International Journal of Research Publication and Reviews

A Study on Consumer Preference for Pizza Hut Pizza's

Dasari Balija Kundan

Student, PES University

ABSTRACT:

Consumer preference has been playing a significant role in deciding the success of an organization as well as an economy. It is a dynamic factor which drives demand. The emerging interests towards fast-food and Quick service restaurants, the factors driving consumers to them also keep changing. This study considered 8 factors derived from previous studies and collected primary data through a questionnaire. The data collected has been used to run regression on SPSS. The results concluded that Quality of pizzas is an important factor for consumers to prefer/spend on pizzas at Pizza Hut. The questionnaire had questions on Likert scale. The forward regression has been performed which gave out 3 models in which quality, packaging and service were considered as significant factors. Model 1 which had quality as independent variables has been said to be a better model after comparing the F test values. The other variables can be considered based on the choice of the organizations to understand the consumer willingness to pay.

Key Words: Consumer Preference, Pizza Hut, Fast Food.

INTRODUCTION:

India's Quick service restaurant market is booming and was values at INR 171.90 Bn in FY2022. As per reports its expected to grow to 431.27 Bn by FY 2027, expanding at CAGR of ~20.47% during the forecast period FY 2022-27. The craze and preference for fast food has been growing over the years in India especially after the increase in social media influencers craze.

Pizza Hut is an American Restaurant which was founded in 1958 and later acquired by PepsiCo in 1977. In later years PepsiCo spun off Pizza Hut along with KFC and taco Bell into a new company named as Tricon Global Restaurants, Inc which was later names as Yum! Brands in 2002. Pizza Hut entered India in 1996 with a restaurant in Bangalore and was the first international restaurant chain to lead in that category.

The restaurant offers an interesting menu which consists of pizzas, pastas, deserts, appetizers, and beverages. The experience they provide has been recognized by Brand equity and made Pizza hut as the "Most Trusted Food Service Brand" for 12 years in a row. It also entered the list of India's 70 Most Trusted Power Brands. Pizza Hut is available in 200 cities across India with 820 stores.

Excluding China there is Pizza Hut outlet in Asia for every 3Lakh consumers while in India alone this average is 3Million(30Lakhs). These prospects show their growth opportunity in India. Currently, 50% of Pizza Hut's business comes from delivery alone while the rest is from dining and takeaway.

The pizza market's evolution reflects the changing tastes & demands of consumers, influenced by factors ranging from flavor preferences to menu offerings, service, and overall dining experiences. Pizza Hut, as a key player in this landscape, continually strives to adapt and innovate to meet the ever-changing needs and desires of their consumer base.

PROBLEM STATEMENT:

Consumer preference is a combination of many factors such as individuals' taste, priorities and perceptions towards their needs and wants. These factors form the consumer decision towards the purchase of a product or service. Consumer preference is dynamic nature and is an important factor in deciding market trends, success or failure of a product or service. Understating the preference for any offering by the organization helps to understand the consumer driving factors towards choosing their offering or factors that are stopping consumers from choosing their offering.

Importance of understanding consumer preference helps organizations to:

- Tailoring Services and Products.
- Enhanced consumer loyalty and satisfaction.
- Building brand identity.

- Effective marketing and communication.

Understanding the consumer preference is not to satisfy immediate demands, but it is also about improving long term relationships, ensuring sustained success in ever changing market dynamics and driving innovations. Organizations that prioritize consumer preference often sustains in the market for a longer time and emerges as market leaders by creating value for both the consumers and organization.

This study focuses on the factors that are affecting the consumer preference towards pizza hut. Understanding these factors help pizza hut to focus on what are important and make changes to the ones that are lacking. The factors such as taste, quality, service provided, value for money and others have been considered to understand their willingness to spend for a pizza at Pizza Hut.

LITERATURE REVIEW:

A study on consumer preferences for fast food in various countries has been conducted and was found that Halal status has been an important factor for Malaysian consumers while food-safety for Chinese consumers, Taste and Quality for Indian Consumers. It was also found that Chicken based fast foods are more preferred among the students. Irrespective of these factors Indians would prefer the home cooked meal. The increase in the number of restaurants made fast-food more accessible with in short distance. **(Quoquab Habib, Abu Dardak, & Zakaria, 2011)**

Perceived brand attributes such as whether the place serves his/her favorite food or if the place has an energetic vibe are few driving factors towards restaurant. Other variables such as region, personal eating out expenditure, menu offerings suiting their taste, service they provide are also important in getting consumers. Understanding these factors can help the restaurant to plan their promotional events and advertisements. **(Hayash, M-H Hsieh, & R Setiono, 2009)**

Fast food consumption is more popular among children and teenagers making. The major driving factors include brand reputation, cost, convenience, quality, consistent taste, and income level. These are dominant factors among the youngsters to choose a restaurant. These factors are considered before the consumer make their final purchase decision towards the product or service. **(OZDEMIR & Elif AKAGUN ERGIN, 2017)**

Despite Indians preference for fast food due to various factors, they still choose home food in the first place. The three major dimensions service and delivery, product, and quality are identified using the factor analysis results. The major attributes of consumer preference are variety of menu, nutritional values, hygiene condition, and service provided. **(Goyal & N.P. Singh, 2007)**

RESEARCH DESIGN:

Hypothesis of the Study:

H_{0a} – There is no impact of pizza's Taste on willingness to pay for Pizza Hut Pizzas.

H_{0b} – There is no impact of pizza's Quality on willingness to pay for Pizza Hut Pizzas.

H_{0c} – There is no impact of Service provided on willingness to pay for Pizza Hut Pizzas.

H_{0d} – There is no impact of value for money on willingness to pay for Pizza Hut Pizzas.

H_{0e} – There is no impact of packaging on willingness to pay for Pizza Hut Pizzas.

H_{0f} – There is no impact of meeting consumer expectations on willingness to pay for Pizza Hut Pizzas.

H_{0g} – There is no impact of diverse range of pizza flavors and toppings on willingness to pay for Pizza Hut Pizzas.

H_{1a} – There is an impact of pizza's Taste on willingness to pay for Pizza Hut Pizzas.

H_{1b} – There is an impact of pizza's Quality on willingness to pay for Pizza Hut Pizzas.

H_{1c} – There is an impact of Service provided on willingness to pay for Pizza Hut Pizzas.

H_{1d} – There is an impact of value for money on willingness to pay for Pizza Hut Pizzas.

H_{1e} – There is an impact of packaging on willingness to pay for Pizza Hut Pizzas.

H_{1f} – There is an impact of meeting consumer expectations on willingness to pay for Pizza Hut Pizzas.

H_{1g} – There is an impact of diverse range of pizza flavors and toppings on willingness to pay for Pizza Hut Pizzas.

Objectives:

- To identify various factors or variables that impact the consumer's willingness to pay for Pizza Hut Pizzas.
- To identify the Significant factors impacting the consumers' willingness to pay for Pizza Hut Pizzas.

Research Methodology and Data Collection Methods:

Primary Data Collection: A Structured Questionnaire has been circulated through Google forms with a combination of open ended and close ended questions. The questionnaire had questions related to respondent demographics, factors affecting their preference for Pizza Hut, rate of satisfaction and other recommendations.

Secondary Data Collection: The secondary data has been collected from various sources such as articles, conference proceedings, blogs, books, and other internet sources.

Sample Size: The form has been circulated among 270 people out of which 135 responded.

Sampling Method: Simple Random Sampling has been chosen as the respondents were selected randomly irrespective of their age, occupation, and other factors.

Data Analysis Plan: The data collected has been tabulated and interpreted according to the question. This data has been used to perform regression in SPSS.

Statistical tool for data analysis: SPSS Software.

Limitations of the Study:

- The current study has been conducted on a very small sample. The factors might change when the study is further conducted on a large sample.

- This study is relevant to Pizza Hut consumers only.

DATA ANALYSIS:

The data collected through Google forms has been tabulated and used for analysis on SPSS software.

Demographics:

	Option	No of Responses
Age	18-22	56
	22-26	40
	26-32	23
	32 or above	16
Gender	Male	83
	Female	52
Profession	Student	66
	Employee	38
	Business	25
	Home Maker	5
	Others	1

Table-1

Have you ever had Pizza at Pizza Hut?

	Number of respondents
Yes	122
No	13

Table-2

Majority of the respondents have had Pizza Hut's Pizza while 13 respondents did not. These 13 respondents have

Q1. I prefer Pizzas at Pizza hut for their taste.

	Number of respondents
Strongly Disagree	0
Disagree	13
Neutral	37
Agree	59
Strongly Agree	13

Table-3

Analysis: Majority of the respondents preferred Pizza Hut for the taste while 37 respondents were neutral, and 13 respondents disagreed. These 13 respondents might have had different reason to choose pizza hut.

Q2. I prefer Pizzas at Pizza hut for their Quality.

	Number of respondents
Strongly Disagree	0
Disagree	13
Neutral	38
Agree	58
Strongly Agree	13

Table-4

Analysis: Majority of the respondents preferred Pizza Hut for the Quality while 38 respondents were neutral, and 13 respondents disagreed. There could be other driving factors for the respondents who disagreed.

Q3. I prefer Pizzas at Pizza hut for the service they provide.

	Number of respondents
Strongly Disagree	0
Disagree	11
Neutral	40
Agree	58
Strongly Agree	13

Table-5

Analysis: Majority of the respondents preferred Pizza Hut for the service provided to them while 40 respondents were neutral, and 11 respondents disagreed which implies that they might choose it for other reasons.

Q4. Pizza hut provides a good value for money.

	Number of respondents
Strongly Disagree	0
Disagree	10
Neutral	40
Agree	58
Strongly Agree	14

Table-6

Analysis: Majority of the respondents preferred Pizza Hut as they provide good value for money while 40 respondents were neutral, and 10 respondents disagreed. The disagreement could be of various reasons.

Q5. The packaging provided by Pizza hut is one of the driving factors for my preference.

	Number of respondents
Strongly Disagree	1
Disagree	19
Neutral	38
Agree	55
Strongly Agree	9

Table-7

Analysis: 55 respondents agreed that packaging as one of the driving factors for their preference for Pizza hut while 9 respondents strongly agreed, 38 respondents were neutral, 19 respondents disagreed, and 1 respondent strongly disagreed.

Q6. Pizza Hut pizzas consistently meet my expectations.

	Number of respondents
Strongly Disagree	3
Disagree	15
Neutral	39
Agree	59
Strongly Agree	6

Table-8

Analysis: Majority of the respondents agreed that the pizzas meet their expectations consistently while 6 respondents strongly agreed, 39 respondents were neutral, 15 respondents disagreed, and 3 respondents strongly disagreed.

Q7. Pizza Hut offers a diverse range of pizza flavors and toppings.

	Number of r15espondents
Strongly Disagree	1
Disagree	16
Neutral	46
Agree	54
Strongly Agree	5

Table-9

Analysis: Majority of the respondents agreed that the Pizza hut offers a diverse range of flavors and pizza toppings while 5 respondents strongly agreed, 46 respondents were neutral, 16 respondents disagreed, and 1 respondent strongly disagreed.

Q8. Pizza hut is my first choice.

	Number of respondents
Strongly Disagree	0
Disagree	10
Neutral	41
Agree	57
Strongly Agree	14

Table-10

Analysis: Majority of the respondents agreed that the pizza hut is their first choice while 14 respondents strongly agreed, 41 respondents were neutral, and 10 respondents disagreed.

How do you usually order Pizza Hut pizzas?

	No of respondents
Dine in	86
Take out	45
Delivery	61
Mobile app	27

Table-11

Analysis: when asked regarding the mode of ordering pizzas at Pizza Hut Dine in option received majority of the responses followed by delivery, take out and mobile app with one invalid input.

RESULTS AND DISCUSSION:

The above collected data through google forms has been analyzed in SPSS using forward method of linear regression model.

Model Summary[d]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.880[a]	.774	.772	9.842	
2	.896[b]	.804	.800	9.219	
3	.900[c]	.811	.806	9.085	1.750

a. Predictors: (Constant), Quality

b. Predictors: (Constant), Quality, Packaging

c. Predictors: (Constant), Quality, Packaging, Service

d. Dependent Variable: Willing_to_Pay

Table-12

Table 12 gives the model summary of three models developed by software using forward method. In the forward method the software automatically enters the variables in a sequence. The variables are entered in the order of their correlation with dependent variable. The model 1 had considered only the variable Quality, model 2 considered the variables Quality and Packaging while model 3 considered the variable service along with model 2 variables. The dependent variable is Willingness to pay.

Comparing the 3 models the R square of Model-3 is higher which indicated 81.1% of the variance in the consumer willingness to pay is explained by the three variables Quality, Service and Packaging. The Durbin-Watson value represents the autocorrelation among the residuals. The above value indicates there is no significant autocorrelation as it is almost close to 2.

ANOVA [a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	39856.724	1	39856.724	411.466	.000[b]
	Residual	11623.808	120	96.865		
	Total	51480.533	121			
2	Regression	41365.777	2	20682.889	243.334	.000[c]
	Residual	10114.756	119	84.998		
	Total	51480.533	121			
3	Regression	41740.511	3	13913.504	168.562	.000[d]
	Residual	9740.022	118	82.543		
	Total	51480.533	121			

a. Dependent Variable: Willing_to_Pay

b. Predictors: (Constant), Quality

c. Predictors: (Constant), Quality, Packaging

d. Predictors: (Constant), Quality, Packaging, Service

Table-13

The ANOVA table represents the model significance along with the F test value. The F value explains the fit of the regression model. When we look at the F values in the 3 model the value kept decreasing the variables increased, indicating the complexity and increase in the variance of the dependent variable. The model 1 with only 1 independent variable has a better fit compared to other 2 models even though all the models are statistically significant.

Coefficients [a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	134.195	4.001		33.538	.000
	Quality	22.090	1.089	.880	20.285	.000
2	(Constant)	124.141	4.443		27.940	.000
	Quality	20.865	1.061	.831	19.670	.000
	Packaging	4.215	1.000	.178	4.214	.000
3	(Constant)	121.539	4.546		26.738	.000
	Quality	19.269	1.286	.768	14.984	.000
	Packaging	3.536	1.036	.149	3.413	.001
	Service	2.958	1.388	.115	2.131	.035

a. Dependent Variable: Willing_to_Pay

Table-14

The coefficients table gives the unstandardized values of the coefficients along with their significance and importance which helps us to write the regression equation to predict the dependent variable. Every model has unstandardized coefficient values along with a constant which is the intercept. The constant indicated the value of dependent variables when all the independent variables values to zero. The standardized coefficients tell the importance of the independent variables. Quality has been the most important variables in all the three models compared to other independent variables.

The regression equations for the three models are mentioned below:

Model-1:

Y = 134.195 + 22.090*Quality

The above equation explains that on an average with every 1 unit increase in the preference due to Quality the predicted value for willingness to pay will increase by 22.090 units.

Model-2:

Y = 124.141 + 20.865*Quality + 4.215*Packaging.

The above equation explains that on an average with every 1 unit increase in the preference due to Quality the predicted value for willingness to pay will increase by 20.865 units and 1 unit increase in packaging the predicted value for willingness to pay will by 4.215 units.

Model-3:

Y = 121.539 + 19.269*Quality + 3.536*Packaging + 2.958* Service

The above equation explains that on an average with every 1 unit increase in the preference due to Quality the predicted value for willingness to pay will increase by 19.269 units, 1 unit increase in Packaging the predicted value for willingness to pay will by 3.536 units, and 1 unit increase in Service the predicted value for willingness to pay will by 2.958 units.

FINDINGS OF THE STUDY:

The study has found out that Majority of the respondents preferred Dining while having Pizza Hut pizzas while very few preferred orderings through mobile app. The regression results showed quality, packaging, and service as significant factors in impacting consumers' willingness to pay. The F ratio is highest for model 1 where only Quality variable is considered which says it is the better model. But choosing the variables can depend on the organization's beliefs as well. The excluded variables can also be chosen to predict the consumers' willingness to pay as the significance level of variables can be set by the researchers. Taste has been an important factor in many studies while it is an insignificant factor in this study. Therefore, including taste as a variable depends on the organization.

CONCLUSION:

Consumer preference is an important factor in deciding the fate of a product or service. The organizations should understand the major factors that are driving the consumers to use their product or service and improve or maintain the standards. Consumer preference decides the demand for goods or services, helps organizations to forecast their sales. After conducting primary research, the study concluded that Quality of Pizzas is a major driving factor for consumers to prefer Pizza Hut. While packaging and service were found to be significant but when these three variables were used together the complexity and variance in dependent variable increased. The willingness of consumers is a sign of them preferring for that product or service. Therefore, quality is seen as the major factor followed by packaging and service in deciding the consumers' preference for Pizza Hut Pizzas.

Works Cited

Quoquab Habib, F., Abu Dardak, R., & Zakaria, S. (2011). CONSUMERS' PREFERENCE AND CONSUMPTION TOWARDS FAST FOOD: EVIDENCES FROM MALAYSIA. Business and Management Quarterly Review (BMQR), 2(1), 14-27.

Hayash, Y., M-H Hsieh, & R Setiono. (2009). Predicting consumer preference for fast-food franchises: a data mining approach. Journal of the Operational Research Society, 60, 1221-1229.

OZDEMIR, H., & Elif AKAGUN ERGIN. (2017). Consumer Preferences for Fast Food Brands: Evidence from an Emerging Country. Journal of Marketing Development and Competitiveness, 11(3), 109-122.

Goyal, A., & N.P. Singh. (2007). Consumer perception about fast food in India: an exploratory study. British food journal, 109(2), 182-195.