Determinant of Consumers' Purchase Decision: A Case of Fast Food in Indonesian

Asepta Hendriyanto[1]

[1] Ph.D Program Marketing of Diponegoro University, Semarang

(aseptahendriyanto@yahoo.co.id)

Harry Soesanto[2]

2 Lecture of Economic and Business Faculty Diponegoro University, Indonesia

ABSTRACT

Fast food consumption spread out rapidly as the basic needs. Several studies have been devoted to understand the factors that encourage or discourage the adoption of acceptance of fast food but little research exits on fast food and health consciousness in purchase decision.

The purpose of this case study is to explore and study the determinants impacting Indonesian university students' fast food choice. The objective set for this research was conduct with the following objectives respectively getting an insight of fast food market in Indonesian and explore the attributes that Indonesian students in perceive to be important in the selection of fast food restaurants and the study results provide a better understanding about the industry and consumer food choice variables

The model and the design of the questionnaire content in this study was based on the measures of previous related research that has been developed and used in the present study has been shown to be a valid instrument for the measurement with three main factors (Health Consciousness, Food Safety and Price) toward with Purchase Decision. Moreover, we found significant positive relationship between the purchase decision and food safety, subsequently price and health conciousness with similar positive relationships. Hence we can say that managers have to keep these factors in mind to perform better.

Keywords: Students, Purchase Decision, Health Consciousness, Food Safety, Price.

1. Introduction

The decisions making of consumers are essential for marketing strategies. When firms are able to understand the decision making processes of consumers, they are able to proactively evaluate the efficacy of their marketing strategies in a given market.

Consumer behaviour research is crucial to marketers because it enables them to understand why people buy, so that they can effectively develop appropriate strategies that will to a large extent predict consumer buying behaviour in the marketplace. The knowledge the firm obtains from studying the behaviour of consumers enables them to be aware of issues such as why, when, where, and how consumers buy particular products.

In the fast food industry, the behaviour of consumers towards the menu items of a specific fast food firm eventually affects the profit and revenue of the firm. *and ideas."* Consumers all over the world exhibit varied taste and preferences for food, hence, it behoves on firms to understand the behaviour of consumers to enable them strategize to respond to the demands of the market and stay. The types of food served by fast food restaurants are plenty. There are

range from sandwich to chicken grills, pizza, hamburger, and etc. For many, eating fast food has a positive short-term consequence of providing an immediate feeling of satiation as well as hedonic pleasure [1]. Fast food restaurants are typically distinguished by several major characteristics. There is a standardized menu, portions and ingredients are tightly controlled, and the food is for immediate consumption. In addition, there is a young and unskilled labor force serving at the counter and for chain fast food restaurants, chained and franchised operations operate under a uniform structure and corporate identity.

The changes in the consumer eating pattern and demand of healthy food were cause by the public awareness of heart disease, cancer, and other illnesses which happened because of unhealthy diet. People now concern more on the amount of calories, fat, and sodium they consumed [2]. The issue of food quality is influencing consumers today and it is an important thing for the consumers and marketers to start to pay attention to [3].

In order to cope with the changes in consumer needs and wants in fast food, some of the fast food restaurant started to offer something new on their menus. The menu consist of lower-fat and lower-calorie salads, sandwiches, and desserts that are both tasty and nutritious [4]. In fact, the offered of healthy fast food is not new in the fast food industry. Early in 90's, McDonald's has introduced McLean burger; unfortunately, it did not catch the market. But now, healthy food is a trend, driven by the hope of the fast food industry to create greater profits due to the changes in the consumer health concern and lifestyle [4].

In the recent years, fast food restaurants chain in United States started to capture the demand of the consumers who asked for a healthy fast food. Many fast food restaurants are trying to transform the image from an unhealthy food to healthy fast food. Fast food chain such as Wendy's offered Garden Sensations salads, McDonald's has Fruit 'n Yogurt Parfait and 'Go Active Happy Meals' for adults, who featured an entree salad, bottled water, and a pedometer, Burger King has a Veggie Burger and Lite Combo Meals, which offered three chicken sandwiches with a side salad and bottled water, and Arby's has light food in their fats food menu [4].

With its booming, domestic consumption-driven economy, a fast-growing middle class and the world's fourth-biggest population, Indonesia is considered a "must-have" market by global consumer goods companies. As they become more cash rich and time poor, Indonesians are eating more fast food, according to Euromonitor, a market research company. It has grown for more than 6%. Based on a Nielsen survey in 12 cities in Indonesia, the number of middle and high income people has increased. With these current situations, many retailers start to see Indonesia as a promising market and try to enter Indonesian market. Among the retailers who want to enter Indonesian market, there are food retailers. One of them is Fast Food retailer [5].

Chicken fast food is set to remain by far the most popular type of fast food in Indonesia and, for this reason, chicken fast food is set to record stronger growth than burger fast food and Asian fast food, despite the fact that chicken is already a considerably larger category in value sales and transactions volumes terms than either Asian fast food or burger fast food, the second and third largest fast food categories respectively in Indonesia (http://www.euromonitor.com/).

In two separate studies [6] [7], it has been stated that college students frequently consume fast foods. Eating at fast food restaurants appears to be part of the normal routine during the daily lives of college students [8]. From the beginning of the 1980's, a huge number of publications have been published on fast food industry in general. The early publications on fast food focused more on the positive and negative aspects of fast food and the overall attitudes of the customers demanding fast food. The most frequent consumers of fast foods are reported to be people in their teens and twenties [9].

Based on the issues above, this study will identify the factors affecting Indonesian student purchasing decision of fast food. This study is important because this study gives guidance on the importance factors influencing the consumer purchase decision in the fast food industry.

2. Concept Development And Hypothesis

2.1 Consumer Puchase Decision

Stages in a purchase decision are the approach of problem solving which consist of five stages [10]. The stages in the activity process of a purchase are namely the problem recognition, the information retrieval, the alternative evaluation, the purchase decision, and the attitude after the purchase.

Customer purchase decision is a series of choices made by consumer before making a purchase after they have the willing to buy. To understand consumer purchase decision, the marketer should understand the consumption process and the utility of products in consumers' perceptions. They also declared that when purchasing products unconsciously, consumer gets through several steps in the making of purchase decision, purchase, and post-purchase evaluation. The first step decision is problem recognition where the consumers are able to differentiate between their needs and wants.

2.2 Health consciousness

The consumers are aware and concerned about their wellness and are motivated to improve, maintain their health and quality of life to prevent ill health by engaging in healthy behaviors and being self-conscious regarding health [13]. Moreover, almost individuals tend to be aware of the issues related to nutrition and physical fitness [12].

Grankvist & Biel [14] have identified interest in health as a primary motive for the purchase of food products. Particularly, health consciousness has been found to predict attitudes, intention and purchase of food. As a result, in order to make better purchase intention of food the matter of increased health care through proper nutrition seems as a key factor [14].

Consumers perceive that they generally eat healthily, this may allow them greater license to consume fast food as they believe their future health risks are low [15]. Consumers appeared to be aware that the longer-term consequences of frequent fast-food consumption were likely to be negative, this knowledge did not have a significant impact on fastfood consumption rates [15]. This findings show that although consumers may hold concerns about the longer-term health risks associated with fast-food consumption, demand for meals that are tasty, satisfying, and convenient is sufficiently high that it overrides much apprehension. Thus, the hypothesis can be developed as follows:

H_1: *health consciousness has a positive effect to purchase decision*

2.3 Food safety

Consumers are price sensitive but it is not always the case their consumptions are merely driven by price-factors, particularly in food consumptions. Nowadays, so many concerns are rising about the food safety. Food safety refers to the conditions and practices that preserve the quality of food to prevent contamination and foodborne illnesses. Food safety factors are relevant with biological, physical, chemical and technological aspect, and they can show the evidence of improper food preparation, such as, cross-contamination, unsuitable food holding temperature, insufficient cooking temperature and infected from handlers [16]. Food buyers are equally concerned about the physical risks involved in the consumption of foods [17]. In the empirical model linking between risk perception and purchase showed that the construct named food safety knowledge directly link to purchasing behavior because consumers' food safety knowledge can help consumers to perceive the food safety risk [18].

Consumers can make a judgment about food safety by taking the consideration only physical appearances of cleanliness of food stalls and utensils,

personal hygiene, food preparation, and surrounded environment. They directly link the appearance of food establishment cleanliness with potential of food safety, and they leave those stalls when they realize the stalls look unsanitary [19]. Giving to this understanding, it can be formulated as the following hypothesis:

H_2: *food safety has a positive effect to purchase decision*

2.4 Price

Price indicates some amount of money that needs to be paid to achieve something [20]. Some products or services are purchased based on customer's perception of price instead of the actual money price [21]. Price can affect consumer decision in a purchase since the consumer perceives exchange something of value – the price to get something of value i.e. the benefits [10]. Thus, price is a crucial factor for consumer purchase.

Price is always the most concerned issue from the consumers whenever they make a buying decision [22]. Meanwhile, the role of price as a monetary value, using by the consumers in order to trade with the sellers for the products or services [23]. Therefore, we can assume that price highly impacts on consumer purchase decision for a fast food. Thus, the hypothesis can be formulated as follows:

H_3: *price has positive effect to purchase decision*

3. Research Method

This study used a population of university student in Semarang Central Java, as student is the prime group for fast food business. The purposive sampling technique was used as a sampling technique. In order to collect the data, it used questionnaires and given directly to respondents. There were 150 respondents collected as data.

The questionnaire contains two parts which are Section A and Section B. Section A is about demographic of respondents. Whereas Section B consists of scale measured the factor that affect consumer purchasing decision of healthy fast food. The Likert scale with 5 level of agreement was used to collect the respondent's feedback. The 5-lenel is starting from strongly disagree up to strongly agree, (1-Strongly Disagree, 2-Disagree, 3-Neither agree nor disagree, 4-Agree, 5-Strongly Agree). The questionnaire was designed based on published research. Data analysis was performed by SPSS version 14.0.

4. Demography Of The Respondents

Out of the 150 respondents, 47% were male and 53% were female. 23% were below age 20 years, 59% were between 20-30 years and 18% were above 31 years.

5. Findings Analysis

5.1 Reliability test of data

The reliability of the collected data was tested using Cronbach alpha value. According to Nunally (1978), the minimum acceptable value of Cronbach alpha is 0.7 and above. Table 1 shows that the Cronbach alpha values of all variables are above 0.7 that indicates good reliability of data.

Table 1: Cronbach Alpha values of all variables

Variable	Cronbach Alpha	No. of Items
health consciousness	.781	3
Food safety	.842	3
Price	.793	3
Purchase decision	.813	3

Correlation analysis is use to identify the association between the independent and the dependent variables. The result of the study is shown in table 2 below:

Table 2: Correlation Analysis Findings

Variable	Significant (2-tailed)	Correlation	Strength of correlations
health consciousness	.000	.469**	Moderate positive relationship
Food safety	.000	.471**	Moderate positive relationship
Price	.000	.378**	Moderate positive relationship

Dependent Variable: purchase decision

**. Correlation is significant at the 0.01 level (2-tailed)

In general, r > 0 indicates positive relationship, r < 0 indicates negative relationship while r = 0 indicates no relationship. According to Choudhury (2009), the following rules of thumb for Pearson's correlation (r) guidelines on strength of relationship are very useful. A Pearson Correlation analysis was carried out to determine the association between health consiousness, food safety, price and Purchasing Decision of the respondents. The result shows Pearson Correlation (*r*) value between +0.3 to +0.5 and p-value = 0.000. Since p-value is les than 0.05, therefore it is concluded that there is a significant correlation between health consiousness, food safety, price and Purchasing Decision. It is clear from the table that the health consciousness, food safety, and price are positively related to purchase decision

5.2 Regression Analysis

Multiple-regression analysis was used with the three factors as independent variables to test the model for purchase decision (see Table 2). SPSS output shows that the independent variables such as health consciousness, food safety, and price are statistically significant with positive beta values.

The findings show that health consciousness is positively and significantly related to purchase decision at 5% level of significance. So hypothesis (1) is accepted. The food safety positively influences their purchase decision at 5% level of significance. So hypothesis (2) is accepted. The price positively influences their purchase decision at 5% level of significance. It means that proce has significant positive effect on purchase decision. So hypothesis (3) is accepted.

Table 3: Regression Analysis Findings

Independent variables	beta	t value	Sig.
health consciousness	.336	5.064	.000
Food safety	.331	4.945	.000
Price	.202	3.012	.003
R-squere.624			
Adj. R-squere 0.370			
Significant F = 0.000			

The price positively influences their purchase decision at 5% level of significance. It means that proce has significant positive effect on purchase decision. So hypothesis (3) is accepted.

The R2 was 62.4 percent meaning that the regression model used for this study can explain 62.4 percent variations on purchase decision. This indicates that there are other factors that explain the remaining 37.6 percent variations of purchase decision. The F value was adequate and significant at 1 percent significance level. This signifies that there was an adequate model. The Durbin-Watson value falls within the acceptable range which means that there was no auto correlation problem in the data. The VIF, tolerance and condition index all fall within the acceptable range and therefore there was no multicollinearity problem in the model. Normal P-P plot shows that data were linear. The histogram shows that data were normally distributed. The results suggest that model explains purchase intention of customers to shop at hypermarkets reasonably well.

6. Conclusion

The present study revealed insights into the factors influencing the purchase decision of fast food. This research gave emphasis on some factors that are overlooked in consumer researches. The research findings indicate that customers consider the health conciousness, food safety and price while taking purchase decision. The identification of the significant influence of the health conciousness, food safety and price has confirmed the casual relationship between these factors and purchase intention proposed by Dun et al (2011); Yeung and Joe (2006), Smith & Carsky, (1996), Nagle & Holden, 2002). The study findings suggest that fast food restaurant focus on the health conciousness, food safety and price. The present study showed that food safety had the highest impact on purchase decision of customers followed by the health conciousness and price. In spite of having some value of this research, there are some limitations of his study like data were collected from only two states of Malaysia and a small sample of 150 respondents participated in the survey that ultimately affects the representativeness of data. However, the findings have some practical implications for fast food restaurant. It can also provide some directions for future researches.

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