

# The Road to Modern Entrepreneurship: A sectoral Study of Food Truck Business in the New age

Ms.V.Aishwarya<sup>1</sup>, Dr.M.Gurupandi<sup>2</sup>

<sup>1,2</sup> Research scholar, Associate Professor

<sup>1,2</sup> Alagappa University, Karaikudi, India

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**Abstract:** Food truck businesses are expanding quickly in urban areas across the globe as a result of changing consumer lifestyles and an increase in demand for quick and inexpensive food options. This research explores the opportunities and challenges for food truck entrepreneurs and the factors that affect their success in today's environment. The methodology used in this study included both descriptive and quantitative methods and consisted of primary data collected through a structured survey given to food truck entrepreneurs and secondary data evaluated from relevant academic literature, government reports, and websites. The results of the analysis indicate that food truck businesses provide many opportunities (e.g., lower investment cost per unit, flexibility in operation, and access to various customer segments). However, entrepreneurs operating food trucks experience many challenges (e.g., regulations imposed on food trucks, competition, and lack of infrastructure). Lastly, product quality, location of business, satisfaction of customers, and marketing techniques used play important roles in determining the success of food trucks. This study helps to understand how modern entrepreneurship continues to change and provides ideas to assist entrepreneurs and policymakers interested in developing this aspect of food service.

**Keywords:** Food Truck Business Ownership; Mobile Food Industry Development; Current Business Ownership; Street Vendor Industry; Small Business Growth.

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## 1. INTRODUCTION

The contribution of entrepreneurship to economic growth and development is substantial through the advancement of innovation, creation of jobs and increased access to business opportunities. The rise of new forms of entrepreneurship that have emerged in recent years across many different sectors such as the foodservice industry is one example of this trend. Food truck entrepreneurship is an emerging trend within foodservice industry.

Food trucks, which are mobile food vendors offering various types of food products to customers within urban neighbourhoods, can provide customers with high levels of variety when it comes to dollars spent and meals finished. Food trucks allow for more flexibility with less operating costs than traditional restaurants. With these two reasons alone, food truck enterprises are highly appealing to entrepreneurs entering the marketplace.

Urbanization, changing consumer preferences, and an increase in demand for convenience will continue to support the growth of food trucks as a growing enterprise for entrepreneurs of all age groups to consider when considering starting a new business due to a far lower total required capital investment to begin and operate than starting a standard sit-down restaurant.

There are many advantages to operating a food truck; however, many entrepreneurs have difficulty overcoming challenges such as multiple regulations; parked location; increased competitors; food safety laws. It is, therefore, necessary to assess the opportunities, difficulties, and key success factors related to food trucks.

This research project will focus on assessing how modern-day food truck businesses fit into entrepreneurship and what are the most significant drivers of success for food trucks currently.

## **2. OBJECTIVES OF THE STUDY**

- To understand the role and/or definition of food trucks for contemporary entrepreneurs
- To determine what opportunities exist within the food truck industry
- To identify what obstacles are being encountered by food truck operators; lastly
- To examine how successful food trucks have achieved success.

## **3. HYPOTHESES OF THE STUDY**

**H1:** Food truck businesses provide significant entrepreneurial opportunities in the modern food service industry.

**H2:** Challenges such as regulatory restrictions and competition significantly affect food truck businesses.

**H3:** Success factors such as product quality, location, and marketing strategies positively influence the growth of food truck businesses.

## **4. RESEARCH METHODOLOGY**

### **Research Design**

The study adopts a **descriptive research design**.

### **Sources of Data**

Both **primary and secondary data** were used in the study.

### **Primary Data**

Primary data were collected from food truck entrepreneurs using a structured questionnaire.

### **Secondary Data**

Secondary data were collected from journals, books, research articles, and government publications.

### **Sampling Technique**

Convenience sampling technique was used to select respondents for the study. A total of **100 food truck entrepreneurs were selected as respondents** for collecting primary data.

### **Tools for Analysis**

The collected data were analyzed using the following statistical tools:

- Percentage Analysis
- Mean Score Analysis
- Ranking Method
- Correlation Analysis

These tools were used to examine the opportunities, challenges, and success factors influencing food truck entrepreneurship.

## 5. CONCEPTUAL FRAMEWORK



## 6. DATA ANALYSIS AND INTERPRETATION

### I. PERCENTAGE ANALYSIS OF DEMOGRAPHIC PROFILE OF RESPONDENTS

**Table 1: Age of Respondents**

Age Group	Frequency	Percentage
Below 25 years	22	22%
26–35 years	38	38%
36–45 years	24	24%
Above 45 years	16	16%
<b>Total</b>	<b>100</b>	<b>100%</b>

Source: Primary Data

#### Interpretation

According to the data in Table A, the largest category of respondents to the survey was the 26 to 35 age group, accounting for 38 percent of total survey respondents. This indicates that there are a disproportionate number of younger respondents interested in or having food truck businesses compared to older generations. The second largest group of survey respondents was those ages 36 to 45 (24%), and the smallest percentage of respondents was those fewer than 25 years old (22%). This shows that younger adults under age 45 comprise most owners within the food truck market.

**Table 2: Gender of Respondents**

Gender	Frequency	Percentage
Male	72	72%
Female	28	28%
<b>Total</b>	<b>100</b>	<b>100%</b>

Source: Primary Data

#### Interpretation

According to the table, 72% of all responders are men and 28% are women. Therefore, the majority of food truck entrepreneurs are male even though we see an increase in women participating in this venture.

**Table 3: Educational Qualification of Respondents**

Education Level	Frequency	Percentage
Higher Secondary	18	18%
Diploma	22	22%
Undergraduate	38	38%
Postgraduate	22	22%
<b>Total</b>	<b>100</b>	<b>100%</b>

Source: Primary Data

*Interpretation*

BASED UPON THE DATA FROM PARTICIPANTS IN THE TABLE ABOVE, THE TOTAL AMOUNT OF SURVEY RESPONDENTS THAT HAVE A FORM OF UNDERGRADUATE DEGREE IS 38% WHICH HAS THE HIGHEST REPRESENTATION OF ALL THE DIFFERENT TYPES OF LEVELS OF EDUCATION. THIS SHOWS THAT MORE EDUCATED INDIVIDUALS ARE STARTING TO ENTER INTO THE FOOD TRUCK INDUSTRY. ALSO, ABOUT 22% OF SURVEY RESPONDENTS HAVE OBTAINED SOME TYPE OF DIPLOMA OR POST-GRADUATE DEGREES. THEREFORE, ENTREPRENEURS WITH AN ARRAY OF EDUCATIONAL BACKGROUNDS ARE CONTRIBUTING TO THIS INDUSTRY.

**Table 4: Business Experience of Respondents**

Experience	Frequency	Percentage
Below 2 years	28	28%
2–4 years	34	34%
5–7 years	22	22%
Above 7 years	16	16%
<b>Total</b>	<b>100</b>	<b>100%</b>

Source: Primary Data

*Interpretation*

THE FINDINGS PRESENTED WITHIN THIS REPORT SHOW THAT 34% (THE LARGEST SHARE) OF FOOD TRUCK OWNERS HAVE BETWEEN TWO TO FOUR YEARS EXPERIENCE. THE DATA ALSO REVEALS THAT CLOSE TO 28% OF RESPONDENT FOOD TRUCK OPERATORS POSSES LESS THAN TWO YEARS EXPERIENCE WITHIN THIS INDUSTRY. THEREFORE IT IS REASONABLE TO CONCLUDE THAT THERE ARE MANY NEW BUSINESSES (FOOD TRUCKS) AND MUCH OPPORTUNITY FOR GROWTH AND DEVELOPMENT WITHIN THE FOOD TRUCK INDUSTRY.

**Table 5: Initial Investment in Food Truck Business**

Investment Level	Frequency	Percentage
Below ₹5 Lakhs	24	24%
₹5–10 Lakhs	42	42%
₹10–15 Lakhs	20	20%
Above ₹15 Lakhs	14	14%
<b>Total</b>	<b>100</b>	<b>100%</b>

Source: Primary Data

*Interpretation*

The 42% of those surveyed said they invested 5-10 Lakhs into their business in 2011 which represents the highest percentage of response from the total sample. Thus, it appears that starting up a Mobile Kitchen has a lower initial investment than many other types of food establishment businesses. In fact, 24% of survey participants who currently own Mobile Kitchens said they had invested less than 5 Lakhs to launch their business, making Mobile Kitchens a viable option for small businesses.

## II. MEAN SCORE ANALYSIS

**Table 6: Mean Score Analysis of Factors Influencing Food Truck Entrepreneurship**

Factor	Mean	Rank
Product Quality	4.35	1
Low Startup Investment	4.12	2
Strategic Location	4.10	3
Customer Satisfaction	4.08	4
Growing Demand	4.05	5
Flexibility	3.98	6
Marketing Strategies	3.92	7
Competition	3.84	8
Regulatory Restrictions	3.76	9

*Source: Primary Data*

### *Interpretation*

The researchers utilized a mean score analysis to ascertain the most influential factors for the successful operation of food trucks. The findings revealed that the factor with the highest mean score of 4.35, product quality, was identified as the top contributing factor to food truck entrepreneurs' success, which means that the food a business is serving drives success for the business. The second highest mean score of 4.12 was assigned to having a lower start-up investment; therefore, many entrepreneurs are attracted to start their own business because they can do it at a much lower cost than it would take to start a traditional restaurant. Additional high-ranking factors influencing food truck success are the strategic location of the business and street food demand, which both require a high density of customers and an increasing demand for fast or quick service food in order to establish the necessary infrastructure for the food truck business to be successful. The factors with the lowest mean scores were competition with other restaurants and regulatory limitations, which could limit the growth of a food truck, but neither were considered to be more important than product quality, or low start-up investment, respectively. Maintaining product quality, determining an appropriate location to implement one's food truck, and developing innovative products were demonstrated to be critical to food truck business success.

THE ANALYSIS SHOWS THAT SUCCESSFUL FOOD TRUCK ENTREPRENEURS GROW SUCCESSFULLY BY CONTINUING TO SERVE QUALITY FOOD PRODUCTS, SELECTING AN APPROPRIATE LOCATION FOR THEIR FOOD TRUCKS, AND APPLYING THE CORRECT MARKETING STRATEGIES. THE ANALYSIS INDICATES THAT FOOD TRUCK ENTREPRENEURS WILL BE ABLE TO GROW THEIR BUSINESSES SUCCESSFULLY, AS LONG AS THEY ARE SERVING HIGH QUALITY FOOD PRODUCTS, ARE IN THE CORRECT LOCATION FOR THEIR FOOD TRUCK BUSINESS AND HAVE THE APPROPRIATE MARKETING STRATEGY FOR THEIR FOOD TRUCK BUSINESS.

## III. RANKING ANALYSIS

**Table 7: Ranking of Success Factors Influencing Food Truck Entrepreneurship**

Factor	Mean	Rank
Product Quality	4.35	1
Low Startup Investment	4.12	2
Strategic Location	4.10	3
Customer Satisfaction	4.08	4
Growing Demand	4.05	5
Flexibility	3.98	6
Marketing Strategies	3.92	7
Competition	3.84	8
Regulatory Restrictions	3.76	9

*Source: Primary Data*

*Interpretation*

A ranking study was used to examine the major elements that will allow food truck entrepreneurs to thrive. The no. 1 item (product quality) was found to be closely related to being able to attract customers to a successful operation of a food truck, with a mean rating of 4.35. The second most valued major factor for food truck entrepreneurs was a low initial investment; many food truck owners can enter into this market because they do not need nearly as much startup capital as compared to traditional restaurants. The third largest area of concern for food trucks is where they are locating; food trucks perform at their highest levels when they are strategically located in areas with large amounts of pedestrian traffic and providing customers with satisfaction is also very important in building a successful food truck operation. While there are other factors that have lower than average rankings (i.e., marketing strategies, ability to adapt, competition, and regulatory concerns); these will continue to be large considerations for successful food trucks.

**Table 8: Correlation between Opportunities, Challenges, Success Factors and Growth of Food Truck Entrepreneurship**

Variables	Opportunities	Challenges	Success Factors	Growth of Food Truck Business
Opportunities	1.000	0.412	0.536	0.621
Challenges	0.412	1.000	0.385	-0.428
Success Factors	0.536	0.385	1.000	0.684
Growth of Food Truck Business	0.621	-0.428	0.684	1.000

Source: Primary Data

*Interpretation*

In order to understand how Opportunities, Challenges, Success Factors, and the Growth of Food Truck Entrepreneurship are related to one another, a correlation analysis was performed on each variable. Based on the results, it appears that the Opportunities Variable has a positive relationship with Food Truck Entrepreneurship Growth ( $r = 0.621$ ), which indicates that significant factors such as Low Investment, Flexibility, and Increased Demand contribute positively to the overall growth of Food Truck Entrepreneurship. Additionally, through analysis of the Success Factor Variable's influence on Business Growth ( $r = 0.684$ ), it is evident that elements such as Product Quality, Strategic Location, Customer Satisfaction, and Effective Marketing Strategies have a substantial effect on the success of Food Truck Businesses. Conversely, the Challenge Variable has a negative relationship with Business Growth ( $r = -0.428$ ), indicating that there may be restrictions imposed by Regulatory Authorities, Competition, and Limited Infrastructure that may prevent the successful growth and maintenance of Food Truck Enterprises (Entrepreneurs). Thus, the results of the study show that although Opportunities and Success Factors generally have a positive effect on the growth of Food Truck Businesses, the Challenges associated with this form of Entrepreneurship will be a barrier to achieving Long-Term Growth.

**7. FINDINGS**

This research found that food truck operations are good opportunities for entrepreneurs based on Compared to traditional brick and mortar restaurants, food truck operations require less capital investment to start a business and have greater flexibility in running a business. As urban customers continue to increase their demand for street and fast food, there are growing opportunities for food truck operations.

However, entrepreneurs face various challenges including dealing with obtaining necessary permits and licenses to operate their business and limited infrastructure to support food trucks, and the increasing number of food vendors competing with them. Successful food truck businesses have been able to achieve and maintain food quality standards, establish appropriate operating locations, and develop creative/innovative marketing strategies.

**8. SUGGESTIONS**

Based on the findings, the following suggestions are proposed:

- Government authorities should simplify licensing procedures for food truck businesses.
- Designated parking spaces should be provided for food trucks in urban areas.
- Entrepreneurs should focus on maintaining food quality and hygiene standards.
- Social media marketing can be used effectively to promote food truck businesses.

## 9. CONCLUSION

Food truck businesses have taken off as a current trend in the food service industry lately. This provides opportunities to many potential food trucks or new entrepreneurs who want to become a food truck entrepreneur and help grow the economy by creating jobs and bringing in new ideas. Food truck entrepreneurs face many challenges; however, food truck businesses can last for years by operating their business properly, having great service and using good marketing methods. This study further indicates that we should keep supporting food truck entrepreneurs and help them succeed, so we can keep growing and sustaining this new industry.

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