

“A Comparative Study On Consumer Behavior Towards KFC And Mcdonald’s In Kalinga University”

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ABSTRACT

In this study we are going to determine the different preferences of people when it comes to fast foods , specifically KFC and Mcdonalds since these are the two fast food companies we are trying to compare . A survey will be conducted to get different people’s opinions in terms of taste and others . Which one tastes better and is healthier, KFC or Mcdonald’s ? Which is of good quality and has a good restaurant environment ? Availability of product and staff behavior ? Price of product , delivery and finally the value of money . Whether or not the product is worth the amount it is being sold for .

INTRODUCTION

A Franchise is a business where independent entrepreneurs use the rights to a larger company's business name, logo, and products to operate an individual employment. **KFC & McDonald’s** are examples of Franchise businesses in the food industry. **McDonald’s** corporation has a stock price of about 241.58USD while **KFC’s** stock price as of today is 1841 JPY . Over the weekends in most people's neighborhood malls, you typically end up eating a lot of fast food. McDonald's and KFC are absolute favorites when it comes to both kids and adults . Healthwise considering the number of calories, burgers at McDonald's are

healthier than ones at KFC but it is not the case with the French fries, where KFC serves healthier fries when compared to a small serving of fries at McDonald's. The USP of KFC is the Hot 'N' Crispy Chicken, which has only 246 calories which is a healthier option over their popcorn chicken which has 273 calories . In this research we are going to study the health factors associated with the consumption of both KFC and McDonald's and people's different preferences .

AIM AND OBJECTIVE OF THE STUDY

The aim and objective for this study is to settle the different preferences in wants , resources , geographic location , consumption and attributes to a buyer's lifestyle .Consumer needs satisfaction in terms of rational needs such as features , packages or price of a brand . Emotional needs like prestige , distinctiveness , style or the social reassurance of a brand . Service wise , we are talking about good perceived service quality like professionalism ; service provider's attitude and behavior , accessibility and flexibility , reliability and trustworthiness , and service recovery ; the service provider's willingness to correct mistakes as soon as they can . Also we will further discuss the servicescape , reputation and credibility . Can they be trusted by consumers ? And are the consumers comfortable in the environment related to the service process ?

1.4 LIMITATIONS

The quality of a product is how well a product does what it is supposed to do as defined by the consumer . People switch brands for various reasons of which some are mismatch between prices and value , poor customer service , and brand fatigue . Trends can be negative when associated with customer defection , or positive when it is associated with customer adoption and acquisition . Just like any other companies , KFC and McDonalds also have their weaknesses . Due to untrustworthy suppliers , KFC had been contracting suppliers who supplied contaminated poultry or were mistreating chicken , thus resulting in falling sales and damaged reputation . Meanwhile on the other hand , McDonald's customers wanted a more progressive restaurant experience than what they were currently being offered . McDonald's was slow to react to customers' changing tastes and needs which is not so good for business .

1.6 COMPANY PROFILE

I) KFC

KFC (also known as Kentucky Fried Chicken) is an American fast food restaurant chain founded by Colonel Harland Sanders , and is headquartered in Louisville . Kentucky specializes in fried chicken and is the world's second-largest restaurant chain (when measured by sales) after McDonald's, with 22,621 locations globally in 150 countries as of December 2019 . The chain is a subsidiary of Yum! Brands, a restaurant company that also owns the Pizza Hut, Taco Bell and WingStreet chains .

II) Mcdonald's

McDonald's is an American multinational fast food corporation, founded in 1940 as a restaurant operated by Richard and Maurice McDonald, in San Bernardino, California, United States. They renamed their business as a hamburger stand, and later turned the company into a franchise, with the Golden Arches logo being introduced in 1953 at a location in Phoenix, Arizona. In 1955, Ray Kroc, a businessman, joined the company as a franchise agent and proceeded to purchase the chain from the McDonald brothers. McDonald's had its previous headquarters in Oak Brook, Illinois, but moved its global headquarters to Chicago in June 2018.

REVIEW OF LITERATURE

Schlosser E. (2001) pointed out the most frequently reported reasons for eating at fast-food restaurants where fast food is quickly served. Laroche and Parsa (2000) found that people decide to choose fast food restaurants because they like the taste and prefer instant satisfaction of their taste buds. Fast food restaurants include a wide range of quick and fast service brands and take only a short period of time to serve. Consumers making their choice of brands in multi brand situations is one of least understood yet important phenomenon in the marketing of Quick Service Restaurant - Fast Food Restaurant. French SA et al, (2001) pointed out that visiting fast food restaurants is to spend time with family and friends. Drewnowski and Spectre, (2000) contends that one of the factors that influences consumption of fast food is by socio-economic status. There is a difference between people who have high income with people who have low income. Usually people with low economic status prefer roadside stalls which are inexpensive; hygiene is not a criterion for them (Tripathi, A. 2014).

Sandeep Singh Chib (2012), in his paper analyzed the customer satisfaction level related to KFC and McDonald. It aims at knowing which of the companies (KFC or McDonald) is doing better in terms of service quality and also to know which of the companies (KFC or McDonald) is having more overall customer satisfaction. The researchers have used a self-administered questionnaire which has two sections. First section comprises statements related to customer satisfaction, derived from Customer Satisfaction Questionnaire (CSQ-8, C. Clifford Attkisson 1979) and American Satisfaction Customer Index (ASCI, University of Michigan 1944). The second section comprises statements related to service quality, derived from SERVQUAL statements to collect primary data. The investigator has used ANOVA (Univariate), Descriptive Statistics, correlation and regression, KMO and Bartlett Test and Factor Analysis in order to achieve the research objective. The study reveals that KFC was having better service quality and overall customer satisfaction as compared to McDonald. This paper offers suggestions for adoption of customer satisfaction techniques pertaining to the Fast food Industry. Finally, the scope for further research also spelt out concisely

Vanishree, M, and Shanthi, L (2013), in their paper discussed customer awareness and satisfaction towards KFC in Coimbatore. The demand for ready-to-eat packaged food is also expected to record strong growth in the country. After the liberalization policy that came in force in 1991, fast food industry has grown in India as multinational fast food providers have set up their business either jointly with Indian partners or independently. In 1995, Kentucky Fried Chicken (KFC) also entered the Indian market and opened its outlet in Delhi. With changing lifestyle and aggressive marketing by fast food outlets, fast food is also becoming popular in small towns; therefore, success of existing fast food outlets and entry of more is inevitable. Hence, the researcher has chosen this area for the study. Tools like descriptive

analysis, chi square analysis and average rank analysis are tested to identify the awareness and satisfaction level of KFC customers.

Kinnarry Thakkar and Mrunmayee R.Thatte (2014), in their study attempted to study the consumer' perception about two important food franchises, McDonalds and KFC. The study is an explorative study based on primary data collected from 150 respondents in Thane city through a structured questionnaire. Various factors like variety of food items, quality, taste, ingredients etc. are analyzed to study consumer perception about food franchises. The study revealed that the price of the food items affect the frequency of visits to food outlets.

Research Methodology

The methods of research utilized in descriptive research are survey methods of all kinds, including comparative and correlational methods. In this research I am trying to determine consumer behaviour towards KFC and McDonald's by comparing the consumer preferences on services , price , taste , environment , location etc . The respondents are customers of KFC and McDonald's who are hostel students of Spicer Adventist University from different disciplines. This research aims to explore the different interests of both Vegetarian and non vegetarian consumers between the ages of 15 and 25.

Tools of Research

The primary data was collected using a google form survey. The results were presented, tabulated and analyzed using Microsoft excel and Microsoft word. Google search engine was essential in acquiring tips and literature on data modelling and analysis(Tripathi, A. 2019).

PRESENTATION AND ANALYSIS OF DATA

Demographic profile

The demographic profile of the respondents is as follows:

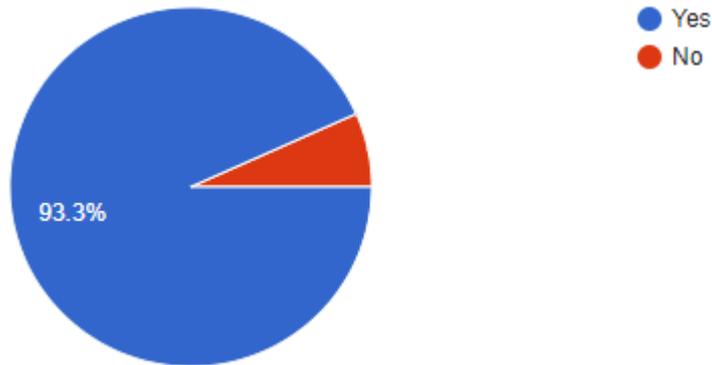
There are 30 respondents(half of each gender) to this research,63.3% percent of which are between the ages of 21 and 30. The educational profile shows that 80% of the respondents are students of which 73.3% are undergraduate students while 16.7% are pursuing their master's and 16.7% are working either in the public or private sector, 1% are self employed. A total of 65% has a monthly income of below Rs 10,000, while 20% have monthly income between Rs11,000 and Rs20,000, 15% have monthly salary above Rs20,000.A total of 28 of the respondents have been to either McDonalds and/or KFC

Awareness of the Brands

Table 4.1 Consumers of McDonalds & KFC in Kalinga university

Particulars	No of Respondents	Percentage(%)
Yes	28	93.3%
No	2	6.7%

Figure 4.1 Consumers of KFC & McDonalds, Kalinga university



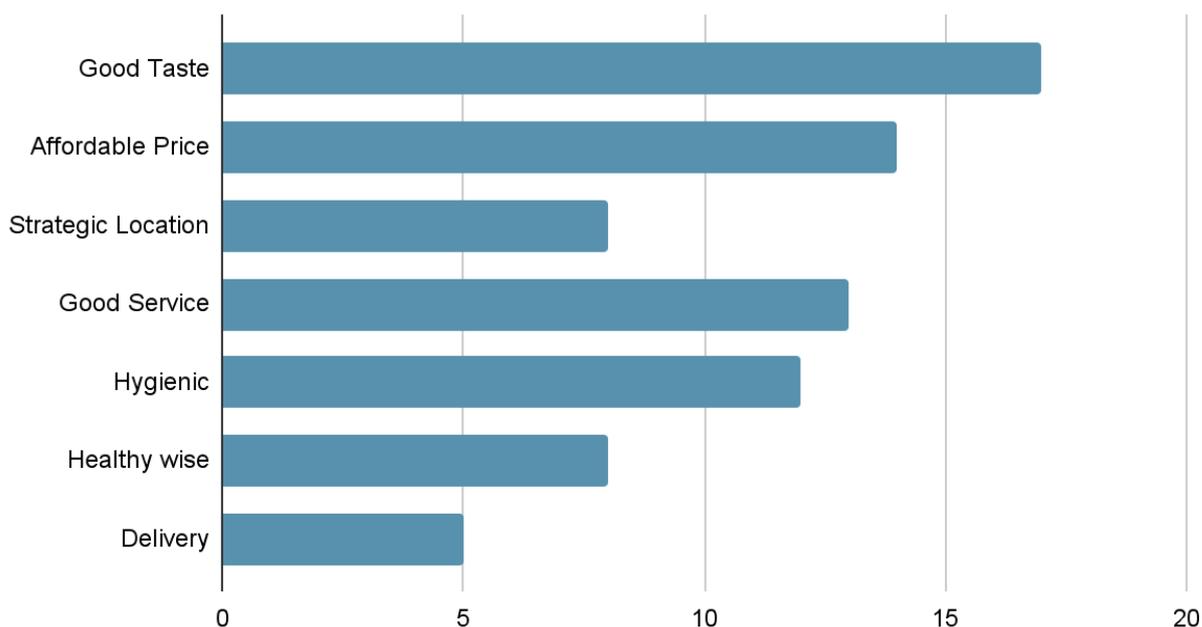
The above table and chart shows that 93.3% of the respondents have experienced either KFC or McDonalds and Only 6.7% have not used the service.

4.3 Consumers of the Product

Table 4.3 Reasons why consumers prefer KFC

Reason	No of Respondents	Percentage(%)
Good Taste	17	100%
Affordable price	14	82.5%
Strategic location	8	47%
Good customer service	13	76.5%
hygienic	12	70.5%
Healthy wise	8	47%
DelIvery	5	29.4%

Figure 4.3 Reasons why consumers prefer KFC

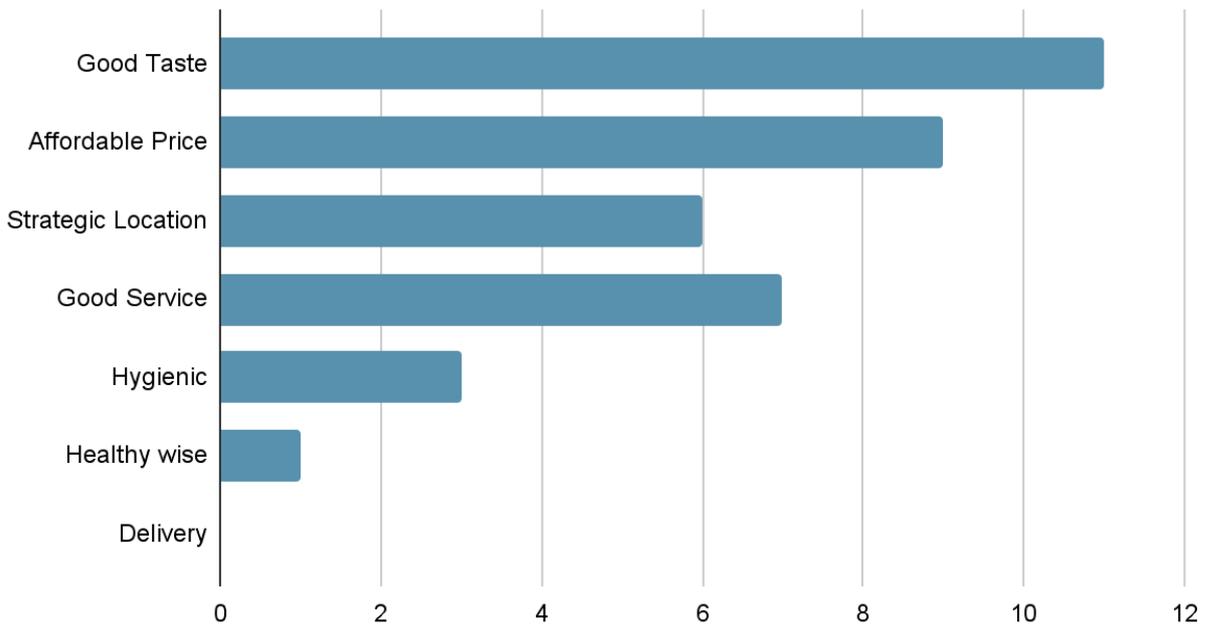


The table above and the bar chart shows that 100% of KFC Consumers prefer it because of Good Taste, 83% prefer it because of affordable prices for the meal, 76% prefer it because of good customer services and 70.5% prefer it because it is Hygienic. A relatively lower percentage(47%) of the consumers think KFC is good health wise, Equal percentage prefer it because of its strategic location. The delivery preference is low.

Table 4.4 Reasons why consumers prefer McDonalds.

Reason	No of Respondents	Percentage(%)
Good Taste	11	100%
Affordable price	9	81.8%
Strategic location	6	54.5%
Good customer service	7	63.6%
hygienic	3	27.2%
Healthy wise	1	9%
Delivery	0	-

Figure 4.4 Reasons why consumers prefer McDonald's

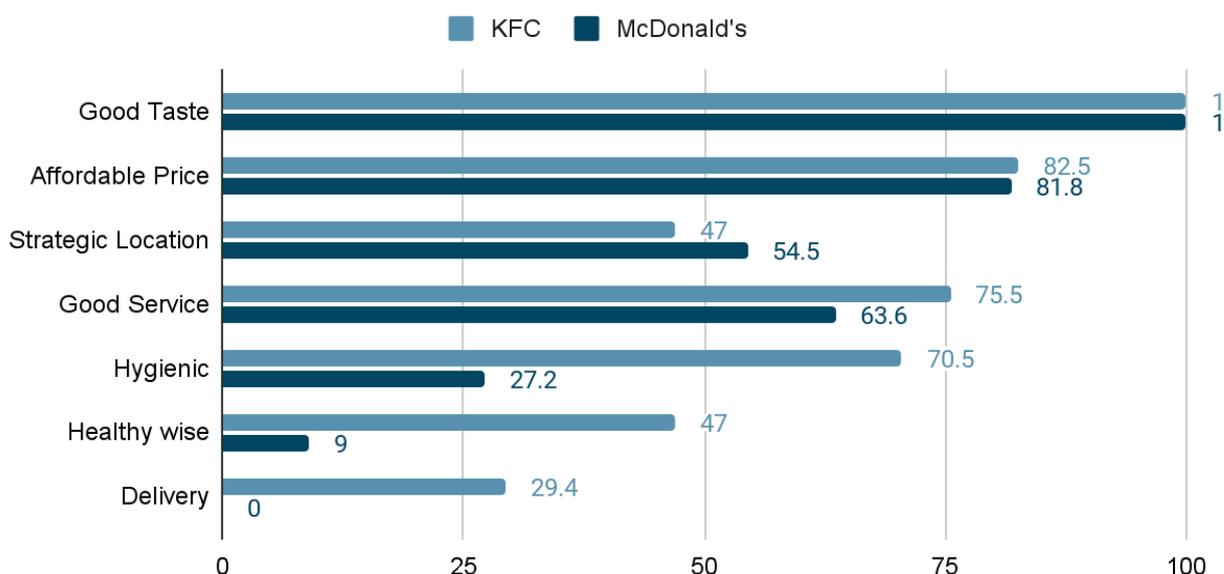


The table above and the bar chart shows that 100% of McDonald's Consumers prefer it because of Good Taste, 82% prefer it because of affordable prices for the meal, 63.6% prefer it because of good customer services and 27% prefer it because it is Hygienic. A relatively lower percentage (9%) of the consumers think McDonald's is good health wise, Equal percentage prefer it because of its strategic location. The delivery preference is low.

Table 4.5 Reasons why consumers prefer KFC to McDonald's

Reason	KFC(%)	McDonald's(%)
Good Taste	100%	100%
Affordable price	82.5%	81.8%
Strategic location	47%	54.5%
Good customer service	76.5%	63.6%
hygienic	70.5%	27.2%
Healthy wise	47%	9%
Delhivery	29.4%	-

Figure 4.5 Reasons why consumers prefer KFC vs why they prefer McDonald's in %



The table(4.5) and chart(4.5) above shows the comparison of reasons for preference between the consumers of each brand. Both brands are preferred for their good taste. The price preference is slightly lower for McDonalds. McDonalds seems to be slightly more strategically located than KFC as there is a small difference between the location preference. KFC is highly hygienic with preference of 71% of its consumers than McDonalds with only 27%. Consumers of KFC think that it is averagely healthier than McDonalds consumers think of their brand. KFC has delivery preference whilst McDonalds does not have.

4.4 Brand Preference

Table 4.2 Consumer general preferences.

Company	No of Respondents	Percentage(%)
KFC	17	60.7%
McDonalds	11	39.3%

The above table shows that 61% of the respondents generally prefer KFC whilst 39% of respondents generally prefer McDonald's for various reasons as we shall see later in this research.

FINDINGS, CONCLUSIONS AND RECOMMENDATION

5.1 Findings

A number of factors were used to assess the consumer behavior towards KFC and McDonalds. As shown on figure 4.5, Seven factors were used to assess the consumer behavior towards the two brands. It was noticed that both brands were preferred for their good taste. The price preference was slightly lower for McDonald's as most respondents claimed it was costly in the survey conducted. McDonald's seemed to be slightly more strategically located than KFC as there is a small difference in location preference. KFC is highly hygienic with a score of 71% of its consumers than McDonald's with only 27%. Consumers of KFC feel that it is averagely healthier than McDonald's and it has a delivery preference score higher than McDonald's.

The table and Chart in figure 4.3, shows that 100% of KFC consumers prefer it because of good taste, 83% because of affordable prices for the meal, 76% prefer it because of good customer service and 70.5% because it is hygienic with a clean eating environment. 47% consumers of KFC think it is good health wise and with the same percentage on strategic location, but with a low delivery preference.

On the other hand, McDonald's table and chart in figure 4.4, shows that consumers enjoy its good taste and 82% prefer it because of the affordable price for the meal, 63.6% enjoy the good customer services offered, 27% feel it has a hygienic and conducive environment. A relatively lower percentage of 9% consumers think it is good health wise and has a strategic location with a low delivery preference.

The table in figure 4.2, shows that 61% of the respondents generally prefer KFC while 39% of the respondents prefer McDonald's for reasons as seen above.

5.2 CONCLUSIONS

The study was accomplished to explore consumer behaviour towards KFC and McDonald's in Kalinga university. The pricing influences consumer attitude towards the products or services being offered. A clean and hygienic eating environment also determines whether or not customers would like to continue with your services. Good customer service is yet another important factor as no one would enjoy a nice meal from rude or uncaring service providers.

To conclude, the location also plays a part in how often customers engage in your services while considering whether or not the food is healthy and good for the body despite the number of times consumed in a week or month. For consumers who can not manage to personally visit KFC or McDonald's on a regular basis, the delivery aspect comes in. How fast is the food delivered, is the food still warm on delivery and in good condition to be consumed, is it worth the amount and time?

These and many other reasons are considered by consumers before making the purchase, so both the food companies KFC and McDonald's should ensure customer needs and standards are met.

RECOMMENDATIONS FOR FURTHER RESEARCH

Further research can be done to study preferences towards consumer behaviour in KFC and McDonald's food services. A study can be done to measure the ever changing behaviour and attitude of consumers towards the two brands and what changes to be made for continuous customer satisfaction.

Research can also be conducted to see consumer behaviour towards other industries that are not related to the present scope.

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