

# DEVELOPING A CUSTOMER VALUE PROPOSITION FOR THE STREET FOOD SEGMENT

Case Teuvan Keitintehdas

Palonen, Juha

Master's Thesis  
International Business Management  
Master of Business Administration

2022

International Business Management  
Tradenomi (Ylempi AMK)

---

<b>Tekijä</b>	Juha Palonen	<b>Vuosi</b>	2022
<b>Ohjaaja</b>	Esa Jauhola		
<b>Toimeksiantaja</b>	Teuvan Keitintehdas Oy		
<b>Työn nimi</b>	Asiakasarvolupauksen kehittäminen katuruokasegmenttiin: Tapaus Teuvan Keitintehdas		
<b>Sivu- ja liitesivumäärä</b>	81 + 27		

---

Opinnäytetyön tarkoituksena oli luoda uusi asiakasarvoehdotus toimeksiantajayritykselle katuruokasegmenttiin. Asiakasarvoehdotus on osa jatkossa toteutettavaa laajempaa liiketoimintamallin kehittämistä. Lisäksi tarkasteltiin seikkoja, jotka on tärkeä ottaa huomioon liiketoimintamallia kehitettäessä. Tämän tutkimuksen toimeksiantaja on lähes sata vuotta vanha perheyrius, jo neljännessä polvessa. Yrityksen päätuotealue ovat kriisinhallintaan tarkoitettut taktiset ruuanlaittoyksiköt.

Tämä työ toteutettiin yksittäisenä tapaustutkimuksena. Tutkimuksessa kerättiin empiiristä tietoa mahdolliselta asiakaskunnalta sekä havainnoimalla että kysely- ja haastattelukeinoin. Empiirinen tieto analysoitiin sekä laadullisesti että määrällisesti. Teoreettista, vertailevaa ja empiiristä informaatiota tukevaa tietoa oli löydetävissä kirjallisuudesta, aiemmista tutkimuksista ja tieteellisistä artikkeleista, jotka käsittelivät asiakasarvoa, liiketoimintamalleja ja liiketoimintainnovaatioita.

Sekä käytäntö että kirjallisuus tukevat näkemystä, jonka mukaan menestyvän liiketoiminnan edellytys on toimiva ja ennen kaikkea innovatiivinen liiketoimintamalli, jossa asiakkaille tuotetaan suurempaa arvoa pienemmillä kustannuksilla. Jotta innovatiivinen arvonnulominen tai -kaappaaminen voi toteutua, asiakkaiden tarpeista tarvitaan laaja-alaista tietoa.

Tutkimukseen perustuvassa asiakasarvoehdotuksessa on otettu huomioon siirtyminen uudelle, kilpailusta vapaalle markkina-alueelle sekä selkeä arvontuotannon lisäys toimeksiantajayrityksen nykyiseen asiakasarvoon. Ehdotus perustuu tutkimuksessa kerättyjen primääristen ja sekundääristen tietojen analysointiin ja niiden perusteella tehtyihin johtopäätöksiin. Työn tuloksena yritykselle on laadittu asiakasarvoehdotus, minkä lisäksi on kartoitettu sekundääristen tietolähteiden avulla liiketoimintamallin kehittämisessä tärkeitä huomioon otettavia seikkoja.

Avainsanat liiketoimintamalli, asiakasarvoehdotus, liiketoimintamalli-innovaatio

International Business Management  
Master of Business Administration

---

<b>Author</b>	Juha Palonen	<b>Year</b>	2022
<b>Supervisor</b>	Esa Jauhola		
<b>Commissioned by</b>	Teuvan Keitintehdas Oy		
<b>Title of Thesis</b>	Developing a Customer Value Proposition for the Street Food Segment of Teuvan Keitintehdas Oy		
<b>Number of pages</b>	81 + 27		

---

The purpose of the thesis was to create a new customer value proposition for the street food segment of the case company as part of a broader business model development to be developed in the future. In addition, important issues to be considered when developing a business model were examined. The case company is a nearly hundred-year-old family business in the fourth generation, whose main product area is tactical cooking units used in crisis management situations.

This thesis work was carried out as a single case study. The study collected empirical information from a potential clientele through observation, survey, and interview. The empirical data were analysed both qualitatively and quantitatively. The information that supported theoretical, comparative, and empirical data was sought from related literature, previous research, and scientific articles on customer value, business models, and business innovation.

Both practice and literature support that a well-functioning and innovative business model with higher customer value and lower costs are essential for a successful business. To this end, comprehensive knowledge of customer needs and challenges is required to implement innovative value creation and capture.

The customer value proposition based on the research has taken into account the transition to a new, uncompetitive area and an apparent increase in value production to the case company's current customer value. The proposition is based on primary and secondary data analysis and conclusions from its study. As a result of the thesis work, a customer value proposition has been prepared for the company. The essential factors to be taken into account in the business model development have been mapped with the help of secondary data sources.

**Keywords**    business model innovation, customer value proposition

## CONTENTS

### TIIVISTELMÄ

### ABSTRACT

### FOREWORD

### SYMBOLS AND ABBREVIATIONS

1 INTRODUCTION .....	8
1.1 Background and Motivation .....	8
1.2 Teuvan Keitintehdas, Background and Operational Environment.....	10
1.3 Street Food .....	20
1.3.1 Mobile catering versus street food concept .....	22
1.3.2 The case company's customer types .....	23
1.3.3 Street food definition in this Thesis.....	23
1.3.4 Typical food offered by street food companies .....	24
1.4 Theories about Business Model and Customer Value Proposition .....	24
1.4.1 Business model innovation.....	26
1.5 Research Objective and Questions .....	28
1.6 Scope and Limitations of the Research .....	30
1.7 Structure of the Thesis.....	30
2 METHODOLOGY .....	31
2.1 Single Case Study .....	31
2.2 Data Collection .....	32
2.3 Data Analysis.....	34
3 STREET FOOD CHEFS' PROBLEMS AND CHALLENGES .....	36
3.1 Analysing Results of Observation .....	37
3.2 Street Food Survey and Interview.....	38
3.2.1 Interview of Street Food Chef Jussi Harju .....	39
3.2.2 Street food survey .....	43
3.2.3 Literature on and problems of the street food business.....	50
3.3 Analysis of Data and Outcome for the Research Question.....	51
3.4 Limitations on Data Analysis and Reliability.....	51
3.5 Analysis of the Data .....	53
3.5.1 Simple and high-quality menu .....	53

3.5.2	Good service .....	54
3.5.3	Good location .....	56
3.5.4	Street food unit/equipment .....	56
3.5.5	Business plan.....	57
3.5.6	Hygiene .....	57
4	NEW CUSTOMER VALUE PROPOSITIONS FOR THE CASE COMPANY	58
4.1	The Current Customer Value Proposition .....	58
4.2	How to Solve the Problems of Street Food Chefs?.....	60
4.3	Street Food Franchising Business .....	61
4.4	A Customer Value Proposition Suggestion for the Case Company .....	62
4.4.1	Testing the idea of the proposed customer value proposition .....	64
5	PROPOSED ACTIONS FOR THE CASE COMPANY .....	68
5.1	Components of Business Model .....	68
5.2	The Description of Osterwalder & Pigneur's Business Model.....	69
5.3	The Description of Afuah's Business Model.....	70
5.4	Business Model Innovation and Development .....	71
5.5	Essential Issues to Consider when Moving Towards the First Business Model Hypothesis in the case Company .....	73
6	DISCUSSION AND CONCLUSION .....	74
	BIBLIOGRAPHY .....	76
	APPENDICES.....	81

## FOREWORD

I would like to thank Esa Jauhola, the thesis supervisor, for his long-term and encouraging support and guidance in implementing this Thesis work, and all the lecturers in Lapland University of Applied Sciences for interesting and useful lectures in International Business. The knowledge acquired during the lessons has been a great help in this thesis process.

I would like to thank also the case company's personnel, especially Henri Penttilä and Liisa Laurila-Perälä, who provided exciting discussions, help and brainstorming power in executing this development work. Their contribution has been essential during the thesis work.

I want to express my gratitude to my loving wife, children and parents. They have shown understanding and flexibility and provided help in my thesis process, which has required exceptional management of schedules.

Despite the demanding project, I feel satisfaction as the process has improved my expertise in business development and scientific problem-solving.

## SYMBOLS AND ABBREVIATIONS

CVP	Customer Value Proposition
BM	Business Model
BMI	Business Model Innovation

## 1 INTRODUCTION

This thesis is a single case study of Teuvan Keitintehdas Oy. Teuvan Keitintehdas has 95 years of experience in producing mobile field kitchens for military and for crisis management use. Since the 1990s, the case company has produced street food equipment for the domestic market and intends to enlarge the street food business and export street food products. The proposed thesis is to develop a new customer value proposition for the street food segment for Teuvan Keitintehdas Oy. Currently, the street food business is a small part of the company, and the business is purely domestic.

The street food business is growing. According to Alfiero et al, street food revenue in the USA in 2020 is estimated to be 1 - 1,2 billion dollars. Annual growth from the year 2015 to 2020 is 150 million dollars. 2,5 billion people consume street food daily worldwide, and in Latin America's urban areas, street food accounts for up to 30 % of household spending. (Alfiero, Giudice & Bonadonna, 2017, 1) (Fellows and Hilmi, 2011, 7)

### 1.1 Background and Motivation

The area of the intended thesis is business model development, but limited explicitly to developing a customer value proposition for the street food segment of the case company. This thesis is a part of the business model development. In addition, the thesis work intends to identify the essential issues for further development of the business model for the street food segment of the case company.

The case company's motivation for developing street food business is market potential and numerous similarities to street food kitchens of the field kitchens made for crisis management use. The field kitchen and street food business segments have similarities in production, research, and development, but the customer segment is different. Demand for crisis management products is uneven and causes problems in running the company. The company also has



sauna products, but its management has chosen the street kitchen business as its development area due to its high potential and more substantial similarities to its leading product group, i.e., field cookers. The company aims to develop a successful business alongside the field kitchen business. At the time of writing this thesis, the case company business is smallish and mainly restricted to the domestic market.

Teuvan Keitintehdas aims to develop a substantial business segment alongside the field kitchen business. The company's objective for the thesis work was to study and develop the company's business in the street food appliance segment. My motivation relates to my position on the company's board, where I started in 2020. Furthermore, I worked as Business Director in the company from 2019 to 2020. The business area and the customers are partly familiar to me. This thesis process is a way to increase my skills and knowledge about the company's customers and business environment. The company's strategy and business model formulation are the board's responsibilities, and this thesis provides plenty of information to them.

I have worked in international business for more than 20 years in sales and marketing management and business development positions. For my thesis topic, I have chosen the theme of developing a customer value proposition for Teuvan Keitintehdas Oy. The company's CEO Henri Penttilä supports the development of a customer value proposition.

The company board's ultimate goal is to develop an entirely new business model for the portable cooking equipment segment. Customer value proposition (CVP) is an essential part of the business model. According to Johnson et al, "It is not possible to invent or reinvent a business model without first identifying a clear customer value." (Johnson, Clayton, Christensen & Kagermann 2011, 109) CVP development is an essential part of the business model when developing an entirely new business model. Due to its scope, I have limited the Thesis subject area to developing a CVP for the case company.

## 1.2 Teuvan Keitintehdas, Background and Operational Environment

At present, the company is a profitable and employing 15 professionals. Turnover in 2019 was 2,3 M€. The product selection consists of field kitchens, water heaters, street food appliances, and wood-fired sauna products such as sauna stoves and water heaters. The product selection has changed only a little during the years. The customer segments have changed over the years. The Finnish Defence Forces are the most significant customer. The customer segment farms are almost disappeared as a customer group over the years. The new customer groups are cottage manufacturers, retail chains, catering wholesalers, associations, and equipment rental companies. The rate of export is under five per cent.

Teuvan Keitintehdas Oy was founded by Jean (Pöder) Luomala 1925. Originally the name of the company was Peltisepänliike Luomala and later changed to Teuvan Keitintehdas Oy. The company produced sheet metal parts and wood-fired feed stoves, and water heaters for the farms. In addition, the company repaired bicycles and motors for the locals.

In 1929 the company started to produce the legendary field kitchen model M29 for the Finnish Defence Forces. The M29 played a significant role in servicing Finnish soldiers at the frontline during World War 1939-1945. By the time writing this thesis, some of the modernized M29's are still in use.

After the Second World War in the 1950s, the need for the field kitchen lowered. Instead, the importance of the farms as customer groups grew after the wars. In the 1950s, agriculture was the primary industry in Finland. The farms needed hot water, and Teuvan Keitintehdas wood-fired water heaters offered a convenient and energy-efficient way to heat a large amount of water and maintain the high temperature for a long time. The farms were also a vital customer group for sauna stoves, whose production started in the 1950s. In the same decade, Jean Luomala's daughter Maila Penttilä and her husband, Erkki Penttilä, took over the company's management. In the 1960s, the mechanization of the farms continued, and the development of industry started to cause significant structural changes in Finland.

In the 1970s, the building of the new houses concentrated in the city areas, and electrification moved to saunas, too. In the mid1970s, the company started to produce electric sauna stoves to meet the market's new requirements. Erkki Penttilä's son, Kari Penttilä became the Managing Director of the company in 1975.

During 1980 – 2000 the company modernized the factory to meet quality and productivity requirements by adding welding robots, a high capacity sheet metal deep drawn machine, a 3-D laser cutting, and automated sheet metal storage. Since the 1980's the company started to deliver tailored projects in catering equipment for public transport purposes. Finnish airline Finnair sourced high-capacity water heaters for their aircraft. The Finnish national intercity trains are equipped with heat-insulated catering cabinets produced by the company.

The company developed the new models of the field kitchens for Finnish defence forces in 1985, 1992, 2000, and 2013. In early 2000, the field kitchen export sales started, the company delivered the field kitchens to the crisis areas for humanitarian use and village schools in Africa. The production of street food products was started in 1995. One of the most successful street food devices has been the large size sausage grill called Teuvan nestekaasugrilli. It is used widely by sports clubs and other associations in their events.

The company has several challenges to overcome in the future. Globalization has caused pressure on the manufacturing industry in countries with high salary costs. Teuvan Keitintehdas Oy is not an exception. Teuvan Keitintehdas has successfully produced for the past 25-year liquid gas grill by selling it to the narrow market segment.

According to the customs statistics appendix 1 (Lappalainen 2019), 90 % of the gas grills imported to Finland are supplied and produced in China. The delivered price level in the Finnish retail shop of the large size Chinese gas grills is less than Teuvan Gas Grill's material costs.

Currently, Finland is undergoing a considerable transformation. Industrialism is changing into digitalization as part of global megatrends. According to Sitra's

report (Dufva 2020, 2), the 2010's megatrend discussions topics such as slowdown of the economic development, technological development, inequality, climate change, urbanization, and changes in geopolitical power relations are still compelling. Sitra's report estimates that the main factor affecting the future is the urgency of the ecological reconstruction, ageing, and population diversification. The redefinition of the economy and technology is embedded in everything.

Teuvan Keitintehdas has been affected by the global megatrends since 1925 when Jean Pöder set up the company. Currently the megatrends affect all the product groups. The sauna product segment has been declining for years, and the biggest reason has been urbanization. The farmers and apartment owners in the countryside have been the most extensive customer group, and it has been declining due to urbanization.

The other megatrends, such as ageing and diversification of the population, are decreasing the holiday home building trend. It is a significant area for wood-fired sauna products. According to Statistics Finland (Tilastokeskus 2018), the average age of the summer house owner in 2018 was 63 years. The third megatrend affecting the future of wood-fired sauna products is climate change.

Wood is considered an environmentally friendly fuel. According to Savolahti's dissertation, wood-burning combustion has the same magnitude of the climate effect as using fossil fuels, and residential wood combustion has become the most prominent fine particle ( $<2,5 \mu\text{m}$ ) emission source in Finland. Climate change sets the pressure to restrict the use of wood-burning stoves and to regulate the construction and emissions of wood-fired appliances for the future. (Savolahti 2020, 7)

Teuvan has supplied sauna stoves and wood-burning water heaters for decades. The old customers often come back when renewing the stove. The wood-fired sauna-stove market is declining and under heavy competition by the producers. The product group is not the priority area for the company to invest in.

The field kitchens are the most extensive product group for Teuvan, and the primary customer is the Finnish defence forces. The company has delivered field

kitchens also for humanitarian crisis management use. The red cross has acquired kitchens for crisis management purposes.

According to the Sitra report (Dufva 2020, 26), tensions would be getting more robust in the future in many areas due to local and global changes. The report mentions tensions in the following areas:

1) globalization versus nationalism. Nationalism is increasing as a counterforce to globalization which causes changes in the economy and migration. Nationalism strengthens by mass movement of the people.

2) cities versus countryside

3) Individualism and community, where individualism is challenged by the formation of new, tight interest groups, apportionment economy, and communal living.

4) Networks versus bubbles, where the escalation of debate and tribalization would increase like-minded people groups. Concurrently, the social networks and the trust they create are emphasized from the perspective of well-being and working life. (Dufva 2020, 26)

The significant factor in strengthening the tension is climate change. It has caused and will cause continuous changes and tensions to the economy, nature, and people.

The direct quote of the IPCC special report Climate Change and Land professes:

"About a quarter of the Earth's ice-free land area is subject to human-induced degradation (medium confidence). Soil erosion from agricultural fields is estimated to be currently 10 to 20 times (no-tillage) to more than 100 times (conventional tillage) higher than the soil formation rate (medium confidence). Climate change exacerbates land degradation, particularly in low lying coastal areas, river deltas, drylands, and in permafrost areas (high confidence). Over the period 1961–2013, the annual area of drylands in drought has increased, on average by slightly more than 1% per year, with large inter-annual variability. In

2015, about 500 (380-620) million people lived within areas which experienced desertification between the 1980s and 2000s.

The highest numbers of people affected are in South and East Asia, the circum Sahara region including North Africa, and the Middle East including the Arabian Peninsula (low confidence). Other dryland regions have also experienced desertification. People living in already degraded or decertified areas are increasingly negatively affected by climate change (high confidence)." (Almut et al 2020, 12)

The field kitchens have a vital role during wars and crises, such as significant mass movement of the people from the Middle East to Europe mid2010s. Red Cross put field kitchens into operation by the routes and refugee camps where people moved. The field kitchens business increases when a crisis probability increases or during the crisis.

Currently, in the 2020s, the megatrends mentioned suggest that crises or even wars are likely to occur shortly. According to the Managing Director of Teuvan Keitintehdas Oy, Henri Penttilä, the company will continue in the field kitchen business in the future. Due to the uneven demand for field kitchens, the company needs other strong product groups to stabilize production and keep sales running when the field kitchen business is low. (Penttilä 2020)

Teuvan Keitintehdas acquired a street food business in the mid90s from the Finnish company Esla Oy, has been known for the kick sledges since 1930. The acquisition was to develop a substantial product group to increase and stabilize sales in the long run. (Penttilä 2020)

The streed food appliances have many similarities with field kitchens, and both product types are mobile cooking devices. The company's production facilities are suitable for producing both field kitchens and street food appliances. Both product groups need similar research and development abilities. (Penttilä 2020)

The customers and sales segments are different. Therefore, different sales resources are needed for both product segments. Currently, the case company supplies street food appliances to professional street food vendors, event

organizers, and caterers in Finland. The event organizers are sports clubs, cities, parishes, political associations, and event organizing companies. The export of the appliance has been under 5 % of the segment sales. (Penttilä 2020)

As the operating environment, especially the competition situation, is an integral part of the business, the competition situation and operating environment are briefly discussed in this work. The most significant direct competition to Teuvan street food appliance products in Finland is from German professional white label grills imported by a Finnish retailer. The retailer sells the grill in Finland under the brand called "Gastrokaasugrilli." In addition to this, commercial gas grills are available in various online stores such as Amazon, eBay, Alibaba, and similar. In addition, some commercial grill producers and retailers sell worldwide through their online stores. The competition situation with paella pans is similar to the grills's. There is a domestic producer who sells the pans through online stores. The commercial appliance market is spoiled for choices.

In gas appliances, there are country-specific norms or old regimes for the sizes of connectors, valves, nozzles, and gas pressures which complicates occasional cross-border sales of commercial gas appliances.

Street food entrepreneurship levels can be divided into a few categories. There is more about the street food business in chapter 1.3. First category of the street food business are amateur chefs. There the street food business is the occasional activity by the associations, restaurant, catering company, hobby club or similar arrangements of own events occasionally. Usually, in those cases, Teuvan Keitintehdas appliances, self-standing and detached outdoor cooking appliances, are used directly under the sky or in the gazebo. That is the first level of the street food business evolution. The next category of street food entrepreneurship are professionals, whose street food business is done more from the food trucks and trailers than from the gazebos.

A kitchen in a trailer or food truck is similar to the restaurant or catering kitchen, only on a smaller scale, as shown in Figure 1. The appliance type in trucks and trailers are built-in, the appliances are integrated into the kitchen furniture.

Due to the nature of the appliances used in food trucks and trailers, the food trucks and trailer manufacturers could be considered as substitute competitors and customer groups for individual appliances the company produces.



Figure 1. Food truck kitchen (mobile-cuisine.com 2020)

The other group of possible substitutes for street food business, in general, are the platforms-based food delivery companies, which deliver food from the contract restaurants to the address given by a client. On the other hand, food delivery platform companies “cloud restaurants” are also a business possibility for street food chefs. Examples of platform-based food delivery companies are (postmates.com 2020) (geteatstreet.com 2020) (wolt.com 2020) (foodora.com 2020) (ubereats.com 2020) (Deliveroo.co.uk 2020) (doordash.com 2020) (skipthedishes.com 2020) (just-eat.co.uk 2020)

The market share of the case company in the domestic market is high based on the sold items to the event organizers annually compared to the number of the event organizers in Finland. The market share is unknown for professional street



food chefs and caterers; these small private companies use the case company's appliances or similar European competitors' appliances.

Some street food companies and caterers use appliances targeted for consumer use, and some build the appliances themselves. The size of the domestic market for professional street food appliances is challenging to define. There is no data available directly. According to tullitilasto inquiry q4/2018-q3/2019 (Appendix 1) the import of the gas-operated cooking, frying, grilling appliances were annually 14,6 M€, from which 13,6 M€ is imported from Asia, 0,7 M€ from Europe and 0,3 M€ from North America. (Lappalainen 2019)

In addition to imports, there are domestic manufacturers in the professional street food appliance segment. The case company and Opamuurikka produce such appliances. Opamuurikka Oy produces cooking appliances primarily for consumer use in domestic and export markets and professional segments. Opa Muurikka Oy has a few products suitable for professional use based on the size and capacity of the appliance. (Opa Muurikka 2020)

TMK Tori- ja markkinakaupan palvelukeskus Oy is known in Finland for importing and selling German Gastrogrill. Professional grill business is one business area of many for TMK. The grill is designed and produced for the professional street food segment. (TMK Tori- ja markkinakaupan palvelukeskus oy 2020)

In addition to the imported and manufactured appliances, street food entrepreneurs manufacture appliances themselves. According to street food entrepreneur, Jussi Harju from Laidun Hereford Oy, who says that the share of self-made appliances is small. Harju mentions that most street food companies build barbeque smokers and large-sized frying pans themselves. (Harju 2020)

According to my estimation, most imported appliances are targeted to consumer markets and sold through the shops and store chains. The offering in the shops is concentrated on affordable grills which Chinese companies produce.

Opamuurikka Oy turnover has been 2018 7,6 M€. Their products are designed mainly for the consumer markets based on the size and capacity of the appliances. They are known in the export market besides the domestic market. TMK turnover in 2018 was 3,2 M€. (Finder 2020)

The accurate estimation of the domestic market size of the professional street food appliance is difficult to compile due to the lack of source information. A directive estimation can be done by comparing different pieces of information and making assumptions of the share of the professional appliances sold by companies. The case company has been in the street food appliance business since 1995. The estimate can be refined by comparing the estimate with the estimates of the Sales Manager Liisa Laurila-Perälä and Managing Director Henri Penttilä of the case company.

If TMK's share of the import of cooking appliances from EU countries is 5-20 % and their share of the professional customers of the grills is 80 %, their sales for the professionals be with 40 % would sales profit be 42 – 168 t€. Opamuurikka Oy's sales in the professional segment in Finland is estimated to be 1 – 3 % of their turnover, which would be 76 – 228 t€. The case company, other domestic manufacturers and own production value is estimated to be 300 - 400 t€. If 1-3 % of the imported gas/electricity operated cooking appliances are sold to the professional segment, would the market size share be 200 – 600 t€ in total if TMK share of the import is reduced. Based on these rough estimates, the professional street food appliance market size in Finland is approximately 0,6 – 1,4 M€.

According to Mika Koski, the Managing Director of M-Partners Oy the estimated number of food trailers and food trucks sold in Finland annually may be about 50 pc. M-Partners Oy has been producing food trailers for several year since 2010s. (Koski 2020) If an appliance cost is 4000 € per trailer, would the appliance market for food trucks and food trailers be 200 000 € annually. Typical appliances in food trailers are grills, cook-tops or deep fryers, refrigerators, ovens, tables, and cooker hoods. The estimate of Koski supports the annual appliance market size estimation of 0,6-1,4 million euros because food trailers are in the minority

compared to the street food companies selling food on the street directly or from a gazebo.

Henri Penttilä, the Managing Director of the company, estimates from the experience that comes with the extensive business experience that street food appliance market size in Finland would be under 2 million euros. The Sales Manager of the company, Liisa Laurila-Perälä, estimated based on 4,5 years of sales experience of the street food appliances, that the market size of the street food appliances is approximately 1 million euros. (Penttilä 2020 2) (Laurila-Perälä 2020)

Comparing the estimates done, the market size of the street food appliances in Finland is likely 1-1,5 million euros annually. For the case company, the market size in Finland is small. It is not economically viable to invest in developing business in Finland because the expected return would be negligible. Export markets instead provide higher business potential due to the higher population. Within the EU, the population is over 500 million, and in Finland, 5,5 million. (Eurostat 2021)

Comparing the size of the European Union street food appliances market with the size of the Finnish market directly based on population, the size of the European Union market would be 100 times bigger than the Finnish market.

In Finland, the cold climate shortens the season for doing street food business, and the sparse population weakens the conditions for the street food business. On average, the population density in the European Union is significantly higher than in Finland, see Figure 3. In addition, due to the northern location, the climate in Finland is colder than the EU average. For these reasons, the market for street food appliances in Europe is larger than the market size calculated directly based on the population mentioned above. The market size of the street food appliances in all the EU could be 150 - 300 million euros.

The case company has been present in the street food appliance business for 25 years in Finland. TK aims to increase street food appliance business segment volume and profit significantly. Due to the limited size of the Finnish market in street food appliances, exporting is needed to grow the business. The company needs to redesign its business model and a customer value proposition to enter the export market successfully.

This thesis will be a part of TK's business model development work. This thesis develops a customer value proposition for the case company in the street food appliance business. Therefore, the company has a motivation to commission this development work for the customer value proposition.

### 1.3 Street Food

According to FAO about 2.5 billion people eat street food every day. The definition of street foods provided by the FAO is:

“Street foods are ready-to-eat foods and beverages prepared and/or sold by vendors and hawkers especially in streets and other similar public places.” (Fellows & Hilmi 2011, 2)



WHO defines in their safety requirements publication street-vended food as foods and beverages prepared and/or sold by vendors in streets and other public places for immediate consumption or consumption at a later time without further processing or preparation. (World Health organization 1996, 2)

Figure 2. Street food bike, Paris 1.3.2020 (Palonen 2020)

On the consumer side, street foods are easily accessible, cheap, and particularly apt for the rural, peri-urban, and urban poor. Street vending alone accounts for the employment of millions of poor and unskilled people who have limited formal education. (Fellows and Hilmi 2011, 9)

British national association for caterers NCASS expresses on their web-page



Figure 3. Street food trailer in Paris 1.3.2020 (Palonen 2020)

about street food: “Street Food is the growing scene of top-quality artisan food being sold on the street, whether that be from a market, high street or event. From its underground beginnings, Street Food has become an innovative and engaging social phenomenon, and is considered to be one of the most innovative and engaging trends in UK catering. Street Food traders can sell any type of food (but it must be of high quality) and operate from any type of unit including stalls, gazebos, carts, trailers, vans, trucks and many different conversions including Citroen H Vans, VW camper vans... Even fire engines! The wackier the better.” (The Nationwide Caterers Association, 2020)

In developing countries, street food is an essential part of the nutrition of people and a basic income for a large group of people. In developed countries such as the UK, street food has less nutritional importance or income for poor people. It is seen more as trendy gourmet food served in different types of public and private outdoor events and at dedicated street



Figure 4. Street food cart in Paris 1.3.2020 (Palonen 2020)

food market areas and streets. In both developed and developing countries, street food business offers a low barrier of entry to the food business. The required investment is low to start.

### 1.3.1 Mobile catering versus street food concept

Nationwide caterers association NCASS in United Kingdom divides mobile & function catering into six different sub branches which are 1) Event catering 2) Street food catering 3) Road side catering 4) Function catering 5) Market catering 6) Location/Crew catering (The Nationwide Caterers Association 2020)

In the general discussion, the concept of street food is considered broader than the definition of NCASS. In this thesis, the idea of street food covers all mobile cooking done in a business sense. Thus, the concept of street food does not cover all mobile cooking, such as mobile catering in crisis management situations.

### 1.3.2 The case company's customer types

The case company's customers who buy street food appliances are street food entrepreneurs, restaurants, catering companies, and food manufacturers. In addition, small event organizers such as cities, parishes, companies, sports clubs, different types of associations and political parties, and equipment rental companies. The appliances sold to street food entrepreneurs were typically used to prepare and sell food in the streets, marketplace fairs, trade fairs, and significant public outdoor events such as concerts and sports competitions.

Restaurants use the appliances usually at holidays and summertime when they enlarge restaurant activities outside of the restaurant. Typically, they buy large size grill for such a purpose. Catering companies also buy grills and large-sized mobile cookers for preparing soup or porridge for a large group of people. Occasionally cookers and grills are rented by restaurants and catering companies. Food manufacturers use the case company appliances in important events preparing the food they produce for the public. In these cases, the purpose of the food manufacturers is more marketing the company and products than earning income by preparing and selling food.

Small event organizers are currently the largest group of customers for street food appliances. There are few customers in the case company's customers for whom preparing and selling street food is a full-time job. It can be a hobby or a part-time, or an ancillary business. However, globally, the street food business is the primary industry for many entrepreneurs, with more than 3.5 billion people eating street food every day.

### 1.3.3 Street food definition in this Thesis

In this thesis context, I define street food followingly:

*“Street food is ready-to-eat, traditional, or gourmet food cooked in the streets, public places, or events.”*

### 1.3.4 Typical food offered by street food companies

Customers in the street food segment of the case company broadly prepare various grilled dishes, especially grilled sausage, which is the main dish for casual and small event organizers. Sausage tastes good, is easy to store and prepare. It is easy to eat from a stand without tables, chairs, dishes, and cutlery. In addition to these, the case company's customers prepare a variety of soups and pan-fried paella-type dishes. Customers who prepare food for a vast number and are offered cheaply or free of charge, for example, in connection with election campaigns, often choose soup food.

Other typical street dishes include pancakes, crepes, hot dogs, ice cream, waffles, pizza, noodles, burritos, paninis, sandwiches and a variety of potato or rice-based dishes. Typically, the food is grilled, fried, cooked, heated, or kept warm or cold. In addition, food ingredients are cut or processed and mechanically processed and digested before they are often combined with different foods and packaged in spectacular and tasty portions of food. Because of the wide variety of dishes on offer, the equipment and facilities of the street food kitchen must be appropriate to the food on offer.

### 1.4 Theories about Business Model and Customer Value Proposition

The planning and development of operations based on the business model and business research has grown enormously in the 21st century. The material found in the database of the Lapland University Library with the keywords business and model and development has grown enormously in the 21st century until 2019. A business model is ideal for presenting and planning a company's value production and related elements. The model helps to perceive wholes better and focus on the right issues. This thesis is mainly about developing a customer value proposition for the case company. A customer value proposition is a fixed part of the business model; therefore, it is good to understand the business model concept.



The business model includes four interconnected elements that together create and deliver value. Furthermore, the most critical attribute of a customer value proposition is its precision; how perfectly it nails the customer's job-to-be-done – and nothing else. Job-to-be-done is to solve a significant problem or fulfill an essential need for the target customer. Offering defines not only what is sold but how it is sold. (Johnson, Christensen & Kagermann 2008, 106-109)

The business model is also described as a model of how companies capture the value and how customer value is created and delivered. (Osterwalder & Pigneur, 2010, 14) Osterwalder and Pigneur define customer value very similar to Johnson et al.

"A business model is a framework or recipe for making money -for creating and capturing value." (Afuah, 2014, 4) Unlike the definitions of Johnson et al and Osterwalder et al of a customer value proposition, Afuah highlights that customer value proposition needs to be better than competitor's CVP.

If a CVP is better than competitor's CVP, it means that all business model is better than competitor's due to the competition. On the other hand, creating a winning business model should also mean less competition. Unlike Johnson and Osterwalder, Afuah has incorporated a growth model component into its business model (Afuah 2014, 5).

A great business model always creates imitation and competition. According to Afuah, companies would need to have a growth model to grow profitable even though the competitors try to imitate the business model. Therefore, companies need to develop business models constantly. (Afuah 2014, 8)

Michael E. Porter states that a company's competitive advantage comes from how a company's business model elements fit and reinforce one another, that makes also imitation harder. (Porter 2011, 21,27)

However, a business model cannot work or is useless unless customers do not know the company or understand the customer value a company delivers. There is only a little discussion of the topic in the business model literature. Osterwalder and Pigneur highlight customer communication in their business model. One main component of their business model is "channels." The component defines the interface with customers in the communication, distribution, and sales channels. (Osterwalder & Pigneur 2010, 26)

Strategy theories are in many ways similar to business model theories. Strategy theories highlight more the positioning of a company in its surroundings and a route to achieving its goals. "Strategy is a creation of a unique and valuable position, involving a set of activities." (Porter 2011, 16)

In summary, one could state that:

*"The idea of a business model is to provide a product and/or service to a customer from which the customer benefits financially and/or achieves something and/or solves the problem so that the company earns profit with processes and resources optimized to produce customer value."*

Derived from the statement, a customer value proposition helps the customer earn money and/or achieve some objective (status, credibility, for example) and/or solves the problem(s) of the customer.

#### 1.4.1 Business model innovation

The purpose of the thesis work is to develop an entirely new CVP, which would be part of the new business model of the case company. Innovation is essential in developing or creating new CVP.

According to Karan Girotra and Serguei Netessine, Business model innovation is a wonderful thing. At its simplest, it does not necessarily require new technologies, new products, or new markets. It can be a change in working

patterns or decision-making. Typically companies' business model innovation is an ad-hoc process lacking a framework exploring opportunities, and therefore companies miss inexpensive ways to improve business. (Girotra & Netessine 2019, 43)

Afuah states that "a business model innovation is a framework or recipe for creating and capturing value by doing things differently" (Afuah 2014, 4). Joe Tidd states business model innovation accordingly: "By definition, business model innovation enlarges the existing value of a market, either by attracting new customers or by encouraging existing customers to consume more. Business model innovation does not require the discovery of new products or services, or new technology, but rather the redefinition of existing products and services and how these are used to create value." (Bessant & Tidd 2015, 474)

"Innovation is a process by which a domain, a product, or a service is renewed and brought up to date by applying new processes, introducing new techniques, or establishing successful ideas to create new value." (innolytics.ag 2021)

Business model innovation and Blue Ocean strategy have a similar underlying idea. Kim and Mauborgne express the Blue Ocean strategy to create something new with no competition. In addition, they express that it is creating a market by managerial work. Further, they define the blue ocean strategy to be creating value with low cost. (Kim & Mauborgne 2011, 129, 135)

According to Kim and Mauborgne, blue ocean creators can generate scale economies very rapidly, and at the same time, low costs discourage other companies from imitating business models. (Kim & Mauborgne 2011, 139)

Some generally known famous business model innovations have combined the elements of the different branches into a new entity while reducing costs and gaining new customers segments; such as Henry Ford lowers production costs by being the first to apply an assembly line to automotive manufacturing in T-Ford manufacturing early 1900. Similar idea, conveyor line was used by food industry already in 1830. Cirque Soleil combined elements of theatre and circus. Costs

were lowered, offering differentiated and new customer groups were attracted to the circus. (Chan & Mauborgne 2011, 123-125, 133)

Some business innovations are designed to meet customer needs better while solving customer problems. Rolls-Royce jet engines and Hilti tools are offered as a service to customers. Products still do the job, but at the same time, customers have fewer worries about maintaining the tools and engines. The companies create and capture the value and are moved away from the traditional engine or tool business.

One of the objectives of this thesis work is to find new inexpensive solutions to fulfill customers' needs, solve their problems, and help the customers achieve their goals. As the needs, problems, and goals are studied, it is possible to generate ideas for customer value propositions the case company can do, evaluate them, and suggest an appropriate proposition.

The business modelling and creating customer value proposition functioning can be seen in action and is a continuous process. Magretta writes that business modelling is a management tool for creating, testing, and revising business hypotheses. (Magretta 2019, 6).

Matti Kautto writes in his article that all components and processes in a business model need to be in balance because the weakest component or process may cause problems in all business model value creation. Further, Kautto writes that the business model framework needs measuring and analysing critically and continuously. (Kautto 2019, 25-26)

A customer value proposition is part of the business model, and therefore the suitability of the value proposition to the case company is evaluated theoretically by Varim or Vrio analysis.

## 1.5 Research Objective and Questions

The research is being done because the case company wants to develop its street food appliance business in Europe. The study is used to find out the needs of the customers so that the supply can be designed to suit the customers.

Developing a new customer value proposition for a case company requires much information about the business area for which the customer value proposition is targeted. Therefore, the first step is to collect information about the street food business.

In order to develop good customer value proposals in this work for the case company, it is necessary to find out how street chefs cope with their work and what problems they have that hinder successful work. It is also good to find out what kind of goals the street chefs have.

In chapter 4.2, a customer value proposition helps the customer earn money and achieve some objective (status, credibility, for example) and solves the problem(s) of the customer. In general, business model literature describes customer value to produce excellent customer value when a product or service helps the customer complete their work.

The first research question aims to determine what factors are essential for street food chefs to succeed in their work. The question is; What are the problems and challenges of the street food business?

The goal of the second research question is to develop a new customer value proposal for the case company. A good customer value proposition helps the customer achieve their goals by solving their most significant challenges and helping them complete their work. Moreover, it enables a company to make the customer value proposition to make money by offering benefits to its customers with its products (Afuah 2014, 26). The second question seeks to answer the question, what is the new customer value proposition in the street food segment of the case company?

The goal of the third research question is to find out the essential issue to be considered in continuing business model development work. The third question seeks to answer the question: What are the essential issues to be considered in developing business model further?

## 1.6 Scope and Limitations of the Research

The purpose of the work is to develop a customer value proposition for the case company. Therefore, extensive analysis of the competition and operating environment is excluded.

## 1.7 Structure of the Thesis

The chosen methodology is presented in Chapter 2. The data gathering and analysis methods are presented with theoretical support. The subchapters describe the theoretical framework of this research. Chapter 3 deals with the first and second research question data gathering, results, and analysis with the support of secondary data and related theories with a brief discussion.

In chapter 4, the emphasis is on handling, developing and testing of new CVP for the case company. The ideation is based on the chapter 3 analysis, literature and theories. Chapter 5 seeks to answer research question 3, which is theoretical. It contains data gathering from secondary sources such as literature and researches. Chapter 6 presents conclusions and a discussion about the thesis work.

## 2 METHODOLOGY

The research method, data collection and analysis are explained and discussed in this chapter. The study is practical, focusing on the problem of the case company.

Business research is a production of knowledge for problem-solving in a business context. Moreover, successful business research requires continuous interaction with managers. (O’Gorman & MacIntosh 2015, 5-6)

Business research helps management make decisions through systematic and objective research rather than intuitive data collection. Often, Business research answers practical questions about the business. (Zigmund, Babin, Carr & Griffin 2010, 5)

### 2.1 Single Case Study

The research was conducted to solve a specific and practical problem in a case company. The case company has started developing a business model in the street food segment. The first step of developing a business model is to develop a customer value proposition hypothesis using a systematic method. Therefore, the thesis is the single case study type.

This case study is conductive development work. The first research question examines mainly empirical data based on the experiences of the focus group from primary sources. In the second research question, analysis of the first research is used as a data source among other primary and secondary. The third research question is theoretical, with secondary data sources used.

“The backbone of every research project is the collection of data that a researcher has identified as worthy of analysis. Interviews, survey questionnaires, publicly available information and audio-visual material are all potential sources of data to a researcher.” (Papachroni & Lochrie 2015, 75)

The case research study focuses on describing, understanding, predicting, and controlling the individual organization. (Woodside & Wilson 2003, 2) A case study in a business context observes situations and conditions related to a business problem. (Yin 2014, 4) Case research is suitable for approaching and understanding a practical problem and often examines how, why, or what questions. (Papachroni & Lochrie 2015, 81)

## 2.2 Data Collection

The research methods used were interviews, questionnaires, observations, and literature reviews.

The literature review was the first part of the data collection. Theoretical data were collected before the empirical part to understand the related business model theories and the field of business comprehensively. Based on the theoretical information collection, the framework for the research were created. According to Yin, theoretical knowledge helps create a theoretical framework for data collection and analysis. (Yin 2014, 39)

Data collection continued with an observation in the focus group's professional social media groups, where data relevant to the study was searched from specific questions and comments of groups' members. Focus groups have the knowledge and experiences about the research issues. (Lochrie, Curran & O'Gorman, 2015, 123).

According to Lochrie et al, there are a few issues to consider in observational research. The issues are access to the information, where the researcher's role must be distinguished if overt or covert, the sufficient knowledge of the research context that allows appropriate data to be collected. Other issues are ethics about consent from the participants and relevant organizations, data collection aims and objectives, observation guide that reminds researcher in gathering information concerning specific themes and awareness of other observations



beyond the guide, data recording, handling problems, and data analysis. (Lochrie, Curran & O'Gorman 2015, 132-135)

In the observation, all data is publicly available for every Facebook member globally joined in the groups "street food", "street food love", and the group "food cart, Food Trailers, Food Trucks, Food Equipment for Sale." The role of the researcher was covert and therefore did not have any effect on the data. Due to the nature of data in social media, which is publicly available, consent using data was not asked. There was a focus on data collection aims and objectives to observe relevant information for the study. Data is stored and classified to handle information quantitatively.

A questionnaire of office forms was addressed to the focus group in which questions were answered on a Likert scale. The questionnaire contains different questions, including basic information about the respondent, issues challenging for the respondent in his/her street food business rated in a five-level Likert scale, then a group of questions identifying the importance of different properties of street food unit in four-level Likert scale. Thereafter, a group of questions tried to identify the level of interest of specific business models whether the respondent would start or enlarge its business in a five-level Likert scale. The last part of the questionnaire mapped street food consumers' view on the most critical issues in consuming street food. The comment field was after each question group.

The following data collection method was to interview a few experienced street food chefs. The interview was semi-structured and based on the body of the questionnaire. In the interview, the experienced street food entrepreneur answered the questions supplementing the data on the root causes of the answers. In addition, the interview collected background information on the reasons for the observations. Information from the interview was used to supplement data from other sources.

According to (Lochrie, Curran & O'Gorman 2015, 123), an interview may contain social, cognitive, motivation, self-esteem, identity or representation problems. In

addition, there may be a problem with autonomy or determinism. During the interview, none of the listed problems was noted.

Versatile data collection enables triangulation, which supports similar findings from different sources. (Yin 2014, 120-121)

### 2.3 Data Analysis

In this thesis, data is in qualitative form. Primarily observation and interviews provided plenty of qualitative information.

Qualitative data may be in several forms, such as notes of interviews or field study or another form of text. Data is needed to transform or simplify into sensible form for the analysis by coding data. Codes can be developed before or after data collection. (Sang & Sitko 2015, 140)

Data from the observation were relevant to the study and required qualitative analysis. There was a substantial qualitative data available, and thanks to the focus group, it was rich in information. A large number of posts and comments were browsed in three street-food related groups on Facebook to find the relevant post for the study. The street-food groups browsed contain (18.12.2021) over 300 000 members globally with the vast amount of posts and comments.

The post selected asked for advice for novice street chefs, "What advice would you give someone starting their first food trailer?". The question is ideal for this thesis research because it examines the challenges and problems of the work of street food chefs. The meaning of advice is to guide or instruct someone to overcome challenges or problems regarding the future.

The question yielded 106 pieces of advice for the questioner. Since the analysis examined free-form and different-style comments, hermeneutics and themes were needed to interpret and classify the comments to present them qualitatively.

According to Sang and Sitko, Braun and Clarke states that thematic analysis is a "method for identifying, analysing, and reporting patterns (themes) within data." (Sang & Sitko 2015, 144)

Further, according to Sang and Sitko, Braun and Clarke (2006) define thematic process accordingly; 1) Familiarisation with the data, with a description of the process and data transcription (if necessary). 'Active' reading and writing down initial ideas. 2) Generating initial codes, where coding data in a systematic fashion across the entire data set 3) Searching for themes, which means re-focusing the analysis at the broader level and forming codes into potential themes. 4) Reviewing themes, i.e., checking themes against the coded extracts and in relation with each other and forming a thematic 'map' of the analysis. 5) Defining and naming themes, further refinement of identified themes and locating the overall story of the analysis. 6) Producing the report with the analysis results with vivid extract examples and comprehensive commentary. (Sang & Sitko 2015, 145)

The last phase of the analysis was to find themes and patterns between the Likert-scale questionnaire analysis and other data source analyses.

### 3 STREET FOOD CHEFS' PROBLEMS AND CHALLENGES

Angel Johnson asks about the Facebook group "Food Carts, Food Trailers, Food Trucks, Food Equipment for Sale", 6.5.2020: "What advice would you give someone starting their first food trailer?" (Johnson 2020)

Angel Johnson's question fits perfectly with the data collection when examining customer value for street cooks. Experienced street cooks highlight critical issues to find out before starting a street kitchen business. The information helps to make a customer value proposition. In addition to this, the business of the case company is currently manufacturing street kitchen equipment. Street cooks procure equipment when starting the street kitchen business.

The question received 140 comments in 23.10.2021, including 106 pieces of advice. (Appendix 2) The various replies were analysed and classified into different categories. There were short and precise pieces of advice, but some sarcastic ones. For instance, the comment: "Don't be nasty bitch." is coded into the "good service" category. The data was read and reviewed several times to find themes and get clear coding done.

Several commentators mentioned that they had been in the street food business for years, some for decades.

Table 1. Classified pieces of advice.

	ADVICE
Simple menu, high quality/innovative/showy food	25
Good service	14
Good location	9
Do proper business research/-plan	8
Work hard	7
Good & distinctive appearance of food truck	6
Do right level pricing	5
Don't do it	5
Active social media marketing & good photos	5
Start small	4
Be consistent with menu, food, quality	3
Buy high quality generator	2
Networking	2
Other advices (Hygiene, covid, payments..)	11
TOTAL	106

### 3.1 Analysing Results of Observation

By far, an essential piece of advice the street chefs disclosed was the food itself. The food should be good, innovative, showy, of uniform quality. A simple menu went hand in hand with the advice. The general advice was to focus on a few foods and do it well.

The second most common piece of advice was good service. In this context, it should provide a friendly and fast service event. Street food chefs can provide fast service when the menu, working methods, cooking appliances and kitchen layout seamlessly fit. Thus, good service is also associated with kitchen appliances. Naturally, the quality of the food must meet the customer's expectations.

The third most important piece of advice relates to where the street food chef provides the service. "Location, location, location" was the advice of one of the commentators. Many commentators named location as an essential piece of advice to consider. One comment also advised providing food that suits the clientele of that location. In a location, there must be enough potential customers in the location.

The fourth most common piece of advice was to make a business plan well. A business plan includes:

- Planning about the product, i.e. a menu
- The price
- Selling location
- The kitchen itself

It can be said that almost all of the critical advice relates to a business plan that seems to be the biggest problem or challenge when starting a street food business. For this reason, *the case company should solve the issues related to the business plan in its customer value proposition*, not just provide a street kitchen appliance. There was no advice related to the appliance alone other than getting a sound generator. The critical pieces of advice related to the business plan and menu are closely related to cooking appliances.

When a Street Food Chef is starting a street food business, the type of food must be selected before purchasing the street kitchen. Cooking appliances and supplies must be suitable for the food being prepared. The cooking equipment selected must be suitable for the cooking of the food to be prepared.

### 3.2 Street Food Survey and Interview

The survey is divided into a few part, Appendix 3. After collecting the primary data, the first question group (question 5) are pre-formulated questions to find complicated or accessible issues in the street food business. Question 7 examines what is essential in the street food business. The third set of questions, question 8, examines interest in the case company's ideas about various CVP's for street food companies. In the last part, question 9 examines the street food business from the perspective of the street food customer.

### 3.2.1 Interview of Street Food Chef Jussi Harju

Jussi Harju is a part-time street food chef, breeder of Hereford cattle and owner of the meat processing company "Laidun Hereford". A street food business is under Laidun Hereford's brand, known in Finland from a marketing slogan "better meat than in Tinder" that made a splash. The interview is based on the standard questionnaire "Street Food Survey", Appendix 3. Harju supplemented and commented on questions in the interview question by question.

Harju's street food company operates all year round, a few days a week, daily in the summer. Harju sells street food at events, busy parking lots and markets. Harju's Street Food company is located in Finland, Northern Europe. The main products in the kitchen are meat dishes, especially burgers. According to Harju, it is practically impossible to prepare raw meat food in street kitchens due to strict health and hygiene permit practices.

Harju finds marketing and digital marketing easy for the street kitchen, as the street kitchen operates under the Laidun Hereford brand of the meat processing company. The marketing of Laidun Hereford has been strong for years, especially on digital channels.

Harju says that it is easy to procure, prepare and store food. All street food raw materials are pre-cooked, prepared and stored in the kitchen and factory of Laidun Hereford meat processing company as well as preparations for other raw materials. In the street food trailer, foods such as burgers are baked and piled from pre-cooked ingredients. According to Harju, the fluency of cooking and the production capacity are essential and cause problems. Especially during events and bar closing times, cooking speed and capacity are essential. Harju has been considering purchasing a heated cabinet to prepare the portions in advance. According to Harju, the heated cabinet is questionable, as customers may not want to buy pre-made portions from the cabinet. Food sales volume at events are uncertain. Therefore, the street kitchen must be equipped with a freezer and defrosters to avoid waste and running out of food.

Harju says it is challenging to create an attractive menu and recipes. Creating good street food products takes time and development work. Harju thinks it might be a good idea to get the help of top chefs to create recipes and menus.

Harju says that hygiene requirements, waste management, and the cold chain maintenance are accessible, mainly thanks to its meat processing plant.

According to Harju, the customer dining area and furnishing are difficult. A good dining area and furniture would increase sales. On the other hand, transporting, moving and dismantling furniture requires separate transport equipment and much work. Lack of space can also cause a problem for furnishing.

Harju says that the number of investment costs and the financing of investments would be complex, especially when starting a street food business. He says many street food businesses do not start because of the high start-up costs. According to Harju, it is a good idea that the street kitchen could be leased during the high season if the price was financially reasonable. There is a leasing option today, but often the minimum lease period is too long compared to the length of the season.

According to Harju, the necessary permits and licenses can also be a barrier to starting a business due to long processing times.

According to Harju, the most important thing about street food appliances is durability. Harju has used cheaper and less well-structured street food equipment, but they do not last in professional, continuous use. Power and capacity are also often insufficient. Harju says that the purchase price is not essential if the cooking appliance lasts, is efficient, and is easy to use and clean. Harju says the availability of spare parts is crucial.

Harju does not consider the energy efficiency of kitchen appliances to be very important, but there must be enough cooking power. In addition, he said, the



versatility of the kitchen space, the modularity of the appliances and compatibility, and kitchens' layout functionality are essential. If the cooking appliance is mobile, Harju considers the small storage space of the device is necessary.

Harju also considered the possibility of different energy production options important. According to him, it is common for power outages to occur, especially at events. The same thing came up in an observational study (chapter 8.1.1.) where a street food chef advised a novice to get a decent generator.

The last part of the interview explored Harju's perspective on a few ideas the case company developed connected with this thesis. The first question is related to the possibility of starting a street food business on a franchise basis or expanding its operations on a franchise basis.

The idea was, for example, that a well-known restaurant would offer a street food unit to street chefs interested in franchising. In this case, the restaurant prepares a menu and products for the entrepreneur, offers the equipment through a case company, and provides its well-known brand and marketing support for street food chefs. This idea would make it easier to enter the industry and solve the problems of street food chefs. In this case, the food preparation could also be done in the kitchen of the franchisor's restaurant. According to Harju, the idea is fascinating. He says that, expanding his own street food business accordingly by giving an outside entrepreneur a franchise is an interesting idea and would allow him to grow his own business profitably.

A question related to his willingness to buy a professional service to help start a street food business, Harju says it is fascinating. He says he has learned many things dearly at the beginning of the street food business through a school of hard knocks. Harju would be interested in buying a street kitchen unit or a menu, recipes, and a marketing service, he says he is pretty interested. The interest depends on how the service is priced if it is financially viable.

When asking about the street food customer's perspective, Harju highlights the following factors as the most important;

- High quality and tasty food
- High hygiene level
- Food and packing that allows for effortless eating while standing without a table and chair
- Short waiting time for food
- The appealing appearance of food truck/trailer/cart/gazebo.

According to Harju, a striking street food unit primarily attracts customers to the place. Tasty, high-quality, and easy-to-eat food, on the other hand, makes the customer come again with his/her friends, especially when the food and the street kitchen unit are hygienic. Harju's comment aligns with the observation findings, where the same things were considered essential in a thriving street food business.

Harju says that it is imperative at events that the food queuing time is short. Thus, cooking equipment's capacity and storage space for finished food and semi-finished products are essential. Without capacity, much of the potential sales would be lost.

As a free comment, Harju added that the price of food sold at events is considerably less important than fast service and good food. Regarding the sale of food at events, Harju mentioned that it is difficult to estimate the demand for products in advance for several reasons, such as the weather and the competitive situation. Therefore, food waste must be minimized by bringing ready-made frozen food and thawing it as needed. According to Harju, one-day events are the best because labour and accommodation costs would be small.

### 3.2.2 Street food survey

The original plan was to collect data on a large scale with a street food survey questionnaire. The survey was prepared with office form software. However, the survey proved to be very difficult due to the difficult availability of street chefs. Posting the poll to the Facebook groups of street chefs was unsuccessful, and direct contacts did not work.

The corona pandemic has severely discouraged the street food business globally, which may have influenced the enthusiasm to respond to the survey. Two street chefs responded to the survey, and one was conducted as a telephone interview on December 8, 2021. Another response to the survey came through email contact. The survey and the interview responses support the results obtained through the observation.

The questionnaire cannot be used for quantitative analysis. However, the results can be compared with the observation and interview findings. Thus, conclusions can be drawn, and information used to develop the case company's customer value proposition.

#### 1. What type of street food chef are you?

[Lisätietoja](#)

● Full-time street food chef	0
● Part-time street food chef	2
● Occasional street food chef	0
● I am planning to start street fo...	0
● I am street food customer	0
● What the heck is street food?	0

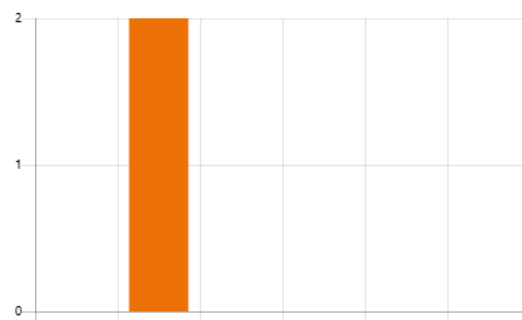


Figure 5. Type of street food business.

2. My street food business is in?

[Lisätietoja](#)

Food truck	0
Food trailer	2
Pop up tent / Gazebo	0
Food cart / bike	0
Permanent establishment	0



Figure 6. Types of the street food units.

3. What is your location?

[Lisätietoja](#)

North America	0
South America	0
Asia	0
Europe	2
Africa	0
Middle East	0
Australia	0

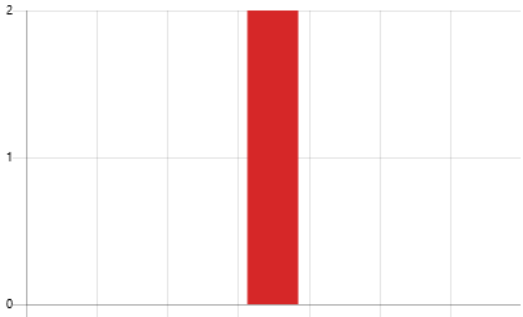


Figure 7. Street food chefs location.

4. What street food do you prepare?

[Lisätietoja](#)

Burgers	1
Hot Dogs	0
BBQ/Smoked meat/sausage/fi...	0
Grilled meat/sausage/fish/veg...	0
Deep-fried foods, Fries/Dumbl...	0
Deep-fried sweet food, Churro...	0
Filled Sandwiches/Rolls/Paque...	0
Panini/Burrito/Fajitas/Tacos/Si...	0
Paella	0
Pizza	0
Soups	0
Pasta	0
Rice	0
Stew	0
Crepes/Pancakes/Waffles	0
Ice Cream/Frozen Yogurt	0
Smoothie	0
Tea/Coffee/Other hot drinks	0
Something else	1



Figure 8. Street food species

5. Please rate the level of different challenges for you in street food business?

[Lisätietoja](#)

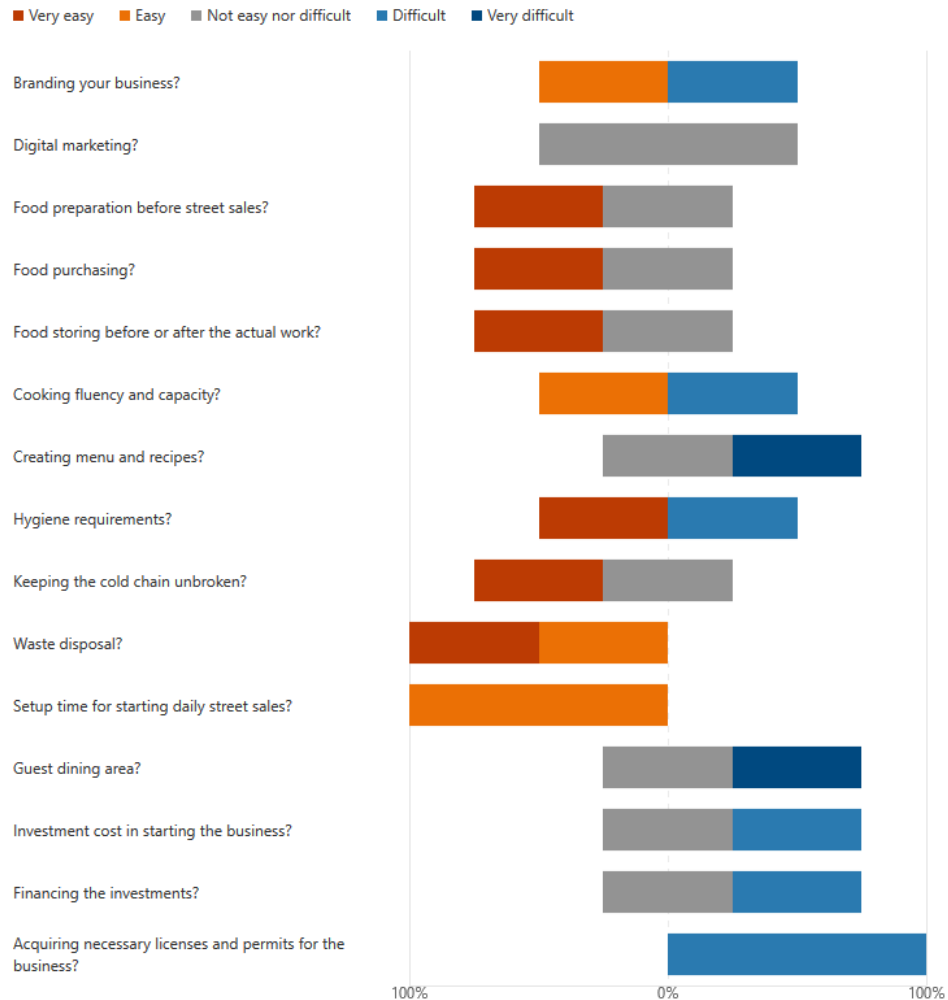


Figure 9. Challenges of street food business.

Question 5 maps out the problems a street food chef faces. The responses indicate that the same things are essential in the observation results, such as menu and recipes, hygiene, marketing, workflow, investment costs and financing.

Another of the respondents has an industrial kitchen and meat processing plant, which causes scatter in the responses. The answers differ in branding, preparatory work, food storage, hygiene requirements, and licensing issues. Thus, it can be assumed that your industrial kitchen and factory would help run the street food business.

6. If you rate something to be difficult or very difficult in the previous question, please tell why it is difficult. Or is there something else especially challenging in running a street food business? What?

[Lisätietoja](#)

2

Vastaukset

Uusimmat vastaukset

"Licenses, ensurances, meetings, pa Lot of paper work are too much ...

"Oma keittiö, josta helppo tuoda katukeittiöön ruuat esivalmisteltu...

7. Please rate the importance of the properties of street food appliances/truck/trailer?

[Lisätietoja](#)

■ Not important ■ Little important ■ Important ■ Very important

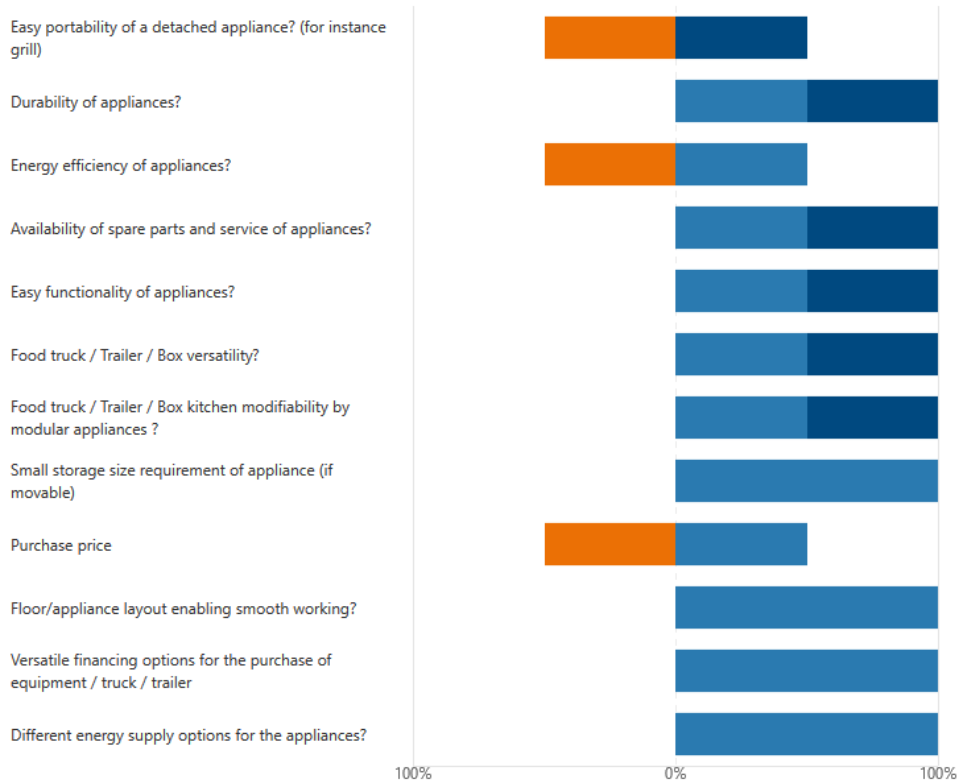


Figure 10. Importance of street food appliance properties.

Question 7 clarified which features in kitchen appliances and the street kitchen unit are considered necessary by street food chefs and which features are less important. The responses of both respondents were very similar. The durability, usability, availability of spare parts and maintenance for kitchen equipment were considered very important. In addition, appliances' modularity and the kitchen's versatility were necessary based on the responses. Modular kitchen devices contribute to the design of a versatile kitchen.

The most significant variance in responses was the easy portability of devices. One respondent rated the feature as very important and another as little. The difference in the answers is probably due to the equipment's need. If there is only one kitchen unit (trailer or truck) from which the service is always provided, the portability of the equipment is not essential. On the other hand, if the service is provided in a tent, easy portability of the equipment is vital.

The purchase price of the equipment was not considered particularly important. Quality is more important than the price in professional use. The answers were utterly consistent regarding equipment storage space, reasonable layout, financing options and energy solutions. Based on the answers, the small need for storage space for the equipment, the functional kitchen layout, the versatile financing options in the procurement, and the versatile energy options are essential. In the observation, the kitchen unit itself or the equipment received only a few comments instructing it to invest in the appearance of the kitchen unit and obtain a sound generator.

8. If you'd be starting or expanding your street food business, would you be interested in...?

[Lisätietoja](#)

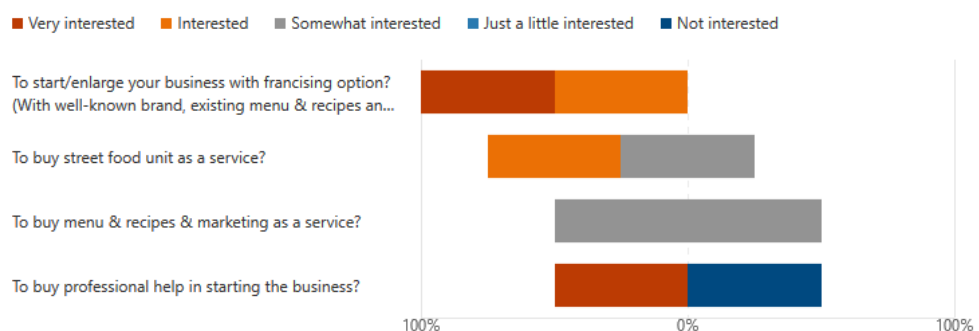


Figure 11. Testing of new business ideas.

The eighth question was intended to examine the interest of a few ideas conceived in a case company in street food experiments when expanding or starting a street food business. The respondents were most interested in the



possibility to start or expand a street food business on a franchise basis, operating with a well-known brand, a ready-made menu and recipes, and a defined street food unit.

The main comment in the observation for the novice street food chef was to focus on quality and an uncomplicated menu. The franchising principle would potentially solve menu and marketing problems well.

A street food study that examined the effectiveness of street food operators using a variety of metrics found that gourmet street food operators were more effective than traditional street food providers. The study involved 820 street food customers and 41 food truck operators. The efficiency figure was compiled based on the input-output ratio and qualitative factors assessed by street food customers. The study also found that street food chefs serving gourmet food had a better awareness of goodwill requirements and gastronomic options (Alfiero, Giudice & Bonadonna 2017, 7-8).

The eighth question also examined the interest of street food chefs in purchasing b) a street kitchen unit and c) a menu, recipes and marketing as a service. According to the responses, both options were found to be of some interest. Instead, d) the purchase of professional help strongly divided the responses.

It can be said that operating on a franchise basis would help a large number of novice street food chefs in terms of quality, productivity, hygiene and other essential aspects.

9. This question is for street food customers! Please tick the boxes which are the most important for you when buying and consuming street food?

[Lisätietoja](#)

● High quality and taste of food	2
● High hygiene level	2
● Vegan food	1
● Price	1
● Ability to see cooking	0
● Food and packing that allows ...	1
● Ecological packing	0
● Option for seating area	0
● Short waiting time for food	2
● Well-known brand	0
● The appealing appearance of f...	1
● Something else	0

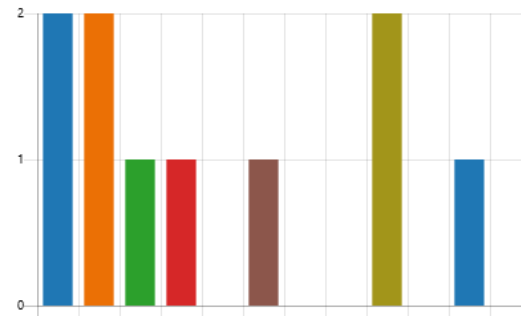


Figure 12. Street food consumer perspective.

The ninth question examined the customer perspective, which the respondents assessed. The answers show similarity in the respondents in high-quality food, which is also supported by the observational study results in Section 8.1.1. Respondents also value fast access to services as necessary to customers.

### 3.2.3 Literature on and problems of the street food business

According to Fellows and Hilmi, the most critical issues for a street food chef in the street food business are marketing, technical and economic factors. Marketing factors include menu, pricing, customer numbers, competitive situation and quality and food safety factors required by customers. The technical factors mention the processes and preparation methods appropriate to the amount of food required and the hygiene and safety procedures involved in the preparation. Other factors include needs for equipment, know-how and labour, and procurement of raw materials. Financial factors include start-up costs, loans, operating costs, cash flow and profit potential. (Fellows and Hilmi 2011, 17, box 4)

The study of street-vended food covering a hundred countries found that most countries report food contamination due to contaminated raw materials, infected handlers, inadequate equipment cleaning and time and temperature abuse. There were shortcomings in the street food infrastructure regarding cold storage, toilet and washing, waste treatment facilities, and access to drinking water. (World Health Organization 1996, 8)

### 3.3 Analysis of Data and Outcome for the Research Question

The data has been collected through an observation, an interview and survey with the experienced street food chefs, and a search for existing research data and literature. The observation generated significantly relevant information that can be analysed statistically.

### 3.4 Limitations on Data Analysis and Reliability

The advantage of the observation was obtaining unfiltered data from the primary source through Facebook group "Food Carts, Food Trailers, Food Trucks, Food Equipment for Sale", 6.5.2020: "What advice would you give someone starting their first food trailer?" The question focuses on acquiring the most crucial information when starting a street food business. The information reveals the main problems of street food chefs. Such information is crucial in developing a new customer value proposition for the case company.

In this study, classifying the information obtained by observation was more difficult than other data collection methods. The free-form comments on social media observed were partly sarcastic or otherwise difficult to understand. For the largest, the comments were professional, and several commentaries commented on their long career in the street food business.

Some commentators have commented on a particular root issue in different ways. Some comments address a specific root issue in detail, and others on the same issue more broadly and differently. For example, the comment to make a high-

quality and straightforward menu is accurate. On the other hand, the other comment to make a good business plan is extensive and includes menu(product) information and much other information, even if the comment has at least some of the same purpose.

In this study, observation did not provide much information about cooking equipment. Instead, the interview provided accurately and requested information about cooking equipment. In the interview, it was possible to focus on why the answer to a particular question is what it is. The questionnaire alone provided the requested information, but there is no reason why the answer to the survey question is what it is.

The number of participants in the survey was minimal. Therefore, it is impossible to analyse data statistically, for instance, the differences between the street food chefs geographically or between the dishes. The collected information supports well-detected models and themes, however. The street food chefs participating in the survey were experienced professionals in the field.

The information gathered in the interview strengthened the findings raised in the observation. In addition, the interview became a wealth of information also for reasons why some point of street food business is essential or not. Street food business connected with customer value proposition was found in one extensive study (Alfiero, Giudice, Bonadonna, 2017, 7-8). The findings of the study supported the results obtained in this study. Data from all sources were consistent and mutually supported. Similar models and themes rose to the analysis of data. It can be said that the data for this thesis is comprehensive and reliable.

### 3.5 Analysis of the Data

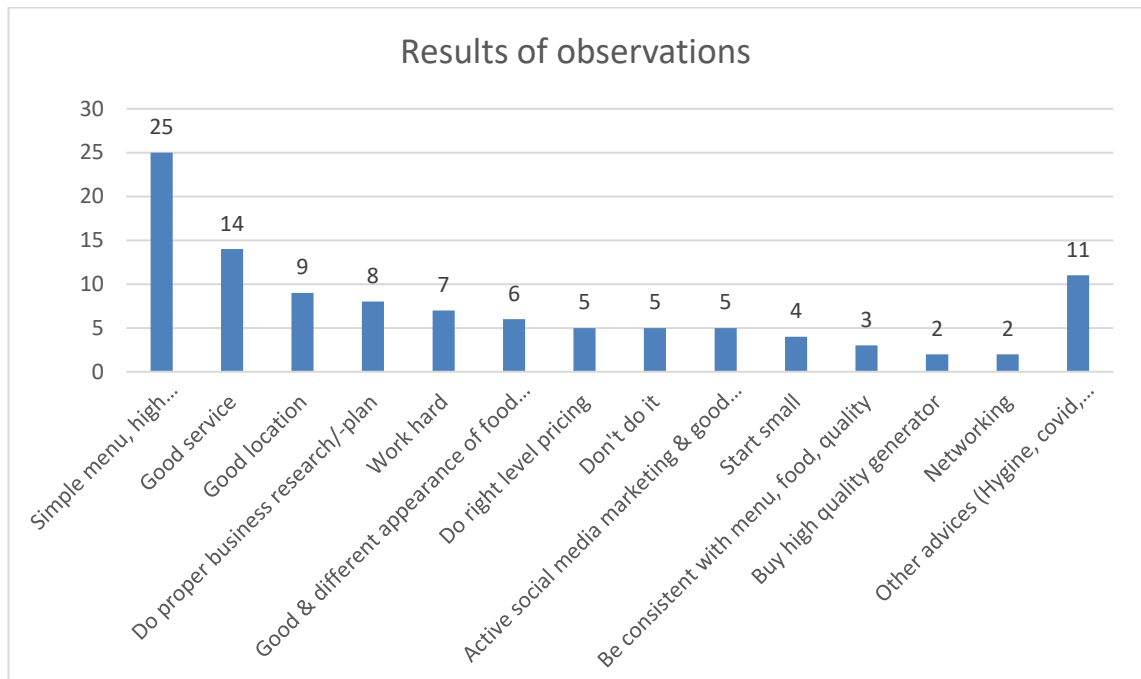


Figure 13. The results of observation

#### 3.5.1 Simple and high-quality menu

The information from all sources of information stressed the importance of high-quality food and an uncomplicated menu. It was the most significant advice in the observation study, 24% of the advice. In addition, some other advices related to high-quality food. In the study (Alfiero, Giudice, Bonadonna 2017, 8), the gourmet street food business was, on average, more profitable than the traditional street food business. Jussi Harju's interview, in turn, commented that good food would bring the customer back with friends, and hence more sales.

Simple menu reduces:

- the need for the number of raw materials
- The need for storage space
- The need for prefabrication for raw materials, semi-finished and finished food
- The speed of the manufacture of food (good service)
- The required amount of work to provide food and service

High quality and innovative food would attract customers and can be priced higher. These aspects mentioned above improve the economic prerequisites for running a street food business. Harju's interview showed that creating good recipes and menu is challenging. The study (Alfiero, Giudice, Bonadonna, 2018, 8) showed that street food chefs offering gourmet food are better aware of hygiene requirements and gastronomic offerings.

A large number of street food customers personal values and habits influence on the perception of the food consumed. It is not possible to satisfy all people's tastes or service needs. The lifestyle of customers (Mustonen 2017, 109) affects which food is perceived as tasty. For example, a vegetarian diet, healthy lifestyles, and habits affect an excellent food experience. In addition, different people have differences in their sense of taste and smell, contributing to a good food experience. From my children's feedback when making food, I find that the mouthfeel of food can be different, and the idea of good food is different. However, even street food chefs should avoid a situation where they strive to offer everything good to everyone.

Based on the data, it can be said that some of the street food chefs have shortcomings in both business and kitchen skills, which is essential to consider when developing the case company's CVP.

### 3.5.2 Good service

Good service was the second most common piece of advice for success in the street food business. This was also highlighted in surveys and interviews as one of the most important customer perspectives. In the study (Alfiero, Giudice, Bonadonna 2017, 5), time spent on service and queuing was taken into account at the service level. In the study, street food providers with fast service and queuing received good marks for quality.

The characteristics of good service were not listed in the data. One observation made the instruction "don't be a nasty bitch." This comment suggested that the service should be pleasant or at least neutral. It was mentioned from a previous study that the speed and short queuing time of a service transaction were considered good service. It can be said that kindness and speed are perceived as good service. Mustonen mentions in her master's thesis, that the various experiences can occur during service, such as sensory, emotional, action, lifestyle, relationship, motivational, and spiritual experience. Moreover, the quality of the service can be experienced as a flow experience, relaxation, boredom, apathy, anxiety, alertness, or a sense of control, or between them. (Mustonen 2012, 109)

In the street food business, sensory experience is vital in the quality of service, i.e. how the food itself tastes, smells, looks and feels. In addition, the street food unit's look, smell, temperature in dining area and sound are essential. The food and kitchen unit itself can be experienced as a good or bad service. The provision of good service is partly due to the personality of the service person. Amenity, diligence, and the ability to organize one's work are at least in part innate qualities that help street food chefs to provide good service naturally. On the other hand, a good service experience can be significantly influenced by good planning. When cooking, kitchen equipment, kitchen layout fit together seamlessly, and the cooking process is designed and defined to be fast, quick service can be accessed regardless of the service person.

It can be said that when the food is tasty, smells and looks good, is well packaged/served, and has a good mouthfeel. Furthermore, when the kitchen unit itself and the environment are spectacular and clean, it smells and sounds good (note noise, music). Moreover, the customer receives friendly service quickly; a good service experience is achieved.

### 3.5.3 Good location

In the data from this thesis study, the third most crucial piece of advice for street food chefs was to place the service in a good location. One comment in the observation section suggested providing food suitable for their customer group, and the customer group can be selected based on location. The location, in turn, is worthwhile for designing a street food kitchen unit to take into account the specifics of the location, such as the size of the kitchen unit and the capacity requirements of the equipment. In a location where customers typically come in clusters or have a large number of customers, the high capacity of the equipment is essential.

Several street food chefs with small street food units in downtown Paris such as pancake chefs (Fig. 3), are moving on a bicycle, pulling or pushing a small pancake-braising cart. They are located along the promenades and having steady flow of customers. They can switch the service place easily and choose a suitable place for service after the customers.

### 3.5.4 Street food unit/equipment

It was interesting for the case company to get data from the kitchen appliances themselves. The finding was that the appliances should be durable, easy to use for cooking and cleaning, efficient, modular, and have sufficient capacity. Moreover, maintenance and spare parts service must be reliable. Based on the data, the price was not considered a critical factor.

The most important thing about the street kitchen unit is its spectacular and distinctive appearance, which attracts customers. In addition, the data were utterly consistent regarding equipment storage space needs, reliable energy solutions and functional and versatile kitchen layout. According to the data, other relevant aspects were the possibility of a comfortable dining area if there is temperature control (parasols, awnings) and music.



### 3.5.5 Business plan

The fourth most common piece of advice was to make a business plan well. The advice contains many essential findings based on the data such as product offering (food, packing), type equipment and street food unit (capacity, durability, usability), location, pricing, production and hygiene, and marketing.

In summary, the biggest challenge for a start-up street food business is to create an effective business plan and thus implement a workable business model. For this reason, the case company should provide a solution to the business model for street food companies, not just provide excellent kitchen appliances.

### 3.5.6 Hygiene

Significant problems or issues to consider in street food are related to hygiene. In the observation part, issues related to hygiene were considered necessary. Based on the literature and research, hygiene problems are widespread. Often the reason is a lack of expertise in food handling and storage. In addition, issues related to the coronavirus pandemic caused problems.

#### 4 NEW CUSTOMER VALUE PROPOSITIONS FOR THE CASE COMPANY

The second research question seeks to answer the question of what would be the new customer value proposals for a case company. The data source is the outcome of the first research question, the case company's information, and literature on the customer value proposition, its development and evaluation.

According to Afuah, the customer buys and continues to buy products if it meets their needs and is proportionally more valuable concerning the competitors, supply and reputation that the customer experiences. Johnson et al defines a *customer value proposition* as an aid to getting a customer to do their critical work. Furthermore, only when we understand the job of the client and all its dimensions can we design an offering that solves the client's problem or satisfies the needs. The most important attribute is the accuracy of the customer value proposition, how accurately CVP fulfils the customer's job, no more and no less. (Afuah 2014, 27) (Johnson, Clayton, Christensen & Kagermann 2011, 107, 110-111)

On the other hand, it is profitable to offer innovative products. Marshall suggests that the firms which offer innovative products are capable of better financial performance. According to Kim and Mauborgne, the blue ocean strategy creates and transitions to a new business district where there is no competition, and the customer gets better value than earlier. From a customer value proposition perspective, customers are offered even better value relative to the price of a service or product. At the same time, striving to stand out with high-value customer products and lower costs by eliminating traditional cost factors where the industry competes on means value innovation. (Marshall 1997, 4) (Kim & Mauborgne 2011, 129) (Kim & Mauborgne 2015, 17)

##### 4.1 The Current Customer Value Proposition

The Case company's customer value proposal is good among street food chefs who randomly organise their events or rent cooking devices into events in

Finland. In this client segment, the company's market share in professional grills is extensive in Finland. The company does a profitable business in the segment. In addition, the company provides large-scale spare parts and maintenance services and technical support, which are relevant to the street food companies.

In more professional street food companies, sales are small both at home and abroad, not due to poor customer value but in small sales and marketing efforts in this segment. Thanks to the results of this work, a professional street food market would be intended to create utilising attractive customer value products. The company intends to invest in the segment and aim the segment to have a strategic position.

In this case, by considering the work of street food chefs more widely than just from cooking, direct tasks include food and raw material acquisition, pick-up, storage and prefabrication, transition to sales location, preparation of street food unit, cash in, customer service, equipment and kitchen washing in the large unit, job management, and staff related to staff.

Other tasks in the street food business include developing the menu, recipes and working methods—furthermore, marketing, maintenance and storing of street food unit and equipment. Furthermore, applying for various permits, certificates, and codes of practice from authorities, event organizers, related license studies, risk assessments, and acquainting. Moreover, food and ingredients bidding, composing offers (catering), kitchen equipment and kitchen layout designing, risk elimination (hygiene and safety) and applying equipment permits (gas), as well as cooperation with event organizers and other enthusiasts that are required to organize a dispersion.

Looking at the results of the first research question about the work and challenges of street food chefs, the case company offering relation to the tasks or challenges of street chefs is minimal. There were no findings related to kitchen appliances in the observation study section.

#### 4.2 How to Solve the Problems of Street Food Chefs?

The essential question is how the case company can solve the challenges and problems of street chefs and move to a business area where there is no competition. And where the value created to the customers is high considering the case company's potential of profit and growth?

The first research question found that street food chefs' most significant challenge is creating an attractive and straightforward menu and recipes, and more broadly, a business plan. In Section 6.2.5. it was stated that the case company should provide a solution to the business model for street food chefs instead of just providing equipment and related maintenance and spare parts service.

When looking at it from the perspective of a street chef, he/she can obtain all the necessary information concerning his/her business and recipes. These ways include studying business and cooking, gaining work experience before starting a business, consulting help, and learning. The comments in the observation section mentioned that many of the street food businesses were terminated early. Furthermore, many experienced street food chefs mentioned that they developed their skills through hard work and learning by doing.

There are easier ways to start a business. It is common to start a restaurant business on a franchise basis in the restaurant industry in which the business model is proven. When a franchising contract includes menu and recipe information and instructions, equipment specifications or complete kitchen unit, support of well-known brand and marketing, product and process requirements and instructions, and training, most of the challenges identified in this study are be addressed.

A survey of McDonald's customers found that 75% of customers decided to eat at McDonald's less than five minutes before purchasing food. Likely, good results can be achieved in a street food business, where the street kitchen is close to the customer and operates with a reliable concept. In practice, the number of people

in the service location by the street kitchen is the most significant factor influencing sales. (Burns 1995 as cited Young, Hoggatt & Paswal 2001, 1)

### 4.3 Street Food Franchising Business

Given the tasks of the franchisor, it is not realistic for the case company to act as a franchisor alone. Developing street food recipes and menus and kitchen working methods on a large scale is impossible. When looking at street food businesses that operate on a franchise basis, franchising concepts are primarily set up by restaurants or street food businesses who have proven concept for running street food business.

There are very few street food franchising concepts based on internet searches. There is no global street food chain comparable to McDonald's; the street food franchising business is the strongest in the United States.

Examples of franchisors in the street food business include ZooHoo's Eatery, which has expanded into a franchising company from a street food company.



Figure 14. ZooHoo's Eatery  
(ZooHoo's Eatery 2021)

Moreover, the street food company KonoPizza has shifted into the franchising business. KonoPizza's speciality is conical pizzas explicitly designed for street

food. The products come portable, easy, and clean to eat without cutlery and dining area. (KonoPizza 2021)



Figure 15. KonoPizza (KonoPizza)

#### 4.4 A Customer Value Proposition Suggestion for the Case Company

Enlarging a business on a franchising basis requires a concept and willingness to enlarge the business. On the other hand, becoming a franchisee entrepreneur can only act if a franchising concept is available. The proposed CVP, conceived by the author, should be aimed at companies willing to grow or expand their existing business in street food. In particular, the model could work for restaurants that want to expand their operations to street food business.

Based on the results of the data collection, possible CVP for a case company in the street food segment may be as follows;

The company offers a street food platform service to restaurants and street food entrepreneurs looking to expand, including, for example:

- Modular and versatile street food kitchen with durable, easy-to-use, and efficient kitchen appliances with different energy options. The case company has 100 years of experience thanks to field kitchen products designed for crisis management.

- Kitchen design service based on recipes and menus created by the restaurant and planned peak capacity needs for equipment and storage facilities.
- Construction of the kitchen unit
- As well as the visualization of the unit based on the brand of the franchisor
- Franchising contract service provides the future franchisor with a comprehensive and well-planned contract proposal between the franchisor, the franchisee, and the case company. The model would work without franchising if a company desires to enlarge within its own business
- Flexible financing opportunities
- And training in unit use, safety and hygiene.
- As an option, scheduled maintenance, storage and spare parts service.

A model like the one described above offers benefits to the case company, the franchisor, the franchisee, and the street food consumer. Below are the possible benefits of implementing an idealized CVP due to the brainstorming session.

The benefits of CVP for case company:

- opportunity to move to the blue sea, where is presumably better opportunities for growth, sales and margins
- exploitation of field kitchen expertise in civil cooking
- Higher plant utilization rate due to growth. The expansion of described street food business does not require production investments
- The development of the street food business supports the field kitchen business.

Benefits for the franchisor or a company enlarging its street food business:

- potentially a significant increase in restaurant revenue if the street food business is expanding its operations
- facilitate the transition to a franchising business
- with a good concept, offers excellent growth on profit potential without significant investments
- opportunity for benefits in sourcing of raw materials due to volumes
- more efficient utilization of food
- increases brand awareness and thus the value of the company

- if street food is in the same area as the franchisor's restaurant;
  - increasing kitchen utilization
  - more efficient use of raw materials
  - marketing visibility for a franchisor's restaurant whose sales may have a positive impact

Benefits to franchisee i.e., street food chefs:

- existing brand (immediate trade facilitation and cost control)
- finished, high-quality gourmet product and recipe suitable for street sales (fewer mistakes for the beginner and better return)
- opportunity for a better price level with gourmet food
- smaller start-up investments (utilization of restaurant pre-production, kitchen / storage / freezing facilities, benefit from purchase volume)
- learning the street food business hard way reduced
- more negligible food waste
- Street food-specific, efficient kitchen unit (there may be different versions of this and the opportunity to expand the business)

Benefits for the street food customers

- high quality, delicious and safe street food
- Ability to enjoy gourmet cuisine from the famous restaurant at a slightly lower price, in a different area where the restaurant is located or even outside the restaurant's opening hours.

#### 4.4.1 Testing the idea of the proposed customer value proposition

The scientific method in researching a business is to develop a hypothesis, that is, a customer value proposition for a case company in this thesis work. After the hypothesis, it is tested by observation or experimentation. (Zigmund, Babin, Carr & Griffin 2010, 7)

The customer value proposition is an integral part of the business model, and the business model entity forms the final customer value. Without a functioning business model, it is not possible to experiment the idea within the scope of this work.



However, there are theoretical frameworks in which the business model can be evaluated. The most common tool is the SWOT analysis and, for example, the VUCA framework, the VRIO framework and the VARIM framework. The most suitable of these to evaluate a customer value proposition is the VARIM framework, specifically designed to evaluate the business model applied in this thesis work. In addition, we tested the idea of a customer value proposal with a potential customer through a free-form discussion in which the customer evaluates the feasibility of the idea.

Allan Afuah has developed a VARIM-framework for business model evaluation, which evaluates the level of superiority of a business model from five perspectives. The perspectives include value to the customer (Value), adaptability of the product cost-effectively delivering value to the customer (Adaptability), the product uniqueness in the market (Rareness), inimitability of the product (Inimitability) and (Monetization). The value perspective does seek to answer whether a product offers the customer benefits that it considers valuable? (Afuah 2014, 37)

VARIM framework question; Does the product offer benefits that customers perceive as valuable for them?

*Yes, the thesis task has been to create a customer value proposition based on the customer's tasks, problems, goals, and challenges. They have been identified; the suggested customer value proposition developed resolves the issues raised. In addition, instead of one kitchen equipment customer there would be two customers, franchisor and franchisee acquiring complete street food concept.*

The underlying idea in the customer value proposition creation was that the business model would be unique because there are no other equivalents, and it can be converted into money. Configuration of existing products is also feasible

at a low cost. Copying is laborious, at least in part, due to the unique expertise of the case company in portable and robust cooking appliances.

The developed hypothesis was tested by presenting an idea and asking for comments from a potential customer. A potential customer is the gourmet restaurant Juurella. Jani Unkeri, the owner and head chef of the restaurant Juurella, evaluated the ideated business model in a telephone interview on May 8, 2020. (Unkeri 2020)

The benefits (chapter 7.4) and operating principles of the model were delivered to Unkeri by email May 5, 2020. Below is translated and retelled email about appendix 4 about the model;

*"This possible concept I envisioned would work in such a way that the restaurant or the franchisee under the restaurant would act as a street chef as follows:*

- *A gourmet restaurant, for example, Juurella, prepares a simple menu/offering suitable for a street kitchen and pre-prepares / prepares food in its kitchen*
- *The street kitchen unit (trailer, car, tent, box) uses the look and brand of the restaurant, for example, "Juurella Street Food" and offers gourmet-level street food with a simplified offering compared to the restaurant.*
- *This would act as an additional business to the restaurant, marketing to direct the crowd to the restaurant itself. In addition, it would increase the utilisation rate of the kitchen, thus reducing costs/sales.*
- *The case company's role would be to make a street food kitchen unit suitable for food. And appearance according to the restaurant brand. For example, storage, waste disposal systems, grills, heaters and other utensils would be suitable for preparing the designed menu. The street kitchen unit can be a tent, box, mobile trailer, or food truck. Food storage and preparation in the central restaurant kitchen reduce the need for*

*equipment and labour in the street food unit. The unit is designed to meet all hygiene, capacity and requirements.”*

Jani Unkeri commented about the proposed CVP followingly; Unkeri found the concept exciting and even feasible for its restaurant. Unkeri's biggest concern is the adequacy of one's resources if the street food business is one's own business. Other concerns, Unkeri found as the creation of a sufficiently authentic recipe and the price of branding, although the restaurant's existing brand facilitates this.

In Unkeri's opinion, the franchising model would be a more tempting option. That would leave the risk of the street food business more with a franchisee. Unkeri mentioned that its Juurella -restaurant has provided street food for significant outdoor events in Seinäjoki (including Provinssi) with its restaurant brands Juurella, Äärellä and Suurella.

#### *“RESTAURANT JUURELLA*

*– the Best Features of South Ostrobothnia*

*We at Juurella have had the best features of South Ostrobothnia: hospitality, food produced nearby and ambition.*

*Our dishes are made from local ingredients around the harvest season guarantee a unique restaurant experience on the edge of Seinäjoki Central Square. In addition, we organize wine tastings in our restaurant and prepare Juurella bread to pick up every Friday. Catering services are also available.*

*Welcome to our atmospheric restaurant.” (Juurella 2021)*

## 5 PROPOSED ACTIONS FOR THE CASE COMPANY

Customer value can be delivered profitably when the company's operations and resources are designed to work optimally in creating and delivering value; this refers to the company's business model.

The business model seeks to answer questions: Who is the customer, and what benefits does he feel to receive? Furthermore, which are the ways and volumes to earn and are the company costs reasonable in generating the value for customers? (Magretta 2002, 3) "A business model is a framework or recipe for making money -for creating and capturing value." (Afuah 2014, 4)

The business model consists of four elements that create and deliver value. The most critical issue is a customer value proposition element that describes value produced to the customers. Other elements describe how value is produced. (Johnson, Clayton, Christensen & Kagermann 2008, 106-109)

Osterwalder and Pigneur define business model accordingly: "A business model describes the rationale of how an organization creates, delivers and captures value." (Osterwalder & Pigneur 2010, 14)

Porter highlights the capabilities of the company's processes and resources inability to deliver customer value. Moreover, that substantial competitive advantage can be achieved when company activities fit and reinforce each other. (Porter 2011, 21)

### 5.1 Components of Business Model

There is a wealth of information about business models and their elements in the business literature. The business model elements presented in the literature are essentially the same; minor differences can be observed. Below are two slightly different ways to describe a business model, the first by Osterwalder, A. and

Pigneur, Y. The second is by Afuah, A., based on the most cited business model publications. (Afuah 2014, 20)

## 5.2 The Description of Osterwalder & Pigneur's Business Model

Osterwalder and Pigneur present the business model as nine individual parts, assembling three modules within which the individual parts function as a close-knit whole. The modules are a seamless set of business models. (Osterwalder & Pignour 2010, 17)

The first module includes value creation for the customer and related customer relationships and value delivery channels for different customer segments. Different segments require different value generation channels. Segments may be available in different ways and have different profitability. Segments can be mass or niche markets or even segments within the mass market, diversified segments or multi-sided platforms. The proposed CVP would involve two different customer types, which form a customership. (Osterwalder & Pigneur 2010, 21-25, 76)

The second subset includes critical activities and resources as well as critical partnerships. Resources refer to physical, financial, intellectual and human, such as factory and manufacturing equipment, patents, capable personnel, and warranties. Activities refer to the production of a product, such as design and manufacturing, which is in the case of a case company, is the dominant activity. Key partner elements include strategic alliances, partnerships, joint ventures, and supplier relationships. This help provide essential resources, defeat VUCA factors, and optimize resources and activities to scale to business suitable for needs. (Osterwalder & Pigneur 2010, 35-39)

The third module includes cash flows from income and expenses that generate value. Income Streams can include sales of the product, usage and subscription fees, and rental, leasing, lending, franchising, and brokerage fees. The cost structure can be cost or value controlled. (Osterwalder & Pigneur 2010, 31-33,

41) The revenue streams of the proposed CVP case company could consist of fees for the sale of a kitchen unit, franchising fees, service and maintenance contract fees.

### 5.3 The Description of Afuah's Business Model

First element in Afuah's business model is Customer Value Proposition. In the element, customer value is defined so that the company's offering meets the customer's needs and solves the customer's problems. In other words, it provides the customer with an excellent reason to acquire the company's offer. The reason also covers the value brought by the brand. According to Afuah, it should be noted that the customer may not know *ex ante* what needs he or she has. (Afuah 2104, 6)

The customer value proposition for this thesis may involve the fact that the customer does not anticipate their needs or problems as a franchisor or franchisee. A novice street food chef, in particular, may not be aware of all the problems and challenges associated with their job in advance and, therefore, may not see the value offered. The proposed CVP is unique in the street food industry and would enjoy the benefits of an FMA (First-mover advantage) and a potential lack of trust from customers, at least in the early stages.

The Afuah model, like the Osterwalder and Pigneur model, has a market segment. The right market segment consists of market potential and the willingness of customers to pay a high price concerning the cost of value production from the value offered by the company. (Afuah 2014, 6)

The Revenue model is the result of the operation of the model. The model's outcome depends on how many customers there are and the reservation price they want to pay. It generates the income and expenses of the company from all the resources and activities used by the company. In the new offer, pricing is challenging, as there is a need to find the level of pricing that customers are most willing to pay for what the company offers. (Afuah 2014, 7-8)

The growth model defines how a company can grow profitably. A good business model attracts new entrants and companies struggling in the same market to develop their offerings better. For this reason, a growth model has been added to the model in order to maintain high sales returns. There are a variety of growth strategies that a company can utilize to maintain and improve its position. (Afuah 2014, 8-9)

The last element in the business model created by Afuah is the capabilities element, which joins and connects all elements of the business model into a functional entity. Capabilities consist of the resources that a company owns or has access to and the functions that the company has to do. According to Afuah, a company creates and captures value through a combination of resources and actions. (Afuah 2014, 9-10)

The business model developed by Afuah differs from Osterwalder and Pigneur in the growth model element, which Afuah has incorporated in the description of the business model. In essence, a growth model means constantly developing a business model to be more efficient. In other respects, the descriptions of the models are similar. On the other hand, Osterwalder and Pigneur emphasize that developing a customer value proposition is ongoing. (Osterwalder, Pigneur, Bernarda & Smith 2014, 13)

#### 5.4 Business Model Innovation and Development

According to Reymen, Berends, Oudehand & Stultiëns (2016, 3), Sosna (2010) and Andries (2013) state that the business model development is a dynamic process and described in terms of experimentation and trial-and-error learning. Therefore, flexibility is needed in developing a business model.

Furthermore, the study revealed that in technology start-ups, the customer value proposition and segment had decided to change during the business

development in all of their seven case companies studied. (Reymen, Berends, Oudehand & Stultiëns 2016, 3)

Critical success factors in the development of a new business model are the interaction with the customer at an early stage in the development of the model and the evaluation of market segmentation, products, and other business models in the business model hypothesis round. (Silva, Ghezzi, Le Aguiar, Cortimiglia & Schwengber ten Caten 2019, 17)

According to Afuah, business model innovation creates and captures value by making things derogating from the conventional ways and norms below. Osterwalder & Pigneur, on the other hand, advise eliminating the long-term business factors in the field and increasing value-added by factors that do not significantly increase costs. (Afuah 2014, 4) (Osterwalder & Pigneur 2010 227-228)

The first step in developing a business model is to create a customer value proposal to develop a business model for value production. (Johnson, Clayton, Christensen, Kagerman 2011, 109) The first step in developing a company's business model has begun in this work.

There are methods for creating a customer value and a business model with a planned CVP aligning and coordinating business model elements to a single seamless whole and testing and evaluating. (Osterwalder, Pigneur, Bernarda & Smith 2014) Have created a method in which their creation of the Canvas model is utilized to develop, test, evaluate, and further develop the business model. In addition, (Bland & Osterwalder 2020) have drawn a guide to the rapid testing of business ideas.

Developing a business model includes a substantial volatility, uncertainties, complexity and ambiguity (VUCA). The study (Bennett & Lemoine 2014, 6) defines factors to overcome VUCA-factors. These include agility, information, reorganization and experimentation.



## 5.5 Essential Issues to Consider when Moving Towards the First Business Model Hypothesis in the case Company

The first tasks in developing a business model are the creation of the company's first business model hypothesis based on the customer value proposal proposed in this thesis. After this, a potential client or clients with whom the model hypothesis's development and testing should be sought as a partner.

The development of a business model involves many VUCA factors, so the approach to development and testing should be dynamic and agile. Model development should start with a small group to create dynamism and agility. Acquisition of information from customers and customer segments must be high throughout the process.

It is worthwhile to use available and proven models to develop and test a business model to avoid mistakes and unnecessary work. In addition to value creation, it is essential to focus on designing activities seeking creative solutions to eliminate significant cost drivers well established in the industry.

Capabilities of a company are related to every element of a business model and are therefore critical. The process should identify the capabilities needed (resources and activities) and plan the capabilities to an optimized level to generate and capture value.

## 6 DISCUSSION AND CONCLUSION

The main task of the thesis was to create an innovative customer value proposition for a case company in its street food segment. The problems and challenges of street food chefs were studied by observing, interviewing, surveying, and getting information from research publications and literature in the street food industry. Before getting into research, street food business, business model literature and the company was studied.

The creation of CVP took place based on the research data and brainstorming. The created CVP is part of developing the company's business model. In addition to CVP creation, the literature review identified essential issues considering business model development.

The goals of the research questions were successful in identifying problems and challenges of street food chefs, creating innovative CVP, and identifying essential issues in continuing to develop the business model for the case company. However, the final CVP would only be created once the case company has developed the business model.

The study's biggest challenge found in street food chefs was creating a high-quality and straightforward menu and recipes. The survey and interview supported this finding and thus can be considered reliable. As a solution, the case company's business model would be revised. According to the proposed CVP, the case company would offer a complete street food concept for street food chefs instead of just equipment, together with a partner interested in providing recipe and menu expertise to street chefs, for example, on a franchise basis. The proposed CVP also address other significant perceived challenges for street food chefs related to business, marketing, and hygiene expertise.

In the proposed CVP, the customer segment of the case company changes from street food chefs to multisided-platform. Together, a franchisor and a street food chef form a customership for the case company. The suggested CVP increases the opportunity for the case company to earn more and in different ways. No similar players were found in the street food industry.

The number of responses to the survey was tiny, and it is not possible to make a quantitative analysis of the responses. On the other hand, observational research, interview, survey and literature data supported each other well, and reliable qualitative analysis and conclusions could be drawn. In addition, the idea about suggested CVP was discussed with a potential customer, who found the idea feasible in his business. The discussion supported the usability and reliability of the thesis.

This thesis work has taught a lot about the case company, the street food business and business model theories, especially about the scientific way to deal with research problems. The scientific approach is possible in day-to-day work and solving business management problems. The business model thinking is illustrative and makes it easier to perceive and optimize the business in practice.

The correlation to theory in this thesis work became using the business model framework. The idea behind CVP was to find an alternative that is truly innovative in line with business model innovation theory and the Blue Ocean literature.

The case company continues building the business model beyond this work. The following research topics, which would complement this work, could relate to the resources and processes of value creation to find innovative and cost-effective ways to generate planned value. Furthermore, one suggestion for the following research topic could involve the rapid, reliable creation, testing, and revision of business model hypotheses.

## BIBLIOGRAPHY

Afuah, A. 2014. Business model innovation: concepts, analysis, and cases. Routledge.

Alfiero, S., Lo Giudice, A., Bonadonna, A., 2017. Street food and innovation: the food truck phenomenon. *British Food Journal* Vol. 119 No 11, 2017, pp. 2462-2476

Almut, A., Humberto, B., Benton, T., Calvin, K., Calvo, E., Connors, S., Cowie, A., Davin, E., Denton, F., van Diemen, R., Driouech, F., Elbehri, A., Evans, J., Ferrat, M., Harold, J., Haughey, E., Herrero, M., House, J., Howden, M.,... Zommers, Z. 2020. Climate Change and Land -An IPCC Special Report on climate change, desertification, land degradation, sustainable land management, food security, and greenhouse gas fluxes in terrestrial ecosystems. Summary for Policymakers. Intergovernmental Panel on Climate Change, 2020.

Bennett, N., Lemoine, J. What a Difference a Word Makes: Understanding Threats to Performance in a VUCA world. 2014 Kelley School of Business, Indiana University. Elsevier Inc. Accessed 14 December 2021  
<http://dx.doi.org/10.1016/j.bushor.2014.01.001>

Bessant, J., Tidd, J. 2015. Innovation and Entrepreneurship. Chicester: Wiley Textbooks.

Bland, D., Osterwalder, A. 2020. Testing Business Ideas. Hoboken: John Wiley & Sons Inc

Braun, V., Clarke, V. 2006. Using thematic analysis in psychology. *Qualitative Research in Psychology*.

Deliveroo. 2020. Cloud restaurant company. Accessed 10 May 2020.  
<https://deliveroo.co.uk/>

DoorDash. 2020. Cloud restaurant company. Accessed 10 May 2020.  
<https://www.doordash.com/en-US>

Dufva, M. 2020. Megatrendit 2020. Vantaa. Accessed 28 March 2020.  
<https://www.sitra.fi/julkaisut/megatrendit-2020/>

Eurostat. 2021. Population 1 January. Accessed 19 December 2021.  
<https://ec.europa.eu/eurostat/databrowser/view/TPS00001/bookmark/table?lang=en&bookmarkId=c0aa2b16-607c-4429-abb3-a4c8d74f7d1e>

Fellows and Hilmi. 2012. Selling street and snack food, FAO Diversification Booklet 18 Accessed 5 April 2020  
<http://www.fao.org/3/i2474e/i2474e00.pdf>

Finder. 2020. Accessed 5 April 2020.

<https://www.finder.fi/Kotitaloustarvikkeet/Opa+Muurikka+Kaari/Helsinki/yhteystiedot/3262626>

Food and Agriculture Organization of United States, "Street foods are ready-to-eat foods and beverages prepared and/or sold by vendors or hawkers, especially in the streets and other similar places". Accessed 5 April 2020

<http://www.fao.org/fcit/food-processing/street-foods/en/>

Foodora. 2020. Cloud restaurant company. Accessed 10 May 2020.

<https://www.foodora.com/>

GetEatStreet. 2020. Cloud restaurant company. Accessed 10 May 2020.

<https://geteatstreet.com/>

Girotra, K., Netessine, S. 2019. Four Paths to Business Model Innovation. In the publication on HBR's 10 Must Reads On Business Model Innovation (43-58).

Harvard Business School Publishing Corporation.

Harju, J. 2020. Laidun Hereford Oy. Member of the Board. 30 March 2020

Innolytics.ag. 2021. Definition of Innovation. Accessed 17 December 2021.

<https://innolytics-innovation.com/what-is-innovation/#definition>

Johnson, M., Clayton, M., Christensen, Kagermann, H. 2011. Reinventing Your Business Model. In the publication on HBR's 10 Must Read on Strategy (103-122). Harvard Business School Publishing Corporation.

Johnson, A., 2020. What Advice Would You Give Someone Starting Their First Food Trailer? 6 May 2020, Angel Johnson. Posting in the Facebook Group "Food Carts, Food Trailers, Food Trucks, Food Equipment for Sale". Accessed 23 October 2021.

<https://www.facebook.com/groups/534524623421816/search/?q=angel%20johnson>

Juurella. 2021. Restaurant Juurella – the Best Features of South Ostrobothnia.

Accessed 15 December 2021. <https://juurella.fi/>

Just Eat. 2020. Cloud restaurant company. Accessed 10 May 2020.

<https://www.just-eat.co.uk/>

Kautto, M. Liiketoimintamalli luo liiketoiminnan perustan. 2019.

Logistiikkaupseeri No. 4/2019. Logistiikkaupseerit r.y.

Kim, C., Mauborgne, R. 2011. Blue Ocean Strategy. In the publication on HBR's 10 Must Read on Strategy (123-142). Harvard Business School Publishing Corporation.

Kim, C., Mauborgne, R. 2015. Blue Ocean Strategy -How to Create Uncontested Market Space and Make the Competition Irrelevant. Expanded Edition. Boston: Harvard Business Review Press.

KonoPizza. 2020. KonoPizza picture and text reference. Accessed 14 December. <https://konousa.com/about/>, accessed 14.12.2021

Lappalainen, P. 2019. RE:kysymys. Email TH.Tilastot@tulli.fi 30 December 2019. Printed out 30 December 2019

Laurila-Perälä, L. 2020. Teuvan Keitintehdas Oy. Sales Manager. 31 March 2020

Lochrie, S., Curran, R., O’Gorman, K. 2015. Qualitative Data Gathering Technique. In the publication Research Methods for Business & Management - A Guide to Writing Your Dissertation (118-139). Oxford. Goodfellow Publishers Limited.

Magretta, J. Why Business Model Matter. Harvard Business School Publishing Corporation. Provider: Harvard Business School Publishing. Harvard Business Review issue May 2002.

Magretta, J. 2019. Why Business Model Matter. In the publication on HBR’s 10 Must Reads On Business Model Innovation (1-14). Harvard Business School Publishing Corporation.

Marshall, F. 1997. What Is the Right Supply Chain for Your Product? Harvard Business School Publishing Corporation. Harvard Business Review March – April 1997.

Mobile-Cuisine.com. 2020. Properly Outfitting Your Food Truck. Pinterest picture. Accessed 10 May 2020. <https://fi.pinterest.com/pin/163818505170085337/>

Mustonen, J. 2012. Palvelukokemus palvelumuotoiluprosessissa. Tapaustutkimuksena päivittäistavarakauppa-kokemus. Lapin yliopisto. Taiteiden tiedekunta. Teollinen muotoilu. Pro gradu -tutkielma.

O’Gorman, K., MacIntosh, R. 2015. Research Methods for Business & Management -A Guide to Writing Your Dissertation. Oxford. Goodfellow Publishers Limited.

Opa Muurikka Oy. 2020. Accessed 5 April 2020. <https://opamuurikka.fi/tuote-osasto/ulkoruoanlaitto/>

Osterwalder, A., Pigneur, Y., Bernarda, G., Smith, A., Value Proposition Design, 2014, Wiley & Sons, Hoboken, New Jersey

Osterwalder, A., Pigneur, Y. 2010. Business Model Generation -Handbook for Visionaries, Game Changers, and Challengers. Hoboken: John Wiley & Sons

Palonen, J. 2020. Personal photo album. 1 March 2020.

Papachroni, A., Lochrie, S. 2015. Case Studies and Data. In the publication Research Methods for Business & Management -A Guide to Writing Your Dissertation (75-97). Oxford. Goodfellow Publishers Limited.

Penttilä, H. 2020. Teuvan Keitintehdas Oy. Managing Director. 26 March 2020

Penttilä, H. 2020. Teuvan Keitintehdas Oy. Managing Director. 31 March 2020

Porter, M., 2011. What is Strategy? In the publication on HBR's 10 Must Read on Strategy (1-37). Harvard Business School Publishing Corporation.

Postmates. 2020. Cloud restaurant company. Accessed 10 May 2020. <https://postmates.com/>

Reymen, I., Berends, H., Oudehand, R., Stultiëns, R. Decision making for business model development: a process study of effectuation and causation in new technology-based ventures. 2016. Provider: R&D Management. RADMA and John Wiley & Sons Ltd.

Sang, K., Sitko, R. 2015. Qualitative Data Analysis Approaches. In the publication Research Methods for Business & Management -A Guide to Writing Your Dissertation (140-154). Oxford. Goodfellow Publishers Limited.

Savolahti, M. 2020. Climate and Health Impacts of Residential Wood Combustion in Finland. Aalto University. Department of Mechanical Engineering. Doctoral Dissertations

Silva, S., Ghezzi, A., Le Aguiar, R., Cortimiglia, M., Schwengber ten Caten, C. Lean startup, agile methodologies and customer development for business model innovation. 2019. International Journal of Entrepreneurial Behavior & Research Vol 26 No. 4/2020. Emerald Publishing Limited.

Skip TheDishes. 2020. Cloud restaurant company. Accessed 10 May 2020. <https://www.skipthedishes.com/>

Suomen virallinen tilasto (SVT). Kesämökit 2018. Helsinki: Tilastokeskus. Accessed 28 March 2020. [http://www.stat.fi/til/rakke/2018/rakke\\_2018\\_2019-05-21\\_kat\\_001\\_fi.html](http://www.stat.fi/til/rakke/2018/rakke_2018_2019-05-21_kat_001_fi.html)

The Nationwide Caterers Association. 2020. Street Food Catering. Accessed 12 April 2020. <https://www.ncass.org.uk/mobile-catering-home/mobile-catering-types/street-food-catering>

TMK Tori- ja markkinakaupan palvelukeskus oy. 2020. Accessed 10 May 2020.  
<https://grillikeskus.fi/>

Uber Eats. 2020. Cloud restaurant company. Accessed 10 May 2020.  
<https://www.ubereats.com/>

Unkeri, J. 2020. Juurella -restaurant. Chairman of the Board. 8 April 2020

Wolt. 2020. Cloud restaurant company. Accessed 10 May 2020.  
<https://wolt.com/>

Woodside, A., Wilson, E. 2003. Case study research methods for theory building, *Journal of Business & Industrial Marketing* Vol. 18 Iss 6/7 pp. 493 – 508. Accessed 19 December 2021  
<http://dx.doi.org/10.1108/08858620310492374>

World Health Organization. Food Safety Team. 1996. Essential safety requirements for street-vended foods, Revised edition. World Health Organization. <https://apps.who.int/iris/handle/10665/63265>

Yin, R. 2014. *Case Study Research –Design and Methods*. 5<sup>th</sup> edition. Los Angeles: Sage Publications, Inc.

Young, J., Hoggatt, C., Paswan, A. Food Service Franchisors And Their Co-Branding Methods. 2001. *Journal of Product And Brand Management* Vol 10 No 4 2001. MCB University Press.

Zigmund, W., Babin, B., Carr, J., Griffin, M. 2010. *Business Research Methods*. Eight Edition. South-Western Cengage Learning.

Zikmund, W., Babin, B., Carr, J., Griffin, M. 2010. *Business Research methods*. South-Western Cengage Learning

ZooHoo's Eatery. 2021. Accessed 14 December 2021.  
<http://www.zoohooseatery.com/franchise/about.html>



## APPENDICES

Appendix 1.	Tullitilasto
Appendix 2.	Angel Johnson, Facebook comments
Appendix 3.	Questionnaire
Appendix 4.	email to Unkeri

## APPENDIX 1

CN, CC BY 4.0

	Paljouden yksikön koodi	Lisäpaljouden yksikön koodi	Kum. tilastoarvo (euro) vuoden alusta	Kum. paljous	Kum. lisäpaljous
AA (2002--.) Kaikki maat yhteensä				kg	kpl
73211110 (2002--.) Paisto-, grillaus- ja keittolaitteet, uunilliset, m.l. erilliset uunit, kotitalouskäyttöön, rautaa tai terästä, kaasulla tai sekä kaasulla että muulla polttoaineella toimivat (paitsi suurkeittiölaitteet)					
201909	1	33	603 173	360 146	9 403
201812	1	33	620 899	130 874	4 491
73211190 (2002--.) Paisto-, grillaus- ja keittolaitteet sekä lämpölevyt, kotitalouskäyttöön, rautaa tai terästä, kaasulla tai sekä kaasulla että muulla polttoaineella toimivat (paitsi uunilliset keittolaitteet, erilliset uunit suurkeittiölaitteet)					
201909	1	33	13 025 424	2 740 117	105 164
201812	1	33	13 062 787	2 906 770	116 056
73211200 (2002--.) Paisto-, grillaus- ja keittolaitteet sekä lämpölevyt, kotitalouskäyttöön, rautaa tai terästä, nestemäisellä polttoaineella toimivat (paitsi suurkeittiölaitteet)					
201909	1	33	361 455	153 409	8 546
201812	1	33	127 237	69 123	4 034

73211900 (2007--.) Paisto-, grillaus- ja keittolaitteet sekä lämpölevyt, kotitalouskäyttöön, rautaa tai terästä, kiinteällä polttoaineella tai muulla ei-sähköisellä energialla toimivat (paitsi nesteellä tai kaasulla toimivat ja suurkeittolaitteet)

201909	1	33	4 636 565	1 355 228	245 905
201812	1	33	3 595 141	1 106 570	224 590

73218100 (2012--.) Uunit, kamiinat ja niiden kaltaiset kotitalouslaitteet, rautaa tai terästä, kaasulla tai sekä kaasulla että muulla polttoaineella toimivat, joissa on hormiaukko (paitsi keittolaitteet, myös uunilliset, erilliset uunit, lämpölevyt,

201909	1	33	710 237	253 965	15 765
201812	1	33	578 871	165 723	14 874

73218110 (2002--2011) Uunit, kamiinat ja niiden kaltaiset kotitalouslaitteet, rautaa tai terästä, kaasulla tai sekä kaasulla että muulla polttoaineella toimivat, joissa on hormiaukko (paitsi keittolaitteet, myös uunilliset, erilliset uunit, lämpölev

73218190 (2002--2011) Uunit, kamiinat ja niiden kaltaiset kotitalouslaitteet, rautaa tai terästä, kaasulla tai sekä kaasulla että muulla polttoaineella toimivat, ilman hormiaukko (paitsi keittolaitteet, lämpölevyt ja suurkeittolaitteet)

73218200 (2012--.) Uunit, kamiinat ja niiden kaltaiset kotitalouslaitteet, rautaa tai terästä, nestemäisellä polttoaineella toimivat, joissa on hormiaukko (paitsi keittolaitteet, myös uunilliset, erilliset uunit, lämpölevyt, keskuslämmityskattilat

201909	1	33	479 105	44 594	3 639
201812	1	33	1 668 152	172 725	10 064

73218210 (2002--2011) Uunit, kamiinat ja niiden kaltaiset kotitalouslaitteet, rautaa tai terästä, nestemäisellä polttoaineella toimivat, joissa on hormiaukko (paitsi keittolaitteet, myös uunilliset, erilliset uunit, lämpölevyt, keskuslämmityskattila  
73218290 (2002--2011) Uunit, kamiinat ja niiden kaltaiset kotitalouslaitteet, rautaa tai terästä, nestemäisellä polttoaineella toimivat, ilman hormiaukkoa (paitsi keittolaitteet, lämpölevyt ja suurkeittolaitteet)

73218300 (2002--2006) Uunit, kamiinat ja niiden kaltaiset kotitalouslaitteet, rautaa tai terästä, kiinteällä polttoaineella toimivat (paitsi keittolaitteet, myös uunilliset, erilliset uunit, lämpölevyt, keskuslämmityskattilat ja -patterit, vedenkuum

73218900 (2007--.) Uunit, kamiinat ja niiden kaltaiset kotitalouslaitteet, rautaa tai terästä, kiinteällä polttoaineella tai muulla ei-sähköisellä energialla toimivat (paitsi keittolaitteet, myös uunilliset, erilliset uunit, lämpölevyt, keskuslämmityk

201909	1	33	2 512 284	968 002	23 374
201812	1	33	3 782 801	2 244 039	43 242

73219000 (2002--.) Nimikkeeseen 7321 kuuluvien, muulla kuin sähköllä toimivien kotitalouslaitteiden osat, muualle kuulumattomat

201909	1	-	4 216 732	1 614 138	-
201812	1	-	4 333 952	1 630 411	-

**Alaviite:**

Paljouksien yksiköt: - = n.a., 1 = kg, 2 = ct/l, 3 = 100 kpl, 4 = c/k, 5 = gi F/S, 6 = g, 7 = GT, 8 = hl, 9 = kg k.kl., 10 = kg tot/a, 11 = kg/net e, 12 = kg/br, 13 = kg/net, 14 = 1000 l, 15 = kg m.am., 16 = kg N, 17 = kg H<sub>2</sub>O<sub>2</sub>, 19 = kg KOH, 20 = kg K<sub>2</sub>O, 21 = kg P<sub>2</sub>O<sub>5</sub>, 22 = kg 90% s, 23 = kg NaOH, 24 = kg U, 25 = l a.100%, 26 = l, 27 = 1000 kpl, 28 = m<sup>2</sup>, 29 = m<sup>3</sup>, 30 = 1000 m<sup>3</sup>, 31 = m, 32 = MWh, Ryhmien 87 ja 93 tuonnin arvo ja paljous on salattu. Ryhmien yhteenlaskettu tuonnin paljous ja arvo on ilmoitettu ryhmässä XX.

Angel Johnson asks about the Facebook group "Food Carts, Food Trailers, Food Trucks, Food Equipment for Sale", 6.5.2020: What advice would you give someone starting their first food trailer? Question and message thread below, copied 23.10.2021:

## Angel Johnson

May 6<sup>th</sup> 2020

# What advice would you give someone starting their first food trailer?

140 comments

- Brandon Haught

I made this video if you have the time to watch.

<https://m.youtube.com/watch?v=SmemfIR3Mak>



YOUTUBE.COM

Food Truck Start Up Dos & Don'ts

[Food Truck Start Up Dos & Don'ts](#)

9 likes

Angel Johnson

[Brandon Haught](#) Great video! Has a lot of helpful information. Thanks!

- Brandon Haught

[Angel Johnson](#) thank you!

- Kevin Vaughn

Start out small. Do it whole heartily . Keep your customers happy they will keep you happy .

Location, location, location.

3 likes

Angel Johnson

[Kevin Vaughn](#) Will definitely keep this in mind. Thank you!

- Kevin Vaughn

[Angel Johnson](#) No problem

- Andy Benally  
Be patient  
1 like

Angel Johnson

[Andy Benally](#) of course. success doesn't happen over night👍

- Sergio Villagomez  
Location and customer service are very important! A customer's satisfaction with not only the food but your service could go a long ways with them referring you to their friends and family leading to you getting more business and possibly getting special events

1 like  
Angel Johnson

[Sergio Villagomez](#) Thanks for the great advice👂👂

- Yesenia Garcia  
Build a good social media, take good photos or hire a photographer (good photos are so important!!)

3 likes

Louise Samuel

[Yesenia Garcia](#) yeah, I always tell my customers to make up their products and get a professional photographer in to get really good shots... Some of my customers steel my other customers shots which is very annoying..

- Angel Johnson

[Yesenia Garcia](#) Yes! Photos are very important. I'll make sure to hire a photographer or take my own photos👍

- Luckyduck Esparza  
Dnt be cheap w them shitty napkins✅  
5 likes

- Tim Jenner  
Dont charge to much  
1 like

- Tim Jenner  
Or jack the price .I seen a taco truck go from 8 to 13 lost slot of redulars  
1 like

- Sidheeque Mohammed KM

After covid

1 like

- Jeff Walters

K.I.S.S. Keep it simple stupid 😂 but seriously dont try to sell so many options that your food costs are through the roof. Make a few amazing dishes and run a special for a couple of others

11 likes

Angel Johnson

[Jeff Walters](#) will definitely remember K.I.S.S. Thanks!

- Steve Smith

Keep it simple. Low overhead and keep labor down...aka, means YOU work alot.

Specialize in a few items ( and do those well), rather than a large extensive menu and have quality degraded

7 likes

Angel Johnson

[Steve Smith](#) This is really good advice. Thank you so much.

- Steve Smith

[Angel Johnson](#) you are welcome. Been in the Biz for 30 years

- Ahman Laster

It' costs more than u think,

2 likes

Daniel Smith

Not really. My fist food truck cost me 25k and to get it up and running was an additional 5k. That first year I made my money back plus a profit. I now own 5 trucks.

11 likes

Angel Johnson

[Daniel Smith](#) Congrats! That's amazing.

- Paul Salvatori Salvatori

DON'T

- Mary Laughlin

1. Don't pay attention to what or how busy others are doing.

Best advice I ever got from another seasoned food vendor.

2. And- always always always do something new, or replace or refresh your trailer! Last year I had mine wrapped, new flags made. Th...

Show more

10 likes



Angel Johnson

[Mary Laughlin](#) Thank you so much for the great advice!

- Mary Laughlin

[Angel Johnson](#) I wish you much success ! If you ever have questions message me. I love to mentor....

- Mary Laughlin



3 likes

- Roberto Lobo

Make sure you have something that sets u apart from others, keep it simple, use only quality ingredients, excellent customer service and spend the extra \$ for a quality generator!

10 likes

Mary Laughlin

[Roberto Lobo](#) I agree with Roberto - use the best ingredients! It's costs more but it will pay in triple

3 likes

Roberto Lobo

[Mary Laughlin](#) exactly. If I can tell the difference in quality I'm sure others we'll also. So bring it! Only the best! I definitely we'll pay more for quality all day!

2 likes

- Jonathan Leboff

I operate a bbq food truck on weekends. We love it and doing great with it. We've never owned a food truck or any restaurant. I personally had 0 restaurant experience. The wife had about 10 years as server/bartender experience. Feel free to send a mess...



11 likes

- Dominican Jay

Location & customer service is everything as well as your graphics. Make your graphics stand out as first impression means everything as well. (I can help with graphics & marketing btw) consistency is key too

2 likes

Crissy Sherbine

Keep it simple! Be open to learn as you go. Be willing to adjust to what you need. Good customer service. It is hard work.

3 likes

Eugene Villarreal

[Crissy Sherbine](#) I rarely return to businesses with bad customer service.

2 likes

- Cindy Schleppenbach

Location is #1 (besides having a good product) accessible parking is always good, social media presence, write down names on orders so you're not dumb founded wondering who's order is who 😂 I've done that a few times

3 likes

- Rob Dolch



Be creative..

Dare to be different...

Be ready and willing to work long hours.....



11 likes

Chareta Canady

[Rob Dolch](#) nice

- Rob Dolch



[Chareta Canady](#) thank you

- Deshawn Downes

Disregard everything everyone said so far. Business plan period. Stick to it and you won't fail may take you a year to complete but it will serve you for 10 if done properly.

4 likes

- Deena Price-Rinehimer

Do your research.

1 like

- Anthony LaStella

Dont

2 likes

- Crissy Sherbine

Simple and delicious!



3 likes

- Crissy Sherbine

Be creative!

3 likes

- Rob Dolch



If you have Passion For Food and Strong work ethics ..you'll become a millionaire

6 likes

- Rob Dolch



2 likes

- Rob Dolch



JUST DO IT!!

4 likes

- Bruno Banani

Make it cash only... rent a atm... lol

2 likes

- Patrick Stevenson

Don't be a nasty piece of shit lol

- Erik Atl



Reseach

1 like

- Meagan Sutton

It's hard work but super rewarding. Be active on social media daily, focus on great customer service every single time, person who works your window **MUST** be nice and is vital to ppl feeling welcome and coming back Keep menu simple and different

9 like

- Dean Montalbano

Make sure you have twice as much money as you **THINK** you need. Expect to make half what you expect from a show. Dont trust promoters numbers and do your research

11 likes

- Deena Price-Rinehimer

Check with your local Dept of Agriculture or whoever oversees these types of businesses in your area for correct licensing. There is usually a handbook or manual on all the steps you should take to be doing it correctly.

2 likes

- Mary Laughlin

And my last bit of advice 5. Have fun! If it's your passion and you love it , it will show.

6. ( my hardest lesson won)

I did not realize going into this that it would be so cut throat. Keep your friends close and your enemies closer....

5 likes

Jake Guillot



[Mary](#) you have been doing this a while. Smart!!

1 like

- Mary Laughlin

[Jake Guillot](#) I've been in restaurant business all my life. And even after 10 years I'm still learning.

But I do love it! And feel blessed to own my own business...

2 like

- Edmundo Guerrero

Small menu, and concentrate on quality.

7 likes

Louise Samuel

[Edmundo Guerrero](#) definitely....

1 like

- Edmundo Guerrero

[Louise Samuel](#), yes!! I have seen food trucks with huge menus and poor quality. They don't last.

2 likes

- Kendall Benson

Great advice

1 like

- Angel Johnson

Thank you so much for the advice! I really appreciate it.

1 like

- Randy Hoover

Learn learn learn everything you can and on top of that learn one word and learn it well WORK

1 like

- Michial Thompson

Be CONSISTENT, don't change meats, don't change recipes, don't change presentations from one day to the next... Repeat customers come back because they liked what you did, if you change it up all the time you will loose more often than win

7 likes

- Troy Bowling

[www.camphousetrailers.com](http://www.camphousetrailers.com)

CAMPHOUSETRAILERS.COM

Custom Manufacturing Specialty and Food Trailers

[Custom Manufacturing Specialty and Food Trailers](#)

1 like

- Cooky Mahn

Thanks for the information and the question cause I'm doing the same in Houston it's a shit show but my passion drives me

1 like

- Deanna Rich

I was going to but with this virus, all my events got canceled

2 likes

- Mayebelle Bryant James

Customer service... It only takes a minute to smile & be polite

1 like

- Steve Green

Don't

Louise Samuel

[Steve Green](#) just curious to know, why you say 'don't'?

- Steve Green

Louise Samuel Lol. Didn't mean to

- Hormoz Ishaya

Stand out against the rest don't build a trailer that looks like everyone elses

2 likes

Hormoz Ishaya

This is my baby



- Royanda Blunt

Pray before the beginning of the work day. Some days will be better than others. You gotta take the rolls with the punches and don't be disappointed or beat yourself up. Build relationships with your customers. They love when you interact with them and...

Show more

3 likes

Kendall Benson

[Royanda Blunt](#) so true

1 like

- Anna D Pinette

Love what you do, educate yourself if you don't have Restaurant/Food truck experience, be physically ready your gonna work hard , be involved with your town or state , organizations that appeal to you for good connections and to have that good reputat...

Show more

4 likes

Taiye Sanchez

[Anna D Pinette](#) great advice

2 likes

- Paul Lauprasert

Consistency, quality not quantity.

5 likes

Anna D Pinette

[Paul Lauprasert](#) Yes a must!!

- Lisa Branch

Treat customers as you would want to be treated

2 likes

- Leslie Knibbs

Location, location and make good food and good service.

3 likes

- Edmundo Guerrero

Location should be before getting the actual food truck

2 likes

Taiye Sanchez

[Edmundo Guerrero](#) agree

1 like

- Alyssa Shortway Wilder



Cook what you would eat!

2 like

- Chad A Stemm



Run away. 😊

- Thomas J. Taber

First get with the county health department and see everything you need to do to have your truck ready to pass. Second study the town to see where you can set up at. Visit with business and ask for permission.

6 likes

- Peter Lorince

If you have a food truck association join it

1 like

- Dale Meyer

Don't

2 likes

- Robbie Miller

Get hot dog cart dont finance nothing Period

3 likes

Robbie Miller

Sarah R. Pavao ok let me tell how I started dont mean you have to I bought used hot dog cart April 2017 first day 35 dollars I made from there it was history I done hot dog cart for 2 years no debt Period paid cash then open restaurant last year with ...

Show more

- David Russell



Don't go in debt!

1 like

- Steve Green

No winter income

Nicolas Petit

[Steve Green](#) that's not true. Winter i was make a killing

1 like

- David Ford



Cash is king 🍌🍌🍌🍌

2 like

- Thyenda Palace



Don't do events over that cost you over 500 to start, don't do casinos events. Adjust your menu to your demographics, not what you like to eat. Get a Honda generator, square, and QuickBooks. Wear gloves, mask, and change gloves after. Good luck. Any ...



Show more  
2 likes

- David Cudmore

Have a signature item! Something people will remember you for. Focus on events. Pop ups are a gamble

2 likes

- Mitzi Palmer

Can anyone give me a roundabout figure that I'll have to pay big big bucks for health dept permits and Insurance, and licensing issues? Ik it depends on the state n county your in, I'm in Michigan, is there a lot of red tape?? Thanks in advance 😎😁

I pr...

Show more

1 like

Michial Thompson

[Mitzi Palmer](#) Get ready to jump through hoops 😊 I'm in the Dallas area and there's a ton of hoops to jump through.

2 likes

- Mary Laughlin

[Mitzi Palmer](#) my health Dept permits are like 10.00 a day up to 40.00 a day, it all depends on what county. Event fees vary, I've paid 180.00 for an event and I've paid 1500.00 for a one day event. Insurance is ridiculous , but you have to have it . E...

Show more

1 like

Micki Kern

Keep your prices reasonable.

2 likes

- Ginie Maria

Make sure to have a secure location that attracts customers to you 👁️👁️

2 likes

- Betsy Mylander



Be passionate the rest will follow!



4 likes

- Robbie Miller

Well when all your meats go up you got to take that into price making money quality not all about keeping your price low or if you dont know what your doing your location is not going matter  
3 likes

Rob Dolch



[Robbie Miller](#) very true

1 like

- Arepanito Ocala

Make it happen.. they good people outside waiting on something different to like!!

2 like

- Gary Mary Jurak-Blauvelt

Don't, 95% Fail....

2 likes

Michial Thompson

[Gary Mary Jurak-Blauvelt](#) It's not as high as that, but it is pretty high. But honestly 90% of the failures can be predicted before the first customer ever walks in the door

- Philip Fusco

Go for it. If you have the drive and the passion then do it. 95% failure is not accurate but i guarantee a 100% failure rate if you don't try.

2 likes

# Street Food Survey

The survey is part of the Master Thesis, where a customer value proposition of the street food business is studied. It only takes a few minutes to answer. If you are a street food customer, please start with question 9. Thanks for your help! My contact info is: Juha Palonen, email: [juha.palonen@edu.lapinamk.fi](mailto:juha.palonen@edu.lapinamk.fi) (<mailto:juha.palonen@edu.lapinamk.fi>)

\* Pakollinen

1. What type of street food chef are you? \*

- ☐ Full-time street food chef
- ☐ Part-time street food chef
- ☐ Occasional street food chef
- ☐ I am planning to start street food business
- ☐ I am street food customer
- ☐ What the heck is street food?

2. My street food business is in? \*

- ☐ Food truck
- ☐ Food trailer
- ☐ Pop up tent / Gazebo
- ☐ Food cart / bike
- ☐ Permanent establishment

3. What is your location? \*

- ☐ North America
- ☐ South America
- ☐ Asia
- ☐ Europe
- ☐ Africa
- ☐ Middle East
- ☐ Australia

#### 4. What street food do you prepare?

- ☐ Burgers
- ☐ Hot Dogs
- ☐ BBQ/Smoked meat/sausage/fish/vegetables
- ☐ Grilled meat/sausage/fish/vegetables
- ☐ Deep-fried foods, Fries/Dumplings/Churros/Falafel
- ☐ Deep-fried sweet food, Churros/Doughnut
- ☐ Filled Sandwiches/Rolls/Paquettes
- ☐ Panini/Burrito/Fajitas/Tacos/Similar
- ☐ Paella
- ☐ Pizza
- ☐ Soups
- ☐ Pasta
- ☐ Rice
- ☐ Stew
- ☐ Crepes/Pancakes/Waffles
- ☐ Ice Cream/Frozen Yogurt
- ☐ Smoothie
- ☐ Tea/Coffee/Other hot drinks
- ☐ Something else

## 5. Please rate the level of different challenges for you in street food business? \*

	Very easy	Easy	Not easy nor difficult	Difficult	Very difficult
Branding your business?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Digital marketing?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Food preparation before street sales?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Food purchasing?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Food storing before or after the actual work?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cooking fluency and capacity?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Creating menu and recipes?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Hygiene requirements?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Keeping the cold chain unbroken?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Waste disposal?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Setup time for starting daily street sales?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Guest dining area?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Investment cost in starting the business?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Financing the investments?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Acquiring necessary licenses and permits for the business?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

6. If you rate something to be difficult or very difficult in the previous question, please tell why it is difficult. Or is there something else especially challenging in running a street food business? What?

## 7. Please rate the importance of the properties of street food appliances/truck/trailer?

	Not important	Little important	Important	Very important
Easy portability of a detached appliance? (for instance grill)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Durability of appliances?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Energy efficiency of appliances?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Availability of spare parts and service of appliances?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Easy functionality of appliances?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Food truck / Trailer / Box versatility?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Food truck / Trailer / Box kitchen modifiability by modular appliances ?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Small storage size requirement of appliance (if movable)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Purchase price	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Floor/appliance layout enabling smooth working?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Versatile financing options for the purchase of equipment / truck / trailer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Different energy supply options for the appliances?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



8. If you'd be starting or expanding your street food business, would you be interested in...?

	Very interested	Interested	Somewhat interested	Just a little interested	Not interested
To start/enlarge your business with franchising option? (With well-known brand, existing menu & recipes and with predefined street food unit and support)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
To buy street food unit as a service?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
To buy menu & recipes & marketing as a service?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
To buy professional help in starting the business?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

9. This question is for street food customers! Please tick the boxes which are the most important for you when buying and consuming street food?

*Please select maximum four the most important that apply.*

- ☐ High quality and taste of food
- ☐ High hygiene level
- ☐ Vegan food
- ☐ Price
- ☐ Ability to see cooking
- ☐ Food and packing that allows for easy eating while standing without a table and chair
- ☐ Ecological packing
- ☐ Option for seating area
- ☐ Short waiting time for food
- ☐ Well-known brand
- ☐ The appealing appearance of food truck/trailer/cart/gazebo
- ☐ Something else

10. Is there something else important when buying/eating street food? What would it be? Please tell more.

11. From which type of unit you prefer to buy street food?

- ☐ Food truck / trailer
- ☐ Food cart / bike
- ☐ Pop up tent / Gazebo
- ☐ Fixed establishment by the street?

12. Add more!

13. If you wish to participate in the toss-up, please leave your contact information here.  
The contact information is used only to run the toss-up. (email or phone number)

Tämä ei ole Microsoftin luomaa tai suosittelemaa sisältöä. Lähettämäsi tiedot lähetetään lomakkeen omistajalle.

EMAIL TO JANI UNKERI: CONCEPT TESTING

KONSEPTIN TESTAUS JANI UNKERI, JUURELLA RAVINTOA 6.5.2020

Hei Jani,

cc. Henri Penttilä

sain yhteystietosi Keitintehtaalta. Olen täällä aloittanut hiljattain myynnissä ja kehittämisessä. Henri antoi tehtäväksi kehittää katukeittiölaitepuolta, jotta siitä saisi yritykselle kasvatettua yhden uuden tukijalan. Katukeittiöpuolella on toki nytkin bisnestä, makkaragrilliiä on myyty viime vuosina ihan mukavia määriä, tänä vuonna ei tosin sattuneesta syystä ollenkaan. Teen myös gradua samalla street food puolen asiakasarvolupauksesta, ja siihen siis pyrimme löytämään uusia tuulia.

Olen erilaisia konsepti-ideoita kehitellyt ja kysyisin sinulta yhteen niistä kommenttia liittyen ravintolan toteuttamaan katukeittiötarjontaan. Tutkimusten mukaan gourmet-tasoinen katuruoka tuo tuottoja eniten. Tämä mahdollinen ideomani konsepti toimisi siten, että ravintola tai ravintolan alainen yrittäjä toimisi katukokkina seuraavasti:

- 1) Gourmet ravintola, esimerkiksi Juurella laatii yksikertaisen ja katukeittiöön sopivan reseptin ja esivalmistaa/-valmistelee ruuan keittiössään → katukokeilla on nimenomaan reseptien kehittely ja kunnollisten keittiötilojen kutistaa tarjottavan ruuan valikoimaa
- 2) Katukeittiö-yksikkö (trailer, auto, teltta, boksi) käyttää ravintolan ilmettä ja brändiä, esimerkiksi "Juurella Street Food" ja tarjoaa gourmet-tasoista katuruokaa jossa yksinkertaistettu tarjonta ravintolaan nähden (katuruokatuotteistus).
  - tämä toimisi ravintolalle lisäbisneksenä, markkinointitapana, jolla ohjataan väkeä itse ravintolaan. Lisäksi sen avulla keittiön käyttöastetta kasvatettaisiin, joten kulu/myynti pienenis.
- 3) Keitintehtaan rooli olisi tehdä ruokaan ja tarvittavaan ilmeeseen sopiva katukeittiöyksikkö. Esimerkiksi burgerin valmistamiseen olisi sopivat säilytys, jäte, yms tilat sekä ruuan laittamiseen sopivat paistotasot, lämmittimet ja muut välineet. Katukeittiöyksikkö voi tosiaan olla teltta tai vastaava boksi, siirrettävä traileri, tai auto. Ravintolan keittiössä tehtävä ruuan varastointi ja esivalmistus pienentää yksikön varustustarvetta. Yksikkö suunnitellaan täyttämään kaikki hygieniä, kapasiteetti yms. vaatimukset.

#### HYÖDYT RAVINTOLALLE:

- mahdollisesti erittäin merkittävä liikevaihdon/katteen kasvattaminen (USA:ssa keskimääräinen katukeittiöyrityksen liikevaihto on noin 300 000 dollaria)
- keittiön käyttöasteen kasvattaminen (kulut / myynti laskevat)
- mahdollinen ostovolyymin kasvamisen tuoma hintahyöty ostoissa
- markkinointihyöty, olemassa olevan brändin tehokkaampi hyödyntäminen ja asiakasohjaaminen ravintolaan katuruuan kautta
- toiminta-alueen kasvaminen
- uusien asiakassegmenttien saaminen
  - tämä voisi olla ravintolan suora bisnes tai ravintolan franchisingbisnes, jolloin liiketoimintariski on toisella yrittäjällä.

#### HYÖDYT KATUKOKILLE

- olemassa oleva brändi (välitön kaupanteon helpottuminen ja kulujen säätyminen)
- valmis, korkealaatuinen ja katumyyntiin sopiva gourmet-tuote ja resepti (vähemmän aloittajan virheitä ja parempi tuotto)

- pienemmän aloitusinvestoinnit (ravintolan esivalmistuksen hyödyntäminen, keittiö/varastointi/pakastustilat, ostovolyymin tuoma hyöty)
- pienempi hukka
- street ruokaan täsmäsuunniteltu laitteisto (tästä voi olla eritasoisia versioita ja mahdollisuus laajentaa bisnestä)
- siirtyminen yrittäjäksi olisi näin helpompaa ja katukokista voi kasvaa vaikka ihan oikea ravintolakokki

#### HYÖDYT ASIAKKAALLE

- korkealaatuinen, herkullinen ja turvallinen katuruoka
- mahdollisuus nauttia kuuluisan ravintolan gourmet-ruokaa hieman edullisemmalla hinnalla, eri alueella jossa ravintola sijaitsee tai muunakin kuin ravintolan aukioloaikana. (luulen, että katuruoka ei syö ravintolan myyntiä, mutta laadukkaana lisää asiakasvirtaa ravintolaankin)

#### HYÖDYT KEITINTEHDAS:

- katukeittiöpuolen bisneksen kasvu
- keitintehdas voisi tehdä yksiköitä myyntiin, liisattavaksi ja vuokralle (esim. tapahtumat ja kesäaika)
- hyödyttää myös militaarikeittiöiden kehittämistä

Olisi todella hienoa, jos ehtisit kommentoida ajatusta. Mikä siinä on ravintolan näkökulmasta kelvotonta ja/tai hyvää? Ja voisiko tässä olla korkealaatuisille ravintoloille kiinnostava bisnes tai mahdollinen francising-tulojen lähde?

Minulle voi soittaa tai kirjoittaa. Puhelin on 040 517 1945.

Parhain terveisin

Juha Palonen  
Teuvan Keitintehdas Oy

---

kommentti: Jani Unkeri, puhelinhaastattelu 8.5.2020, klo 16.13.

Unkeri piti konseptia mielenkiintoisena, ja jopa omaan ravintolaan toteuttamiskelpoisena. Isoin huoli on omien resurssien riittävyys, jos katukeittiötoiminta olisi omaa bisnestä sekä riittävän autenttisen reseptin luomisen. Mahdollisesti myös brändäyksen hinta mietityttää, tätä tosin helpottaa ravintolan olemassa oleva brändi. Tässä tapauksessa Francising voisi olla mielenkiintoisempi vaihtoehto, jolloin katukeittiön bisnesriski olisi enemmän katukokilla.

Unkeri ja Juurella ravintola on tehnyt katuruokatoimintaa Seinäjokisten suur tapahtumien (mm. Provinssi) yhteydessä omilla brändeillään omana toimintana "Äärellä" ja "Suurella" -nimellä.