

American Foods: Meal Substitutes in the Contemporary World

Pooja S. Bhat*, T. N. Venkata Reddy¹ and P. K. Mandanna²

*Ph.D. Scholar (Agribusiness Management), Department of Agricultural and Rural Management, Tamil Nadu Agricultural University, Coimbatore – 641003, Tamil Nadu, India

^{1,2}Department of Agricultural Marketing, Co-operation and Business Management, University of Agricultural Sciences, GKVK, Bengaluru - 560 065, Karnataka, India

*Corresponding Author E-mail: poojasbhat@yahoo.co.in

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ABSTRACT

The American Food Restaurants (AFR) sector in India is presently rising at a CAGR of 25 per cent and is likely to touch the Rs.25,000 crore mark by 2020 from its present level of Rs.8,500 (ASSOCHAM). This study aims to identify the meals that American foods are considered to be substitutes for, the average time spent by consumers and their opinion about the prices charged at AFR's and also their response regarding the recommendation of their favourite AFR to others. Findings from 90 consumers in Bengaluru City revealed that nearly half of the consumers considered American foods to be a good substitute for dinner while nearly two thirds of the consumers expressed that on an average; they spent 1-2 hours at AFR's. Also, nearly two thirds of the consumers were of the opinion that the prices charged at AFR's was normal and a large majority of the consumers expressed that they would recommend their favourite AFR's to others. The study endorses AFR's to introduce attractive breakfast items as Indian consumers are in the habit of consuming breakfast in the mornings.

Key words: *Ambience, Customisation, Dining Experience, Economical, Substitutes.*

INTRODUCTION

The Quick Service Restaurants (QSR) sector/ American Food Restaurants (AFR) in India is presently rising at a CAGR of 25 per cent and is likely to touch the Rs.25,000 crore mark by 2020 from its present level of Rs.8,500⁴. With an alarming rate of the entry of several multinational and international players in the QSR arena, escalating middle class, better logistics, growing nuclear families, increased spending by the younger generation coupled with commercialization are some of the key

elements responsible for ominously amplifying the sector apart from snowballing activities responsible for market expansion currently taking place in this sector. Most of these QSR's have their base and respective formats in metropolitan, cosmopolitan and mini metros due to wider exposure and awareness of consumers apart from increasing levels of consumption. Presently, the chain space is occupied by more than 120 brands having more than 4,000 outlets spread across the length and breadth of the country.

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Most of the cuisines of these restaurants are a mix of both vegetarian and non-vegetarian core menu offerings that are modified and customised in their flavours, pricing and home delivery services, apart from highly affordable variations in multiple cuisines to meet out the Indian consumers' penchants. By 2020, it is expected that around 35 per cent of the country's population will be in urban areas totalling to approximately 52 crore as compared to the current 34 crore⁴.

OBJECTIVES OF THE STUDY

The study aims to identify the meals that American foods are considered to be substitutes for, the average time spent by consumers and their opinion about the prices charged at AFR's and also their response regarding the recommendation of their favourite AFR to others. As there is not much research literature available in these areas, a study was found to be ideal to understand these underlying aspects.

LIMITATIONS OF THE STUDY

The study has been designed carefully to avoid all the limitations within its control. This study was based on primary data collected from the sample consumers by schedule method. Since a lot of of the consumers furnished the required information from their memory and experience, the collected data would be subjected to recall prejudice. It involves some uncertainty of response due to the memory lapse of the consumers. Co-operation on the part of consumers, in some cases, was difficult to presume.

MATERIAL AND METHODS

For the given study pertaining to American Food Restaurants, a sample size of 90 consumer respondents were chosen by making use of convenient and purposeful sampling. The consumers chosen for the purpose of the study included people across varying age

groups, regions, professions, social class, income levels, sexes as it was an exploratory study. Seven AFR's located in Bengaluru Metropolitan City limits (McDonald's, Pizza Hut, Domino's, KFC, Papa Johns, Subway and Taco Bell) and their employees were also interviewed and interacted with the help of a schedule after which the data was subjected to tabular form and percentage analysis was carried out.

RESULTS

In accordance with the study's objectives, the data collected from the respondents was studied and inferred all of which are presented below:

Meals that American foods are considered to be substitutes for

The information on meals that American foods are considered to be substitutes for is indicated in Table 1. It was noticed that nearly half of the consumers (44.44%) considered American foods to be a good substitute for dinner while 38.88 per cent considered it to be an effective snack. Further, only 21.11 per cent of the consumers opined that it could replace lunch whereas there were very few takers for American foods as breakfast (3.33%). As disposable incomes increase, time for cooking becomes scarce and restaurant dining becomes much more affordable. Also because of inexpensive costs and convenience, AFR's have been a "home away from home" for breakfast, lunch and dinner. Most consumers who are single after spending a tiring day at work prefer to drop by these AFR's for a quick meal while many others prefer to snack out from these AFR's during the evenings. Consumers especially working professionals also prefer going to these restaurants in the afternoon during their lunch breaks for a quick bite. The results of the study are in line with the study conducted by Hwang and Cranage².

Table 1: Meals that American foods are considered to be substitutes for (n=90)

Sl. No.	Substitutes	Number of consumers	Percentage
1.	Breakfast	3	3.33
2.	Lunch	19	21.11
3.	Snacks	35	38.88
4.	Dinner	40	44.44

Note: Multiple responses were given by the respondent / consumer

Average time spent by consumers at an AFR

Table 2 and Fig. 1 indicate the average time spent by consumers at an AFR. Nearly two thirds of the consumers (60%) expressed that on an average; they spent 1-2 hours at AFR’s. One third of the consumers (34.44%) were found to spend less than an hour at AFR’s while 5.56 per cent of the consumers spent 2-4 hours. It is noteworthy that there were no consumers who spent more than 4 hours at

AFR’s. Most consumers like to spend time at these AFR’s given the attractive attributes of these restaurants, the ambience, the air conditioning and wifi facilities which enable the consumers to leisurely spend time at these restaurants. Also, as these restaurants provide facilities for entertainment and as they have provisions for conducting events, holding business meetings, consumers spend ample time at these restaurants.

Table 2: Average time spent by consumers at an AFR (n=90)

Sl. No.	Average time	Number of consumers	Percentage to the total
1.	< 1 hour	31	34.44
2.	>1-2 hours	54	60.00
3.	>2-4 hours	5	5.56
Total		90	100.00

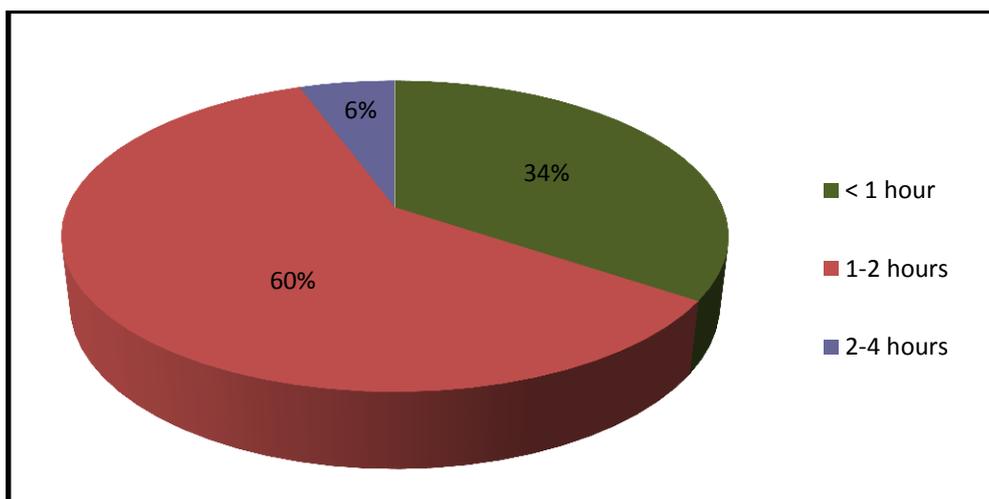


Fig. 1: Average time spent by consumers at an AFR

Consumers opinion about the prices charged at American Food Restaurants

The consumers opinion about the prices charged at American Food Restaurants is presented in Table 3. From the Table, it is evident that nearly two thirds of the consumers (63.33%) were of the opinion that the prices charged at AFR’s was normal. It can be noted from this study that majority of the consumers stated that the price of American food was reasonable, which is mainly due to the high per capita income of Bengalurians, as well as the relatively low price of American foods. Also, 35.56 per cent of the consumers felt that

the prices at these AFR’s was comparatively high. This can be attributed to the fact that the average consumer still has a tendency to compare the AFR’s with the Darshini or the Udupi hotels in terms of the prices of the menu items and so they feel the price rates are comparatively high particularly with regard to the vegetarian items served in these restaurants. Only a minor section (1.11%) among the consumers expressed that the prices charged by these AFR’s was low. The results of the study are in line with the study conducted by Musaiiger³ who found similar results.

Table 3: Consumers opinion about the prices charged at American Food Restaurants (n=90)

Sl. No.	Prices	Number of consumers	Percentage to the total
1.	Low	1	1.11
2.	Normal	57	63.33
3.	High	32	35.56
Total		90	100.00

Consumers response regarding recommendation of their favourite AFR to others

The consumers during the course of the study were asked if they would recommend their favourite AFR's to others, the results of which are presented in Table 4. A large majority of the consumers (84.44%) expressed that they would recommend their favourite AFR's to others while 15.56 per cent of the consumers replied that they would'nt. This can be attributed to the fact that consumers were satisfied with their memorable dining

experiences at AFR's, their consideration that these AFR's are economical and good value for money and so they preferred recommending these AFR's to others. This shows a high significant typical culture characteristic of a collectivistic society and as Hofstede¹ pointed out; societal culture influences consumers buying behaviour. However, this might also imply that only with higher levels of satisfaction, consumers will recommend a product or service to others and that too when their expectations are met.

Table 4: Consumers response regarding recommendation of their favourite AFR to others (n=90)

Sl. No.	Response rate	Number of consumers	Percentage to the total
1.	Would recommend	76	84.44
2.	Would'nt recommend	14	15.56
Total		90	100.00

CONCLUSION

Nearly half of the consumers (44.44%) considered American foods to be a good substitute for dinner while 38.88 per cent considered it to be an effective snack. Nearly two thirds of the consumers (60%) expressed that on an average; they spent 1-2 hours at AFR's while one third of the consumers (34.44%) were found to spend less than an hour at AFR's. Nearly two thirds of the consumers (63.33%) were of the opinion that the prices charged at AFR's was normal while 35.56 per cent of the consumers felt that the prices at these AFR's was comparatively high. A large majority of the consumers (84.44%) expressed that they would recommend their favourite AFR's to others while 15.56 per cent of the consumers replied that they would'nt.

RECOMMENDATIONS AND SUGGESTIONS

Indian consumers are in the habit of consuming breakfast in the mornings. AFR's

can therefore introduce attractive breakfast items. Many AFR's have included a playground for children including small slides, blocks, etc... and have their advertisements geared towards children and some have been redesigned in a more 'natural' style, with a particular emphasis on comfort: by introducing lounge areas and fireplaces and eliminating hard plastic chairs and tables. Also AFR's are targeting the entire family by offering various incentives packed product schemes like family meals at very competitive prices. Children can be given special birthday blessings and gifts when they visit the restaurants on their birthdays. In this background, AFR's may come up with kids fun club which can build the brand loyalty between kids and AFR's, as it is believed that if these young customers are loyal to AFR's, eventually when they grow up as teenagers and later on have their own family, they will still come back to AFR's.

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