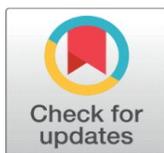


EXPLORING OF CONSUMER BEHAVIOR TOWARDS FAST-FOOD INDUSTRY: A CASE STUDY ON PUNE

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ABSTRACT

Fast food restaurants have seen a plethora of changes in the long run, since 1921 when White Castle, the first fast food hamburger chain, had sold burgers for five cents piece and ended its first day with a US\$3.75 profit. Fast food refers to the kind of food which can be quickly made and can be served in no time and is commonly known as quick service restaurant (QSR). Fast food is usually one of the most preferred service these days because of the convenience attached to it. The changing life style and increased disposable incomes had lead to a tremendous growth of the fast-food industry. One of the biggest merits of the fast food is that it saves a lot of time thereby enabling the customer to get into multitasking. These days the QSR's are trying to jump on the bandwagon of the Society's push to lead a healthier life. More of such strategies are use to highlight on the low-fat and Oil free foods. As per report of Indian Fast food Market Analysis, India is seen as one of the fastest growing fast food markets in the world. The Indian fast food market is growing at an annual growth rate of 30-35%. Some of the popular food chains have huge plans of expansion in future. Domino's planto open 60-65 outlets every year for the next three years, while Yum Brands Inc is also geared up for its massive expansion plans across the the country.

1. INTRODUCTION

1.1. THE INDIAN FAST FOOD INDUSTRY

The prominent reasons contributing to the growth of the Fast food industry include the aspects like increasing disposable income; more of options available in the cuisines; and consumers' interest in experimenting with all possible combinations of Fast food. As per a research report titled 'Indian Fast Food Market Analysis', currently the Indian fast food industry stands at a massive size of ` 47 billion, which is driven by increase in the no. of growing number of working professionals. Adding to this is the hectic lifestyle, stressful jobs, more of weight age is been given to the easier modes of ready to eat fast foods. Family's first preference Gone are the days when families used to dine out in a typical restaurant that serves food of their choice. With changing times, we see many of the youngsters and kids influencing the decision of the family and thereby end up going to a joint which serves Fast food. About 86 % of consumers prefer Food from Quick Service restaurants over homemade food, thereby, contributing to increasing the items on the menu comprising pizza, burger, sandwiches, etc are gaining wider acceptance from the Indian consumers.

Cox and Foster 1985 observed major shift in the trend of consumers eating out in a restaurant and making use of the convenient options in the mid 1980s.

A similar study by Kant and Graubard 2004 had stated that between 1987 and 2000, the number of meals that a consumer has had at Fast food restaurants have increased by 11% per week.

2. CHANGES IN LIFESTYLE

Over the last decade, there have been multifold changes happening in the Lifestyle of consumers and the methods of consumption of different variety of Foods. There are demerits of consuming the fast food on a continuous basis. The Fast food appears tasty to the taste buds but hardly any of the consumer intervene in understanding the facts and the reasons of how has the Food been made tasty. For instance, Monosodium glutamate (MSG) is a flavor enhancer which is used to enhance the taste of food. Though the Food and Drug Administration (FDA) has made it clear that MSG is recognized as safe, its use still remains controversial. For the same reason, whenever MSG is added to food, the FDA requires that it be listed on the label. The stressful life today which compels the individual to work for more than man hours actually is depriving one from taking out time for family needs or for cooking food. Hence fast food comes as a solution. At the same time, some of the anecdotal reports received by FDA over a period of time, which state the side effects of using MSG include Headache, Sweating, Facial pressure or tightness, Numbness, tingling or burning in the face, neck and other areas, Rapid, fluttering heartbeats, Chest pain etc.

Continuous consumption of fast food could lead to fatness and Obesity problems as well. Astrup, had raised questions on what is it that makes Fast food fattening. As per Pereira's CARDIA study, convenience, easy availability, more variety at low price is all the lucrative driving forces. Humans have a very weak capacity to understand the foods with adequate energy density. At the same time he needs to burn those calories so as to prevent the fattening. Cupples had identifies that the human body weight is closely regulated under most conditions, and any disturbance in the balance levels can distort and have severe consequences on the organism. The total intake of calories has to be burnt, either by exercising or by any other physical activity. To strike the balance, one has to ensure that the total amount of intake should match the energy expenditure. The mean excess of 4.5 kg gained over 15 years by consuming fast food constitutes only ≈ 10 kcal/d, assuming that 1 kg fat corresponds to 7700 kcal.

Metabolism of each individual varies and is also responsible for fattening, if the rate of metabolism is low. Individual susceptibility to weight gain varies. Henry F Taylor had developed a model which linked energy intake to energy expenditure in a J-shaped curve. The initial part of the model addresses the aspect that energy intake is in exact homeostasis with energy expenditure under conditions of high energy expenditure. The second part had stated that there would be a failure of homeostasis in a sedentary lifestyle because of its accompanying low energy expenditure. He had highlighted that the body signals are slow in response when the individual does no physical exercise to burn calories. Neither Bes-Rastrollo et al, nor Pereira et al, had actually emphasized on whether the weight gain associated with intake of fastfood was actually enhanced by a sedentary lifestyle.

3. IN SEARCH OF PEACE

With increasing work pressure, individuals, barely get time for a peaceful talk. Therefore there is plenty of room for fast food restaurants that come up with innovative ambience, making one feel at home, by creating a peaceful atmosphere and serving quick and tasty food.

The use of public space expresses an individual's values for the culture, societal norms, rituals and festivals. This in a way actually permits the practice of our democratic rights such as freedom of assembly, Arefi and Meyers 2003. Such public spaces are meant to increase the Social interface of an individual thereby enhancing the Social bonding's. Many of the conventional relationships are built and nurtured around informally.

Neighborhood gathering places give a healthier way of nurturing the relations with the community, Langdon 1994, and serve counter pressure to community fragmentation which results when Communication is privatized, as per Talen 2000.

4. CONVENIENCE

Ragavan, 1994, had stated that the several reasons which act as the driving forces for increased consumption of Fast food include the factors like convenience, easy accessibility, reasonable pricing, and adequate in quantity as the factors in the order of importance which had influenced purchase of vegetables by retailers as well.

Kubendran and Vanniarajan, 2005 had stated that this rapid change in the consumption pattern is due to the changes in food habits. Urbanization has led to spending of more of disposable income on Food.

As per the research report of Indian Fast Food Market Analysis, the Indian Fast Food Industry is expected to grow at a CAGR of about 34% by 2014. With FDI there will be tremendous potential for the Food industry in the domestic market as well. Foreign Investors have anticipated this substantial growth and have their plans to enter the domestic markets.

4.1. OBJECTIVES

- The primary objective of the study is to explore consumer behavior towards fast food Industry.
- Identifying the driving forces towards fast food.

Statement of Hypothesis

H1: Fast food restaurants provide the consumer with convenience, easy accessibility and reasonable in pricing.

H2: Fast food is considered to be healthier option of Food.

H3: Kids and Youngsters have a major role in influencing the decision of the family to adopt Fast Food.

H4: Fast food restaurants located near in the vicinity of one's home is more preferred. Methodology

Primary data: Primary data was collected through a structured Questionnaire comprising of both Open ended and close ended questions.

Secondary data: Research articles and Journals were referred from EBSCO, Emerald, and other refereed journals.

Sampling

Non Probability convenience sampling technique was used. Sample comprised of 120 respondents out of which 20 were outliers, who gave partial filled responses. Hence Sample size was 100 respondents. This included working professionals, Housewives and Students.

5. RESULTS

Data was imported to SPSS. The data is subjected to descriptive as well as uni-variate and bivariate statistical analysis. The Hypothesis Testing procedure is used.

H0: Fast Food restaurants have do not provide consumer with convenience, easy accessibility and reasonable pricing.

H1: Fast food restaurants provide the consumer with convenience, easy accessibility and reasonable in pricing. The factors that were considered important in deciding the convenience, easy accessibility and reasonable pricing include the following:

Table 1.1 One Sample statistics of T test

One-Sample Statistics			
	N	Mean	Std. Deviation
Easily located	100	1.85	0.947
Ample parking	100	1.87	1.012
Convenient timings	100	2.04	0.852
Hygienic	100	2.18	0.968
Quick in Service	100	2.23	1.081
Reasonable prices	100	2.31	1.042
Variety of options of food	100	2.43	1.027

Good ambience	100	2.55	1.123
Separate Veg/Non Veg sections	100	2.60	1.128
Many Outlets	100	2.61	1.043
Less Oily	100	2.62	1.229
Specialty dishes	100	2.80	1.263
Discounts	100	2.84	1.117

P-Value (2 tailed)

Parameters	P-value (2-tailed)
Easily located	0
Ample parking	0
Convenient timings	0
Hygienic	0
Quick in Service	0.001
Reasonable prices	0.117
Variety of options of food	0.003
Good ambience	0
Separate Veg/Non Veg sections	0
Many Outlets	0
Less Oily	0
Specialty dishes	0
Discounts	0.155



Figure 1 Mean value of the responses

Inference: Separate sections for Veg and Non Veg sections and Discounts are the factors considered less important. While rest of the convenience factors like the restaurant can be easily located with ample parking and reasonable pricing makes it a perfect combination for a customer to opt for it. Null Hypothesis is rejected.

Alternate Hypothesis is accepted which says, Fast Food restaurants provide consumer with convenience, easy accessibility and reasonable pricing.\

H0: Fast food is not considered to be a healthier option of Food.

H2: Fast food is considered to be a healthier option of Food.

Table 2 One Sample statistics of T test

One-Sample Statistics			
	N	Mean	Std. Deviation
Unhygienic conditions	100	2.25	1.077
Excessive Heating of Food	100	2.25	0.999
Unbranded Oils used	100	2.29	1.149
Difficult to digest	100	2.38	1.013
Too spicy	100	2.52	1.030
Heaviness on consumption	100	2.52	1.059

Giddiness	100	2.87	1.203
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Table 1.2 P-Value

Parameters	P-value (2-tailed)
Unhygienic conditions	0.000
Excessive Heating of Food	0.000
Unbranded Oils used	0.000
Difficult to digest	0.000
Too spicy	0.000
Heaviness on consumption	0.000
Giddiness	0.283



Figure 2 Mean value of the responses

Interpretation:

Null Hypothesis has been rejected which states that Fast food is not considered to be a healthier option of Food. These days much of awareness has been made about Health and Hygiene conditions to be maintained at Fat food restaurants failing to which it can be shut down. Therefore, apart from Giddiness rest of the factors prove to be important in accepting the Alternate hypothesis.

H0: Kids and Youngsters do not have a major role in influencing the decision of the family to adopt Fast Food.

H3 : Kids and Youngsters have a major role in influencing the decision of the family to adopt Fast Food.

Table 3 One Sample statistics of T test

One-Sample Statistics			
	N	Mean	Std. Deviation
Pester power	100	1.96	0.984
High disposable incomes	100	3.06	1.262
High influence on parents	100	3.51	1.235
Youngsters as decision makers	100	3.52	1.114
Kids as decision makers	100	3.95	1.149

Table 1.3: P-Value

Parameters	P-value (2-tailed)
Pester power	0.000
High disposable incomes	0.000
High influence on parents	0.635
Youngsters as decision makers	0.000
Kids as decision makers	0.000



Figure 3 Mean value of the responses

Inference: Pester power, High disposable incomes, and High influence on parents are few important factors which prove that Null hypothesis is rejected which states that Kids and Youngsters do not have a major role in influencing the decision of the family to adopt Fast Food. Alternate hypothesis is accepted.

H0: Fast food restaurants located near in the vicinity of one's home is not more preferred.

H4: Fast food restaurants located near in the vicinity of one's home is more preferred.

Table 4 One Sample statistics of T test

One-Sample Statistics			
	N	Mean	Std. Deviation
Less tiring	100	1.96	0.984
Traffic congestions	100	3.06	1.262
Save on Travel time	100	3.51	1.235
Stress free	100	3.52	1.114

Table 1.4: P-Value

Parameters	P-value (2-tailed)
Less tiring	0.000
Traffic congestions	0.000
Save on Travel time	0.000
Stress free	0.000

**Figure 4** Mean value of the responses

Inference: Null Hypothesis is rejected, while Alternate Hypothesis is accepted stating that Fast food restaurants located near in the vicinity of one's home is more preferred since it is less tiring, avoiding traffic congestions and saving on travel time.

6. MAJOR FINDINGS

Fast food which provides the customer with a huge variety of gastronomic preferences to choose from has brought multiple manifolds in the Fast-Food Industry.

Indian cuisine has adequate diversity, with different Cultures prevailing and each with a different delicacy of food, which is made easily available less than one roof in the Fast-food restaurants.

The Formats of fast-food restaurants these days include:

- Prime Locations in residential areas
- Restaurants which can be maintained with ease
- Separate counters for each kind of Fast food
- Not much of waiting time
- Home delivery options
- Wash basin and Drinking water facilities

- Cash counters which give away coupons to the customers
- Quick Service
- Sufficient in quantity.

7. CONCLUSION

The Food Industry has tremendous potential in the Indian market. The Indian Fast-Food Market is Growing at the rate of 30-35% Per Annum.

Globally the Top Brands like McDonald's, KFC, Pizza Hut and Subway are the fast-Food restaurants that are most preferred. The Global Fast-Food Industry's forecast for the year 2013 has a predicted value of

\$200 billion, an increase of 29.3% and a volume of 94.7 billion transactions, an increase of 10.4% since 2008, this is about 30-35% growth of the Industry per annum. 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 a appreciable growth of the Sector.

CONFLICT OF INTERESTS

None.

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