Impact of Quick Service Restaurants (QSR) such as McDonalds, KFC on smaller Indian eatery joints such as Udipi.
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Objectives

To know how many times a month does an individual visit any food joint.

To know how much do the individuals spend on an average on eatery joints.

To know which age group visits any food joint the most.

To know which element matters the most to an individual when he/she visits any food-joint. (Price. Service, quality or hygiene)

To know which among Quick Service Restaurants and Udipi’s is preferred the most by people.

Introduction

India is witnessing rapid urbanization of small towns and growth of mid-sized cities. This along with rising population in key metros and higher disposable incomes is fuelling growth in every industry.

35% of India’s population will be in urban centers by 2020 totaling to 53 crores compared to the current urban population of 32 crores. Consumer markets are being driven by the country’s youth population. Be it college goers or the young working class, exposure to the international environment and culture, has created a demand for world-class products at affordable prices. This has led to the rise of Quick Service Restaurants (QSRs) in India, the fastest growing segment in the eating out market. It is estimated that, in another 2 years, there will be at least 2000 more QSR outlets across India.

The Indian fast food market is growing at an annual rate of 25-30 per cent; foreign fast food chains are aggressively increasing their presence in the country. The market is dominated by global brands like McDonalds, KFC and Dominos especially in the organized fast food segment. Growing trend of consumption of new cuisines and increasing brand awareness has led to the increase of global players. The new age Indian consumers have also played a significant role.
Research Methodology

Research types:

This report is mainly of formal and quantitative type. The data in the beginning was exploratory and then was converted to descriptive.

Data - Types & Sources:

The 2 main types of data collection methods used were primary data collection method and secondary data collection method.

Source for primary data collection was through questionnaires and for collecting secondary data it was through internet.

Sampling Plan

The sampling unit was general population from which the sample of 103 was taken.

All respondents were from Mumbai since, distributing of questionnaires was restricted till this city

Analysis tools

The main tools used to analyze the research were population proportion, chi-square, two way ANOVA, t-test.

Research Design

The main intension of this research is to know how many people in today’s scenario prefer Udipi joints over the quick service restaurants.

Data collection

Data collection methods used for the study was both primary and secondary methods.

In primary data collection method, data was found through the channel of questionnaire that is, by taking the feedback from the people.

In secondary data collection method, data was found through internet and other secondary resources like newspaper Articles, journals and textbook’s

Sample Profile

The sample taken was of 103 people which consisted of both male and female respondents.

Out of the total sample, 68 respondents were male who constituted more than 50% of the total respondents.
Respondents ranged from the age group of 15-55.

The respondents were from various cities of Mumbai with different occupations and qualifications and with different income levels.

People with high annual income do not necessarily spend more on food joints.

**Proposed Hypotheses:**

1. **Proportion Test**
   
   Ho: The proportion of students patronizing QSR's is equal to 65%
   
   Ha: The proportion of students patronizing QSR's is less than 65%

2. **Anova (Two factor without replication)**
   
   Ho: The scores given by respondents are same across all parameters.
   
   Ha: The scores given by respondents are different across all parameters.

   Ho: The scores given by respondents are same across all respondents.
   
   Ha: The scores given by respondents are different across all respondents.

3. **Chi-test**
   
   Ho: Preference of food-joints across both the genders is independent.
   
   Ha: Preference of food-joints across both the genders is NOT independent.
**Hypothesis 1:**

Ho: The proportion of students patronizing QSR's is equal to 65%
Ha: The proportion of students patronizing QSR's is less than 65%

Ho: \( p = 0.65 \)
Ha: \( p < 0.65 \)

<table>
<thead>
<tr>
<th>( n )</th>
<th>( x )</th>
<th>( p )</th>
<th>( q )</th>
<th>( \hat{p} )</th>
<th>( Z_{\text{critical}} )</th>
<th>( Z_{\text{observed}} )</th>
</tr>
</thead>
<tbody>
<tr>
<td>60</td>
<td>30</td>
<td>0.65</td>
<td>0.35</td>
<td>0.5</td>
<td>(1.64)</td>
<td>(2.44)</td>
</tr>
</tbody>
</table>

**Conclusion:**

We reject the null hypothesis i.e. The proportion of people patronizing QSR's is equal to 65% since, \( Z_{\text{observed}} \) lies in the rejection region. Therefore, the proportion of people patronizing QSR's is less than 65%.
Hypothesis 2:

Ho: The scores given by respondents are same across all parameters.
Ha: The scores given by respondents are different across all parameters.

Ho: The scores given by respondents are same across all respondents.
Ha: The scores given by respondents different across all respondents.

ANOVA

<table>
<thead>
<tr>
<th>Source of Variation</th>
<th>SS</th>
<th>df</th>
<th>MS</th>
<th>F</th>
<th>P-value</th>
<th>F crit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rows</td>
<td>85,314.63</td>
<td>102.00</td>
<td>836.42</td>
<td>3.58</td>
<td>0.00</td>
<td>1.29</td>
</tr>
<tr>
<td>Columns</td>
<td>25,009.84</td>
<td>3.00</td>
<td>8,336.61</td>
<td>35.72</td>
<td>0.00</td>
<td>2.63</td>
</tr>
<tr>
<td>Error</td>
<td>71,421.16</td>
<td>306.00</td>
<td>233.40</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total 1,81,745.63 411.00

Conclusion:

We reject the null hypothesis.
Since, F critical < F observed across both parameters and respondents.
1.29 < 3.58 across parameters, 2.63 < 35.72 across respondents.
Also, P value < alpha across both parameters and respondents.
0.00 < 0.05
Thus the average respondent scores are different across respondents as well as parameters.
Hypothesis 3:

Ho: Preference of food joints across both the genders is independent.
Ha: Preference of food joints across both the genders is NOT independent.

<table>
<thead>
<tr>
<th>Observed</th>
<th>Gender</th>
<th>% age</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food joints</td>
<td>Female</td>
<td>Male</td>
</tr>
<tr>
<td>KFC</td>
<td>7</td>
<td>15</td>
</tr>
<tr>
<td>McDonalds</td>
<td>15</td>
<td>23</td>
</tr>
<tr>
<td>Restaurants</td>
<td>9</td>
<td>15</td>
</tr>
<tr>
<td>Road-side stalls</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Small eateries like udi</td>
<td>3</td>
<td>8</td>
</tr>
<tr>
<td>Grand Total</td>
<td>35</td>
<td>68</td>
</tr>
</tbody>
</table>

| Expected | Gender |  |
|----------|--------|  |
| Food joints | Female | Male |  |
| KFC | 7.48 | 14.52 |  |
| McDonalds | 12.91 | 25.09 |  |
| Restaurants | 8.16 | 15.84 |  |
| Road-side stalls | 2.72 | 5.28 |  |
| Small eateries like udi | 3.74 | 7.26 |  |

| Chi square observed | Gender |  |
|---------------------|--------|  |
| Food joints | Female | Male |  |
| KFC | 0.03 | 0.02 |  |
| McDonalds | 0.34 | 0.17 |  |
| Restaurants | 0.09 | 0.05 |  |
| Road-side stalls | 1.09 | 0.56 |  |
| Small eateries like udi | 0.15 | 0.07 |  |

2.56
We accept the null hypothesis since
1). $X_2$ critical $> X_2$
   Observed
   $9.49 > 2.56$
2). P value $> \alpha$
   $0.63 > 0.05$

**Conclusion:**

The demand for fast foods and organized food chains is rapidly rising in India. With higher levels of disposable income among consumers and changing dietary habits, the demand for fast food and organized food chains is going to be the trend even in the future. New startups are seeding every day and are doing fairly good so far, given the large number of challenges they have to overcome. Attempts are being made by firms like Reliance, Amul and other big market players to develop food-chains. Pegged at $1.36$ billion in 2011, Indian QSR industry is stated to grow at a CAGR of 35% to reach $4.5$ billion by 2015. So, the future of QSR industry is bright, given the positive investor sentiments and enough room for establishing Quick Service Restaurants across various cities of India.

Udipis have lesser scope for growth in future since; QSRs have started offering discounts and combination meals to raise revenue from all directions and will continue to do so to gain loyal customers and to attract new customers.

**Limitations:**

First and foremost, the sample size for the study was too small (i.e. 103) because of which we could not draw accurate conclusions.

Our study was restricted to Mumbai, which failed us to get views and feedback from the people from other cities and states.

Time was another constraint. Had we been given more time, we would have been able to do more intense study with better inferences.

**Bibliography:**

Applied Business statistics by Ken Black

Newspaper Articles

**Web sites:**

http://articles.economictimes.indiatimes.com