Promotion effectiveness study for Burger King

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Abstract

Burger king is one of the best fast food restaurant with the presence all over the globe. Burger King is being satisfying their customer’s need from its origin. In this research we found that the promotions and advertisements done by Burger king is effective on consumers or not, will their promotions and advertisements attract the consumers to come out of their house and try the Burgers. Burger king is often known for their creativity with the burger and Burger king is being growing since its origin. Burger king had the healthiest competition with the MacDonald’s, even the MacDonald’s are having the highest market share when it comes to selling of burger but the Burger king is giving them the tough fight. Burger king is trying hard to capture the market by the promotions and advertisements and having the global presence.

KEYWORDS: Burger king, Promotion effectiveness, advertisements.

INTRODUCTION

As younger generation is moving towards the fast food joints, Burger King is one of the fast food Corporation. It is the second largest fast-food chain in the USA, behind McDonalds. Burger king has gone through so many changes throughout its existence, yet their mission has maintained more or less the unchanged. Miami Business individuals James McLamore and David Edgerton founded Burger King Corporation in 1954 since then the concept has remained the vision and mission of Burger King Restaurants throughout the world, and is referred in the individual international BK official website. That original Burger King Vision was: “Offering reasonably priced quality food, served quickly, in attractive, clean surroundings.” Today in the Burger King uses “commitments” to guide it’s business, in addition to that original mission statement. Specifically, the Burger King commitment is: “Our commitment to premium ingredients, signature recipes, and family-friendly dining experiences is what has defined our brand for more than 50 successful years.” Their vision and commitment of a great product and consumer satisfaction is further classified. Under their food category their mission reads Burger King has been serving best quality, best tasting and best food in their restaurants around the world for over 50 years their commitment to the food they follow is what defines them as a company and it’s at the center of the Have It Your Way brand promise. Then it further went down to the people. Burger King states that they are dedicated to supporting and investing in their stakeholders meaning their employees, franchisees, suppliers and restaurant guests. They further state that the people are the heart of their business. They do all in their power to serve their employees and guests. In addition, Burger King has a clear statement of “What We Believe” which also serves as a mission statement, although not officially identified as one and it reads as follows: “We believe in working together with and listening to our employee’s opinions, guests, business
partners and the people in the communities in which we live and work with. Burger king also share their concerns for our Surroundings, educating children, preserving the mother earth, providing employments.

RESEARCH OBJECTIVES

- To study the promotion effectiveness of consumers.
- To study the consumer influence towards the advertisements and promotions.
- To study consumers various alternatives to the Burger king.
- Effect on consumers on promotional offers.

Ha1: More than 60% of sample size prefer going Burger king than other fast food joint
Ha2: Average age of an individual who visits Burger king is not 30
Ha3: Individuals who visit Burger king are not independent on the promotional offers
LITERATURE REVIEW

“Burger king Company Business Plan” (November 2013): The report is mainly done on the business plan of Burger King Franchise. I took the business plan of franchisee of BK, because of many reasons. Today’s business world are very much competitive and it’s become tougher and tougher for successful in the business market. If a person want to start his business as an entrepreneur it may be impossible to become profitable in the business market. Because establishing the new business or enter the market as a new, it is quite impossible to set up his business or become successful. But if we take the plan of establishing the business as a franchiser then it will be easy to achieve profitability in our business. In franchise business, a recognized brand is already existed and all things are readymade in before. Just spend some money to buy it and start the business.

“Research on fast food market in big cities in India” by Vina Research in 11/2012: The fast food consumed behavior was researched thoroughly. The research supports a specific view into citizens on how they consumed fast food. Also, through this research, readers would have idea about the popularity of fast food brand existing in India included KFC, subway, Pizza Hut, etc.

“Fast food in India report” by Euro monitor in 11/2012: He readers would gain competitive intelligence about market leaders in this research. The knowledge give out track key industry trends, opportunities and threats when business coming into fast food market. The authors inform your marketing, brand, strategy and market development, sales and supply functions to consider in this market.
RESEARCH METHODOLOGY

Sources of data:

The data required for the study are combination of both primary and secondary data. Primary data is collected by using of questionnaire method and secondary data is collected by Social media, other research papers etc.

Sampling sizes and techniques:

The method of sampling used for this study is random sampling wherein 45 respondents were distributed the questionnaire, sampled individuals were diverse in nature.

Methodology analysis:

The data collected is been analyzed by making use of hypothesis testing.

Charts about the sample profile based on demographics variables are as follows:

1. Occupation

   ![Occupation Pie Chart]

   Observation

   - In the sample size the number of individual who are from service industry are 56%
   - Professionals individuals are lesser than other any other occupation.
   - Individuals with Business are 7%.
   - Student in the sample size consists of 33 %
Insights:

- In India mostly people have mind set of having the regular job and not taking risks that increases the number of individuals in the service industry.
- Entrepreneurship in India is not promoted to that extent so that an individual can take up the entrepreneurship.

2. Family Income

![Family Income per annum](image)

Observation:

- In the sample size individuals with income more than 10 lakhs consists of 13%
- In the sample size individuals with income less than 2.5 lakhs are 22%

Insights:

- The family income with less than 2.5 lakhs are LIG individuals. In India the number of LIG individual is high compared to other income group individuals.
- The family income with more than 10 lakhs are HIG individuals. In India the number pf HIG individuals are increasing gradually.
DATA ANALYSIS

Hypothesis 1:

<table>
<thead>
<tr>
<th>Ho:</th>
<th>Less than 60% of sample size prefer going Burger king than other fast food joint</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ha:</td>
<td>More than 60% of sample size prefer going Burger king than other fast food joint</td>
</tr>
</tbody>
</table>

N  Ho: μ ≤ 60
A  Ha: μ ≥ 60
T  Right Tailed
T  P-test
A  10%
P  90%
C  1.281552
p'  38%
p  60%
q  40%
n  45
p*q  24%
p'-p -22%
\sqrt{p*q}  0.489898
\sqrt{p*q}/n  0.010887
O  -20.2083
P  1
A  0.1
D  p value is greater than Alpha So, fail to reject the null

Conclusion from hypothesis:

More than 60% of sample size prefer going Burger king than other fast food joint because the speed at which Burger king operates with great taste at best price, individuals prefer going Burger king for their meal.
Hypothesis 2:

<table>
<thead>
<tr>
<th>Ho:</th>
<th>Average age of an individual who visits Burger king is 30</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ha:</td>
<td>Average age of an individual who visits Burger king is not 30</td>
</tr>
</tbody>
</table>

**t-Test: Paired Two Sample for Means**

<table>
<thead>
<tr>
<th>Variable 1</th>
<th>Variable 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>25.14</td>
</tr>
<tr>
<td>Variance</td>
<td>26.13</td>
</tr>
<tr>
<td>Observations</td>
<td>14.00</td>
</tr>
<tr>
<td>df</td>
<td>13.00</td>
</tr>
<tr>
<td>Hypothesized Mean</td>
<td>0.00</td>
</tr>
<tr>
<td>t Stat</td>
<td>13.35</td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>-0.52</td>
</tr>
<tr>
<td>t Critical one-tail</td>
<td>2.65</td>
</tr>
<tr>
<td>t Critical two-tail</td>
<td>3.01</td>
</tr>
<tr>
<td>P(T&lt;=t) one-tail</td>
<td>0.00</td>
</tr>
<tr>
<td>P(T&lt;=t) two-tail</td>
<td>0.00</td>
</tr>
</tbody>
</table>

Conclusion from hypothesis:

Average age of sample size who visits Burger king is 30 because fast food is preferred by all the individuals and promotional offers / advertisements has made it even more attractive to the younger age and it even kills of hunger in best prices.
**Ho:** Individuals who visit Burger king are independent on the promotional offers

**Ha:** Individuals who visit Burger king are not independent on the promotional offers

<table>
<thead>
<tr>
<th>observed</th>
<th>Fe</th>
<th>(fo-fe)</th>
<th>(fo-fe)^2/fe</th>
</tr>
</thead>
<tbody>
<tr>
<td>23</td>
<td>22.5</td>
<td>0.5</td>
<td>0.01</td>
</tr>
<tr>
<td>22</td>
<td>22.5</td>
<td>-0.5</td>
<td>0.01</td>
</tr>
<tr>
<td>45</td>
<td></td>
<td></td>
<td>0.02</td>
</tr>
</tbody>
</table>

Conclusion from hypothesis:

Sample size who visits Burger King are dependent on the Promotional offers / advertisements because the promotional offers helps Burger king to have more customer attracted to their brand than the competitor brand. Promotional offers helps customer in having the best meal at best prices.
CONCLUSION

Burger king works in a highly intense competitive environment in the India. The number of competition to Burger king is very high and there are other factors that affect the business. While its competitors are employing almost the same strategies that burger king is employing, it is important to build a point of difference (i.e. Purple Cow) that will set burger king apart from them. Burger king is known for its innovative and best quality products, high standard service and operational excellence. In order to survive in the business world, BK must differentiate itself from its competitors products. This can be done through differentiation of products(Product line extension). It must also explore new markets Burger king need to have the global presence like the competitor and take advantage of new opportunities. Burger king must maintain its global perspective and continue with its market expansion strategies so burger king have the highest market share. The dynamic consumer preferences and demands to be satisfied. In order to do that, burger king must develop a diverse product line as possible to capture highest market share, and to over-take the competition.

LIMITATION

The survey carries some limitation with it they are as follows:

- As the survey is conducted in Metropolitan city Mumbai. The sample size is fixed to the limit
- As the survey is conducted on internet and telephonic basis there might be barrier with it.

REFERENCES

- “Burger king Company Business Plan” (November 2013)
- “Research on fast food market in big cities in India” by Vina Research in 11/2012
- “Fast food in India report” by Euro monitor in 11/2012