Fast Food Consumption Behaviour of Sri Lankans: With Special Reference to Gampaha and Colombo Districts

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ABSTRACT

Fast food industry in Sri Lanka can be considered as a very competitive industry with the rivalry being intensified every single day with the entry of new players to the market. There are both local and international fast food brands currently operating in the country, adding to the competition. In such a situation, marketers are faced with the challenge of making their customers loyal to their fast food brand. Therefore, the purpose of this research is to identify which factors contribute in creating brand loyalty towards fast food industry in Sri Lanka, with special reference to internationally franchised fast food brands currently operating in the country.

The sample 150 respondents of this study was selected from Colombo and Gampaha Districts representing the Western Province and a questionnaire based survey method was used to gather the primary data required for the study. Various statistical techniques such as hypothesis testing, Pearson Correlation coefficient, Regression analysis were used to arrive at the research objectives.

The results revealed that, food quality, brand image and promotions significantly influence the brand loyalty of the fast food brands. Other factors included in the study: price and atmosphere were not significant factors in influencing the brand loyalty. Therefore, it is recommended that to induce brand loyalty fast food restaurants should provide quality foods and enhance the brand image with sound promotional campaigns.

Keywords: Brand Loyalty, Food Quality, Promotions
1. INTRODUCTION

1.1. Background of the Study

Food can be considered as one of the basic needs of humans. People consume different types of food items in order to fulfill their hunger. But along with the development of the society, the basic food consumption of people has been converted into a new culture. With this new culture, one of the emerging trends witnessed in today’s society is the “Fast food”. One of the major reasons that have contributed towards the growing popularity of fast food is the busy lifestyles of people living in modern society, where they hardly find time to spend in the kitchens cooking food for their entire family. The easiest alternative available for them is to go for instant or junk food which they can purchase from any of the restaurants they can find on their way home from workplaces. The food and beverage sector has undergone significant changes because of the economic and socio-cultural reasons, time constraints allocated to individual and daily needs and their reflection on the dining habits of the people. Another demographic reason that has led to the growth of the fast food industry is the increasing number of females in the work force.

According to the Fast Food Industry Analysis 2016 - Cost & Trends report, globally the fast food industry generates annual revenue of more than USD 570 billion which is even greater than the value of the economies of most of the countries when put together. Taking USA alone, revenue of USD 200 billion has been injected to its economy through the fast food industry during the year 2015 which indicates a massive growth when compared to the revenue of USD 6 billion which was received in 1970. It is expected that in the next 5-10 years the global fast food industry will experience an annual growth of 2.5%. There are over 200,000 fast food restaurants in the United States and it is estimated that 50 million Americans eat at one of them every single day. The fast food industry has created employment opportunities for over 4 million individuals around the world and it has added more than 200,000 jobs to the industry in 2015. Consumers of fast food focus on taste, price and quality. While the food is often highly processed and prepared in an assembly line, these restaurants focus on consistency of experience, affordability, and speed.

Because of the huge competition which is prevailing in the market with regards to fast food industry, customers are faced with so many alternatives where they have a choice to select from so many local and international brands. Also in the present context, customers do not blindly make their choices because they are more knowledgeable and they have access to information. Further with the development of digital technologies, most of these brands have online presence which has made it easier for the customers to know the exact information about the prices, offers, menus and compare these with other alternatives before making the purchase decisions. So in such a situation, it has become crucial
for the marketers to retain the users by converting them into a loyal set of customers where they do not get influenced by competitor actions. Therefore “brand loyalty” matters a lot.

There can be many reasons that contribute towards making the customers brand loyal. When considering food products consumers basically consider the factors such as taste, cleanliness, nutrition and etc. apart from that when we consider fast food chains even though the specific customer requirements vary from individual to individual and situation to situation, still the major requirement, as the name implies, will generally be the speed of providing the service. (Goyal & Singh, 2007). These can be considered as the general factors which the consumers consider when it comes to fast food outlets. But enhancing brand loyalty requires these companies to go an extra mile by creating a unique Point of Difference (POD) which will create a competitive advantage in the market among the rivals. This point of difference can be their taste, services provided, promotions or something that is unique and which cannot be easily copied. Developing and taking this unique position to consumer mind and positioning will become the major responsibility of the marketers.

In a fast food chain there can be several elements that can create a positive attitude towards the chain and its brand name. Marketers should identify these factors and should emboss these factors in the consumer minds in a unique way over their competitors. For this purpose, identifying the factors which consumers consider to be more valuable and the extent to which they give value to these factors when selecting a fast food chain is very important. In such a context, this study intends to examine the factors that contribute towards building up brand loyalty towards internationally franchised fast food restaurants operating in Sri Lanka based on the attitudes and behavior of consumers in Colombo and Gampaha districts.

1.2. Research Problem

This study aims to find out “what are the key factors that influence the brand loyalty of specific internationally franchised fast food chains and to which extent those factors influence on the brand loyalty.” The study is conducted with special reference to Colombo and Gampaha districts. It is true that there is a huge competition in the fast food industry in Sri Lanka because of both local brands and international brands operating in the market. Out of the multinational fast food companies, this research particularly focusses on 3 of the international fast food brands which have obtained franchising rights to operate in Sri Lanka, which are Mac Donald’s, KFC and Pizza Hut.

In the competitive market environment building up a loyal customer base and maintaining them seems to be a crucial element. By providing a product or service in its basic form will not help a company to build up a loyal customer base. All the physical and emotional attributes attached with the product or the service and as well as with its brand name should be unique, value adding and attractive which can
make the customer re-visit or re-purchase the particular brand. When considering these factors, the most important factor is to identify whether these attributes and activities are capable enough to gain customer attraction towards their brand and whether these activities helps to differentiate them among the competitor. Therefore, in order to find solutions to these issues, this research is conducted in order to “Identify the factors influencing on brand loyalty towards internationally franchised fast food restaurants operating in Sri Lanka with special reference to Colombo and Gampaha districts”

2. CONCEPTUALIZATION AND OPERATIONALIZATION

2.1. Food Quality on Brand Loyalty

Many of the previous studies conducted with respect to brand loyalty in fast food industry have proved with evidence that there is a strong relationship between the quality of food provided by the fast food restaurants and brand loyalty. A study conducted by Clark and Wood (1999) determined the dimensions related to creating customer loyalty in the restaurant industry. The results of this study revealed that food quality is a critical predictor of customers’ loyalty when selecting restaurants. A recent study conducted by Ha and Jang (2010) examined the influence of food quality on customer loyalty and it was identified there exists a positive relationship between food quality and brand loyalty. Many of the previously conducted researches have pointed out the fact that in a restaurant setting, food quality is the most essential factor influencing customers’ decisions to patronize a restaurant, and it is an influential element for customer loyalty (Ha & Jang, 2010b; Namkung & Jang, 2007; Sulek & Hensley, 2004).

Nezakati, Kuan and Asagiri (2011) has indicated that there is a significant positive relationship between food quality and customer loyalty. It has also highlighted that the customers consider whether the fast food restaurants are meeting their quality expectations when they are going to develop loyalty towards a particular fast food restaurant brand. If they ensure that their preferred fast food restaurant offers quality food that meets their expectations, then they will be loyal to that restaurant. Even though food quality is used as a single concept in this study, different sub factors have been used as indicators when interpreting the variable. Hence when establishing the hypothesis these different interpretations are also taken into consideration. A study included in the International Journal of Economics, Commerce and Management reveals from their descriptive statistics that food quality plays an important role when influencing the behavior of consumers towards patronizing their preferred fast food restaurant.

Therefore, based on these background information, researchers have developed a hypothesis by considering this specific relationship. The developed hypothesis interprets that food quality has a significant relationship with brand loyalty with respect to the fast food restaurant industry.

H1: There is a significant relationship between the food quality and brand loyalty in fast food restaurants in Sri Lanka.
2.2. Price on Brand Loyalty

In addition to the food quality, price can also have a significant influence on customer loyalty. It was evident that many of the customers in the present context have adopted to fast food because they consider it to be a cheap option when dining in. Many of the previous studies have shown that price acts as an antecedent to customer loyalty and sometimes its effect is partially mediated by customer satisfaction as well. Through these past researches it has been noted that the direct impact of price on brand loyalty is stronger and because of this the companies should focus more on measuring loyalty than just focusing on achieving customer satisfaction (Anderson & Mittal 2000; Oliver 1999; Reicheld 1995). Studies have indicated that in service industries with high customer involvement and customized nature of products involved, price-driven satisfaction is low, implying that quality is relatively more central to market behaviors in these sectors. According to a research conducted by Abdullah Afzal it has been identified that there is a positive correlation between price and brand loyalty which means when the brand loyalty changes, the price changes parallel. That means when the price is high brand loyalty also increases and when the price is low loyalty also drops comparatively.

If customers believe that they are being overcharged, they will not trust the restaurant resulting in negative dining experiences from the perception of price unfairness. Based on this finding, a negative correlation was also established by some of the researchers between price and brand loyalty. However, many research studies emphasize on one common fact which is, “price, customer satisfaction and brand loyalty have a very significant relationship.” Based on this argument researcher have come up with the above hypothesis by combining price and brand loyalty.

H2: There is a significant relationship between price and brand loyalty in fast food restaurants in Sri Lanka.

2.3. Atmosphere on Brand Loyalty

In a research study conducted by Wakerfield and Blodgett (1996) it was revealed the fact that the physical environment plays an important role in creating excitement when it comes to a leisure setting such as a restaurant and a fine dining area. This study has further proven that it results in customers repatronizing the brand which in other terms is considered as being brand loyal. Many previous conceptual and empirical studies showed that the atmosphere of the fast food restaurants influences the image of a product/service and customers’ satisfaction with the settings for consumption. The Stimulus-Organism-Response (S-O-R) model which is applied for online outlets has been used by Oh et al. (2008) in order to investigate the relationship between store image and consumer expectations of product quality. The research has reflected that the thematic and picture-based atmosphere is more efficient for generating a safe and entertaining image than non-thematic text-based atmosphere.
Han and Ryu (2009) used 3 full service restaurants in one of their studies and obtained data from 279 respondents in order to investigate the influence of artifacts, spatial layout and ambient conditions which were considered as the main components of physical environment under the above study, on customer satisfaction and loyalty. It was discovered that the perception of the atmosphere has the ability to create an impact to strengthen the brand loyalty towards the fast food restaurant or the brand. When we further evaluate the research findings of several other scholars, it is clear that the restaurant’s atmosphere has a direct impact on customer satisfaction and loyalty. By considering all these aspects, researchers have come up with the hypothesis, that there is a significant relationship between these two variables, which will be supported by the real data in the forthcoming sections of this study.

**H3:** There is a significant relationship between the atmosphere and brand loyalty in fast food restaurants in Sri Lanka.

### 2.4. Brand Image on Brand Loyalty

Brand image of a restaurant is considered to be a crucial factor for the success of the firm because it acts as an aid for the customers when visualizing the brand, which ultimately results in developing positive attitudes before purchasing the brand (Pavesic, 1989). Previous studies have also shown that brand image can be a significant factor which affects customer satisfaction and loyalty. Many researchers have identified that one of the first and important steps to create brand loyalty among the customers is to develop a positive brand image for the company. Kristensen (2000) identified brand image as the most important antecedent to loyalty and the second strongest antecedent to customer satisfaction. A strong positive brand image has the ability to distinguish a particular product from those of its competitors which provides a competitive advantage for the brand owners. The reason behind using brand image in this study is that it plays an important role in product choice and hence it leads to brand loyalty because consumers try to showcase their self-image by purchasing products which are compatible with their self-image and personality. Because of such an importance, researchers have focused on coming up with the above hypothesis.

Brand image has a significant relationship with brand loyalty and this view is further supported by the consumers’ perception that one brand is more desirable than its competitors because of the difference in the brand image of various competitors (Schiffman & Kanuk, 1991). A brand is normally a high rating factor among loyal customers in building up brand loyalty. So brand image is positively associated with brand loyalty. So in order to develop a brand loyalty, building up a positive brand image in consumer mind set can be recognized as a very crucial factor. In most of the previous studies it was identified that brand image is positively correlated with brand loyalty (Kandampully & Suhartanto, 2000). According to these arguments, it can be identified that positive brand image positively influences
brand loyalty. So the researchers have built up the hypothesis concerning that positive brand image has a significant influence on brand loyalty in fast food industry.

**H4**: There is a significant relationship between the brand image and brand loyalty in fast food restaurants in Sri Lanka.

### 2.5. Promotions on Brand Loyalty

Different studies have indicated different arguments concerning the relationship between brand loyalty and promotional activities. According to Mariole and Elina (2005), sales promotions can result in decreased brand loyalty. The reason for this as indicated by them is that the committed or loyal consumers are less receptive on sale promotions where less committed consumers are highly impacted by sales promotions. Even though the above researchers have highlighted the negative aspect of sales promotions, several other researchers have indicated opposite views regarding this aspect too. Lau, Chang, Moon and Liu (2006) have found out that sales promotions bring the product or the brand to the attention of the customers as well as it provides incentives to encourage purchases. This study has also investigated on the fact that promotional activities have the ability to convert the frequently brand switching customers into loyal ones. Therefore, all these findings indicate that sales promotions are used by marketers and companies in an extensive manner in their efforts to create a loyal set of customers. If we take a look at the amount of the budgets allocated by various companies for promotional campaigns, it is evident that they incur huge amounts of expenditure on this aspect. This is because they have realized the importance of promotional campaigns in creating brand loyalty. Even if we analyze the 3 fast food restaurant brands considered under this study, we can see that the promotions are a major part of their business operations. They act very competitively when it comes to promotional activities which is evident from the various communication modes visible to us. Because of this reason, researchers have tried to incorporate this angel into the study and has taken steps to hypothesize this variable. This study focusses on identifying whether there is a significant relationship between the promotional activities and the brand loyalty. By considering the various types of competitive promotional campaigns implemented by the 3 selected fast food brands, we can assume that there can be a positive relationship between these two variables. Because of this, researchers have come up with the hypothesis, “There is a significant relationship between promotional activities and brand loyalty in the fast food restaurant industry in Sri Lanka.

**H5**: There is a significant relationship between the promotions and brand loyalty in fast food restaurants in Sri Lanka
3. METHODOLOGY

3.1. Research Design, Population and the Unit of Analysis

The study falls into positivism paradigm and it is a cross sectional study. Further the study is a quantitative study. This is because the researchers aim to investigate on the attitudes of consumers regarding the food quality, price, atmosphere, brand image and promotions of fast food restaurants and at the same time the researchers aim at finding out about how the above said factors influence on brand loyalty, and also to identify the most prominent factors that could significantly influence on brand loyalty. This study also intends to gain insights about the consumer buying behavior relating to fast food restaurants. The research process is structured and formal where a survey method was adopted. In this study, men and women above 21 years of age living in the Colombo and Gampaha districts was taken as the population and therefore unit of study is an individual.

3.2. Sampling Technique and Sampling Size

The purpose of taking a sample is to obtain a result that is representative of the whole population being sampled without going to the trouble of asking everyone (Fisher & To, 2012). In this study, any person above 21 years of age living in the Colombo and Gampaha districts were considered as the sample. According to the Department of Census and Statistics, Sri Lanka the population of the entire Western province is 5,851,130 which accounts to 28.7% of the total population in the country. If we take a look at the Colombo and Gampaha districts which are considered under the study, the population accounts to 2,324,349 and 2,304,833 respectively. When analyzed as a percentage of the total Sri Lankan population, Colombo district accounts for 11.4% whereas Gampaha district accounts for 11.3% in terms of the population (Department of Census and Statistics, 2012). Therefore, by considering the above statistics, 150 respondents were chosen as the sample from Colombo and Gampaha districts because
considering the entire population is not practical. The results generated from this sample will be
generalized into the whole population in order to investigate the consumer behavior and loyalty. When
considering the population size, sample might not be highly representative of the population but
considering the budgetary and time constraints and the limitations in scope, the most convenient sample
size is selected.

The sample selected included respondents from urban areas only. This was due to the socio economic
factors of these individuals and also because most of the fast food restaurants are famous among the
urban population and there is still a very low penetration of these brands into the rural areas of our
country. Even if we consider the statistics, 77.6% of the total population of the Colombo district is urban
whereas in the Gampaha district, 15.6% of its population is urban (Department of Census and Statistics,
2012). The sample size of this research study is set at 150 as it is believed to be manageable within the
given time. The selected sample will be representing consumers from Colombo and Gampaha districts
who are above 21 years of age. Under this study using probability sampling was not convenient because
it was not possible to get hold of the sampling frame. So the researchers used convenient sampling
method to capture the data from 150 respondents.

3.3. Data Collection and Measures

Primary data is what is freshly gathered for the problem at hand or for a specific purpose. This particular
study has used primary data to a significant extent in order gather facts about the impact of brand loyalty
towards fast food restaurants. Researchers have used a questionnaire as the data collection tool for
collecting primary data and the data were collected through a survey conducted for the selected sample.
The questionnaire was distributed to the sample through online and through physical modes due to the
convenience. Primary data was collected through a structured questionnaire which was specifically
developed for the purpose of this study.

The questionnaire was constructed according to the conceptualization and operationalization of
variables as shown in above section. The variables were operationalized using existing scales. There is
food quality, brand image by Rehman, Rehman, Akhtar (2012), price, atmosphere by Ko and Su (2014),
promotions by Chen and Liu (2009) and brand loyalty Omanga (2013). Researchers personally and with
the help of field investigations directed the questionnaire to 150 respondents from Colombo and
Gampaha districts, with a letter explaining the research objective.
4. DATA PRESENTATION AND ANALYSIS

4.1. Demographic Data

Table 01: Demographic Statistics

<table>
<thead>
<tr>
<th>Description</th>
<th>Total</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>83</td>
<td>55%</td>
</tr>
<tr>
<td>Male</td>
<td>67</td>
<td>45%</td>
</tr>
<tr>
<td>District</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Colombo</td>
<td>80</td>
<td>53%</td>
</tr>
<tr>
<td>Gampaha</td>
<td>70</td>
<td>47%</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>21-26 years</td>
<td>70</td>
<td>47%</td>
</tr>
<tr>
<td>27-32 years</td>
<td>51</td>
<td>34%</td>
</tr>
<tr>
<td>33-38 years</td>
<td>10</td>
<td>7%</td>
</tr>
<tr>
<td>39-44 year</td>
<td>8</td>
<td>5%</td>
</tr>
<tr>
<td>45-50 years</td>
<td>6</td>
<td>4%</td>
</tr>
<tr>
<td>51 years and above</td>
<td>5</td>
<td>3%</td>
</tr>
<tr>
<td>Education Level</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Undergraduate</td>
<td>91</td>
<td>61%</td>
</tr>
<tr>
<td>Completed the first degree</td>
<td>31</td>
<td>21%</td>
</tr>
<tr>
<td>Passed G.C.E Advanced Level</td>
<td>14</td>
<td>9%</td>
</tr>
<tr>
<td>----------------------------</td>
<td>----</td>
<td>----</td>
</tr>
<tr>
<td>Completed the post graduate degree</td>
<td>8</td>
<td>5%</td>
</tr>
<tr>
<td>MBA</td>
<td>3</td>
<td>2%</td>
</tr>
<tr>
<td>Diploma</td>
<td>3</td>
<td>2%</td>
</tr>
<tr>
<td>Passed G.C.E Ordinary Level</td>
<td>0</td>
<td>0%</td>
</tr>
</tbody>
</table>

Income

<table>
<thead>
<tr>
<th>Income</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>50001 and above</td>
<td>55</td>
<td>37%</td>
</tr>
<tr>
<td>40001-50000</td>
<td>28</td>
<td>19%</td>
</tr>
<tr>
<td>30001-40000</td>
<td>20</td>
<td>13%</td>
</tr>
<tr>
<td>Less than 10000</td>
<td>20</td>
<td>13%</td>
</tr>
<tr>
<td>10001-20000</td>
<td>15</td>
<td>10%</td>
</tr>
<tr>
<td>20001-30000</td>
<td>12</td>
<td>8%</td>
</tr>
</tbody>
</table>

Source: Survey (2016)

According to the table 01, majority of the respondents are females and more than 60% of the respondents were living in the Colombo district. Around 81% of the respondents falls in to the age category of 21 to 32 years, while 82% of the respondents were undergraduates and first degree holders. 56% of the respondents were earning a monthly income of more than Rs.40000.

4.2. Descriptive Statistics

Table 02 below gives details about the descriptive statistics of the independent and the dependent variables.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>SD</th>
<th>Skewness</th>
<th>Kurtosis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food Quality</td>
<td>3.2556</td>
<td>.90850</td>
<td>-.705</td>
<td>-.381</td>
</tr>
<tr>
<td>Price</td>
<td>3.5111</td>
<td>.66293</td>
<td>-.491</td>
<td>.603</td>
</tr>
</tbody>
</table>
According to the table, the mean of all the variables except atmosphere records below 4.00 and standard deviation also falls below 1.00 for variables except promotion. It is clearly visible that skewness and kurtosis of atmosphere is quite higher than all other variables, showing the characteristics of a negatively skewed peaked distribution. All other variables generally can be explained as normally distributed because both skewness and kurtosis falls below 1.00.

### 4.3. Hypotheses Testing

Hypotheses testing was conducted using multiple regression analysis and the results are explained in detailed below. There are five hypotheses developed under the conceptualization section which will be tested below.

### 4.4. Multiple Regression Results

<table>
<thead>
<tr>
<th>Item</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>R Squared</td>
<td>0.887</td>
</tr>
<tr>
<td>Adjusted R Squared</td>
<td>0.883</td>
</tr>
</tbody>
</table>

*Source: Survey (2016)*

The table 03 shows that the Brand Loyalty is 88.3% explained through the independent variables.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Beta Coefficient</th>
<th>T Statistics</th>
<th>P Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>.129</td>
<td>.692</td>
<td>.490</td>
</tr>
<tr>
<td>Food Quality</td>
<td>.197</td>
<td>5.171</td>
<td>.000</td>
</tr>
</tbody>
</table>

*Source: Survey (2016)*
According to the table 04, the values of the constant is 0.129 which implies that while all other independent variables remain zero or are held constant, the brand loyalty towards fast food restaurants is 0.129. In addition to that, out of the 5 independent variables, 4 indicate positive beta coefficients (except price) and it shows that there is a positive relationship between independent variables of food quality, atmosphere, brand image, promotions and the dependent variable of brand loyalty when all these variables are tested together in the model. From the 5 independent variables, only 2 variables are significant and they are the food quality and promotions. This is because the significant values (p values) of these 2 variables are less than 0.05. However, brand image is significant at 0.10 level of significance since the p value is 0.098. The rest of the two variables of price and atmosphere are not significant in building brand loyalty towards fast food restaurants in Sri Lanka.

5. DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1. Discussion

Pizza Hut has been indicated as the most preferred fast food restaurant brand among the consumers according to the research findings. The reason for this outcome could be Pizza Hut being the oldest franchised fast food chain established in Sri Lanka along with a penetration of 34 outlets within the country, which can be considered as a good expansion level. At the same time Pizza Hut implements so many promotional activities targeting special celebrations such as the mother’s day, valentines’ day, friendship day, women’s day etc. They also conduct SMS promotion campaigns in an extensive manner, which helps to raise the top of the mind awareness among the consumers about the brand. Availability of huge varieties of pizza in different quantities and wider availability of appetizers might also be the reasons for Pizza Hut to be the considered as the most preferred fast food restaurant among the respondents of the study.

According to this research study, researchers have found out that the majority of the people visit fast food restaurants to experience a change in their busy life styles by spending quality time with their family and friends. So the researchers have come into a conclusion that people are expecting a change through visiting a fast food restaurant. This persuades us to make an assumption that most of the times
the consumers might have paid attention towards factors such as atmosphere rather than price. Also we can assume that the fast food consumers in Sri Lanka must be concerned on the different varieties of food based on its quality and taste. Researchers have given a significant level of attention to this aspect when constructing the hypothesis as well.

Price has not been a significant factor throughout this study in selecting a fast food restaurant by the consumers. Both the correlation and the multiple regression analysis had provided evidences that price does not have a significant relationship with brand loyalty. Price was considered as an independent variable in this study because it was supported by previous studies and literature that it has a significant relationship with brand loyalty. A research conducted by Nezakati, Kuan and Asgari (2011) based on the factors influencing customer loyalty towards fast food restaurants, price was identified as a significant variable with a positive moderate relationship with brand loyalty. (Nezakatil, et al., 2011).

Also a research conducted by Jin, Lee and Huffman (2012) ensures that price is significantly related with brand loyalty. But the hypothesis developed and tested with the sample of this particular research study has been rejected. This can be justified with the context in which the research is conducted. Even though price is said to have a significant relationship with brand loyalty in the previous studies, all of them are applied in the international contexts where most of the consumer demographics could be different. It can be assumed that in the Sri Lankan context, the consumers are least bothered about price changes when it comes to the fast food consumption. The research findings indicated that a majority of the consumers visit fast food restaurants in order to spend quality time with their friends and family amidst their busy schedules and to enjoy a meal of their own preference. According to this concern we can assume that when it comes to friend’s/family gatherings, consumers are least bothered about the prices of fast food and what they want to do is to relax and to fulfill their social needs. Also the sample selected for the study consisted a majority of young and middle aged respondents with a reasonably affordable income levels, from which we can infer that price is not a major concern for them when consuming fast food. Therefore, insignificance of price with brand loyalty could be justified accordingly.

5.2. Recommendations Based on Hypotheses Testing

The analysis of the Pearson Correlation coefficient indicated that out of the 5 independent variables considered as the determinants of brand loyalty, only the food quality, brand image and promotions have a strong positive correlation with the dependent variable of brand loyalty.

Multiple regression analysis further confirmed that there is a significant relationship between food quality and brand loyalty since the p value obtained was less than 0.05, hence leading to a significant relationship. Food quality being strongly correlated with brand loyalty shows that no matter how much
the marketers try to position their brand in the consumers’ mind using various communication and other strategies, the taste of the food, ingredients, variety, aroma and the bundled offerings are still given prominence by the consumers. When we say it’s the fast food industry, there is no wonder that the quality of the food plays a vital role. Therefore, these fast food restaurants should make sure that no matter they focus on other elements, they should always be concerned about offering quality food items to their customers with the right taste, aroma and the ingredients.

The results of this research study revealed that most of the consumers visit fast food outlets just once or twice a month, or during a special celebration/event. The fast food companies will be able to increase their profitability if they can convert these customers into frequent/regular visitors and increase their spending on fast food. In the customer loyalty pyramid, these customers are currently at the gold tier and a little bit of extra effort could help the companies to convert them into platinum customers. The companies can make use of the promotions in this situation also, since they contribute significantly in enhancing the loyalty of the customers. These companies can implement special promotions to persuade the non-frequent consumers to visit their stores by giving them a reason to do so. They can integrate relationship (database) marketing with the promotional activities and offer frequent customer programs (loyalty schemes). Database marketing and frequent customer programs enable the fast food companies to understand their customers’ attitudes, behaviors, and motivations. Therefore, they can appeal to their customers on an individual basis. When fast food companies give individual attention and remember their repeat customers, those customers will be more likely revisit the restaurant and make positive recommendations to others. Through frequent customer programs, customers should be rewarded and given the best value in order to make them completely committed for the brand.

Even though the brand image showed a strong positive relationship with brand loyalty in the Pearson Correlation analysis, the multiple linear regression analysis showed that the relationship between these two variables is not significant. When the respondents were asked whether they chose a fast food restaurant with a well-recognized brand name, majority had indicated that they do not consider the brand name in selecting a fast food restaurant. Therefore, what matters the most is not the brand name. So even though the Mc Donald’s and KFC were ranked as the 2nd and 3rd favorite brands based on the consumer’s preference, it can be suggested that it might not be due to a negative impact of their brand name. Therefore, when we consider the results generated from this study, it can be highly recommended for other fast food chains including KFC and McDonalds’ to focus more on enhancing the quality of the food that they offer instead of trying to emphasize on building the brand in the minds of the consumers. Because what matters is the quality, but not the image. They can effectively use promotions in order to communicate about the quality of the food items they offer.
Research findings indicated that a considerable number of consumers visit these fast food restaurants when there is a celebration/ special occasion/ event. Therefore, social occasions or business functions, in addition to enjoying a meal, can be significant reasons for using a fast food restaurant. This reveals that restaurant managers could consider providing different services for the consumers who visit the outlet for social occasions compared to those who visit or just a meal. The restaurant managers or the staff can offer quiet space to customers who are using the restaurant for a social occasions or business function in order to make their meeting more comfortable. Managers can provide separate spaces for these customers by renovating the interior or simply by rearranging tables. Furthermore, if managers can control the lighting or the volume of the music for those spaces, this would provide a higher quality of service environment. With this kind of thoughtful consideration, brand loyalty could be enhanced among the consumers.

5.3. Conclusions

Researchers had set few objectives at the inception in order to be achieved through the study. The key objective which the researchers intended to achieve was to identify the key factors that influence on the level of brand loyalty towards fast food industry in Sri Lanka. Previous studies conducted in the international context showed that there are many determinants of brand loyalty in terms of the fast food industry. So the researchers selected 5 such variables which she thought would be applicable in the Sri Lankan context and tested whether they create an impact towards brand loyalty in the Sri Lankan fast food industry. The linear regression analysis proved that apart from price, other four variables (food quality, atmosphere, brand image and promotions) have a significant relationship with brand loyalty. Even though price has been extensively cited as an influencing factor for brand loyalty in previous researches, we have to assume that in the Sri Lankan context it is not a determinant which has been explained in the key findings of this chapter. The multiple linear regression analysis proved that when all variables are tested together only food quality and promotions are considered by the Sri Lankan consumers to create loyalty towards fast food restaurants. Hence, the key objective of this research study has been achieved.

Researchers intended to recognize the extent to which these factors affect in creating brand loyalty for the fast food restaurants in Sri Lanka which was another objective of the study. It was identified that the promotions are the most prominent determinant which had the strongest positive relationship with brand loyalty, which is identified as the highest contributor towards brand loyalty. Table 31 of chapter 5 reflects the overall summary of the extents to which each of these factors influence in creating brand loyalty. Therefore, it can be concluded that the second objective of the research study has also been achieved.
Finally, the researchers intended to provide recommendations based on the findings to the stakeholders of fast food industry so that they can implement strategies to enhance the brand loyalty of the customers towards their brand. The recommendations have also been cited in the previous section of this chapter and future research areas relating to this area of study will also be mentioned at the end of this chapter.

5.4. Further Research Areas

This particular research was conducted to investigate on the factors that influence on creating brand loyalty in the fast food industry in Sri Lanka. For the convenience of the study, the researchers have confined this study only to 3 of the internationally franchised fast food restaurant brands currently operating in the country. But this scope could be further improved by considering local fast food brands for the study as well. In future researchers, if it’s possible to make a comparison between the local and international brands, it could provide more insights to the local producers as to where they stand in terms of the competition and in what ways they can improve their market share. Additionally, future studies need to examine the effectiveness of service marketing and sensory appeals used by international fast food brands in Sri Lanka addressing to specific consumer behavioral diversities and market challenges.

6. REFERENCES


