

Factors Affecting the Decision to Choose Fast-Food Restaurant in Thai Nguyen City: A Case Study of Thai Nguyen University Students

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DOI: <https://doi.org/10.51244/IJRSI.2024.11110024>

Received: 11 October 2024; Accepted: 15 October 2024; Published: 02 December 2024

ABSTRACT

Along with the development of fast-food brand in the Vietnamese market, these brands are increasingly improving the quality of services and facilities to attract customers. However, currently the competition for the market is extremely fierce among brands. Based on 240 survey samples from students at universities in Thai Nguyen City, this study has shown that students' decision to choose a fast-food restaurant is influenced by 3 factors: Promotion (0.321), Quality perception (0.291) and Brand (0.132). Meanwhile, other factors such as perceived price, convenience, social influence do not have a significant impact on this choice decision. This is a valuable finding both theoretically and practically and is the basis for devising policies to attract customer as well as "retain" these customers in a better way.

Key words: Decisions, factors, effect, fast-food restaurant, Students, Thai Nguyen city.

INTRODUCTION

According to data from the Ministry of Industry and Trade for the period 2020 - 2023, regardless of the unstable fluctuations of the Vietnamese economy, the fast food market still grows annually with double digits and is one of the fastest growing industries in Vietnam.

Thai Nguyen is a province located North of the Hanoi Capital. This province is planned to be the center of the Northern midland and mountainous region, and it is the headquarters of Thai Nguyen University with more than 69,940 students studying (Thai Nguyen News). A common image in cities today is families shopping, entertaining and eating at fast food stores. As society develops, the pace of life also increases, requiring people to be more active and timelier, so fast food stores become the obvious choice. Vietnam has become an investment destination for many foreign companies and corporations, including "bosses" in the fast-food industry such as Mc Donal, KFC, Jollibee, Lotteria, Pizza Hut, Burger's King, ...

In fact, attracting customers is an important key for a supplier's operations to generate profits (Zeithaml et al., 1988). So, what makes customers increasingly prefer fast food stores, so the author chooses "Factors affecting the decision to choose fast food restaurants in Thai Nguyen city: A case study of Thai Nguyen University students" with the aim of discovering the factors that attract customers. The study also helps to point out the level of impact of factors on customers' choices, thereby providing complete solutions to help the fast-food industry develop further in the future.

METHOD

This study used convenience sampling method. This is a non-probability sampling method. This method is easy to access research subjects, helping to save time and costs. However, this method has the disadvantage of not being able to determine sampling error (Zeithaml, 1988).

There have been many studies conducted by researchers to find the optimal sample size suitable for each expectation regarding analysis methods, estimation methods, reliability or distribution rules of the population.

select. For example, according to Hair, Anderson, Hair, Tatham and Black (1998) for reference the expected sample size is at least 5 times the total number of observed variables. In this study, with the number of observed variables being 33, the minimum research sample size is $5 \times 33 = 165$ samples, however the author selected 240 samples, ensuring the sample size conditions according to Hair et al. (2020)

Based on previous domestic and foreign studies, the author synthesizes the most common observed variables and is mentioned by many models. Through the calculation process, this study proposes a research model including 07 independent variables: (1) Social influence, (2) Price perception, (3) Brand, (4) Quality perception, (5) Convenience, (6) Promotion. See table 1.

Table 1: Dependent and independent variables

Variable	Source
1. Independent	
Social influence	Nguyen Minh Hue (2017); Rehman, A., Akhtar, W. (2012)
Price Perception	Phuong Thi Ngoc Mai, Phan Thi Cuc (2021); Olabanji. A. Oni Tafadzwa Matiza (2014); Nguyen Minh Hue (2017)
Brand	Phuong Thi Ngoc Mai, Phan Thi Cuc (2021); Rehman, A., Akhtar, W. (2012)
Quality Perception	Nguyen Minh Hue (2017); Olabanji. A. Oni Tafadzwa Matiza (2014)
Convenience	Nguyen Minh Hue (2017); Olabanji. A. Oni Tafadzwa Matiza (2014)
Promotion	Nguyen Minh Hue (2017); Phuong Thi Ngoc Mai, Phan Thi Cuc (2021)
2. Dependent	
Decision to choose	Phuong Thi Ngoc Mai, Phan Thi Cuc (2021); Nguyen Minh Hue (2017)

Source: Synthetic from Author



Fig 1. Proposed research model

The measurement tool for quantitative variables in the research topic is a 5-point Likert scale (with levels ranging from 1 - Completely disagree to 5 - Completely agree). This type of scale is quite commonly used in sociological behavioral studies.

RESULT

Evaluate the reliability of the scale

Cronbach's alpha results show that the Cronbach's alpha coefficient of the scales: Social influence, brand, Quality perceived, convenience, promotion, choice decision is all greater than 0.6 and less than 0.8; On the contrary, the Price Perception scale with Cronbach's alpha coefficient = $0.512 < 0.6$ did not achieve minimum reliability and was removed from the analysis steps. Among the scales mentioned above, the Convenience scale has the highest Cronbach's alpha coefficient of 0.721 and the lowest is the Promotion scale with a Cronbach's alpha coefficient

of 0.602. Cronbach's alpha coefficient of total variable correlation of each variable is greater than 0.3. The results of reliability analysis show that the scale has guaranteed reliability and can be continued to be used in the following analysis steps.

Exploratory Factor Analysis

For independent variables, KMO coefficient = 0.759 > 0.5, satisfactory, Factor analysis is appropriate; Sig. Bartlett's Test = 0.000 < 0.05; Bartlett's test is 1210.185 with statistical significance as Sig. (Bartlett Test) = 0.000 demonstrate that the observed variables are correlated and EFA factor analysis is appropriate.

Eigenvalue coefficient = 1.047 > 1, at this time the scale is accepted when the total extracted variance is 57.349% > 50%, the model is suitable. This shows that the 5 groups of factors extracted in EFA explain 57.349% of the variation of all included observed variables model.

From the results of EFA analysis of independent variables, the 33 observed variables included in the analysis, there are 15 observed variables with Factor Loading coefficients greater than 0.5, meeting the requirements.

The resulting rotated matrix has converged the observed variables to each factor that they represent with standard loading factors. This shows that observed variables and factors are closely related to each other

The result of Bartlett's test with a Chi-square index of 469.141 has a statistical significance of Sig. (Bartlett Test) = 0.000 demonstrate that the observed variables are correlated within the factor. This demonstrate that the data used for factor analysis is completely appropriate. The Eigenvalue value reached 2.228 > 1. The extracted variance was 74.274% > 50%, showing that the deciding factor of choice explained 74.274% of the variation in the data.

Multivariate regression model

Table 2. Regression result

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.932	0.443		4.363	0		
	Brand	0.132	0.06	0.072	1.009	0.007	0.666	1.502
	Convenience	0.019	0.087	0.014	0.213	0.832	0.796	1.256
	Quality perception	0.291	0.062	0.17	2.481	0.014	0.709	1.411
	Promotion	0.321	0.067	0.225	3.39	0.001	0.756	1.323
	Social influence	0.131	0.048	0.163	2.706	0.314	0.923	1.083

Dependent Variable: Decision

Source: Data from analysis

With Tolerance greater than 0.1 and the VIF coefficient of the variables less than 10, the regression model does not have multicollinearity.

The adjusted R-squared coefficient is 0.201, meaning that independent factors such as Quality perception, promotion, and brand explained 20.1% of the variation in the dependent variable with 95% confidence. About 79.9% of the variation in the dependent variable is explained by factors not included in the model. Specifically, the regression function is written as follows:

$$\text{Decision} = 1.932 + 0.321 * \text{Promotion} + 0.291 * \text{Quality perception} + 0.132 * \text{Brand}$$

In the model above, all of coefficients are positive. Therefore, the increase of factors have positive impacts on students' decision to choose fast-food restaurant. Specifically, the largest impact is promotion (0.321), followed by Quality perception (0.291) and finally Brand (0.132). These analysis results are consistent with the hypotheses developed when building the research model.

DISCUSSION

Through the study results, we found out that there are three factors that effect on students' decision to choose fast-food restaurant in Thai Nguyen City as (1) Promotion, (2) Quality perception and (3) Brand, respectively.

Promotion factor has the greatest impact on students' decision to choose a cinema with Beta = 0.321. Obviously, when the price factor don not has much impact on the decision to choose fast-food restaurant, promotional programs, advertising, or events are the most important key. Therefore, fast-food restaurant in Thai Nguyen city should focus on enhance their promotional activities through many activities such as placing billboards and distributing leaflets in many different locations or advertise on today's very popular e-commerce sites such as Shopee, Lazada. On the other hand, restaurants should have combined with branding on social networking platforms such as Meta, Instagram to support communication for promotional activities according to marketing plans. Thence, the range of potential customers is further expanded and can attract more customer.

Service quality is extremely important for customer satisfaction. Therefore, restaurants need to focus on improving service quality, including food safety and hygiene, food quality, restaurant space, and the cleanliness of facilities. In addition, Restaurants are also necessary to focus on training employees on attitudes, skills, working practices and handling arising problems. When customers are satisfied with their restaurant experience, they will supportive attitude and share it with friends or relatives, thereby influencing the decisions of other potential customers, attracting more new customers more to restaurant.

Regression results also show that brand has a positive impact on students' decision to choose restaurants. Specifically, brand such as Mc Donal, KFC, Jollibee... have strong effect students' decision to choose restaurant in Thai Nguyen City. Therefore, restaurants can build a few incentive programs and advertisement towards customer groups such as friends or family group, thence create strong impact in brand and attracting more customer groups to the fast-food restaurant.

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