

Expectation Factors of Fast Food Restaurant (FFR): Customer's Point of View

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Abstract

Fast food restaurants are becoming famous in developing countries owing to the fact that more consumers are eating increasingly more meals outside of their homes. Thus, studies highlighting about expectation factors for fast food restaurants have become an important place. On this ground, this study is undertaken in Ampara District of Sri Lanka. Objectives of this study are to identify the expectation factors for the selection of fast food restaurant and to prioritise such expectation factors. This study considers 66 consumers in ADSL. This study adopted a non- probability sampling technique of convenience sampling. Results of the study reveal that identified factor components are related to price, promotion, period and people of the marketing mix. Specifically, price and promotion are related to 4Ps and the period and the people are related to the extended marketing mix. It was also found that, on the basis of the factor score, number of public events sponsored (promotion), frequency of smile at buyer (people) and tangibles (physical evidence) occupy the first three places. Frequency of nicely dressed (people), number of radio advertisements made (promotion) and number of free rewards (price) are ranked into the second three places. Discount per parcel (price), price per parcel (price) and opening days (period) hold the third three places.

Keywords: Customer, expectation factors, fast food restaurant.

Introduction

Fast food restaurants are becoming famous in developing countries. Previous research studies have affirmed this notion. Kaynak, Kucukemiroglu & Aksoy (1996) studied about consumer preferences for fast food outlets in a developing country. Study mentioned that, in recent years, a major food consumption trend in urban parts of developing countries is that more consumers are eating increasingly more meals outside of their homes. Most of the growth in away-from-home eating has been in the fast food sector. While studies highlight about fast food restaurant there were few studies in relation to expectation factors of fast food restaurant especially from customer point of view. Findings of few studies resemble with employee i.e. people aspect of extended marketing mix and price and promotional aspect of marketing mix. For example, Park (2004) studied about efficient or enjoyable of consumer values of eating-out and fast food restaurant consumption in Korea. The results showed that consumer values of eating-out divided into two factors; hedonic and utilitarian. The hedonic value of eating-out had positive

correlation with mood, quick service, cleanliness, food taste, employee kindness, and facilities, the utilitarian value centered on reasonable price, quick service, and promotional incentives. Although there is much popularity for the fast food industry few studies have been conducted in customer expectation factors. Fast food restaurants are increasingly profitable and attractive day to day in developing country. Thus, country like Sri Lanka has to boost this industry by rendering the things expected by customers. Factors that are expected by customers should be well- known and academic research activities have to be done time to time. On this ground, this study is undertaken in Ampara District of Sri Lanka (ADSL) in 2015.

Statement of the problem

Problem is stated on the basis of previous empirical findings. There is no or poor unanimity in previous findings. Few studies highlight about price, value and quality for fast food behavior. Monika_ & Morven (2005) studied about fast foods and ethical consumer value this was based on a focus on McDonald's and Kentucky Fried Chicken (KFC). Findings found that four factors were isolated, together explaining 52 per cent of the variance in fast-food purchasing behaviour. They were brand value, nutritional value, ethical value and food quality. This study considers value side i.e. price aspect of marketing mix. Some other studies have proved tangibles as the expected factor of customers in selecting a fast food restaurant. For example, Nusser (2002) studied about TANGSERV for measuring tangible quality in foodservice Industry. It captures ambient factors such as music and temperature; design factors such as location and seating arrangement; and product/service factors such as food presentation and food variety. Findings of this study differ from previous findings. Few years ago, there were studies carried out by Qu (1997) who studied about determinant factors and choice intention for Chinese restaurant dining at Chinese restaurants in the state of Indiana. The results of the study indicated four dimensions that were significantly related to the likelihood of customers returning to the same restaurants. They are “food and environment,” “service and courtesy,” “price and value,” and “location, and advertising and promotion.” Findings of this study also vary. Therefore, there is a research gap for doing research in the area of fast food restaurant for knowing the expectation factors of customers for a fast food restaurant. Due to the differences in context, time, country and other aspects, researchers takes this opportunity to carry out a study on the expectation factors of

Research Questions and Objectives

From the above previous findings witnessed in the introductory and statement of the problem, the following research questions and objectives are set. Research questions are “what expectation factors are important to customers for the selection of fast food restaurant? and can it be possible to prioritise such expectation factors?”. These research questions are converted into two research objectives. The first objective is to identify the expectation factors for the selection of fast food restaurant. The second objective is to prioritise such expectation factors.

Motivations of the Study

Motivation behind this study is many. For the first instance, this study fills the methodological gap. Previous researches have been carried out using judgmental sampling with regression analysis. Whereas, this study is carried out using factor analysis with convenient sampling method. Second, this study differs in terms of country, context and time period. This study is conducted in Sri Lanka, and in 2015. Third, findings of this

study may be helpful to customers who can enjoy their expectation factors from fast food restaurants. Fourth, findings of this study may also helpful to marketing managers of fast food restaurants for devising their marketing or extended marketing mix for the betterment of fast food restaurant. Fifth, a number of studies have been carried out in foreign countries due to its popularity. For instance, Monika & Morven (2005) in UK; Andaleeb & Conway (2006) in USA; Kaynak, Kucukemiroglu & Aksoy (1996) in Turkey. These country- wide researches have proved its popularity. Sixth, fast food restaurant has been studied with other key areas such as Corporate Social Responsibility (CSR).

Review of Literature

Kara, Kaynak & Kucukemiroglu (1997) studied about marketing strategies for fast-food restaurants. This study was a comparative study in a major food consumption trend in the USA and Canada. Findings of the study offer need-oriented marketing strategies for both franchisers and franchisees in the US and Canadian fast-food sectors to enable them to be more competitive in this fast-changing business environment. Goyal & Singh (2007) studied about consumer perception about fast food in India. 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, this study analysed the consumption patterns, impact of hygiene and nutritional values, and rating of various attributes of McDonald's and Nirula's. Results indicate that three dimensions like service & delivery dimension, product dimension and quality dimension of fast food outlets' attributes are identified based on factor analysis results. Ismail (2010) studied about product mix and sales maximization of rice mill entrepreneurs in Ampara Coastal Area, Eastern Province of Sri Lanka. Researcher has selected 88 rice mill owners for this study. Studies found that there is strong positive relationship between product mix and sales maximization for few products and weak correlations between product mix and sales maximization for some other products. Ismail (2013) studied about marketing mix of product life cycle and business performance for sarongs of Royal Handloom Weaving Factory. Data were collected during the period of 2012 and 2013 using records of production, sales and dealers of the Weaving Factory. Results showed that product mix and distribution mix affect/ influences positively business performance. It found that marketing mix of product life cycle influences i.e. increases business performance. Ismail (2014) studied about influence of consumer promotional budget on sales in retail marketing. A convenient sample size of 4 major retail marketers was selected. Correlations between sales, total consumer promotional budget, total cost and revenue are greater than 0.790. Findings revealed that only advertisement and public relation influence on sales in retail marketing. In brief, price, promotion, people, tangible and period are the extracted as factors from this literature.

Research Design and Methodology

This study is a triangulated study in research design that covers both exploratory and conclusive types. Exploratory research design is adopted for stating research problem. Following exploratory research design, conclusive research is carried out. Descriptive research is done as a part of conclusive research design. Single-cross sectional study is undertaken because data are collected only once.

This study termed as “expectation factors of fast food restaurant (FFR) from customer’s point of view” is undertaken for identifying the expectation factors for selecting fast food restaurant. To know the expectation factors in the selection of fast food

restaurant, there is a need to know about what are such expectation factors. Expectation factors can be identified by the application of factor analysis. Further, in this study, researcher tries to prioritise what expectation factors are more important than others. To know the importance of expectation factors, research calls for factor score which is derived from the outputs of the factor analysis. Owing to these reasons, this study has undertaken factor analysis.

Population and Sample

Population refers to all the consumers of fast food restaurants that are available in ADSL. Due to the complexity of the sampling frame for consumers, this study considers 66 consumers in ADSL. This is due to the fact that fast food consumers are treated as homogenous in nature. The selected sample size was asked about the selected marketing mix variables which were then counted for analysis. A simple questionnaire was designed to issue and collect the data using Final Year Undergraduates from Faculty of Management and Commerce, South Eastern University of Sri Lanka. Data were collected during the second quarter of the 2015. Response rate was 70% of the issued questionnaire.

Sampling Technique

Population size of the customers of FFR in ADSL cannot be known due to the fact that there were no registered customers on a membership basis like clubs and pubs. Since there were no proper records and data base of customers of FFR in ADSL, the population size could not be collected. Thus, collection of sampling frame was impossible. Further, competitiveness existing among fast food restaurants are so high. These made researcher difficult to carry out probability sampling. Due to these reasons, this study adopted a non-probability sampling technique of convenience sampling.

Analytical Technique

Previous studied followed different analytical techniques such as regression analysis, discriminant analysis and so on. But, this study adopted a factor analysis as a new technique for expectation factors for fast food restaurant. SPSS having the version of 22.0 was used in this study.

Results and Discussion of Findings

KMO and Bartlett's Test of Sphericity are satisfactory in the first two iterations. Communalities for number of leaflet issued, waiting time in queue and opening days were less than 0.6. Final iteration of the factor analysis gave the satisfactory results.

Factor analysis

Factor analysis is conducted in this study. Kaiser-Meyer-Olkin is a measure of sampling adequacy. Value of KMO is greater than 0.5 referring to that sample taken in this study is significant. Bartlett's Test of Sphericity is measured by approximate Chi- square value of 388.663 with degrees of freedom of 36. Chi- square is significant. Values of KMO and Bartlett's Test of Sphericity are tabulated in Table 1.

Table 1. KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.652
Bartlett's Test of Sphericity	Approx. Chi-Square	388.663
	Df	36
	Sig.	0.000

Following the KMO and Bartlett's Test of Sphericity, the communalities were checked. Communalities for the items should be greater than 0.6. All the items have the values of initial communalities as 1 and communalities after extraction are higher than 0.6. Communalities are tabulated in Table 2.

Table 2. Communalities

	Initial	Extraction
Price per parcel	1.000	0.900
Discount per parcel	1.000	0.951
Number of free rewards	1.000	0.896
Number of radio advertisements made	1.000	0.753
Number of public events sponsored	1.000	0.720
Frequency of smile at buyer	1.000	0.869
Frequency of nicely dressed	1.000	0.876
Tangibles	1.000	0.816
Opening days	1.000	0.626

Extraction Method: Principal Component Analysis.

Total variance is checked following the communality check. Factor analysis found four factor components in this study. Initial total eigenvalues for all four factor components are 3.532, 1.512, 1.344 and 1.018 respectively. These values are higher than 1. After extraction and rotation, these four factor components have a percentage of cumulative sums of squared values of around 82. Total variance explained is tabulated in Table 3.

Table 3. Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.532	39.246	39.246	3.532	39.246	39.246	3.087	34.298	34.298
2	1.512	16.797	56.044	1.512	16.797	56.044	1.646	18.287	52.585
3	1.344	14.939	70.982	1.344	14.939	70.982	1.558	17.306	69.891
4	1.018	11.311	82.294	1.018	11.311	82.294	1.116	12.402	82.294
5	.799	8.882	91.176						
6	.405	4.500	95.676						
7	.282	3.132	98.808						
8	.070	.779	99.587						
9	.037	.413	100.000						

Extraction Method: Principal Component Analysis.

Factor components have been identified using the rotated component matrix. Factor component 1 is composed of four items such as price per parcel, discount per parcel, number of free rewards and opening days. Number of radio advertisements made and tangibles compose the second factor components. Frequency of smile at buyer and frequency of nicely dressed form the third factor component. Number of public events

sponsored alone makes the fourth factor component. Rotated Component Matrix is tabulated in Table 4.

Table 4. Rotated Component Matrix

	Component			
	1	2	3	4
Price per parcel	.910			
Discount per parcel	.930			
Number of free rewards	.919			
Number of radio advertisements made		-.770		
Number of public events sponsored				.773
Frequency of smile at buyer			.873	
Frequency of nicely dressed			.846	
Tangibles		.860		
Opening days	.561			

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 5 iterations.

Identified factor components are shown in Figure 1 that is component plot in rotated space.

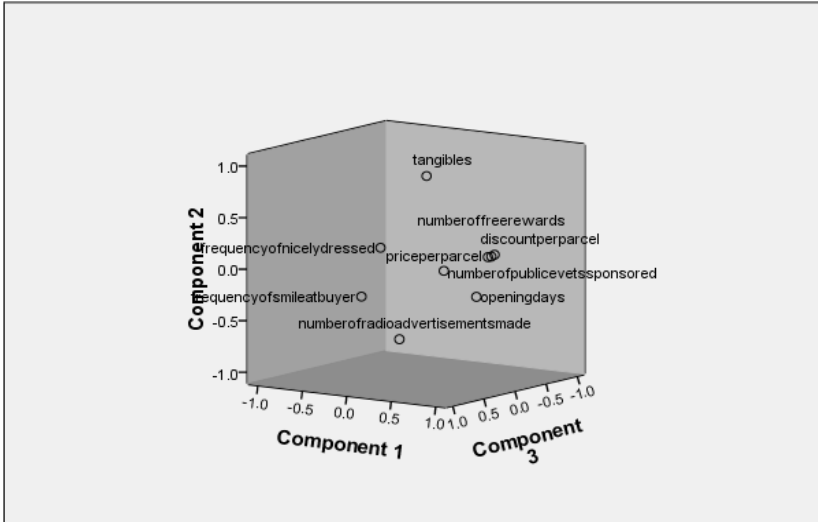


Figure 1. Component plot in rotated space

Factor score and ranking

Factor scores have been calculated on the basis of factor loadings and component score coefficient. Factor score and ranking are tabulated in Table 5.

Table 5. Factor score and ranking

Factor components	Factor component	Factor loadings	Component score coefficient	Factor score	Factor ranking
Price per parcel	Price (F1)	.910	.293	0.26663	8
Discount per parcel	Price (F1)	.930	.297	0.27621	7
Number of free rewards	Price (F1)	.919	.302	0.277538	6
Opening days	Period (F1)	.561	.300	0.1683	9
Number of radio advertisements made	Promotion (F2)	-.770	-.477	0.36729	5
Tangibles	Physical evidence (F2)	.860	.572	0.49192	3
Frequency of smile at buyer	People (F3)	.873	.583	0.508959	2
Frequency of nicely dressed	People (F3)	.846	.559	0.472914	4
Number of public events sponsored	Promotion (F4)	.773	.691	0.534143	1

Conclusions

Results of the study reveal that the first factor component comprising of price per parcel, discount per parcel and number of free rewards is related to the pricing strategy of the marketing mix. Whereas, opening days of the first factor component is related to the period of the extended marketing mix. Number of radio advertisements made of the second factor component is related to the promotion strategy of the marketing mix. Tangibles of the second factor component are related to physical evidence of the extended marketing mix or the part of SERVQUAL. Frequency of smile at buyer and frequency of nicely dressed form the third factor component is linked with people of the extended marketing mix. Number of public events sponsored alone that makes the fourth factor component is related to promotion of the marketing mix. In brief, identified factor components are related to price, promotion, period and people of the marketing mix. In detail, price and promotion are related to 4Ps and the period and the people are related to the extended marketing mix. On the basis of the factor score, factors have been ranked. Number of public events sponsored (Promotion - F4), frequency of smile at buyer (People - F3) and tangibles (Physical evidence - F2) occupy the first three places. Frequency of nicely dressed (People - F3), number of radio advertisements made (Promotion - F2) and number of free rewards (Price - F1) are ranked into the second three places. Discount per parcel (Price - F1), price per parcel (Price - F1) and opening days (Period - F1) hold the third three places.

Limitations and future research opportunities

This study takes into account of fast food restaurants in Ampara District, Eastern Province of Sri Lanka. Sample size is limited to 66 which may sometimes not be sufficient. Sample size may be increased to an appropriate number for generalization purpose. Findings are applicable to fast food restaurants only. Therefore, potential researchers can eradicate these limitations to improve this study.

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