CHAPTER 3

OBJECTIVES AND RESEARCH METHODOLOGY

3.1 RESEARCH OBJECTIVES

According to National Geographic (1999), the competency among fast food restaurant has increased due to the globalization. In the business world, each company is trying to maximize its market share with the effective marketing strategy to survive in the intense competing business. Bennet (2008) defined strategy as the action that managers take to meet the goal of the firm. A global marketing strategy is a strategy that bounds several different regions of different countries in the world with the aim of coordinating a company’s marketing efforts in markets in these countries. Thus selecting the best and appropriate strategy at the domestic as well as the international level is essential to the success of every organization. With regards to appropriate marketing strategy, standardization or adaptation is one of the most significant discussions. The difference between home market and host market influences the marketing strategy and these strategies influences performance of multinational companies. With the marketing strategy consumers, perception also differs from one nation to another. Cultural, social, personal and psychological factors affect the buying behaviour. Most of these factors are uncontrollable, and marketers cannot ignore as they always have to consider these factors while studying the complex behaviour of the consumers. Thus before offering to customers, the companies must analyze the behaviour of customers and then the marketing strategies should be the frame.

The food industry itself a very a diverse and a combination of complex relationship between the sub units such as bistro, brasserie, coffee shop, fine dining restaurant, restaurant, ethnic restaurant, themed restaurant, destination restaurant, health food restaurant, fast casual, fast food restaurant. Several researchers have already been conducted to understand various relationships that may exist within a subunit of the food industry. The present research focuses only on one of the less explored sub unit of the industry and tries to establish inter and intra behavioural phenomena prevailing in it. The sub unit so chosen for the current study purpose is the fast food industry which is inseparable part of the whole food industry. Considering the research gap so obtained from the exploration of previous literatures, various objectives are established.
Accordingly a suitable research design is developed. This research work will answer the question that under food industry segment how a multinational fast food restaurant can adapt to the emerging challenges in the external market and it will also answer the question that how these strategies are influencing the consumers in their consumption decision. This is accomplished through the following research objectives-

1. To study and compare the micro-localization strategies of the multinational fast food restaurant in India
2. To study the socio-cultural and psychological aspects of consumer buying behaviour towards multinational fast food restaurant products.
3. To study product positioning of multinational fast food restaurant in Indian context.
4. To study the effectiveness of product positioning of multinational fast food restaurant in consumer buying behavior.

3.2 RESEARCH HYPOTHESIS

To answer the questions based on the literature review the following hypothesis are proposed. The hypotheses are given below in pairs of null hypothesis and alternative hypothesis.

Localization (adaptation) strategy is given more consideration. Hofstede (1988) and Schuiling et al. (2004) have mentioned the importance of culture. The author has stated that consumer reinterprets brand according to their cultural values and brand proximity to culture permits them to build relation with customer and respond to their needs. Among other factors culture is the major determinant of consumer behaviour, attitude, and lifestyle. Hill and Still (1984) stated that modification in product and its features is done to meet the requirement of the customer. Therefore the researcher formulates the hypothesis.

H₀₁: There is a no significant effect of micro-localization marketing strategies on consumer buying behaviour in multinational fast food restaurant product.

H₁₁: There is a significant effect of micro-localization marketing strategies on consumer buying behaviour in multinational fast food restaurant product.

Consumer buying behaviour is significantly affected by the social behaviour. Someone influences every individual buying decision. The social group is composed of the
reference group, family, role, and status (Perreau, 2014). Every societal group has their values that affect consumers buying behaviour the extent to which it may vary from country to country. The reference group helps in providing some points of comparison to the consumer directing about their behaviour, their lifestyle or habits. Kotler (2001) stated that consumers buying decision are likewise inspired by the personal characteristics of consumers such as age, occupation, life cycle, Lifestyle, personality, and self-concept. Culture undoubtedly affects the psychological and social processes and thus affects consumer behaviour. Therefore the researcher formulates the hypothesis.

H₀²: Socio-cultural and psychological factors have no significant effect on consumer buying behaviour in multinational fast food restaurant product.

Hₐ²: Socio-cultural and psychological factors have significant effect on consumer buying behaviour in multinational fast food restaurant product.

The purpose of positioning is to place the brand/product in the consumers’ minds so that organization can secure likely benefits (Kotler & Keller, 2009). Marketer formulates different propositions for positioning brands for different market segments. Therefore the researcher formulates the hypothesis.

H₀₃: Effectiveness of product positioning does not vary significantly across demographic characteristics of respondent.

Hₐ₃: Effectiveness of product positioning have significant across demographic characteristics of respondent.

3.3 RESEARCH METHODOLOGY

Research methodology is a methodical way to solve the research problem. It constitutes of research method. It is the process by which researchers describe, explain and predict phenomena of their research work. It aims to give the work plan of research. The purpose of the study was to examine the role of global marketing strategies and its impact on consumer buying behaviour in food industry segment regarding multinational fast food restaurant in India. Thus there are several aims and objectives that this study attempt to achieve. Therefore, the main purpose of this chapter is to give information on research activities and steps that need to be carried out.
3.3.1 Research Design
The research design is defined as a detailed plan of how a research study is to be carried out - define variables so they can be measured, selecting a sample for the study, collected data to be used for testing hypotheses and analyzing the result (Thyer 1993).

The main focus of this study is to find out multinational fast food restaurant marketing strategies and impact of these strategies on consumers buying decision considering various social-cultural and psychological aspects of Indian consumers. Thus for this study both exploratory and descriptive research is used. Details of both are explained below.

- **Exploratory Research**
  The exploratory research design is the simplest research structure. The basic objective of the study is to explore and obtain clarity about the problem situation. It is flexible in its approach, and it is mostly involved in the qualitative investigation. The sample size is not included, and at times it might only include unstructured interviews with a couple of subject experts. For this study published materials were collected from different sources such as business magazines, newspapers, websites, and research papers of few selected multinational fast-food franchises operating in India. These published documents were used by the researcher to explore the subject with the aim to understand global marketing strategies of multinational fast food franchises operating in India.

- **Descriptive Research**
  The descriptive research design is concerned with describing the characteristics of a particular individual or group. It also determines the frequency with which something occurs. As this stage involved analyzing data collected through fieldwork, therefore, a survey was conducted with convenient respondents to study consumer buying behaviour. And the researcher has used SPSS to analyze the collected data. The results are reported descriptively along with statistical inferences. The analysis of the descriptive research is based on the deductive reasoning which is a logical argument based on hard evidence. The research design for this study was exploratory as well as descriptive in nature.

3.3.2 Sampling Method
Sampling method refers to the process of selecting samples from a population. According to Kothari (2004), the ultimate test of a sample design is how well it
represents the characteristics of the population. The reason for the sampling in this study is to lower cost, increase accessibility to study the population and increase the speed of data collection.

For this study convenience sampling (non-probability sampling) was used to collect the data from the population. As in the targeted population, we have consumers those who avail services of multinational fast food restaurant. To implement random sampling, we need to have a list of all the respondents who visit multinational fast food restaurants, and it is not possible to collect the list of all the consumers. Sabnavis (2008) stated that consumer consumption pattern in India has shifted from fresh to packaged, branded & processed food. Customers now in metros or urban areas make a regular visit to fast food stores as well as the customer of small cities or town are also looking for the similar stores in their cities or towns. Therefore it is assumed that there is only handful number of multinational fast food restaurants in India. However in India where ever they have their outlet the consumer base is more or less homogeneous with respect to taste and preference. That is why a convenient sampling is justified in terms of feasibility and likely unbias way of collecting data regarding the population. Only on their willing acceptance, they were administered the questionnaire.

3.3.3 Type & Sources of Data
According to Sekaran and Bougie, (2010) population refers to the entire group of people, an event of interest that the researcher wishes to investigate and want to make inferences based on sample statistics.

The Data used to support the analysis in this study was gathered from two sources, primary data, and secondary data. Primary data means original data that have been collected to meet the specific objective. It is first-hand data collected from the original source. Primary data has not been published yet and is more reliable and authentic. A Secondary source of data is that information which has been collected and compiled by some other researchers. This set of information is recorded and published in a structured format, and thus it is easier and quicker to access and manage.

The selection of the data collection tool will depend on a few factors, such as time and the budget of the researcher. For this study, the researcher gathered primary data through questionnaire because it ensured that the data collected was standardized such that each respondent gets the same question in the same format. Secondary data is
gathered from different sources such as websites, business magazines, textbooks, research papers. Apart from collecting relevant and related data to meet the research objective, the research also ensures that the collected data is reliable by ensuring that the collected data is from the source of good credibility.

3.3.4 Data Collection Instrument

The study depends on both the primary and secondary data. The primary data was collected from the survey using a well-structured questionnaire. The questionnaire comprised of close-ended questions. An online questionnaire using Google Docs as well as schedule was developed by the researcher to collect the data. For online data collection, the researcher emailed and requested the respondents to access link and responses were collected online in a spreadsheet. Another approach was that the respondents were approached as per the convenience, to administer the questionnaire personally (schedules) to collect response with accuracy and to avoid recollection of responses.

The secondary data was collected from the magazines, newspapers, and websites using published documents of multinational fast food franchises operating in India.

- Designing of Questionnaire

The questionnaire is an instrument designed to bring the desired information. The questionnaire was designed in the bilingual (Hindi and English) to increase the efficiency of the questionnaire. The content of the questionnaire was designed with the theoretical inputs taken from the printed published materials (i.e., Aruppillai & Phillip (2015), Prabhavathi, Y., Kishore, N. T. K. & Kumar, M. R. (2014), Swamy, B., Kumar, A. & Rao, S. (2012), Prasad & Aryasari (2011), Goyal & Singh (2007)). Necessary modifications were carried out as per the requirement of the study. The respondents were apprised that the survey is being conducted for academic purpose only and no commercial intentions. While collecting the feedback, the respondents were made aware of and about what the actual survey is to address their reluctance to share any information.

There were total 12 questions. The questions were closed-ended. Each question started with explicit instruction on how to respond using five-point Likert scales. The questionnaire is pilot tested. It was pilot tested among few respondents who visit multinational fast food restaurant to check for the ambiguities and make necessary
modification if required based on the feedback. The questions were classified into three sections: administrative question, classification questions, and structured target questions.

<table>
<thead>
<tr>
<th>Category of question</th>
<th>Question number</th>
<th>Total question</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative</td>
<td>1(i)</td>
<td>1</td>
</tr>
<tr>
<td>Classification</td>
<td>1 (ii), (iii), (iv), (v), (vi), 2, 3, 4, 5, 6, 7</td>
<td>11</td>
</tr>
<tr>
<td>Target</td>
<td>8, 9, 10, 11, 12</td>
<td>5</td>
</tr>
</tbody>
</table>

Administrative question comprises of respondents name. Name of the respondent was sought only to personalize identifications of the respondent.

Classification questions comprise the demographic profile of the respondent and their buying behaviour regarding the multinational fast food restaurant in India.

Target questions were developed to know the factors that influence respondents to visit multinational fast food restaurant, what are their expectations from multinational fast food restaurant, what factors are important in deciding while consuming from fast food restaurant, etc. and their satisfaction level. The first set of target questions, question number 8 comprised of 22 aspects to measure the factors that influence respondent to visit multinational fast food restaurant in comparison to domestic or local street food stall. As this question is based on the opinion the respondent in the comparison to local street fast food stall therefore the Likert scale used for this question is on level of opinion (1- Not at all, 2 - To a little extent, 3 - To some extent, 4- To a considerable extent, 5- To a great extent). The next set of question, (question number 9), comprised of 20 statements to know the expectations of the respondents while consuming from the multinational fast food restaurant. As the question is based on the expectation which means it will help us to know that whether the respondents agree or disagree towards the statements, therefore, the level of agreement Likert scale is being used (1- Strongly Disagree, 2- Disagree, 3-Undecided, 4 - Agree, 5 - Strongly agree). Another set of target question, (question number 10), consisting of 21 factors to know how important the following factors are to the respondent in decision making for visiting multinational fast food restaurant. The Likert scale used for this question is on the level of importance (1 -
Very Important, 2 – Important, 3 - Fairly Important, 4 - Slightly Important, 5 - Not Important). The next set of question number 11 comprised of 12 statements to know the level of satisfaction of the respondents while consuming from the multinational fast food restaurant. As the question is based on the level of satisfaction which means it will help us to know that whether the respondents agree or disagree towards the statements, therefore, the level of agreement Likert scale is being used (1- Strongly Disagree, 2-Disagree, 3-Undecided, 4 - Agree, 5 - Strongly agree). As satisfaction leads to loyalty and affects the future buying behaviour of the consumers. This set of question number 12 consists of 8 statements based on to study the respondent’s future buying behaviour. Therefore the level of agreement Likert scale is being used (1- Strongly Disagree, 2-Disagree, 3-Undecided, 4 - Agree, 5 - Strongly agree).

The responses collected from the questionnaire then fed into SPSS 22 Version and different statistical analyses were carried out.

3.3.5 Validity of Questionnaire

The validity indicates the degree of which an instrument measure what it is suppose to measure. The content validity is the extent to which the measuring instrument represents the factor under study. The content of the questionnaire was designed with theoretical inputs taken from the printed published materials and further it was validated with experts and peer group.

3.3.6 Pilot survey

A sample size of 50 was taken for a pilot study. A pilot study was therefore conducted by the respondents who visit multinational fast food restaurants and administering a questionnaire to those amongst them who are willing to respond. Reliability of the scale items was tested by Cronbach’s alpha test. It is used to determine if the Likert scale used is reliable or not. The scores obtained for each construct exceeded the minimum requirement 0.70 as given below in the table.
Table 3.3.5 Reliability of Pilot survey

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Cronbach’s alpha score</th>
<th>No.of items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Influencing Factors</td>
<td>.902</td>
<td>22</td>
</tr>
<tr>
<td>Expectation</td>
<td>.825</td>
<td>20</td>
</tr>
<tr>
<td>Decision Determinants</td>
<td>.869</td>
<td>21</td>
</tr>
<tr>
<td>Satisfaction Determinants</td>
<td>.928</td>
<td>12</td>
</tr>
<tr>
<td>Post buying behaviour</td>
<td>.920</td>
<td>8</td>
</tr>
</tbody>
</table>

The above result conveyed adequate reliability of scales and paved the way forward to proceed. Based on the validity and reliability of the questionnaire gathered during pilot survey and on the completion of the data analysis of the data obtained from the pilot study, highest accuracy was obtained. Therefore no changes were being made and the same questionnaire was used for the final data collection.

3.3.7 Sample Size Determination

Sample size assurance is the act of picking the quantity of observation or imitates to incorporate into a factual sample. The sample size is a vital element of any empirical investigation in which the objective is to make inductions about a populace from a sample.

For the study, the population frame was Pan India. The survey was limited to only those consumers who visit multinational fast food restaurant between the age group of 20 to above 50 years. The sample units are students, employees, entrepreneur, professional, Housewife. At a confidence level of 95% the formula used to find out sample size is as follow:

\[ n = \left( \frac{Z(\sigma)}{(\bar{x} - \mu)} \right)^2 \]

\( Z = \) confidence level 95%
\( \sigma = \) Standard Deviation of the pilot study sample
\( \bar{x} = \) Mean of the pilot study sample
\( \mu = 5\% \) of the mean of the pilot
\[
1.96 \left( \frac{(1.38858)^2}{(3.5200 - 0.176)} \right) 
= 239.1281
\]

By solving this equation, we get \( n = 239.1281 \)

We tested the scatteredness of all the demographic characteristics of the pilot sample and used them for sample size determination. Sample size so computed was found to be maximum, i.e., 239.1281 in the case of the monthly income level of the respondents. To reduce the sampling error further a larger sample was proposed. By targeting 300 responses, 500 questionnaires were administered to the suitable potential respondents chosen conveniently. Subsequently, 428 responses were received, and only 400 of them were found suitable for analysis. Therefore, the sample size for the study is 400.

3.3.8 Data Analysis Tool Used

After collection of data it was arranged, tabulated and appropriate analysis was done. Following statistical techniques were used to analyze the data:

- **Percentage analysis:** Percentage analysis is the method of presenting the raw data as a percentage of a better understanding of collected data. The percentage analysis is used in the demographic profile to know the percentage of respondents with respect to their gender, age, education, occupation, monthly income, etc.

- **Chi-Square Test:** The Chi-Square test of independence is used to determine if there is a significant relationship between two nominal (categorical) variables. In this study chi-square test is carried out to know the degree of association among consumers preference of multinational fast food restaurant over local street fast food stall, frequencies of visit to fast food restaurant and money spend in fast food restaurant across demography of respondents similarly chi-square is carried out to know degree of association among marketing strategies and social-cultural and psychological factors across consumer buying behaviour.

- **ANOVA Test:** The one-way analysis of variance (ANOVA) is used to determine whether there are any statistically significant differences between the means of two or more independent (unrelated) groups. In this study ANOVA analysis is carried out to compare means of social, cultural and psychological
factors across demographics of respondents in order to determine whether there is a significant difference in these means across demography of respondents similarly ANOVA is carried out to compare means of variables of effectiveness of product positioning across the demographics of respondents to determine whether there is any significant difference.

- **Paired T-test:** A paired t-test is used to compare two population means where the observations of one sample can be paired with observations of the other sample. In this study Paired t-test is used to summarize the relationship between the effectiveness of product positioning and consumer preference of multinational fast food restaurant over local street fast food stall also with post buying behaviour of the respondents.

### 3.3.9 Reliability

Cronbach’s alpha is the most common measure of internal consistency. Reliability test of data is carried out using SPSS software.

<table>
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<td>Influencing Factors</td>
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<td>22</td>
</tr>
<tr>
<td>Expectation</td>
<td>.881</td>
<td>20</td>
</tr>
<tr>
<td>Decision Determinants</td>
<td>.877</td>
<td>21</td>
</tr>
<tr>
<td>Satisfaction Determinants</td>
<td>.933</td>
<td>12</td>
</tr>
<tr>
<td>Future Behaviour</td>
<td>.945</td>
<td>8</td>
</tr>
</tbody>
</table>

The scores obtained for each construct exceeded the minimum requirement 0.70 which indicates that data is reliable enough to go for the further test.

### 3.3.10 Limitation of the Study

- The present study is limited to multinational fast food restaurants chains operating in India and local fast food restaurants brands were not included in the study.
- The study is limited to consumers who avail services of multinational fast food restaurant.
• In present study consumer buying behaviour was studied on their satisfaction level on the dimensions like quality, price, geographical location, and different promotional schemes but brand personality and brand identity of multinational fast food restaurants compatibility across the demography has not been studied.

• The distribution of different demographic characteristics e.g. educational qualification in the sample is not uniform and skewed towards graduation and above and so is the case with age group distribution. Thus analysis results in conjunction with the consumer behaviour on the basis of these distribution may not have provided dependable results.

• The study has been restricted to only 400 consumers selected conveniently. Because of the inherent sampling error and sample biasness, the results are subject to the possibility of deviation from the reality. Due to non random sampling technique the sample may have contained more sampling error.

• The research was intended to cover the whole population area and all multinational fast food restaurants operating in India which could require the researcher to spend a lot of time and financial resources to cover the area population. But due to limited time and financial resources, the researcher decided to confine the study to selected multinational fast food restaurant operating in India and the sample for the study was chosen by non-probability sampling method.

• The personal views, low level of awareness opinions and biasness of respondents towards the product and services of the multinational fast food restaurant affected the quality of the data.