



A STUDY ON PREFERRED MEDIA OPTIONS FOR CONVEYING SALES PROMOTION OFFERS BY FAST FOOD RESTAURANTS

Ms. Swarupa Bhatia¹ & Parag Ajagaonkar², Ph. D.

¹Asst. Professor, BMS Department, Mithibai College of Arts, Chauhan College of Science & Amrutben Jivanlal College of Commerce & Economics, Vile Parle west

Email ID: swarupa.bhatia@mithibai.ac.in

²Principal, Narsee Monjee College of Commerce & Economics, Vile Parle west

Email ID: drparag23@gmail.com

Abstract

Fast food restaurants regularly come up with sales promotional offers to increase sales during a particular period. The success of such campaigns is decided by how widely these offers are publicised, before and during the promotional period. Hence decision making for engaging right media to convey the offers becomes critical. The paper aims to study various options of media that the target group are exposed to, and study the preferred medium out of them as per ranks given. The target market is particularly the youth or college going students who are exposed to thousands of messages daily from various firms. The college students seek information about such offers as they have to manage their expenses on limited monthly allowances. It was found that youth eats out frequently. They choose restaurants with offers over the ones that don't. SMS is the most preferred medium followed by outdoor media. Reliability on friends or word of mouth publicity was the least. The paper concludes that expenditure on sending SMS and buying outdoor media should continue. Innovations in types of sales promotional offers should be introduced in such a way that potential for word of mouth publicity is tapped, e.g. referral schemes.

Keywords: Fast food restaurants, media, sales promotional offers, ranking



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Introduction:

Indian fast food industry has been growing at a fast pace and the firms in this sector are aggressively marketing their offerings to the target consumers who popularly are the youth in colleges. The growth of this industry is due to increasing disposable income, a different variety of cuisine that appeals to the Indian taste and also the economical pricing of most of the fast food chains. These restaurants regularly come up with offers like quantity discounts, price discounts, happy hours, contests, scratch card schemes etc. One of the important target

market for these fast food restaurants are the youth or college going students. This segment doesn't earn an income and manage their day to day expenses from the monthly allowance they receive from their parents. Hence, the sales promotional offers are of great interest for this target group as it helps them cut down on their expenses on eating out without compromising on the brands they prefer for fast food.

It is important for the fast food firms to not only come up with offers that appeal to the pockets of their consumers, but also make sure that these offers are communicated regularly and aggressively to them. This ensures that the offers are actually effective and result in an increase in footfall at the restaurants and hence sales, during the promotional period. Hence choosing media to communicate the promotional offers is critical to the success of the offers itself.

The options for choosing media or ways of communication range from the traditional options to the upcoming and contemporary media choices. The traditional include the ones like TV, radio or outdoor media like hoardings, signages on bus shelters, bus backs & side panels, branding at airports, point of purchase promotion etc The contemporary media options are the digital space which includes advertising on social media sites like Facebook, YouTube advertisements, pop up advertisements on company websites, internet advertisements, in-app notifications on food ordering apps like Zomato, Swiggy and FoodPanda. Some brands of fast food chains also have their own mobile application for ordering food. They enable push notifications in these mobile applications for all the users who have downloaded the app. These push notifications can communicate the offers available at the restaurants. Some firms rely on sending SMS or e-mails to the consumers who may have subscribed to getting promotional offers on their mobile phones/email addresses.

Literature Review:

Chunawala (2007) describes that sales promotion is concerned with inducing the consumers directly to stimulate purchases of products and services in the short run.

Luich and Ziegler (1968) say that sales promotion is a direct inducement which offers an extra incentive for the product to the consumers. (Sales Promotion and Modern Merchandising, N. Y. McGraw Hill 1968, pA1)

Sherlekar (2009) suggests that buyer behaviour is predictable to some extent. For example, a lower price of product will make the consumer increase the quantity of the product

purchased. This supports the effectiveness of sales promotion techniques and thus justifies the budgets allocated for the same by firms.

Sherlekar (2009) discusses the communication effect, where an increase in the promotional budget improves the sales in the given period.

Nair S. (2008) notes that the sales promotion periods encourage the consumer to associate promotions positively with the product.

Nair S. (2008) mentions the evolution of Indian consumer and his behaviour. Indian consumer's behaviour is now influenced by increasing and firm's effort to reach out and educate the potential consumer.

Asian Journal of Marketing (2005) report that overall sales promotion expenditure in India is increasing quickly every year.

Huda and Hossain (2009) observe that consumers prefer fast food to regular food. This preference is influenced by factors of food quality, the atmosphere at the fast food restaurants, competitive pricing and variety in menu.

Methodology of study:

Purpose of research: This paper helps to compare the effectiveness of various media used by fast food restaurants to communicate sales promotion offers.

Research design used: This study uses exploratory method to see which media are typically used by fast food restaurants to communicate their sales promotion offers. The study also explores which of the media used get a higher preference among the target market.

Population: College going students between the age range of 18 to 24 years, residing in Mumbai suburbs

Sample size: A total of 138 respondents selected to collect data

Sampling method: Simple random sampling

Main study variable: Media habits of youth to seek promotional offers on fast food

Data collection methods:

- Primary data was collected using questionnaire method employed for collecting primary data.
- Secondary data collected from journals, books and online sources

Statistical tools applied: Henry Garrett ranking technique used to determine the most preferred method of communication for sales promotion offers (Table 2)

Research limitations: The study was conducted with a sample size of 138 respondents who are college going students of Mumbai suburbs only.

Practical implications: The findings will help the fast food restaurants reconsider their policy related to buying different types of media to communicate the sales promotional offers to their target group of consumers. The firms can reallocate their budget by only spending on media which is preferred and is hence the most effective to let the consumers know about current and ongoing as well as upcoming offers on the fast food menu.

Results:

Table 1: Composition by age and gender:

Age	Female	Male	Grand Total
17	7	6	13
18	44	29	73
19	13	16	29
20	4	9	13
21	2	6	8
22	2	0	2
Grand Total	72	66	138

Chart 1: Composition by gender:

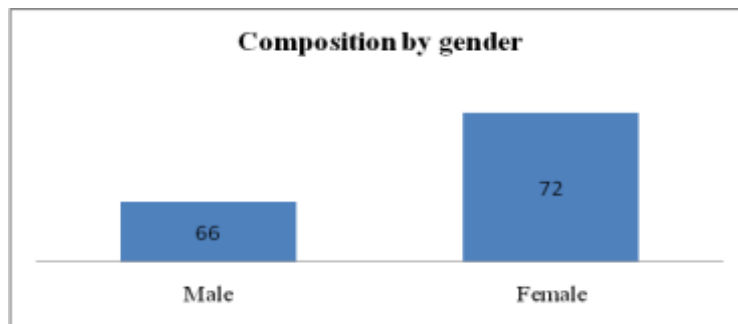


Chart 2: Composition by age

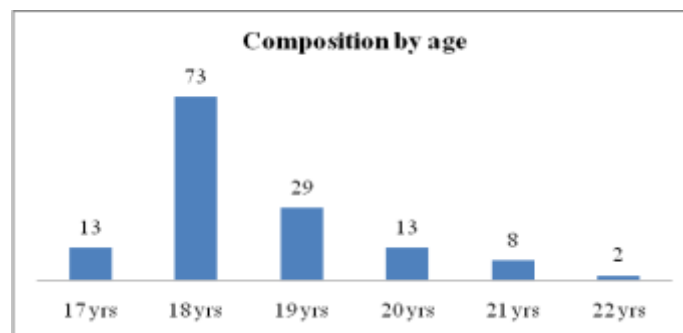


Chart 3: Monthly pocket money:

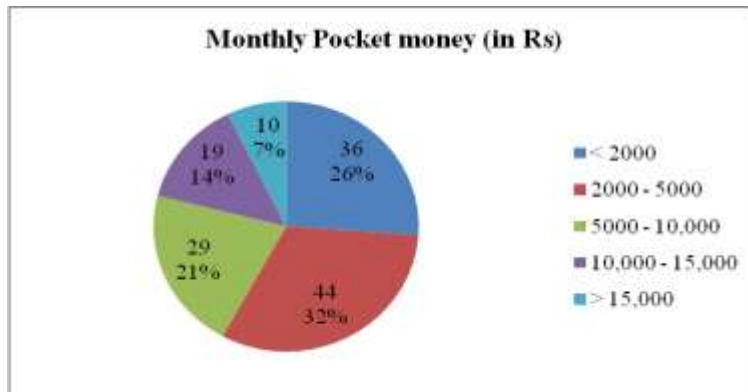


Chart 4: Frequency of consuming fast food:

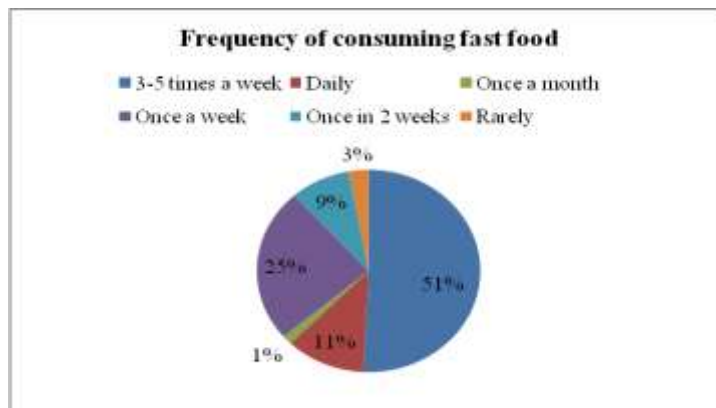


Chart 5: Frequency of visiting fast food restaurant due to promotion offer



Table 2: Source of information about promotions by fast food joints: (Ranking from 1 to 8 for each medium)

Medium/Ranks	1	2	3	4	5	6	7	8
Radio	9	3	6	5	13	32	42	28
Friends	10	7	8	5	7	17	44	40
TV	21	23	24	17	10	19	6	18
Social Media	4	8	12	17	50	30	15	2
Internet	0	0	4	26	27	23	19	39
Email	9	18	26	39	20	12	8	6
Outdoor media	30	42	29	20	8	2	4	3
SMS	55	37	29	7	4	4	1	1

Table 3: Garrett Value (Statistical Analysis done using Henry Garrett Ranking Technique)

Rank	Percent Position $100(R_{ij} - 0.5)/N_j$	Garrett Value
1	6.25	80
2	18.75	67
3	31.25	60
4	43.75	53
5	56.25	47
6	68.75	40
7	81.25	33
8	93.75	20

Table 4: Garrett Ranking (Statistical Analysis done using Henry Garrett Ranking Technique)

Medium	1st *	2nd *	3rd *	4th *	5th *	6th *	7th *	8th *	Tot al	Avg Score	Rank
Radio	80	67	60	53	47	40	33	20	128 138 560 3 527	39.0 38.2	6
Friends	800 168	469 154	480 144	265	329	680	2	800	735	53.2	8
TV	0	1	0	901	470	760	198	360	0	6	4
Social Media	320	536	720	901 137	0 126	0	495	40	656 521	47.5 37.7	5
Internet	0	0	240	8	9	920	627	780	4	8	7

		120	156	206					735	53.3	
Email	720	6	0	7	940	480	264	120	7	1	3
	240	281	174	106					866	62.7	
OOH	0	4	0	0	376	80	132	60	2	7	2
	440	247	174						939	68.0	
SMS	0	9	0	371	188	160	33	20	1	5	1

Table 5: Result – Media preference ranking (1 being the most preferred), for communicating sales promotion offers by fast food restaurants

Rank	Medium
1	SMS
2	OOH
3	Email
4	TV
5	Social Media
6	Radio
7	Internet
8	Friends

Findings:

- 58% of the respondents get a monthly allowance of less than Rs.5000
- Eating out at fast food restaurants is very popular among the youth, with majority of them eating out 3 to 5 times a week or even daily
- 38% of the respondents visit a fast food restaurant at least once a week or more frequently because there are sales promotional offers available at the restaurant
- SMS is the most preferred way of knowing about sales promotional offers by fast food restaurants, with majority ranking it as their 1st preference
- Advertisements on the Internet are not as popular and communication about offers over the internet is preferred only on social media sites
- Word of mouth, from friends has the lowest impact with least preference being given to this mode of communication at rank no.8

Recommendations:

- Fast food restaurants need to continue sending SMS blasts as they are popular among the target group
- There is a huge potential that can be exploited by tapping word of mouth publicity of promotional offers. Restaurants need to come up with innovative schemes that involve giving referrals to get discounts. This will encourage the target group to spread the word about the ongoing offers to avail the benefits.

- Since Internet ads are not popular among the target group with the media getting second last rank (Rank no.7), budget on ad spends over the internet should be redirected to spending on promotion on online social media websites only.
- Since emails as a medium are relatively cheaper and also effective with 3rd rank being given, fast food firms can focus on using them in case of budget constraints for communication.

Conclusion:

The study shows that consumers do choose a particular restaurant because there are sales promotion offers at that time. They seek to know about sales promotional offers by different restaurants as it helps them in decision making. The media choices made by restaurants are important in deciding popularity of sales promotion schemes. The results of the survey make it clear that a lot of sources of communication hold a potential but have been left untapped by the fast food firms. At the same time, these firms could re work on spending less on media that do not give enough exposure to the sales promotion schemes.

Allocating right budget to communication media will only increase the profitability of sales promotion techniques employed by the fast food restaurants.

Scope for further study: There is scope for further studies to find out how firms are currently having budget allocations on various media and give suggestions on reallocation of the same based on the research results.

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