CHAPTER 1
INTRODUCTION

Human beings pass through different age groups as they grow up. During this process, they experience a plethora of physiological and psychological changes. In other words, human beings evolve in a dynamic manner as they progress through different stages in their lives. Among all the age related life stages, the young age can be very well considered as the turning point in anyone’s life. It is during this stage that people experience and undergo major transformation which goes on to influence their future life stages. So also an individual’s consumption oriented knowledge and skills begin to take a shape during the young age.

A significant percentage of youth population in India attain some sort of financial independence around the age of 25 years. The youth who are less than 24 years old mostly depend upon their parents for financial assistance. But the present youth segment of India, is unique in terms of its sheer size, consumption of products/services, intellectual ability, pester power, trend setting capability and positive attitude towards modern technology. The young generation of the current era considers shopping as an experience rather than a mere act of purchasing a product. Possessed with lesser commitments, the youth purchase or use products/services at their will. Further, they are also capable of influencing the consumption at even household level. Hence, the marketers and retailers operating in the country have a daunting task ahead of them in targeting and tracking a unique set of young consumers for their products and services. As a result, the present research work focuses upon understanding the youth in terms of their perceptions and decision making styles.

1.1 Characteristics of young consumers

Until 12 years of age, the influence of parents over their children’s consumption is very high as they are in their growing - up phase and can only request parents for the products they want. After this age comes a stressful period when a child moves on to the stage of adolescence and experiences rapid changes in terms of growth, relocation and self discovery (Newcomb et al., 1981). This stage marks the development of cognitive and social dimensions within the adolescents. The adolescents cross this phase and they get into
the stage of young adults who frame their own lifestyle. Young adults possess greater financial independence and gain competence in buying complex consumer products. They are not burdened by commitments which in turn provide them greater freedom and flexibility. Young consumers go in for the purchase of a variety of goods and services. The young consumer group has an immense impact on marketers and retailers. This generation is known for their love for shopping. The direct spending power of youth is estimated to be an astounding 1.3 trillion U.S. dollars (NAS, 2006). The immense love for shopping and the spending power act as perfect catalysts that trigger these youngsters to purchase and consume a wide variety of products existing in the market. Majority of spending is directed towards entertainment, travel and food. Young women go in for the purchase of cosmetics, clothes, beauty products and jewellery whereas young men prefer jeans, sports items, music gadgets and motorcycles. They desire to hang out with their friends, colleagues or relatives to enjoy the life. Among all the reference groups, friends have the most influence on youth. Parents also influence them up to some extent. The youngsters do not merely regard shopping as a simple act of purchasing. Rather shopping is considered as a chain of activities comprising of socialisation, discussion and gaining of knowledge regarding newly launched products and brands, comparison of product features and price ranges and finally concluding the whole experience with the purchase of a particular product after intense scrutiny related to its price, features, utilitarian and hedonic aspects.

Youngsters exhibit their attachment towards materialistic values and possession. They are self-conscious and are always in search of self-identity. The young generation purchase those products and brands which express them. They prefer those products which would ensure them acceptance among their friends and peers. Digital media has offered a perfect platform for the young generation to connect with each other, thereby enabling this generation to explore the world. The preferences of young consumers change so frequently that it makes it even more difficult to identify their needs. The youngsters are described as hard-to-please consumers. Hard sales and traditional marketing strategies could be rendered ineffective in influencing the youth. All the above mentioned facts highlight the unique and interesting characteristics of young consumers. Hence, there is a need for conducting continuous research works focussed upon the youth as such efforts would offer guidelines to marketers and retailers in tailoring their marketing strategies to effectively target and serve this young consumers.
1.2 Young Indian consumers

A report by Ernst and Young (2007-08) reveals that 54% of the Indians are aged below 25 years. According to Narang (2010) India has the youngest population profile in the world. The youth market is significant to Indian marketers and retailers due to its huge size and spending power. Unlike in the western countries most of the Indian youth still depend on their parents while pursuing their education or they are single with an employed status in private or Government organizations. In both the cases, it is found that the youngsters enjoy significant amounts of disposable income either in the form of pocket money or in the form of salary. It should also be noted that these individuals are free from the burden of serious financial or family commitments unlike their older counterparts. This lifestyle influences the consumption pattern of these young consumers who are always on the lookout for the enjoyment aspects of life. According to (Juxt India Generation study, 2010) for 25% of the Indian youth, their favourite outdoor entertainment activity is hanging out with their friends. 16% of the youth like to visit their relatives/neighbours, whereas 15% of them enjoy spending their time watching movies at cinema hall and for 10% of the youth, eating out is their favourite outdoor entertainment. Much of the retail boom in India could be attributed to the young consumers. Consumption of items like sports shoes, apparel and cell phones are rising up because of them (Ramaswamy and Namakumari, 2009).

Figure 1.1 highlights the spending patterns of Indian youth on various products and services in a month. 53 percent of disposable income is spent on ‘eating out’ (16%), ‘clothes’ (16%), ‘soft drinks and ice creams’ (14%) and ‘snacks/confectionary’ (7%). This is closely followed by spending on accessories including footwear, belt, wallet and jewellery (7% of disposable income). A meagre 5 percent spending is on education which would be mostly taken care of by parents of these youngsters. Vathsala (2013) reported that, on an average, a youth spent Rs. 4,400 per month on all product categories. These facts clearly indicated that Indian youth spent a major portion of their disposable income on ‘eating out’.
Figure 1.1 Spending patterns of Indian youth

Source: The Marketing Whitebook 2013-14 (Hansa research group)

1.2.1 Reasons for considering young consumers as the main focus of the study

The present study has particularly considered young consumers because of the following reasons:

- The young members within the family often influence family purchasing decisions (Turk and Norman, 1972).

- The youth consumer segment is a relatively more homogeneous group when used as research subjects. This is particularly helpful in minimising random error that might occur by using a heterogeneous sample such as the general public (Calder et al., 1981). The likelihood of error within the measurement model is inflated by situational factors inherent in diverse samples (e.g. age, income and social class). This error is reduced when respondents are
homogeneous across demographic and behavioural characteristics (Assael and Keon, 1982).

- Young people are eager to consume and are conscious of their experiences. Hence they are valid respondents for the study (Sproles and Kendall, 1986).
- Individuals aged between 18 and 29 years showed the most significant increases in the proportion who were overweight and obese due to fast food consumption and thus they are an appropriate group for the study of fast food perceptions (Cavadini et al., 2000).
- The youth are different from their predecessors with regard to attitudes, language, culture, lifestyle, orientation and aspirations (Farris et al., 2002).
- The Indian youth segment as a separate area of study has not been adequately pursued. Even though some market research agencies do carry out surveys on the Indian youth, these are generally syndicated studies and the methodology, survey instrument or the technique of statistical analysis is not available to academic research community (The Marketing Whitebook, 2005).
- During the formative period young people learn how to spend their own money and how to eat on their own (Mattsson and Helmersson 2007).
- The youth comprising of college students frequently dine at fast food restaurants and possess a reliable understanding of service quality within these restaurants (Qin et al. 2009).

1.3 Organised fast food service sector in India

Busy lifestyles of people and dual- working families with children have provided the perfect platform for fast food companies to flourish, which offer quick meal solutions. As a result, the fast food industry has witnessed tremendous market growth rate. Fast food companies are opening up new outlets in international markets triggering their growth opportunities. The association of fast food with the United States of America may change
owing to the increasing global acceptance and consumption of fast food, with McDonald’s alone serving 46 million people worldwide each day. The liberalisation of Indian economy in 1991 set a platform for fast food industry to grow in India as multinational fast food chains set up their outlets either jointly with Indian partners or independently (Goyal and Singh, 2007). Aggressive marketing tactics by fast food organisations have resulted in increasing popularity of fast food in smaller towns in India and the inevitable entry of more fast food players. With the faster expansion of fast food chains like McDonald’s, KFC, Pizza Huts and others across the country, there has been an extremely rapid change in diet not just in Delhi and Mumbai, but in smaller towns too (Anand, 2011).

1.4 Fast food consumption behaviour in India

Figure 1.2 highlights the growth in household consumption of fast food for the period 2007-2010 in India, on the basis of a survey conducted by IMRB Wallet Monitor Study (2012). It can be seen from Figure 1.2 that there is a growth of 61% in the household consumption of fast food in India as on year 2010.

Figure 1.2 – Growth in household consumption of fast food in India (in %)

![Growth in household consumption of fast food in India](image)

Source: IMRB Wallet Monitor Study 2012

By 2016, the Indian fast food market is forecasted to have a value of 18,567.7 million U.S. dollars, an increase of 63.9% since 2011 and a volume of 81,036.6 million transactions, an
increase of 37.9% since 2011 (Marketline, 2012). An online survey by AC Nielsen reports that 96 per cent of urban Indians consume fast foods at least once a month; 37 per cent of them do so once a week. This makes India one of the top 10 countries amongst the 28 surveyed, in terms of frequency of fast food consumption. Ramaswamy and Namakumari (2009) report that, almost a third of urban Indians now opt for fast food even for breakfast. Fast food is set to become the default choice for urban middle-class Indians. The patronage towards fast food have expanded to such a level that, McDonald’s chain had an average of 55,000 customers a day in its outlets in Western India put together. The KFC claimed that more than 2000 customers visited everyday in its sole outlet at Bangalore. Pizza Hut served around 48,000 customers a day in its 67 restaurants across 17 cities. Domino’s was not lagging behind either. Nirula’s, India’s homegrown fast-food chain, claimed 35,000 footfalls a day across their 65 outlets in the Northern region. Table 1.1 highlights the most preferred food items eaten outside by the youngsters. Indian youth indulged in all kinds of food dishes. A whopping 87 percentage of the youth eat out often. The primary companions of these youngsters are their friends while eating outside. The frequency of eating out has increased considerably. Fast food items like burgers, samosas and sandwiches are consumed the most. Chinese and Italian dishes are also consumed to a higher extent (Vathsala, 2013).

**Table 1.1: Most preferred food items eaten outside by Indian Youth**

<table>
<thead>
<tr>
<th>Foods Eaten Outside</th>
<th>Figures in percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fast food (Samosa, kachori, burgers, vadapav, sandwiches, puffs etc.)</td>
<td>56</td>
</tr>
<tr>
<td>Chat</td>
<td>35</td>
</tr>
<tr>
<td>Chinese</td>
<td>30</td>
</tr>
<tr>
<td>Pizza</td>
<td>29</td>
</tr>
<tr>
<td>Snacks – potato chips, namkeen, kurkure etc</td>
<td>22</td>
</tr>
<tr>
<td>South Indian dishes</td>
<td>21</td>
</tr>
<tr>
<td>Vegetarian Thali</td>
<td>18</td>
</tr>
<tr>
<td>Biryani</td>
<td>18</td>
</tr>
<tr>
<td>Chicken or mutton dishes</td>
<td>14</td>
</tr>
<tr>
<td>North Indian or Punjabi dishes</td>
<td>14</td>
</tr>
<tr>
<td>Dessert – ice cream/milk shakes/pastries</td>
<td>13</td>
</tr>
<tr>
<td>Italian dishes</td>
<td>6</td>
</tr>
</tbody>
</table>

**Source: The Marketing Whitebook 2013-14 (Hansa Research Group)**

Although the fast food outlets offer a ‘unique experience’ for its consumers, but in the process they tend to consume loads of unwanted calories in the form of fats, added sugars
and harmful additives which can result in health related problems. Increase in consumption of large quantities of fat-laden foods has resulted in a dramatic upsurge in obesity both in America and abroad (Bryant and Dundes, 2008). Over one billion adults worldwide are overweight, 300 million are obese and almost 18 million children under the age of five are overweight, a trend linked to fast food consumption. The notion that processed convenience foods are contributing to an obesity epidemic has led to litigation proceedings against organised fast food chains like Mc Donald’s (Schroder and McEachern, 2005). The youth showed the most significant increases in the proportion who were overweight and obese. Within that age group are those in college who are at risk of inappropriate weight gain.

Hence, it is uncertain whether the youth understands the positive and negative aspects of fast food consumption. This calls for more research works focused towards the consumption behaviour of youth with respect to various products and services existing in the market. An effort is undertaken in this direction to explore the various psychological dimensions involved in fast food consumption behaviour among youth.

1.5 Perception of consumers

In marketing, perceptions are more important than reality, because perceptions affect consumers’ actual behaviour (Kotler et al., 2012). Perception is defined as the process by which an individual selects, organizes and interprets stimuli into a meaningful and coherent picture of the world (Schiffman and Kanuk, 2001). Perception involves a stimulus which affects an individual. A stimulus could be any unit of input to any of the senses. Examples of stimuli include products, packages, brand names, advertisements and commercials. Perception depends on the stimuli’s relationship to the surrounding environment. Zeithmal et al., (2006) reported that customers perceive services in terms of the quality of the service and how satisfied they are on an overall basis with their experiences. According to Lee and Ulgado (1997) it is important for international service firms to understand the customer’s perceptions of service quality and value since such perceptions are susceptible to cultural differences. Understanding of perceptions is helpful in targeting customers for fast food promotion and also in improving their perceptions towards the restaurants.
The consumers form perceptions about fast food based on multi attributes related to fast food outlets such as food quality, cleanliness, service, location, hygiene, promotional incentives, new experiences, comfort level and facilities. Organisations need to understand how customers perceive the services they provide and how these perceptions reflect upon the customer satisfaction.

Parasuraman et al., (1988, 1991) developed the instrument christened ‘SERVQUAL’ which is based on the gap theory. The SERVQUAL scale consists of 5 multi-attribute dimensions of service quality: (1) Tangibles (2) Reliability (3) Responsiveness (4) Assurance and (5) Empathy. However, several researchers (e.g. Dabholkar, Thorpe and Rentz, 1996) have shown through retests, that SERVQUAL’s dimensions are not quite generalisable across different service industries without some major adjustments (Oyewole, 2007). This encouraged researchers to develop industry – specific dimensions of service quality. Bowers, Swan and Koehler (1994) developed service quality dimensions for the health care delivery industry; Stafford (1996), for the banking industry; Weeks, Scott and Tidwell (1996) for the professional services industry; Dabholkar, Thorpe and Rentz (1996) for retail stores; and Oyewole (1999) for the fast food industry. Oyewole (1999) prescribes 10 multi-attribute dimensions for service quality in the fast food restaurant industry. These include: (1) hygiene and efficiency; (2) expeditiousness (3) courtesy; (4) availability; (5) communications; (6) health consciousness; (7) comforts; (8) ease of complaints; (9) child-friendly; and (10) orderliness. Based on the understanding of previous research works (Oyewole (1999), Lee and Ulgado (1997), Schroder and McEachern (2005), and Makgosa and Mabalane (2011)) the current study tries to measure the factors underlying perception of youth towards organised fast food outlets.

In order to ensure long term success of food service restaurants, there is a need to gain awareness and understanding of consumer perceptions. Such efforts would facilitate in formulating effective marketing strategies for targeting the right set of consumers.
1.6 Consumer decision making styles

Earlier researchers have used several approaches to describe consumer characteristics and their orientation towards shopping. The most important approaches are:

- The psychographic/lifestyle approach that identifies consumer characteristics based on lifestyle traits (Lastovicka, 1982)

- The consumer typologies approach that attempts to define general consumer types based on various consumer preferences and shopping orientation (Stone, 1954; Darden and Ashton, 1974; Moschis, 1976)

- The consumer characteristics approach that focuses on cognitive and affective orientations related to consumer decision-making (Westbrook and Black, 1985; Sproles and Kendall, 1986).

Despite of the development of many scales and consumer typologies, there is no single accepted decision-making typology (Mitchell and Bates, 1998). Among existing approaches, the consumer characteristics approach seems to be the most explanatory since it focuses on the mental orientation of consumers in making decisions. This approach deals with cognitive and affective orientations of consumers in their process of decision making (Lyonski et al., 1996). It is valuable to consumer affairs specialists because it provides a measurement system for standardised testing of consumer decision-making styles for practical applications such as counselling consumers (Durvasula et al., 1993). The consumer – interest literature (Maynes 1976; Miller 1981; Sproles 1979; Thorelli, Becker and Engeldow 1975) identified fundamental consumer decision-making characteristics ranging from rational shopping, quality consciousness to impulsiveness and information overload.

Sproles and Kendall’s (1986) Consumer Styles Inventory (CSI) represents the most-tested instrument available to assist marketers in examining consumer decision making styles (Hafstrom et al., 1992; Durvasula et al., 1993; Bakewell and Mitchell, 2006; Unal and Ercis, 2008). The CSI is a well documented and accepted research instrument especially in
multicultural context (Sinkovics et al., 2010). A ‘consumer decision making style’ is defined as a mental orientation characterizing a consumer’s approach to making choices. It has cognitive and affective characteristics. In essence, it is a basic consumer personality, analogous to the concept of personality in psychology (Sproles and Kendall, 1986). In the past, investigations on consumer decision making issues were mainly focused on the decision making process. However, Bettman (1979) argued that consumers might sometimes typically rely on simple strategies, rather than going through a series of steps or processes rationally when they make purchase decisions. In this regard there was a need to investigate consumer decision making processes by profiling consumers into different decision making styles. In essence, they are particular purchasing strategies and rules guiding consumers’ choices. Most of the product choices are influenced by one or more specific decision-making styles that ultimately control an individual’s decision making behaviour (Kwan, Yeung and Au, 2008). To conceptualize these styles, a model known as ‘Consumer Styles Inventory’ which composed of eight mental orientations of consumer decision making behaviour was established. Several researchers have adopted this model in their studies in various countries like USA, South Korea, New Zealand, Greece, India, United Kingdom, Germany, China, Turkey, Austria, Brazil, Japan and Macedonia.

In order to formulate a measurement of consumer decision-making styles, Sproles and Kendall (1986) listed down the major characteristics of consumer decision-making. After thorough examination of these, the following eight characteristics of consumer decision-making were identified as follows: Perfectionist, High-quality conscious consumer characteristic, Brand conscious “price equals quality” consumer characteristic, Novelty-fashion conscious consumer characteristic, Recreational and hedonistic shopping consciousness characteristic, Price conscious “value for money” consumer characteristic, Impulsive careless consumer characteristic, Confused by over choice consumer characteristic and Habitual brand-loyal consumer characteristic. This measurement system provides a foundation for standardised testing of consumer decision making styles and it has many practical applications. Moreover the characteristics of decision-making styles can be useful in profiling an individual’s consumer style, in educating consumers, and in counselling families on financial management (Sproles and Kendall, 1986). The CSI could be considered as a useful technique to alert consumers regarding their mental orientation toward shopping. Being informed may help consumers become more effective shoppers.
Besides this approach, there appears to be none specifically designed to serve consumer interest professionals (Durvasula et al., 1993).

1.7 Need for the study

India is one of the largest and also youngest consumer markets in the world (Manorama Year Book, 2012). According to Government of India’s Department of Youth Affairs portal (www.youthportal.gov.in, 2008), the current percentage of population under 25 years in India is 51% and the percentage under 35 is about 66%. This predominance of youth in the population is expected to last until 2050. The youth market represents about 100 billion U.S. dollars in spending power. Much of this money goes towards “feel good” products – cosmetics, clothing and fast food (Solomon, 2011). Among these ‘feel good’ products and services, the fast food is gaining acceptance primarily from Indian youth and becoming part of their life (Goyal and Singh, 2007). Research on fast food consumption at the global level has been directed mostly towards description of the characteristics of fast food consumers, nutritional contents of meals served, obesity and chronic diseases due to consumption of fast food, marketing strategies or corporate social responsibility initiatives from fast food companies (Kara et al., 1996), Grazin and Olsen (1997), Vignali (2001), Schroder and McEachern (2005), Akbay et al. (2007), Islam and Ullah (2010), Van Zyl et al. (2010), Anand (2011), and Rezende and Avelar (2012)). Even though previous researchers (Keillor and Fields (1996), Goyal and Singh (2007), Bryant and Dundes (2008), Qin and Prybutok (2008), Qin et al. (2010), Makgosa and Mabalane, (2011)) have carried out studies to examine the perceptions of consumers towards fast food restaurants, not much has been researched on the perceptions relevant to dimensions of service quality specifically developed for the fast food industry (Oyewole, 1999). Hence, the current study attempts to bridge this gap by measuring the perceptions of youth based upon the entire gamut of multi attribute dimensions of fast food outlets. Decision making has evolved into a more complex and important process for consumers today than in the past. Academicians and researchers have long been interested in identifying the decision making styles of shoppers. Moreover, researchers have also called for future research work on ‘consumer decision making styles’ focused towards a particular product category or service industry (Walsh et al. (1998), Hiu et al. (2001), Bakewell and Mitchell (2003), Wang et al. (2004), Bauer et al. (2006), Mitchell and Bates (2010), Park and Zhou (2010), Gupta et al. (2010)). Focusing upon this research gap, the researcher attempts to study the decision-
making styles of youth towards organised fast food outlets. Hence, there is a strong need for understanding the perceptions and decision-making styles of young consumers towards fast food outlets. This will help in identifying various psychological dimensions involved in the consumption of fast food items by the youth and their visits to these fast food outlets.

1.8 Scope of the study

The scope of the study is confined to understanding the perceptions and decision making styles of youth aged between 15-24 years with respect to fast food outlets coming under organized food service sector in the study area. The researcher has chosen the state of Maharashtra in India as the study area. In India, the state of Maharashtra occupies one of the top spots, since it is a state with larger area and population than most of other states, and also one of the most industrially and commercially developed states. For the study purpose, four major cities of Maharashtra namely Mumbai, Pune, Navi Mumbai and Thane are selected. The organised fast food retail players included in the study are: Mc Donald’s, Kentucky Fried Chicken(KFC), Subway, Domino’s, Pizza hut, Café Coffee Day and Barista.

1.9 Statement of the problem

The young consumers have a different shopping style (Bakewell and Mitchell, 2003) and greater disposable income (Tomkins, 1999). This group is also highly consumption oriented and sophisticated in relation to its tastes and shopping preferences (Wolburg and Pokrywczynski, 2001). Young consumers who are seeking a hedonic experience and those who gain this from the “thrill” of non-essential consumption are likely to seek out the means to repeat this behaviour again and again, regardless of other fiscal responsibilities (Dahl et al., 2003). The youth are a very vulnerable set of consumers and hence can be lured towards a large variety of products/services. One such area is the fast food consumption by young consumers. Fast food is consumed by the Indian youth on a routine basis in the recent days. The fast foods are typically high in calories, fat, sugar and salt contents. Despite of this, the consumers still enjoy indulging in it due to its unique taste and ambience within the outlets. The above discussions call for an in depth study of youth consumer behaviour by understanding their specific perceptions and decision-making styles towards fast food outlets.
1.10 Objectives of the study

The following objectives are formulated to conduct this study:

1) To understand the demographic profile and fast food consumption behaviour of the respondents.

2) To measure the perceptions of respondents towards organised fast food outlets.

3) To understand the decision making styles of respondents with respect to organised fast food outlets.

4) To study the association between sources of information and decision making styles of the respondents.

5) To investigate the influence of perceptions on decision making styles of respondents.

6) To segment the respondents based on their decision making styles for the organised fast food service sector.

1.11 Research Hypotheses

The researcher has formulated the following hypotheses for the study –

- **Gender and fast food consumption behaviour**

   Earlier research studies have reported gender differences in fast food purchase behavior. Bakewell and Mitchell (2003) stated that gender is fundamental to understanding and predicting shopping behavior. Bryant and Dundes (2008) indicated gender differences in terms of fast food consumption behaviour exhibited by American and Spanish college students. Mattsson and Helmersson (2007) revealed significant differences between male and female youth in terms of fast food consumption and they opined that males and females could be treated as separate segments of fast food consumers. Hence, the researcher has proposed to test the following null hypothesis $H_0$ – There is no significant association between gender of respondents and fast food consumption behaviour.
Gender and consumer decision making styles-

Mitchell and Walsh (2004) conducted a gender based study wherein seven out of eight consumer decision making styles were confirmed for females and only four for males. Bakewell and Mitchell (2006) also identified major differences between gender factor loadings on the CSI instrument. Hanzaee and Aghasibeig (2008) compared the female and male consumer decision making styles in Iran. Eleven factor solution was confirmed for female respondents. On the other hand ten factor solution was confirmed for male respondents. Mokhlis and Salleh (2009) confirmed gender differences in decision making styles among young adult consumers of Malaysia. Likewise the researcher is also interested in testing the following null hypothesis $H_0$ – The decision making styles will not differ for male and female respondents.

1.12 Conceptual framework of the study

The model of consumer behaviour highlighted in Figure 1.3 throws light on the pathway towards understanding consumer behaviour. The consumer’s consciousness is influenced by marketing and environmental stimuli, following which a set of psychological processes combined with certain consumer characteristics result in decision making processes leading to purchase decisions. In this particular context, the marketer’s task is to understand what happens in the consumer’s consciousness between the exposure of the outside marketing stimuli and the ultimate purchase decisions.

Figure 1.3 Model of Consumer Behaviour

Source: Kotler et al., (2012)
Another model by Etzel et al., (2006) shown in figure 1.4 depicts the consumer buying-decision process and the factors influencing it. Four key psychological processes namely – motivation, perception, learning and memory fundamentally influence consumer buying decision making process. Among the four psychological processes, ‘perception’ plays a major role in the stage of the buying-decision process where alternatives are identified. In the case of customer service or services offered in combination with a physical product (e.g., IT services, auto services, fast food service outlet), service quality may be very critical in determining customer satisfaction. Service quality can be considered as a critical element of customer perceptions (Zeithaml, Gremler, Bitner and Pandit, 2008). Perceived service value has been a critical construct in marketing because it is assumed to have a significant influence on purchase or patronage behaviour.

**Figure 1.4: Consumer buying decision process and the influencing factors**

*Source: Etzel et al., (2006)*
The two theoretical models described here clearly highlights the influence of perceptions on consumer decision making process or buyer behaviour. Previous researchers (McDonald, 1994) have suggested to study the impact of psychological variables on consumer decision making styles. In this context, the researcher tries to derive a theoretical model from this study linking consumer perception and decision making styles. The proposed research model aims to add on to the existing literature relevant to the understanding of consumer decision making styles.

1.13 Limitations of the study:

- The study was conducted among the young consumers belonging to the Indian state of Maharashtra. Hence, generalisation of results to consumers belonging to other geographical areas demands further research due to vast cultural diversity in these areas.
- The present study was conducted with special reference to consumer’s perceptions and decision- making styles towards organised fast food service outlets. Hence, the results of the study may vary for other diverse products and services.

1.14 Organisation of thesis:

Chapter 1 outlines the characteristics of young consumers in India, description relevant to organized fast food sector, perceptions of consumers, decision making styles, need for the study, scope, statement of the problem, objectives of the study, research hypotheses, conceptual framework and limitations of the study.

Chapter 2 presents the literature review pertaining to consumer behavior of youth, fast food consumption behavior, perceptions of consumers towards fast food outlets and consumer decision making styles.

Chapter 3 explains the research methodology adopted for the present study.

Chapter 4 reports the results and discussions relevant to the present study including the results of hypotheses testing.

Chapter 5 covers summary of findings, contributions of the study, managerial implications, recommendations, directions for future research and conclusion of the study.