

Comparing Factors Influencing Loyal Consumption Behavior Towards Fast-Food Restaurants

¹ Obulesu Varikunta, ² Kethavath Sachin

¹ Assistant Professor, Department of Master of Business Administration, CMR Institute of Technology, Medchal, India.

² Student, Department of Master of Business Administration, CMR Institute of Technology, Medchal, India.

Corresponding author.

Correspondence: Kethavath Sachin

E-mail: rs3835691@gmail.com

Article info

Received 22th March 2024 Received

in revised form 25 April 2024

Accepted 12 June 2024

Keywords

Quality of service, quality of food, quality of physical environment, fairness of price, brand image, customer satisfaction

<https://sajet.in/index.php/journal/article/view/275>

Abstract

The purpose of this paper is to investigate the factors influencing the satisfaction of customer and customer loyalty in the fast food restaurant industry. A theoretical model, including hypotheses, has been proposed in this study. Data were assembled using convenient sampling method. The hypothesized model was verified with the data from 204 respondents. Principal component analysis and structural equation modeling approach were applied to analyze data. The results (significant at $p < 0.01$ and $p < 0.05$) exhibited that food quality, price and service qualities were positively linked to customer satisfaction. Customer satisfaction was positively associated with customer loyalty. The empirical results found a contrary association between the location and environment of restaurant and customer satisfaction. Customer loyalty studies generally indicate that fast-food customers are not genuinely loyal to brands or products mainly because they function under low-switching cost conditions. The purpose of this research is to empirically study whether fast-food customers genuinely become loyal and, if so, how. The study adopts the theory and method of the satisfaction-trust-commitment-loyalty explanation chain and examines the consumer survey results obtained under conditions of low-switching costs. Analyses of the results indicate that the proposed relationships provide appropriate explanatory power for the phenomenon at hand and that fast-food customers truly become loyal despite conditions of low switching costs. The findings and the research and practical implications are thoroughly discussed.

INTRODUCTION

The fast-food restaurants are the trending in now a days .The customers' demands will increasing on fast food restaurants for suiting for their life style. The fast food industry in Malaysia is

an experiencing an upwards trajectory due to the convenience it offers, with shifting consumers whose lifestyle are increasingly fast-paced. With shifting consumers habits, driven by higher education and rising affluence, there is a growing inclination towards dining out, particularly at fast food establishments. Media and technology play pivotal roles in promoting various fast food options, providing customers with a diverse array of choice. Consequently, local fast food businesses must adapt to these changing dynamics by staying attuned to consumers preference and innovating to retain and attract customers. This study aims to explore how the customers loyalty towards preferred fast food restaurants is influenced by various factors, offering valuable insight for marketers and strategies to develop competitive strategies. By identifying key drivers of customers loyalty, such as product quality, customer satisfaction, and brand trust, businesses can make informed decision to enhance their offering and maintain a competitive edge in the market. This research also serves to Malaysian fast food businesses with essential knowledge to navigate the evolving landscape of the industry and remains relevant in today's business environment.

Armed with these insights, marketers and strategies can develop tailored strategies can develop tailored strategies to surpass competitors. By identifying the most influential factors such as product quality, customers satisfactions, and brand trust, they can implement innovative changes to enhance their offering and maintain customers loyalty. Additionally this research will offer invaluable insights to Malaysian fast food businesses, enabling them to thrive in today's competitive landscape by understanding and responding to customers perceptions effectively.

Fast food as defined by Benders and Benders (2001), encompasses a limited menu of easily producible items like hamburgers, pizzas, chicken, or sandwiches. AC Nielsen (2005) reveals that 59% of adults in Malaysia dine at take-away restaurants weekly, driven by the convenience offered by fast food establishments that caters to busy lifestyle. These eateries are omnipresent, found in malls, airports, schools, petrol stations, and hospitals, offering a range of western menus in modern, air-conditioned settings with efficient service. The fast food restaurants over the years communications has evolved drastically from relying solely on mainstream media to now utilizing the internet for quick and easy access worldwide. Digital marketing encompasses various strategies like website marketing, SEO, Social media and more, offering benefits such as improved transactions, resources savings, and real-time clients supports. By embracing tools like data analytics, marketers can better track consumers activity and engage with customers effectively. Social media usage is often driven by human psychology and need for consumers relationships managements, especially in standalone restaurant aiming for eco-friendly growth leveraging the internet for branding increases through innovative techniques like audience analysis and dialogue. This review examines digital marketing in standalone restaurants, exploring its impact on customers behavior and brand awareness through a comprehensive analysis of relevant studies from 2010 to 2020.

In this recent years, there has been a rapid development of fast food concepts in Tamil Nadu, Significant altering eating habits in India. This shift is primarily young population, more working women, busy lifestyle, and increasing disposable income among middle-class household. A study conducted district aimed to understand customers purchase intentions and factors influencing their buying behavior regarding fast food products. The study used a questionnaire to gauge customer attitude, analyzing the data using percentage-based methods as well employing the five-points Likert scale chi-square, and Garret Ranking methods for deeper insights.

REVIEW OF LITERATURE

RANJINI (2010)

Entitled " food habits had nutritional status of IT professionals " explain the locate of the study chosen was the various software companies of techno spark situated in kazhokootompanchaya ,people working on computer foe the long time have chance of falling prow to a new health hazard called computer vision syndrome

RAPHAEL THOMADSEN (2007)

Product positioning and competition ; the role of location in the fast food industry . examined optimal product positing strategies of the symmetric firms in the context of retails outlets locations in the fast food industry . The relationship between profits and products differentiation reveals that both McDonald's and Burger kings are better off avoiding close competition ,if the market area is large enough this is study analyse that the food use frequency ,preference ,measure of food ,nutrients .

B. NARAYANA & M. PRABHU (2015)

"Taste ,time ,money cleanliness and hygiene are the major factors which have influenced students for the fast food . The study showed that consumption of fast food among male students . Findings in the universites is more then female students .Findings also revealed that consumers often visits of fast food outlets not only for meal but for the social gathering among friends colleagues and classmate ""

N. SYAFIQAH &R.NORMALA (2018)

The consumption of fast food is comparatively more among female students then male students . Result of the study showed that consumers consume fast od as frequently as 1to 5 times

M.S.ANITHRAJ (2018)

People mainly go to fast food restaurants for get together , parties and also to enjoy the taste of food . It was observed that there is strong relationship between the prices of different fast food products and numbers of visiting times of the consumers of fast food outlets . The study also showed that for the fast growth of fast food outlets consumers acceptances of food consumption and usefulness of balanced diet

Y.SHAMI& FATHIMA (2017)

There is no correlation between perception of fast food being unhealthy and frequency of consumption of fast food among college girls . In their study they have mentioned that is the responsibility of the government regulate the fast food from markets and limits the fast food from school and colleges for better health of the younger generation

S.ABRAHAM& MANUEL (2018)

Eating habits of individuals directly relates to get together , parties and also to enjoy the taste of the food . To them students are aware of the risks associated with their habits of eating unhealthy food does not correlate with their knowledge on it . The study also mentioned that students should be made aware about the harmful effects of fast food consumption.

RESEARCH METHODOLOGY

RESEARCH GAP :

McDonald's is one of the well known organisations in the world, and it has continued to ensure that it continues to build its reputation and brand through marketing research. This had been done using information received from the customers. The organisation also identifies the stages in the process of marketing. Branding is important for every organisation.

And mcdonald's understands this all too well, since it works on developing its personality through providing quality products and services .

Needs Of The Study :

McDonald's tries to identify the needs of the clients and ensures that every need is addressed accordingly to ensure customer satisfaction. In order to face off the steep competition from other businesses, McDonald's ensures that the goods and services it offers to their customers surpass the ones of their competitors in terms of quality. One brief strategy that the organisation uses is the identification of its likely customers. This is what they refer to as the key audience After the likely customers are identified, McDonald's insurers that a marketing mix is developed for them.

Purpose Of The Study :

Studying McDonald's can provide insights into various aspects of business, including marketing strategies, supply chain management, franchising models and customer experience. Additionally, analysing its impact on society, such as dietary habits and employment practises, can offer a broader understanding of the fast food industries influence.

Problem Statement:

There is lack of proper management of resources within McDonald's restaurants. Another approach could be to conduct market research to understand the evolving tastes and preferences of consumers in the Far East. This could involve introducing new menu items like that cater to these changing preferences, as well as optimising resource management within the restaurants to improve efficiency and reduce costs. Additionally, exploring new marketing strategies to attract customers and enhance the overall dining experience could help in revitalising sales.

Objectives:

1. This company understands that to maintain its clientele and recruit more consumers, it is essential to give them value through reasonable pricing and high quality food
2. McDonald's tries to maintain high quality service by ensuring that orders are delivered on time and accurately. The staff is always friendly and polite with the clients
3. The corporation's restaurants are always clean and elegantly decorated to create a positive customer experience

Research Design:

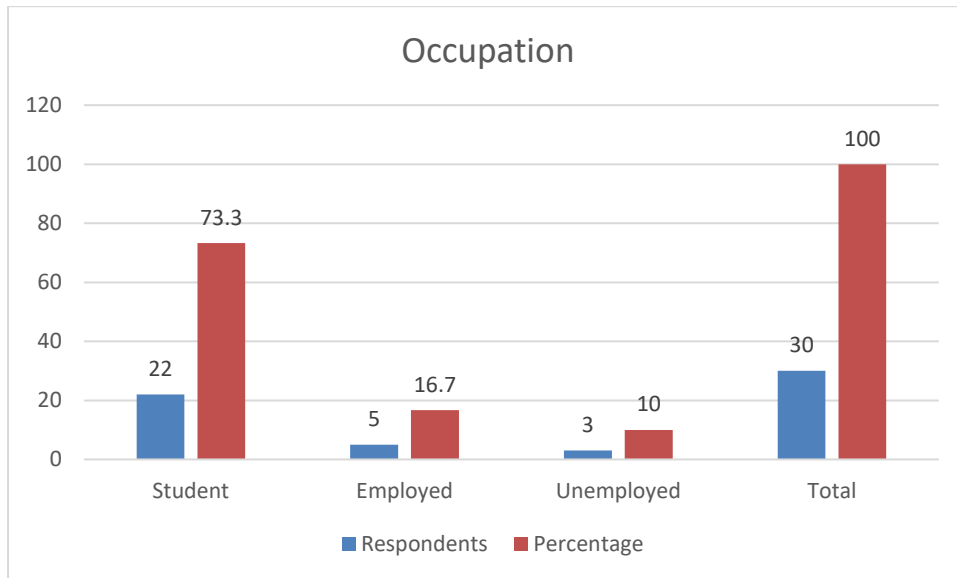
Research design is an arrangement of the conditions analysis of the data in such as manner that's aims to combine relevance to the research purpose with the economy in procedure . the research design is descriptive in nature in this research design is descriptive in nature in this research since the research laid emphasis on the satisfactions levels of consumers of Hyderabad with special context of McDonald's .

Hypothesis:

H (o): There is a significant difference on the McDonald's food quality, service , price , convenience, varieties of fast food products positively related to the customers satisfaction .

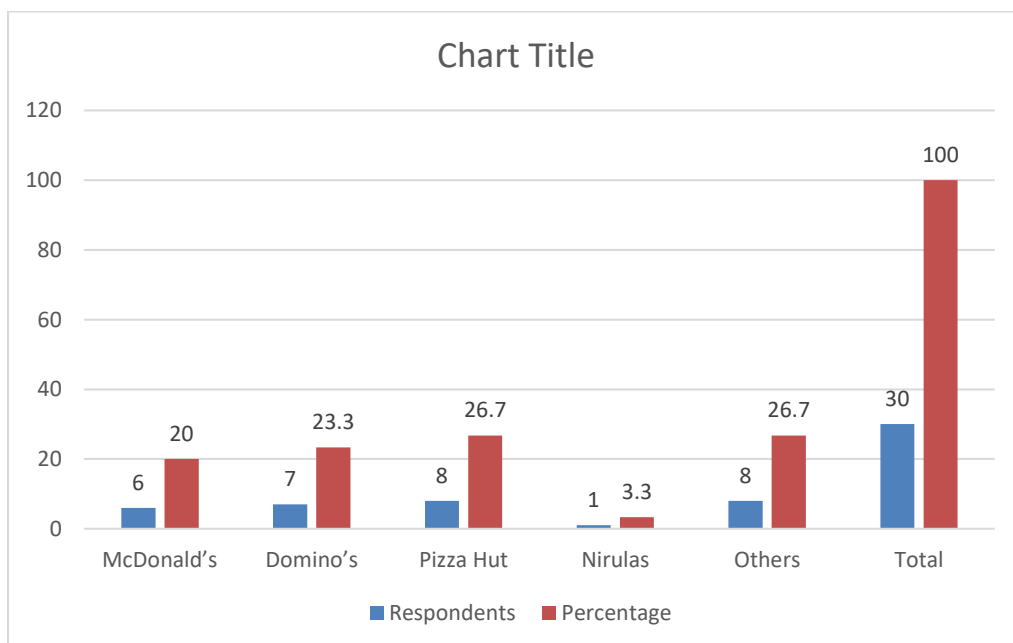
H (1) : There is a significant difference on the McDonald's food quality, service , price , convenience, varieties of fast food products positively related to the customers satisfaction.

Occupation	Student	Employed	Unemployed	Total
Respondents	22	5	3	30
Percentage	73.3	16.7	10	100



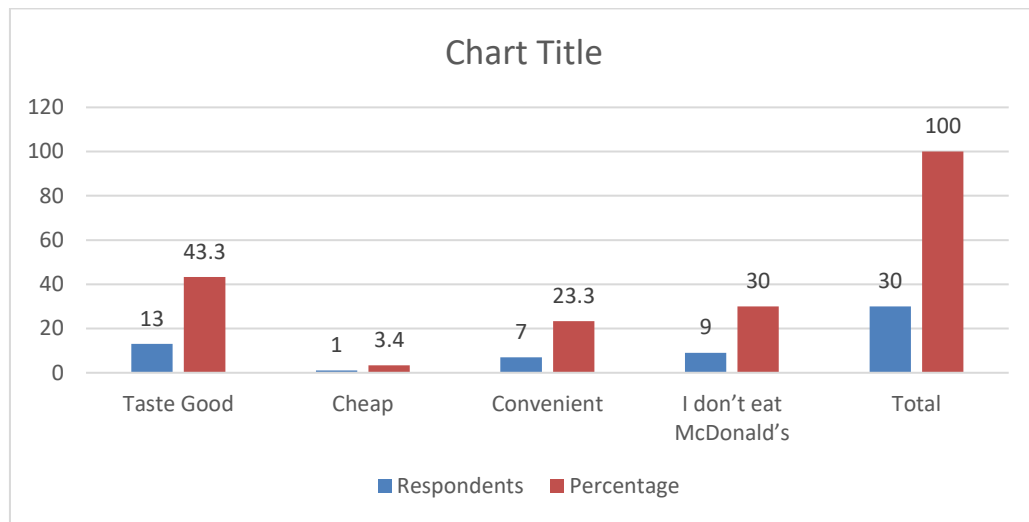
Interpretation: The most respondent are from students 73.3% and employed 16.7 and 10 others

Which fast food join do you prefer	McDonald's	Domino's	Pizza Hut	Nirulas	Others	Total
Respondents	6	7	8	1	8	30
Percentage	20	23.3	26.7	3.3	26.7	100



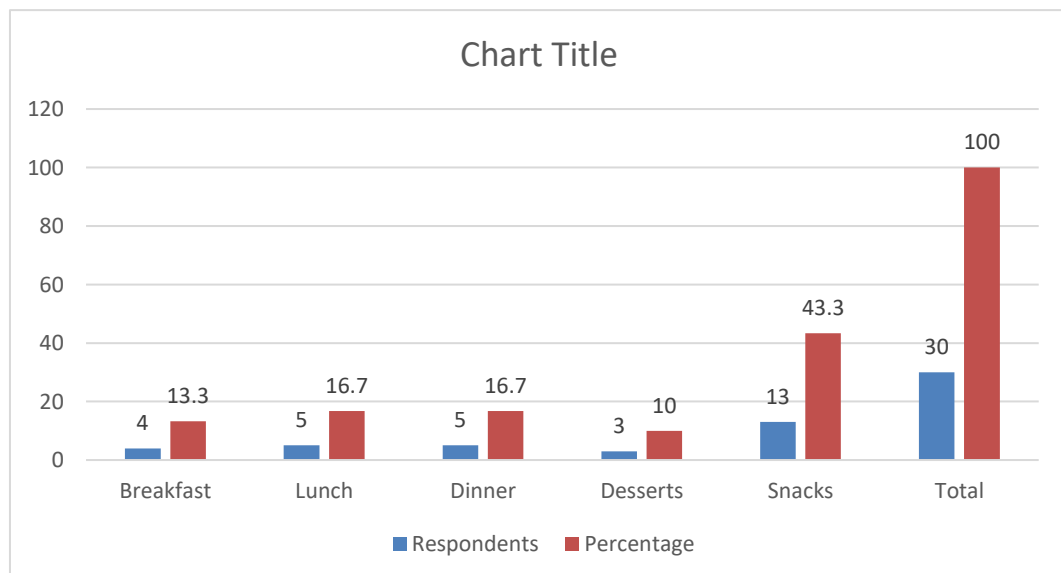
Interpretation: It shows the more respondents is pizza hurt and others 26.7 %and second one is domino's 23.3 %And McDonald's 20% and 3.3 Nirulu.

Why do you eat at McDonald's	Taste Good	Cheap	Convenient	I don't eat McDonald's	Total
Respondents	13	1	7	9	30
Percentage	43.3	3.4	23.3	30	100



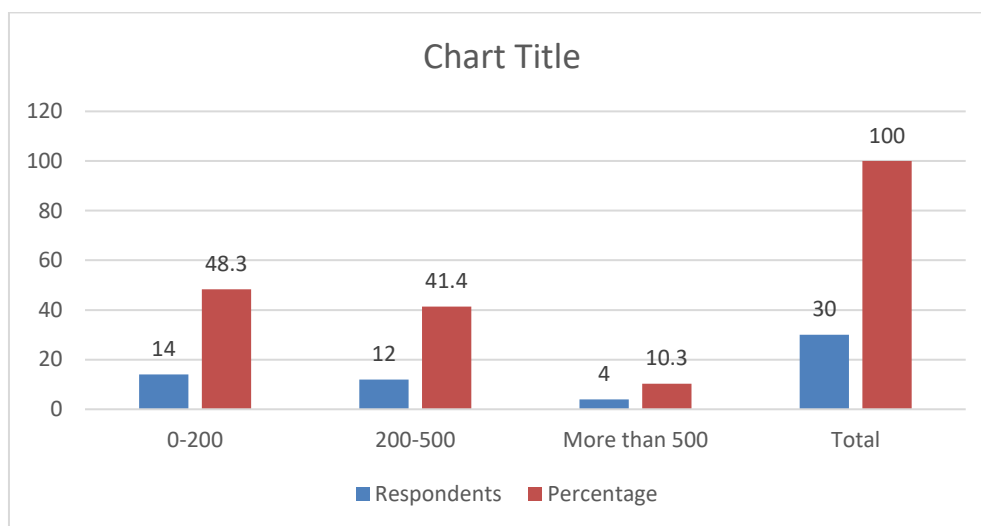
Interpretation: It represents the taste of restaurant percentage is Taste is good 43.3% and convenient is 23.3% next is I don't eat McDonald's is 30% and cheap 3.4%.

What time of the day you prefer to eat there	Breakfast	Lunch	Dinner	Desserts	Snacks	Total
Respondents	4	5	5	3	13	30
Percentage	13.3	16.7	16.7	10	43.3	100



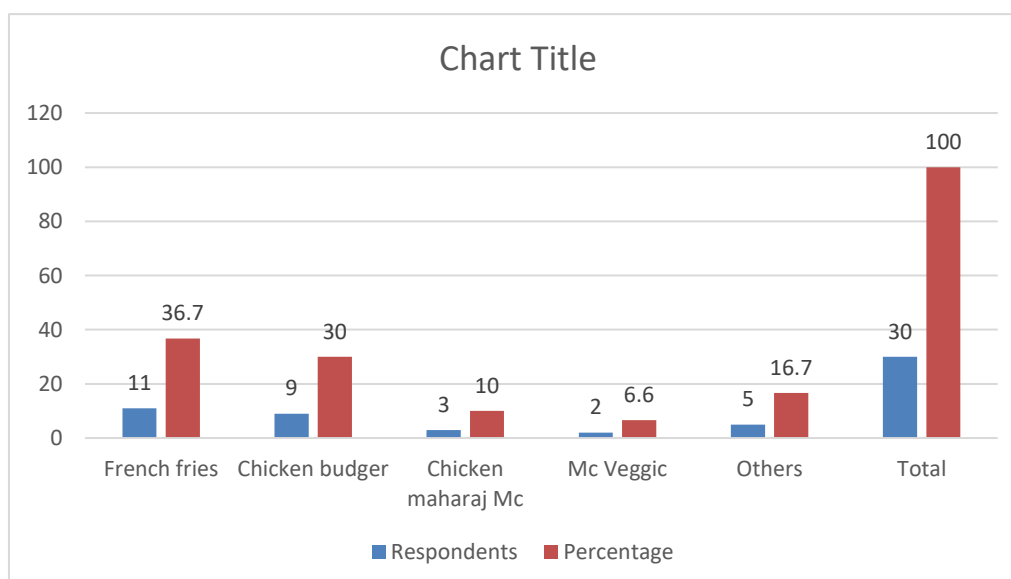
Interpretation: Here we shows what time of day prefer for more respondents for snacks 43.3% and Luch and Dinner both are same 16.7% someone will choose for Breakfast 13.3% and 10% desserts.

In a month, how much would you roughly spend money there	0-200	200-500	More than 500	Total
Respondents	14	12	4	30
Percentage	48.3	41.4	10.3	100



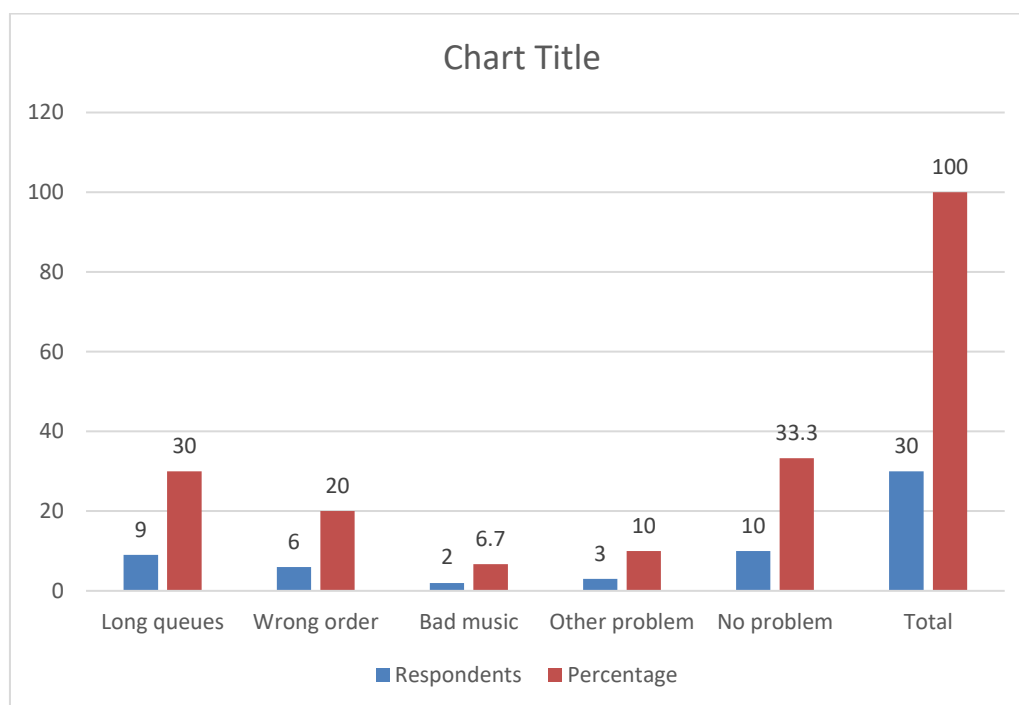
Interpretation: Here we will see roughly spend money in McDonald's below 200 Rs is 48.3% and 200-500 is 41.4% more than 500 is 10.3%.

Which is your favourite products at McDonald's	French fries	Chicken budger	Chicken maharaj Mc	Mc Veggic	Others	Total
Respondents	11	9	3	2	5	30
Percentage	36.7	30	10	6.6	16.7	100



Interpretation: Respondents of favourite food at McDonald's is French fries 36.7% second chicken burger percentage 30 and chicken Maharaj Mc 10% last Mc Veg 6.6%.

What is the main problem you faced at McDonald's	Long queues	Wrong order	Bad music	Other problem	No problem	Total
Respondents	9	6	2	3	10	30
Percentage	30	20	6.7	10	33.3	100



Interpretation: Respondents of facing problems at McDonald's more is No problem 33.3% and second is long Queues 30% another is wrong order is 20% and bad music 6.7% others 10%

FINDINGS

The Total Respondent of gender is 30 out of 25 male are 32% and female 68%. It is observed that age below 20 is 16.7% and between 20-30 83.3%.

Occupation here is three types of occupation will be taken that is students are 73.3% and employed are 16.7% next Unemployed are 10% this is an occupation.

Prefer of fast food is more respondent to Pizza hut and Others will be 26.7% next McDonald's 20% and 3.3% are nirulu.

How often do you eat at McDonald's mostly preferred to I haven't been to McDonald's is 30% and once in a month, week is 26.7% and 23.3% once in a week 20%.

The customers why choose the McDonald's mostly taste food is 43.3% and I don't eat McDonald's 30% remaining are convenient.

How much time customers prefer at McDonalds is first highly respondent is snacks 43.3 next lunch and dinner both are same 16.7% and breakfast is 13.3%.

Is that McDonald's food is healthy lets see in response yes 40% and NO and Not sure is 30%

Most Of the customers Spending money in a month at McDonald's roughly below 200 is 48% next between 200-500 is 41.4% last one above 500 is 10.3%.

Respondent of McDonald's favourite food of customers highly preferd tp French fries and Chicekn Burger 66.7% customers are more like to eat at McDonald's.

Preferd Meals at McDonalds at mostly like to Mc chicken meal and happy meal 72% of customers are happy eat meals in a McDonald's.

Most of the customers are facing more problems at McDonald's restaurent is NO problem is an 33.3% and long Queues is 30% this are mostly faced proble,s by the customers.

Majority of McDonald's Dinning perfamance customers are can response very much to goog dinning setup for making to eat food comfably to the customers and Excellent is 30%.

SUGGESTIONS

Mcdonald's should not engage in a targeted acquisition of another company where the discouragement is made for vertical integration, specifically, however. The company should aim to conduct a horizontal integration The recommendation is made on the basis of McDonald's current situation, which is already heavily integrated into its vertical framework. Thus, McDonald's should focus on acquiring another chain of restaurants to diversify its brand portfolio and increase its customer base by attracting market segments that are not drawn to the original brand.

Vertically to remove the risk elements from the suppliers. Mcdonald's is not in such a position. The company has already successfully integrated vertically, where mcdonald's also owns most of the land that their stores are placed on, so they don't have to deal with landlords or leasing costs. Wash Colceum's 2017 para 4. Therefore, the company should expand horizontally, since it is fully integrated vertically with no room for significant change. In conclusion, the recommendation is that mcdonald's should acquire companies horizontally because it has no vertical dependencies. The target for horizontal acquisitions should be companies that have customer segments inaccessible to mcdonald's needs. Might include health conscious consumers who view the corporation's products as unhealthy. By focusing on horizontal expansion, mcdonald's can capture larger market segments, which will significantly increase its market share and diversify its brand portfolio available.

CONCLUSION

McDonald takes the share on this attribute by providing the customer with fasten friendly services. At McDonald. You get your order, usually within 60 to 90 seconds from the time it is placed providing the customer fast and friendly services is the philosophy of McDonald. This is the big advantage McDonald having over the other restaurant. The customer satisfaction levels in better that the other competitor, McDonald, is having If we compare the space management Narula's is having better than McDonald and pizza. Hurts Narula. The advantage McDonald having over the other restaurant is I am Beyonce employee. Behaviour, cleanness. There is the factor that today customers looking for. It is given edge to McDonald over Nerul and Pizza Hut. After the detailed findings and analysis of various responses that I would like to put some points McDonald and Pizza Hut should increase the space available inside their fast food. Mc Donald's and Narula now introduce the free home delivery like Pizza Hut is providing to their customer. McDonald should also restructure their menu composition. The personnel parties. McDonald's should have also introduced some new ideas to satisfy the customers.

Acknowledgement

Nil

Funding

No funding was received to carry out this study.

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