Esperanto, an international food bar /restaurant

Suggesting a business model of an alternative fast food bar

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I hereby declare that the work submitted is mine and that where I have made use of another’s work, I have attributed the source(s) according to the Regulations set in the Student’s Handbook.

October 2016
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Lydia – Aspasia Angelopoulou
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Abstract

The dissertation subject regards the creation of a business plan and the promotion of a fast food bar-restaurant with tastes from all over the world. Of course in the beginning there are going to be tastes from 3 or 4 countries, like Mexico, Spain, China, India and it will gradually expand.

This food bar is going to have as a target group also the young people because of their income. Young people, and students want to eat delicious food but cheap especially after the economic crisis (references). This bar will offer high quality tastes with affordable price for this group.

The key competitive advantage is that it is going to offer different tastes with many healthy choices using fresh ingredients from all over the world in one fast food restaurant. So, when a group of friends do not manage to decide only in Spanish food or Chinese or Mexican etc., this group can visit it and each of them takes what he really wants and make his lunch or dinner as healthy as he wants. Another competitive advantage is that this bar is going to open in Thessaloniki where there is not any food bar exactly like this and there are many students who maintain this industry high.

After having analysed the idea in the instruction, in the second chapter we explain why a business plan is critical for a successful business and how a business plan is strong, comprehensive and well structured. In addition to that the difference of this study is referred, comparing to others that are similar to this industry. In comparison with other business plans of this industry, this business plan has similar structure but it presents an idea which is able to cover a gap of this industry. This gap is that there are very few fast food restaurants that give the opportunity to customers to choose the ingredients that are really authentic ones, making healthier lunches or dinners, avoiding the obesity. In addition to that it also offers the
opportunity in a group of friends to visit and each of them eat something from a different country. It would be something a “small world”.

During the fourth chapter, a small description of the business and the analysis of the market are provided to understand better the market, the competitors and why this business can success. The name of the restaurant is Esperanto, because Esperanto is the international language which has words from all languages and this name characterizes better this restaurant. Furthermore, in this chapter some key competitive advantages are explained such as the healthier option of the food and the big variety with really authentic tastes.

In the fifth chapter, there are some plans for the initial organizational team with two shareholders and some employees who cook the recipes that we are going to bring, travelling all over the world.

In the sixth chapter, the marketing plan shows how we promote right the business, referring the 4Ps, low price but high quality product (authentic tastes), colorful place that attracts eyes close to places that young people visit, smart promotion with free small portion and mouth to mouth advertisement.

Finally, in the financial plan chapter, a research about financial programs is made where we end up at AID program which help new innovative ideas (under 20.000 euros). During also the financial plan, we did some calculations about the costs, the salaries and we ended up that after 9-10 months the profits are going to be equal to the initial investment (20.000 euros).
CHAPTER 1: INTRODUCTION

1.1 Industry’s analysis

Fast food is simply a meal with no micronutrients such as vitamins, minerals, or amino acids, and fiber but has high energy (calories). These foods don’t satisfy the body’s needs to stay healthy. These foods that has poor nutritional value is considered unhealthy and may be called as junk food. ‘Junk food’ is an informal term applied to some foods which are perceived to have little or no nutritional value, but which also have ingredients which can harm our health. The term ‘junk food’ was coined as a slang in the public interest in 1972 by Michael Jacobson, Director of the Center for Science, Washington D.C. These foods contain high levels of refined sugar, white flour, trans fat and polyunsaturated fat, salt, and numerous food additives such as monosodium glutamate and tartrazine; at the same time, it is lacking in proteins, vitamins, essential minerals, fiber, among other healthy attributes.

Junk food is quick, tasteful and always trendy.

1. Time factor: Junk food are easy to prepare and ready to consume within no time.

2. Taste factor: Always tasteful, this taste is the result of using oils, salts and/or sugar.

3. Attractiveness: Packing of such foods has very attractive appearance by adding food additives and colours.

4. Ad factor: Advertising make us feel like the people in ads and we want to try food that we see.

Looking at a food label, we notice that it has little nutritional value and has: • > 35% of calories from fat (except for low-fat milk) • > 10% of calories from saturated fats • Any trans fat • > 35% of calories from sugar, unless it is made with 100% fruit and no added sugar • > 200 calories per servings for snacks • > 200 mg per serving for sodium (salt) for snacks • > 480 mg per serving for sodium (salt) for initial meal. Also the ingredients list of the food can be checked to spot many forms of junk food.
In general, if one of the first two ingredients is either oil or a form of sugar, then it is likely a junk food.

Fast food makes easy to people to eat without planning or cooking. Ingredients of them make them delicious and very addictive. Fat and sugar eaten together produce a dopamine-driven surge of intense pleasure in people with an addictive behaviour. On the other hand, high fat content, particularly cholesterol, sugar and salts have their adverse effects on health. All these effects can lead to obesity. In addition to all these problems dense sugar content can cause dental cavities. Unfortunately, meals consisting of junk food make us to get hungry very quickly, because they are lacking in fibre.\(^1\)

“Cholesterol and salt are known to set off blood pressure, stroke and heart diseases in a chain. Excessive salts can affect functioning of kidneys too. Excess fats and oils along with spices added in these foods act as an irritant to gastric mucosa leading to excess secretion of hydrochloric acid, landing in gastritis. Poor concentration is another result of junk food habit known to affect in immediate and medium term periods. When a sumptuous junk meal rich in oil is taken, there is a feeling of drowsiness and failure to concentrate. The junk food eating over a substantial period of time can drop blood circulation due to fat accumulation. Lack of vital oxygen, nutrients and proteins particularly can stale the grey (brain) cells temporarily. Most of the times these junk foods contain colours, which are often inedible, carcinogenic and harmful to the body. Flavourings and colourings can be allergic causing asthma, rashes and hyperactivity. Animal studies on rats have demonstrated the ill effects of consuming junk foods during pregnancy which affects the health of foetus.”

Fast Foods and their Impact on Health
Ashakiran1* & Deepthi R2
Department of Biochemistry, 2 Department of Community Medicine,
Sri Devaraj Urs Medical College, Kolar-563101 (Karnataka), India

According to the World Health Organization, obesity is one of the three leading causes of death for people in “developed countries” of the Western world.

\(^1\) http://www.jkimsu.com/jkimsu-vol1no2/jkimsu-vol1no2-RA-1-7-15.pdf
Main reasons of this:

- 77% of children almost never eat with their parents and they spend too many hours alone at home. For this reason, there is no one in the house to control children’s food and its quality. Unfortunately, 25-48% of Greek children have never been informed about nutrition from their parents.

- The "homemade" food for many households is not a daily habit. Nowadays, the mother works and she is busy. So, the easy option of eating outside is becoming more and more the daily habit for the Greek family.

- The children eat at fast food restaurants with a rate of 7-42% more specific at least 1 time per week. Some people might say that is not a great rate. But if we consider the type of food, these restaurants offer and the food that is consumed, the fat, salt and sugar hamburgers and refreshments it is going to be understood why these guys are fat. From 1984 to 2000 there was an increase in fast food consumption by 956%.

The prevalence of weight above normal (overweight and obese) the last two decades has increased both in Greece and in most European countries. During 2010-2015, there is a stabilization of the obesity rate both in Greece and in Europe and worldwide.

According to OECD data, for Greece in 2013 the obesity rate of 19.6% of the population, while the average for the OECD countries is 19%.

According to HYDRIA study, seven in ten adults in Greece are overweight or obese. Men are more often overweight, while women are more often obese.

The highest percentage of overweight was observed in the age group 50-64 years, while the highest rate of obesity was observed in the age group 65-79 years. The

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50% of the population has an increased risk for metabolic complications, as indicated by their anthropometric characteristics.

With regard to child obesity, the last twenty years, the data show an increasing percentage of children and adolescents with excess weight (overweight and obese children) ranks our country among the top in childhood obesity both in Europe and internationally. Unfortunately, for the age of 13 years, our country in 2010 was in first place among the countries of Europe.

Childhood and adolescent obesity has increased frequency to low family incomes.

The long economic crisis that is going through our country, is leading the obesity high because of the lack of time and money that make us to consume cheap food. Also, the long daily sedentary in front of the screen (TV, computer, mobile, Tablet, etc.) seems to amplify the problem of excess weight in children and adolescents.

The latest data (Appendix: chart 1) of 2015 for Greece, highlighting lowest percentage of overweight and obese adults (41.5% and 17.4% respectively). Studies have shown that men, older, married, people with low education level and social status are more likely to be overweight. This is further evidenced by the HYDRIA study, conducted on a representative sample of the Greek population in 2013-2014. Seven out of ten adults residents of Greece are overweight or obese, with the highest percentage of obese adults observed from the Aegean islands and Crete region (43%), while the lowest percentage in Attica (30%). Men are more often overweight, while women are more often obese. As for age, the highest percentage of overweight was observed in the age group 50-64 years, while the highest percentage of obese people was observed in the age group 65-79 years.3

Fast food restaurants accounts for more than 50% of sales in the entire restaurant sector. In Greece, an important decrease of 8% in this sector was

3 http://www.dianeosis.org/2016/04/paxysarkia_stin_ellada_tis_krisis/
From these numbers, we can understand that this industry is an important industry for the Greek economy but it needs renewal. It needs smart and innovative ideas that they will be the answer in consumers’ needs.

<table>
<thead>
<tr>
<th>Some of the bigger challenges facing the industry</th>
<th>How should the industry respond to these challenges?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceptions of unhealthy menus.</td>
<td>Healthier options, consumers can choose the ingredients and make their lunch or dinner more healthy or not and more cheap or not.</td>
</tr>
<tr>
<td>Poor working conditions and low wages.</td>
<td>A little bit higher prices and more efficient operations, with this action, fast food restaurants will offer food with better quality and they will have happier employess who will be more productive, because they will be paid more.</td>
</tr>
<tr>
<td>Cultural degradation, recipes that are not the authentic ones, like a real Mexican taste or Chinese etc.</td>
<td>More attention in the recipes’ collection that will offer more delicious tastes and really authentic tastes from all over the world that make restaurants unique for someone to visit them.</td>
</tr>
</tbody>
</table>

According to the graphs in the appendix, the most of the Greek families do not eat their lunches or dinners all together, something that means that they lose the opportunity to discuss and have a normal and healthy life, because except of the

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4 Πωτικά οι πωλήσεις στην αγορά των fast food, efimerida kathimerini, 04.02.2014
discuss families do not have the time to cook and offer to their children a healthy meal.

Unfortunately, Greece was the world leader in child obesity for another year too. While rates in the US started to decrease, reports show that 44% of the boys and 38% of the girls who go to school in Greece are obese or overweight.

"We need to get away from the notion that childhood obesity is associated exclusively with the increased food intake and low physical activity," says the "K" Leda Hajji, physician General and Family Medicine and Professor of Epidemiology - Nutrition University of Crete.

Mr H. Hadji, who studies almost for 10 years this disease, together with its partners in Clinical Preventive Medicine and Nutrition, University of Crete, since 2007, conducting the first-generation study in Greece. In this study called "Study REA", scientists monitor the health and risk factors 1500 "pairs" mother-child from Heraklion, in order to investigate what causes the epidemic of childhood obesity. He notice that children have as a pattern their parents and their habits, so parents have to be more careful of what they show in their children as right in the nutrition.

The healthy lifestyle, increases the latest years. Nowadays more and more it is a trend for organizations (governmental or not) to promote a healthy style of life, in their doctors continue to warn us that we should protect ourselves from diseases. Scientists say that eating a balanced diet can do a lot to promote long healthy life\(^5\).

\(^5\)http://www.businessplantool.org/Dokumenti/Practical%20example%20of%20a%20business%20plan(1).pdf
1.2. Context of the study

The idea started because especially in Greece the fast food industry increases year to year. People spend money for their food satisfaction, especially when they have to do with tastes from different places all over the world. There is also the need of a healthier fast food in which we can choose the ingredients. One of the facts that inspired me is the International Food Festival that takes place in Thessaloniki (Krini) every summer in June and it is about charity for women. People has really loved this festival and every summer it is full of people who love to try new tastes. This business will be popular more in young people who always are more willing to try different tastes and visit such places than older people who want to eat more usual / Greek tastes in restaurants and taverns. This food bar is going to have as a target group also the young people because of their income. Young people, and students want to eat delicious food but cheap especially after the economic crisis (references). This bar will offer high quality tastes with affordable price for this group.

The key competitive advantage is that we are going to offer different tastes from all over the world in one fast food restaurant. So, when a group of friends do not manage to decide only in Spanish food or Chinese or Mexican etc., this group can visit it and each of them takes what he really wants. Another competitive advantage is that this bar is going to open in Thessaloniki where there is not any food bar exactly like this and there are many students who maintain this industry high.

1.3 Structure of the dissertation

The main structure of the business plan will be:

SUMMARY

In the summary, there is going to be a short description of the project plan and some key information are going to be presented like what is the topic, success
factors, location, target group, market analysis with competitors, internal analysis, competitive strategy, marketing plan and financial plan.

COMPANY DESCRIPTION

In this section, the company is going to be described and how recipes are going to be collected, how we decided the name ‘ESPERANTO’, the logo of this food bar, the mission and the vision are going to be mentioned. The mission is what is the company and the vision is what it is going to become, which are its goals in the future. It is fundamental and valuable for any organization to have a strategic plan as a roadmap for success, it is important to develop a plan around a clearly defined and well written Vision and Mission. Both serve important, yet different roles as core elements of a strategic plan. Some key competitive advantages that are going to be analyzed are the uniqueness, the price, the differentiation of the business that is going to offer international tastes and the happy and colorful inside environment of the food bar.

ORGANIZATIONAL TEAM

The organizational team is going to be short with few employees in the beginning whose roles and salaries are going to be analyzed during this business plan.

EXTERNAL ANALYSIS

In this stage the opportunities and threats of the external environment are going to be studied. Some key opportunities are the economical crisis which push people to prefer faster and cheaper food, the food trends which push people to try new cuisines (Chinese, Mexican..) etc. On the other hand, some key threats are the big competition (who is the mayor competitor and it would be analyzed) from other fast food bars, the lack of many tables, the cheaper fast food restaurants etc.
INTERNAL ANALYSIS

In this stage the opportunities and threats of the external environment are going to be studied. The strengths and weaknesses of the internal environment are going to be studied. Some key strengths of this food bar are the uniqueness, the price, the happy environment, the location etc. However, there are some important weaknesses that we should care about, because they can harm the food bar like the limited target group, the trend of this food that maybe pass over the years etc. Especially the weaknesses should be studied well to be limited as much as we can. In addition to that, some key competitive strategies are going to be mentioned.

MARKETING PLAN

In this stage 4 Ps will be mentioned. More specific price, product, place and promotion.

PRICE: The price is going to be low but not too low, because the quality and the tasty is going to be in high level

PRODUCT: More special recipes for these tastes are going to be collected, with different ways which are going to be analyzed

PLACE: The location is going to be in Thessaloniki city center because of important reasons that we are going to study.

PROMOTION: The promotion of this food bar is going to be through social media, brochures, mouth to mouth advertisement with best offerings and a happy and colorful environment that is going to attract eyes. In addition to that, small portion of food can be offered out of the food bar, so people can try the tastes.

FINANCIAL PLAN

In this stage some financial plans are going to be created about the budget, the profitability, the money will be needed to create this idea, the salaries of our employees and when we are going to have the depreciation.
CHAPTER 2: LITERATURE REVIEW

2.1 The idea and the value of the business plan

Having a smart idea is never enough to start a new business. Many more things are needed to be this idea a successful one. So, there are some important steps to reach our goals. Firstly, people can take advantage of the economic crisis in Greece, because they can buy equipments really cheap and the business have the opportunity to be noticed these days, because maybe it will be a business that is so smart and profitable. The most important step for someone if he wants to start a business, it is to create a very good and comprehensive business plan, studying all needed tasks, goals, plans, successful competitors and budgets.

It needs a couple of weeks to complete a comprehensive plan. Most of that time is spent in research and re-thinking your ideas and assumptions. So you should make time to do the job in the right way.

Baron and Shane (2008) explain that a formal business plan is useful for entrepreneurs because of doing it encourage them to create their tasks, goals and the ways of reaching them. At the beginning the plan should be simple, short and comprehensive.

The business plan should be effective, containing the following components. It should have an excellent and outstanding verbal presentation of the entrepreneur’s idea and his company In the beginning, there is an executive summary providing a description of the new business. Afterwards, there is the company description, where some key information about the name, the logo, the mission, the vision are written. The next part is the market analysis where we study the market and why our business would be successful and why people would prefer it over competitors. In this stage 4 Ps will be mentioned. More specific price, product, place and promotion. In the end, financial plans and informations will be
presented such as financial resources, budget, salaries, risk factors, income and expenses.

Very often investors reject entrepreneurs and their ideas and plans. But, this rejection should be viewed by entrepreneurs as an opportunity to improve their verbal presentations and their business plans.

In comparison with other business plans of this industry, this business plan has similar structure but it presents an idea which is able to cover a gap of this industry. This gap is that there are very few fast food restaurants that give the opportunity in customers to choose the ingredients that are really authentic ones, making healthier lunches or dinners, avoiding the obesity. In addition to that it also offers the opportunity in a group of friends to visit and each of them eat something from a different country. It would be something a “small world”.

2.2 Financial Resources for a New business

Many times, we have the idea, even the best business plan but we do not have the money to realise the idea. ‘Baron and Shane (2008) explains that the financial statements are prepared based on forecasts of expenses, sales, income and other costs. Projections are used because the company cannot collect the historical data because of its short existence. These projections make investors to make them feel uncertain and to make difficult decisions because they don’t have all information entrepreneurs has. Therefore investors use solutions such as self-financing, contract provisions, syndication, specialization and localized investment.

A good entrepreneur should create and use good stories in his business plan, using excellent communication skills. Creating a good business plan and attracting investors with different ways can make investors to agree.
2.3 Strategy and competitive advantage

Baron and Shane (2008) says that it is not enough for a business just to satisfy customers needs, but it should have also a competitive advantage to overcome competitors who also satisfy the same needs. So, entrepreneurs should not say their ideas to others, because competitors might steal them. In reality, a business never manage to keep the competitive advantage for too long, but the success is to find a new competitive advantage when it is needed before the others.\(^6\)

Very often new ventures are facing technical, market and competitive uncertainty. To manage these uncertainty entrepreneurs use three strategies:

- growth from a small scale,
- forming alliances and partnerships with established firms,
- creating legitimacy for the opportunity and the new venture.

Partnerships are formed as an opportunity to provide quick value chain and to obtain the necessary assets and they are often made with established brands.

‘Baron and Shane (2008) in their book, also points that uncertainty and information asymmetry make it difficult for people to believe that new business ideas are appropriate and correct, leading entrepreneurs to take actions to demonstrate the legitimacy of their opportunities and business ideas (e.g., obtaining certification from reputable authorities).’

\(^6\) Robert A. Baron, Scott A. Shane (2008) *Entrepreneurship A Process Perspective*
CHAPTER 3 METHODOLOGY

3.1 Research methods

This study uses both the quantitative and qualitative data in order to provide the consumers’ preferences for the fast food industry and especially for the international cuisine.

Many secondary data were collected from internet (web journals, researches and databases). All these data were useful to understand how well this industry goes in Greece and especially during this period of the economic crisis. After comparing our potential competitors in this market, we are able to see our future profits.

In addition to secondary data, primary data was used too. Primary data in this study was brief discussions with fast food restaurants owners who help me to understand consumers’ preferences in cuisine and in general how much they spent in food. Such fast food restaurants were the Street wok in Athens, many fast food restaurants in Dimitriou Gounari street in Thessaloniki. Primary data was also my discussions with friends about a potential business with international food tastes. Their opinions are very important because they are young people and the target group of the business is more the young people who try different tastes more easily.

3.2 Data analysis

The most of the sample that was taken for this study, was between 21 years old to 25 years old (37%) with more women. This sample showed that nowadays families try to eat all together but this is not always easy and they do not feed their selves healthy, 49% of them said that care about their nutrition. The others said that they do not have enough time to cook or they do not care about their health. 26% of people do not have ready lunch or dinner at their houses. More specific, 73% of greek people said that they have at least one lunch or dinner at fast food restaurant per week. An important percentage of them agree that they will visit fast food
restaurants more often if they can choose the ingredients and make them more health but in the same time as tasty as they are.
CHAPTER 4 : BUSINESS PLAN

4.1 Executive summary

Every part of the business plan is going to be analyzed. The name of the food bar is Esperanto, because this is also the name of the international language which has words from all the languages of the world. Some important competitive advantages are the low price, the variety of the tastes that are offered, the happy environment etc. About the competitors there are few food bars like this in Athens, but nothing in Thessaloniki which has many students who prefer this tastes.

During the financial plan, we did some calculations about the costs, the salaries and we ended up that after 9-10 months the profits are going to be equal to the initial investment (20.000 euros).

4.2 Company description

This study is about a business which offers different tastes from all over the world. In the beginning, it will offer tastes from 3 or 4 countries and if consumers like this idea, many more tastes and countries will be added. Concerning to tastes, me with my cooperator will travel in countries, bringing with us really authentic recipes. Because, one of the key advantages of the business is going to be the authentic recipes and not just copy recipes from other Chinese or Mexican restaurants in Greece.

The name of the business is going to be “ESPERANTO”. We wanted a special name and very relevant to our business, so we chose this name which is the international language that they had tried to introduce to people to communicate all over the world. This language has words from all languages, something similar to our business that is going to have tastes from all countries. In addition to that, the business is going to have happy and colorful inside environment, so to attract many costumers and leave them with a happy feeling to visit it again.
Mission of the business is to offer really tasteful authentic international food in Greece, without travelling abroad to taste it

Vision of the business is to manage to bring as many recipes for food in our business all over the world as we can.

Business’s target group is going to be the young people because of their income. Esperanto is going to offer tastes with high quality but not so expensive and young people are able to buy them. Another key advantage except the authentic recipes is that this business offer the facility to young people to visit the place and each member of the company to try something different when they can not decide where to go for food, because some of them want Chinese food, some Mexican and some something else.

4.3 Macro-environmental analysis

PEST analysis

Political and legal conditions
The Greek legal framework of food industry is very strict. The National Ministry of Health checks strictly restaurants of all kinds, in order to identify whether they comply with health/hygiene rules in kitchen and restroom. In addition to that, they check whether ingredients and food products are kept in required places with freshness, and whether they are in the limits of the expiry date (Euromonitor International, 2014).

Economic conditions
Greek economic conditions are the results of the economic crisis since 2009. The imposition of two packages of austerity measures have led to diminishing disposable incomes and the closing of many Greek companies
In fast food industry is concerned, sales declined by 12% in 2012. Forecasts for the next years are pessimistic, predicting a decline of 5% at least until the end of 2017 (Appendix: Chart 2: Household disposable income, Net, Annual growth rate (%), 2000 – 2014, Euromonitor International, 2014).

**Social conditions**

Greeks have seen their disposable incomes decreasing due to the economic crisis and the unemployment rates increasing (27%). For this reason, Greek consumers have been very sensitive towards price issues and they search for better prices in all types of products. (Euromonitor International, 2013).

**Technological conditions**

The improvement of the Internet and its uses is definitely the most important technological advancement in Greece. Now, fast food restaurants are more close to consumers with some clicks. Consumers can order their food via internet and they will receive it in a few minutes.
4.4 Micro environmental analysis

Porter’s Five Forces

Bargaining power of buyers
The bargaining power of buyers is high in this industry in Greece. Greek consumers have many options in fast food industry. So, fast food restaurants have to offer better prices, quality and new smart deals to attract consumers.

Bargaining power of suppliers
The bargaining power of suppliers is also high in the fast-food industry in Greece for the same reason. Retailers have many options to deal with prices that they want.

Threat of substitutes
The threat of substitutes is high in the fast-food industry in Greece. New tastes from different countries attract people and they become the new trend, making people no to prefer the usual fast food (burgers, pizzas, souvlaki etc.).

Threat of new entrants
There are significant barriers to entering the fast-food industry in Greece. One of this is the high cost of establishing a business in the country, as well as the high risk derived from the economic crisis in Greece.
## Competition

In the table below, we notice that fast food sales has increased after 2009 and specific foreign foods such as Chinese, Burgers, Eastern food etc. have more sales than usual fast food (chicken or bakery products).

Some potential competitors who are in Athens and they might expand their services in Thessaloniki:

### Esperanto Vs Street wok

<table>
<thead>
<tr>
<th>Free choice of ingredients (make it as healthy as you want)</th>
<th>Free choice of ingredients (make it as healthy as you want)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cheaper prices between 3 euros to 5 euros depending on the ingredients</td>
<td>More expensive between 4 euros to 6 euros depending on the ingredients</td>
</tr>
<tr>
<td>Big variety with many international authentic recipes</td>
<td>Not big variety and they only offer chinese food</td>
</tr>
<tr>
<td>Good promotion through Facebook page, posts, check in and of course free portion of food in the street to make people try them</td>
<td>Satisfying promotion but only through Facebook</td>
</tr>
</tbody>
</table>

### Esperanto Vs Ethnico

<table>
<thead>
<tr>
<th>Free choice of ingredients (make it as healthy as you want)</th>
<th>Standar recipes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cheaper prices between 3 euros to 5 euros depending on the ingredients</td>
<td>More expensive between 4 euros to 6 euros depending on the taste you choose</td>
</tr>
<tr>
<td>Big variety with many international authentic recipes</td>
<td>Big international variety of tastes</td>
</tr>
<tr>
<td>Good promotion through Facebook page, posts, check in and of course free portion of food in the street to make people try them</td>
<td>Too low promotion (there is no FB page or some ads)</td>
</tr>
<tr>
<td></td>
<td>Esperanto Vs Simple Burgers</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>------------------------------------------------------------------</td>
</tr>
<tr>
<td>Free choice of ingredients</td>
<td>An unhealthy choice</td>
</tr>
<tr>
<td>(make it as healthy as you want)</td>
<td></td>
</tr>
<tr>
<td>Cheaper prices between 3 euros</td>
<td>Too expensive for the portion they offer</td>
</tr>
<tr>
<td>to 5 euros depending on the</td>
<td></td>
</tr>
<tr>
<td>ingredients</td>
<td></td>
</tr>
<tr>
<td>Big variety with many</td>
<td>Big variety in burgers but they are the only meal you can eat</td>
</tr>
<tr>
<td>international authentic</td>
<td></td>
</tr>
<tr>
<td>recipes</td>
<td></td>
</tr>
<tr>
<td>Good promotion through Facebook</td>
<td>Very good promotion through Facebook, Vodafone and Tv ads</td>
</tr>
<tr>
<td>page, posts, check in and of</td>
<td></td>
</tr>
<tr>
<td>course free portion</td>
<td></td>
</tr>
<tr>
<td>of food in the street to make</td>
<td></td>
</tr>
<tr>
<td>people try them</td>
<td></td>
</tr>
</tbody>
</table>


# Swot analysis

## Strengths

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Esperanto is going to have new and unusual tastes</td>
</tr>
<tr>
<td>2.</td>
<td>It is going to offer authentic tastes collected travelling in these countries</td>
</tr>
<tr>
<td>3.</td>
<td>It is going to have cheaper prices (3-5 euro) than restaurants</td>
</tr>
<tr>
<td>4.</td>
<td>It is going to be the best choice if friends can not decide whether to eat chinese or Mexican or indian food</td>
</tr>
<tr>
<td>5.</td>
<td>It is going to have satisfied employees</td>
</tr>
<tr>
<td>6.</td>
<td>Tourists who want to eat something from their countries, they can visit Esperanto</td>
</tr>
</tbody>
</table>

## Weaknesses

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Esperanto is going to preferred more by young people, because young people tend to try new tastes more easily than older people</td>
</tr>
<tr>
<td>2.</td>
<td>It is going to be more expensive than a souvlaki, so it is not going to be the cheapest solution</td>
</tr>
<tr>
<td>3.</td>
<td>Fast food is an unhealthy habit and people avoid to eat fast food every day</td>
</tr>
</tbody>
</table>

## Opportunities

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Economic crisis help because, when consumers want to eat something tasty from different countries but they want to pay too much.</td>
</tr>
<tr>
<td>2.</td>
<td>New trends in tastes</td>
</tr>
</tbody>
</table>

## Threats

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Statistics for obesity and healthy problems from fast food make people to avoid fast food</td>
</tr>
<tr>
<td>2.</td>
<td>Other competitors are going to copy the idea in their fast food bar/restaurants</td>
</tr>
</tbody>
</table>
CHAPTER 5: ORGANIZATIONAL TEAM

A strong and effective organizational team is necessary to keep the business running and operating effectively. The organizational team is going to be constituted by two shareholders, Lydia Aspasia Angelopoulou who has studied Business administration and she knows about management, business plans and how to promote a business with marketing skills and Michail Papatkoudis who has studied Tourism management and he knows about Food industry and how a food bar should be managed better. Except these two shareholders, there will be some employees too and Esperanto will need the help of an accountant for the financial plans and the business accounting and one web developer who is going to construct the site of Esperanto.

In the beginning only few employees (2-3) are going to be hired until the food bar have the appropriate number of customers and then more employees are going to be hired. The employees are going to be especially cooks who are going to learn to cook the recipes that we will collect from our trips in these countries.
CHAPTER 6: MARKETING PLAN

The market segmentation of Esperanto can be based on income and ages. Another segment could be identified trough healthy approach. In this segment we can observe two categories of people: these people who has unhealthy habits and these people who has healthy habits. Esperanto is going to offer the opportunity to choose some of the ingredients and make the recipe healthier or not.

After segmentation we should choose which segment to target and how we will position the product. Based on the market segmentation analysis best segments and potential consumers of Esperanto is the group between 15 to 45. They are the young people who tend to try new tastes and it is going to be a good, cheap, healthy, and tasteful snack for job breaks.

Having a lunch or a dinner in Esperanto has a low involvement. Consumers will not think a lot about it because it is going to be cheap and our goal is to manage to become a nice and happy routine for our consumers that they will choose us without too much thinking, because we will be able to offer a lot of interesting tastes.

In this stage 4 Ps are mentioned. More specific price, product, place and promotion.

PRICE: The price is going to be low but it is not going to be too cheap, because the quality and the taste is going to be in high level. The price is going to be between 3 to 5 euros, depending on each taste. More specific is going to be higher than a souvlaki but lower than a Mexican or Chinese restaurant where we sit and order.

PRODUCT: The competitive advantage of this business is the recipes. More specific, special recipes are going to be collected, travelling in their countries( China, Mexico, Spain and India) and bringing back with us not only one taste but the cooking culture of this country.
**PLACE:** The location is going to be in Thessaloniki city center, near Mitropoleos and Aristotelous, where there are many night bars with young people who want to eat something tasteful after their drink. In addition to this, this location is a good choice because young people with a bit more money visit this area, because of the more expensive drinks there than Navarinou square for example. So, this food bar will have cheap food but no so cheap as Navarinou’s fast food (pizza or souvlaki: 1 euro) and it would be better no to enter such a huge competition.

**PROMOTION:** The promotion of this food bar is going to be through social media (Facebook, twitter, instagram and a strong internet site), brochures, mouth to mouth advertisement, offering except of the tastes, a happy and colorful environment that is going to attract eyes. In addition to that, small portion of food can be offered out of the food bar, so people can try them and as Cialdini says in the Principle of Reciprocation, people who receive something for free from someone else, they want to do something to say ‘thanks’. The free sample will create to them the feeling to do something good in return, in order to not be considered ungrateful. So, consumers will remember Esperanto and they will visit it again.\(^7\)

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CHAPTER 7: FINANCIAL PLAN

7.1 Financial Resources

There are many financial programs that help smart and innovative ideas to come true if there is a strong and well structured business plan. One of these, it is the Action AID initiative

AFI provides access to financing, though microcredits, to those who have a business idea or project, but are not able to find access to the necessary funds. At the same time, it supports these businesses by providing free training and support.

Specifically, AFI promotes microcredits in Greece, offering access to micro-loans up to 10,000 euros to potential entrepreneurs. AFI collaborates with the Non For Profit Organization: The People’s Trust, in order to give access to microfinancing through grants. Through this collaboration, the total amount to which the beneficiary can have access to could amount to 20,000 euros, as a combination of a microloan and a grant, independently of their commercial activity, the level of innovation, the investment category and the use of technology.

AFI’s staff, together with our volunteer network offers free, customized business support prior to and after the disbursement of the microloan. The Right to Economic Initiative requires access to capital and removal of administrative constraints for creating self-employment. By supporting entrepreneurship, AFI promotes self-employment, reduces unemployment and helps beneficiaries to achieve financial independence, so that they can offer socially and financially to the society.

Our geographical coverage includes Attika and surrounding areas (up to 1.5 hours driving distance from Athens). AFI is a Civil-law Non-Profit Company and its founding partners are ActionAid Hellas and ADIE, a French microcredit institution with over 25 years of experience. This initiative is neither a grant, nor is it connected
with subsidy programs such as OAED or ESPA.

The AFI operates in Athens, Thessaloniki and surroundings and its aim is to select, advise, prepare and finance around 250 potential micro entrepreneurs within the first two years of operation with small loans to 10,000 €.

The AFI operates independently and has secured funds for its operation from the Stavros Niarchos Foundation donations, the Open Society Foundation and the American Embassy in Greece, while the amount of micro-loans have been secured from a private donor. The program is implemented in cooperation with the Pan-Cretan Cooperative Bank.

The criteria for the loan are as follows:

- The total investment / budget does not exceed 20,000 euros.

- This applies for the initial investment in the case of start-up or for the budget of a new project if it is an existing business.

- This amount results from the fact that we are an important part of financial support and are addressed primarily to people who could not find funds from other sources, thus the loan will take is for them a big part of the total investment and not just a "patch" among other sources.

- The company is registered at the time the loan will be disbursed.

- The activity of the business is legal.

- The applicant must have a majority of shares (majority stake) in the company.
➢ The applicant must not have debts to the state for which there has been no adjustment.

➢ The applicant must have a guarantor who will assist in the repayment of microcredit, only if the operator face payment difficulties. The guarantee covers 50% of the total value of the loan and up to 3,000 euros. The guarantor signs the guarantee with the AFI.

➢ The guarantee does not include any immovable / movable property form. Also not required to commit the entire amount of the guarantee at any time.

**Why they differ**

➢ Through our processes we build personalized relationships of support and trust through simple and effective procedures

➢ There is no limit to the type of investment the entrepreneur can make. The investment can range from PCs and salaries to seeds or even cars, as long as one can prove that this is necessary for the business or project.

➢ We will never ask for shares or ownership. The entrepreneur is in the center of our efforts at all times.

➢ Training and support both before and after the disbursement are free of charge.

➢ The microcredit concept has been tested with great success for over 30 years.

**7.2 Business costs**

For the start-up operations, it is necessary to rent a place and to purchase electrical equipments and furnitures for the store. The initial investement is estimated to 20.000 Euros.

The table below provide the personnel cost in monthly/ annual earnings, our total need for the store and the total annual earnings that give us the total personnel...
This number is going to be used after to find our profit after tax, computing costs for the website, the brochures, the inventory, the initial equipments. Our revenues are going to reach the 60.000 euros and 35.000 euros are going to be the profits with 26.600 euros profits after tax. After 9-10 months the profits are going to be equal to the initial investment (20.000 euros).

**TABLE: PERSONNEL COST**

<table>
<thead>
<tr>
<th></th>
<th>Monthly Earnings</th>
<th>Annual Earnings</th>
<th>Total Need</th>
<th>Total Annual Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholders</td>
<td>1000</td>
<td>12.000</td>
<td>2</td>
<td>24000</td>
</tr>
<tr>
<td>Employees</td>
<td>500</td>
<td>6000</td>
<td>3</td>
<td>18000</td>
</tr>
<tr>
<td><strong>Total Cost</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>42000</strong></td>
</tr>
<tr>
<td>Personnel Cost</td>
<td>42000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rent (600*12)</td>
<td>7200</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Website</td>
<td>1000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brochures</td>
<td>500</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventory</td>
<td>20000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipments</td>
<td>10000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues</td>
<td>60000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit</td>
<td>35000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit after tax</td>
<td>26600</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
REGULATORY AND LEGAL RISKS

Inflation risk: Because of the inflation, the purchasing power of consumers may be diminished.

Capital controls: There will be some important problems in the payments of the suppliers and employees’ salaries, because of the limitations in banks.

Legislation risk: Decreases in salaries will also decrease the consumer bargaining power. In addition to that, an increase in taxes will have an negative effect on the profitability.
CHAPTER 8: LIMITATIONS

The study is the result of an important exploration of the entrepreneurship literature and other startups. There are many unsuccessful startups with a lot of failed ideas. During this study, there was a try to show how a smart idea can be a successful one and create a successful start up too. There was a great market analysis, analyzing competitors, marketing plans and financial plans too. Budgets with initial investments, salaries and profits were provided.

The limitations could be from policies. More specific, certificates or other licenses about healthy services might defer the processes, waiting for them and not working. In addition to that, primary data were selected using questionnaires and interviews. An important limitation about the questionnaires was the sample size that was between 18 to 50 years old and they were asked during September.

Furthermore, it should be taken into account the time limit in order to conduct this study. The available time was only three months, August until October and the study was conducted by only one student who has an everyday job.
CHAPTER 9: CONCLUSION

The aim of the study was to start a new business after having a new smart idea. But, it is not enough to have just a good idea to be a successful one; firstly some important plans should be made such as a strong market analysis, financial plans and marketing plans, promoting with the right way a smart and innovative product or service in the appropriate place and of course price to be a competitive one.

This food bar is going to have as a target group also the young people because of their income. Young people, and students want to eat delicious food but cheap especially after the economic crisis. This bar will offer high quality tastes with affordable price for this group.

According to the questionnaire the sample showed that nowadays families try to eat all together but this is not always easy and they do not feed their selves healthy, 49% of them said that care about their nutrition. The others said that they do not have enough time to cook or they do not care about their health. 26% of people do not have ready lunch or dinner at their houses. More specific, 73% of greek people said that they have at least one lunch or dinner at fast food restaurant per week. An important percentage of them agree that they will visit fast food restaurants more often if they can choose the ingredients and make them more healthy but in the same time as tasty as they are.

The key competitive advantage of this food bar/restaurant is that it is going to offer different tastes with many healthy choices using fresh ingredients from all over the world in one fast food restaurant. So, when a group of friend do not manage to decide only in Spanish food or Chinese or Mexican etc., this group can visit it and each of them takes what he really wants and make his lunch or dinner as healthy as he wants. Another competitive advantage is that this bar is going to open in Thessaloniki where there is not any food bar exactly like this and there are many students who maintain this industry high.
The initial investments is going to reach the 20.000 euros with profits of 35.000 euros after 1 year. So, we needed 9-10 months to depreciate the initial investments.
Appendix

The questionnaire is short, because I wanted to ask some important questions and nothing more, so not to tire the people who answer me and to have real and authentic answers that are not influenced by boredom.

ΕΡΩΤΗΜΑΤΟΛΟΓΙΟ

1. Ηλικία
A. 15-20 20%
B. 21-25 37%
Γ. 26-39 25%
Δ. 40- και άνω 18%

2. Είστε:
A. Άνδρας 37%
3. Τρώτε όλοι μαζί τα γεύματα στην οικογένεια σε καθημερινό επίπεδο;
Α. Ναι, καθημερινά  12%
Β. Τις περισσότερες φορές  50%
Γ. Όχι τόσο συχνά  30%
Δ. Ποτέ  8%

4. Πόσο υγιεινή διατροφή κάνετε;
Α. Πολύ  19%
5. Δοκιμάζετε εύκολα ξένη κουζίνα;
Α. Ναι, μου αρέσει πολύ 60%
Β. Αρκετά συχνά 25%
Γ. Σπάνια 12%
Δ. Καθόλου 3%

6. Πόσα γεύματα καταναλώνετε την εβδομάδα σε fast food;
Α. Κανένα 1%
Β.1 γεύμα 73%
Γ. 2-3 Γεύματα 6%
Δ. 4-6 Γεύματα 15%
Ε. Καθημερινά 5%

7. Υπάρχει καθημερινά μαγειρεμένο φαγητό στο σπίτι σας;
Α. Ναι 74%
Β. Όχι 26%

8. Προτιμάτε το fast food ή το σπιτικό φαγητό;
Α. Σπιτικό 91%
9. Αν υπήρχε ένα fast food που επιλέγεις τα συστατικά εσύ και το γεύμα όσο υγιείνο θες εσύ, θα τρώγατε πιο συχνά έξω;
Α.Ναι 39%
Β.Όχι 61%

Chart 1: Μεταβολές στα ποσοστά των παχύσαρκων ενηλίκων σε παγκόσμιο, ευρωπαϊκό και ελληνικό επίπεδο για το 2010-
Chart 2: Household disposable income

Net, Annual growth rate (%), 2000 – 2014

Source: National Accounts at a Glance

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   http://www.dianeosis.org/2016/04/paxysarkia_stin_ellada_tis_krisis/

4. Παιδική παχυσαρκία στην Ελλάδα