

Department of Agricultural and Resource Economics

So, You Want to Own a Food Truck

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The popularity of the food truck culture is evident in popular media with reality/cooking shows like “The Great Food Truck Race” or “Big Food Truck Tip.” According to Corvo (2014) the food truck trend is attracting not just the traditional day laborer looking for cheap nourishment but the foodie crowd looking for alternatives to the traditional extremes as well. Due to changing social and economic conditions, the consumption behaviors of people in the food sector are changing with the economy tied to street food gaining importance (Corvo, 2014).

According to the 2024 Tennessee Festival Guide, there are more than 900 festivals in the state. A big part of festivals and fairs are food truck vendors. However, Kowalczyk and Kubal-Czerwińska (2020) reported food trucks have become increasingly popular places people congregate during the week (business and corporate districts in particular) and weekend (free-time districts). Food trucks are quickly becoming a manner utilized by potential restaurateurs to enter the food service. As people desire to operate a food truck, many are not aware of the various local, state and federal health and food safety codes. Also, as potential food business owners, there may be a lack of understanding regarding business planning.



Figure 1. Business planning and understanding health and safety codes are essential when starting a food truck business.

Kraus, Sen, Savitskie, Kumar, and Brooks Jr (2022) reported the industry experienced significant growth, growing 6.6 percent per year between 2016 and 2021 as more than 32,000 food trucks created a projected revenue of \$1.2 billion by the end of 2021. Millennials (those born 1983-2000) are one of the largest customer segments within the restaurant and hospitality industry, accounting for 21 percent of the consumer spending which amounts to almost \$1.3 trillion dollars (Rauch, 2014). The U.S. Department of Agriculture’s 2014 food expenditure data further reported that millennials outspent baby boomers (those born 1946-1964) on eating out, by spending approximately 44 percent of their food dollars (Kraus et al., 2022).

According to Hawk (2013), food truck owner/operators utilize various strategies to establish viable niches for themselves in this diversified and burgeoning market. Strategies discovered by Hawk (2013) Include:

- online social networking,
- creating and maintaining a recognizable brand identity,
- collaborating with local retailers and bar owners, and
- incorporating organic and locally produced ingredients in their dishes whenever possible.

Corvo (2014) inferred many food truck operators use only local products and have long-term relationships with local farmers, who supply them on a daily basis, therefore, enabling them to meet sustainability standards for energy use, production, and the recycling of waste.

Koay, Cheah, and Ganesan (2023) found the following values have a positive effect on consumers' intention to purchase from a food truck: taste, health, emotion and epistemic (knowledge of something). According to Kraus et al. (2022), food truck image and employee friendliness were found to impact both customer satisfaction and word of mouth behavior. By seeking to meet sustainability criteria and a good balance between quality and price, this growing sector is challenging long-standing fast foods (Corvo, 2014).

References

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