

## Local Taste, Global Threat: Jan Fast Food's Competitive Struggle Against Multinational Food Chains: A Business Case Study

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### Introduction

While driving his luxurious car on Jinnah Road, Quetta, Mr. Farooqi, the owner of Jan Fast Food (JFF), seemed worried as he saw the grand opening advertisement of another multinational fast-food franchise, "Subway," everywhere in the city. The launch was scheduled for the end of September 2025. In a true sense, JFF introduced the fast-food trend in Quetta's market. Before the JFF, the people of Quetta were not familiar with fast food. The small business, which was started by taking loans from family and friends, soon became profitable. Inspired by JFF's success and growth, many other local businesses entered this industry, but none performed as well as JFF. JFF enjoyed market leadership for over a decade since its inception in 2002. However, in the last few years, four multinational fast-food chains (McDonald's, KFC, Burger King, and Pizza Hut) entered Quetta's market, and now another, one of the largest fast-food chains, Subway, has announced its opening. *"I did well in competing with local competitors; how will I compete and grow in the presence of these big giant firms?"* This question was wondering Farooqi all the time.....

### Geographical and Demographic Context

Pakistan is the fifth-most populous country in the world, with an estimated population of approximately 255 million individuals (Hijazi, 2025). With an area of 882,363 square kilometres, it is the 33rd-largest country in the world (Zada, Khan & Nasir, 2023). Pakistani culinary offers a blend of cultural heritage, shaped by centuries long history of region with regional and ethnic diversity. From the fertile lands of Punjab to the coastal belt of Sindh, and from the mountains of Balochistan to the highlands of Khyber Pakhtunkhwa, every region underwrites its culinary traditions to the national taste (Usmani & Malik, 2021). Pakistani food is widely recognized for its rich aroma and spicy flavors. Common ingredients include green and black cardamom, cumin seeds, turmeric, fenugreek seeds, asafetida, cinnamon, cloves, nutmeg, mace, and

black pepper, along with ample use of oils and fats in many recipes. Pakistani main courses are mostly served with either wheat-based bread or rice (Ahmed et al., 2020). Over the last two decades, there has been significant increase in international and fast-food outlets in Pakistan to a large extent. These trends have been influenced by urbanization, exposure to digital media and increased percentage of working women, nuclear families, and dynamic preferences of young generations. This has led to an increase in the trends partially in the larger cities. Nonetheless, the cultural and regional diversity of the Pakistani people still affects the preparation of these dishes, with most international cuisines blended with local desi tarka (Sajjad et al., 2023). Pakistanis are widely recognized for their strong food culture and their openness to trying new dishes.

The Pakistani culture is famous with its rich food heritage and readiness to try new foods.

Therefore, many leading food chains are interested in opening outlets in Pakistan (Hussain et al., 2023). This trend positions the Pakistani food industry as one of the most rewarding businesses, with comparatively high profit margins and an estimated annual revenue of around \$110 billion, projected to rise by 7% annually. Pakistani households spend around 40% to 50% of their income on food-related products, making it the most significant component of household expenditure in the country (Hayat et al., 2023).

Quetta, also referred to as the fruit garden of Pakistan, is the capital and largest city of Balochistan province and the ninth-largest city in the country (Rehman et al., 2021). This city has a unique and evolving culinary identity due to its multiethnic composition and historical influences. Quetta's food culture is transformative, evolving from traditional tribal cuisine to international flavors. Traditional cuisines of Quetta are mostly meat-centric, including khadi kabab, lamb rosh, Landhi, dum pukh, kabuli pulao, chapli kabab, karahi, and saji, alongside a growing shift from traditional dining to urbanized fast-paced experiences.

### **JFF's Genesis and Growth**

Mr. Farooqi's parents migrated from British India soon after the partition of the subcontinent. They settled in Quetta because his father got a federal government job. Farooqi was born in 1975 and graduated from a local college in Quetta in 1995. Following the family norms, he also got a government job within 03 years of his graduation. Everything seemed satisfactory until he got married to his cousin, who was the daughter of his uncle. His uncle was a successful businessman, and he encouraged Farooqi to start a business. After considering the long-term prospects of his business, Farooqi finally decides to start his own business by resigning from his white-collar job. After analysing the market trends and consulting with family members and friends, he decided to enter the food business. Preliminary market surveys identified the potential of the fast-food business, and after considerable effort, he decided to open a small-scale JFF and Biryani, using his family's savings and taking loans from relatives. His father-in-law also supported him for this venture.

JFF offers fast and continental food products for walk-in and dine-in customers with home delivery services. It began operations in May 2004, providing space for 30 customers as a sole proprietorship on Prince Road in Quetta, Pakistan (this location is often referred to as the city's Food Street). The company's annual sales are approximately Rs. 25 million. JFF has captured a good market share and benefits from its central location. It generates 60% of its earnings from walk-in customers, 20% from home delivery, and the remainder from event serving and agreements with various customers and organizations. One of the main reasons for JFF's success is the blending of traditional recipes with the Western concept of fast food. JFF offers a large variety of food items, such as fast food, continental cuisine, and the local traditional dishes. Its menu includes blends of burgers, biryani, pizza broast, rolls, Chinese food, barbecue, sandwiches, fish, French fries, desserts, kebabs, raita and drinks. Besides these items, it has also established marks on its breakfast related menu, including halwa puri, channay, paae, nihari and lassi with many other items, which has made the business a trendsetter and popular dining venue among masses including families in the city especially during breakfast. JFF has also introduced special sehri deals in the month of Ramadan during which a substantial increase in customer traffic has been observed.

JFF has undergone a significant physical and commercial expansion with time. What started as a single-story outlet with area of around 2000 square feet has grown and is now a multi-story building of over 10000 square feet. The business also keeps expanding its menu to include frozen desserts, coffee, chai, and other refreshments, allowing it to cater to a wider range of customer preferences. From a regulatory and legal standpoint, JFF has been registered under the Metropolitan Corporation Quetta under Balochistan Local Government Act. It is also enrolled with the Balochistan Food Authority and the Pakistan Intellectual Property Organization for safeguarding of the brand name and the logo. Besides, it is also listed by the Federal Board of Revenue and has an active National Tax Number (NTN).

Despite the popularity of some very famous traditional food brands in Quetta City, JFF quickly captured the attention of food lovers after its inauguration. This was due to its vast variety of delicious products, separate seating arrangements for families (a traditional norm), prime location, reasonable prices, and intense local media advertisement. In a short span of time, JFF achieved significant growth, and following the trend, a few other similar businesses entered the market, but none could outperform JFF. It enjoyed the status of market leader in its local segment (fast food) for an extended period until multinational fast-food chains started entering the market in Quetta.

#### **Human Resource Practices**

Currently, JFF has around eighty-four (84) full-time employees. The employee turnover rate is surprisingly low at 10%, compared to the local market average of 30-40%. Many employees have been working with JFF since its beginning and seem satisfied with their jobs. JFF offers slightly higher-than-market-rate compensation, including accommodation, to non-resident employees in Quetta. Employees receive

an overtime allowance for shifts longer than 8 hours, and Mr. Farooqi also gives cash bonuses for extraordinary performance. Employees also receive an Eid allowance and a leave fare assistance allowance. Due to better HR policies, employees seem satisfied with their employer, and this is reflected in their customer service. Around 60% of employees are non-permanent residents of Quetta and belong to the Punjab and Sindh provinces of Pakistan.

### **Marketing, Supply Chain, and Operations**

The JFF marketing slogan, "The taste you trust," embodies the business's marketing philosophy and aims to maintain and improve the quality of its products. By offering high-quality products and services, it doubled its seating capacity from 30 to 200 within a few years, with separate sections for gents and families in accordance with Muslim norms. The seat occupancy rate averages 70% to 80% but finding a parking space nearby can take time due to heavy traffic, especially during peak meal hours. Farooqi is currently thinking of relocating or expanding JFF to a larger place to facilitate increasing numbers of customers. This consideration reflects the sturdy growth of the business and the limitations of the current space in meeting rising consumer demand. With the number of customers consistently growing, especially during peak meals hours, weekends and seasonal events, there has been an increased need to have larger and well-equipped premises.

JFF adopts a dynamic and multidimensional approach of marketing and promotion. The local media is extensively used by the business in advertising to reach its customers through radio broadcasts, newspaper advertisements, and roadside billboards. Such promotional campaigns have been instrumental in ensuring that the brand name becomes much stronger and acquires a robust presence in the domestic market. Besides conventional advertising channels, another communication and promotion tool employed by JFF is the massive usage of social media. It also acquires services of social media influencers that have increased its visibility in social media platforms significantly. Through these efforts, the business remains active with its customers, announce new deals or menu items, presents special offers and discounts and reinforces customer engagement on a regular basis. This fusion of traditional and online marketing has made the business popular and well known in the market.

In order to ensure the steady availability of raw materials, JFF has established networks with several local suppliers and vendors. Such arrangements facilitate continuity in day-to-day operations to assist the outlet to sustain the consistent customer demand. Chicken constitutes the most consumed item among all the raw materials, as the average daily purchase is between 500 and 600 kilograms on a regular basis. To lower the input costs and ensure the efficiency of supply, . In order to reduce input costs and maintain supply efficiency, JFF sources chicken directly from a poultry farm, which supplies it at comparatively discounted rates. This direct procurement strategy has helped the business to manage the costs better and also guarantee access to a steady supply of the major input ingredient.

The volume of raw material keeps varying significantly throughout the season and tends to vary according to customer flow, and special occasions. The high volume of

procurement is usually made during the month of Ramadan, holidays, weekends and vacations. Most of the procurement decisions are made by Farooqi himself based of his experience instead of using formal statistical forecasting or inventory modeling techniques. This is a widely practiced management approach where operational decisions are strongly based on personal judgements rather than contemporary business practices.

With regard to standardization, JFF is not ISO certified and none of its suppliers are either. This is regarded as general practice in the local businesses where international or national quality certifications are not acquired by the small and medium-sized businesses. In the current market environment, both government and consumers also do not put business under pressure to acquire such certification. Consequently, operational continuity and business credibility are maintained primarily through reputation, routine practice, and customer trust rather than compliance with international certification frameworks.

### **Financial Performance**

JFF deploys efficient cost management practices to sustain and raise levels of profitability ratios such as direct sourcing of raw materials, JIT inventory system and cost-efficient marketing strategies. In terms of profitability, JFF maintains an estimated gross profit margin of 55%–60%, which is typical for local food businesses in the region having operations with controlled input costs. After general operating expenses like as rent, utilities, salaries, and logistics, the business attains a net profit margin ranging between 12%–18%, indicating moderate but secure profitability. The cost structure of similar businesses of region propose food related raw materials costs approximately 35%–40% of total revenue, while labor and operational expenses account another 30%–35%. JFF's effective management system keeps these costs under control despite rising inflation and input price volatility. Revenue diversification further strengthens its financial performance where approximately 60% of revenue is generated from walk-in customers, 20% from home delivery, and 20% from catering services and special event contracts. This diversification has helped stabilize revenue and mitigate risks associated with market fluctuations.

Moreover, JFF enjoys higher profitability ratios during peak seasons (e.g., weekends, festive seasons and special events), as sales volume increases significantly while fixed costs remain relatively stable, leading to improved contribution margins. However, despite these positive indicators, JFF keeps continuous focus on operational efficiency, menu optimization, and customer retention strategies to sustain its profitability in the long run due to intense competitive environment with high threat of new local, national and international entrants in market.

### **Competitive Landscape**

The presence of multinational firms in the local market has always been considered alarming for small-business owners; these firms can easily change the standards and dynamics of doing business in a particular market, putting local businesses in deep trouble. A multinational firm can offer lower prices for highly standardized products

through systematic procedures, a strong financial position, extensive market experience, up-to-date manufacturing processes, and economies of scale. These firms may also enjoy higher brand equity and image as compared to local businesses. Moreover, as these multinationals buy in bulk, they receive substantial discounts compared to local firms, enabling them to offer lower prices. These conglomerates also compete with local firms through massive advertisements in the local market to attract customers from local businesses. The workforce of these firms also finds their jobs more rewarding, employee-friendly, and comfortable due to professionally designed and implemented HR policies. Due to their international experience and access, multinationals use updated, integrated technology across their business processes, from inbound to outbound logistics to marketing and internal and external operations. It gives the multinational efficiency that local firms mostly lack. Multinational firms locate their outlets in promising, spacious locations. In Quetta, most local food outlets are situated in crowded areas with parking problems, while most fast-food chain franchises are located in modern shopping malls with air-conditioned buildings and free parking.

#### **Expansion Potential and Conclusion**

Despite the operational and strategic challenges faced by JFF, the business continues to hold substantial potential for future expansion and growth. The market presents several opportunities of growth, such as launching more outlets within and outside the city, the introduction of a franchise model and the expansion of its digital image in online marketing and food delivery platforms. All these opportunities have the potential to increase the business's reach, improve brand visibility, and generate higher revenue streams. Specifically, market growth strategy can help JFF to capitalise on the rising consumer needs of its well-known food brand that has localised attraction with a diversified menu.

Development of a franchise system is another prospect of growth. The right design of using franchise model would enable JFF to expand its business operations outside of its existing locations and would also allow the business to grow with reduced direct investment in the physical infrastructure since the franchise partners would help to shoulder the cost of capital. As franchise partners would share the burden of capital expenditure. At the same time, such model would require the business to establish clear quality benchmarks, operational controls, and managerial guidelines in order to ensure that the customer experience remains uniform across all outlets. Franchising is considered a good and business-wise viable expansion strategy, yet its effectiveness is extremely reliant on the presence of solid internal framework and standardized processes. At the moment, JFF has only one main and one franchise outlet within the Quetta city and a massive additional growth opportunity exists both in and outside the metropolitan area.

JFF seems to be at the growth stage of business life cycle at the moment. This is reflected on its growing customer base, physical expansion, product diversification, and market recognition. The business holds a stable position in the market; however, in spite of the fact that the business is not in the stage of start-up, the growth curve has

slowed down compared to the expected speed. This momentum is not reflection of business performance, but a consequence of structural and managerial restrictions which inhibit the business to grow in a systematic way. The stiff competition in the market, minimal application of technology and lack of formalized management structures have all made it bit slower down the rate at which JFF would else be able to achieve.

A major constraint is the lack of organizational fundamentals that are normally required for multi-branch growth. The business still lacks standard operating procedures and detailed manuals, approved policies and documented quality-control systems. Without these foundations, the replication of operations at another outlet becomes difficult. Expansion without standardization often leads to inconsistencies in food quality, service delivery, procurement practices, and customer experience. The situation is amplified in franchising, where the reputation of the brand is pegged on the capability of the independent outlets to function in a uniform and regulated fashion. This seems to be the prime reason of delay in opening up of more branches even within the same city.

Another indicator that influences the rate of slow growth is the fact that the business has not fully embraced modern technology in its operations. Under the competitive industry environment, companies are now more dependent on digital systems in controlling inventories, forecasting, sales analysis, relationship management among customers and performance monitoring. The aspect of experience-driven decision-making among JFF, as opposed to the use of data-driven systems, might be adequate in running one successful outlet, but poses a limitation once the company wants to extend its operations to a more complex organizational formation. Sustainable growth at a larger scale typically requires greater process automation, better reporting systems, and stronger coordination mechanisms.

The absence of ISO-certifications and the inability to have internationally recognized quality systems also slows the business expansion. Such certifications might not be aggressively required in the domestic market currently, but once a business aims at expanding, finding investors for franchisees, or developing a broader institutional reputation, these matters become essential. The only quality indicator that supports formalization, consistency and confidence is certification, although it does not exclude using other quality indicators. In the case of JFF, the lack of certified supply chain partners, combined with the absence of internal documentation and quality manuals, weakens its readiness for branch-based or franchise-based growth.

Keeping in view the growth of JFF and the passion of its leaderships, it is justifiable to predict that the business will be in a good position to experience further growth once these weaknesses are addressed. The market still provides considerable room for opening new outlets and introducing a franchise network. JFF already has a number of strengths that will aid the future expansion provided that the business formulates its operational manuals, written policies, training systems, procurement strategies and uniform service procedures, , it would be in a far stronger position to expand confidently and sustainably. Therefore, these limitations do not reflect the absence of opportunities, but merely lack of internal preparedness. Once these issues have been

addressed, JFF could move more effectively from a successful single-outlet operation to a scalable and professionally managed business model.

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