

A Study on Buying Behaviour of Youngsters towards Fast Food Restaurants

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Abstract—

The Indian economy was a traditional economy with majority of the consumers having a preference towards home cooked foods. This posed a major challenge to the major global fast food giants such as McDonalds and KFC to establish their business in India. In recent years the Indian fast food industry is undergoing rapid changes, reflecting a number of underlying developments. The most significant has been the quality and variety of services which have accelerated and broadened the scope of fast food restaurants in India. The global retailers have to compete with the Indian fast food retailers who offer traditional foods according to their tastes at affordable prices. Today, the fast food industry is adapting to Indian food requirements and is growing rapidly in India. It is gaining acceptance primarily from the Indian youth and younger generations and is becoming part of daily life. Keeping in mind the Indian habits and changing preferences towards food consumption, this study has as its focus tried to understand the factors affecting the perception of Indian youth, in the age group of 18-25 years, towards consumption of fast food as well as towards making choices of which fast food outlets to patronize. The findings of the study would help the fast food retailers to shore up their strengths and remedy their shortcomings.

Keywords— Buying Behaviour, Customer Perception, Customer Satisfaction, Fast Food Restaurants, Growth Drivers.

I. INTRODUCTION

Economic growth is typically accompanied by improvements in a country's food supply, both quantitative and qualitative, and a gradual reduction in nutritional deficiencies. It also brings about changes in the production, processing, distribution and marketing of food. Diets evolve over time and are influenced by factors such as income, prices, individual preferences and beliefs, cultural traditions, as well as geographical, environmental, social and economic factors. India's impressive economic growth over the past two decades and a more inclusive growth in recent years have resulted in per capita income steadily increasing in real terms as well as at market prices both in urban and rural areas. The change is occurring both among rural and urban households. Other factors contributing to the change in the consumption pattern is the increasing urbanization.

During the most recent decade globalisation has also played an important role in the transformation of food consumption patterns of Indian households. India has long had a reputation as being unfriendly to foreign businesses, but when it comes to fast foods, international chains are being warmly welcomed by a young, upwardly mobile population. Indians' increased exposure to international cuisine through the media and travel makes the country a desirable destination for international food chains looking to expand globally. In India today, people are acquiring new tastes rather than changing their tastes, because it takes a whole generation to actually change tastes. As more and more people acquire money, there are a lot of new consumers who are experimental in nature. The upsurge in malls in every major Indian city has further triggered the growth as they essentially host all international fast food brands looking to expand in India.

Fast food culture is not new to India as Indians traditionally consume foods cooked in the same manner in *dhabhas* which offer foods according to the Indian flavours. These foods are healthy and easily accessible at lower costs. But the increased spurt of global fast food retailers opening their outlets in India indicated the

paradigm shift in consumer needs, tastes and preferences. The younger population of the economy with high disposable income find these restaurants as a place for social recreation and prestige.

The fast food restaurant is one typical form of global business which has grown rapidly in India. There are some unique cultural differences in Indian fast food consumption. For example, Indians tend to consider fast food restaurants as representative of western culture. In addition, they are recognized being not only an efficient and economic eating environment but also as an exotic place for social interaction and entertainment. Since customers are exposed to more cultural influences, their interest goes beyond food, and extends to the experience provided by the QSR. They are receptive to new products and services, and want to be able to customise their menu items. They have moved from a testing phase to an indulgence phase, where they prefer more exciting products. They tend to show a variety-seeking behaviour in terms of outlets and variety of food.

The Quick Service Restaurant (QSR) sector is one of the sectors that have managed to grow even during the economic slowdown. Fast food industries have acquired a place in people's life, such that ordering the fast food item or visiting the outlet of fast food item portrays a symbol of higher standard of living in the society for the one and all, availing their services. Numerous big brands of Quick service Restaurant are competing among themselves in the Indian market. Some of them includes Pizza hut, McDonalds, Dominos. These QSRs offer number of services including festive offers, combo offers, free delivery, complementary items on every purchase and many more which attracts more and more buyers towards these services.

II. BUYING BEHAVIOUR TOWARDS FAST FOODS

The powerful fragmentation of consumers nowadays, represents a tendency that should be taken into consideration, in order to identify and improve the quality dimensions of the products which are important for each category of consumers. Young people are not concerned with food preparation and that is why, they prefer to go out for their meals. They usually go to fast-food restaurants, especially when there is nobody to cook for them (while they study away from home) and also when they want to socialize. Although they have the necessary knowledge about the nutritional value of food and its effects on their body, they don't act accordingly. Fast – food restaurants are famous because they serve the food very fast, they are cheap and they easily replace homemade food. Although people, who are usually very busy working, find fast-foods advantageous, consumers should be aware of the fact that fast-food products are high in calories, fats, sugar and salt. Even so, young people admit that it is very difficult for them to change their food habits - especially because they don't have time and discipline to do it.

The accessibility of the location is another motive for young people to prefer fast-foods. Unlike the restaurants, which are located in less accessible areas for the young people, fast-foods are located in their way towards their home or downtown, and they are more numerous. Easiness of finding a fast-food could be associated with the lack of time or the hurry. Choosing one particular fast-food depends on its flexibility and capacity to adapt to young people's needs. These needs are in fact young people's desires to easily find a place to eat, opened at any time, with products display, to be able to order fast, to eat the food ordered rapidly, to have a place to socialize with their friends and to take away the food or order at home when they do not want or do not have time to have the meal at fast-food restaurants.

Customer satisfaction as defined by Oliver (1980) as the after purchase judgment or evaluation of a product or a service. It is also frequently described as the extent to which the chosen product meets or exceeds consumer expectations. It is one of the most widely studied constructs in marketing research and is described as a consumer's affective evaluation of a product or service. As the consumer are demanding more differentiated products, business organizations have attempted to find ways of incorporating customer wants and needs into production and distribution. Today's consumer, who demands an ever-widening variety of healthful, conveniently prepared food products, is driving the changes in food markets. Thus, the success of every fast food retailer lies in meeting this contradicting preference and satisfaction what the customers expect.

III. LITERATURE REVIEW

Agnes K.Y. Law, Y.V. Hui, Xiande Zhao (2004)., in their study found that although customer satisfaction and loyalty have attracted a lot of attention in service management research, relatively few studies have examined the impact of waiting time and service quality on customer satisfaction and repurchase frequency. The study models the relationships between customer satisfactions; repurchase frequency, waiting time and other service

quality factors in fast food outlets. The results indicate that waiting time and other service factors such as staff attitude, environment, seat availability and food quality significantly influence the customers' return frequency. Results also show that waiting time, staff attitude, food quality and food variety all significantly affect customer satisfaction. It is also found that the significance of the relationship depends on the timing of the visits. These models will help managers to understand the critical factors that influence customer loyalty and satisfaction in the fast food industry and help them make improvements accordingly.

Goyal Anita and Singh Netra Pal (2007)., in their paper seeks to estimate importance of various factors affecting the choice of fast food outlets by Indian young consumers. The study applies multivariate statistical tools to estimate importance of various factors affecting the choice of fast food outlets by Indian young consumers. In addition, the authors analysed the consumption patterns, impact of hygiene and nutritional values, and rating of various attributes of McDonald's and Nirula's. Results indicate that the young Indian consumer has passion for visiting fast food outlets for fun and change but home food is their first choice. They feel homemade food is much better than food served at fast food outlets. They have the highest value for taste and quality (nutritional values) followed by ambience and hygiene. Three dimensions (service and delivery dimension, product dimension, and quality dimension) of fast food outlets' attributes were also identified.

Ruth Cynthia Klerk (2008)., in her study focuses on children's preferences for fast foods. In examining these preferences the study hones in on a determination of the fast food outlet mostly preferred by children as well as identification of the drivers, motives and the reasons for the popularity of particular fast food outlets. The study also seeks to determine the most sought after meal is and to what extent preference for a particular meal and fast food outlet are determined by the background of the child, price, the nature of the product service levels of staffs and how convenient it is to buy from the fast food outlets. The study also examined the influence of advertisements on children's preference for fast food outlets.

Hong Qin, Victor R. Prybutok and Qilan Zhao (2010)., in their study modified the SERVPERF scale by incorporating the additional dimension of recoverability, and to empirically test and refine the modified SERVPERF instrument using survey data from China. The study aims to assess the potential antecedents of customer satisfaction in the fast food industry in China. The antecedents include service quality, food quality, and perceived value. Finally, it seeks to examine the relationship between behavioural intentions and customer satisfaction in the fast food industry in mainland China. Reliability, recoverability, tangibles, and responsiveness were all significant dimensions of perceived service quality. Food quality, perceived value and service quality all had a direct and positive relationship with satisfaction, which in turn influenced behavioural intentions.

Ernest; Kelloff, Ashley (2013)., In their study stated that a fast food culture tends to value pre-packaged, fast, cheap, and convenient in lieu of sustainable and healthy options. This culture is not isolated to food consumption, but impacts how leaders run their business. As uncertainty and complexity grows in global businesses, the fast food mentality has spawned reactive individuals rather than thoughtful and thorough leaders. This study provides a framework for understanding common mismanagement and remedies to prevent practitioners from propagating the fast food culture.

Chakraborty S (2015)., analyzed the consumer behaviour and their buying traits towards fast food industry in India. It identified the factors that could influence their buying behaviour and could be further used in the business strategies of the retailers. A core focus has been given to the scope of customer loyalty program and the emergence of effective marketing communication channels in fast food companies to improve their relationships with the customers. It was found that attitude, personality and perception of common people remarkably shifted with the advent of knowledge sharing through traditional and media communication channels such as word of mouth promotion, entertainment sources such as movies, music and television, internet, awareness through education, relocation, travelling and other communication sources from the company such as direct selling, advertisement, etc

IV. RESEARCH METHODOLOGY

The nature of research is analytical and empirical study. The survey on the buying behaviour of youngsters is conducted by taking a sample size of 350 from the population of students. The survey is conducted in Chennai. Convenience sampling is done.

The primary data collected by issuing the questionnaire tool is loaded in the SPSS (Statistical package for the social science) 20th version and data analysis is processed. Statistical techniques like frequency and

descriptive statistics on mean is used to analyse the primary data. Pie charts, bar charts, and multiple bar charts were used to summarise and interpret the data. The hypotheses were framed according to the objectives of the study statistical techniques such as chi-square and correlation were used to test the significance of the hypotheses. The hypotheses framed were tested at 5% significance level to reject or accept the hypotheses accordingly.

Objectives of the Study

The objectives of the research are as follows:

1. To study the consumption pattern towards fast foods particularly with respect to the frequency of visits and choice of fast food outlets.
2. To identify the factors affecting the choice of (Indian youth) consumers for fast foods.
3. To evaluate the customer satisfaction of youngsters towards particular fast food restaurants.
4. To examine the growth drivers of these fast food outlets.

Hypothesis

H1: There is no significant relationship between extent of change in food habits and customer’s buying behaviour towards fast foods.

H2: There is significant relationship between extent of change in food habits and customer’s buying behaviour towards fast foods.

Data Analysis and Interpretation

Frequency of visit to the selected fast food chains

The following figure represents the frequency of visits by the respondents to the selected retail outlets.

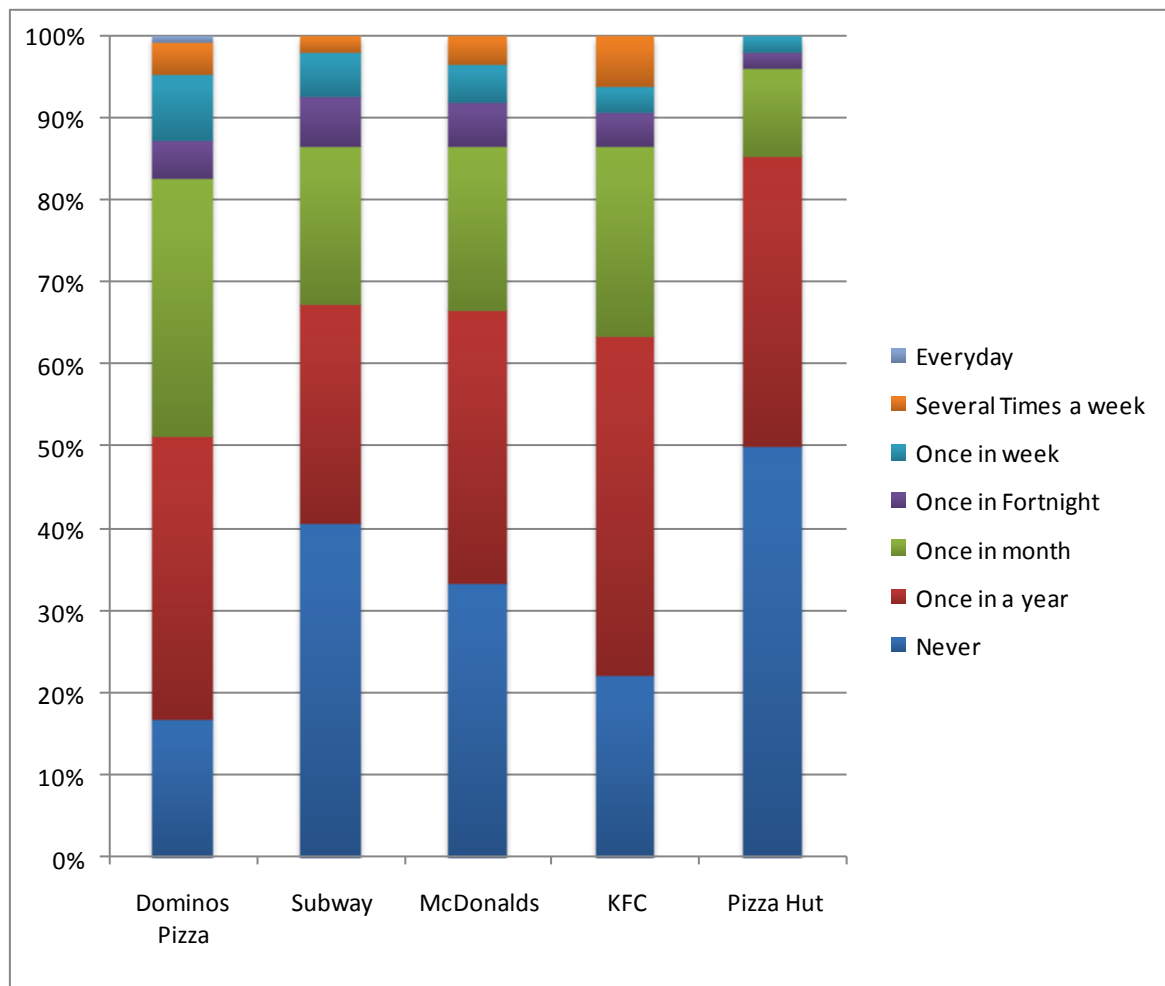


Figure 4.1. Frequency of visits to the major fast food outlets

The above table depicts the number of respondents and their frequency of visits to the above selected restaurants. From the above table it can be interpreted that only very few youth prefer to visit the restaurants in a week or on fortnightly basis. Majority of the respondents prefer to visit the restaurant once in a month or a year. Among the restaurants about half of the respondents never visit Pizza Hut. The most preferred restaurant is Dominos Pizza.

Preference of consumers towards these fast food restaurants:

The following table shows the preferences towards the consumption of fast foods.

Table 4.1 Preference of consumers towards these fast food restaurants using Descriptive Statistics

	N	Mean
For spending time	350	6.58
For social status	350	5.05
For get-togethers or parties	350	7.23
For enjoying the taste of the foods	350	7.09
To avail exciting offers	350	5.11
Influenced by advertisements	350	4.67
Influenced by peers	350	5.93

As per the above table the preference towards these fast food restaurants is high for consumption during get-togethers and parties having a mean value of 7.23 followed by consumption for enjoying the taste of the foods 7.09. The least mean value (4.67) for influence by advertisements shows that advertisements have a less impact on the consumption of fast foods.

Consumer Satisfaction towards these fast food restaurants:

The following table shows the amount of satisfaction derived from the services of fast food restaurants.

Table 4.2 Satisfaction derived towards these fast food restaurants using Descriptive Statistics

	N	Mean
Price	350	5.83
Ambience	350	6.75
Product variety	350	6.77
Taste	350	7.39
Product quality	350	6.26
Cleanliness and hygiene	350	6.52
Offers	350	6.13
Quick services	350	6.19
Home deliveries	350	6.77

As per the above table the customer satisfaction derived from the services of fast food restaurants is high for Taste of the fast food products offered having a mean value of 7.39. The least mean value of 5.83 shows that the consumers are slightly dissatisfied with the price of the fast foods.

Growth drivers for these fast food restaurants

The following table shows the growth drivers for these fast food retailers.

Table 4.3 Growth drivers for the fast food retailers using Descriptive Statistics

	N	Mean
Attractive promotions	150	7.60
Branding	150	7.46

Loyalty programs/customer relationship	150	6.27
Increase in disposable income	150	6.69
Fascination of western Culture	150	8.25

The above table shows that the growth drivers for the success of these fast food retailers in India is due to the Fascination of western culture among Indians having the highest mean value of 8.25 and the least favoured opinion on the growth drivers was Loyalty programs/CRM practices followed by the fast food restaurants having the least mean value of 6.27.

Relationship between extent of change in food habits and customer’s buying behaviour towards fast foods

The following table shows the significant relationship between extent of change in food habits and customer’s preference for fast food restaurants.

Table 4.4 Association between extent of change in food habits and customer’s preference for fast food restaurants using Correlation

FACTORS	EXTENT OF CHANGE IN FOOD HABITS	
	R VALUE	P VALUE
For spending time	.233	.004
For social status	.309	.000
For get-togethers or parties	.057	.488
For enjoying the taste of the foods	.272	.001
To avail exciting offers	.311	.000
Influenced by advertisements	.195	.017
Influences by peers	.295	.000

Looking at the above table the P value for get-togethers and parties at 0.05 level of significance is .488 which is >0.05. Hence the hypothesis “*There is no significant relationship between extent of change in food habits and customer’s preference for fast food restaurants*” is accepted. Therefore there is no significant relationship between extent of change in food habits and customer’s preference to visit fast food restaurants for get-togethers and parties.

The P value at 0.05 level of significance is <0.05 for all the other factors. Hence the hypothesis “*There is no significant relationship between extent of change in food habits and customer’s preference for fast food restaurants*” is rejected. The extent of change in food habits has a significant association for the preference of fast foods. Factors such as spending time, social status, taste, offers, advertisements and influence of peers has an association on the extent of change in food habits.

The correlation values for all the factors are <0.4 which indicates that there is low correlation between extend of change in food habits and preference for fast food restaurants.

V. FINDINGS, SUGGESTIONS AND CONCLUSION

The study shows that most of the respondents highly prefer to visit the fast food restaurants for get-together and parties and also for enjoying the taste of the food. It was found that majority of the respondents are satisfied with the taste of the fast foods and are moderately satisfied with the other services of the fast food restaurants. It was found that majority of the respondents agree that fascination of the western culture is the main growth driver for the success of fast food restaurants. As the study shows that there is significant association between the amount spent and the frequency of the visits to the restaurants, it is important for the retailers to provide cheaper products to the customers. The study shows that customers are not much influenced by advertisements. This indicates the poor effectiveness of advertisements over other factors. Thus the retailers have to increase the quality of advertisements and promotions. The customer satisfaction towards the services is moderately high.

This indicates that retailers should give more loyalty benefits and improve their customer relationship management. They may reward consumers according to their frequency of visit and amount spent. The reward points may be added and they may be given with discounts or offers. The management of the restaurants need continuous improvements in service quality to get optimum customer satisfaction.

The Fast Food Market experiences various growth drivers and is therefore expected to rise in the future as well. As per the study it is analysed that consumers in today's market are more fascinated to western culture. The increase in the facilities offered by fast food services is driving the growth of the industry. Consumer acceptance of food served by fast food outlets is critically important for the future growth of fast food outlets in any economy. Though the rating of fast food outlets' attributes under study based on mean score are high, still consumers visit fast food outlets for fun, change or entertaining their friends but certainly not as a substitute of homemade food. Therefore Fast Food providers need to focus on the quality and variety of food besides other service parameters. Further, information about hygiene and nutrition value of the fast food must also be communicated to the consumers.

Thus, in a nutshell, there is need to focus on the food contents by the fast food marketers. Based on the analysis and results, it can be said that with more and more acceptability of fast food outlets and change in life style, competition among fast food outlets with respect to quality of food and customer service will be more prominent in the days to come.

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