Antecedences and Consequences of Customer Purchasing Decision in the Quick Service Restaurants: Applied to Cairo

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Abstract

This research aims to find out what are essentials issues affect the customer purchasing decision in the Quick Service Restaurants (QSRs) such as McDonald’s, Pizza Hut, Kentucky Fried Chicken (KFC) and Hardee’s in non-traditional market place (Egypt). This research focuses on pre-purchase and post purchase decision in quick service restaurants’ customers. This research adopted a qualitative research in pre-purchase and post-purchase customers decision which use semi-structured interviews with industry experts and QSRs’ managers in Egypt. This research reflects that antecedences and consequences customer purchasing decision in the QSRs depend on: 1) Shorten serving time as its in the QSRs’ standards; 2) Improving the service quality through receiving order until serving customers; 3) Innovate taste preference to avoid customers’ stereotyping which feel bored; 4) Enhance the food quality to meet customers' expectations and preferences; 5) Pay attention to QSRs’ websites to send a clear message to customers.

Keywords: QSRs, Customer purchasing decision, Problem recognition, information search, Evaluation of alternatives, Satisfaction and Loyalty.

Introduction

There are many global QSRs in Egypt which operate under American franchising systems, particularly McDonald’s, KFC, Hardee’s and Pizza Hut, the latter three being franchised by the Americana Group (American Group Egypt, 2018). The formats of these restaurants are driven by the mother company through their franchising agreements which define all aspects of the brands (Abdelgawwad, 2012). Small adaptations to the menu, e.g. use of halal meat, are made to suit local taste preferences for the Egyptian customers. The arrival of the global QSR chains, particularly KFC and Wimpy, prompted the establishment of local QSR chains, e.g. Mo’men and Wessaya, from the late 1980s. There are now many local Egyptian QSR chains offering fast meals and sandwiches - Kebab, Kofta, grilled chicken, spicy fried liver sandwiches, Shish Tawook, Shawarma, Foul, Falafel and Koshary - to suit authentic Egyptian taste. By the end of the 1990s local QSRs chains were growing quickly (Abdelgawwad, 2017). The local QSRs do not have restricted standardized menus like the global QSRs but have more flexible menus to which they can add or remove menu items quickly. QSR concept was conducted in Egypt as a result of Egypt’s open entrance policy in the late of 1970s. Among the first to arrive were the American chains. The British Chain Wimpy and Kentucky Fried Chicken (KFC) and Pizza Hut (Abdelgawwad, 2017).
Since, the 1970s the Egyptian QSRs market has experienced growing and supposing to carry on growing at an yearly rate of 10-20% (Maher, 2007). In the beginning of 1993, there were seven global QSRs chains launch in Egypt, in 2007 there were more than 50 USA franchises functional (Maher, 2007). The majority of foreign and local franchises are launched in Cairo and if successful they expand into Alexandria (Besada, 2010). The QSRs industry in Egypt comprises 24% global franchises and 76% local franchisees, 40% of global franchisees are American chains. US franchisees account for about 35% of total franchise revenues in Egypt (Maher, 2007).

**Literature**

Today’s lifestyles and the demand for convenience products are leading to an increased demand for QSRs products (Hahm and Khan, 2001). Although most QSRs provide cheap and less-than-nutritious meals they do offer quick, consistent quality meals at affordable prices which attracts customers, chiefly young clients and families (Klessig, 2009). Restaurants are an important part of the hospitality industry and a significant part of modern-day life. As suggested by Liu and Chen (2000: 122): “Restaurants are part of an industry system providing services to people away from home that becomes progressively more general and broader as it moves from restaurants to food service to hospitality industry”. Ball and Roberts (2012: 31) define a restaurant as “an establishment where refreshments or meals can be obtained, usually for money by the public”.

The restaurant industry has become increasingly competitive. Therefore, operators need to develop effective strategies to enable consumers to distinguish their services from their competitors and increase consumer acceptance in order to get a foothold in the marketplace. Restaurant brand positioning is therefore a vital decision for building effective brand and strengthening differentiation from the competition. (Jeng and Yeh, 2016:21)

"Consumers are increasingly showing interest in local stores assure the value for money" (Jeng, and Yeh, 2016:15). So, value of money can affect customer back decision on the local QSRs. otherwise, in the global QSRs there is another measures for back decision such as food safety, appeal, cleanliness of operation (Knutson, 2000; Sulek and Hensley, 2004) "Once decision to visit a particular restaurant is made, the overall value of the experience may also be created or judged using a combination of tangible and intangible factors" (Alonso and O’Neill, 2010:25 ) "The dining experience relies on the value-for-money aspect of the food and service components" (Alonso and O’Neill, 2010; 265). However, there are other elements which provide the ideal environmental context in which dining can be enhanced and taken to the next level.

1) **Pre- purchasing decision**

The critical factors determine restaurant customers’ repeat visits include food quality, appropriate cost and attentive service (Gupta et al., 2007) and budget hugely impact.
"Good food has consistently been shown as a basic criterion for choosing a restaurant" (Sulek and Hensley, 2004). "Local foods have become increasingly popular in some sectors of the culinary community" (Severson, 2006 cited in Inwood, 2009, 177). Also, they added other stimuli factors which influenced the buyer’s environment; economics, technological, political and cultural, marketing contents of the four P’s which are product, price, place, promotion, and other stimuli include major forces in the buyer’s environment; economics, technological, political and cultural (Armstrong and Kotler, 2007; Kumar, 2001; Kotler, 1989).

The advertising approach to convey an image or tactical message to the end – user may also be localized according to Egyptian culture (Maher, 2007:3). Marketers are doing their best to increase customer’s trust with social media channels using for example; Facebook, YouTube, Twitter to increase the customers purchasing power through an internet (Karimov and Brengman, 2014). “Ceiling price is the national maximum price a customer is able to pay and still obtain value” (Cram, 2008: 289). Furthermore, factors which affect consumer behavior are four P’s which are product, price, place, promotion (Armstrong and Kotler, 2007; Kumar, 2001; Proctor, 2000; Kotler, 1989).

![Model of Buyer Behaviour](source_from: Armstrong and Kotler 2007)

Figure no.1 factors affect customer’s decision process

A) Problem recognition

Problem Recognition (PR) is a critical stage of the consumer decision making progression, it has been relatively under-investigated. PR deals with problem situation to find a suitable solution, the lasting stages in the purchase decision are dependent on it. An investigative framework of problem recognition, consisting of four segments "new need," "product depletion, "expected satisfaction" and "current dissatisfaction" is proposed (Punj, 1992).

A trial of 1056 new car buyers is used for experiential justification. The "new need" and "product reduction" groups differ expressively from the others in terms of several pre-search, search, alternative evaluation and satisfaction variables (Workman, 2010).
The consumer distinguishes the difference in sufficient size between what is perceived as the wanted state and what is the real state of products enough to activate the decision process and activate it. The real situation refers to the way in which the need is already met and what is desirable is the way in which the person wants the need to be satisfied (Spreng et al., 1996). Make suggestions and ideas to help your customers make the right decision. Therefore, the way you plan or anticipate may not be how you understand the use of your product or service. Understand how to help your customers. And use it based on how other customers resolve their purchasing decisions. Why consumers delay their decisions for major buying which are: (1) struggle of choosing the best service, (2) time stress, (3) risk of taste, quantity and quality (4) task avoidance and unpleasantness. (Baumeister, 2001)

B) Information search
The consumer gathers enough information during the second stage of the decision-making process. Valuation of alternatives is the stage where the consumer uses the information collected at the information search stage and the evaluation of alternative brands begins in the product category (Ranganathan and Ganapathy, 2002). The consumer compares and evaluates the information to make the right decision. It analyzes all information collected and examines different alternative products and services and compares them to actual needs or desires (Liang and Lai, 2002). Customers purchasing decision use combination of different sources through existing media such as T.V., street billboards in the streets. In the same vein, customers get information from conversations with friends and family through face book, tweeter, what’s up and reviewers. On the other side, there is a study conclude that 59% of customers decision depends on the friends and relatives experience. In the similar vein, high technology allows exchanging of information through different tools such as customers’ views, transportation of good all over the world quick and efficient. Customers always inquire about products are well received? What are the best prices which consumers are willing to buy? What TV programs, newspapers and advertising consumers read or view?: What are the kind of restaurants are visited? (Ruby and Stake, 2007).

C) Evaluation of alternatives
Customers and sellers share social media, customers are regularly affected by buying decisions by Word Of Mouth (WOM) (Dellarocas, 2003) with marketers who improve brand societies through social networking platforms to engage consumers and generate WOM interactions through information exchange that will support increased sales (Kozinets 2006). Evaluate alternatives by studying the benefits and disadvantages of each alternative. During the evaluation of alternatives, the social, economic and environmental factors affecting the expected results are carefully considered. Encouragement, discussing and use visual aids to help explain alternatives especially in the fast food industry. Technical advisors can prepare technical specifications and provide a brief summary of each alternative. Each alternative costs include positive and negative (Brodie et al., 2013).
2) Post- Purchasing customers decision
The purchase decision has been converted into a set of buyers' responses that can be observed; product selection, brand selection, alert selection, timing of purchase and purchase amount (Armstrong and Cutler, 2007). Factors influencing consumer behavior are four P is the product, price, place and promotion (Armstrong and Kotler, 2007; Kumar, 2001; Proctor, 2000; Kotler, 1989). Khron. (2004) stated that a product is a set of physical, service or symbolic characteristics that satisfy the return of buyers or end users. Products can be defined more in terms of the different market places they have: local products have potential in only one market; international products have the capacity to expand from local markets; multinational products are products that offer many international markets but are adapted to suit each Market; Global products are designed to meet the needs of market segments that are the same worldwide. In general, there are some key elements that influence the consumer purchasing decision: culture, Sub-culture and social factors (Wilson and Kiligan, 2005). Moreover, cultural factors influence the behavior of the consumer, so the marketer is asked to understand the role played by buyer culture and subculture and social class (Kumar and Mittal 2001).

A) Satisfaction
Highly competitive nature of QSRs has motivated members of hospitality industry to develop imaginative methods to enhance customer satisfaction (Gregory et al.1998: 21). Positive quality affects customer satisfaction, inspires purpose to return and encourages recommending activity (Benitez et al. 2007). “A product as the sum of all the physical and psychological satisfactions that the buyer or user receives as a result of the purchase and or use of a product.”(Albaum et al. 2002: 388). In spite of increasing globalisation on those days in services and brands, service-oriented businesses requests to take care of their customers’ satisfaction in both inside and overseas because there are unique cultural changes among nations (Gilbert et al., 2004).

B) Loyalty
Most hospitality industry hotels are concerned in inspiring customers to repeat buying and cause a positive word of mouth. Though, there is a distinction between regulare customer and loyal shopper( Bowie and Buttle, 2011). “Customer loyalty is a key driver for retail and eCommerce success” (Kulick, 2018). A loyal consumer is true, realistic and constnts. A loyal customer is totally pleased with the marketing deal and does not extremely care of competitor’s substitutes (Bowie and Buttle, 2011).

C) Post-purchase experience
Post-purchase experience has a great role in consumer’s experience which impact positively or negatively on antecedences and consequences customer purchasing in the QSRs. So, “Post-purchase issues that arise should be easy for customers to get solutions to Make returns and refunds eas.” Kulick (2018). In the same vien, employees should deal with customers good “Give customers a remarkable experience. Be always useful to your customers. Make your customers’ lives easier” (Pickering, 2012: online).
Methodology

The qualitative research was adopted in this research. Sixty Semi-structured interviews were conducted during months of June, July and August 2017 in the Cairo (Haram, Mohandseen, El-maadi, Nasser city etc.) to collect information from global QSRs such as KFC, McDonald’s and Hardee’s. The selecting environment to collect customer information in these restaurants was perceived as being convenient to the researcher in several respects. Gathering data was very suitably located area for researcher without needing to travel distance. As well as investigating different aspects of the factors affect consumer purchasing decision (food quality which means taste, features, safety, variety of items, services, value for money, design, kitchen style and so on) that respondents may consider important.

Results and discussions

There are differences in branding a city, a region or a country. "The factors that influence the image of a country are different from the factors that affect a region and city. In this sense, the work of branding a country is different from that of branding a region or city" (Caldwell and Freire, 2004:59), these factors can be affected by the economic and social situation which differ from country to another. Since 2016 the economic situation deteriorating affect negatively on the purchasing decision as vast majority of managers assured in the interviews. So, a big gap was found that purchasing decision power before 2016 and after. These economic issue decreased customer’s income which affect badly the disposal income. Service and pleasant atmosphere are also significant features in QSRs (Susskind and Chan, 2000).
Middle-East manager “There are some factors affect the customers buying decision by the brand name of restaurant, restaurants image (take care of image by remodeling and renovations pf restaurants), quality, speed of service, hospitality and cleanliness and accuracy in order taking”. Otherwise, “Service is an act of assistance; or is the action of helping or doing work for someone. Customer service: the provision of service to customers before, during and after a purchase”. As one of KFC marketing managers explained.

1) Pre-purchasing customers decision
   A. Problem recognition
   “Stage one is the recognition of especial customers’ needs or wants not only in the QSRs but also in general. The buyer has a need to satisfy which is first stage of search product of decision process” as one of the marketing managers explained. One of marketing managers estated that “What product or service should be able to gratify these needs or wants?” which is the first customers’ stage in purchasing thoughtful in the purchasing customer’s choice. What is customer keen on paying? Which depends on income so how much does it cost this service or product? (It is important question in problem recognition).

One the industry expert explained that “This recognition depends on the customers’ situation which differed from customer to another, E.x. A class customers’ needs are completely differ from B and C customers’ class in needs and restaurants choices”. Furthermore, “individual customers’ needs are completely differ from married and family which have children” as one manager explained. “There is an important issue which impacted negatively or positively on the problem recognition is word of mouth”.

Word of Mouth is the sound of new ideas up to our ears in several ways such as; telling stories, dialogs, conversations, shared experiences radio and etc., and its impact remains on our souls until we hear another story, thus, word of mouth helps us to know about what is new, and what is the latest.

(Zamil, 2011, 20)

B. Information search
Stage two is searching for information about the product or service. Buyers here begin to look around to find out what’s out there in terms of choice and they start to work out what might be the best product or service for solving the problem or satisfying any need. Are any substitute products or no? ….. so. According to previous study of Harris (2009) Interactive obvious way of collecting information before making purchase decision through: restaurants’ website (36%). Talk directly with a sales representative of competitive restaurants (22%). Face-to-face conversation with regular customers not affiliated with the company (21%) as shown in figure no.3.
Figure 3 Sources of Information Customer Search (adapted from: Harris 2009).

**Evaluation of alternative**

“Evaluation alternative depends on the customers’ needs and purchasing power” as one of the industry expert explained. So, team work entire the operation should be behaved friendly in the front of customers and their children to take a good impression about the restaurants. So there are an Egyptian colloquial which said receive your customer in hospitality manner is better than presented food to me without hospitable manners. Team members must behave friendly with Customers and their children to take good impression. We have an Egyptian colloquial say meet me in hospitality manner better than produce food without hospitality. The word of mouth has a big impacts on customers purchasing decision so if it is bad this will lead to lose 1000 customers because the word of mouth. “Staff must behaved-well with Customers because if they get bad impression about the restaurant this will lead to lose 1000 customers by word of mouth”. One of QSRs manager explained that “There is no any offer which can satisfy customers like economic meals and buy one get one free which can decide which the best to buy”.

2) **Post-purchase decision:**

**A) Overall Satisfaction**

There are many complaints in the global QSRs because of products served in low temperature which does not satisfy the customers’ needs. McDonald’s establish a new system to solve this problem which called **made for you** which customers get hot products with different types of sauces according to their wants. In the same vein, Hardee’s made program which called **cook to order** to serve products in hot degrees. One of the marketing managers explained that “the base of satisfy customers you have to satisfy staff firstly. So, McDonald’s changes the company concept which established in 1955 from people company serve hamburger to hamburger serve people ( which means company now is focusing on developing and enhancing staff skills not focusing on hamburger”). In the same vein of the QSRs’ managers stated that “Our company make a book of duties and rights for employees to avoid any mistakes with customers”.

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One of the global marketing managers stated that “Overall satisfaction deserves to be a subject for continuously survey and studying to enhance your products and services.” Another marketing manager added that “Rewarding recognition system to encourage staff to meet over expectations customers”. Global Chain restaurants make training programs for employees to achieve standardized rules which impacted positively on customers’ satisfaction”. In the similar vein on of the global QSRs marketing manager added that “There are two types of evaluating customers satisfaction, first one through guest comments cards which cards customers to evaluate taste, quality, fresh and hot, friendly service, speed of service, order accuracy, cleanliness, value for money and overall satisfaction. Through four choices excellent, good, fair and poor.” The second one is evaluating through micros”.

One of the QSRs marketing manager stated that "One segment of evaluate the overall customers’ satisfaction through Mystery shopper who eat in restaurant and evaluate quality of food, restaurants service and finally restaurants cleanliness through report”. Furthermore, he added that "disadvantage of mystery shopper: Mystery shoppers is doing checklist every time so staff know him well; Camera catch mystery shopper on time of check list evaluation so staff do the best during his evaluation”. So, mystery shopper should visit restaurants in different times to get real evaluation. Mystery shopper should be well-trained to get the real cause or the root cause in his evaluation.

B) Loyalty

One of the global QSRs managers said that “...to build the customer’s loyalty you have to build firstly staff loyalty to your brand philosophy. So, in our brands... we called “internal customers” instead of staff in our restaurants to increase their loyalty to their work”. Furthermore, “Building customer’s loyalty through service programmers which exceeds customers’ expectations for example, if it happen a problem with a regular customer like car broke down, one of our member team go and give a hand for customer. The second example is when one of our customer canceled his daughter birthday, when we inquire about real reason of cancelling birthday, we knew that her daughter is sick in cancer hospital, so we got the hospital name with room number and teamwork went to hospital and we did a birthday for his daughter free to build customers loyalty”. Furthermore, one of the QSRs branch manager stated that “the first module of developing CHAMPIONS is customer MANIA and customer MANIA plus to enhance the customers’ satisfaction”. “Our customer Mania in KFC is to: Fallow Yes behavior for each customer; Deliver 100% CHAMPS to every customer; Customer is our ultimate boss; we will go behind customer expectation and finally we create irresistible taste and memorable experience.” McDonald’s from the leaders in producing value meals in global QSRs which create happy meals for children to attract children from low incomes’ family and the second thing to build loyalty for children toward McDonalds “McDonald’s restaurants make happy meals for children to create this kind of meals for two reasons the first factor is value for money and the second is increasing the loyalty for children”.

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C) Post-purchase Experience

Interestingly the process does not stop at the point of purchase because there is a stage five called the post-purchase evaluation. The process continues even when the product or service is being consumed by the individual or business. So if it doesn’t meet your needs or solve your problem you can take action to improve the product or service. Your actions at this point might inform other potential buyers who would be keen to hear about your experiences – good or bad. “Cleanliness is very important for post purchase.” Furthermore, “Customer’s experience has a positive or negative impact on evaluating suitable alternative in the first step of customer decision.” As one of the industry experts explained. “Post-purchase experience customer linked with logo of restaurant so overseas customers prefer to eat from global QSRs instead of the local Egyptian QSRs. This leads to raising the profitability of global chain QSRs restaurants” as one of branch mangers stated."So, experience is very useful for Global Chain QSRs because international customers don’t know local Egyptian QSRs.” One of the industry expert explained that "Yum company management which owned Pizza-hut and KFC using G.E.S. Guest, Experience Survey to evaluate their customers' experience through order receipt link”. This evaluation is more realistic than mystery shopper because get evaluation from more than one customer and more than one time. If there is any problem, it will solve through using abbriviation “L.A.S.T which mean L. for listen to your customer, A. for Apologize for what happen, S. Satisfy your customer and finally T. Thank your customer and hope to come back”.

Figure 4 Customer purchasing decision in the QSRs
Conclusion

There are three steps of customers buying decision which are pre- purchasing stage, through purchasing stage, and finally post-purchase decision in QSRs. Further research will be in customer purchasing decision in the Quick Service restaurants. So, to know real factors which helping the customers before getting decision of purchasing in the QSRs. Further research is needed to evaluate these stages through quantative research with customers in the QSRs.

Recommendations

The QSRs should:

- Shorten serving time as its in the QSRs’ standards.
- Improve the service quality through receiving order until serving customers.
- Innovate taste preference to avoid customers’ stereotyping which feel bored.
- Enhance the food quality to meet customers’ expectations and preferences.
- Pay attention to their own websites to send a clear message to customers who are looking for the QSRs’ products.
- Deal with customer as a boss not as a friend.
- Take care of Guest Experience Survey (G.E.S.) to evaluate their customers’ experience.
- Remodel and renovative restaurants less than five years.
- Accept customers’ suggests which related to changing products’ taste, features, packaging and components.
- Take care of customer experience which impacted positively and negatively on evaluating suitable alternatives.
- Restaurant’s logo has a great impact on searching information.
- Update QSRs’ websites from time to another to maintain its competitive position.

References


العوامل والآثار المترتبة على قرار شراء العملاء في مطاعم الخدمة السريعة: بالتطبيق على القاهرة

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الملخص العربي

يهدف هذا البحث إلى معرفة ما هي العوامل الأساسية التي تؤثر على قرار شراء العملاء في مطاعم الخدمة السريعة (QSRs) مثل ماكدونالدز، بيتزا هت، كنتاكي، وهارديز في الأسواق غير التقليدية (مصر). يركز هذا البحث على قرار ما قبل الشراء وما بعد الشراء لدى عملاء مطاعم الخدمة السريعة. اعتمد هذا البحث على المنهج الكيفي عن طريق مقابلات شخصية مع خبراء الصناعة ومديري مطاعم الخدمة السريعة في مصر. يوضح هذا البحث أن النتائج المترتبة على قرار شراء العملاء في مطاعم الخدمة السريعة تعتمد على: 1) قصر وقت الخدمة والذي يعد أحد معايير مطاعم الخدمة السريعة، 2) تحسين جودة الخدمة؛ 3) ابتكار أذواق أفضل من الوجبات؛ 4) تحسين جودة الوجبات لتلبية توقعات العملاء وتفضيلاتهم؛ 5) جذب انتباه العملاء من خلال مواقع مطاعم الخدمة السريعة.

الكلمات الرئيسية: مطاعم الخدمة السريعة، قرار شراء العملاء، القاهرة.