



Factors Influencing Consumers' in the Selection of Fast Food Retail Outlets - a Study With Special Reference to Consumers in Coimbatore City

KEYWORDS

Branded fast food, factors, Satisfaction

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ABSTRACT *The potential of fast food market growth in India is tremendous. The Indian Fast Food Market is growing at the rate of 30-35 per cent per annum. This research article aims to identify the factors influencing consumers' in the selection of fast food retail outlets. The current study is mainly concentrated on the leading MNCs branded fast food retail chain stores located at Coimbatore, the third largest city of Tamil Nadu. The finding of the study reveals that there exists association between fast food retailer selection by the diners and the store & service attributes. Based on the findings of the study the authors suggest the MNCs to re-innovate or introduction of South Indian flavours food items to South Indian consumers instead of selling North Indian or Panjabi flavours. Focus on retail outlets extension in tier II cities like Coimbatore and to offer competitive price to attract more diner*

Introduction

Food diversity in India is an implicit characteristic of India's diversified culture consisting of different regions and states within. Since, India is the homeland of major religion and belief such as: Hinduism, Buddhism, Islam, Sikhism and Jainism. However, with changing times and also due to increasing awareness and influence of western culture, there is a slight shift in food consumption patterns among urban Indian families.

Liberalization of the Indian economy 1991 had led to influx of many multinational retail chains in foods, like Mc Donald's, Dominos, KFC, Pizza Hut etc., they are part of Rs. 75 billion worth Indian restaurant industry. The popular MNCs initially concentrated on the metro markets and customized their offerings to suit the Indian taste and traditions (like more vegetarian options, non-vegetarian option does not include beef and pork). Fast acceptance of MNC based Fast food outlets in metros have resulted in setting up of more retail outlet in other cities in India and they have a wide presence through malls, shopping complexes, Cineplex's etc. and achieved considerable penetration.

Statement of Problem

The potential of fast food market growth in India is tremendous. The Indian Fast Food Market is growing at the rate of 30-35 per cent per annum. The Global Fast Food Industry forecasted that the Indian fast food industry will be valued at US \$13.10 billion in 2013 and it is expected to have an increase of 29.3 per cent and a volume at US \$ 33.40 billion in 2015. Globally the top brands like: McDonald's, KFC (Kentucky Fried Chicken), Pizza Hut and Dominos are the fast food restaurants that are most preferred by the Indian food dinners in metro and even in small emerging cities. Majority of the fast food restaurants have a strong foothold and have made their presence very prominent and visible in the country and they portray a very high and an appreciable growth in this sector.

Objectives of the Study

To identify the factors influencing consumers' in the selection of fast food retail outlets.

Research Methodology

The current study is both exploratory and descriptive in nature. The current study is mainly concentrated on the leading MNCs branded fast food retail chain stores located at Coimbatore, the third largest city of Tamilnadu. The study adopted snowball sampling technique (i.e., Convenience sampling) for data collection. The sample size for the study consisted of youth segment (indicated as adult consumers in this study) between the age group of 20 to 30 years. From the five major branded fast food retailers, randomly two outlets were selected, based on the consideration of its location of youth population like trading complex/shopping malls and entertainment zones etc. From each outlet a sample of 125 respondents were selected for survey based on the snowball technique. From the 10 retail outlets a sample of 125 respondents from each outlet (i.e. 1250 respondents in total) have been selected for the study. At the end of data collection 35 incomplete questionnaires were found by the researcher. Such questionnaires were not considered worthy for analyses and were rejected. Thus, the total sample was restricted to 1215 respondents/consumers in total. The data for the study include both primary and secondary data.

Results and Discussion

The demographic characteristic of the sample respondents reveals that majorities i.e., 60.30 per cent of fast food consumers' are female, 43 per cent of fast food consumers' in Coimbatore are aged between 21-25 years and 63.40 per cent of respondents' belong to nuclear families. Most of the sample populations have claimed that they visit to branded fast food outlets only on occasions. Further, it has been observed that 39.10 per cent of sample respondents' in Coimbatore prefer to dine in KFC restaurant.

TABLE: 1
CONSUMERS' OPINION ON THE FACTORS THAT MOTIVATED FOR THEM TO VISIT THE FAST FOOD RETAIL OUTLETS

Sl. No.	Service Features	Sum	Mean	Rank
1.	Quality	4555	3.75	2

2.	Quantity	4045	3.33	28
3.	Variety	4567	3.76	1
4.	Cost	3932	3.24	29
5.	Taste	4064	3.34	27
6.	Hygiene	4339	3.57	10
7.	Brand / Reputation	4160	3.42	24
8.	Fresh & Trendy	4282	3.52	15
9.	Customer Care & concern	4315	3.55	11
10.	Convenient in package	4274	3.52	15
11.	Value for Money	4388	3.61	6
12.	Promotional Offers	4368	3.60	7
13.	Waiting time	4178	3.44	23
14.	Prompt service	4280	3.52	15
15.	Door delivery	4317	3.55	11
16.	Service friendly	4375	3.60	7
17.	Product knowledge	4260	3.51	18
18.	Decor (Ambience)	4125	3.40	26
19.	Outlet location	4304	3.54	13
20.	Advertisement	4241	3.49	22
21.	Easy Reach	4366	3.59	9
22.	Place to relax and enjoy	4253	3.50	20
23.	Availability of food	4158	3.42	24
24.	Attractive Interior/ Environment	4481	3.69	3
25.	Air/condition facilities	4262	3.51	18
26.	Place for enjoyment	4302	3.54	13
27.	Nutritious food	4252	3.50	20
28.	Supply of filtered drinking water	3891	3.20	30
29.	Clean restrooms	4444	3.66	4
30.	Parking facilities	4395	3.62	5

Source: Primary Data

The empirical data analysis indicates the factors that motivated the sample respondents' to dine in particular fast food outlet. It has been inferred that, majority of the respondents' have opined that they visit one particular retail outlet as it provides variety in food menu, food quality, attractive interior/ environment, clean restrooms and parking facilities. However, it has also been inferred that the same were found to least impressed with the factors like: supply of filtered drinking water, food cost, taste, food quantity served and decor of the retail outlet ambience.

Findings

The empirical results of the study observed that there exists association between fast food retailer selection by the dinners and the store & service attributes. The empirical results of this study indicated that, almost i.e., 91.40 per cent of respondents' have opined that taste is the primary reason that influenced them to eat in fast food retail outlets. It has been clearly understood that 81.60 per cent of the respondents' are satisfied with the cost price of the food materials offered in fast food retail outlets, 80.80 per cent of the respondents' have said that the fast food restaurants are customer friendly and it tempts them to visit often. Majority i.e., 81.40 per cent of the respondents' opine that the price charged are competitive in comparison to one fast food retail outlet to the other and 81.80 per cent of the respondents' opine high level of satisfaction towards the prompt/on time services delivered by fast food outlets. It is evident from the data analysis that 86.40 per cent of respondents' have said that the staffs' are attentive in fast food restaurants.

Suggestions

Based on the empirical findings following suggestions are proposed.

- (i). Adoption to Regional Market: Since India is a vast country with more diversified population belonging to various cultures, religions, geographical MNCs are suggested to offer products that are based on regional food palates. The fast food MNCs should re-innovate of introduction of South Indian flavours food items to South Indian consumers instead of selling North Indian or Panjabi flavours.
- (ii). Focus on Location Extension: To open more retail outlets in Tier 2 cities like Coimbatore. As this city does not have more franchise branches of the MNC branded retail outlets. Since most of branded organised fast food retail outlets competitive with the unorganised roadside food stall. Opening of more branches in the prime locations will benefits MNCs to attract more customers, to aware and make them familiarizes with their food menu and also to retain the customers' satisfied and loyal.
- (iii). Focus on Price Modification: MNCs prices should be able to match the roadside stall prices which were coupled with hygienic eating environment. Most of the branded product cost(s) are priced high due to its brand equity values, the MNCs can reduce their product cost in order to increase their market shares i.e., passing on addition brand equity cost to the consumers as it is always experiences in the marketing that price sensitivity is consumer responsiveness to the changes of price.

Conclusion

The emergence of the fast food industry has, transformed urban food culture in India to certain extent. The changing lifestyles with the increasing nuclear families and a rise in the urbanization in India over the past years have also supported the growth of the restaurant market in India. Thus, it can be rightly said that the fast food industry will benefit from other factors as well, such as increases in nuclear families, single-person households and the proportion of women in the workforce; as well as changing lifestyles and eating patterns. But, the socio-economic development had further divided India into multiple split segments, and as a fast food supplier to the wider consumer's; the key to these branded fast food MNC's opportunity is to exploit the communalities amongst disparate groups to stay competitive and consumed.

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