

Segment Reporting: A Chain Retail Food Restaurant in Bangladesh



This report is submitted to the school of Business and Economics, United International University as a partial requirement for the degree fulfillment of Bachelor of Business Administration

Internship Report
On
Segment Reporting: A Chain Retail Food Restaurant in Bangladesh

Submitted to

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Submitted by

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Letter of transmittal

August 29, 2024

Dr. Mohammad Tariq Hasan
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Subject: In Concern of submitting an internship report on “Segment Reporting: A Chain Retail Food Restaurant in Bangladesh”

Dear Sir,

It is my utmost pleasure to present my internship report on “Segment Reporting: A Chain Retail Food Restaurant in Bangladesh”. I have to submit this report to complete my BBA in AIS degree from United International University. I am pleased to present the segment reporting on a chain retail food restaurant operation in Bangladesh. This report provides a comprehensive analysis of the performance, financial health, and strategic initiatives of our Bangladesh segment, aligning with the commitment to transparency and accountability.

I, therefore, pray and hope that you would be kind enough to assess my report consider the limitation of the study. I would also like to thank you for your continuous guidance and support.

Yours Sincerely,
Md Yasin Ahemed
ID: 114 202 015
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Declaration of the student

I am Md Yasin Ahemed, the student of Bachelor of Business Administration, bearing the ID: 114 202 015, would like to declare that the internship report titled “Segment Reporting: A Chain Retail Food Restaurant in Bangladesh” is solely prepared by me, under the supervision of my supervisor, Dr. Mohammad Tariq Hasan (Associate Professor), School of Business and Economics, after the completion of the internship program at chain retail food restaurant in Bangladesh.

This report is prepared, and submitted for academic purpose only. It is mandatory to submit the internship report to complete the Bachelor of Business Administration (BBA) degree at United International University.

I am very glad to have opportunity to prepare this report which enriched my knowledge of the theoretical concept. I enjoyed writing this report.

Md Yasin Ahemed

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Acknowledgement

At first, I would like to show my sincerest gratitude to my honorable supervisor Dr. Mohammad Tariq Hasan for this continuous supervision, support and utmost care regarding the completion of my internship report. It has been a year work experience at a chain retail food restaurant in Bangladesh where I have the opportunity to apply my experience and knowledge that I accumulated over the past four years. I would also like to express my gratitude to the other teachers and faculty members who taught me over the last four years in my university life.

As the manager of (Waffle Eat, Yum Bite's and Frenzzo) I would like to extend my heartfelt gratitude to everyone who has contributed to our success and growth over the years. Our journey from a single outlet to a thriving chain of retail food restaurants would not have been possible without the unwavering support and dedication of numerous individuals and organizations.

Firstly, I would like to thank our loyal customers. Your continued promotion and trust in our brand have been the driving force behind our expansion and innovation. We are committed to providing you with the highest quality food and exceptional service, and we are constantly striving to exceed your expectations.

I also wish to express my sincere appreciation to our dedicated staff. Your hard work, passion, and commitment to excellence have been instrumental in our success. From our chefs and kitchen staff to our servers and management team, each of you plays a crucial role in delivering an outstanding dining experience to our customers.

Lastly, I would like to acknowledge the communities we serve. Your warm welcome and support have made each of our locations a success. We are dedicated to giving back to these communities and contributing positively to their development.

Executive summary

The report titled “Segment Reporting: A Chain Retail Food Restaurant in Bangladesh” is the result of the BBA in AIS internship program. The report has been written on the basis of my practical knowledge and experience which I have from the chain retail restaurant (Waffle Eat, Yum Bite's and Frenzzo) as a manager. Waffle Eat, Yum Bite's and Frenzzo is retail food restaurants in Bangladesh, known for delivering high-quality food and exceptional dining experiences. Since the inception in 2023, it has expanded rapidly across the country, establishing a strong brand presence and a loyal customer base. Our offerings range from dessert, fast food and ice cream. In the competitive Bangladeshi food service industry, (Waffle Eat, Yum Bite's and Frenzzo) has carved out a niche by focusing on quality, customer service, and innovation. Our strategic locations, appealing menu, and consistent service have positioned us as a preferred dining destination for families, professionals, and food enthusiasts. Retail Food Restaurant in Bangladesh (Waffle Eat, Yum Bite's and Frenzzo) remains committed to delivering exceptional food and service, driving innovation, and expanding our market presence. With a solid foundation and a clear vision for the future, we are confident in our ability to achieve our goals and create lasting value for our customers, employees.

Keywords: retail food restaurant, service industry, quality food, innovation, customer base, Bangladesh

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CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Segment reporting is an accounting practice that involves disclosing financial and operational details of a company's distinct business units or segments. This practice is crucial for providing stakeholders, including investors, analysts, and regulators, with a clear view of the financial performance and prospects of different parts of a company. It enhances transparency and helps stakeholders make better-informed decisions.

Here a chain retail food restaurant in BD name as (waffle eat, yum bite's and frenzzo) sell different types of food in different geographical location. we manage three brands. Under the *waffle eat*, we operate in the waffle/donut/coffee category of the quick service segment of the restaurant industry. Under the Frenzzo brand, we operate in the fast food like pizza/pasta restaurant category of the quick service segment of the restaurant industry. Under the Yum Bite's brand, we operate in the ice cream/Momo category of the quick service segment of the restaurant industry.

1.2 Problem Statement

Why segment reporting is needed for a restaurant business?

Consider a restaurant chain with multiple brands and service offerings:

Geographical Segments: It is very important for every business to choose a location where they will operate their business. If the area of restaurants is in the historical place like Kella Fort, Ahsan Manzil or any park then the place is good for the restaurant business. Moreover, the level of income of this location must consider for the pricing of the food.

Revenue Segments: Dine-in, takeout, delivery, and catering is depends on the basis of food we are serving. Suppose I am talking about the Frenzzo brand, the restaurant is

providing the fast-food items like pizza and pasta which generates profits lower than my other restaurant because the cost of raw materials is higher here moreover waffles and ice cream parlor are generates more revenue because of the location.

Service Segments: In restaurant business there have different types of services available like dine-in, delivery, catering, takeout, quick service etc. Here ice-cream and waffles is in the quick service because here customers don't need to wait more than 5 minutes. If I will talk dine in service, to operate dine -in facilities need to go for larger place to arrange sitting capacity and recreation place where customer does not feel boring when they are in the restaurant.

1.3 Research Question

a) Who is the target customer of waffle?

The target customers of a waffle restaurant can vary depending on its business model, location, and the specific offerings of the restaurant (Walker, J. R. ,2021). However, some common target customer segments for a waffle restaurant might include Children and Girls-Waffles are often a favorite among children, making families with young kids a primary target. Offering a family-friendly atmosphere, children's menus, and activities can attract this segment.

Tourists- If the restaurant is located in a tourist-heavy area, it can attract visitors looking for a local food experience. Highlighting any unique or region-specific waffle offerings can be a draw for tourists. College Students -located near a college or university, students can be a significant customer base. Affordable pricing, casual dining environment, and quick service are appealing to this group. Dessert Lovers-Individuals looking for a dessert or sweet treat experience. Offering a variety of dessert waffles with ice cream, fruit, chocolate, and other indulgent toppings can attract this group.

b) Who is the target customer for fast food items?

The target customer of fast food typically includes:

Young Adults and Teenagers: Fast food is often affordable and conveniently located near schools, colleges, and urban centers, making it popular among this age group.

Busy Professionals and Workers: Individuals with limited time for meal preparation due to work schedules often for the quick and convenient option of fast-food

Travelers: Fast food restaurants are commonly found in travel hubs such as airports, highways, and gas stations, catering to people on the go.

Lower to Middle-Income Individuals: The affordability of fast food makes it accessible to a broad economic demographic.

c) How do different pricing strategies affect customer choices and overall sales in our restaurant?

It seeks to understand the relationship between pricing tactics and their impact on consumer behavior and revenue. This involves analyzing how changes in menu prices, discounts, promotions, and pricing models influence what customers order, how frequently they visit, and the total sales generated

d) What factors most influence customer satisfaction in our restaurant?

There may have different types of factors available the most important factors that influence customer satisfaction in our restaurant- Quality of Food, Service Quality, Ambiance, Value for Money, Convenience, Menu Variety, Customer Engagement, Speed of Service.

e) What menu items are most popular among different demographic groups?

This is to identify which dishes attract most to various segments of customers, such as: age group, gender, income levels, cultural backgrounds etc. understanding these preferences helps the menu to better meet the needs and desires of all customer groups.

- f) What is the effectiveness of our current social media marketing campaigns in attracting new customers?

There may have such factors that helps to determine the overall success and impact of social media marketing efforts in attracting new customers to the restaurant (Kim, W. G., Li, J. J., & Brymer, R. A. ,2016).

Reach and Engagement: Measuring metrics like impressions, likes, shares, and comments.

Conversion Rates: Analyzing the percentage of social media interactions that lead to actual visits or purchases.

Brand Awareness: Assessing the increase in brand recognition and visibility.

Customer Feedback: Gathering insights from reviews and comments to understand customer sentiment.

Return on Investment (ROI): Calculating the financial return compared to the cost of the campa

1.4 Research Objective

- a) To know about the customer.
- b) To know the segment of contribution margin.
- c) To determine the most popular menu items among different demographic groups.
- d) To develop strategies for optimizing the supply chain to reduce food costs while maintaining quality.
- e) To evaluate the effectiveness of current social media marketing campaigns in attracting new customers.

1.5 Scope Limitation

Segment reporting for a chain retail food restaurant in Bangladesh offers significant benefits in terms of transparency, performance evaluation, compliance, strategic planning, and investor relations. However, it also presents challenges, including complexity, cost, data accuracy, disclosure risks, subjectivity in segment definition, and regulatory influences.

CHAPTER TWO: INDUSTRY AND COMPANY OVERVIEW

2.1 Industry Analysis of chain retail restaurant in Bangladesh

2.1.1 Details of Market Size and Growth:

Fast Food	Waffle	Ice Cream Parlor
The fast-food industry in Bangladesh has been experiencing steady growth over the past decade, driven by urbanization, rising disposable incomes, and changing consumer lifestyles. The market is estimated to be worth several billion BDT, with major cities like Dhaka, Chittagong, and Sylhet being the primary hubs of activity	The waffle store segment is relatively new but growing, with a niche market primarily in urban areas. Growth is driven by the rising popularity of western desserts and the influence of social media on consumer choices.	The ice cream industry in Bangladesh is well-established and continues to grow, with an estimated market size of over 5 billion BDT. Growth is fueled by increasing disposable incomes, a hot climate, and the introduction of new and innovative products.

2.1.2 Details of Competitors:

Fast Food	Waffle	Ice Cream Parlor
International chains like KFC, Pizza Hut, and Burger King have established a strong presence. Local brands such as Boomers, Takeout, and Helvetia are also significant players, offering competitive alternatives to international chains.	Both local firms like Waffle Time and global brands like Waffle Up are becoming well-known. Waffles are another popular item on the menus of many cafes and dessert shops.	Prominent local brands include Igloo, Polar, and Kwality. International brands like Baskin-Robbins and Cold Stone Creamery have also entered the market, offering premium options.

2.1.3 Details of Consumer Preferences:

Fast Food	Waffle	Ice Cream Parlor
Convenience, affordability, and variety are becoming more and more desirable to consumers. Local flavors and healthier options are becoming more and more popular, and many fast-food restaurants are changing their menus to reflect these changes.	Teenagers and young adults love waffles, which they frequently eat for dessert or as a snack. Creative toppings and combos are preferred, with sweet alternatives available.	Though there is still a market for classic flavors like strawberry, chocolate, and vanilla, there is an increasing desire for novel and unusual flavors. Consumers are increasingly seeking out premium ice cream experiences.

2.1.4 Details of Challenges:

Fast Food	Waffle	Ice Cream Parlor
<p>Competition is intense, with many new entrants trying to capture market share. Operational challenges include maintaining consistent food quality, managing supply chains, and adhering to health regulations.</p>	<p>Establishing brand recognition and differentiating from competitors can be difficult in this niche market. Maintaining product quality and managing inventory of perishable ingredients are operational challenges.</p>	<p>The industry faces challenges related to cold chain logistics and ensuring consistent product quality. Competition from both local and international brands necessitates continuous innovation and marketing efforts.</p>

Overall, Bangladesh's fast food, waffle, and ice cream store sectors are expanding because to changing consumer tastes, rising economic activity, and rising urbanization (Belasco, W. J., & Horowitz, R. (Eds.),2009). Fast food, waffle, and ice cream shops are finding that their business models are increasingly dependent on online ordering and delivery services. It is essential to have a position on food delivery platforms such as Foodpanda, Pathao Food and Foodi in order to expand our consumer base. Healthy food options are becoming more and more popular, with low-calorie, organic, and natural ingredients showing up in fast food and desserts both. Sustaining customer interest and loyalty requires constant innovation in menu choices and flavors. Many brands are experimenting with fusion cuisine and unique dessert combinations to stand out in the market. Effective use of social media and influencer marketing is crucial for brand visibility and customer engagement. Creating a strong brand identity through quality, service, and unique offerings helps in building a loyal customer base. There is a growing awareness and preference for sustainable practices, including eco-friendly packaging and sourcing of ingredients.

2.2 Company Analysis

1. **Frenzzo** is a popular fast-food chain in Bangladesh, known for its diverse menu and quick service. The brand caters to a wide demographic, offering a variety of pizza burgers, fries, fried chicken, and other fast-food staples.

Menu Variety: Pizza, Pasta, Burgers, fried chicken, sandwiches, fries, and beverages.

Target Audience: Youth, families, and office-goers.

Locations: Strategically placed in commercial area, shopping malls, and near educational institutions.

Service: Fast and efficient, with a focus on both dine-in and takeaway options.

Marketing: Active on social media and uses promotions and discounts to attract customers.

2. **Waffle Eat (Waffle Store)**: Waffle Eat is a specialty dessert store in Bangladesh that focuses on serving high-quality waffles with a variety of toppings. The store aims to offer a unique and enjoyable dessert experience.

Menu: Various types of waffles including classic, chocolate, fruit-topped, and custom-made options.

Ambiance: Cozy and inviting atmosphere, designed to attract both young adults and families.

Target Audience: Children and girls.

Locations: Found in busy urban areas, near shopping districts and entertainment venues.

Service: Focus on quality and presentation, with options for dine-in, takeaway, and delivery.

Marketing: Engages customers through social media, seasonal promotions, and collaborations with local influencers.

3. Ice Cream Store

Ice cream stores in Bangladesh are vibrant and diverse, offering a range of flavors and styles. These stores cater to a broad audience and are a popular choice for a quick treat or a leisurely outing.

Menu: Wide range of ice cream flavors, including traditional, exotic, and seasonal varieties. Also offers sundaes, shakes, and ice cream cakes.

Target Audience: All age groups, especially families and young people.

Locations: Typically located in commercial areas, near parks, cinemas, and busy street corners.

Service: Emphasis on high-quality ingredients and friendly service, with options for dine-in, takeaway, and delivery.

Marketing: Uses a combination of traditional advertising, social media presence, and in-store promotions to attract customers

SWOC of retail food restaurants in Bangladesh Frenzzo, a fast-food restaurant in Bangladesh, boasts strengths such as a diverse menu, convenient locations, and strong brand recognition. However, it faces weaknesses like high competition and variable

quality control. Opportunities for Frenzzo include expanding delivery services and tapping into health-conscious menus, while threats involve fluctuating ingredient prices and emerging local competitors.

Waffle Eat, specializing in waffles, excels with its unique product offerings and trendy appeal, but struggles with limited menu diversity and higher price points. Opportunities lie in expanding into untapped markets and introducing new flavors, while threats include the challenge of maintaining consistency and competition from other dessert outlets.

The ice cream store industry in Bangladesh benefits from high demand, innovative flavors, and a growing middle class (Zaman, T. ,2019). Weaknesses include seasonal fluctuations in sales and dependency on imported ingredients. Opportunities are evident in expanding online sales and catering to health-conscious consumers, while threats encompass rising costs and intense market competition.

Future Plan: Frenzzo, a fast-food restaurant in Bangladesh, plans to expand its footprint across major cities by opening 20 new outlets over the next two years. We aim to introduce healthier menu options and integrate more local flavors to cater to diverse tastes. Waffle Eat, known for its innovative and delicious waffle creations, is focusing on enhancing the customer experience through digital innovation, including a mobile app for seamless ordering and delivery services. We also plan to introduce seasonal and limited-edition flavors to keep their offerings fresh and exciting.

CHAPTER THREE: METHODOLOGY

3.1 Define Segments

Geographical Segments: Different cities or regions in Bangladesh where the chain operates.

Product Lines: Different types of food offerings, such as burgers, waffles, ice cream, beverages, etc.

Business Segments: Dine-in, takeaway, and delivery services.

3.2 Data Collection

Revenue Data: Sales data for each segment, broken down by time period (daily, weekly, monthly, quarterly).

Expense Data: Operating costs associated with each segment, including food costs, labor, rent, utilities, marketing, and other overheads.

Capital Expenditures: Investments in new locations (shop advanced), equipment, renovations, etc., for each segment.

Inventory Data: Inventory levels and turnover rates for each product line.

Customer Data: Number of customers, average transaction value, customer demographics, and preferences.

3.3 Data Recording

We have recorded our sales in **3s** pos software its basically a billing software where we can record our inventory, sales etc. Ensure POS systems are configured to capture data by segment. Use systems that can track inventory usage and costs by segment. Calculate and report profit margins, return on investment, customer acquisition costs, and customer lifetime value.

Example Reporting Template based on assumption:

Table 3.1 Details of Income Statement by Segment (Monthly)

Segment	Revenue	Cost of Goods sold	Gross Profit	Operating Expense	Net Profit
Fast-food	3,00,000	50%	50%	40%	10%
Waffle	2,00,000	40%	60%	30%	30%
Ice Cream	2,50,000	55%	45%	30%	15%
Foodpanda	1,80,000	65%	35%	-	35%

Table 3.2 Details of Balance Sheet

Segment	Assets	Liability	Equity
Fast-Food	6,00,000	-	6,00,000
Waffle	8,00,000	-	8,00,000
Ice Cream	8,00,000	2,00,000	6,00,000

CHAPTER FOUR: INTERNSHIP EXPERIENCE

To start a restaurant business in Bangladesh we need to follow some legal rules and regulations (Azad, T. (2023)). Here I am going to draw a flow-chart to start a restaurant in Bangladesh.

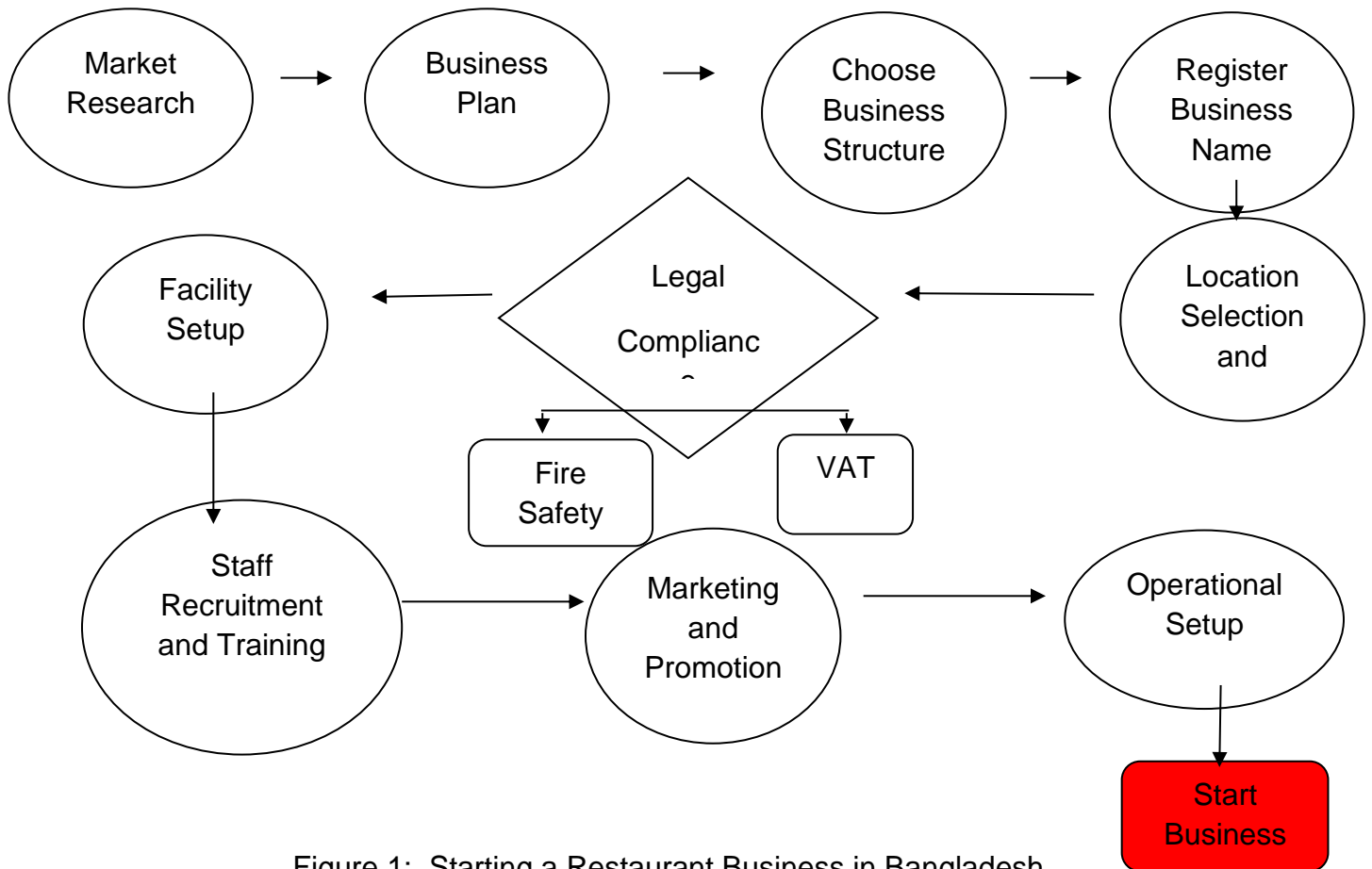


Figure 1: Starting a Restaurant Business in Bangladesh

Market Research: Identify Target Market, Analyze Competitors, Determine Location

Business Plan: Define Business Model, Menu Planning, Financial Projections

Business Registration: Choose Business Structure (e.g., Sole Proprietorship, Partnership, Limited Company). Register Business Name with follows legal rules and regulation obtain Trade License from the local City Corporation or Municipality.

Location Selection and Lease: Identify Suitable Property, Negotiate Lease Terms, Sign Lease Agreement

Legal Compliance: Obtain Fire Safety Clearance from Fire Service and Civil Defense, Apply for VAT Registration from the National Board of Revenue (NBR)

Facility Setup: Interior Design and Layout Planning, Purchase Equipment and Furniture, Install Kitchen and Safety Equipment

Staff Recruitment and Training: Hire Qualified Staff, Conduct Training Programs, Ensure Compliance with Labor Laws

Marketing and Promotion: Develop Marketing Plan, Create Online Presence (Website, Social Media), Plan Opening Event

Operational Setup: Establish Supplier Relationships, Implement Inventory Management System

Launch and Ongoing Compliance: Soft Opening and Adjustments, Grand Opening, Regular Inspections and Renewals of Licenses, Maintain Compliance with Health and Safety Standards.

CHAPTER FIVE: CONCLUSIONS AND RECOMMENDATION

5.1 Conclusion

Ultimately, segment reporting for a chain of retail food restaurants in Bangladesh highlights a number of important areas that need to be developed and improved. The restaurant can improve its overall performance by concentrating on targeted marketing, operational efficiency, financial management, human resources, and customer service. Maintaining financial health require regular financial statement analysis, or FSA.

5.2 Recommendations for Improving Departmental Operations

Utilize social media and digital marketing strategies to reach targeted demographics in sales and marketing. Establish customer loyalty programs in order to incentivize customers to return for repeat visits. Develop marketing campaigns centered on regional holidays and celebrations to increase customer visits.

Customer Service: Establish mechanisms to gather and evaluate customer input. Develop and uphold excellent service benchmarks to improve customer contentment. Make sure to promptly and efficiently address customer grievances.

Cost management: Continuously monitor and oversee expenses for both food and labor. Monitor expenses carefully to pinpoint areas where cost reductions can be implemented.

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