Consumer Buying Behavior of Fast Foods in Myanmar

KhineMyat Maw and Opas Piansoongnern

Master of Business Administration in Management, School of Management, Shinawatra University, Bangkok, Thailand

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Corresponding Author:
Khine Myat Maw
Master of Business Administration in Management, School of Management, Shinawatra University, Bangkok, Thailand

khinemyatmaw@gmail.com

ABSTRACT

Consumption habits of people gradually change because of many reasons. Scholars of consumer behavior, therefore, try to identify which factors influence on the consumption habit of consumer. Traditionally, it has been assumed that income of household influences on the consumption of household. Recently, the role of culture became important in conducting marketing and other business activities due to the advanced communication and transportation facilities which reduce the barriers between cultures as well as national boundaries. Similarly, lifestyle of people has been also changed along with the economic development and as educational level of people increased. In order to explore the influence of culture on food consumption habit, typical Myanmar households were selected as study units. Food consumption habit was distinguished into spending on foods, choice of food items, preparation of foods, and buying habit of foods. The food items chosen by the Myanmar households involved foods of other sub-cultures and international foods. It also was found out that households in the study did not cook regularly. They became enjoy in going out restaurants and shopping at supermarkets.

INTRODUCTION

The fast food restaurant industry has been growing up, the main factor which stay behind the success in Myanmar consumer choice are related with the demographic factors and the marketing factors. One of the driving forces behind the growth of the quick service restaurant in Myanmar is the change in consumer’s preference. The most influenced group of consumer is believed to be ranging from middle schools’ teenagers to first jobber employees.

Purchasing behavior can be defined as the process when individuals or groups select, purchase, use or dispose products, services, ideas or experiences to satisfy needs and desires. Nowadays, all sellers focus on trying to understand the consumers and their purchasing behaviors. So, studying demographic consumer variables such as, age, gender and income can help to understand consumer behavior in the fast food restaurant industry and thereby help to gain a better understanding of consumers by learning the effects of the consumers’ perceptions. So the research this thesis is based on can help sellers to create suitable strategies and develop new fast food products as well as retaining customers to create sustainable competitive advantage.
RESEARCH OBJECTIVES

The objectives for this research are (1) to study consumer behavior of fast food restaurants in Myanmar, (2) to formulate a consumer buying behavior model of fast foods in the Burmese context and (3) to investigate Myanmar consumer attitude toward fast food service restaurant on Myanmar consumer choice.

EXPECTED OUTCOMES

The research attempts to recognize the consumer buying behavior of fast food restaurants in Myanmar and to obtain a consumer buying behavior model of fast food restaurants in the Burmese context.

THE CONCEPTUAL FRAMEWORK

The conceptual framework of this research appears below

LITERATURE REVIEW

To support this research, this section reviews the concepts or theories and related research as following:

1. The Burmese Business Context

In developing countries the variety of imported goods available is considered making competition in the domestic markets becoming more rigorous and providing more choices to consumers (Abu Bakar, 2011). Products developed in one country are finding enthusiastic acceptance in other countries. Many companies have conducted international marketing for decades. For example, Nestle, Shell, Bayer and Toshiba are familiar to consumers around the world, but global competition is intensifying and domestic companies that never thought about foreign competitors suddenly find these competitors in their backyards (Kotler, 2000). Meanwhile, Myanmar has changed its economic course from a centrally planned economy into a market oriented system, a series of structural reforms had been introduced and new legal policy instruments given the private sectors including foreign investors and businessmen the right to do business to make investment in the country were performed. The government of union of Myanmar has recognized the private sector as a prime-mover of the market mechanism and pays great attention for its development. All out efforts are being made to encourage the active participation

Figure 1 Conceptual Framework

HYPOTHESIS

H1: There is a relationship between age and fast food consumption.

H2: There is a relationship between gender and fast food consumption.

H3: There is a relationship between income and fast food consumption.

H4: There is a relationship between education and fast food consumption.
of private sectors in foreign trade and giving full support in every angle.

Currently the retail market in Myanmar is highly competitive with several players in the market. They are using many cutting-edge strategies, technology and innovation to improve and develop their potentials, and several marketing activities to support their sales volume and growth. It is quite hard for each retailer to maintain steady growth in this highly competitive market (Oratai, 2006). Thus, most of the major chains are now developing their own brands as a part of their competitive strategies.

2. Consumer Buying Behavior Concepts

Consumer Behavior mean the study of individuals, groups or organizations and the processes they use to select, secure, use and dispose of products, services, experiences, ideas to satisfy needs and the impacts that these processes have on the consumer and society (Hawkins et al., 2004). The view of consumer behavior is broader than the traditional one, which focused much more on the buyer and the immediate antecedents and consequences of the purchasing process. This view will lead to examine in direct influences on consumption decisions as well as consequences that involve more than the purchaser and seller (Hawkins et al., 2004). The study of consumer behavior is the study of how individuals make decision to spend their available resources (time, money, effort) on consumption related items (Schiffman & Kanuk, 1994).

3. Previous Empirical Studies

The previous studied on Myanmar consumer behavior, lifestyles, attitudes, media consumption, product, preferences, and shopping locations of 620 people. It aims to help entrepreneurs understand (1) how to communicate with Myanmar people, (2) where to communicate with them and (3) in which context, including high-potential products. "Myanmar consumers can be divided into three groups: the conservative, the contemporary, and the cosmopolitan. The number of the second group tends to be growing fast, "Sarinporn said. According to the research, in Yangon, the conservative group makes up about 30 percent of the total. The cosmopolitan group is the largest at around 40-46 percent, and the rest is the contemporary group. Sarinporn said the conservative group still shopped at local markets while the latter two groups had started to shop in malls. However, they do not go to the malls as often as Thais. This mean there are opportunities for both basic and sophisticated products. As Myanmar is going through a transitional period, consumption trends may change in the foreseeable future. "The cosmopolitan group is more exposed. They are similar to the new generations in other countries, but less fashionable. The conservative ones are religious and stick to their culture. This pattern will continue for at least the next 10 years. The fast change will likely be in the contemporary and cosmopolitan groups. There were huge opportunities for entertainment, convenience and beauty products in Myanmar, including televisions, air-conditioners, washing machines, and skin whiteners. Business people should also know how to do marketing for their products in Myanmar."
RESEARCH AND METHODOLOGY

Research Design
The reason has chosen the quantitative method is the consistency in order to ensure our analysis which this method covers the statistical methods used to test our hypothesis regarding the relationship between each variable. Also, the strength of the quantitative method are often most suitable for evaluating the results since we are studying the consumer behavior which considered as the indefinable aspects. Thus, the quantitative method can help us to tighten our analysis. The quantitative method is applied for analyze the survey since we use questionnaire in order to get the information from a random sample. A questionnaire was structured to determine the consumer attitude and behavior toward food products in Myanmar.

Simple Size and Respondent
This part focuses on the sample of the population and the interaction of the respondent. For the quantitative studies, in particular, sampling is considered the most important since it is known as elements which useful information will be collected. I have chosen the non-probability samples because it is not possible to make valid inferences about the population. I have chosen a convenience sampling which is often known in term of accidental sampling is to save time and cost since we decided to send the questionnaire randomly and we are interested in the small amount of sample sizes which are 400 people. Also, the other reason of choosing convenience sampling is east to access; we can send the questionnaire online by email or by online community such as Facebook, Twitter, and etc. Thus, convenience sampling would be easy to invite the many people to participate in this survey. Moreover, before we send the questionnaire, we have already chosen our target group since most people are appeared on the online community. So convenience sampling method seems to be suited our procedure.

In the collecting data, the researched can be estimate sample size from the number of population who live in Myanmar. The number of population both male and female in Myanmar was 63.67 million people. The customers who have age over fifteen were 25.28% of the population (All Society Indicator, 2013). The number of sample size can be calculated by using Taro Yamane (Yamane, 1973) equation as follows:

\[
n = \frac{N}{1+N(e)^2}
\]

Remark: \(n\) = Sample Size, \(N\) = Number of population, \(e\) = Significance level

According to Yamane’s formula, when the level of precision is specified to be 5% and however, the bias result could be happened if the number of sample is relatively small compared to the number of population as whole. This problem could be limited by increasing the number of sample.

Data Collecting Method
In this research, primary data were collected by using both self-administered and close-formed questionnaire in Myanmar. Data collection conducted by using non-probability sampling technique in type of convenience sampling at supermarket and hypermarket in Myanmar.

Secondary, since we are the Master student of Shinawatra University, we can access to the database provided by the university into collect the information. The university database has provided research papers in the relevant area of the study. Also, there are many links to other academic websites which provides online journals and academic articles. Moreover, Google Scholar database is preferred due to various kinds of book and journal.
Data Analysis

This study was considered by using SPSS program to compute for the result in quantitative. The output is analyzed qualitative of the program has been presented in Chapter 4 (Research Analysis and Results) and the results of respondents were presented as follows:

1. Descriptive statistics to explain the demographic variables as age, gender, education level, income, occupation and marital status by mean, frequency distribution and percentage.
2. Linear regression was employed to test hypotheses regarding the relationship between perception and awareness factors and purchasing decisions at significant level 0.05.

Result and Conclusion

The outcome from the questionnaire will be provided in this section in order to analyze the relationship of consumer attitude toward fast foods through demographics variables as well as marketing elements. This section analyzed the data using the SPSS program. The first part has comprised of three sections and data generated from the questionnaire which are considered a description of respondent’s demographic profile, consumer behavior, and consumer attitude towards marketing mix which includes the most important in marketing factor towards Burmese consumer attitude.

The second part is the analysis in correlation of consumer demographics variable toward consumer behavior. This part includes the Hypothesis testing which will be examined and the association between the marketing mix variables will be discussed.

It exposed the gender profile of the respondents as 46.3% females and 53.8% males. There are five ranges in age. The age groups of 21-25 years old are considered the largest proportion of sample with 164 respondents (41%). The age group of 31-35 years old has considered the smallest amount of respondent with 43 (10.8%). It revealed that 71 percents of the respondents are singles, 16 percents of the respondents are married with children and 15 percents of the respondents are married with no children. Then, the income group has been presented the group has comprised of four group of income. The groups of respondents’ income were 73 respondents of Less than 80,000 Kyats (18.25%), 169 respondents of 80,000-130,000 Kyats(42.25%), 70 respondents of 130001-200000 Kyats(17.5%) and 88 respondents of More than 200,000 Kyats (22%). It presented that major groups of respondent occupations were student group with 187 respondents (46.75%) have the biggest share of occupation while unemployed group with 10 respondents (2.50%) have the lowest share of occupation.

In term of number in a household as appeared there are four groups categorizing the number in the family. The groups of 3-4 people in family have the biggest amount of respondents with 206 (51.5%) while the group of 1 person in family has the smallest amount of respondents with 9 (2.3%). For the level of education, most of respondents are well educated, with 220 of them (55%) having bachelor degree followed by master degree respondents with 93 (23.25%), high school respondents with 27(14.25%), college respondents with 24(6%), and higher than master degree with 6(1.5%) respectively. There are 177 respondents are not preferred to consumer fast foods meal while 223 respondents are preferred to consumer fast foods. 177 respondents (44.3%) stated that they consume a few times per month which is the highest percentage of respondents while 11 respondents (2.8%)
stated that they consumer fast foods almost every day which is the lowest percentage of respondents in this group. There are 175 respondents (43.75%) which constitute the largest proportion of the sample choosing fried chicken for their preferences while 18 respondents (4.5%) which is the smallest proportion of the sample choosing other.

The largest proportion of 187 respondents (46.75%) consuming fast food for their lunch while the smallest proportion of 13 respondents (3.25%) consuming fast food for their breakfast. From the outcome of the survey, Burmese consumer preferred to sit in the restaurant to have their meal. There are 261 respondents (65.3%) preferred sit in while 82 respondents (20.5%) are likely to call for delivery service and only 57 respondents (14.3%) preferred to go meal. Burmese consumer spending on fast food consumption. There are less than 1500 Kyats (2.5%), followed by 1500-3000 Kyats (23.8%), 3001-5000 Kyats (42.0%) and more than 5000 Kyats (31.8%) respectively. the influential factors effecting consumer behavior in consuming fast food. From the survey, there are 224 respondents (56%) with highest frequency for the group of choosing “your own opinion” followed by 96 respondents (24%) choosing “Friends” and 80 respondents (20%) choosing “Family” for the most influential factors affecting respectively. the social and group perception which related to the consumer attitude. The overall mean score is 3.438. The perception of “Fast foods are linked with fatness” scores the highest mean of 4.29 while the perception of “Fast foods represent the modern style of eating” scores the lowest mean of 2.95. The product items which the overall mean score is 3.211. The item of “I like fast foods because it is simple and quickness” scores the highest mean of 3.97 while the item “I like fast foods because of healthy food” scores the lowest mean of 2.09.

The price items which the overall mean score is 2.724. The item of “I like fast food because of various price ranges” scores the highest mean of 3.22 while the item “I like fast foods because the price is similar to local foods” scores the lowest mean of 2.54. The place items which the overall mean is 3.979. The item of “I like fast foods because there are many outlets surrounding Myanmar area” is the highest mean of 4.22 while the item of “I like fast foods because I can have everywhere” is the lowest mean of 3.47. the promotion items which the overall mean score is 3.117. The item of “I buy fast foods because of high frequency in discount promotion” scores the highest mean of 3.58 while the item “I buy fast foods because of free gift promotion” and “I buy because of member privilege” scores the lowest mean of 2.66. The mean summary of marketing mix in each item. As well, the minimum of mean and maximum of mean in each element are provided. Place’s level was number one with the highest mean score of 3.979 followed by product with mean score of 3.211, promotion with mean score 3.117, and price’s mean level is 2.724. it is clearly shown that the amount of respondents choosing the “Place” element held the highest number of 163 people in the marketing mix element, followed by the “Product” element with the negligible different of 23 people. The bar chart is also demonstrated, the price factor which is holding the 3rd highest proportion being left behind by the product element for more almost three folds. Though, price factor and promotion element were also slightly different as well as the first and the second highest element that mention earlier. Consequently, the result of the summary mean of each marketing factor in the table 4.18 has showed that place factor is considered to be the
highest mean. From this aspect, the sub-research question of this survey’s answer was that place is considered the most influencing factor in marketing mix towards consumer purchase decision making.

**Hypothesis**

The overall results of the study showed support for most of the stated hypotheses. The following table lists all the hypotheses and the result of findings. Consumer behavior and demographic factor is popular issue for research in foods industries. Demographic variable such as age, gender, income level and education level are investigated to find relationship between fast foods and consumer behavior as well as attitude. Attitudes toward fast foods concern about advantages and disadvantages of fast foods: convenience and health concern are studied. However, Value and social issue are stated especially self-referent concept in fast foods consumption.

The main respondents prefer to have fast foods meal (55.8%). Investigation of relationship between consumer behavior and demographic factor: age, gender, education level and income level show that there is a relationship between age and fast foods consuming frequency as well as income level and fast foods consuming frequency but there is no relationship between genders, levels of education and fast foods consumption frequency. Furthermore, relationship between demographical data and consumer behavior toward fast foods are studied. The result presents that there are a relationship between these pairs of variable: Age and discount promotion, gender and discount promotion, income level and price range, income level and delivery service which the summary of hypothesis testing in shown in the table 4.54. In addition, when study the most influencing factor of marketing mix, the result shows that people think that the most concerning element is distribution channel (40.75%), fast food product (35%), price (14.25%) and promotion (10%). When people behavior toward marketing elements are shown: 52% of sample agree that they like taste if fast foods, 67.75% of sample disagree that fast foods are good for health, 23% of sample disagree that fast foods have variety menu to choose, 21% of sample disagree that price range of fast food influencing their purchasing choice, 12.5% of sample agree that they buy fast foods because of reasonable price, 81.5% of sample agree that delivery service influencing their purchasing decision, more than half of sample agree that they consume fast foods because of discount promotion and advertising, there variety attitudes toward discount coupon of fast foods, minor of sample agree that member privilege and free gift influence their purchasing decision.

But health and convenience aspect of fast food, reasonable of price and product, variety of fast food and the feedback of marketing promotion is our field of research. The study of consumer behavior toward these elements and test the hypothesis are about the relationship between them and demographical variable. The result shows that fast food industry successes in allocation of distribution channel. However, they should improve their price and marketing promotion to create better offering to satisfy the consumers. Besides, consumers has different attitude toward product aspect. However, demographical factors are affected consumer attitudes especially age, gender and income. According to Evan et al., people in the age of 17-34 years old are categorized to risk takers mean that they tend to open to new things (Evan et al., 2009). Therefore, variety of choice will be effective toward them. On the other hand, people who are 35-45 years old are especially individualistic and skeptical of marketing activity. Consequently, it would be hard to create attractive marketing promotion to satisfy them. Moreover,
income level can reflect purchasing power. People who earn lower income promote more positive attitude toward fast foods than higher income person. However, they consume less frequency than higher income person according to their less affordability. So, improving food quality in term of the hygiene and nutrition will increase higher income person’s attraction while promote more attractive discount promotion will increase sale volume for lower income group. Furthermore, attitude toward fast foods in male and female are quite similar. Nevertheless, female more agree that discount coupon influence the purchasing decision than male. According to Harmon & Hill study gender and coupon using (Harmon & Hill, 2003). So, marketer should use other sale promotion when targeting male.

**Limitation of the Study**

Prior to the discussion of the conclusion and implications that have been drawn from this research, it is essential to acknowledge the limitations of the study. The limitation of the study is that the results were derived from a sample of Myanmar people. Since this research taking place only in Myanmar, consequently the appropriate samples for this research is also Myanmar people. Regarding questionnaire distribution were randomly selected near shopping centers such as City Mart, Junction Square, Taw Win Center, The Mall, Capital Hyper Market, Ocean and Junction Maw Tin. Most of the shoppers were young Myanmar ladies and so receiving gender and age status was difficult to be equal ratio. Finally, this survey questionnaire would not perfectly cover for the entire Myanmar population.

**Recommendation**

From this survey, there are five groups of age. The groups of 26-30 years old people are considered the most enjoyable eating fast food then the group of 30-35 years old as well as the group of over 35 years old people. For example, the advertising of fast food industries should be adapted not only young people but also old age people. Moreover, Burmese younger people are most likely in taste of fast foods while old age people are not preferred the taste of fast foods according to the data as presented in the appendix 2. Consequently, the fast foods industries should focus on the group of old age especially health issues since the group of 30-35 years old and over 35 years old are considered the most important group in term of health concern.

According to the survey, the data has shown that the amounts of male respondents in percentage are likely to consume fast foods than female respondents. Thus, male groups therefore have a bigger potential than female as the major consumption group and can be identified as target customers. The female groups should take into consideration in order to maintain the position in Myanmar food industries. A marketing mix could focus more on female and investigate in any special needs for this group. As female consumers are more concerned on the fatness than male consumers, consequently dietary food should be applied in fast foods product in order to capture on female consumers. In addition, the advertisement and packaging of fast foods products should be more feminine designs and more appealing to target the female consumers.
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