STRATEGIC ANALYSIS OF FAST FOOD INDUSTRY: CASE STUDY OF INDIA

Neeti Kapoor
Assistant Professor,
Department of Home Science,
Kanya Maha Vidyalaya, Jalandhar

Received Aug. 20, 2015 Accepted Sept. 10, 2015

ABSTRACT
The aim of the analysis is to explore the impact of the SWOT (Strength and Weakness) internal and external factors (opportunity and threat) factor in fast food success and profitability in terms of sales in Indian food business. Owners of the food business outlets in Jalandhar, Punjab have been given with a set of well framed questionnaire. A response rate of 48% is observed from the target population. Statistical tools have been applied on the collected primary data using IBM SPSS 25. Data collected from the respondents have been processed by application of regression & correlation matrix. Around 32.9% of owners had a technical degree, and just 67.1% are doing business with long experience in food industry for 20 or more years. Fast-food production was found to be important and favourable in external SWOT (O&T) factors, as internal SWOT (S&W) factors were negatively and indirectly connected to rapid-food performance. This research describes around 21.8% variation in fast food results. This research will be useful for those practitioners who want to be successful in India's fast food industry. This study also shows that the fundamental principle of strength and weakness as a principal factor in enhancing efficiency cannot be generalized to food business in the world.

Key Words: Fast food, Strength and Weakness, Opportunity and Threat, SWOT, India

Introduction
Eating out today is certainly part of western lifestyles or may be said as a new era requirement. Quick food is primarily meant for young people who earn the most money from the fast food restaurant. The fat foods taste good for these young people, which in turn lead them to conclude that quick foods are fast, simple and satisfying. Quick food restaurants now produce "value" items. Quick food has been trendy, as consumers not only consume, but even love the experience more than grownups; children also want to go to fast food restaurants to celebrate activities like birthdays, results and even celebrations. Indian populace has been adapting to developments and modernization for long after independence. Households in our nation these days welcome securely food from eating out places. The food corporations have been active in substituting food from the consumer's diet with new and nutritious goods of fast food and refined food. Fast food is a kind of meal which is sometimes cooked and served rapidly, according to the English dictionary. The online fast food dictionary "was designed for ready access, use and consumption with little regard for quality and significance" according to Merriam-Webster. Data Monitor's (2005) survey describes the fast-food industry as the sales of food and beverages, whether on line or worldwide, and in India over the years, for immediate consumption. There was however, incremental demand for food which isn't engineered or manufactured by genetically modified organisms as the global obesity grew.

Consequently the demand for new, sustainable and vegetarian food is being silently followed further in the West with the responsible consumerism of human
wellbeing, animal rights, environmental safety and ethical trading worldwide. Foods that are not "intensive" and produced are "natural" food, without "chemicals" and "growth hormones" (Soil Association, 2000; Makatouni, 2002; Davies et al., 1995). The percentage of bio-food revenue is 1-2% of the global food industry. The main regional demand for organic food processed in Western Europe. In the most industrialized economies like India and China, the organic food industry is only at the embryo level, and in Africa and Middle East it is marginal. Excellent analyses by foreign NGOs in Western countries have given insights into diet and safe consumption. However there is a broad literature discrepancy in food tastes for customers and their health consequences in the Indian sense. This research aims to examine variables in customer food preference following evolving dietary and eating patterns, their health consequences, and a rising trend in organic food and vegetarianism in the Indian context.

**Literature review**

Quick food sector has arisen worldwide as a fast expanding field and a great deal of foreign work has been conducted on SWOT of the fast food industry worldwide. Quick food was proclaimed by Bender and Bender (1995) to be a concept for a small menu of foods which are appropriate for production-line techniques, vendors are specialist in items such as hamburgers, pizzas, poultry or sandwiches.

Lee and Ulgado (1997) researched fast food perception in the USA and in Korea; fast food is a saving of time and resources for Koreans who consider it is a reliable source of food for American people. Kara, et al. (1997) argue that fast food is no longer a domestic phenomenon but that it is regional in relevance. Liu and Chen (2000) also established a business combination structure for fast food in the Philippines, recognizing franchised brands as a more effective method for having loyal consumers. Church, Newman, (2000) researched machine modeling to try to improve the performance of fast-food restaurant development and distribution networks.

Raymond (2000) notes that toys, as a premium, are regarded as the "Trojan Horse Approach," a tactic in which advertisers offer food to households and attract children's interest. Jones, Shears and Clarke-Hill (2002) described a deep case study that focuses on branded programs which deliver community commitment and value-added meals.

Quick food is more attractive for young adults and children and, as per a 2003 study by the Australian General Practice Section (Division of General Practice) almost all food services advertisements aim to lure their children, while children can carry their consumers (their parents). Mueller and Kleiner (2004) analyzed California's extremely labor-friendly regulations in terms of workers and employers in the fast-food sector.

Goyal and Singh (2007), concluded in their research that today, rather than only getting fun in fast food, people want more and more knowledge about the food quality of safety and hygiene. The rivalry thus affects quality and operation. Kobayashi (2009) examined the connection between academic success and fast-food consumption of American and Japanese students. The age and gender factors of the fast food industry was examined by Fanning, Marsh, and Stiegert (2010).

Banerjee and Yancey (2010) clarified how a fast-food organisation, by picking mobile marketing practices according to the quality of the commodity, would boost its business in
the long run by taking into consideration the timing of the variable. Min (2011) indicated that service values were vital to a rapid-food restaurant.

In a research entitled "Changing tastes: purchase choice in urban China" Veeck (1997) analyzed the conduct of food pick-up in Nanjing, China on the basis of a 10-month field study span in which time-related behaviour, including the usage of packaged food, restaurant intake and frequencies of food shopping, have been studied. The purpose of the research was to study why and how choices of food purchasing shift in a fast rising economy. Food purchasing activity is called in a "cultural ideology" based on tradition, standard experience, inertia and visual sensitivity to form eating habits while being shaped by material and social needs. Nelson (1992) "The model of consumer policy factor in food products: case study of the United States and Japan," analyzed, reveals a variety of variables such as beliefs, food patterns, family dynamics, tastes and desires influencing the decision-making process between countries and within countries of consumer food choice. The multiple regression model was developed using the independent variables, typical payers, female attendance as contingent variables as reach spending and cereal expenditure. Results show that age is not a large indicator of meat or cereal spending in the United States. The average number of workers in Japan is not large, but is substantial in cereal spending. In forecasting meat and cereal prices, female workforce participation (US) was slightly important. In his work "Time, tastes, and technology: economic development," Cullen (1994)

Eat out" interprets a society of fast food and snack, which brings further emphasis to conveniencesness and eating behavior, as the growing americanization of eating out. In his research, Christopher (1994) explored in the future the relevance of fusion cuisines, "A taste of tomorrow's food." Brain (2000) has referred to the reality that the food of tomorrow contains foreign disks and hybrid cuisines, combining a range of national cuisines, under the title of the taste of tomorrow. Globalization is coming home to dinner." In future kitchens will vanish from several households and the thought of buying food will arrive with little urge to prepare food. Alternative globalization hypotheses are discussed in order to assess the effect of economic influences on food decisions. Steptoe et al. (1995) produced a questionnaire on food preference, focused on a factor study of the answers from a survey of 358 people ranged in age between 18 and 87 years. This questionnaire was entitled "Development of the Motives for food Selection: A Food Choice Framework." The authors have as their primary reasons for preferring food health, environment, warmth, sensory appeal, natural substances, costs, management of weight, family and ethics, and have measured the disparities in sex between these motivations.

The effects on the frequency of food away from home through social, economic and dietary influences" has used a model that describes tours of table-dining and fast-food restaurants, with approximate nutrient variables in the demography of traditional measurements, where nutritional factors have fewer influence on table-dining. The frequency of customers very much informed of diet considerations in table service and fast food restaurants is slightly smaller than in other restaurants. Manchester and Clauson (1995) examined how food costs in their work have risen dramatically in the food sector, dubbed "1994 spending on food outside the home environment." Nayga and
Capps (1992) have established many socio-economic and demographic features of people who have eaten food outside their homes using the 1987-1988 national food intake survey. The report named "Food determinants away from domestic consumption: an update." The study was done by log evaluate. Gender, gender, working condition, enrollment in food stamps, seasonality, household size, age, sales, consumption frequency were significant features.

Jackson and McDoniel (1985) analyze different psychographic characteristics displayed by working people rather than housewives in the grocery-shop and food preparation processes by contrasting the responses of food-processing firms with the psychographic characteristics of food shopping and preparation.

In some grocery shopping and planning based psychographic comments, 246 employed people and 181 house women. Results suggest that employed people are more discouraged regarding food shopping and cooking, although they also seem to be less concerned with the effect on other family members, compared with non-working women, of the food shopping and preparing practices. In the research entitled "The New Determinants of Female Food Shopping Competition in Lifestyles," Roberts and Wortzel (1979) used variables in lifestyle as predecessors in food shopping behaviour. The inference is that the inclusion of women in the workforce has concentrated attention substantially on evolving habits and levels of consumption. In their study "Fast Food and Ethical Consumer Value: Focusing on McDonald's and KFC" Schroder and McEachern (2005) seek to examine the impact of the CSR policies on the purchasing of fast food by young consumers in the UK, with respect to McDonald's and KFC. The authors also concluded that fast food is viewed as quick yet unsafe, so fast food firms may no longer rely on the convenience of USP without equivalent value for customers.

Lowell (2004) has analyzed the problem which is now facing both the industrialized and developing world using a number of reputable outlets such as the World Health Organisation (WHO) and the International Obesity Task Force in his work,"the food sector and its role in growing global obesity: a case study.' The present crisis. In the last two decade, the author discusses the global rise in obesity and illustrates the issues of youth, teenage and adult obesity, where fast foods and snacks are increasingly common. In particular the "fast food industry," which has over recent decade improved numerous marketing strategies to make us consume more (supersize) snacks and rely more on schools and children. The author has often raised a finger at the food industry. Given the immense crisis of obesity, though, fat intake is strong in the western world and rises in developed countries. A significant number of foreign studies on the evolving habits of consumption and their effect on the western world have revealed a link between food consumption and obesity, particularly fast food. 65% of obesity is caused by fast meals and sweets, according to the US National Bureau of Economic Analysis.

In a thesis entitled "Back to conservative principles, Jones et al. (2003)? A Slow Dropping Analysis

Food's explanation of the roots of slow feed and the threats to the highly entrenched fast-food sector with regard to global obesity. Obesity is a big global concern with evolving diet and dietary behaviour's, and therefore a movement towards vegetarianism and organic feed is growing in Western countries,
according to the Euro monitor International IMIS data base 'Changing Face of Eating Years.' In developing countries, ethical consumerism has become a challenge, with media constantly reporting on exploitation, food protection and environmental problems. The future is projected to dramatically raise organic food intake. The main regional demand for organic food processed in Western Europe. Germany, the UK and Italy, with an approximate US$1.9 billion, US$ 1.6 billion and US$ 1.5 billion respectively, are the industry leaders for bio-packaged goods in western Europe. In the most industrialized economies like India and China, the organic food industry is only at the embryo level, and in Africa and Middle East it is marginal. Many observational surveys in the UK, USA, Spain, Australia, Croatia, Greece and many more worldwide on market perceptions for organic food have concluded that demand is steadily shifted from fast and packaged foods to slow foods and organic foods.

Regmi and Dyck explored how urbanization, followed by economic change and income increases, not only had a dramatic influence on the usage habits of the developing world, but also on developed countries in their report, "The effects of urbanization on global food demand." Huang and Howarth (1996) have predicted in their research entitled 'Structural shifts in the market for food in Asia' that Asian countries will begin to face transitions in their economies supported by rapid urbanization in the coming years. As a consequence, shifts in urban-based preferences and habits would have a direct effect on demand for food and usage behaviors. During their research paper entitled "Consumer perceptions about fast food in India: an exploratory study," Goyal and SingH (2007) have examined how young Indian customers are excited about visiting fast-food shops for fun and change. Their results found that only product quality and customer support will assess market acceptability for fast food in future. The new online research by ACNielsen reveals 96% of urban Indians ingest food once a month from their take-away restaurants and 37% of this is adult Indian customers at least once a week, rendering India one of the top ten states out of 28 surveyed worldwide in terms of the frequency of fast food consumption. Nichanj (2005) explains how evolving behaviors and working patterns dictate consumers' nutritional preference for fast food in her article "Urbanities in India junk health, turn fast foodies." India has been one of the world's most promising economies in the food and retail industry. According to the Delhi Diabetes Research Center, there are 33 million diabetes sufferers, and by 2025, India is expected to have 75 million diabetes sufferers. India is regarded as the world's Diabetic Capital, according to the WHO with 37 million diabetics out of a total of 150 million diabetics worldwide. In his research titled "Food in a globalized world," Ragavan (2003) hypothesized that food is a means of existence but that it has become meaningful business expenditure. Despite obesity in metropolitan towns such as Delhi, Mumbai, Bangalore, Kolkata and even steadily increasing in other urban areas, there is an immense gap in food and health-related studies in India. It is my goal in an Indian context to examine the determinants and consequences of customer food preference for fast food in particular and to address policy implications for fast food.

New fast-food patterns are aimed at children (Pettigrew & Roberts, 2006). Quick food is a product of urban lifestyles and people's busy schedules (Davies & Smith, 2004). In addition, globalization has generated possibilities for fast foods not only domestic but also globally for consumers’
understanding because of cultural gaps (Gilbert, Veloutsou, Groode & Moutinho, 2004). This is not the entire phenomenon but there is also a chance of quick food eating (Brennan & Ritson, 2006).

**SWOT Analysis**

SWOT is an acronym since variables are listed as power, vulnerability, opportunity and hazard. The SWOT name is commonly recognised as an important instrument for assessing the potential of any organisation, in various stages and circumstances. It allows the organisation in multiple contexts to follow the internal and external climate.

Albert called SOFT in 1960-70 also regarded as TVOSOS basis for decision-making. Weihrich (1982) work will find the first attempt to integrate SWOT analyzes into a strategic strategy method, while the SWOT acronym is named TOWS as well. Piercy and Giles (1989) considered SWOT to be a tool for performing a strategic marketing audit. Terrados et al. (2007) Regional Energy Preparation and Rutz and Janssen (1997) utilized SWOT as an empirical instrument with relation of biofuels. Both of the experiments have showed SWOT's as a significant tool for evaluating the various concepts of the enterprise. SWOT Research was used to measure the cognitive method of combining marketing and knowledge views through a modern "dual perspective" SWOT system by Novicevic, Harvey, Autry, and the Bond III (2004). "Towards a strategy – generally speaking – you and your competitors know how to make decisions," said Güntherand Kaulich (2005). Thus a company's strategic behavior requires all possible knowledge about its own capabilities and vulnerabilities as well as prospects and risks (SWOT).

The organizational efficiency is possibly the variable more widely utilized, which remains ambiguous and poorly specified, is in actual reality the supreme dependent variable of importance for any researcher dealing with just about any field of management (Richard et al, 2009; Rodgers and Wright, 1998). Gerndt (2005) said that various measures must for successful results, be taken, like resource collection, and usage. A lot of work was done earlier on output assessment, but the SWOT study of the fast food sector is used in Pakistan to assess performance for the first time. Success relies not just on consumer loyalty, revenue and earnings, but also on how well a company has evaluated the atmosphere and capabilities to place the environment in its best light.

A, Hurricane A. Günther E. (2002) the eight-stage environmental performance assessment circle was presented. Lefebvre E, Talbot S, Lefebvre LA. (2003) agree that the environmental performance of businesses cannot be seen as a one-dimensional phenomenon and that the effect of environmental performance on their innovation and competition differs according to the sector.

That they run. That they operate. The balanced scorecard suggested by Chen (2010) is a performance measurement method tool. And this research will further apply SWOT to other performance measurement tools.

**Methodology**

This section of the report discusses the analysis design for the present study. In the current analysis, the output is a contingent variable where independent variables are SWOT components. For the latest research, all donors to the fast food sector are targeted individuals. The target demographic is the owners and managers of the associated organizations according to the basic theme.
specifications. The community chosen comprises both domestic and foreign fast food businesses based in Jalandhar, Punjab. In order to collect the data used to evaluate the fast-food industry in Jalandhar, Punjab. A convenient sampling approach was used to collect the data from Model Town, Metropolitan District, Security Colony and Rama Mandi Districts. For data collection, 100 fast food stores were visited, but only 48 questionnaires were received back making it a response rate of 48%.

### Demographics of the responding population

<table>
<thead>
<tr>
<th>Years of Operation</th>
<th>%</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>less than 10 years</td>
<td>64.5</td>
<td>31</td>
</tr>
<tr>
<td>Between 10-15 years</td>
<td>22.9</td>
<td>11</td>
</tr>
<tr>
<td>Between 15-20 years</td>
<td>12.5</td>
<td>6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Professional Education into sector</th>
<th>%</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>With professional Education</td>
<td>37.5</td>
<td>18</td>
</tr>
<tr>
<td>Without professional Education</td>
<td>62.5</td>
<td>30</td>
</tr>
</tbody>
</table>

Table 1

Table 1 describes a total of 31 fast food outlets, 64.5% into operation for less than 10 years in the city, 11 outlets, 22.9% into operation between 10-15 years and 12.5% that is 6 outlets are into fast food business for 15 to 20 years.

Also, 18 (37.5) outlets out of responding population are having professional education from a college or institute and rest 30 (62.5%) are operating without any formal education into food business.

### Correlation Matrix:

<table>
<thead>
<tr>
<th></th>
<th>Internal factors (Strengths &amp; Weaknesses)</th>
<th>External factors (Opportunities &amp; Threats)</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal (S&amp;W)</td>
<td>Internal Correlation</td>
<td>.637**</td>
<td>.253</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.082</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>48</td>
<td>48</td>
</tr>
<tr>
<td></td>
<td>Internal (S&amp;W)</td>
<td>External (O&amp;T)</td>
<td>Performance</td>
</tr>
<tr>
<td></td>
<td>Pearson Correlation</td>
<td>1</td>
<td>.463**</td>
</tr>
</tbody>
</table>

142 IJRAR- International Journal of Research and Analytical Reviews

Research Paper
Table 1.1

The association of all three model variables is presented in Table 1.1. Quality is more relevant than strengths or disadvantages in relation to environmental scanning variables, risks and opportunities.

**Correlation Matrix:**

<table>
<thead>
<tr>
<th></th>
<th>Internal factors (Strengths &amp;Weaknesses)</th>
<th>External factors (Opportunities &amp; Threats)</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal (S &amp;W)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>1</td>
<td>.637**</td>
<td>.253</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td>.000</td>
<td>.082</td>
</tr>
<tr>
<td>N</td>
<td>48</td>
<td>48</td>
<td>48</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Internal (S&amp;W)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>External (O&amp;T)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Performance</td>
<td></td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>.637**</td>
<td>1</td>
<td>.463**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.001</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>48</td>
<td>48</td>
<td>48</td>
</tr>
</tbody>
</table>

Table 1.2
The association of all three model variable is seen in Table 1.2. Quality is more relevant than strengths or disadvantages in relation to environmental scanning variables, risks and opportunities.

Regression Model

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.467a</td>
<td>.218</td>
<td>.183</td>
<td>.55256</td>
</tr>
</tbody>
</table>

Table 1.3

Table 1.3 tells that there is a statistical model of 21.8% of overall study and that the remaining work needs to be analysed. There may therefore be other parameters to calculate fast food industry success in Jalandhar, India.

Coefficient

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td>t</td>
<td>Sig.</td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>1.001</td>
<td>.825</td>
<td>1.215</td>
<td>.231</td>
<td></td>
</tr>
<tr>
<td>Internal (S&amp;W)</td>
<td>-.106</td>
<td>.256</td>
<td>-.071</td>
<td>-.413</td>
<td>.682</td>
</tr>
<tr>
<td>External (O&amp;T)</td>
<td>.757</td>
<td>.255</td>
<td>.508</td>
<td>2.971</td>
<td>.005</td>
</tr>
</tbody>
</table>

Table 1.4

Beta importance in Table 1.4 is not substantially connected to the success of fast food industry, since the internal variables, intensity and vulnerability are significantly related to external aspects, risks and opportunities in the fast food industry.

Conclusions

The above findings show a constructive and significant relationship, which poses threats and opportunities in Jalandhar, India between environmental scanning, threats and opportunities and the production of the fast food industry, directly involved in improving the efficiency of the fast food industry in Jalandhar, India. Strengths and weaknesses are enormously and insignificantly related to the growth of the fast food industry, which demonstrates that the strengths and weaknesses of Jalandhar, India, are not important to SWOT's internal factors (strengths and weaknesses). While the strengths and disadvantages of a competitive sector are seen as a major factor as they represent a corporate internal state, they do not yet confirm prior literary research that suggests that the cultural divide has an influence on the realistic involvement of the business. Corporate investment in the Indian industry depends mainly on the intuition and experience of
their ancestors. A subjective strategy is taken by the operating business. Imitation in decision-making is another essential factor in this area. Strategies rely on behaviour of competitors, not on the knowledge of the central sector.

**Limitation of Study**

There are some fields that are not addressed by this report. In the first instance, it is a cross-sectional analysis that presents the outcome of the present point in time. There is a probability of variation in the consequences if data is obtained over two separate time spans. The additional implications are focused on data collection by providing a survey of five major cities in India. The trend of fast food consumption can differ from town to town. This phenomenon was not included in this review.

**References**


If you cannot do great things, do small things in a great way.

~ Napoleon Hill