

# Socio - Economic Determinants of Fast Food Industry Growth in Pakistan

Prof. Dr. Abdull Gafoor Awaan

Dean, Faculty of Management and Social Sciences, Institute of Southern Punjab, Multan-Pakistan

Muhammad Nawaz

MS Research Scholar, Department of Business Administration, Institute of Southern Punjab, Multan

## Abstract

The objective of this study is to identify the motivational factors that influence the behavior of consumers of fast food in Multan. The influence is further examined in detail giving due consideration to the demographic and cultural aspects. An attempt is also made to understand other factors which might impact the consumption practices of fast food customers in the country, including those related to health. The author collected primary data through a structured questionnaires from 120 customers having education from graduation to doctorate level. They oftenly used fast food. The respondents were above 18 years of age. The data analyzed using chi square test for variables and factor analysis for ranked attributes. Our results showed that most of the demographic variables have significant relationship with fast food consumption behavior of the consumer and this is the reason that fast food industry is rapidly growing in Pakistan.

**Keywords:** Growth, Consumer Behavior, Fast Food

## 1. INTRODUCTION

One of the pervasive phenomena of the 21st century is the growth of fast food all over the world particularly in the developing countries where per capita income of middle class is increasing and they spending their maximum time in earning rather in cooking and gosips .This is the result of the expansion of fast food chain outlets all over the Pakistan and Pakistani consumers prefer fast food (Awan and Imran,2015). Eating in Pakistan is a stirring practice and food has many different styles with immense restaurants in all the big cities of Pakistan. Worldwide Cuisines can be cooked in Pakistan, like Asian, Middle Eastern, Indian, and approximately all international dishes, similarly, fast food chains are mounting in popularity by reason of convenience and their home oriented approach. Particularly youth and teenagers are more eager to eat fast food and they visit differet outlets of fast food in order to check quality of food and their flavrour,tasts, prices,discounts, etc (Awan, 2014). The old couples also like fast because it is convient and save them cooking hassling and purchasing different relevant items for preparation of their desired food. They can demand any type of food whatever they like according to the requirement of their health and taste (Awan & Mueen). Fast food is also an innovation because the people in developing countries are opting it as a change in their eating habit.They are not opting fast food just to save time from cooking but to enjoy different types of foods, which they like. Similarly, Fast food companies also presenting different western and eastern food dishes and in this way the consumers have an opportunity to find their liking food at one place (Awan and Zahra,2014). The rising demand of fast food items in the urban areas of developing countries including Pakistan has also increased the demand for agricultural product particularly vegetables. Similarly, the demand of different types of meats are also growing with the result the cattle industry and fish and chicken are also increasing. In short, the growth fast food industry in the urban areas also benefiting the farmers. (Awan and Atteqa).

According to Khan, (2007) Fast food or quick service restaurant is the name given to such a convenience. These restaurants offer sandwiches, pastries, pizzas, processed meat delicacies, and local favorites, among others. The aim of a fast food outlet is to serve the food cravings of busy consumers, with the accessibility and ease of quick service. Consumer decision making and buying behavior towards these foods is influenced by different socio-economic factors.

The fast food industry in Pakistan is undergoing rapid chang. Despite fierce competition, this industry has managed to generate profitability and is well-received by the customers. Recent statistics have revealed that fast food industry is the second largest in Pakistan, with approximately 169 million consumers. Today, eating out entirely is part of fast lifestyle, not just a special treat as it was in years past. Evolution of eating out and food away from home to an extent of food revolution is an outcome of changing food and eating habits of the consumers towards convenience in the present time-starved societies, where both husband and wife are working. Not only that, but this sector also accounts for 16% of the total employment in manufacturing sector.

## 2. ORIGIN OF FAST FOOF INDUSTRY

Food is one of the three basic needs of mankind. A person considers the satisfaction of this need as priority, because it appeals to his sense of taste and appearance. When such an elementary physiological need is

transformed into a means for recreation and socializing, it helps address the issues of belonging identified in the Maslow's hierarchy (Khan, 2007). If a person gets the added benefits of quick service on site or home delivery within half-an-hour or a drive-through order and delivery process, it would completely complement his hectic, modern and urban lifestyle.

Fast food is the term given to food that can be prepared and served very quickly. While any meal with low preparation time can be considered to be fast food, typically the term refers to food sold in a restaurant or store with low quality preparation and served to the customer in a packaged form for take-out/take-away (Minalkashyap et al, 2013).

Jason in (2004) defined fast-food restaurants as chain restaurants that have two or more of the following characteristics: expedited food service, takeout business, limited or no wait staff, and payment tendered prior to receiving food. The national chain restaurants included had at least two restaurants in Orleans Parish (parish is the unique Louisiana designation for a county; the boundaries of Orleans Parish approximate the City of New Orleans), and tend to be recognized as fast-food restaurants in the media and by the general public. These criteria allowed for inclusion of the fast-food restaurants that captured the largest portion of the fast-food market.

Globalization has influenced the production and processing of food as well as its sales, preparations and consumption and with growing relative importance of snacks, burgers, pizzas and fizzy drinks, people are snacking in a new way. Urbanization is also one of the factors leading to change lifestyles and increased income and independence of young people, as it had been stated that demand for food is associated with the life style of urban areas and consumption of western style food increased as the income level of developing countries increased (Regmi and Dyck, 2001). As a result changes in tastes and lifestyles backed by urban living will significantly impact food demand and utilization patterns.

The fast food industry, originally conceived in Southern California during the 1940s, not only altered the eating habits of Americans, but also those in many other countries around the world, including Asian countries (Schlosser, 2001). Evolution of eating out and food away from home to an extent of food revolution is an outcome of changing food and eating habits of the consumers towards convenience in the present time-starved societies, where both husband and wife are working.

Roberts and Worzel (1979) stated that large number of women working outside the home had less time to cook food at home so, the women's time was considered to be an important factor in raising the demand for fast food consumption in developing countries.

The history of fast food dates back to the bread stands of Ancient Rome and noodle bars of Asia. During medieval era, pies, pastries and cakes were sold on the stands in large cities like London and Paris. Coffee and alcohol houses started in 1700s in the western countries, gathering where has become a fun-time; by the end of that century (Borade, 2012). Eventually, industrial revolution, the world wars and the establishment of strong economy in USA led to the development of fast food industry, as the products were diversified and the number of outlets and players increased (Hall, 2011). Twentieth century marked the actual beginning of proper fast food restaurants, with the advent of food vending machines and hamburger restaurants. McDonald's started its first restaurant in 1940s, followed by Burger King in 1950, Wendy's in 1969 and Starbucks in 1971 (Wilson, 2006). After their onset, there was no looking back, as these majors slowly expanded around the globe. Many new local and global entrants stepped into the business.

The fast food restaurants or quick service restaurants are famous for their menu and hanging-out appeal among teenagers, professionals prefer them for the quick access and service features. They provide part-time and full-time jobs to unemployed youth, as the job is repetitive mostly and pay scales are considered low by higher age groups (Pizam, 2010). These spots allow the people to reconnect with their family and friends. Eating at fast food centers has grown into a culture, after the popularity of giants such as McDonalds, KFC, Subway, Burger King etc. These operators work along the franchising system to minimize the risks involved in expansion. It is the process where the franchisee can use the proprietary material and value chain of the parent company by maintaining certain standards in developing products, while the parent company gets a percentage of the earnings, new outlets for its products and an opportunity to spread its brand. Franchisees take the responsibility of staffing and adding local touch to the menu. These numbers reflect the fact that fast food restaurants are cash cows and justify the interest and investment in the sector (Sipahi, 2010).

### **3. FAST FOOD INDUSTRY IN PAKISTAN**

The fast-food industry is popular in Pakistan, the source of most of its innovation, and many major international chains are based there. The presence of multinational fast food chains like McDonalds, KFC, Pizza Express, Pizza Hut, Subway etc. have somewhat catered to the high income segment therefore developing a niche as upscale fast food restaurants. Multinational corporations such as these typically modify their menus to cater to local Pakistan tastes and most overseas outlets are owned by native franchisees to ensure that cultural, ethnic, and community values are taken care of. In Pakistan first fast food center was opened in 1997 that was KFC and just after one year in 1998 McDonalds started its first outlet in Pakistan (Ayesha and Munazza, 2012).

Now Fast food centers found on the corners of streets, off the side of interstates, airports, malls, schools, gas stations, local shopping center, and even in hospitals. There had been some factors behind growing industry of fast food in Pakistan. A model of factors affecting consumer decision making regarding food products: a case study of USA and Japan scrutinized that there are many factors like values, eating habits, family structure, tastes and fondness affecting consumer food choice decision making between the countries and even within countries (Nelson, 1992).

#### **4. BRANDS OF FAST FOOD**

##### **4.1 FRI-CHICKS**

Fri-Chicks are basically a foreign fast food restaurant and it started its services from Kentish town, London. Now they are working in Lahore from 2003 and they are running their business through six branches in Lahore in the areas of Iqbal Town, Sabzazar, Faisal Town (Akbar Chowk), Johar Town (Near G1 Market), Sadar (Cantt) and Fortress Stadium. Fri-chicks are offering take away facility, dine in and home delivery service. They have several deals with the normal price rate. The current deals which they are offering are mainly with the price range from Rs 25 to 1195. The names of the Deals are mentioned below in which sub deals are also available, Mazedar deals, Special deals, Family meal, super family meal, Chicken nuggets, Burgers, Pizza and chicken finger also known as chicken tenders or chicken strips, this is one of the most common forms of fried chicken, generally pieces of chicken breast (sometimes with rib meat) cut into long strips, breaded or battered dipped, and deep fried. Hot chicken - a pan-fried variant of fried chicken coated with lard and cayenne pepper paste, Popcorn chicken — occasionally known as chicken balls.

##### **4.2 AFC**

According to Khan in (2007) the time was mid 90's when fast food companies were booming in Pakistan. Quality fast food in Pakistan was outrageously expensive and on a handful of families could afford to go there. No middle class family could think of taking their children to such big food chains. This was the time when AFC (Al-Najam Fried Chicken) opened its first restaurant at Saman Abad, Main Market in Lahore. AFC's goal and aim was very simple. To make the quality fast food available to all those people who liked the fast food but couldn't dare to afford. They did so without compromising the highest standards of food industry. AFC, not only use the best raw materials available but they also provide the best of food at a very reasonable and competitive price. All their foods are processed and prepared using of the art machines and equipments. AFC became the fastest growing fast food chain in Pakistan.

At present time, AFC has more than twenty branches Nationwide including Mall Road, Railway Station, Allama Iqbal Town, Township, Mughal Pura, Defence, Thokar Niaz Baig, G.T Road, Wapda Town. It has also opened in Faisalabad, SGD, Abbotabad, Karachi, Gujranwala, Rawalpindi, Gujrat whereas Sahiwal Branch is ready to start business. At least three more branches including Murree and Multan are in the wings.

##### **4.3 KFC (KENTUCKY FRIED CHICKEN)**

According to Ayesha and Munazza in (2012) KFC has come a long way, perfecting its herbs and spices; they opened their first franchise in Lahore in 1997 in Gulshan-e-Iqbal and wore the market leader's title in fast food industry. Delicious food in a relaxing environment had made KFC everyone's favorite. Presently KFC is branched out in eighteen major cities of Pakistan (Karachi, Lahore, Gujranwala, Sukkur & Muree) with more than 60 outlets nation-wide. KFC has also contributed a lot in the economic development of Pakistan as well as providing entertainment to its customers in a friendly environment.

Presently KFC has provided to over 1200 Pakistanis, which adds up to 6000 individuals directly dependent in KFC Pakistan. The Government of Pakistan receives over Rs.10 million per month from KFC Pakistan as direct taxes. 95% of all food and packing material used in KFC Pakistan is procured locally, which sums up to a purchase of over Rs.35 million per month. Each new outlet developed by KFC Pakistan costs approximately Rs.40 million, which is a huge amount for our construction industry.

##### **4.4 MC-DONALD'S**

McDonald's Corporation is the world's largest chain of fast food restaurants. In 1940, the first McDonald's was built by the McDonald brothers (Dick and Mac). In 1953, it became the standard for the fast food franchises across the country. Later in 1955, the McDonald's Corporation was created which is the ninth most valuable brand in the world in USA (Sipahi, 2010).

In Pakistan, McDonald started its business in September 1998 at Lahore. The Lakson Group Companies has taken over McDonalds Corporation, USA and a local partner making it a 100% owned and operated Pakistani company. Presently, it is operating in seven major cities with a network of 20 restaurants. The cities in which McDonald is operating are Lahore, Karachi, Islamabad, Sialkot, Rawalpindi, Hyderabad and Faisalabad.

#### **4.5 PIZZA HUT**

Pizza hut came into being by two brothers named Frank and Dan Carney who lived in Wichita, Kansas. They wanted to open a pizza parlor which they started by the name of Pizza Hut in 1959 by borrowing \$600 from their mother initially in Topeka, Kansas. After just 10 years they were catering one million customers a week in 310 locations and it was put into New York stock exchange in 1970. Over the years Pizza Hut captured the market worldwide and its sales increased gradually globally. They introduced Pizza Hut delivery service in 1986. Their market share was 46.6% in 1996, when they launched their campaign “The Best Pizzas under One Roof” which battered slowly over the years due to tough market competitors (Ragavan, 2003).

### **5. RESEARCH METHODOLOGY**

This study is basically an exploratory research to give an insight into the trends that has increased the fast food consumption. An empirical investigation has been made to study the patterns of fast food consumption and healthy eating habits of the consumers using reliable data sources.

#### **5.1 POPULATION AND SAMPLE**

Data obtained from the convenience sample and literature reviews has been generalized for inferring consumption patterns of Pakistani consumers (population). A total of 200 respondents took part of this study. Though, careful consideration was specified by the researcher. Consumers with no age limit from Multan frequently visited in the fast food outlets like McDonald’s, Alimda, Fried Chicken (KFC), Fritchick’s, Pizza Huts and many others population of interest. The sample of population has been collected keeping in view the difference in food choice behavior exhibited by school and college going children and families with and without dual incomes towards eating out and food away from home according to the amount of work pressure and adoption of Western lifestyles. The criteria of initial research is demographic variables-age, income, education, gender and stage in family life cycle and psychographic variables, lifestyles, activities, interest and opinion have also been used.

#### **5.2 DATA COLLECTION:**

The study is conducted on the basis of primary data. For the purpose of data collection a structured questionnaire is used.

#### **5.3. Quantitative research**

The study is quantitative in nature as the results and final findings are based on data collected through structured questionnaire. These results are quantified using different statistical tools.

#### **5.4 Cross sectional study**

This study is cross sectional in nature. Data from respondents is collected once and is used to generate information with the help of statistical tools and the unit of analysis is the individuals.

#### **5.5 Selected Variables**

On the basis of research objectives, variables used in this study and their definition is largely adopted from existing literature in order to make a meaningful comparison with prior empirical studies. Fast food growth is the dependent variable, while age, income, education and Marital Status.

#### **5.6. Estimation Techniques**

Data is collected from the respondents through a structured questionnaire. Correlation and Factor Analysis will be measured of the collected data to analyze and describe our proposed hypothesis.

#### **5.7 Hypothesis**

**H1:** There is a positive relationship between the demographic factor and frequency of visiting the fast food outlets.

**H2:** There is positive relationship between the life style and spending habits of an individual.

**H3:** There is positive and significant relationship between social factor and fast food growth.

### **6. DATA ANALYSIS**

The data collected through questionnaire was analyzed through relevant statistical tools and the results are shown in the following tables.

**Table 1: Gender of respondents**

Categories of gender	Frequency	Percent
Male	116	58
Females	84	42
<b>Total</b>	<b>200</b>	<b>100.0</b>

Table 1 describes the proportion of gender of respondents. According to table 1 out of 200 respondents 116 were male and 84 were female. So in term of percentage male portion of respondents is 58 percent and female portion of respondents is 42 percent.

Eighty nine percent of the men and 78.5 percent of the women, who together form about 85 percent of the sample, have fast food with varying frequency and only 15 percent never have it. It is interesting to observe that 49 percent of the patrons of fast food have it once a week. This reflects that fast food has good penetration rate and reach ability in Multan. However, the chi-square test does not show any significant relation among the sex of the respondents and their rate of fast food consumption. Gender and the mode of having fast food are mutually related, as per the chi-square test. Males like to take away (35 percent) or dine-in (31 percent) and the female counterparts of the respondents opt for take away (41 percent), in-house/office delivery (25 percent) or drive-thru (19.6 percent), as against the dine-in option.

The choice of fast food restaurant is significantly related to the gender of the respondents. Men and women choose the restaurant depending on their mood, their favorite dishes or the nearness of the outlet to their place. Location of the restaurant and accessibility round the clock are the next priorities for men. Preferences of children and availability of healthy choices help women choose a fast food restaurant. Both the groups are not price sensitive as it is rated the least by them.

**Table 2: Age level of respondents**

Age Limits	Frequency	Percent
18-30	50	25
31-40	70	35
41-60	60	30
60-Above	20	10
<b>Total</b>	<b>200</b>	<b>100.0</b>

Though the chi-square statistic for the sample data falls within the critical limit while observing the independence of age groups and the frequency of fast food consumption, the cross tabulation reveals exciting facts. More than 80 percent of the sample belonging to the various age groups eats fast food at least once a week. One-quarter of the section of sample in the age group of 18-30 years enjoy such food 2-3 times a week. 10 percent of the total sample show a high-rate of consumption, i.e., they have fast food more than three times a week, of which 90 percent are 30 years old or younger than that. Taking into consideration the various options through which the respondents can have fast food, all the age groups give take-away (38.7 percent of 18-30 years, 36 percent of those in 30s and 40 percent of respondents in 41-60 years age group) option the top rank. Dining-in is the next choice.

The age group to which the respondent belongs and the attributes that they give precedence while selecting a fast food restaurant are significantly related according to the chi-square test. Respondent's mood, proximity and availability of favorite dish are top-rated by 18-30 year olds as well as those in 31-40 year age bracket. Price and peer suggestions are of least importance to the former while price and cuisine are ranked low by the latter. Locality, proximity and nutritional aspects carry high weight age for the respondents in 41-60 years age group and the cuisine and their mood carry least priority. Coming to the favorite fast food restaurant, the variable is significantly related to the age group, as per the chi-square test. McDonalds (30 percent), Hardees (16 percent), KFC (14 percent) and Subway (12 percent) are liked by 18-30 year olds (table 15 of appendix). Burgers (52 percent) and sandwiches (24 percent) are their favorite fast foods. Subway (30 percent), McDonalds (16.7 percent), KFC (13 percent), Hardees (10 percent) and Pizza Hut (10 percent) are preferred by respondents in the age group of 31-40 years, with sandwiches (33 percent), burgers (26.7 percent) and meat dishes (23 percent) as their favorites. 41-60 year old respondents enjoy eating at Pizza Hut (26.7 percent) and KFC (20 percent). Burgers, pizzas and sandwiches each are preferred by 26.7 percent of these respondents.

More than 60 percent of the respondents belonging to various age groups aim to have a meal from a fast food restaurant in the next two weeks, though 42.9 percent of the sample in 18-30 years age group feels that there is nothing exciting about the visit and 40 percent would like to enjoy while at restaurants. The same case is true with respondents belonging to other age groups.

**Table 3: Education level of respondents**

Education Level	Frequency	Percent
Graduate	40	20
Post Graduate	75	37.5
Phd & Professional	85	42.5
<b>Total</b>	<b>200</b>	<b>100.0</b>

While counting on the educational qualifications of the fast food patrons among sample, the variable has no significant association with the consumption regularity. 53 percent of the graduates and 45 percent of post-graduates consume the convenience food once every week. Education and method of having fast food are independent variables, as the chi-square value falls within the critical table value in this aspect. High-school qualified respondents prefer takeaway and home-delivery equally (28.6 percent each), while take-away is chosen by more than 40 percent of the graduates and 36 percent of post-graduates. Half of the PhD and professionally educated respondents go with dine-in option.

High-school qualified respondents and post-graduates select their fast food restaurant on the basis of their mood and price. Locality and proximity come next. Mood and locality are the considerations for graduates, while preferences of children occupy the top spot for the professionals and doctorate holders. Burgers and sandwiches are the choices of high school qualified, graduate, and post-graduate and PhD or professional respondents. 21 percent of post-graduates also look forward to having meat and 15 percent for pizzas, when they visit fast food restaurant. McDonalds (28.6 percent) and Hardees (28.6 percent) are the QSRs for which high school qualified respondent's vote, while graduates, post-graduates and professionals vote for McDonalds, KFC and Subway. 23 percent of the high-school qualified respondents, 39 percent of the graduates, 25 percent of the post-graduates and 42 percent of professionally qualified respondents do not intend to visit a fast food response in the near future, as the experience seems not to excite them and one of them even felt it to be boring.

**Table 4: Marital Status of respondents**

Status	Frequency	Percent
Married	60	30
Un Married	140	70
<b>Total</b>	<b>200</b>	<b>100.0</b>

Marital status of the respondents is found to be independent of their rate of fast food consumption. Respondents who are single seem to have high appetite fast foods, as at least 85 percent of them have fast food weekly and 80 percent of those munching fast food more than 3 times a week belong to this status. Personal moods and the inclinations of children influence the single and married respondents, while choosing on which restaurant to visit. Availability of healthy choices and proximity of the restaurant are given high importance by the rest of the respondents. Notable relationship exists between the marital status of respondents and their favorite fast food. While burgers (54%) and sandwiches (23%) are loved by respondents who are not into a relationship and those married (32% and 27%). McDonalds (29.5%), Hardees (18%) and KFC (16%) are liked by single respondents. Married ones like McDonalds (18%), Subway (16%), KFC (14%) and Pizza Hut (14%).

Marital status and mode of having fast food are found to be significantly associated with each other, as per the calculated chi-square statistic for independence. Married (49.1%) and single (29.5%) respondents like to take-away, while 75 percent of other respondents like to dine-in. Their second choices are dine-in, drive-thru and take-away respectively.

Respondents with children and those without them behave the same way in this respect. More than 65 percent of married as well as single respondents would like to visit a fast food restaurant in the next fortnight and majority of them want to enjoy the experience. The idea of excitement in the visit is lacking in 40 percent of the total respondents. Among the sample with children, 56 percent are excited and 54 percent of them without kids see it as nothing exciting. Amongst the married, 43 respondents have children. However, those with children seem to be having the same fast food consumption behavior as those without them.

Chi-square test supports this by revealing the absence of association. While convenience and change from routine are the universal motives behind crunching fast food, respondents with children seek out for family time and meeting up with their friends(25 percent of them) while visiting a fast food chain. Preferences of children are ranked fifth among the various available options, while choosing a fast food restaurant, by the married respondents with kids.

## 7. INTERPRETATION OF DATA

When the consumers were asked about the various reasons for preferring fast food, the social and lifestyle influences that have led them to the fast food joints surfaced up. Since more than one reason is assigned by each of them, multiple responses were gathered. The mill of the grind diet and routine meals have bored 29 percent of them and motivated them to seek some change by having fast food. The fast factor in fast food, i.e., their quick

and convenient service in various formats such as drive-thru, attracted 21 percent of the respondents. Consequently, the statement made by hypothesis is accepted. Visiting a fast food is a way of reconnecting with the friends and family for 17 percent of the sample. 7 percent indulge in these foods during special occasions. The fast food diet also suits the chaotic work routines, job stress and time limitations of another 7 percent of the respondents. The cheap and inexpensive alternatives that the fast food restaurants offer to the customers have hit the right chord for 5 percent of the sample. Proximity of QSR and family and peer pressure force enable 6 percent and 5 percent of the respondents respectively to choose such food.

The accessibility of fast food restaurant as one such outlet is near their place is the reason for preferring this relatively unhealthy diet by only 6 percent of the respondents. Considering the reasons for the preference, males and females seem to be same more or less. The variables gender and reasons for preference variables are independent. They eat at fast food joints to step away from their routine, enjoy the meal with friends and family and for the convenience of fast service. Men seem to succumb to peer pressure (7 percent of them) while opting for fast food. As per the usual expectations and ideology, the 18-30 year old respondents do so to take time out with their friends as well as family, eat something different and the quick service attribute that truly caters to their restless and on the move lifestyles. Economy is also a consideration for this age group. Having different food and enjoying family time also appeal to the other age groups, but the respondents in their 30s prefer to have fast food during special occasions, both officially and personally.

### 8. FACTOR ANALYSIS

Factor analysis is conducted in order to reveal the precedence of ranked attributes. These are the attributes of the restaurant and the convenience factors that influence the consumer decision making in choosing a fast food restaurant. Factor analysis is a multi-step procedure. The first step is to formulate a problem. The objective presently is to seek the underlying factors that consumers consider while deciding on which fast food restaurant to visit. The consumers were asked to rank the factors under this question from 1 to 12.

- A1 Based on my Mood
- A2 Based on the Price
- A3 Locality (in a mall/cinema/park/beach)
- A4 Favorite Dish
- A5 Proximity to my place
- A6 Payment Convenience
- A7 Local Cuisine Availability
- A8 Home Cuisine Availability
- A9 Availability of Healthy Choices
- A10 Preferences of Children
- A11 Friends' Suggestions
- A12 Open for Long Hours/Round the clock

The factor pattern matrix expresses the attributes in terms of factors and their coefficients or loaded factors represent the correlation between the attribute and the factor. The table below shows the factor pattern matrix. This matrix depicts the attributes that are significant under each factor. But, this factor pattern matrix cannot express the significance of factors completely, as each factor is correlated with many attributes. So, the matrix is rotated to make it easily interpretable.

Table 5 Attributes of Respondents

ATTRIBUTES	FACTOR	
	1	2
Based on my Mood	.676	-.497
Based on the Price	.492	.455
Locality(in a mall/cinema/park/beach)	.720	-.185
Favorite Dish	.703	-.475
Proximity to my place	.820	-.090
Payment Convenience	.690	.304
Local Cuisine Availability	.640	.528
Home Cuisine Availability	.662	.539
Availability of Healthy Choices	.706	-.105
Preferences of Children	.551	.155
Friends' Suggestions	.698	-.163
Open for Long Hours/Round the clock	.790	-.189

Interpreting the factors is the final step. Attributes with high coefficients on each factor are considered to name the factor. On factor 1, the mood of the respondent, his favorite dish and convenience of round the clock

availability have high coefficients. So, this factor might be named as the personal interests and suitability factor. On factor 2, home and local cuisine availability are having large coefficients. So, this factor might be named as the cuisine availability factor. So, the choice of a fast food restaurant is a function of personal interest and suitability factor and cuisine availability factor. These are the influential factors in deciding on which QSR to visit.

**Table 6 Correlation Matrix**

	A1	A2	A3	A4	A5	A6	A7	A8	A9	A10	A11	A12
A1	1	.1	.56	.65	.55	.27	.25	.27	.49	.28	.44	.55
A2	.1	1	.31	.25	.32	.56	.31	.4	.22	.25	.28	.26
A3	.56	.31	1	.47	.67	.4	.33	.35	.47	.32	.22	.25
A4	.55	.27	.25	1	.37	.65	.55	.27	.27	.25	.27	.31
A5	.32	.25	.31	.25	1	.31	.4	.22	.23	.26	.4	.22
A6	.22	.25	.28	.31	.25	1	.25	.32	.56	.31	.23	.27
A7	.27	.49	.28	.44	.27	.21	1	.31	.25	.23	.26	.25
A8	.56	.25	.27	.49	.23	.22	.31	1	.22	.25	.31	.23
A9	.31	.23	.27	.25	.31	.4	.22	.31	1	.27	.49	.23
A10	.23	.25	.28	.31	.25	.27	.21	.25	.21	1	.26	.27
A11	.25	.32	.56	.25	.27	.49	.28	.44	.27	.25	1	.28
A12	.22	.25	.27	.4	.21	.27	.28	.31	.25	.27	.49	1

## 9. FINDINGS AND RESULTS

The discussion and conclusion part of research study is discussed in this chapter. In first part of the chapter discussion about the study is described and second part consists of conclusion, limitations and direction for future research.

### 9.1 GENDER AND FAST FOOD

Gender has a significant influence on the fast food consumption behavior. Even their favorite restaurant is Subway, as it positions itself as offering healthy menu. Maximizing the opportunities presented by these characteristics, the players in fast food restaurants might plan for ladies-special days or ladies-special take away counters or special healthy and nutritional items. Though the preferences of children are given due importance, the emphasis of every mother would be on nutritious options.

The choice of fast food restaurant is significantly related to the gender of the respondents. Men and women choose the restaurant depending on their mood, their favorite dishes or the nearness of the outlet to their place. Location of the restaurant and accessibility round the clock are the next priorities for men. Preferences of children and availability of healthy choices help women choose a fast food restaurant. Both the groups are not price sensitive as it is rated the least by them.

### 9.2 AGE AND FAST FOOD

The age group to which the respondent belongs and the attributes that they give precedence while selecting a fast food restaurant are significantly related according to the chi-square test. Respondent's mood, proximity and availability of favorite dish are top-rated by 18-30 year olds as well as those in 31-40 year age bracket. Price and peer suggestions are of least importance to the former while price and cuisine are ranked low by the latter. Locality, proximity and nutritional aspects carry high weight age for the respondents in 41-60 years age group and the cuisine and their mood carry least priority. Coming to the favorite fast food restaurant, the variable is significantly related to the age group, as per the chi-square test.

### 9.3 EDUCATION AND FAST FOOD

High-school qualified respondents prefer takeaway and home-delivery equally (28.6 percent each), while take-away is chosen by more than 40 percent of the graduates and 36 percent of post-graduates. Half of the PhD and professionally educated respondents go with dine-in option. Burgers and sandwiches are the choices of high school qualified, graduate, and post-graduate and PhD or professional respondents. 21 percent of post-graduates also look forward to having meat and 15 percent for pizzas, when they visit fast food restaurant. McDonalds (28.6 percent) and Hardees (28.6 percent) are the QSRs for which high school qualified respondent's vote, while graduates, post-graduates and professionals vote for McDonalds, KFC and Subway. High-school qualified respondents and post-graduates select their fast food restaurant on the basis of their mood and price. Locality and proximity come next. Mood and locality are the considerations for graduates, while preferences of children occupy the top spot for the professionals and doctorate holders.



#### **9.4 MARITAL STATUS AND FAST FOOD**

Marital status and mode of having fast food are found to be significantly associated with each other, as per the calculated chi-square statistic for independence. Married (49.1%) and single (29.5%) respondents like to take-away, while 75 percent of other respondents like to dine-in. Marital status of the respondents is found to be independent of their rate of fast food consumption. Respondents who are single seem to have high appetite fast foods, as at least 85

percent of them have fast food weekly and 80 percent of those munching fast food more than 3 times a week belong to this status. Personal moods and the inclinations of children influence the single and married respondents, while choosing on which restaurant to visit. Availability of healthy choices and proximity of the restaurant are given high importance by the rest of the respondents. Notable relationship exists between the marital status of respondents and their favorite fast food.

#### **10. CONCLUSION:**

It is concluded that fast food consumption is increasing day by day, during the survey it was computed that people prefer to get convenience food that they can just take away from drive thru, Multan is a mass market there people are divided into two major entities, as either people belong to elite class or either from low class now, middle class is not of large population size, whereas majority of middle class and Upper class people is in Lahore. People who focused to go outside and visit different fast food centers as well as fine dining had usually priorities for good taste, but prefer fast food just due to its convenience and good taste as well. College students and employed people had been fonder of fast food, as they had short timed schedules and prefer it due to its convenience; on the other hand usually college students and other people don't understand or blame fast food centers for increasing obesity.

In this study it is analyzed that consumers in the today's market are more fascinated to western culture and increase in the facilities offered by fast food services driving the growth of the industry. The frequency of visiting the fast food outlets relates with the ages of the consumers as well as the income affects the spending habits of an individual. Multan is the city having very little places of hang out and parties have become status symbol in today's dynamic culture. Whereas young adults having lesser amount of money in the form of their pocket money moves to the fast food outlets which are significantly boosting the market value of fast food industry. The second side of the coin is been surveyed and found out that fast food items damaging human health and may lead to obesity, excess fat and serious diseases. Respondents are of the opinion that the fast food industry should involve the practice of using the healthy and nutritious food items.

#### **11. PRACTICAL IMPLICATION**

The findings of this study leads towards many important practical implications. The Food Industry has tremendous potential in the Pakistani market. The Pakistani fast food market is growing rapidly. Globally the top brands like McDonald's, KFC, Pizza Hut and Subway are the fast food restaurants that are most preferred. Majority of the fast food restaurants have a strong foothold and have made their presence very prominent and visible in the country and they portray a very high and appreciable growth of the Sector. The changing consumer preferences, shifting lifestyles and presence of multinational chains have further facilitated and triggered fast food consumption in Pakistan. The results of this research also indicate the dominance of multinationals, this is because these chains have resorted to market led approaches and transformed their menus in order to satisfy consumer needs. Fast food which provides the customer with a huge variety of gastronomic preferences to choose from has brought multiple manifolds in the Fast Food Industry. Pakistani cuisine has adequate diversity, with different Cultures prevailing and each with a different delicacy of food, which is made easily available less than one roof in the Fast food restaurants.

These results suggest that low-income cities have increased exposure to fast food. Whether increased availability of fast food promotes consumption is not the subject of this study. However, theoretically, more convenient access to fast food coupled with the decreased availability of healthy food in low-income neighborhoods may increase consumption of unhealthy foods. Evidence also suggests that low-income individuals do consume more fast food and unhealthy food. According to a British study, lower socio economic groups had diets with less vegetables and fruit, and more meat products, fats, and sugars compared to higher socioeconomic groups. One explanation for these findings is that restaurants and stores adapt their selection to the food preferences of individuals living nearby. Therefore, they may not offer healthy food options in low-income neighborhoods because their market research indicates that demand for such products is weak in those communities.

#### **12. RECOMMENDATIONS**

Based on what is shown and discussed above, it can be argued that the Fast food restaurants should do more to improve the nutritional quality of kids' meals and regular menu items. The more will be the use of nutritional

items in the food, the more it will enhance the goodwill of the industry as a contributor of health to the society. Development is not about growth of food outlets and altering food and eating behaviors that is at the price of consumer's health. As a matter of fact, the country where millions of people are under pressure for food, upper and upper-middle classes are becoming obese. Food is a means of life but it has become significant investment for business. Social dimensions of globalization of food business justify immediate attention that has been increasing global obesity.

Although Pakistan is considered to be a dawdler in technology and various other sectors, but one cannot deny the exceptional growth and the potential that fast food industry inherits in Pakistan. Not only its development can contribute towards macroeconomic stability but also, latent needs of the consumers can be met. It is recommended that for success and rapid growth the Formats of fast food restaurants these days must consider:

- Prime Locations in residential areas
- Restaurants which can be maintained with ease
- Separate counters for each kind of Fast food
- Not much of waiting time
- Home delivery options
- Wash basin and Drinking water facilities
- Cash counters which give away coupons to the customers
- Quick Service
- Sufficient in quantity

Fast food has become a trend among various consumers, but a proportion of them still do not appreciate it. Health considerations of these abstainers can be handled by adding more healthy choices in the menu or adding a nutritional touch to the items that are perceived unhealthy. Offering detailed menu, rather than restricting the offerings to few menu options, might help the QSRs to divert the attention of the seekers of other formats of restaurants. At the same time, the restaurants need to tackle with the view that fast food as a fad which would tarnish the public image of its patrons. Taste is a strong force that attracts the consumers. Concentrating on this aspect would make the new entrants into the business successful, as the advantage of brand image seems to be a mirage in Pakistan, as per the findings of the present study. Consumers also go by their favorite dish. So, it is important to collect feedback from the consumers regarding this, so that the cravings of majority of the consumers are kept satisfied. Change is the factor that the consumers look forward to, when they visit a fast food restaurant. So, boring them with the same old menu would be a bad option. The joints should keep their menu novel and dynamic; so that the tastes of consumers are satisfied mother would be on nutritious options..

## References

- Alexander, J. (2009, December 18). The unlikely origin of fish and chips. *BBC News*. Retrieved from <http://news.bbc.co.uk/2/hi/8419026.stm>
- Arefi and Meyers (2003). "The Effect of Fast - Food Availability on Obesity: An Analysis by Gender, Race and Residential Location". *American Journal of Agricultural Economics* 92(4): 1149–1164.
- Awan, A.G.et al (2015) " An Empirical analysis to measure the relationship between trust,commitment and service quality of customers in the banking sector of southern Punjab-Pakistan" *Science International*, Vol 27 (4):3529-3535.
- A.G.Awan and Imran (2015) "Factors Affecting Food Price Inflation in Pakistan" *ABC Journal of Advanced Research* Vol 4(1) 74-88.
- A.G.Awan and Atteqa Aslam (2015) "Impact of Agriculture Productivity on Economic Growth: A case study of Pakistan", *Industrial Engineering Letters*, vol 5 (7).
- A.G.Awan and Syeda Zuriatul Zahra (2014). " Impact of Innovation on Consumers' behavior: A case study of Pak Electron Ltd" *European Journal of Business and Innovation Research* Vol.2 (6): 93-108.
- A.G.Awan & Mueenuddin (2015) "The Impact of Foreign Aid on Pakistan's Economy" *Science International* Vol 27 (4) : 3455-3459.
- A.G.Awan (2014) "Changing World Economic Scenario" LAP Publishing Academy, 1st Edition,pp: 180.
- Ayesha and Munazza (2012). Consumer behaviour towards fastfood. *Pakistan Journal of Food Science*, 12(3-4), 71-75.
- Borade, G. (2012, March 17). *History of the fast food industry*. Retrieved from <http://www.buzzle.com/articles/history-of-the-fast-food-industry.html>
- Cullen, P. (1994), "Time, tastes and technology: the economic revolution of eating out", *British Food Journal*, Vol. 96 No. 10, pp. 4-6
- Cox and Foster (1985). *Understanding social problems*. Belmont: Wadsworth Cengage Learning.
- Chandon (2007) The heterogeneity of the cigarette priceeffect on body mass index. *Journal of Health Economics* 31:5, 719-729.

- Eales, J., Binkley, J. K., & Jekanowski, M. D. (2001). Convenience, accessibility, and the demand for fast food. *Journal of Agricultural and Resource Economics*, 26(1), 58-74.
- Esterik, P. V. (2008). *Food culture in southeast asia*. Westport, CT: Greenwood Press.
- Fanning, J., Marsh, T., & Steigert, K. (2005). *Determinants of fast food consumption*. Unpublished manuscript, Food System Research Group, University of Wisconsin, Madison
- Glanz, K., Basil, M., Maibach, E., Goldberg, J., & Snyder, D. (1998). Why americans eat what they do. *Journal of the American Dietetic Association*, 98(10), 1118-1126.
- Goyal, A. and Singh, N.P. (2007), "Consumer perception about fast food in India: an exploratory Study", *British Food Journal*, Vol. 109 No. 2, pp. 182- 187.
- Hall, J. B., Reynolds, K., Shakib, S., Spruijt-Metz, D., & Sun, P. (2011). Acculturation, physical activity, and fast-food consumption among asian-american and hispanic adolescents. *Journal of Community Health*, 29(6), 467-481.
- Heidal (2012). Calorie Posting in Chain Restaurants. *American Economic Journal: Economic Policy* 3:1, 91-128.
- Huang, J. and Howarth, B. (1996), "Structural changes in the demand for food in Asia", December 1996, 2020 Vision Brief 41.
- Jason (2004). Regional price differences and food consumption frequency among elementary school children. *Public Health*, 125(3), 136-141.
- Jekanowski (1999), "Food shopping and preparation: psychographic differences of working wives and housewives", *Journal of Consumer Research*, Vol. 12 No. 1, pp. 110-13.
- Kant and Graubard (2004). *Quick service restaurants, franchising, and multi-unit chain management*. Bringhampton: The Haworth Hospitality Press.
- Keynote, M., Brunner, T. A., & van der Horst, K. (2003). Fast food and take-away food consumption are associated with different lifestyle characteristics. *Journal of Human Nutrition and Dietetics*, 24(6), 596-602.
- Khan, M. (2007). *Consumer behaviour*. New Delhi: New Age International. Laher, I., & Badran, M. (2011). Obesity in arabic-speaking countries. *Journal of Obesity*.
- Louviere, J.J., "Using discrete choice experiments and multinomial log it choice models to forecast trial in a competitive retail environment: a fast food restaurant illustration", *Journal of Retailing*, Vol. 60 No. 4, 1984, pp. 81-107.
- Manchester (2010). The biasing health halos of fast-food restaurant health claims: Lower calorie estimates and higher side-dish consumption intentions. *Journal of Consumer Research Inc.*, 34(Oct), 301-314.
- MarketLine. (2012). *Fast food: Global industry guide*. Ireland: Research and Markets. Retrieved from [http://www.researchandmarkets.com/reports/564112/fast\\_food\\_global\\_industry\\_guide](http://www.researchandmarkets.com/reports/564112/fast_food_global_industry_guide)
- Minalkashyap, Vijayabaskar, Dr Sundaram N. (2013), "A market Study on key determinants of ready to eat/cook products with respect to tier-i cities in southern India, *Indian Food Journal*, Vol. 2, pp. 168 - 170
- McNeal, J.U., Stem, D.E. Jr. and Nelson, C.S. (1980), "Consumers' nutritional ratings of fast food meals", *Journal of Consumer Affairs*, Vol. 14 No. 1, pp. 165-79.
- Miller, K.E. and Ginter, J.L., "An investigation of situational variation in brand choice and attitude", *Journal of Marketing Research*, Vol. 16 No. 1, February 1979, pp. 111-13.
- Mooney (2012) Role of food prepared away from home in the American diet, 1977-78 versus 1994-96: changes and consequences. 140-50.
- Nelson, D.L. (1992), "A model of factors affecting consumer decision making regarding food products: a case study of United States and Japan", PhD thesis, Washington State University, Washington, DC.
- Nichanj, M. (2005), "Urbanities in India junk health, turn fast foodies", *Knight Ridder Tribune Business News*, 12 January, p. 1-19
- Pingali, Prabhu (2004). "Westernization of Asian Diets and the transformation of food systems: Implications for science and technology", forthcoming FAO.
- Pizam, A. (2010). *International encyclopedia of hospitality management*. (2nd ed.). Burlington: Elsevier Ltd.
- Sara and Rami (2013), "Television viewing and fast food intake of American and Japanese college students", *Nutrition & Food Science*, Vol. 40 No. 2, pp. 204-8.
- Ritzer, G. (2001). *Explorations in the sociology of consumption: Fast food, credit cards and casinos*. London: Sage Publications.
- Regmi, A. and Dyck, J. "Effects of Urbanization on Global Food Demand" USDA FAS, WRS-01-1.
- Ragavan, P. (2003), "Food in a globalised world – a cultural perspective", *Journal of International University Centre, I.I.A.S. Shimla*, Vol. 10 No. 1, pp. 143-56.
- Roberts, M.L. and Wortzel, L.H. (1979), "New life-style determinants of women's food shopping behavior", *Journal of Marketing*, Vol. 43 No. 3, pp. 28-39.
- Schossler, E. (1999), *Fast Food Nation*, Houghton Mifflin, New York, NY.
- Sipahi, S. (2010). Expanding operations in fast-food industry under uncertain market conditions. *International*

- Journal of Trade, Economics and Finance*, 1(1), 74-79.
- Smith, A. F. (2006). *Encyclopedia of junk food and fast food*. Westport: Greenwood Press.
- Statista. (2011). *Brand value of the 10 most valuable fast food brands worldwide in 2011 (in million u.s. dollars)*. Retrieved from <http://www.statista.com/statistics/187023/values-of-the-most-valuable-brand-fast-food-brands-worldwide-in-2011>.
- Susan (1992). School environment factors were associated with BMI among adolescents in Xi'an City, China. *BMC Public Health* 11:1, 792.
- Talen , David A. Matsa. (2000). Are Restaurants Really Supersizing America? *American Economic Journal: Applied Economics* 3:1, 152-188.
- Traill, B. (1994), *New Food Consumption Patterns and Product Quality in Europe and Adaptation of Agricultural Production*, Food and Agriculture Organization of the United Nations, Rome.
- Vanniarajan. T. (2009) "A tool for measuring Service Quality in Restaurants" *Journal of Marketing & Communications*, 4:3, pp. 176- 178
- Wilson, Y., Chen, X., Powell, L. M., & Beydoun, M. A. (2006). Food prices are associated with dietary quality, fast food consumption, and body mass index among u.s. children and adolescents. *American Society for Nutrition*, 141(2), 304-311.
- Wilk, T., & Towers, B. (2006). Introduction. In T. Royle & B. Towers (Eds.), *Labour Relations in the Global Fast Food Industry* London
- Wood, W., & Neal, D. (2009). The habitual consumer. *Journal of Consumer Psychology*, 19(4), 579-592.

The IISTE is a pioneer in the Open-Access hosting service and academic event management. The aim of the firm is Accelerating Global Knowledge Sharing.

More information about the firm can be found on the homepage:

<http://www.iiste.org>

### CALL FOR JOURNAL PAPERS

There are more than 30 peer-reviewed academic journals hosted under the hosting platform.

**Prospective authors of journals can find the submission instruction on the following page:** <http://www.iiste.org/journals/> All the journals articles are available online to the readers all over the world without financial, legal, or technical barriers other than those inseparable from gaining access to the internet itself. Paper version of the journals is also available upon request of readers and authors.

### MORE RESOURCES

Book publication information: <http://www.iiste.org/book/>

Academic conference: <http://www.iiste.org/conference/upcoming-conferences-call-for-paper/>

### IISTE Knowledge Sharing Partners

EBSCO, Index Copernicus, Ulrich's Periodicals Directory, JournalTOCS, PKP Open Archives Harvester, Bielefeld Academic Search Engine, Elektronische Zeitschriftenbibliothek EZB, Open J-Gate, OCLC WorldCat, Universe Digital Library , NewJour, Google Scholar

