

Factors Effecting Brand Preferences: A Comparative Study of McDonald's and KFC

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Abstract

The study was undertaken with an objective to identify factors affecting brand food products about two major food industries i.e. Mc-Donald's and Kentucky Fried Chicken (KFC). Factors included were taste and quality of product, price of product, delivery of product, availability of product, environment of restaurant, staff of behavior and value for money. A pre design questionnaire was used to collect relevant data about these two food industries in Islamabad and Rawalpindi areas (n=324). The study found that the product of KFC were relatively better as compared to that of Mc-Donald's in most of the traits studied especially in Taste and quality of food, price of product, staff behavior, delivery of product, and environment of the restaurant.

Key words: Brand Preference, McDonalds, KFC

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Restaurants are becoming an important part in an industry system, providing services to people away from home in the form of foods. In view of this many forms took place and one break through is fast food restaurants.

Fast food was a breakthrough from traditional catering method and standards fast food has their own benefits which their consumers perceive. Because of which they patronize their selection. Such benefits were rated on different variables shown in figure below. Perception regarding such benefits may be formed by word of mouth communication, exposure to promotion from restaurants, previous experiences and other sources perception may vary from culture to culture. Fact is that while forming marketing strategies one should be aware of consumer perception and preferences for fast food outlets and the basis of differences across the culture. Study considered two fast food restaurants by identifying certain benefits to look at what benefit most people would like to have and what make them to make a brand preference choice.

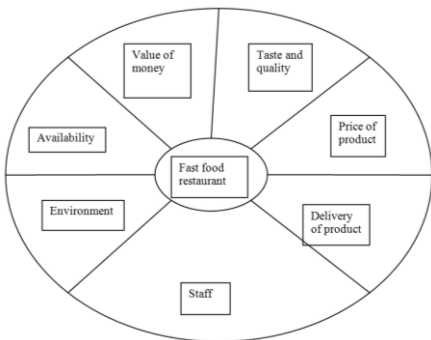


Figure 1. Factors effecting brand preference

Factors Affecting Brand Preferences (Fast Food Restaurants)

That implies that fast food restaurants image can be identified by such mentioned functional attributes of taste and quality, price of product, delivery of product, staff and the environment, availability and value for money. So consumer can develop image regardless of many other unidentified factors. Markets consist of number of buyers with the differences in wants, resources, geographic locations, consumption,

Attribute lifestyles and buying. According to Kotler (2009), The American Marketing Association defines brand as 'a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors'. Aaker (1995) defines a brand on different levels, stating that a brand is not merely the physical product, but is also composed of brand attributes, symbols, brand--consumer relationships, benefits of self-expression, consumer profiles, associations with the culture of the country of origin, and corporate identity. In essence, the brand provides a simple means for the consumer to distinguish it from its peers. Charlene R. (University of Twente, Netherlands) stated that 'A successful brand is an identifiable product, service, person or place augmented in such a way that the buyer or user perceives relevant, unique added values which match their needs most closely. Furthermore, its success results from being able to sustain these added values in the face of competition.' Successful brands deliver benefits to satisfy consumer needs. These needs include rational needs (such as features, packages or the price of a brand) and emotional needs (such as prestige, distinctiveness, style or the social reassurance of a brand).

Bhat and Reddy (1998) reported that brands have practical and Emblematic importance for consumers. Gottdeiner (1985); McCracken (1986) also found the emblematic importance, which is attached to brands, and is often broadcasted via the use and consumption of brands. Erickson, 1996; Mehta (1999) Previous research indicated that self image/self expression affect consumers' product preferences and their purchase intentions.

Parasuraman and Grewal (2000) added but, service is also a logical driver of perceived value. Parasuraman and Grewal (2000) studied for the reason that outstanding before/after sale services provided by the seller really increase the benefits obtained (the take factor) and also "decrease the buyer's non-monetary costs,

such as time, effort, and mental stress” (the give factor). Parasuraman and Grewal (2000) said consequently, consumer perceived value was composed of “service quality, product quality, and price”.

Based on a concrete background of empirical and conceptual research, Gronroos (2000) provided a list of The Seven Criteria of Good Perceived Service Quality: “professionalism and skills” (i.e., service providers have required knowledge to offer skills in order to solve consumers’ problems in a professional way), “attitudes and behavior” (i.e., service providers are considerate of/friendly to consumers), “accessibility and flexibility” (i.e., service providers are easy and adaptive for consumers to reach), “reliability and trustworthiness” (i.e., service providers are dependable and honorable), “service recovery” (i.e., service providers are willing to correct mistakes as soon as they can), “serviscape” (i.e., consumers feel comfortable in the environment related to the service process), “reputation and credibility” (i.e., service providers can be trusted by consumers).

According to Bearden, et al, (2001) Product quality refers to “how well a product does what it is supposed to do as defined by the consumer”. Gronroos (2000) quoted that, “A higher price level equals a better quality in the minds of consumers, especially when the service is highly intangible”. People switch brands for various reasons. According to (Graham Hankinson), there are two different types of brand switchers: promiscuous switchers and constrained switchers. Promiscuous switchers switch brands for a number of reasons. They may shop according to price and therefore buy whichever brand is on special at that particular point in time (Irwin, 2004).

Background of the study

The fast-food sector is now more global than ever and international fast-food consumption continues to increase in

popularity. Consumers usually form perceptions of fast-food outlets. These perceptions may be formed by word-of-mouth communication, exposure to promotion from fast-food restaurants, past personal experience and other sources. Some perceptions may even be incorrect; they may differ from country to country.

It is accepted that fast-food marketing strategies should have a sound understanding of consumers' perceptions of and preferences for fast-food outlets and how they differ across cultures/countries. Such understanding can be helpful in targeting countries/ cultures to promote fast food and improving or amending their restaurants' perceptions so that consumer demand can be increased. If countries/cultures differ widely in their perceptions of and preferences for a fast-food restaurant, promotional campaigns tailored to individual countries/cultures may be called for. For the purpose of this study, research questionnaire was prepared, to find out the relevant primary data pertaining to the functioning and working of both Mc-Donald's and KFC.

Fast-food restaurants have provided flexibility and comfort with reasonable prices. Their services are within the level that can satisfy consumers with various tastes, drives, and upbringing. Consumer satisfaction has been one of the measurable objectives of other service-oriented establishments. It is to the satisfaction of the consumer's needs that the business strives. Without the support of consumers and satisfaction of their wants, the existences of fast-food restaurants would be in jeopardy. Satisfied consumer would always go back to the same fast-food establishment where his wants and preferences were not merely met but also complemented.

Statement of the problem

The basic aim of this study was to foresee and get knowledge about the concept of brand preference which has taken

birth in the Pakistani context with a wide spectrum and range of brands now available across product categories to the Pakistani consumers. It aimed to study whether consumers can differentiate between brands or not and clearly measures the switching reasons across brands. The study provided a base for trend information on which subsequent quarterly results can be compared and examines differences between consumers with demographic characteristics. In this regard the different factors have been studied that help in selecting brands especially fast food restaurants.

Objectives of the study

- To identify the primary factors which contribute more in creating brand preference for product (fast food restaurant).
- To evaluate the impact of preference points that consumer perceived from product (fast food restaurant)

Scope of the study

The scope of this research was to know the Pakistani consumer perceive with respect to brand and the behavioral pattern exhibited with across product categories. It also aimed to examine whether there is a switching/shifting brand behavior exhibited? The results of this study cannot be used to reflect the delimited population as a whole. This study collected convenient samples from universities in Rawalpindi and Islamabad. Therefore, one cannot generalize the results of the study to the delimited population. This study can only reflect a specific and limited population's clothing marketing needs.

Research Hypotheses

H₁: There is difference between the KFC and Mc-Donald's consumer's preferences based on taste and quality.

H₂: There is difference between the KFC and Mc-Donald's consumer's preferences based on price of products.

H₃: There is difference between the KFC and Mc-Donald's consumer's preferences based on delivery of products.

H₄: There is difference between the KFC and Mc-Donald's consumer's preferences based on staff behavior.

H₅: There is difference between the KFC and Mc-Donald's consumer's preferences based on environment of restaurant.

H₆: There is difference between the KFC and Mc-Donald's consumer's preferences based on availability of product at restaurant.

H₇: There is difference between the KFC and Mc-Donald's consumer's preferences based on value for money of products.

Population and Sample Size

The population of this study was graduate, and post-graduate students enrolled in different programs, ranging in age/rank from freshman to senior, at universities in the Rawalpindi and Islamabad market. The sample size of the study was 324; convenience sampling method was used to collect data. The reasons for selecting the students are that students who enroll in programs may be considered reasonably important consumers of the selected category

Results and Discussion

Descriptive Analysis

Table 1

Demographical characteristics of respondents in Percentage

Variables	Frequency	Per cent
Gender		
Male	210	64.8%
Female	114	35.2%
Age		
Below 18	14	4.3%
18-20	100	30.9%
21-23	166	51.2%

23 & Above	44	13.6%
Pocket Money		
1000-1500 Rs/month	60	18.5%
1500-2000	68	21%
2000 & Above	196	60.5%
Education Level		
Intermediate	46	14.2%
Bachelors	184	56.8%
Masters & Above	94	29%

Table 2

Taste and quality of Products

	Mc-Donald's					K.F.C				
	1	2	3	4	5	1	2	3	4	5
Burger	36	50	108	94	36	30	42	102	88	62
Soft Drinks	22	62	118	84	38	18	56	102	88	60
Eatables	14	68	112	100	30	14	60	114	98	38
Deserts	20	64	70	122	48	38	68	90	80	48
Total	92	244	408	400	152	100	226	408	354	208

Note. 1=Unsatisfactory, 2= fair, 3= Good, 4= Very Good 5=Excellent.

Cell Values represent the number of observation

Taste and Quality of the Products are the first parameter asked from the respondents about products available at McDonalds and KFC. The questions about taste and the quality of the products were relating to Burgers, soft drinks, eatables and deserts.

Table 3

Prices of Product at Mc-Donald's and KFC

	Mc-Donald's					K.F.C				
	1	2	3	4	5	1	2	3	4	5
Burger	30	30	142	74	48	28	28	120	92	56
Drinks	10	40	130	98	46	6	36	134	88	60
Eatables	6	22	166	94	36	4	36	146	104	34
Deserts	12	54	124	104	30	14	30	126	98	56
Total	58	146	562	370	160	52	130	526	382	206

1=Cheap, 2=low, 3=Affordable, 4= High and 5=Expensive

Table 4
Delivery of Product at McDonald's and KFC

	Mc-Donald's					K.F.C				
	1	2	3	4	5	1	2	3	4	5
Order time	18	66	114	100	26	20	52	118	90	44
Delivery time	20	52	118	112	22	12	34	126	116	36
Order Method	14	44	120	120	26	18	20	120	128	38
Serving	20	52	116	102	34	24	24	122	102	52
Total	72	214	468	434	108	74	130	486	436	170

Note. 1=Very Slow, 2= Slow, 3= Reasonable, 4= Fast and 5= Very Fast

Table 5
Staff of McDonald's and KFC

	Mc-Donald's					K.F.C				
	1	2	3	4	5	1	2	3	4	5
Behavior	20	54	68	128	54	14	44	95	118	53
Manners	8	52	76	134	54	12	36	84	142	50
Helpfulness	16	52	92	118	46	14	30	96	132	52
Service	16	22	68	146	72	18	20	88	134	64
Total	60	180	304	526	226	58	130	363	526	219

Note. 1=Unsatisfactory, 2= Fair, 3= Acceptable, 4= Good and 5=Excellent

Table 6
Environment of McDonald's and KFC

	Mc-Donald's					K.F.C				
	1	2	3	4	5	1	2	3	4	5
Furniture and Décor	24	16	104	134	46	14	38	70	128	74
Color and Lighting	14	28	100	138	44	6	34	86	152	46
Comfort and Feel	14	32	88	140	50	16	32	86	140	50
Other	38	42	88	108	48	16	50	92	106	60
Total	90	118	380	520	188	52	154	334	526	230

Note. 1= Unacceptable, 2= Mediocre, 3= Acceptable, 4= Good and 5=Excellent

Table 7
Availability at Mc-Donald's and KFC

	Mc-Donald's					K.F.C				
	1	2	3	4	5	1	2	3	4	5
Burger	12	30	48	114	120	14	26	60	108	116
Drinks	6	34	52	106	126	12	32	68	90	122
Eatables	4	36	62	118	104	14	20	88	94	108
Desserts	16	26	74	112	96	26	24	70	94	110
Total	38	126	236	450	446	66	102	286	386	456

Note. 1=Never, 2= Rarely, 3= Often, 4= Mostly and 5=Always

Table 8
Value for money at Mc-Donald's and KFC

	McDonald's					K.F.C				
	1	2	3	4	5	1	2	3	4	5
Burger	14	30	114	134	32	28	52	72	104	68
Drinks	12	38	112	126	36	24	52	98	114	36
Eatables	4	28	136	124	32	10	56	108	98	52
Deserts	18	34	92	136	44	30	58	96	106	34
Total	48	130	454	520	144	92	218	374	422	190

Note. 1= V.Poor, 2= Poor, 3= Fair, 4= Good and 5=Excellent

Table 9
Overall Service at McDonald's and KFC

	McDonald's					K.F.C				
	1	2	3	4	5	1	2	3	4	5
Products	10	20	118	128	48	12	24	88	130	70
People	2	20	120	118	64	10	26	82	162	44
Environment	16	22	64	132	90	8	14	102	124	76
Overall Ratings	6	14	90	128	86	8	28	82	130	76
Total	34	76	392	506	288	38	92	354	546	266

Note. 1= V.Poor, 2= Poor, 3= Fair, 4= Good and 5=Excellent

Table 10

Mean of the factors affecting restaurant choices.

Factors Affecting Preferences	N	Mean of KFC	Mean of McDonald's
Taste and Quality	324	3.2716	3.2130
Price of Products	324	3.4321	3.3302
Delivery of products	324	3.3843	3.2670
Staff behavior	324	3.5602	3.5231
Environment	324	3.5617	3.4614
Availability	324	3.8210	3.8796
Value for Money	324	3.4174	3.4491

Observation of the mean tables showed the preference choices of the respondent based on different factors that factors do affect the restaurant choices. As per result all the values of mean are in favor of KFC but the two factors favored Mc-Donald's while selecting a restaurant choice that include Availability of product, value for money of product which clearly indicate that there are factors which contribute in selecting and making a preference regarding the restaurants.

If we look at the overall mean of both the restaurant in the following table our hypothesis will clearly be accepted for both the restaurants that factors really affected the preference of the brand for fast food restaurants.

Table 11

Mean of the fast food restaurants.

Fast food Restaurants	N	Mean
KFC	324	3.5167
Mc-Donald's	324	3.4884

So the mean of both the fast food restaurants is clearly justified the people choice of the restaurants that KFC got the mean of 3.5167 which is higher than the mean of Mc-Donald's mean that is 3.4884 so our hypothesis is in favor of KFC and the

result is concluded that KFC is over all a better restaurant then Mc-Donald's

Conclusion

- Both fast food restaurants have certain areas where they have been consistently performing well. These are essentially the strengths of the brand, Mc-Donald's & KFC need to capitalize on these strengths to increase their market share and brand loyalty. The main areas of excellence, based on the *Market Survey*, have been identified as follows:
- Mc-Donald's has a strong and clear brand image. Their consumers can easily identify and relate to the Mc-Donald's brand. These helps increase and maintain brand loyalty.
- According to the survey, Mc-Donald's received an excellent rating for the service and behavior of their staff. This is a huge advantage, especially in a service organization. Mc-Donald's must strive to keep this advantage.
- Another significant area of excellence is the availability of people desired food item from burger to deserts. Respondents to the survey, including who chose KFC as their choice of fast food restaurant, gave Mc-Donald's a near perfect rating for their availability.
- Mc-Donald's did great work in achieving this goal and it is a great accomplishment in itself because it increases consumer satisfaction and attracts more and more of them to increase market share and increase their brand value and the preference of them while selecting fast food restaurants.
- KFC got a high rating in the market survey, for the Taste & Quality of their products. If they work on this aspect, there is huge potential for them to attract consumers, just based on the taste and quality of products. This is also helped by

the fact that they are known as so specialist of fried chicken, and this provides an important base for future expansion and growth.

- KFC got slightly higher rating then Mc-Donald's although Mc-Donald's provide better environment overall but still people preferred KFC over Mc-Donald's which shows that people feel more relax at KFC while visiting.
- KFC is higher in rating for delivery of product either inside the restaurant or home delivery and also the serving method and delivery method which is convenient to the consumer in ordering and the processing of the order.
- Pricing it the second most higher rated preference factor by the respondent due to which they prefer KFC over Mc-Donald's and the another important reason for visiting it and consuming their product. So KFC can further increase and improve this factor in an advantage way to gain maximum market share.

Recommendations

Mc-Donald's

- My first recommendation is that Mc-Donald's have an extremely strong brand image, but they need to work hard on improving their consumer perception of being and expensive brand. Mc-Donald's and KFC have almost identical pricing, but the difference in product offering make its perception changed but Mc-Donald's is still perceived as the more expensive brand.
- That's why my second recommendation for Mc-Donald's is, to carry out a promotion campaign to ensure that their target market is well aware of their current low prices. This would help change consumer perception and turn Mc-Donald's into an affordable brand.
- Another backlash of having such a strong traditional brand image is that consumers have very high expectations of the

taste & quality of products. Mc-Donald's need to work hard on this aspect, especially for burger products and to introduce some local touch to the product t.

- Another recommendation is that Mc-Donald's should focus on delivery method and the process in term of time efficiency of serving them.
- With regard to the physical evidence associated with the brand, Mc-Donald's needs to do a lot of work if they hope to catch up with Mc-Donald's. My recommendation for Mc-Donald's is to come up with the decor at every outlet, wherever necessary advertising is taking place.
- On a smaller note: the Mc-Donald's delivery process should change, so that a order attendant delivers the food to the table. This may seem insignificant, but it can go a long way in improving consumer satisfaction.

KFC

- KFC has done extremely well so far to project itself as an affordable brand. But there are still certain areas where their brand needs to be much stronger.
- Although it might be an important source of revenue, long-term consumer perception of the brand isn't very positive so they must focus on improving their brand performance in term of its value and equity.
- Another recommendation is that KFC looks at its current recruitment, selection and most importantly, its current training policies as they are already good in it and this can be further improved to attract more potential consumers.
- Consumers are not satisfied with the value of product and for which they are paying so KFC should be more focused on value of the meal they are offering.
- And in the last KFC should be more concern about the availability of food items either burger or any other they should have it to satisfy their consumers.

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