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# A STUDY ON CONSUMER PERCEPTION TOWARDS MULTINATIONAL FAST-FOOD BRANDS IN VIJAYAWADA

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## ABSTRACT

The focus of this research is to explore how people perceive fast-food brands by measuring perceived worth and how customers feel about the brands. As time goes on, more and more people are choosing pre-made meals over quickly made and brought gourmet meals from restaurants. There is something strange about the fact that people still like fast food, even though its qualities of being quick, cheap, and easy to get have often been linked to bad health results. The rising number of two-income households and busy lives of customers are two reasons why fast food is becoming more popular. As a result, the customer point of view is looked at in foreign companies. There are lots of well-known fast-food places in Vijayawada, like McDonald's, KFC, Pizza Hut, and Domino's. A set of 150 people from Vijayawada City took part in the study by filling out a standard form. Researchers found that 47.6% of the respondents were younger than 14 years old. So, it turned out that 33% of the respondents were between the ages of 15 and 20. People between the ages of 21 and 25 made up 12.6% of the sample, while people over the age of 25 made up 6.8% of the sample. It is very important for marketers to improve traits that customers value. According to marketing experts, getting to know customers of all ages early on is thought to have a higher chance of leading to long-lasting business relationships. Elevating the nutritional value of fast-food restaurants could bring in more customers and boost trust in their ability to provide a good alternative to home-cooked meals.

**Keywords:** Quick service restaurants, fast food industry, consumer behavior, consumer Perceptions.

## FAST FOOD INDUSTRY IN INDIA:

In 2020, the Indian fast service restaurant industry was valued at 188 billion rupees. It was anticipated that by the year 2025, the quantity would reach 500 billion rupees. Because of the impact of Western cuisine and culture, as well as rising disposable income levels among consumers, the fast-food industry has experienced significant expansion.

The unorganized sector consists of fast-food establishments like Dhabas and food booths. Dominos, McDonald's, KFC, and Pizza Hut were the most dominant competitors in the Indian fast-food industry. These well-known restaurant chains catered to the requirements of the entire nation by including customized culinary options on their menus.

The food service industry was severely impacted by the COVID-19 pandemic and subsequent implementation of security procedures. In the context of global health crisis, the need for internet-based food delivery services has increased significantly. Swiggy and Zomato are the dominant competitors in the country's meal delivery services market, employing dynamic

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strategies to maintain their competitive advantage. It has been evident that novel functionalities such as supermarket delivery, deferred payment options, and errand services are utilized.

**FAST FOOD IN VIJAYAWADA:**

Cultural factors have a substantial impact on food selection and consumption. Nonetheless, food plays a significant role in the development of a civilization, serving as a symbol of cultural practices and significant social events. Atkins and Bowles (2001) and Makela (2000) have discussed about the influence of cultural factors on eating behaviour. A society's shared values contribute to the formation of its cultural framework, which influences the behavioural patterns of its members. Dietary patterns are therefore significantly influenced by culture. This concept classifies food as "acceptable" or "unacceptable," as well as "good" or "bad," within a given social group.

There are cultural differences in perceiving the quality of food, resulting to the establishment of distinct categories of "good" and "bad" foods. Each of India's 29 states is distinguished by its own culture, traditions, and values. As a constituent of India, Vijayawada has distinct culinary, cultural, and consumption preferences. The establishment of multinational fast-food chains in Vijayawada presented difficulties. A considerable portion of the population holds the misconception that fast food consists primarily of nonvegetarian options, thereby giving rise to this fallacy. Marketers were compelled to modify their menus to accommodate the preferences of the local population.

**LITERATURE REVIEW:**

This study explores how fast-food business selection affects customer perceptions. Additionally, this study focusses on how age and income affect fast-food preferences. Consider reliability, responsiveness, certainty, and empathy to understand consumer expectations and service delivery. The study found that a number of factors influenced consumers' fast-food choices. As people age, their fast-food choices change. In 2008, Chavadi and Kokatnur examined fast food customers' views and expectations, focusing on the implications for ethnic marketplaces in other industrialized nations. Australians spend 33% of their food spending on takeout and restaurant meals, according to research. Growing ethnic diversity among Australian consumers may be influencing changing customer expectations. The analysis of variance showed significant cultural differences in perceptions and expectations. Many McDonald's atmosphere qualities were praised. Tajulurrus Mohammad, Sunita Barker, and Jay Kandampully (2005) studied. Customer perception affects New Delhi fast-food purchases, visits, and choice. The study examined McDonald's, KFC, Pizza Hut, and Subway's consumption, hygiene, nutrition, and other factors. The research shows that numerous factors affect young people's fast-food tastes and frequency. The above aspects include nutritional instruction, autonomous eating, dietary preferences for home-cooked and fast-food meals, and sociocultural setting. In 2007, Anita Goyal and N.P. Singh found that 74.5% of participants preferred MNC fast food outlets over local restaurants. These retail stores are popular because to their wide range of services, high-quality products, strong brand reputation, nice atmosphere, and promotions.

**STATEMENT OF THE PROBLEM:**

Today, managers of quick-service restaurants (QSRs) face a significant obstacle characterized by too many restaurants competing for a limited customer base. Due to the increase in client demands and expectations, the degree of market competition has increased. According to

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multiple studies, the restaurant industry has experienced the highest rate of business failure within the service sector. The objective of this study is to examine the main factors that influence consumers' perceptions of international fast-food restaurants in Vijayawada. This study's primary objective is to provide Indian fast-food marketers with insightful data regarding perception of the consumers and their consumption patterns.

**OBJECTIVES OF THE STUDY:**

- To study the perception of consumers towards fast-food brands.
- To study the relationship between consumer and fast-food brands.
- To determine the factors that affect the perception of consumer regarding fast food.

**HYPOTHESIS OF THE STUDY:**

A hypothesis may be a difficult concept or the consequence of extensive research. A testable hypothesis is one for which you can measure both what is being done (variables) and the results. In other words, a research hypothesis is the speculation made by researchers regarding the outcome of a study or experiment.

H0: Consumer perception doesn't vary among brands.

H1: Consumer perception varies among brands.

**SCOPE OF THE STUDY:**

The study is limited to the geographical region of Vijayawada. This study examines the impact of a variety of factors, including quality, services, promotions, pricing, risk, and production, on consumers' perceptions of fast-food businesses. Additionally, this study investigates the effect of demographic variables on consumer perception.

**SIGNIFICANCE OF THE STUDY**

- This study examines individuals' perceptions and attitudes towards fast food chains that are owned by multinational corporations (MNCs).
- To have a comprehensive understanding of this subject, it would be advantageous to ex amine the degree of similarity in consumer impressions.
- This study additionally examines the impact of gender and work status on individuals' c ognitive processes related to product evaluation.
- The findings of this study will provide valuable insights for marketers to enhance their strategies in order to effectively target customers with more precision.
- This study provides useful insights for marketers seeking to enhance their services by e xamining consumer perceptions and consumption patterns in the fast-food industry.

**LIMITATIONS OF STUDY**

- Perception is subjective and varies widely. The investigation was constrained by perception quantification.
- The execution of the questionnaire is done at fast-food restaurants. The customer selection approach was biased and limited.
- While many factors affect perception, the study focused on five. Limiting the number of qualifying attributes was also required.

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- Only fast-food items and services were researched. Thus, the results cannot be applied to other products or services.

**RESEARCH METHODOLOGY:**

- Area of study: Study is conducted in Vijayawada City.
- Sample size: Sample size is 150.
- Research Instrument: Questionnaire method
- Sample Design: Convenient sampling method.
- Sources of Data: Primary data were drawn from respondents living in Vijayawada city. Secondary data were taken from books, journals, internet, and magazines.
- Statistical Tools used: Repeated measures ANOVA.

**ANALYSIS:**

Analysis of repeated measures Anova determined if service, risk, pricing, product, and promotion are the same. When comparing the performance of the same group of respondents in multiple experimental situations, employ a repeated-measures (or within-participants) test. This occurs when the same subjects participate in all study circumstances.

Sphericity: the variances of the differences between all combinations of the related conditions/ time points are equal (similar to the assumption of equal variances in ANOVA). Mauchly's test of Sphericity is automatically given in the output. If $p > 0.05$, Sphericity can be assumed**.**

| | Mean | Std. Deviation | N |
|---|---|---|---|
| MCDT | 48.8871 | 2.37264 | 124 |
| KFCT | 49.0403 | 2.31081 | 124 |
| DOMT | 48.5323 | 2.33891 | 124 |
| PHT | 47.0403 | 1.92290 | 124 |

First off, we take a look at the Descriptive Statistics table shown. Commercial 4 was rated best (m = 49.04). Commercial 1 was rated worst (m = 47.04). Given our 10-point scale, these are large differences.

**Repeated Measures ANOVA Output - Mauchly's Test**

We now turn to Mauchly's test for the sphericity assumption. As a rule of thumb, sphericity is assumed if Sig. > 0.05. For our data, Sig. = 0.750 so sphericity is no issue here

**Table 2: Mauchly's Test of Sphericity[a]**

Measure: brand

| Within Subject Effect | Mauchly's W | Approx. Ch Square | df | Sig. | Epsilon[b] | | |
|---|---|---|---|---|---|---|---|
| | | | | | Greenhouse-Geisser | Huynh-Feldt | Lower-bound |
| factor1 | .978 | 2.675 | 5 | .750 | .986 | 1.000 | .333 |

Tests the null hypothesis that the error covariance matrix of the orthonormalized transforme dependent variables is proportional to an identity matrix.

a. Design: Intercept Within Subjects Design: factor1

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b. May be used to adjust the degrees of freedom for the averaged tests of significance Corrected tests are displayed in the Tests of Within-Subjects Effects table.

**Table 3: Tests of Within-Subjects Effects**

Measure: brand

| Source | | Type III Sum of Squares | df | Mean Square | F | Sig. | Partial Eta Squared |
|---|---|---|---|---|---|---|---|
| factor1 | Sphericity Assumed | 311.363 | 3 | 103.788 | 22.835 | .000 | .157 |
| | Greenhouse-Geisser | 311.363 | 2.957 | 105.290 | 22.835 | .000 | .157 |
| | Huynh-Feldt | 311.363 | 3.000 | 103.788 | 22.835 | .000 | .157 |
| | Lower-bound | 311.363 | 1.000 | 311.363 | 22.835 | .000 | .157 |
| Error (factor1) | Sphericity Assumed | 1677.137 | 369 | 4.545 | | | |
| | Greenhouse-Geisser | 1677.137 | 363.736 | 4.611 | | | |
| | Huynh-Feldt | 1677.137 | 369.000 | 4.545 | | | |
| | Lower-bound | 1677.137 | 123.000 | 13.635 | | | |

Report the results of this table using [f(df,df error)=Test statistic F,p=…].here a green house geisser correction was applied to the degrees of freedom so use [F(2.957,363.736)=22.83 p<0.001] when reporting the results.

Table4:

**Pairwise Comparisons**

Measure: brand

| (I) factor1 | (J) factor1 | Mean Difference (I-J) | Std. Error | Sig.[b] | 95% Confidence Interval for Difference[b] | |
|---|---|---|---|---|---|---|
| | | | | | Lower Bound | Upper Bound |
| 1 | 2 | -.153 | .270 | 1.000 | -.877 | .571 |
| | 3 | .355 | .270 | 1.000 | -.369 | 1.079 |
| | 4 | 1.847* | .277 | .000 | 1.105 | 2.588 |
| 2 | 1 | .153 | .270 | 1.000 | -.571 | .877 |
| | 3 | .508 | .279 | .429 | -.241 | 1.257 |
| | 4 | 2.000* | .251 | .000 | 1.326 | 2.674 |
| 3 | 1 | -.355 | .270 | 1.000 | -1.079 | .369 |
| | 2 | -.508 | .279 | .429 | -1.257 | .241 |
| | 4 | 1.492* | .276 | .000 | .751 | 2.232 |
| 4 | 1 | -1.847* | .277 | .000 | -2.588 | -1.105 |
| | 2 | -2.000* | .251 | .000 | -2.674 | -1.326 |
| | 3 | -1.492* | .276 | .000 | -2.232 | -.751 |

Based on estimated marginal means

*. The mean difference is significant at the .05 level.

b. Adjustment for multiple comparisons: Bonferroni.

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Table5:

**Mauchly's Test of Sphericity[a]**

Measure: Perception

| Within Subjects Effect | Mauchly's W | Approx. Chi-Square | df | Sig. | Epsilon[b] | | |
|---|---|---|---|---|---|---|---|
| | | | | | Greenhouse-Geisser | Huynh-Feldt | Lower-bound |
| Brand | .969 | 3.760 | 5 | .584 | .980 | 1.000 | .333 |

Tests the null hypothesis that the error covariance matrix of the orthonormalized transformed dependent variables is proportional to an identity matrix.

a. Design: Intercept + AGE
Within Subjects Design: Brand

b. May be used to adjust the degrees of freedom for the averaged tests of significance. Corrected tests are displayed in the Tests of Within-Subjects Effects table.

In this instance, the sphericity assumption was not satisfied (because the p-values of the test were significant, indicating a significant deviation from the conditions under which the assumption holds true). Consequently, we cannot rely on the multivariate tests investigated previously. The epsilon values on the right-hand side of the table represent three distinct methods for calculating an appropriate adjustment to the f-test's degrees of freedom. The following table displays the revised results after applying each of these corrections. The lower bound test is the most conservative, while the Huynh-Feldt test is typically the least.

Table 6:

**3. AGE * Brand**

Measure: Perception

| AGE | Brand | Mean | Std. Error | 95% Confidence Interval | |
|---|---|---|---|---|---|
| | | | | Lower Bound | Upper Bound |
| 1 | 1 | 49.429 | .517 | 48.404 | 50.453 |
| | 2 | 49.190 | .509 | 48.183 | 50.198 |
| | 3 | 48.619 | .512 | 47.604 | 49.634 |
| | 4 | 46.571 | .405 | 45.770 | 47.373 |
| 2 | 1 | 49.091 | .413 | 48.274 | 49.908 |
| | 2 | 48.758 | .406 | 47.954 | 49.561 |
| | 3 | 48.273 | .409 | 47.463 | 49.082 |
| | 4 | 47.727 | .323 | 47.088 | 48.367 |
| 3 | 1 | 48.762 | .366 | 48.038 | 49.486 |
| | 2 | 49.048 | .360 | 48.335 | 49.760 |
| | 3 | 48.905 | .362 | 48.187 | 49.622 |
| | 4 | 46.429 | .286 | 45.862 | 46.995 |
| 4 | 1 | 48.571 | .448 | 47.684 | 49.458 |
| | 2 | 49.250 | .441 | 48.378 | 50.122 |
| | 3 | 48.214 | .444 | 47.336 | 49.093 |
| | 4 | 47.500 | .351 | 46.806 | 48.194 |

Table7:

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**Tests of Within-Subjects Effects**

Measure: Perception

| Source | | Type III Sum of Squares | df | Mean Square | F | Sig. | Partial Eta Squared |
|---|---|---|---|---|---|---|---|
| Brand | Sphericity Assumed | 313.057 | 3 | 104.352 | 22.704 | .000 | .157 |
| | Greenhouse-Geisser | 313.057 | 2.947 | 106.232 | 22.704 | .000 | .157 |
| | Huynh-Feldt | 313.057 | 3.000 | 104.352 | 22.704 | .000 | .157 |
| | Lower-bound | 313.057 | 1.000 | 313.057 | 22.704 | .000 | .157 |
| Brand * OCCUPATION | Sphericity Assumed | 4.767 | 3 | 1.589 | .346 | .792 | .003 |
| | Greenhouse-Geisser | 4.767 | 2.947 | 1.618 | .346 | .789 | .003 |
| | Huynh-Feldt | 4.767 | 3.000 | 1.589 | .346 | .792 | .003 |
| | Lower-bound | 4.767 | 1.000 | 4.767 | .346 | .558 | .003 |
| Error(Brand) | Sphericity Assumed | 1682.177 | 366 | 4.596 | | | |
| | Greenhouse-Geisser | 1682.177 | 359.523 | 4.679 | | | |
| | Huynh-Feldt | 1682.177 | 366.000 | 4.596 | | | |
| | Lower-bound | 1682.177 | 122.000 | 13.788 | | | |

In this instance, the sphericity assumption was not satisfied (because the p-values of the test were significant, indicating a significant deviation from the conditions under which the assumption holds true). Consequently, we cannot rely on the multivariate tests investigated previously. The epsilon values on the right-hand side of the table represent three distinct methods for calculating an appropriate adjustment to the f-test's degrees of freedom. The following table displays the revised results after applying each of these corrections. The lower bound test is the most conservative, while the Huynh-Feldt test is typically the least.

## FINDINGS AND DISCUSSIONS:

- The study was conducted with a focus on threedemographic variables of Respondents, i.e., age (below 14, 15 to 20 years, 21 to 25 years, above 25), gender and occupation (employed, student).
- Based on the results, it was found that, out of the total of 124 respondents 61 % were males and 63% were females.
- A total of 47.6% of respondents were between the age of below 14, with the following largest group being between age of 15 to 20 years (33%), followed by the 21-25 years (12.6 %) and above 25(6.8%).
- In respect to occupation, unsurprisingly, many of the respondents are “students” (40.8 %), while 47.2 % are employed.

## CONCLUSION:

This study explored the perceptions of fast-food consumers within the rapid service restaurant industry. The analysis included quantitative data pertinent to demographics, consumption patterns, decision-making traits, customer satisfaction, frequency and occasion of restaurant visits, as well as implications for future enhancements from the consumer's perspective. In addition, the results of the study provided valuable insights for addressing the original research questions. Implementing a comprehensive and cross-platform strategy effectively addresses the challenges associated with fast-food issues, thereby facilitating their extensive impact. India is home to the world's largest population of youth.Majority are in the age group between 10 and 24. Individuals are capable of developing strategic approaches that meet their own needs and generate financial advantages. It is essential for marketers to improve qualities that consumers value. According to marketing professionals, establishing early consumer connections across various age cohorts has a greater propensity to result in long-lasting customer loyalty over

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time. Improving the nutritional value of fast food has the potential to attract a greater number of consumers and boost confidence in its viability as a substitute for home-cooked meals.

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