

Has Consumer's Attitude towards McDonald's Changed: A Study Conducted in South Delhi

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Abstract—India is one of the world's largest consumption economy. Every global consumer product company wants to have a share of consumption pie. With India's economy projected to record strong growth in the years to come, the Indian consumer is expected to be endowed with increased spending capacity. With rising income levels, discretionary spending is likely to increase. Eating out is one such form of discretionary expenditure. The fast food industry has been on growth for more than a decade. McDonalds is one such name in fast food industry which is liked by consumer of all age group due to its affordable prices and taste. Competition has been on rise and same has been felt by McDonalds as McDonald's results have disappointed Wall Street and there has been decrease in sale. One of the reasons for decreasing sale can be owed to competition McDonald's face from various other outlets dealing on same business style. McDonald's is one of the oldest food chain and have outlet in most of the countries. With time consumer need, taste and preferences are changing and McDonald's have to adjust itself according to these changing needs. This paper tries to analyze the challenges and issues that McDonald's is facing and an attempt has been made to suggest possible solution in meeting those challenges. A study was conducted on 120 respondents in South Delhi to understand consumer attitude towards McDonald's as compared to other QSR options available.

Keywords: QSR, consumer attitude, McDonalds

1. INTRODUCTION

India is one of the fastest growing economies in the world. The country's GDP is expected to grow at 7.4% as estimated by IMF (International Monetary Fund). The reason for this growth can be attributed to changing demographics, favorable economy, and stable government. The Indian Food and Beverage (F&B) service industry is growing at a very high rate from past few years. The industry also has a significant contribution to the economy and is also frontrunner in terms of attracting investments. According to NRAI Food Service Report (IFSR), 2016 the restaurant industry is expected to contribute 2.1% of the total GDP of India by 2021. There is also increase in the amount the consumer spent on food items. Indian population is considered to be food-loving and this makes this industry even more important.

2. INDIAN FOOD SERVICE MARKET

According to Euromonitor Research Full time service restaurants and Quick Service Restaurants constitute about 73% of India's food service industry. Almost 81% of the consumers prefer to eat-in and only 19% prefer to get delivered or take away. There are massive opportunities for food chains in the Indian market. The reasons for growth in demand are large share of young population, more disposable income, changing lifestyle, increase in urban population, more working women etc. Indians no longer need a special occasion to go out and dine. They do it on regular basis whenever they feel like going out to eat.

According to NRAI Report, 2016 QSR's (Quick Service Restaurants) are most preferred destination followed by casual dining restaurants when it comes to dining out.

Table 1: Why Indians Eat Out

Reason why Indians eat out	% of total eating out occasions
Shopping and casual outing	15%
Family outings	14%
Friends outings	14%
Family function	11%
Business meetings	8%
Alternate to cooking	8%
Compulsive eating out	8%
Experimentation	8%
Spending free time	7%
Festivals	6%

Source: India Food Service Report, 2016

Fast food chains such as McDonald's, KFC, Subway, Domino's Pizza, Haldiram's and Bikanervala are estimated to make an entry into small cities.