

# Phugat Ki Chai® Franchisee Orientation & Business Model Guide

Welcome to Phugat Ki Chai®: The People's Tea Revolution

Phugat Ki Chai isn't just a café chain. It's a bold, revolutionary concept that's rewriting the rules of the tea and quick-service restaurant (QSR) industry in India. While most brands are focused on increasing profit margins at the expense of the customer, we've built a system where loyalty is rewarded, tea is technically free, and franchise owners flourish within a cashless, transparent ecosystem.

In this guide, we will provide every potential franchisee with a comprehensive and transparent understanding of our model: how we function, how you earn, what makes us unique, and how we compare to traditional cafés.

## **1. The Vision: *Serving Chai with Dignity, Innovation & Purpose***

Tea is not just a beverage in India — it is an emotion. It's what starts our day, what we turn to in between meetings, what brings strangers together, and what seals friendships.

But sadly, in most parts of India, the very vendors serving this cultural staple work on outdated business models, often struggling to sustain profit margins while being forced to compromise on hygiene, tech adoption, and scalability.

Phugat Ki Chai is here to change that narrative.

### **We aim to:**

- Offer premium Irani tea made from organic ingredients.
- Run a 100% cashless, digitally trackable café chain.
- Provide chai lovers with a sense of belonging, rewards, and community.
- Ensure franchisees enjoy recurring, scalable, and tech-backed revenue streams.

## **2. The Business Model: *Coin-Based Digital Economy***

Unlike traditional café models where customers simply pay and consume, Phugat Ki Chai runs on a dual currency system:

### **A. Real Money (through wallet recharge/UPI)**

Used for buying all products other than chai:

- Water bottles
- Pickles
- Burgers & Pizzas
- Bakery items
- Beverages other than tea (Coffee, Milkshakes, Etc.,)

### **B. Digital Coins (used exclusively for chai)**

Customers earn 1 digital coin for every ₹1 they spend on food & non-chai items. These coins can be redeemed at the rate of 25 coins = 1 cup of Irani Chai.

This means the chai they love becomes technically free just by participating in our ecosystem. This system creates a sense of joy, achievement, and emotional attachment.

### **Why is this model genius?**

- Drives more purchases of food/snacks.
- Creates loyalty and app usage.
- Ensures chai is never devalued but always accessible.

### **3. The App-Centric Ecosystem: *Building Customer Addiction***

Every customer must:

- Download the Phugat Ki Chai App.
- Recharge their wallet to buy food items.
- Automatically earn coins for chai.
- Cash is not accepted anywhere.

This ensures:

- Transparency for franchisees.
- Reduced pilferage.
- Full data control.
- Easy auditing and reporting.

Key App Features:

- Wallet Recharge via UPI/Card
- Order Tracking & Delivery
- Daily Coin Statement
- Subscription Plan Activation
- Birthday & Referral Bonuses
- Digital Invoice Generation
- Outlet Navigation

#### 4. Subscription Plans: *The Loyalty Engine*

Our Subscription Models create recurring income and convert visitors into brand ambassadors. Here's a deep dive into the plans:

Plan	Fee	Coins	Tea Limit	Extra Benefits
Basic	Free	10-100+	1 tea/day	Social media, referral, birthday rewards
Silver	₹116 (90 Days)	3000+	2 teas/day	Monthly coins, event offers
Gold	₹1116 (90 Days)	30,000+	Unlimited teas	₹5/tea Handling charge extra, if more than 10 teas claimed on same day.
Platinum	₹11,116 (180 Days)	600,000+	Unlimited teas + Bakery Items ₹100/day	₹3/tea Handling charge extra, if more than 10 teas claimed on same day.
Diamond	₹1,11,116 (180 Days)	6,000,000+	Unlimited teas + Bakery items unlimited	₹2/tea & ₹6/bakery item - Handling charge extra, if more than 10 teas or 10 units of bakery items claimed on same day.

> ⚠ Unused coins lapse in 30 days

## 5. Real-World Example: *Why Our Model is Smarter Than Traditional Cafés*

Let's compare - Traditional Café Franchise:

- High setup cost (₹20-80 lakhs)
- Royalty 8-12% monthly
- Menu is generic
- Revenue depends solely on food sales
- High pilferage and cash leakages
- Requires constant manual monitoring

### Phugat Ki Chai:

- Lower setup cost (₹3-50 lakhs max depending on size/location)
- No royalty on tea revenue (since it's coin-based)
- Unique Irani Chai USP
- Customer retention via coin system
- Fully cashless = Transparent = Safe
- Automated AI monitoring via App & Dashboard
- Rs. 50,000/- (Fifty Thousand) to Rs. 5,00,000/- (Five Lakhs) Subsidy - Seed Funding Support on Total Cost by NGO – Youngsters of Hyderabad Youth Welfare Association.

**Example:** A customer spends ₹200 on snacks. They get 200 coins = 8 cups of chai free! They visit again to use those coins and buy more food. It's a cycle that rewards.

## 6. Franchise Revenue Model: Realistic Earnings Projection

Let's take an average outlet that operates 10 hours/day and serves 200+ customers/day.

### Minimum Estimation:

Avg. 500 customers/day

Avg. spend (non-tea): ₹20

Daily Revenue:  $500 \times 20 = ₹10,000$

Monthly Revenue:  $₹10,000 \times 30 = ₹3,00,000$

### Monthly Expenses:

Rent: ₹20,000

Salaries (2 staff): ₹30,000

Utilities: ₹50,000

Raw Materials: ₹1,00,000

Misc. + Delivery: ₹20,000

Total Expenses: ₹2,20,000

**Net Monthly Profit:**  $₹3,00,000 - ₹2,20,000 = ₹80,000$  (minimum case)

**Potential High Scope (Tier 1 Area + Delivery):**

Avg. 1000 customers/day

Avg. spend (non-tea): ₹100

Monthly Revenue: ₹30,00,000

**Net Profit:** Up to ₹7.5 to ₹8 lakhs/month possible

**7. Operational Ease & Support**

What We Offer:

- Complete POS Integration
- Franchise Dashboard for Live Sales, Coins & Inventory
- Automated Invoicing
- Periodic Training for Staff
- Branding & Menu Guidelines
- Central Procurement Support

Your Role:

- Choose location & invest in setup
- Hire 2-3 trained staff (we help & train)
- Follow SOPs for quality & hygiene
- Encourage App downloads & subscriptions

**8. Door Delivery - Customers may order:**

- From home via the app
- At the office
- For events or mini-parties
- Delivery system is integrated with maps, payments & order tracking.

**9. Hygiene, Taste & Quality Assurance**

Each Phugat Ki Chai outlet will:

- Serve standardized Irani chai made with organic milk & premium tea leaves
- Avoid artificial colors, flavors, and preservatives
- Maintain hygiene SOPs verified by HQ inspection
- Customers will taste the difference. This is better than even costly tea cafés of financial district but offered FREE to coin holders.

## 10. Emotional & Cultural Appeal: Why Customers Stay

Phugat Ki Chai is not a transaction. It's:

- A place to celebrate birthdays (with chai gifts)
- A community reward system
- A digital family where referrals, social shares, and support are appreciated
- They come for chai - They stay for the emotion.

## 11. Growth Plan: 100+ Outlets Across AP & Telangana

Within 12 months, we will activate:

- 50 outlets in Hyderabad & surroundings
- 30 outlets across AP major cities
- 20 strategic locations (bus stations, tech hubs, education zones)

Franchisees who join early will have location choice priority and tier-1 outlet training.

## 12. Final Invitation: Become a Part of the People's Tea Chain

- We are not looking for investors who treat this like any café.
- We are looking for change makers, chai lovers, and tech-forward minds who believe in redefining community businesses.
- Phugat Ki Chai is a revolution. Be one of the first leaders of this digital movement.

Let's Brew the Future. Together.

## Franchise Queries:



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➡️ Available Soon on Play Store / Apple Store