Factors Influencing Consumer Behaviour: A Case of McDonald's

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ABSTRACT

The purpose of this research is to examine the elements that affect the behaviour of consumer in the fast-food industry (McDonald's). It also aims to investigate how McDonald's responds to alter environment and consumer behaviour. The effective recommendation will give after carried out the research. This is relevant to research on such topic as obesity and other health associated problems that currently facing have attracted public attention. As a global fast-food company, McDonald's has a strong vision of being the best fast-service dining experience in the world fast-food industry. Being the best means offering superior value of product and service in good quantity and quality so that every consumer satisfied with McDonald's. McDonald's believe that job satisfaction and motivation are one of the contributing factors to consumer behaviour of McDonald's. A quantitative approach was adopted and self-administered questionnaire survey was distributed to collect data from the consumer.

Keywords: Consumer Behaviour, Fast food, Health problems, McDonald's, Motivation

INTRODUCTION

Solomon, Bamossy, Askegaard, and Hogg, (2006, p. 27) stated that consumer behaviour can be a research of the method used when individuals or team select, consumed, use or remove of goods and services, opinion or experiences. Consumer behaviour subject on how individuals decide to use their resources they have such as time, money, and effort on aspects correlated with consumption. (Schiffman, O'Cass, Paladino, & Carlson, 2014, p4) That includes what, why, when, where and how they buy. For example, the things they buy, the reason they buy, the time they buy and the place they buy, how often

they buy it and use it, how they evaluate it after they purchase and also the impact of such evaluations on future purchases, and how they dispose it.

The current research aims to investigate the factors that influencing consumer behaviour of fast-food franchise, McDonald's. Consumers around the world are different from gender, age, income, taste, education level, culture. It imperative for marketers to make research on investigating what affects diverse consumers to choose among different products and services. The research about consumer preference and spending pattern in fast-food has done in India and the research conclusively showed that young consumer, professional and well educated preferred to consume fast-food due to good taste, influence by friends, relaxation received in fast-food restaurants (Prabhavathi, Kishore, & Kumar, 2014, p. 4). By learning the factors that influence consumer behaviour, marketers and management can learn and identify what affects consumer's choices, retain and attract new consumers by offering the product they like and suitable for them, hence increasing the sales and profit of the business. McDonald's growth depends on its popularity among the consumers and their behaviours depends upon different factors such as price, environment, quality of goods and services.

McDonald's was chosen to be our case study. McDonald's was an American fast-food corporation, the world's largest fast-food chain in the world that founded in year 1940, which owned by Richard and Maurice McDonald, in San Bernardino, California, United States. (The Editors of Encyclopaedia Britannica, 2020). The two brothers began the business 77 years ago with a small hamburger stand and called it "McDonald's Bar-B-Q". After that, they expand the business into a franchise, and introduced the McDonald's logo - the Golden Arches in 1953 at a location in Phoenix, Arizona. Ray Kroc, a businessman, joined McDonald's as a franchise agent in the year 1955 and decided to purchase the chain from the McDonald brothers. McDonald's original headquarters was in Oak Brook, Illinois. However, they moved their global headquarters to Chicago in early 2018.

Mission and vision statement are basic tools used in management for strategic planning on every organisation. Vision and missions are shared to employees so that they are able to learn, adopt and practice the statements set by company (Orhan, Erdoğan, & Durmaz, 2014, p. 252). The aim of brand mission is to answer three questions for every organization: what is our business? What should it be? Where do we want to be in the future? McDonald's brand mission is to be their customer's favourite spot and way to eat and drink. McDonald's is about a superior customer experience - people, products, places, prices and promotions. McDonald's wants this strategy to develop become the global strategy. McDonald's commits to constantly enhancing the experience of consumers, improving the operations by providing high quality food and outstanding service, in a clean and welcoming environment and at great value. McDonald's is committed to constantly enhance the efficiency of community at the same time.

Today, with approximately 36,000 outlets worldwide, McDonald's served over 69 million customers daily in over 119 countries. McDonald's is not only popular for beef hamburgers and French fries with soda drinks as a set meal, they also involved other menus such as chicken products, breakfast series and desserts. McDonald's also introduce different type of menu based on local's dietary cultures, they launched menu

such as rice-based dishes in Asia, vegetables-based patties burger in order to meet the vegetarian consumer needs in India. The revenues from the McDonald's Corporation revenues come from leases, royalties, and fees paid by franchisees, as well as profit of company-operated restaurants. McDonald's has opened up millions of job opportunities for the public and also hires young people to do part-time jobs, which help more people have job opportunities.

The public concerns of fast-food nutrient intakes affect McDonald's to reformulate their menu. McDonald's provides a variety of items on the menu such as salads, fish, prawn and fruit smoothies in the menu to fulfil the needs of its consumers by offering a great food experience for consumers and promoting a balance diet. The rise in consumption of fast food, in developed and developing nations, might have relevance to the childhood obesity epidemic (Ebbeling, Pawlak, & Ludwig, 2002, p. 476). The fast-food product contains high fat, high carbohydrates with high sugar drinks. Fast-food contains all the saturated and trans saturated fats which may increase the risk of cardiovascular disease), high glycaemic index (GI), high calories as it comes with large portion size. Fast foods are low fibre, micronutrients, and antioxidants does not provide daily essential nutrients to health.

McDonald's has taken action by providing healthier meal options for kid guest by adding milk and juices in Happy Meal since 2018 in the United States. McDonald's has set a goal in its Global Meals plan in partnership with Alliance which Happy Meals will be less caloric, free of artificial flavours and less quantity of preservatives by 2022 (Park, 2020). The reformulation of happy meal able to offer a balance meal proportion for kids with no worries on health. McDonald's will launch McPlant, the plant-based burger and chicken substitute burgers in 2021 after a success test with Beyond Meat, the Canadian restaurants. The McPlant series is delivered iconic taste of sandwich and it is made with plant-based patty and sesame seed bun with classic toppings.

McDonald's spends in technology on drive-through sales and digital offering, including rolling out digital self-order kiosk, developed delivery mobile apps "McDelivery" and cooperate with third party apps (Foodpanda) to retain loyal consumers and attract new consumers. Service providers, including fast-food industry, are increasing the use of self-service technologies to replace the traditional service delivery channels. Self-service technologies also including using online retail platforms such as QR pay, e-wallet which provide flexibility beyond traditional store opening hours. The self-service kiosk able to save time during order, more accurate order, enable to personalize own order and reduce the chances of mistaking order (Kokkinou & Cranage, 2013). Launching the food delivery service enables McDonald's to provide food to more customers beyond limitation in restaurants during peak time, hence maximizing their sales and profits. The acquisition of AI company enables Mc Donald's Corporation able to improve customer experience in personalization order as AI company is focused in the development of outdoor digital Drive-Thu menu displays and digital customer experienced touchpoints including self-order kiosk and McDonald's Global Mobile apps.

McDonald's has followed the rules and regulations when expanding franchise to every country. McDonald's follow 'halal' certification and standard in country such as Indonesia, Malaysia and Turkey as majorities are Muslim who practice the religion of Islam. The

world Halal (permissible) is taken from Al-Quran, verse 168 Surah Al-Baqarah. According to Shariah (Islamic) law, Halal is an Arabic word which means allowed, permitted, lawful, approved and legal. (Khattak et al.,2011, p385). The Halal certification will be given to the operation and manufacturer only when the basic principles and procedures that the products meet the conditions. Although the halal food may look same as other food, but the supply chain and the whole process of producing certain food product, from ingredients used to the end is approved and recommended by Islamic law. (Mustafa Halim & Saleh, 2012) McDonald's have committed and ensure that foods and restaurants are hygiene and is certified by halal certifications so that Muslim consumers able to consume their products with no worries.

In order to identify the factors of influencing consumer behaviour in relations to fast-food products (McDonald's), the consumer decision making process will be examined, in particular the psychological field that focusing specifically on consumers' attitudes towards McDonald's. Besides that, external factors such as social cultural environment, demographic environment and technological environment that have impact on consumer behaviour will also be investigated.

RESEARCH METHOD

Research method refers to the idea or method used to investigate. For example, qualitative, quantitative, or mixed-method that act as an approach in studies (Strijker, Bosworth, & Bouter, 2020). The research methodology is a general term used for the structured process of carrying out research. The research methodology defines the activity about how to proceed, how to measure progress, and also what constitutes success. In addition, when conducting different types of research, many different methodologies are also used at the same time such as research design, data gathering, and data analysis.

Next, a questionnaire is a research instrument that consists of questions for the purpose of getting information from respondents and it can be carried out in a few ways such as face to face, by telephone, or so on. The questionnaire can be classified as a quantitative method in research methodology. Through this questionnaire, we can collect data and understand well from consumers about their ideas, opinions, comments and it may help to solve our problems in this study. Questionnaires are one of the most suitable ways to gather information from consumers because they can provide a cheap, quick, and efficient way of obtaining large amounts of information from a large number of people. It also provides us with a wealth of human knowledge, helps us see everything in life from an objective perspective, cultivates criticism, judgment, and a positive and scientific attitude. The questionnaire also is a widely used tool to collect data to obtain the relevant information invalid manner. The validity of the questionnaire will explain how awesome the collected data covers the actual area of investigation. (Ghauri & Gronhaug, 2005). Through this questionnaire, we can collect data and understand well from consumers about their ideas, opinions, comments and it may help to solve our problems in this study.

In this study, we had chosen the questionnaire survey as a way to collect data. We conduct this questionnaire by distributing the google form to consumers to examine the factors influencing consumer behaviour of McDonald's. We have prepared 9 questions

that including the demographic, favourite menu and feeling towards McDonald's based on previous experience of respondent in the google form. Besides, we had chosen 3 different sample areas to let consumers fill in our google form. They are from India, Malaysia, and Indonesia. The sample size of this survey is 100 respondents to get a more accurate result. After that, we interpret the information by using SPSS and create graphs for further analysis.

RESULTS AND DISCUSSION

The questionnaire has been distributed to 100 respondents from three different countries which is Malaysia, India, and Indonesia. We have collected all the information from these 100 respondents and now the information will be interpreted by using SPSS. Tables below presents the results.

Table 1. Respondent Demography by Sex

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	43	43.0	43.0	43.0
	Female	57	57.0	57.0	100.0
	Total	100	100.0	100.0	

Table 1 shows the gender percentage of 100 respondents. Based on Table 1, there were 57 female respondents with 57% while the rest will be male. Number of respondents which is female was slightly more than number of respondents which is male.

Table 2. Respondent Demography by Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	10 to 20	16	16.0	16.0	16.0
	21 to 30	71	71.0	71.0	87.0
	31 to 40	11	11.0	11.0	98.0
	41 or above	2	2.0	2.0	100.0
	Total	100	100.0	100.0	

Table 2 shows the age percentage of 100 respondents. 71 respondents were at the age of 21 to 30, making it a percentage of 71% which was the highest among the four age groups. There are only 2 respondents out of 100 respondents which occupy 2% are at the age 41 or above. The other respondents were at the age of 21 to 40. This can be clearly shown that McDonald's is young teenagers' favourite all the time.

Table 3. **Visit Frequency**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not more than two times	40	40.0	40.0	40.0
	Three to five times	37	37.0	37.0	77.0
	Six to eight times	18	18.0	18.0	95.0
	Nine times or above	5	5.0	5.0	100.0
	Total	100	100.0	100.0	

Table 3 shows how often do the respondents visit to McDonald's in a month. It is clearly shown that most of the respondents which was 40 respondents representing 40% doesn't go for McDonald's more than two times in a month while 37 respondents representing 37% go to McDonald's for three to five times in a month. There were only a few parts of them go for six to eight times and nine times or above in a month. It can be explained that the respondents are very take good care of their health as most of them doesn't always eat fast food.

Table 4. Visiting Time

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Morning	11	11.0	11.0	11.0
	Afternoon	25	25.0	25.0	36.0
	Evening	28	28.0	28.0	64.0
	Night	36	36.0	36.0	100.0
	Total	100	100.0	100.0	

Table 4 shows what is the time respondents would like to visit McDonald's. The highest number of respondents which was 36 respondents representing 36% would like to visit at night. Morning had the least people which was only 11 respondents representing 11%. 25 respondents representing 25% visit at afternoon while 28 respondents representing 28% visit at evening. It showed that McDonald's will be more crowded at night time.

Table 5. Service Preference

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Eating in	26	26.0	26.0	26.0
	Take away	17	17.0	17.0	43.0
	Delivery	17	17.0	17.0	60.0
	Drive through	40	40.0	40.0	100.0
	Total	100	100.0	100.0	

Table 5 shows the percentage of respondents prefer way of eating service. 26 respondents representing 26% would like to eating in McDonald's. Take away and delivery had the same amount of respondent which was 17 respondents representing 17%. 40 respondents representing 40% would like to drive through McDonald's to get their food. This is because drive through is more convenient, they don't even need to find a parking and it is good to have less contact with people during this Covid-19 pandemic.

Table 6. Favourite Product

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Burger	41	41.0	41.0	41.0
	Fried Chicken	14	14.0	14.0	55.0
	French Fries	23	23.0	23.0	78.0
	Ice Cream	11	11.0	11.0	89.0
	Beverages	11	11.0	11.0	100.0
	Total	100	100.0	100.0	

Table 6 shows the most favourite product by the respondents. Burger had the highest amount which was 41 respondents representing 41%. There are almost half of them like Mc Donald's burger. 23 respondents which is 23% like French fries while fried chicken, ice cream and beverages had smaller number of respondents chose these as favourite.

Table 7. Preference Reasons

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Good taste of food	44	44.0	44.0	44.0
	Reasonable price	20	20.0	20.0	64.0
	Good service	12	12.0	12.0	76.0
	Convenient	24	24.0	24.0	100.0
	Total	100	100.0	100.0	

Table 7 shows percentage of respondents' reasons why choosing McDonald's. Most of them which were 44 respondents representing 44% thinks that Mc Donald's has good taste of food. 20 respondents which were 20% think Mc Donald's food is in a reasonable price range. 12 respondents which were 12% says that Mc Donald's has good service. 24 respondents which were 24% think that Mc Donald's is convenient.

Table 8. Meal Package Preference

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Super Value Meal	60	60.0	60.0	60.0
	Happy Meal	8	8.0	8.0	68.0

Family Meal	17	17.0	17.0	85.0
Other	15	15.0	15.0	100.0
Total	100	100.0	100.0	

Table 8 shows percentage of respondent on preferable type of promotion. 60 respondents representing 60% prefer the super value meal. Mc Donald's can come out more idea with Super Value Meal as most of them like it. Happy Meal was chosen by only 8 respondents representing 8%. The rest respondents chose family meal and other promotion as their favourite.

Table 9. McDonald's Service Rate

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	53	53.0	53.0	53.0
	Very good	28	28.0	28.0	81.0
	Average	17	17.0	17.0	98.0
	Poor	1	1.0	1.0	99.0
	Very poor	1	1.0	1.0	100.0
	Total	100	100.0	100.0	

Table 9 shows percentage of respondents' rating toward McDonald's service. More than half of them which were 53 respondents representing 53% said that their service is excellent. 28 respondents representing 28% said their service is very good and 17 respondents representing 17% think that their service is average. Only 1 respondent think that McDonald's service is poor and very poor respectively. Mc Donald's should do something to improve their service towards customer to make customer satisfied.

CONCLUSIONS

Based on the results of the research conclusions, the results show that factors such as Drive Through, Take Away, Delivery, Taste & Quality and Service are statistically proven influence consumer behaviour in choosing fast-food restaurants such as McDonald's. Therefore, these factors can be used as a reference in making various new strategies in enhancing the McDonald's brand name by carrying out various campaigns and good marketing, because every consumer has different attitudes and beliefs about a product that has a major impact on consumer behaviour.

Thus, there are several recommendations regarding improving the quality of the McDonald's brand name by innovating programs and products and services. In terms of service quality, McDonald's can add more counters in order to avoid long queues (Drive Through). Based on the results of the questionnaire, it shows that the most preferred product by consumers is burgers as much as 41% of the number of respondents, the strategy that must be taken by McDonald's is to be able to produce more burger products and innovate by producing various variants of burgers.

In maintaining or increasing the number of consumers, what needs to be done is to provide promo prices for consumers. Based on the results of the questionnaire shows that as many as 60% of the respondents like super value meal, McDonald's can come up with more ideas with super value meals because most consumers like them.

Recommendations for other researchers are that the research conducted in this study only reveals a small number of problems related to the factors that influence consumer behaviour in choosing fast-food restaurants at McDonald's. In this case, there are still many factors that can influence consumer behaviour, such as different consumer attitudes and beliefs that have a major impact on consumer behaviour that have not been disclosed in this study. For this reason, it is suggested to the next researchers who are interested in doing further research to make it even better.

The purpose of the current research is to analyse the factors influencing the customer behaviour of McDonald's. McDonald's is doing many things right, and they have created an impact on their brand and quality throughout the world. The above study clearly shows us the products and consumer preference are the critical factors that affect consumer behaviour. They have incorporated a wide range of strategies to make the brand name for McDonald's.

Consumer attitude toward McDonald's is based on knowledge about fast food. Most of the people choose fast-food only for cheap, service, quick and tasty reasons. From our research we found that most of the people have visited McDonald's once or twice a month; this shows that people are more health-conscious because of the perception that fast-food is unhealthy, fatty etc. Some other factors that play a significant role are conveniences, easy access and ready to eat food. Although we found that these factors affect consumer behaviour the most, we also strongly believe that every consumer has a different attitude and belief towards a product. These attitudes and beliefs have a significant impact on consumer behaviour. McDonald's has adopted the new technology by launching self-order kiosks and mobile apps at its outlets in the recent past. McDonald's admits that building customer relationships is the ultimate goal of all technology adoption. The goal of adopting technology is to provide customer satisfaction to the customer by giving what they want before they are even aware of their desire and ability to influence what in real-time, consumer order across the entire network of stores.

McDonald's is doing an excellent job in achieving their goal, and it is a great accomplishment in itself because it increases consumer satisfaction and attracts more and more of them to increase brand value and the preference of them in choosing fast-food restaurants.

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