and the proportion of their mixture is a secret. There is a standardized cooking method which we have been following for years together. In order to protect us from any infringement, we have got our recipe patented.

Earlier we had our presence through our 70+ franchisees which were not only spread in different cities of Lucknow but were also present in Gulf. To supervise and maintain the quality was a challenge. Now we have distanced ourselves from them. The food served in our two outlets at Lucknow is of the highest quality and has authentic ‘Tunday ke Kabab’ taste.

Q6. Sir, how do you maintain the secrecy of your recipe? Have you sought for its patent?
Ans: The recipe has been passed to next generation by the ladies of the family. In order to protect us from infringement, we have however got secret recipe patented.
Q7. Sir, can you please elaborate in details how do you operate these outlets?
Ans: Both our outlets- at Chowk and Aminabad are self-owned and self-operated. We plan to open another outlet at Aliganj, which will basically be a fine dining family restaurant.

Q8. Are your outlets run on franchise model?
Ans: Yes we earlier used to follow this model. We had many bad experiences with them in terms that they were not able to meet our standards of quality and desired to have higher markups. This was against the tenets of our business philosophy of serving highest quality food at the lowest price.

Q9. Sir, was just inquisitive to know why you turned from proprietary model to franchise model?
Ans: We turned to franchise model because we saw an exponential growth in business. Our presence increased with very little investment. It was to be win-win for both us as well as our business partner.

Q10. Please elaborate on the financial outlay in terms of franchise’s investment and return on his investment? Do you sign any formal agreement with them before starting a business with them? (If yes, try to get a copy of the principal-franchise agreement).
Ans: We have now discontinued this model now. In this model, we used to provide chef and support staff. The raw material (species- the secret recipe) was provided by us. Since chefs and cooks were trained in our style of cooking so that there was uniformity in the quality of food across all franchisees. 10% of the revenue of the franchise was to be given to us a royalty. Apart from this, the salary of chef, support staff and cost of raw material was to be borne by the franchise.

Q11. Now we hear that Tunday Kababi is a Private Limited Company? Sir, any specific reason for it? Are there are also any plans to be a public limited company.
Ans: Yes we are now a private limited company but the shares are held within the family. We plan to launch our ‘Tunday Kabab’ brand on a large scale so we need to separate our personal assets/liabilities from company assets/liabilities.
As of now, we do not have any plans to go for public borrowing. We envisage growing our business through business profit accruals.

Q12. Sir, what will be current average turnover and profitability of your each outlet?
Ans: By the Grace of Almighty we are doing well. The business has done well over years. We have been growing at good pace The profit markups are around 20-25% on the total turnover.
Q13. Sir, what has been your growth over past years? Do you feel some slowdown in it or the business is still growing leaps and bounds?
Ans: We have been growing at a good rate. There is no slowdown. By Grace of God people still, relish our kababs. The number of customers has increased as we have maintained our quality without much escalation in price. ‘Tunday Kababi’ is now akin to Lucknow.

Q14. Sir, how do you ensure that your business is not poached by your competitors or franchise?
Ans: The secret recipe which is our triumph card is now patented and so cannot be infringed. We strive to maintain the quality of our products by personally involving ourselves into every aspect of business.

Q15. Has Tunday Kababi suffered from an influx of eateries serving Awadhi cuisines?
Ans: ‘Tunday Kababi’ is akin to Lucknow. High-quality authentic kebab is the hallmark of Tunday brand. Our customers have always loved us and we are proud of them. By the grace of Almighty, the repute of our food has travelled far and wide not only India but also abroad. For any tourist visiting Lucknow, we are usually in his/her must visit list.

We have till now been unaffected by competition because of our high standards of our quality food which we will strive to maintain in coming times also.

Q16. Sir, how competitive is you in terms of pricing of your products? Is it a major challenge posed to you by competition? How do you decide your pricing?
Ans: Our USP has been an affordable price. With the escalation in the price of raw material to maintain similar quality has become a challenge.

No, we don’t face any challenge from the competition on this front. We ensure that we provide a best quality-price trade off to our customer. This is the reason our success also.

Q17. We know Tunday Kababi has big celebrities right from Dilip Kumar Saab, Amitabh Bachchan, Shah Rukh Khan, Aaamir Khan, JawaharLal Nehru, Indira Gandhi and the list is endless as its customers. How were you able to spread your wings in the hearts of so many people? How do you promote your product?
Ans: It is the grace of Almighty that we get so much love from all our valued customers. We have relied on our valued customers for our publicity. Their word-of-mouth publicity draws new customers to us. The chain by the Grace of God has been ever-growing. We have not relied on any formal channels of advertising and promotion as they in our opinion make our offerings expensive.
Q18. We do not find any ad of your print or electronic media. Are there any plans for it?
Ans: As I mentioned earlier we have relied on word-of-mouth publicity. In our opinion, this is the most authentic and cheapest means of advertisement. All other channels of promotion and advertisement will build on our input costs.

Q19. Sir, you are more than 100-year-old successful brand now. What are the initiatives you have taken or are planning, to take you from a very famous local brand to very famous national brand to a very famous international brand?
Ans: Till now we have been a closely held family business. We understand that if we have to scale up our operations and spread our brand we will need professional expertise. Today we are trying to firm up our internal processes and markets before we spread our wings.

Q20. Where do you envisage yourself as a brand a) 5 years from now b) 10 years from now?
Ans: For all future times we will always like to be seen as a brand which serves a high-quality food at the cheapest possible price. This will always be our endeavor in coming times.

APPENDIX 2

Following are the excerpts of the interview with Mr. Saleem Farooqui, owner of ‘Farabi’ and erstwhile franchise of ‘Tunday Kababi’ at Vikas Nagar, Lucknow. The interview was conducted on 20th December, 2013.

Name of the franchise: Farabi (Formerly a franchise of ‘Tunday Kababi’)
Owner Name: Mr. Saleem Farooqui
Address: Vikas Nagar Lucknow.

Q1. How do you compare your business in present time with when you were a franchise of Tunday Kababi?
Ans: There is no difference in business since we parted with Tunday Kababi. In fact, it has improved as we are able to provide similar in fact better quality kababs at a cheaper price. We today have greater flexibility in business now. The profitability has improved as we have no revenue sharing now.

Q2. Are Tunday Kababi related to you?
Ans: Yes, Haji Mohd. Usman the owner of Tunday Kababi, are a distant relative of ours from my mother’s side.

Q3. How did you first associate with Tunday Kababi?
Ans: Haji Mohd. Usman was known to us from early days. When we planned to venture into quick serve restaurant business we realized that Vikas Nagar and its
adjacent areas had huge potential for authentic Awadhi cuisines. ‘Tunday Kababi’ is a household brand for serving delicious kababs at Lucknow. The franchise of ‘Tunday Kababi’ seemed as a good opportunity to kick start our restaurant business.

Q4. What was the business model? Was there any revenue sharing?
Ans: The business model was simple. We had to part with a certain percentage of revenue to ‘Tunday Kababi’ in return of the secret recipe of species provided them. We paid them for the species too. This built upon our cost and reduced our profitability.

Q5. How Tunday Kababi helped you in maintaining the uniformity in the quality of kababs?
Ans: The only input that was provided was in terms of species provided by them used in the preparation of kababs. The meat, oil and other ingredients were managed by us. The chefs were also ours.

Q6. How was your experience being the franchise of Tunday Kababi?
Ans: The high revenue sharing and minimal support by Tunday Kababi resulted in a parting of our business.

Q7. Did Tunday Kababi brand initially help you in building your business?
Ans: ‘Tunday’ is definitely still a household brand but it seems its popularity is now slowly fading. The brand was not effective for us in our initial days. We today prepare better quality kababs at a cheaper price. The business and profitability are better than earlier times.

Q8. Why did you part with your franchise of Tunday Kababi?
Ans: High revenue sharing which led to higher pricing of kababs resulted in the dissolution of the franchise. The flexibility of doing business was restrained and we were not able to provide quality food at low price.

Q9. Put your views on how Tunday Kababi can improve the franchise model for its business?
Ans: They should rework on their revenue sharing model. They need to build in professionalism in their way of doing business.