Food consumption behavior of youth at branded fast food outlets in Chandigarh

Narayan Prabhu* and Naresh Nayak,
Welcomgroup Graduate School of Hotel Administration
Manipal University, Manipal
Email: narayan.prabhu@manipal.edu

and

Kaipa Nivedita (Alumnus)
Welcomgroup Graduate School of Hotel Administration,
Manipal University, Manipal

Corresponding author*

Abstract

The fast food industry is one of the world's fastest growing sectors in the food service industry. However, over the last two decades, with a growth in the number of nuclear families, economic growth and increasing per capita income as well as globalization, the fast food culture has gained prominence in India. Chandigarh, which is the capital city of Punjab and Haryana, is a hub for the majority of fast food chains. This is fundamentally due to the relatively rapid increase in discretionary income amongst mainly the youth. This study, which was carried out in order to try understand youth consumption behavior at branded fast food outlets in Chandigarh, revealed that the majority of the respondents prefer pizza, combo meals and burgers, followed by milkshakes and juices as beverages of choice. Furthermore, they prefer to go to fast food outlets with their friends and family at standalone outlets, and outlets inside malls and multiplexes which are next-in-line preferences. Cash is used as the major mode of payment followed by debit and credit card for settling of bills. Finally, when analyzing choices for fast food outlets, price is considered to be the major factor, followed by brand name, variety, home delivery and sales promotion techniques which lure people to the respective outlets.

Key words: fast food outlets, food consumption behavior, Chandigarh

Introduction

Food is considered a prominent cultural activity among Indians and it reflects implicit characteristic of the country's diversified culture, which consists of different state and union territories. Indians traditionally from way back when, like to enjoy meals which are home-cooked. Such a concept and belief, is supported individually as well as universally and is religiously adhered to. However, over a period of time due to the increase in awareness of other food types, and also due to western cultural influences, there has been a drastic shift in the consumption patterns of food amongst Indian families in mainly urban India. According to The Marketing Whitebook, (Hansa research group, 2013) spending patterns of Indian youth on various products and services in a month can comprise of up to 53 percent of disposable income and it is spent on 'eating out' (16%), 'clothes' (16%), 'soft drinks and ice creams' (14%) and 'snacks/confectionary' (7%). This is very closely followed by spending on accessories including footwear, belts, wallets and a range of local jewellery (7% of disposable income). A meagre 5 percent of spending is on education which would be mostly taken care of by the parents of these youngsters. Vathsala (2013), reported that, on an average, a youth spends

₹4,400 per month on all product categories. These facts clearly indicated that Indian youth spend a major portion of their disposable income on 'eating out' at fast food outlets.

"Indian consumers are an adventurous lot. They like trying new flavours, and more importantly, they'll discuss their choices with others. As a matter of fact, 'varianting' is a key strategy we've observed particularly in the snacks space, with marketers launching newer flavours periodically. This not only gives consumers variety but helps create buzz for a brand." (The Nielsen Company, 2014).

According to the Nielsen Qualitative View as stated by Sarbani Sen, who is the director of Nielsen India (Nielsen Holdings N.V. (NYSE: NLSN) is a global information and measurement company with leading market positions in marketing and consumer information, television and other media measurement, online intelligence and mobile measurement. Nielsen has a presence in approximately 100 countries, with headquarters in New York, USA and Diemen, the Netherlands):

"Snacking is inherent to Indian food culture although it lacks overt social endorsement unlike meals which are ritually sanctified. Snacking has traditionally implied a variety of sensorial experience in terms of flavour, taste, shape, texture, ingredients, appearance and accompaniments. Category growth could be attributed to the fast paced, out-of-home lifestyle, increased frequency of socialising and a gradual erosion of the 'family sitdown' meal culture. Though there is increasing health consciousness among consumers, with snacks, the communication has to first relay a tantalising taste experience. Interestingly, cookery shows today are helping consumers bridge taste and health with innovation in the method of preparation and inclusion of healthy ingredients. Besides flavour, marketers could also experiment with product format, presentation and packaging to appeal to the consumer. For example peri peri masala sachets with the product, quick recipe ideas on the packaging and so on." (The Nielsen Company, 2014).

In this study, the youth segment was taken into consideration as it is the youth consumer segment which is a relatively more of a homogeneous group when used as research subjects. This is also particularly helpful in minimizing random error that might occur by using a heterogeneous sample such as the general public (Calder et al., 1981). Based on these views and also on taking into consideration the youth eating habits in India and their preference towards fast foods, this study was conducted so as to focus on the consumption behavior of the youth relating to fast food outlets in the city of Chandigarh, which is one of the fastest growing cities in terms of discretionary income of youth and social development.

Literature Review

As per the Nielsen report (2014), India currently stands in sixth place in fast food consumption when viewed amongst the countries in Asia's top markets. The frequency of consumption of fast food among sixty per cent of Indians in urban areas for take-away food is once a month or more. Dominos is the most preferred fast food outlets as rated by local Indians and amongst the motivating factors for this preference amongst different brands, the survey results indicate that urban youth i.e. sixty six percent of them consider hygiene and cleanliness as the most important criteria for selecting an fast food outlet. This is followed by twenty seven percent who believe that the quality of service is an important criteria for the purchase of a fast food brand's offering. Twenty one percent rely on the perception that a take-away fast food outlet creates, and its brand which offers them what they consider to be a healthy variety of food options at fair prices.

In an article titled "Consumers' perceptions and preferences for fast-food chains in the US and Canada", Kara, Kaynak and Kucukemiroglu (1995) state that the consumers who are in the age group of 12 years to 24 years look for delivery of service, variety, location, and price in the United States, and for ambience and extras in Canada. In the age group of 46 years to 55 years, nutritional value, cleanliness, quality, and taste are considered to be the most important in United States, whereas in Canada, seating capacity and nutritional value are considered to be the most important factors when it comes to identifying fast food chains to be visited.

In the middle age group of 25 years to 45 years, Americans look for timely and friendly, personal service, whereas Canadians look for timeliness and quality service. Brown, McLveen and Strugnell (2000) believe there is need for awareness on nutrition and preference towards fast food among young consumers during mainly adolescent years. Davies and Smith in their study (2004), analyzed the importance of food nutritional values, and also considered the use of and information printed/disclosed by the fast food joints in the United Kingdom.

From the important factors considered for choosing fast food outlets, there are various research articles which have focused on the nutritional value of food provided by them. A survey conducted in the United States market among 7,000 consumers nationwide by Bowman (2005) has found that about 22% of consumers who drink sugary, carbonated soft drinks and eat fast food, generally consume more carbohydrates, calories, fats, proteins and added sugars than those who do not consume them. Furthermore, consumers felt that meals were moderately nutritious and a 'good food buy', but they were nonetheless fattening and contained harmful additives in many cases (McNeal, Stem, & Nelson, 1980). These studies thus show that it can be indicated that the consumer's perception towards nutritional aspects of fast food meals are very important but are often being ignored in practice.

A brief description of Chandigarh

Chandigarh is the best-planned city in India, with architecture and unique buildings which are world-renowned, and a quality of life which is unparalleled. As the capital of the states of Punjab and Haryana, and the Union Territory of Chandigarh it is thus a highly prestigious city. Known as 'the face of modern India', Chandigarh, is the manifestation of a dream that Jawaharlal Nehru envisaged and which Le Corbusier executed. Serenity and a city are two diametrically opposite concepts, which however, get belied in the 'City Beautiful'. Chandigarh is a rare epitome of modernization as it co-exists with nature preservation. It is here that the trees and plants are as much a part of the construction plans as the buildings and the roads (Chandigarh Tourism, n.d.)

When it comes to the culinary scene, there are some spectacular restaurants and cafes serving delightful Global fare, especially European, American and Asian. The modern architecture of the eateries contributes to making the dining experience highly memorable. Sector-17 as the heart of the city is a bustling hub with shopping malls, hotels, restaurants, and bars. There are also numerous little eateries serving rustic yet delicious local food for people to savour. If one does not not mind sitting at a roadside table, one can 'dig into' scrumptious butter dripping paranthas and piping-hot tikkas (Bohra, 2016).

Methodology

This study was quantitative in nature and it was conducted in Chandigarh. The respondents chosen for the study were youth in the age group of 18-34 years, who regularly eat at fast food outlets. A questionnaire was used as a survey tool and a convenient sampling technique was adopted for choosing respondents for the study. A total of 250 questionnaires were handed over personally to the respondents across seven major fast food outlets in Chandigarh selected for this study with the permission of the outlets concerned.

The popularity of food outlets was found using 'Zomato', a website which explains their popularity. The questionnaire consisted of seven sections, namely demographics, spending pattern, frequency of visit, preference of fast food outlet, food preference, preference of venue, and mode of payment. From the questionnaires distributed, only 171 were received and considered suitable for data analysis. The data gathered was analyzed using the statistical tool for social sciences, SPSS 16, and analysis included descriptive statistics and data cross-tabulation amongst the different variables.

Data Analysis

Table 1 Demographics

Age (yrs.)	**%**	**Education**	**%**
15-19	11.1	Undergraduate	39.5
20-24	32.1	Post Graduate	45.7
25-29	21	Doctoral	13.6
30-34	21	High School	1.2
35 above	14.8		
Gender	**%**	**Monthly Income (₹)**	**%**
Male	61.7	<10,000	29.6
Female	38.3	10,001-25,000	18.5
		25,001-50,000	18.5
		50,001-75,000	14.8
		>75,000	18.5
Profession	**%**		
Student	35.8		
Businessman	24.7		
Housewife	13.6		
Govt. Service	16		
Pvt. Service	9.9		

Demographics

Inference: from table 5.1, it was observed that, majority of participants i.e. 32.1% were in the age group of 20years to 24years followed by 25 years to 29 yearrs. From an educational discipline point of view, the majority of the respondents were post graduates i.e. 45.7% and these were students i.e. 35.8% in the income range of less than ₹10,000.

Preferred brand outlet vs. mode of payment vs. spending pattern

Inference: from the table 5.2 it can deduced that respondents who are spending in the range of 1500-2000 (₹) use both cash as well as debit cards for payment across all the fast food outlets, and in range of 1000-1500 (₹) and 500 – 1000 (₹) using cash, credit card, debit card majorly and also outlet loyalty card and meal coupons are the preferred options. However, respondents in the range of less than ₹500 use mainly cash across the outlets.

Table 2 preferred brand outlet vs. mode of payment vs. spending pattern

	CASH*	CREDIT CARD*	DEBIT CARD*	OUTLET LOYALTY CARDS*	MEAL COUPONS*
KFC (₹)					
<500	50	12.5	29.2		
500-1000	35.5	19.4	19.4	6.5	3.2
1000-1500	41.7	8.3	33.3	8.3	8.3
1500-2000	33.3	66.7	33.3		
McDonalds (₹)					
<500	45.8	12.5	29.2		
500-1000	48.4	19.4	22.6		
1000-1500	41.7	8.3	33.3	8.3	16.7
1500-2000	33.3	66.7	33.3		
HOT MILLIONS (₹)					
<500	8.3	8.3	4.2		12.5
500-1000			6.5	3.2	6.5
1000-1500	16.7		8.3	8.3	8.3
1500-2000	66.7	66.7	66.7		66.7
GOPAL'S (₹)					
<500	20.8	4.2	12.5		
500-1000	25.8	16.1	6.5	3.2	3.2
1000-1500	8.3	8.3	8.3		
1500-2000	33.3	33.3	33.3		
SOFTY CORNER (₹)					
<500	16.7	4.2	12.5		
500-1000	9.7		16.1		
1000-1500	8.3			8.3	8.3
1500-2000	33.3	33.3	33.3		
BAKER'S BASKET (₹)					
<500	16.7	8.3	8.3		
500-1000	9.7	9.7	6.5	6.5	3.2
1000-1500		8.3	8.3		
1500-2000	66.7	66.7	66.7		
WRAPVILLE (₹)					
<500	12.5		4.2		
500-1000	3.2		3.2		
1000-1500	8.3		16.7		8.3
1500-2000	66.7	66.7	66.7		

*all figures in percentage (multiple entries were allowed)

Preferred branded outlet vs. factor of importance vs. location of branded outlet

Inference: Among the respondents, 46.7% preferred KFC for price, 40% for convenience, 33.3% for the variety, 20% for home delivery and 13.8% for sales promotion at fast food outlets inside University Campus. 18.8% preferred KFC for free Wi-Fi, 31.2% for the type of crowd for fast food outlets at multiplex. 22.2% preferred KFC for the brand name in Stand Alone establishments. 52.8% preferred McDonalds for the price, 47.2% for the convenience on Stand Alone establishments. 28.6% preferred the outlet for the Variety and 6.7% for the Sales Promotion inside the Malls.

Table 3 Preferred branded outlet vs. factor of importance vs. location of branded outlet

Following page…

KFC	PRICE*	CONVENIENCE*	VARIETY*	FREE WI-FI*
Stand alone	38.9	36.1	22.2	13.9
Inside the mall	35.7	31	23.8	11.9
Inside university campus	46.7	40	33.3	13.3
Multiplex	25	25	18.8	18.8
MCDONALDS				
Stand alone	52.8	47.2	25	16.7
Inside the mall	38.1	33.3	28.6	9.5
Inside university campus	46.7	46.7	26.7	13.3
Multiplex	43.8	25	25	18.8
HOT MILLIONS				
Stand alone	13.9	13.9	16.7	11.1
Inside the mall	9.5	9.5	9.5	7.1
Inside university campus	6.7	6.7	0	6.7
Multiplex	12.5	18.8	18.8	12.5
GOPAL'S				
Stand alone	14.3	26.2	8.3	8.3
Inside the mall	26.7	13.3	19	7.1
Inside university campus	12.5	12.5	0	13.3
Multiplex	25	8.3	13	12.5
SOFTY CORNER				
Stand alone	16.7	13.9	13.9	8.3
Inside the mall	14.3	11.9	11.9	4.8
Inside university campus	6.7	6.7	0	6.7
Multiplex	13.9	18.8	25	12.5
BAKER'S BASKET				
Stand alone	11.1	22.2	13.9	8.3
Inside the mall	9.5	16.7	14.3	25
Inside university campus	6.7	6.7	0	7.1
Multiplex	12.5	18.8	18.8	6.7
WRAPVILLE				
Stand alone	5.6	11.1	11.1	5.6
Inside the mall	7.1	4.8	9.5	7.1
Inside university campus	13.3	13.3	13.3	6.7
Multiplex	6.2	12.5	18.8	18.8

**all figures in percentage (multiple entries were allowed)*

Table 4 Preferred branded outlet vs. Place vs. Reasons for choosing the outlet

KFC	HOME DELIVERY*	BRAND NAME*	SALES PROMOTION*	TYPE OF CROWD*
Stand alone	11.1	22.2	8.3	19.4
Inside the mall	2.4	7.1	4.8	14.3
Inside university campus	20	13.3	13.3	26.7
Multiplex		12.5		31.2

MCDONALDS				
Stand alone	11.1	7.1	2.4	19.4
Inside the mall	9.5	13.3	6.7	14.3
Inside university campus	6.2	18.8		20
Multiplex	27.8	8.3		37.5
HOT MILLIONS				
Stand alone	8.3	11.1	2.8	7.1
Inside the mall	4.8	4.8		6.7
Inside university campus		6.7		18.8
Multiplex		12.5		13.9
GOPAL'S				
Stand alone	8.3	11.1	5.6	11.1
Inside the mall	9.5	2.4	2.4	16.7
Inside university campus		6.7	6.7	13.3
Multiplex		6.2		18.8
SOFTY CORNER				
Stand alone	5.6	13.9	2.8	11.1
Inside the mall	4.8	2.4		11.9
Inside university campus		6.7		6.7
Multiplex	6.2	6.2		25
BAKER'S BASKET				
Stand alone	12.5	6.2	2.8	13.9
Inside the mall	8.3	11.1		14.3
Inside university campus	4.8	4.8		6.7
Multiplex		6.7		18.8
WRAPVILLE				
Stand alone		5.6	2.8	5.6
Inside the mall		2.4	2.4	7.1
Inside university campus		6.7	6.7	6.7
Multiplex		6.2		18.8

*all figures in percentage (multiple entries were allowed)

Preferred branded outlet vs. Place vs. Reasons for choosing the outlet

Extrapolation: Among the respondents, 18.8% chose McDonalds for free Wi-Fi, 27.8% for Home Delivery and 37.5% for the type of Crowd within their Multiplex. 18.8% chose McDonalds for the Brand Name in the University Campus. 13.9% of the people chose Hot Millions for Price, 2.8% chose it for Sales Promotion and 8.3% for Home delivery from Stand Alone establishments. 18.8% chose the Outlet for Convenience, 12.5% for free Wi-Fi, 12.5% for the Brand Name and 18.8% for Variety in their multiplex. 18.8% chose Hot Millions for the type of crowd at fast food outlets within the university campus. 9.5% chose Gopal's for the home delivery, 11.1% for the brand name followed by 26.2% for convenience at Standalone fast food outlets. 6.7% chose Gopal's for the sales promotion and 13.3% for the free Wi-Fi inside their university campus. This followed by 18.8% for the type of crowd and 13% for the variety at the multiplex and 26.7% for the price at the mall. 16.7% chose Softy corner for the price followed by 13.9% for the brand name and 2.8% for the sales promotion at the Stand alone outlet. 18.8% chose it for convenience, 6.2% for home delivery and 25% for the crowd at the multiplex. 19% chose Softy Corner for variety at the Malls. 13.3% chose Softy Corner because of the free Wi-Fi in their university campus followed by 11.9% because of the type of crowd. 22.2% chose Baker's Basket for the convenience followed by a 12.5% for home delivery at Stand Alone outlets. 25% chose the outlet for its free Wi-Fi and 14.3% for the type of crowd at the Mall. 6.7% chose Baker's Basket for the type of crowd followed by 7.1% for the free Wi-Fi at the University Campus.

Discussion and Implications

From this study, it has been found that the respondents' who consumed food at fast food outlets, mostly prefer milk shakes, followed by ice cream, burgers, sandwiches, and pizza on a fort- nightly basis. Fresh juices, rice and combo meals were preferred on a monthly and weekly basis. When it comes to income and mode of payment, the majority of the respondents preferred to pay by cash and then provided their preference towards credit and debit cards. A minimum number of respondents responded that they use the outlet loyalty card and meal coupons. When it comes to spending patterns, the majority of the respondents who use credit card, are spending in the range of ₹1500-₹2000 at un-branded fast food outlets and in range of ₹1000-₹2000 is spent at branded fast food outlets using their debit cards. Cash is preferred as the mode of payment by respondents who are spending below ₹500 at the branded outlets. Moving on to the type of fast food outlet and amenities, the majority of the respondents preferred convenience, price, as major factors to consider, followed by type of crowd, brand name, home delivery, variety, and sales promotion offers.

Finally, the majority of respondents preferred standalone outlets followed by outlets inside the confines of shopping malls, cinema multiplexes and also inside the university campus. Coming to unbranded fast food outlets, the majority of respondents prefer standalone outlets and then mainly those which are in the multiplexes with minimal preference given to outlets inside the shopping malls and inside a university campus.

Conclusion

From the above study, it is evident that the majority of respondents prefer pizza, combo meals, burgers followed by milkshakes and juices. Furthermore, they prefer to go to fast food outlets with their friends, and when with their family, to standalone outlets, followed by venues inside a mall and/or multiplex. Cash is the main method of payment followed by debit and credit cards. Finally, when choosing fast food outlets, price is usually considered to be a major factor followed by a brand name, the variety of food on offer, home delivery possibilities and sales promotion.

References

Bohra, P. (Ed.). (2016). February 29). *10 Best Restaurants in Chandigarh: From Global Cuisines to Desi Favourites*. Retrieved from NDTV Food: http://food.ndtv.com/lists/10-best-places-to-eat-in-chandigarh-from-global-cuisines-to-desi-favourites-1202156 (Accessed 28September 2016).

Bowman, S. A. (2005). Agricultural Research. *Science Update, 53*(1), 23.

Brown, K., McLveen, H., & Strugnell, C. (2000). Nutritional awarness and food preferences of young consumers. *Nutrition and Food Science, 30*(5), 230-235.

Calder, B. J., Philips, L. W. & Tybout, A. (1981). Designing research for application. *Journal of Consumer Research, 8*, 197-207.

Chandigarh Tourism. (n.d.). Retrieved from National Portal of India: http://chandigarhtourism.gov.in/

Davies, G. F. & Smith, J. L. (2004). Fast Food : dietary perspectives. *Nutrition and Food Science, 34*(2), 80-82.

Fast Food Market (2014). New York: Nielsen. http://www.nielsen.com/content/dam/nielsenglobal/jp/docs/report/2014/nielsen%20featured%20insights_(Accessed 22 September, 2016).

Goyal, A. & Singh, N. P. (2007). Consumer perception about fast food in India: an exploratory study. *British Food Journal, 109*(2), 182-195.

Kara, A., Kaynak, E. & Kucukemiroglu, O. (1995). Marketing strategies for fast food restaurants: a customer view. *International Journal of Contemporary Hospitality Management, 7*(4), 16-22.

McNeal, J. U., Stem, D. E. & Nelson, C. S. (1980). Consumers' nutritional ratings of fast food meals. *The Journal of Consumer Affairs, 14*(1), 165.

The Nielsen Company, (2014). Featured Insights: Biting into the Indian Snack Market, http://www.nielsen.com/content/dam/nielsenglobal/jp/docs/report/2014/nielsen%20featured%20insights_%20biting%20into%20the%20indian%20snacking%20market.pdf (Accessed 20 September, 2016).

Vathsala, R. (2013-14). The Youth Factor. *The Marketing White Book 2013-14*, 177-186. Hansa Research Group, Businessworld.