

Factors Influencing Consumer Choice of Fast Food Outlet: The Case of an American Fast Food Franchise Brand Operating in a Predominantly Rural Community

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Abstract

The slow penetration retail centres into previously disadvantage communities has contributed to the expansion of fast food franchises into townships and rural communities. The aim of this study was to establish the value and relevance of the salient factors influencing rural-consumer choice of fast food outlet. A quantitative survey was undertaken, with data being generated from a convenient sample of N=267 respondents. Data were analysed by utilising the Statistical Package for Social Sciences 20.1. Importantly, the study established that affordability was the main motivator for rural-based consumers in their selection of fast food outlet. The study further established that the traditional salient factors of value for money, convenience and accessibility were significant factor influencing their choice of fast food outlet. It was also found that factors such as nutritional value and the variety of the menu were not significant influencers amongst the respondents. As a result of the study the paper also determines that the country of origin of the franchise brand does not play a distinctive role in the consumer decision process. However, this paper recommends further qualitative research into the consumer buyer behaviour for rural fast food consumers to generate further empirical data as fast food franchise brands continue to explore new previously disadvantaged markets.

Keywords: franchising, rural consumers, fast food, American fast food franchise brand, South Africa

1. Introduction

The fast food industry's growth has been spurred on by globalisation and the general increase in the incomes of the wider global population. More-so in the developing world, more inclusive economic growth has created a new market for the fast food franchise industry, particularly due to the increased demand for and consumption of convenient, quick serving and ready-made meals (Tabassum & Rahman, 2012). South Africa has seen a similar growth trend in the fast food franchise market, with up to 25% of all the 550 franchised brands and over 30 000 franchised outlets in South Africa being fast food retailers (Negal, 2013). Peri-urban and rural communities constitute a new market for the fast food franchise industry in South Africa and this new market has been unlocked by the development of retail centres in townships and rural areas (eProp, 2012). As a result of this new growth and expansion into townships and rural areas consumers from previously disadvantaged communities have increased disposable income due to reduced time and travel costs in accessing retail services which include fast food products (Jekanowski, Binkley & Eales, 2001; eProp, 2012).

According to Mboweni – de Klerk (2008), the slow penetration of fast food services into previously disadvantaged parts of South Africa has contributed to fast food becoming an omnipresent part of the Fast Moving Consumer Goods (FMCG) sector in developing countries such as South Africa. This trend presents an opportunity to conduct research into the influencers of fast food outlet choice amongst previously disadvantaged (rural) consumers. With this in mind, the aim of this study is to establish the factors influencing the decision making process of rural consumers regarding their choice of an American fast food outlet. The objectives of this study are thus to: 1) estimate the value and relevance of the generic and salient factors (quality of food, pricing, service quality, atmosphere, perceived value for money, nutrition) to the preference of rural consumers for a specific American fried chicken franchise; 2) identify the key motivators for the selection of a fast food outlet within the reference sample of rural consumers; 3) determine whether the brand image and country of origin of the fast food franchise is relevant to the choice of outlet amongst rural consumers. To achieve these objectives this study seeks to address the following research questions:

1. What are the factors influencing consumer choice with regards to the identified American fast food franchise?
2. What is the key motivator for consumers selecting a particular fast food outlet?
3. Does the brand image and country of origin of the franchise influence consumer choice in selecting the American fast food franchise outlet?

2. Review of Literature

There has been a significant increase in global expenditure on fast food products and this has resulted in the phenomenal growth of the fast food industry (van Zyl, Steyn & Marias, 2010). According to Maumbe (2012), South Africa has one of the fastest growing fast food industries in the world, and despite changing lifestyles and a sluggish economy, Analytix Business Intelligence (ABI-2012) asserts that South Africans are increasingly embracing the consumption of affordable, large-portioned and immediate fast food. Amongst other factors, the increase in fast food consumption in South Africa can be attributed to an increase in household income, a growth in the black middle class segment, an increase in the participation of women in the labour force, an increase in the value of household time and more pertinently the penetration of fast food outlets into South African townships and rural areas (Hartford, 2012; Maumbe, 2012; eProp, 2012; Mboweni-de Klerk, 2008).

The rise in consumerism in the fast food market has spurred on the growth of the fast food franchise industry in South Africa. With particular reference to township and rural consumers, the factors influencing consumer choice in selecting fast food products becomes a key research area, especially given that the majority of black South Africans have low incomes (Mboweni – de Klerk, 2008), and that the entry of fast food outlets into previously disadvantaged areas presents a calculated risk for both local and international fast food franchise brands since the South African retail trade environment in townships and rural areas is dominated by small and predominantly informal traders who offer basic products to low income consumers (Tustin & Strydom, 2006). A study by van Zyl et al (2010) found that within their convenient sample of South Africans, 65% of the respondents could be described as being in the lower socio-economic group and correspondingly represented the group with the highest intake of fast food. Significantly, 42% of the respondents who were employed at the time of the survey earned less than R5000.00 (\$500.00) a month, but spent more than 4% of their income (R200.00/\$20.00) of their income on fast food on a monthly basis. The study also found that of those low income earners, 21% ate fast food at least once a week and 27.6% at least 2-3 times a week. In a study conducted in Malaysia, Andaleeb & Conway (2006) found that people who had limited income were more likely to dine out regularly in order to control their food budget. Although literature supports the business case for the expansion of fast food franchises into previously disadvantaged communities, there is still limited empirical work on the factors that influence rural consumer choice of fast food outlet.

According to Tabassum & Rahman (2012) consumers' choice of a particular restaurant depends on many factors which include quality, variation, location, price and environment. While, other authors identify other factors which include ambience (Thakkar & Thatte, 2014); nutritional value (Goyal & Singh, 2007) and; hygiene (Alam & Iqbal, 2007) as influencers. Table 1 summarises key findings from previous studies conducted between 1992 and 2014 on influencers of consumer choice in selecting fast food franchise outlets.

Table 1: Studies on factors influencing consumer choice of fast food franchise brand

Author	Factors Identified
Auty (1992)	Food type and quality were the most frequently mentioned factors for dining out, but image and atmosphere of the restaurant also had the similar amount of impact as choosing variables.
Carey & Genevive (1995)	Ranking 5 key factors as 1) range of food, 2) quality of food, 3) price of food, 4) atmosphere and 5) speed of service.
Clark & Wood (1998)	Identified food quality and value as the most significant factors for restaurant attributes.
Richards & Padilla (2009)	Nutritional profile, vendor identity (brand), the distance from a consumers' home are considered while choosing a fast food restaurant to eat out.
Islam & Ullah (2010)	Identified the factors related to consumer preferences of fast food products and found: nearness and accessibility; discount and taste; cleanliness and hygiene; salesmanship and decoration; fat and cholesterol and; self service can influence the consumers' fast food consumption choice.
Thakkar & Thatte (2014)	Consumers attach great importance to various factors such as quality of food, facility layout, service quality, speed and cleanliness.

The findings summarised in the table above highlight the salient factors influencing the choice of consumers when

selecting fast food products and outlets. These influencers contributed to the formulation of the questions utilised to generate the empirical data for this study.

3. Methodology

This study sought to establish the factors influencing the choice of fast food outlet amongst rural consumers. With this in mind a quantitative study was conducted in order to generate the numerical data necessary to establish these factors amongst a sample population. The quantitative methodology is the most commonly implemented approach to studies exploring the value and effect of certain factors to the decision making process of consumers in their selection of fast food outlet and products. The fore mentioned studies by Thakkar & Thatte (2014); Islam & Ullah (2010) and; Richards & Padilla (2009) are quantitative in nature.

The study population was comprised of patrons at the identified American fast food franchise outlet from the Mankweng Township and the surrounding rural villages served by the Paledi Shopping Mall, which is located 30km from the provincial capital of the Limpopo Province of South Africa. A non-probability sampling method was employed to establish the final sample of the study. Convenient sampling was utilised to acquire respondents for the study, whereby the researcher was positioned within the fast food outlet and approached respondents while they waited for their order to complete the short self-administered questionnaire. Attitudes and factors that influence consumers are evaluative, and are either favourable or unfavourable concerning an object, people, or events (Alam & Iqbal, 2007). With this in mind the survey data generation approach was utilised by employing a short questionnaire primarily based on a 5-point Likert scale.

The data collected by the survey was checked for errors and as a result 267 complete and usable questionnaires were collected. The final study population was hence $N=267$. Data was collated and analysed utilising the Statistical Package for Social Sciences (SPSS) 20.1. this analysis yielded the data in a format necessary to provide the descriptive statistics presented in the next section of this paper.

4. Results

The following are the results of the survey conducted:

4.1 Demographics

Table 2 summarises the demographic information of the respondents. 65.17% of the respondents were women, while 34.83% of the respondents were men. The majority of respondents (44.57%), were aged between 30-39 years of age, while 40.07% and 15.36% of respondents were aged 20-29 and over 40 years old respectively. The employment status of the respondents was 68.16% employed and 31.84% were unemployed.

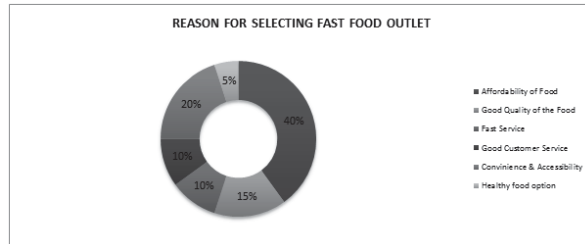
Table 2: Demographics of Respondents

Gender				Age						Employment Status			
Male		Female		20-29		30-39		40+		Employed		Unemployed	
f	%	f	%	f	%	f	%	f	%	f	%	F	%
93	34.83	174	65.17	107	40.07	119	44.57	41	15.36	182	68.16	85	31.84

4.2 Motivator for opting for Fast Food

Respondents were asked to select one key motivator for why they had chosen to consume fast food from the specific fast food outlet instead of any another fast food brand (Figure 1). The results show that the majority of respondents (40%) were motivated by the affordability of the food available from the fast food outlet, while 20% determined the outlet to be conveniently located and accessible as a motivator. Ranking in at 3rd is the perception of the good quality of the food served by the fast food franchise. Fast service and customer care were each joint 4th with 10% of respondents each citing it as a key motivator. The fast food being a healthy food option made up 5% of the respondents and is ranked as the least popular motivator for selecting the fast food outlet.

Figure 1: Motivation for selecting Fast Food outlet



4.3 Factors influencing the choice of fast food outlet

The core of the survey was made up of 10 evaluative statements aimed at determining the factors that influenced the choice of fast food outlet amongst consumers who are patrons at a rural-based fast food franchise outlet. Table 3 summarises the frequencies and cumulative frequencies of the responses recorded during data generation. Respondents were asked to respond to a series of statements and indicate on the 5-point scale ranging from Strongly Agree to Strongly Disagree to what extent they agreed with each statement.

Table 3: Summary Likert-Scale Responses

	SA		A		N		D		SD		Total	
	f	Cum % Freq	f	Cum % Freq	f	Cum % Freq	f	Cum % Freq	F	Cum % Freq	f	Cum % Freq
I prefer to purchase fast food from this franchise outlet because it saves me time in food preparation	168	62.92	41	15.36	18	6.74	23	8.61	17	6.37	267	100
I prefer to purchase fast food from this franchise outlet because it tastes better than home-cooked food	72	26.97	41	15.36	0	0.00	137	51.31	17	6.37	267	100
I prefer to purchase fast food from this franchise outlet because its nutritious	33	12.36	28	10.49	75	28.09	63	23.60	68	25.47	267	100
I prefer to purchase fast food from this franchise outlet because it is more affordable than other similar franchise product offerings	126	47.19	87	32.58	14	5.24	29	10.86	11	4.12	267	100
I prefer to purchase fast food from this franchise outlet because it offers a wider menu compared to other fast food outlets	30	11.24	24	8.99	61	22.85	35	13.11	117	43.82	267	100
I prefer to purchase fast food from this franchise outlet because it conveniently located and accessible	103	38.58	125	46.82	11	4.12	15	5.62	13	4.87	267	100
I prefer to purchase fast food from this franchise outlet because it offers good and fast customer service	84	31.34	113	42.16	56	21.27	8	2.99	6	2.24	267	100
I prefer to purchase fast food from this franchise outlet because I can afford to eat here more often compared to other similar franchises outlets	88	32.96	97	36.33	13	4.87	57	21.35	12	4.49	267	100
I prefer to purchase fast food from this franchise outlet because I believe I get good value for money	139	52.06	64	23.97	5	1.87	31	11.61	28	10.49	267	100
I prefer to purchase fast food from this franchise outlet because I believe in the strong brand of the franchise	134	50.19	71	26.59	19	7.12	22	8.24	21	7.87	267	100

Key: SA=Strongly Agree, A= Agree, N=Neutral, D= Disagree, SD=Strongly Disagree, f=Frequency

4.4 Time as a factor

Respondents were asked where their choice of fast food outlet was as a result of trying to save food preparation time. A significant proportion of respondents (62.92%), strongly agreed that their choice of fast food outlet was influenced by the time they would save as a result of purchasing fast food instead of home cooked meals. A further 15.36% of respondents agreed with the statement, while 6.74%, 8.61% and 6.37% of respondents were neutral, disagreed and strongly

disagreed with the statement respectively. The results suggest that the convenience of time saving is a significant factor for consumers.

4.4.1 Taste as a factor

Respondents were asked whether their choice of fast food outlet was a result of the fast food tasting better than home-cooked food. The bulk of respondents (51.31%) disagreed with the statement, determining that the fast food was not tastier than home-cooked food and hence this was not a factor for them. However, 26.97% and 15.36% of respondents strongly agreed and agreed respectively. No respondents were neutral, while the remainder, 6.37% of respondents strongly disagreed with the statement. The results suggest that the taste of the food being better than home-cooked food is not a critical factor influencing the choice of consumers in selecting the fast food franchise.

4.4.2 Nutrition as a factor

The majority of respondents (28.09%) were neutral to the statement that they chose the fast food outlet because the food it served was nutritious. Significantly, 25.47% and 23.60% of respondents strongly disagree and disagree respectively that their choice is influenced by the food being nutritious. While, 10.49% and 12.36% of respondents agreed and strongly agreed with the statement respectively. The results indicate that while the majority of respondents had no opinion regarding the nutritional value of the food influencing their choice; however the majority of the respondents disagreed and strongly disagreed with the statement, suggesting that nutrition is not a significant factor.

4.4.3 Affordability as a factor

Respondents were asked to evaluate the affordability of the food at the fast food franchise compared to other franchises as an influence of their choice. The majority of respondents 47.19% and 32.58% strongly agreed and agreed respectively that affordability compared to similar franchises. While the minority 10.36% and 4.12% disagreed and strongly disagreed respectively. 5.24% of respondents were neutral. The results suggest that the food served by the American fast food franchise is perceived as being more affordable compared to its competitors, thus making affordability an important influencer for rural consumers.

4.4.4 Menu variety as a factor

The variety of the menu selection available is another factor explored by the survey. The bulk of respondents, 43.82%, strongly disagreed with the statement that their choice of the franchise was influenced by the variety of the menu offered by the franchise compared to its competitors. 22.85% of respondents were neutral, with 13.11%, 8.99% and 11.24% of respondents disagreeing, agreeing and strongly agreeing respectively with the statement. The results indicate that the menu offered by the franchise is not a significant influencer for consumers in their selection of the fast food franchise.

4.4.5 Convenience of location as a factor

46.82% of the respondents representing the majority of respondents agreed with the statement that the convenient location of the fast food franchise was influential in their choice of the fast food outlet. 38.58% of respondents strongly agreed with the statement, while 4.12%, 5.62% and 4.87% of respondents were neutral, disagreed and strongly disagreed with the statement respectively. The results suggest that the convenience of the location of the fast food franchise was influential in the choice of the fast food outlet.

4.4.6 Customer service as a factor

42.16% of the respondents believed that the customer service that they received from the fast food outlet was influential in their choice of fast food outlet, while 31.34% of respondents strongly agreed with the statement. 21.27% were neutral, while 2.99% and 2.24% were in disagreement and strong disagreement with the statement respectively. The results suggest that customer service is also an influential factor in consumer decision making in selecting the American franchise.

4.4.7 Ability to make return visits

Linked to the affordability of the food available from the outlet is the ability of the consumer to make multiple purchases and eat the fast food as many times as they would like throughout the month. In this regard 36.33% (majority) and 32.96% agreed and strongly agreed respectively with the statement. While, 21.35% and 4.49% of respondents disagreed and strongly disagreed with the statement respectively. 4.87% were neutral. The results suggest by selecting the American franchise consumers believe that the fast food is affordable and allows customers to make return purchases as far as they can afford.

4.4.8 Value for money as a factor

52.06% of respondents believed (strongly agreed) that the fast food franchise offered good value for money, while 23.97% of respondents agreed with the statement. 11.61% of respondents disagreed with the statement and 10.49% of respondents strongly disagreed with the statement. 1.87% of respondents were neutral. The results suggest that the perceived value for money is a significant influencer of consumer choice of fast food franchise.

4.4.9 Brand loyalty as a factor

50.19% of the respondents strongly agreed with the statement that their choice of fast food was influenced by the strong franchise brand of the fast food outlet, while 26.59% of respondents agreed with the statement. 7.12% of respondents were neutral, while 8.24% of the respondents disagreed and 7.87% strongly disagreed. The results suggest that brand loyalty has a significant influence on consumer choice of fast food outlet.

4.5 Awareness of franchise brand country of origin

Respondents were asked a yes or no question with regards whether they knew that the fast food franchise they were customers of was an American brand. 37% of respondents indicated that they were aware of this fact, while the majority of respondents, 63%, were not aware that the fast food outlet was an American franchise brand, Figure 2.

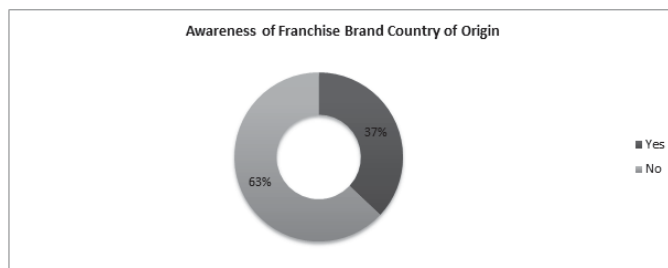


Figure 2: Consumer Awareness of Franchise Brand Origin

This result suggests that brand country of origin is not a factor that influences the majority of the consumers that participated in the survey.

5. Discussion, Conclusions and Recommendations

The literature reviewed highlighted the salient factors that have been established to be influential in the decisions of consumers with regards to their choice fast food outlet. This study sought to determine whether these factors similarly influenced rural consumers who represent a new market for fast food franchise brands. The survey identified the affordability, convenience and accessibility of fast food as the key motivators of rural consumers for selecting the identified American franchise fast food outlet. The survey also identified following as significant factors influencing the choice of the identified American fast food amongst rural consumers: time saving; affordability; convenience of location; customer service; ability to make return visits; value for money and; brand loyalty. While, factors such as the taste of the

food; nutritional value and variety of the menu as it emerged were not significant to the choice made by rural consumers. More importantly as a result of the survey it emerged that most of the consumers were not aware that the franchise was an American fast food franchise brand, implying that although the brand commanded strong brand loyalty amongst the studied population its origins were not a significant factor in their decision making.

As a result of the findings of this study one may conclude the following;

- That the traditional salient factors that influence urban consumer choice of fast food franchise brand apply in equal measure to rural consumers.
- That the affordability of fast food is the key motivator for rural consumers in selecting a fast food outlet, and;
- That the country of origin of the fast food franchise is not a factor in the decision making process of rural consumers when selecting a fast food brand.

With the literature, results, findings and conclusions in mind this paper recommends that further qualitative research be conducted amongst the rural population which is now being targeted by fast food franchises as the new business frontier, to establish their consumer buyer behaviour. Such research will allow both local and foreign franchises to, if need be, tailor their products to the requirements of rural communities and effectively market to and target this new market segment. This paper also recommends that future fast food franchise owners also be cognoscente of the salient factors influencing the choices of their target rural communities by conducting effective market research before establishing their business as circumstances vary from rural community to rural community.

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