

An Analysis of Consumer Attitudes Towards Fast Food Restaurants

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Zásady pro vypracování:

Úvod

Teoretická část

Zpracujte literární rešerši k danému tématu.

Praktická část

Proveďte situační analýzu restaurací rychlého občerstvení v opavském regionu.

Analýzujte postoje zákazníků k restauracím rychlého občerstvení.

Navrhněte doporučení k možnému podnikatelskému záměru vybudování restaurace rychlého občerstvení v opavském regionu.

Závěr

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ABSTRAKT

Cílem bakalářské práce je prozkoumat možnost založení nové restaurace rychlého občerstvení na Opavsku. Práce je rozdělena na teoretickou a praktickou část. Teoretická část se zabývá teoretickými poznatky odvětví rychlého občerstvení, marketingového výzkumu a Porterovy analýzy konkurenčního prostředí. Praktická část analyzuje opavský trh rychlého občerstvení a intenzitu konkurence za pomoci Porterovy analýzy. Poté je proveden dotazníkový průzkum, který má zjistit, zdali je na Opavsku zájem zákazníků o novou restauraci rychlého občerstvení. Výsledky dotazníkového průzkumu a Porterovy analýzy jsou využity v závěrečných doporučeních k možnému podnikatelskému záměru vybudování restaurace rychlého občerstvení v Opavském regionu.

Klíčová slova: Rychlé občerstvení, fast food, Porter, analýza, marketingový výzkum, dotazník, průzkum, postoje zákazníků, založení

ABSTRACT

The bachelor thesis aims to investigate possibility of an establishment of a new fast food restaurant in Opava region. The thesis is divided into theoretical and practical part. The theoretical part explores theoretical basis of the fast food industry, marketing research and Porter's Five Forces Analysis. The practical part of the thesis uses means of the Porter's Analysis to analyze Opava region fast food market and its competitive intensity. Subsequently, a questionnaire survey is executed to find out whether there is customers demand for a new Fast Food restaurant in Opava region. The results of both the questionnaire survey and Porter analysis are used in the final recommendations to a possible business plan for the establishment of a new fast food restaurant in Opava region.

Keywords: Fast food, Porter, analysis, marketing research, questionnaire, survey, customer attitudes, establishment

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INTRODUCTION

An idea to write about fast food restaurants and customer attitudes towards them resulted from my previous experiences with a fast food market in Opava region. The market was exclusively occupied by independent fast food restaurants for many years. Situation has changed in 2009 by an entrance of a fast food chain McDonald's to Opava market. I realized that there can be an establishment potential for another competition in a field of chained fast food restaurants. Thus, the thesis aims to investigate possibility of an establishment of a new fast food restaurant in Opava region.

The thesis is divided into the theoretical and practical part. The theoretical part explores theoretical basis of a fast food industry, marketing research and Porter's Five Forces Analysis. The fast food restaurants section of the theory is dedicated to history, development and trends of the fast food industry. Moreover it concerns with the Czech fast food market and customers. Acquired information serve as a foundation for a research which is executed in the practical part. Similarly the marketing research and Porter's analysis provide us with theoretical knowledge necessary for a practical application of the research.

The practical part of the thesis uses means of Porter's Five Forces Analysis to analyze Opava region fast food market and its competitive intensity. The results serve as a source of information for the subsequent marketing research and final recommendations. On the other hand the marketing research carried out by means of questionnaire survey explores customer's point of view and its main objective is to find out whether there is customer demand for a new Fast Food restaurant in Opava region. Besides the main objective, it aims to determine a fast food restaurant type and fast food brand to be established. Furthermore, it should determine a favorable location for a new restaurant from the customer's viewpoint.

The results of both the questionnaire survey and Porter analysis are used in the final recommendations to a possible business plan for the establishment of a new fast food restaurant in Opava region.

I. THEORY

1 FAST FOOD

1.1 Definition of the Fast Food

Definition of the fast food and subsequently fast food restaurant is essential for further analysis of the topic. According to Cambridge Dictionaries Online the fast food is defined as “hot food such as a burger that is quick to cook or is already cooked and is therefore served very quickly in a restaurant”. (Cambridge Dictionaries Online, s.v. “fast food” <http://dictionary.cambridge.org/dictionary/british/fast-food> [accessed January 20, 2011])

The fast food restaurant is defined on the basis of fast food as “a restaurant that serves fast food such as burgers”. (Cambridge Dictionaries Online, s.v. “fast food restaurant” <http://dictionary.cambridge.org/dictionary/british/fast-food-restaurant> [accessed January 20, 2011])

Nonetheless, the industry uses a term “quick service restaurant” instead of “fast food restaurant” nowadays, probably to get rid of the cheap, greasy, unhealthy stigma that comes with the “fast food” label. The term is often shortened to QSR among the owners and suppliers.” (Urban Dictionary online, s.v. “quick service restaurant” <http://www.urbandictionary.com/define.php?term=quick+service+restaurant> [accessed January 20, 2011])

1.2 Development of Fast Food

For better understanding of the topic and today’s situation in the fast food sector it is crucial to know its origins and historical development.

From the business perspective we can trace the roots of fast foods back to America. Mixture of appropriate social, economical and cultural factors in early 19th century created an ideal climate for emergence of fast food business in USA. Namely many women went to work, which caused less time for cooking. In addition, more Americans owned cars and freezers, which gave rise to drive through and frozen meals. (The Development of Fast Food)

1.2.1 First step

First major step in fast food emergence happened in 1902 by introduction of an Automat also known as a food vending machine. People simply chose meal from the display cabinet and then ate it on the place or later on. The first Automat shop in Philadelphia soon developed into chain spreading all around the US. Golden age of the concept occurred

between 1920s – 1930. (The Development of Fast Food) “The company used the term take-out and made the concept popular using the slogan Less work for Mother.” (Origins of Fast Food in the USA)

1.2.2 New concepts

The frozen food was introduced in 1920s with its pioneer Clarence Birdseye who invented a frozen fish. At that time also a drive-in restaurant concept started because more people owned and could afford a car. Later on the drive-in restaurants started to push out the Automats especially in after the Second World War, when more people had access to the cars and this eating habit became fashionable. (The Development of Fast Food) (Origins of Fast Food in the USA) In 1954 a new concept by Swanson Company called TV Dinner was introduced and became very popular. The Swanson Company sold over 10 units in the first year. (The Development of Fast Food)

1.2.3 McDonald's

First burger store bar was not as a lot of people might think McDonald's but White Castle which was opened in 1916 in Wichita. McDonald's brothers Dick and Mac started their business in 1940 by opening a barbecue drive-in. They realized that they are making most of the money of the burgers so they closed and re-opened in 1948 with different strategy. New walk-in stand offered fries, burgers and drinks packed in paper. Part of their success was based on an introduction of so called “Speedee Service System” inspired by Ford's assembly line. (Origins of Fast Food in the USA)

“They simplified the menu so that there was nothing that required a knife, spoon or fork; they replaced all the crockery and glassware with disposable cups, plates and bags; they dispensed with waitresses, bus boys and carhops, leaving customers to come to the counter to order and collect their food; and, most importantly (so far as the concept of fast food is concerned), they divided the food preparation tasks into a production line.” (The History of Fast Food)

Milk salesman Ray Kroc was so interested in their idea, that he bought the operation outright in 1961. Eventually he made McDonald's nation chain. (Fast Food Nation)

New restaurants as Burger King, Taco Bell and Wendy's were inspired by the McDonald's. Other QSRs existed even before McDonald's, namely Carl's Jr., KFC and Jack in the Box but they changed their techniques and adopted Speedee Service System after its immediate success. (The History of Fast Food)

1.2.4 Current Trends in Fast Food Industry

Fast food industry faces significant medial and expert criticism supported by countless surveys for unhealthy, high-fat and salty food. Key fast food chains are trying to respond with nutrition information on the package and at least some healthy options. Some of them are even offering wholesome products made from unprocessed and natural ingredients. (Development of the Fast Food)

Furthermore fast food industry developed three basic attitudes towards the healthy food issue to make the food more attractive for demanding customers.

First of them could be labeled as “Functional Fast Food”. (Development of Fast Food - What are the Trends?) “The trend towards ‘adding’ ingredients to foods that have a specific function has made its way into some of the high street retailers – advertising fish fingers with omega-three oils, for example, and adding probiotics to cereal bars and yoghurts.” (Development of Fast Food - What are the Trends?)

Second one is based on emphasizing to the customers that the fast food is healthier than they think, so they can justify visiting such restaurants. For example KFC has reduced salt content in their meals to make it more health attractive. Another example can be Subway with its motto “Eat Fresh” and promotion of fast, low-cost, fresh and healthy food. (Development of Fast Food - What are the Trends?)

Finally the last strategy to attract aware customers is so-called “Green Fast Food”. This new trend follows natural way of consuming organic and environmentally friendly food. This new fashion has gone so far that they even developed “greed rating” for fast food brands. Many of the biggest chains do not do so well as KFC and Burger King with the rating zero of five “leaves” or McDonald’s and Subway with one. (Development of Fast Food - What are the Trends?)

1.3 Fast Food Growing Trend

Success and growing sales trend is often associated with people’s demand for time saving in today’s society. “Since 1982, the amount consumers spent at fast food outlets grew at an annual rate of 6.8 percent (through 1997), compared to 4.7 percent growth in table service restaurant expenditures. The proportion of away-from-home food expenditures on fast food increased from 29.3 to 34.2 percent between 1982 and 1997, while the restaurant proportion decreased from 41 to 35.7 percent (Clauson).” (Causes and Consequences of Fast Food Sales Growth)

In 2001 “fast food outlets already outnumber traditional restaurants in Europe, and the fast food industry continues to gain at the expense of top-range restaurants, steak houses and other traditional catering channels -- especially outside the United Kingdom.” (European Fast Food Outlets on the Fast Track)

1.3.1 Reasons of Success

Success of fast food restaurants is caused by two basic factors which are closely connected: convenience and marketing strategy.

Convenience of fast food is crucial for customer thus the fast foods offer quickly prepared food, which can be taken home or even taken straight to the car by drive through, without a need to go into the premises. (Why Fast Foods Are So Successful) “People want quick and convenient meals; they do not want to spend a lot of time preparing meals, traveling to pick up meals, or waiting for meals in restaurants. As a result, consumers rely on fast food.” (Causes and Consequences of Fast Food Sales Growth) Fast food providers are trying to reach maximal convenience for customers by combining shopping, travelling and work with meal-time. This can be expressed by McDonald’s strategy of 1994. “McDonald's wants to have a site wherever people live, work, shop, play, or gather. Our Convenience Strategy is to monitor the changing lifestyles of consumers and intercept them at every turn. As we expand customer convenience, we gain market share.” (Causes and Consequences of Fast Food Sales Growth)

Convenience is accompanied by attractive taste of the products for relatively low cost. Besides an ease of access of the branches, marketing strategy consists of creating high visibility and global recognition. (Why Fast Foods Are So Successful)

Another factor, which makes the fast food industry so successful is franchising. The chains have higher capacity to grow and expand by means of franchise financing. (Fast Food in Europe) Franchise is defined as “an agreement between a firm and another party in which the firm provides the other party with the right to use the firm's name and to sell or rent its products. Selling franchise rights is a method of expanding a business quickly with a minimum of capital.” (Your Dictionary online, s.v. “franchise” <http://business.yourdictionary.com/franchise> [accessed January 22, 2011])

1.3.2 Economic Recession

According to data of Euromonitor International “A global recession failed to stop rapid growth in 2009, with the global fast food sector now a nearly US\$500 billion industry,

second only to full-service restaurants in terms of sales.” (Global Fast Food: Charting the Course in a Post-Recession World, Euromonitor International)

In fact, the cuts in the consumers spending which caused downturn in many food markets led the costumers to substitute more expensive full-service restaurants by fast foods. Nevertheless, no sector was spared and even the fast food operators in to some extend felt the impact of the crisis. Lower disposable customer income and higher unemployment rate have led the customers for more visits of the fast food restaurants but raised a competition for customer share throughout the market. Some restaurants were forced to undertake the price-cutting measures. But there is need to say that an overall impact was not as drastic as the one to casual dining operators. (Global Fast Food: Charting the Course in a Post-Recession World, Euromonitor International)

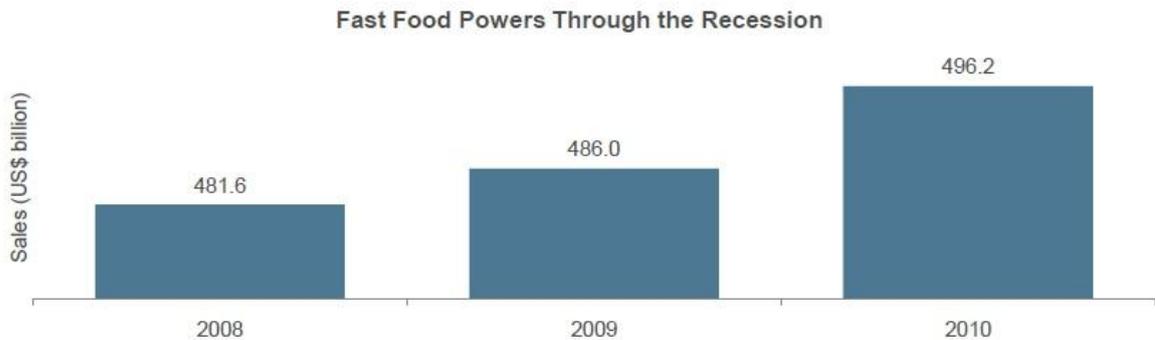


Figure 1. Fast Food Powers Through the Recession

Source: Global Fast Food: Charting the Course in a Post-Recession World, Euromonitor International

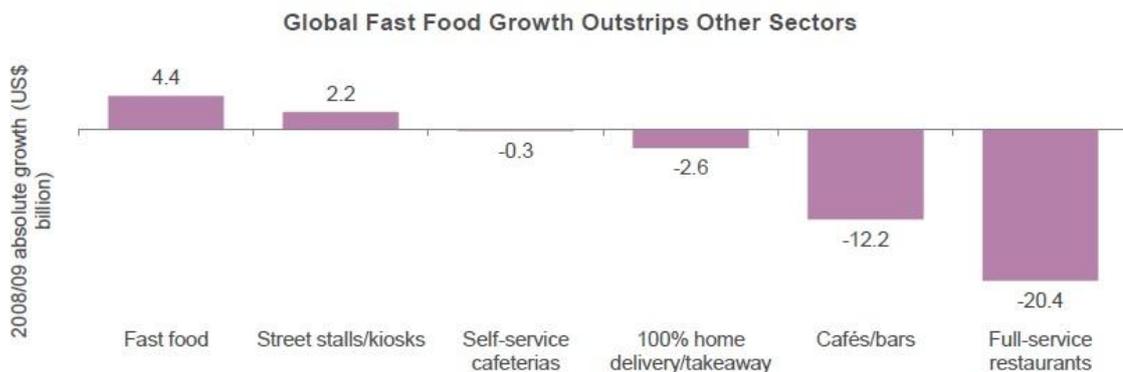


Figure 2. Global Fast Food Growth Outstrips Other Sectors

Source: Global Fast Food: Charting the Course in a Post-Recession World, Euromonitor International

1.4 Customers

A customer is defined as “ an entity that receives or consumes products (goods or services) and has the ability to choose between different products and suppliers.” (Business Dictionary Online, s.v. “customer” <http://www.businessdictionary.com/definition/customer.html> [accessed January 25, 2011])

1.4.1 Customer Loyalty

“QSR magazine survey conducted by Litchfield Research reveals that today’s consumers are loyal to their favorite fast-food brands.” (Food Favorites: Consumers Remain Loyal to Brands)

“More than half, or 57%, of respondents indicated they are loyal towards one fast-food restaurant over others. Moreover, 67% of respondents revealed they would travel farther distances or pay more to eat at their favorite restaurant. Twenty-three percent cite McDonald’s as their fast food favorite while 11% choose Wendy’s and 10% opt for Subway. The three top criteria driving consumers’ fast food preferences are the menu (67%), location (37%) and price (36%).” (Food Favorites: Consumers Remain Loyal to Brands)”

According to the survey the brand perception strongly relies on customer service as well. (Food Favorites: Consumers Remain Loyal to Brands)

1.4.2 Reasons for Eating in Fast Food

Study conducted in the Minneapolis-St. Paul area between 2005 and 2006 among 600 adult and teen frequent fast food eaters provides us with top 11 reasons of visiting fast food restaurants. Most of the sample eats fast food more than three times per week. Respondents ranked how strongly they agree or disagree with the statements. Hereinafter you can find results of the study. (Top 11 Reasons for Fast Food Popularity)

1. “They’re quick: 92.3%
2. They’re easy to get to: 80.1%
3. I like the taste of fast food: 69.2%
4. They’re inexpensive: 63.6%
5. I’m too busy to cook: 53.2%
6. It’s a “treat” for myself: 50.1%
7. I don’t like to prepare foods myself: 44.3%
8. My friends/family like them: 41.8%

9. It is a way of socializing with friends and family: 33.1%
10. They have many nutritious foods to offer: 20.6%
11. They're fun and entertaining: 11.7%” (Top 11 Reasons for Fast Food Popularity)

1.5 Fast Food in the Czech Republic

1.5.1 Czech Customer

Information provided in a customer section are dedicated to the Czech customers only and they are based on McDonald’s customers. McDonald’s is major leader and pioneer of a fast food restaurant dining in the Czech Republic and thus will serve as a representative sample of the given industry sector.

In a period of introduction of global brands to the Czech Republic was the Czech customer rather positive and he/she perceived them as a warranty of quality and value of the goods. Nevertheless he/she was still rational, practical and very demanding to the global brands including the fast food chains. At the same time he/she had not as much financial means as the western countries, which caused him/her to be very demanding and selective. (Pravdová 2006, 58)

McDonald’s as a typical representative of the global brand has chosen a strategy of building an image of a good neighbor and family restaurant in the first years of its activity. In fact families with children are now one of the targeted customer groups of McDonald’s. (Pravdová 2006, 58) More information to the target customer will be provided section 1.5.1.2 Targeted Customer.

1.5.1.1 Customer Attitudes

In connection with the customer loyalty there is need to say that according to McDonald’s statistics information the Czech customer is one of the most loyal customers in Europe with frequency of visits 4 times per month. (Pravdová 2006, 15)

For better understanding of customer position towards the fast food restaurants there will be stated pros and cons of the Czech McDonald’s customers towards the fast food restaurants according the case study of Markéta Pravdová. In the table 2. you can see ambivalence of the customer opinions.

Table 1. Pros and cons of the Czech McDonald's customers towards the fast food restaurants

Pros	Cons
It is another, new type of restaurant.	Fast food is unhealthy.
The food is warm, quality and fresh, prepared in hygienic conditions and it tastes to someone.	The restaurants provide low selection and not much varied meals. Food and beverages are highly caloric, not everyone likes the food.
Service is nice and quick. Customer gets the food immediately, without waiting.	Smile and kindness of the service is unnatural and affected.
Premises are clean, non-smoking (WC free of charge)	Premises are sterile, impersonal and do not provide enough privacy.
The food is relatively cheap.	The food is relatively expensive.
Customer can take the food home (even for the whole family).	Rubbish is often around the restaurants and in their surroundings.
Restaurants are appropriate for children (clean, changing tables, children's nook, hostess's care and clown)	Children are noisy.
One can break tradition dining habits, eat with one's hands, does not have to know and obey etiquette of dining.	One breaks traditional culture of dining, eats with one's hand (or else with plastic cutlery)
The restaurants are well known and available anywhere. Familiarity is accompanied with feeling of domestic security. E.g. during the visit of exotic country one rather choose McDonald', because he/she knows what to expect and can avoid new tastes and unexpected gastronomic experiences.	Omnipresent American restaurants are influencing dining culture of other countries, minimizing feelings of unknown and adventure.

Source: Pravdová 2006, 59

1.5.1.2 Targeted Customer

According to David Werner, head of McDonald's marketing McDonald's for ČR and SR the company has 3 long-term targeted customer groups, thus teenagers, young adults and parents (mothers) with children. Each group has different preferences. Teenagers are driven by the price. Adults are loyal because of quick service and overall atmosphere of the restaurant. Parents or families with children need appropriate promises for their children like playground for their older children or changing table for their toddler. (Český trh fast food ještě není nasycený)

Families with children are often driven by wish or demand of the children, therefore McDonald's developed complex system of children care to force them to visit repeatedly. Children associate their visits with freedom and play. They can eat with their own hands, play in the children's nook, get a toy in the Happy Meal and celebrate the birthday with a clown and hostess. Atmosphere of an amusement park developed in this targeted group certain stereotyped associated with the visit: 1. children demand a visit, 2. visits have often character of a reward or gift (happy meal, birthday party), 3. crucial factor for visit are suitable premises - cleanliness (WC), smoking ban, 4. visit of McDonald's or McDrive is often part of family trip. (Pravdová 2006, 61)

On the other hand the teenagers perceive McDonald's as a new life-style offering freedom and simplicity. The company accommodates the need of fast life-style and furthermore it is presenting itself as a place where teenagers can be with their friends, talk and relax for an hours without being dismissed. (Pravdová 2006, 68)

1.5.2 Fast Food Market in the Czech Republic

Overall outlook for fast food market in 2008 can be defined according to interview for Marketing & Media in 2008 with head of McDonald's marketing for ČR and SR David Werner: the Czech market is not saturated in comparison with penetration of western countries. Czech customer visits fast food once a week in average although foreign country customer visits it every three days. (Český trh fast food ještě není nasycený)

1.5.2.1 Economic Recession

Even though the fast food restaurants registered the economic recession, it did not affect them. The reason of such resistance is the customer's demand for cheaper products of fast food rather than full-service restaurants. (Ideální čas pro franšizu)

In fact, Euromonitor international states in its country sector briefing of September 2010 on the Czech Republic Fast Food “Fast food restaurants were successful in showing sales growth under the unstable economic situation and weaker purchasing power of Czech consumers. With their quick meal items and wider choices of healthy meals for good prices, they enticed away some consumers from full-service restaurants.” (Fast Food – Czech Republic, Euromonitor International)

In reaction to the recession the fast food chains introduced “snack-size menu items to meet the demands of consumers being forced to save. For example, Subway CR introduced Baby Sub sandwiches (10 cm long) for CZK25 in August 2009. McDonald’s CR enlarged its offerings of small snack items for CZK20 and CZK30 and KFC introduced Be Smart crisis menu for CZK45” (Fast Food – Czech Republic, Euromonitor International)

Czech Fast food chains indicated a growth during the crisis. Namely Subway reported the sales growth in the first quarter of 2009. Sales of their sandwiches grew by 19% in the Central and Eastern Europe. McDonald’s opened 4 new outlets in 2008 and does not report any fall of revenues connected with the depression. AmRest Company which runs Burger King, KFC and Starbucks in the Czech Republic reports 41% sales growth in first quarter of 2009 in comparison with the same period in 2008. (Ideální čas pro franšízu)

1.5.2.2 Trends

Euromonitor International reports following trends in its country sector briefing of September 2010 on the Czech Republic Fast Food within review period 2004 – 2009 (Fast Food - Czech Republic, Euromonitor International):

- Health and wellness trend increased, fast food restaurants offered more vegetables in food, more salads, fruit meals, juices, decaffeinated coffee and sandwiches.
- Many fast food outlets introduced breakfast menu, KFC and McDonald’s enlarged their menu.
- Fast food companies, mainly KFC and McDonald’s put more emphasis to children with building children’s corners and offering children’s menu.
- Chained fast food restaurants indicated 4% sales growth and 1% current value growth in 2009 whereas independent fast food restaurants faced 1% current value drop.
- Burger fast food experienced highest growth in current value.
- Chicken fast food recorded increase of 4% in current value.

- Asian fast food reaching the point of saturation faced 3% drop of current value sales in 2009, it also experienced increasing competition.
- Chained bakery products fast food was the fastest-growing category.
- Pizza fast food was unsuccessful with 13% downfall of current sales caused by closing of Mondo chain, which did not survive the competition of big international fast food chains. Pizza fast food is not innovative in meals offer and café.
- French chain Bio Café, provider of healthy and bio-products and pioneer of fast food casual dining closed its outlets in 2009. The concept of healthy life-style and fast food appealed to the Czech consumer but its product were financially inaccessible.
- Take-away fast food was the most dynamic with 42% of foodservice value sales. This was mainly caused by fast food chains subscription to the popular employment perks of the luncheon voucher scheme. Employees can buy fast food for lunch and most of them used take-away service and preferably ate at the workplace.

1.5.2.3 Prospects

Following future prospect of the Czech fast food industry within 2009 – 2014 are predicted according to the Euromonitor International country sector briefing of September 2010 on the Czech Republic Fast Food (Fast Food - Czech Republic, Euromonitor International):

- Fast food industry in the Czech Republic will develop at constant value 4% CAGR (Compound Annual Growth Rate).
- Fast food chains will continue to perform well, but independent fast foods will lack of investment.
- Wellness and health trend with emphasis on freshness will continue and outlets will answer with providing more salad and fruit in their menus furthermore light meals such as pasta or soup.
- Bakery products fast food with focus on healthy conscious customer will grow fast over the predicted period. Established companies as Subway, Bageterie Boulevard, Paneria, The Paul, Express Sandwich already announced plans for expansion through franchising.
- Burger fast food will also perform well and expand.
- Concept of fast casual dining will adjust to the local dimension and is expected to develop.

- Chicken fast food will reach some point of saturation and will face the competition from other fast food types. The only chicken fast food chain KFC will retain its position and prevent the competition from entering the market.
- New operators will probably enter the market. E.g. Australian Sunshine Kebab or Polish Pizza Apetita are planning to start their franchise concepts in the Czech Republic.

1.5.2.4 Competition

The Czech Republic is dominated by two leading brands: McDonald's owned by McDonald's CR sro and KFC owned by AmRest sro. Both brands increased their number of outlets and sales in 2009 and were active in menu innovation and adaptation to the health trends. McDonald's with total number of 80 units in 2009 opened four new outlets in 2008 and two in 2009. Second largest operator AmRest sro opened two new units of KFC in 2009 and operated total number of 50 outlets in 2009. (Fast Food – Czech Republic, Euromonitor International)

Another burger fast food chain Burger King entered the market in 2008 and encountered strong competitive forces, particularly McDonald's. It has experienced growth in 2009, nevertheless its market share is still minimal with 5 units in 2009. (Fast Food – Czech Republic, Euromonitor International)

Bakery products major chain in 2009 with 23 units was domestic Paneria operated by Eureka Shops. It opened 5 new outlets on franchise basis and achieved 10% value rise in 2009. Company offers healthy snacks and lunch food for a reasonable price. It plans to cover all the towns above 20 000 inhabitants until 2014. Other minor bakery products chains are represented by Subway, Bageterie Boulevard and Express Sandwich which also performed well within 2009. Subway with total number of 10 outlets in 2009 opened two new units in 2009 and it is active in promotional offers because its prices are relatively high for the Czech customer. Moreover in 2008 French chain The Paul has opened the first outlet in Prague and it plans further expansion in the Czech Republic. The chained specialty bakeries have a chance to success because the Czech customers like French food style. Healthy food concept supports also the German fast food chain Mr. Clou which offers healthy meals for moderate prices. The company operated total number of three outlets in 2009. (Fast Food – Czech Republic, Euromonitor International)

Traditional Czech cuisine within chain was exclusively offered by domestic Bilbo fast food with 9 outlets in 2009. The company aims to expand in the framework of food

courts of newly opened shopping centers. (Fast Food – Czech Republic, Euromonitor International)

Pizza fast food and Asian fast food were mostly covered by independent units. Asian fast food within chain can be represented by three chains, namely Wok Food with 12 outlets, Panda with 13 outlets and Gold Chicken with two outlets in 2008. On the other hand, pizza fast food was represented exclusively by one chain called Mondo Pizza in 2008. The chain eventually decided to close its 9 outlets under pressure of competition. In 2009 Mondo Pizza restructured its outlets into the Italian fast food chain Sbarro operating 4 units by the end of the year. (Fast Food – Czech Republic, Euromonitor International)

Fast food courts in the shopping centers are for example Fontana Food Court and the Oasa Food Court. They offer numerous types of food as Czech, Slovak, Chinese, Mexican, Greek and many more. (Fast Food – Czech Republic, Euromonitor International)

2 MARKETING RESEARCH

“Marketing research is defined as the systematic and objective process of generating information to aid in making marketing decisions. This process includes specifying what information is required, designing the method for collecting information, managing and implementing the collection of data, analyzing the results, and communicating the findings and their implications.” (Zikmund 2003, 4)

“Marketing research is the systematic design, collection, analysis, and reporting of data relevant to a specific marketing situation facing organization.” (Kotler and Armstrong 2005, 105)

Marketing managers or company often face a decision whether to conduct marketing research or not. The need for marketing research should be decided on the basis of (1) time constrains, (2) the availability of data, (3) the nature of decision to be made, (4) the value of the information in relation to costs (Zikmund 2003, 18-21):

- 1) There must be an adequate time to conduct the marketing research which subsequently results in aid in decision making. This excludes so called immediate decisions.
- 2) Company does not have enough information for a final decision. Moreover there must be some source of information available to collect because without data the research can not be made.
- 3) The research must be tactically or strategically important for the company. Routine and minor investment decisions do not need the research.
- 4) The value of the information, its benefits for marketing decision and pay-off of marketing research must exceed its costs for the company.

If the company is facing a problem in accordance with all the factors it should conduct marketing research, otherwise it is not suitable.

2.1 Marketing Research Process

The marketing research process consists of six basic stages thus (1) problem discovery and definition, (2) research design, (3) sampling, (4) data gathering, (5) data processing and analysis, (6) conclusion and report (Zikmund 2003, 53-65):

1. First and often considered as the most important stage of the research process is *problem discovery and definition*. Researcher indentifies a problem, “after identifying and clarifying the problem, with or without exploratory research, the researcher makes a formal statement of the problem and the research objectives.

This statement delineates the type of information that should be collected and provides a framework for the scope of the study.” (Zikmund 2003, 58)

2. *Research design* is “the stage in which the researcher determines a framework for research plan of action by selecting a basic research method”. (Zikmund 2003, 58)

There are four basic methods which should be chosen according to available source of data, urgency and cost:

- **Survey** is the most common method which uses a questionnaire for gathering primary data from a sample of people. Respondents are asked personally, by the internet mail or telephone.
- **Experiment** is based on investigation of relationships among one or more variables under controlled conditions. Usually it observes changes of one variable, while modifying one or two others to test the hypothesis. There are two types of experiments thus laboratory experiment and terrain experiment.
- **Secondary data** are used for causal, descriptive and exploratory research studies. There are often used for forecasts of various figures.
- **Observation** records a behavior of people not being influenced by an observer. Data is collected without direct relying on respondent and without his/her participation. The method is used when the respondent can not or do not want to provide necessary data.

3. “*Sampling* involves any procedure that uses a small number of items or a portion of the population to make a conclusion regarding the whole population.” (Zikmund 2003, 62-63) Furthermore there are three issues to be decided on. First issue involves question “Who is to be sampled?” and requires identification of *targeted population*. Second matter concerns the *sample size* and the question is how big should the sample be? The last decision is *how to select the sampling units?*

4. *Data gathering* can be simply called as collection of information needed for the research. Data can be collected by many techniques depending on research methods. To avoid errors there are often two stages of gathering data process, which are called a pre-testing and main study. The pre-testing stage provides us with data from small subsample revealing mistakes and imperfections in the data gathering plan, questionnaire and field work before an expensive main study.

5. *Data processing and analysis* is “the stage in which the researcher performs several interrelated procedures to convert the data into a format that will answer management’s questions” (Zikmund 2003, 64) Data processing consists of editing and coding. Editing process corrects error and problems within the gathered data before coding. Coding is “the process of assigning a numerical score or other character symbol to previously edited data” (Zikmund 2003, 500) Finally an analysis is performed after the data processing. Analysis can be simply defined as process of summarizing and determining consistent patterns of raw data.
6. *Conclusion and report stage* is “the stage in which the researcher interprets information and draws conclusions to be communicated to decision makers”. (Zikmund 2003, 65) Furthermore it is the final and important stage in a way of communicating answers to the given questions. Conclusions are communicated in form of research report which should be effective, clear and should summarize the research findings.

2.2 Questionnaire

Questionnaire is defined as “a form containing a set of questions, especially one addressed to a statistically significant number of subjects as a way of gathering information for a survey”. (Free Dictionary online, s.v. “questionnaire” <http://www.thefreedictionary.com/questionnaire> [accessed February 4, 2011])

2.2.1 Questionnaire Design

Questionnaire design process can be summarized into five questions, which the researcher should answer (Zikmund 2003, 365):

1. What should be asked?
2. How should questions be phrased?
3. In what sequence should the questions be arranged?
4. What questionnaire layout will best serve the research objectives?
5. How should the questionnaire be pre-tested? Does the questionnaire need to be revised?

2.2.1.1 What should be asked?

Questionnaire and its questions must be *relevant* and *accurate*. Relevancy of questions is assured when only information needed for solving the research problem and objectives is gained. Questionnaire should be relevant both demographically and psychographically.

The accuracy is important to obtain precise, reliable and valid information. Questions should be simple, understandable, unbiased, unambiguous and non-irritating to achieve the accuracy. (Zikmund 2003, 365-366)

2.2.1.2 Questions Phrasing

Open-ended response question and *fixed-alternative question* are two basic types of question phrasing. The two types of questions differ in amount of freedom in respondent's answer. Open-ended response question "poses some problem and asks the respondent to answer in his or her own words". (Zikmund 2003, 366) Fixed-alternative question which is sometimes called closed question, is "a question in which the respondent is given specific, limited-alternative responses and asked to choose the one closest to his or her own viewpoint". (Zikmund 2003, 366)

The questions should be phrased according to *guidelines* provided bellow, which are based on previous researcher's experiences and aim to avoid common mistakes in the question phrasing (Zikmund 2003, 371-377):

- **Avoid complexity** with usage of simple, conversational language
- **Avoid leading and loaded questions**
- **Avoid ambiguity** with being as specific as possible
- **Avoid double-barred items** covering two or more issues at once
- **Avoid making assumptions**
- **Avoid burdensome questions that may tax the respondent's memory**

2.2.1.3 Question Sequence

It is advisable to start the questionnaire with *easy-to-answer questions* which are comprehend and interesting for the respondent. It is essential to arouse the respondent's curiosity, show them their role in the research and build their confidence. Described type of questions holds respondent's attention throughout the whole questionnaire and the less interesting parts for the respondent. (Zikmund 2003, 378)

Classificatory, demographic and potentially embarrassing questions should be asked in the middle or end-part of the questionnaire because they can rouse distrust of the respondent. (Zikmund 2003, 378)

Another important term is an order bias. The order bias can influence the results of the survey and it is caused by "the influence of earlier question in a questionnaire or by an answer's position in a set of answers" (Zikmund 2003, 378) Thus it is advisable to use

funnel technique which advises to ask general questions before more specific ones. Order of the alternatives in closed question can also cause order bias. For that reason choices should be swop in different version of the questionnaire or the order should be changed by different technique. (Zikmund 2003, 378-379)

Randomization items are sometimes used in attitudes scales which present similar questions to prevent comparison with the first answer. Furthermore, filter questions are often used to separate unqualified respondents. (Zikmund 2003, 379)

2.2.1.4 Questionnaire Layout

The questionnaire should be attractive and well organized to facilitate high return rate. It is recommended to stick to following principles: 1. design the questionnaire which is appearing as short as possible, 2. phrase a title of the questionnaire carefully with emphasis on respondent's interest, importance, interesting character or confidential character of the research and importance to the respondent, 3. instructions should be capitalized or bold, 4. do not split the questions between two pages. (Zikmund 2003, 381)

2.2.1.5 Pretesting and Revision

Pretesting is a necessary part of the questionnaire revision. It can determine difficulties to understand the questions and reveal ambiguous questions. Pre-testing should be practiced on group which represents the targeted sample. Results of the pre-testing should be tabulated to find out whether the questionnaire meets its objectives. (Zikmund 2003, 393)

2.2.2 Contact Methods

“Information can be collected by mail, telephone, personal interview, or online.” (Kotler and Armstrong 2005, 112) *Mail* method gathers large number of data at a low cost but it has low response rate. It takes rather long time to complete it, it is not flexible and it is hard to control the sample. *Telephone interview* is more expensive nevertheless more flexible and faster in data gathering. Return rate is higher but respondents may have problems with answering personal questions. It is also burdened with interviewer bias. *Personal interview* is the most flexible and uses individual and group interviewing. Disadvantage is high cost of the research. *Online method* is fast and cheap, the samples size does not influence the cost so much and it easily access hard to reach respondents. Nonetheless it can not control the sample and not everyone has internet connection. (Kotler and Armstrong 2005, 112-114)

3 PORTER'S FIVE FORCES ANALYSIS

Porter's five forces analysis uses five basic competitive forces to analyze a state of competition in given industry. Namely the five forces are threat of entry, rivalry among existing competitors, threat of substitution, bargaining power of buyers and bargaining power of suppliers. (Porter 2004, 3-6) The forces are displayed in figure 2 and further described below.

“Collective strength of these forces determines the ultimate profit potential in the industry, where profit potential is measured in terms of long run return on invested capital” (Porter 2004, 3) Moreover, the subsequent analysis of the five competitive forces can help creating a competitive strategy which goal is “to find a position in the industry where the company can best defend itself against these competitive force or can influence them in its favor.” (Porter 2004, 4)

Finally the Porter's analysis is a useful tool in determining profitability of new products, services and businesses. (Porter's Five Forces)

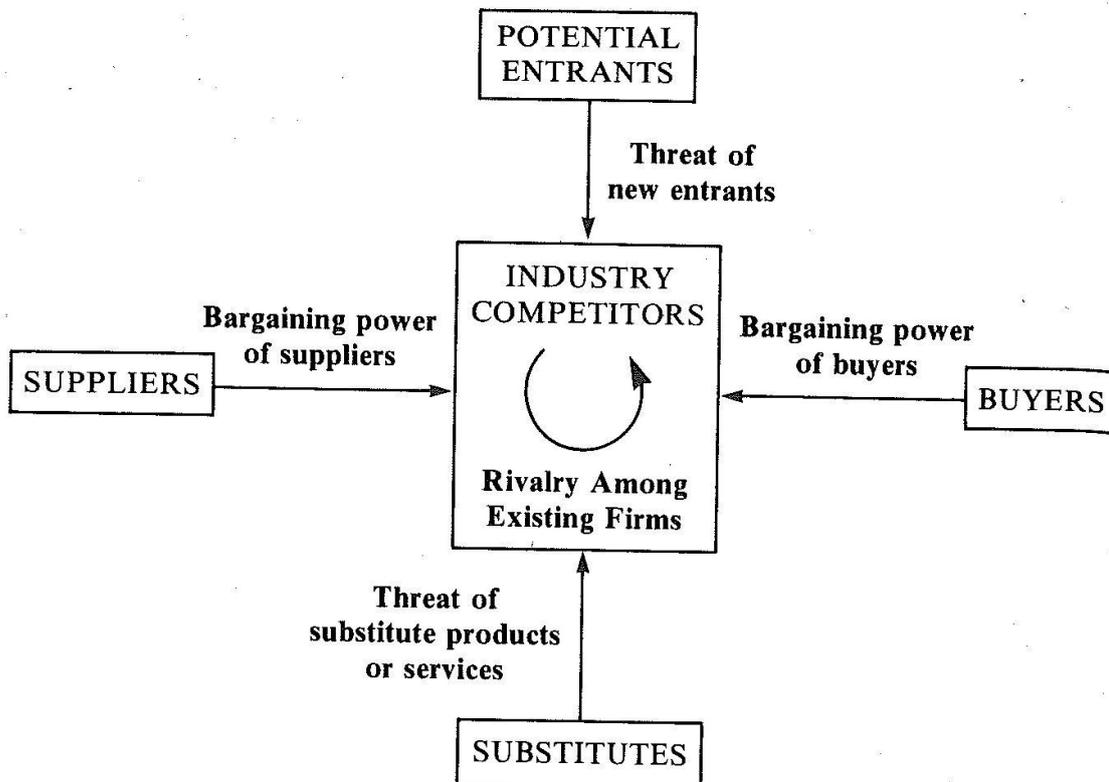


Figure 3. Forces Driving Industry Competition

Source: Porter 2003, 4

Threat of entry is one of the competitive forces which indicates how difficult for a newcomer is to enter the market. The difficulty depends on “the barriers to entry that are present, coupled with the reaction from existing competitors that the entrant can expect.” (Porter 2004, 7) The barriers to entry are namely (Porter 2003, 7-13): Economies of scale, product differentiation, capital requirements, switching costs, access to distribution channels and cost disadvantages independent of scale and government policy.

Rivalry among existing competitors can be perceived as a fight for position in the market. The fight can use different tactics “like price competition, advertising battles, product introduction, and increased customer service or warranties”. (Porter 2003, 17) Usage of tactics described above by one company often result in countermove of another company or companies which means that the firms are mutually dependent. Intense rivalry is the result of following factors: Numerous or equally balanced competitors, slow industry growth, high fixed or storage costs, lack of differentiation or switching costs, diverse competitors, high strategic stakes, high exit barriers. (Porter 2003, 17-21)

Threat of substitution can be defined as a pressure of substitute product or service which a company or an industry is facing. Substitutes limit returns of an industry because they are often cheaper in comparison with existing products. This is mainly caused by technological innovation and usage of new materials. It is crucial for the company to identify the substitute product in order to sustain in the future. (Porter 2003, 23) “An identifying substitute product is a matter of searching for other products that can perform the same function as the product of the industry.” (Porter 2003, 23)

Bargaining power of buyers is basically an ability of buyers to drive prices down. More precisely “buyers compete with the industry by forcing down prices, bargaining for higher quality or more services, and playing competitors against each other—all at the expense of industry profitability”. (Porter 2003, 24) Bargaining power of buyers is strong if the buyer: purchases large volumes relative to seller sales, purchase the product which represents significant amount of his costs, purchase standard or undifferentiated product, earns low profits, has full information about products. (Porter 2003, 24-27)

Bargaining power of suppliers stands on the opposite site than bargaining power of buyers. Thus bargaining power of suppliers can be defined as competing with the industry for higher prices, lower quality and services. Suppliers can afford this when there are only few of them and they are very important for the industry or company. Their position is also enhanced in case they have unique product or service, low switching cost to another buyer and they are not facing substitute products. (Porter 2003, 27-28)

II. ANALYSIS

4 RESEARCH METHODOLOGY

The practical part of the bachelor's thesis analyses a possibility of establishment of a new fast food restaurant in Opava region. The thesis aims to provide unbiased perspective and therefore it uses two different yet closely connected methods of analysis. Thus it applies methods of Porter's Five Forces Analysis and marketing research, which both give us inner and outer viewpoint of the problem. Both methods will be closely treated in the following chapters.

Entire process of the analysis is written in chronological order throughout the research methodology.

4.1 Porter's Five Forces Analysis

Porter's model of competing forces is used to analyze the market of quick service restaurants in Opava region. The analysis covers rivalry among existing competitors thus provides us with necessary information about number, types and locations of the competitors. Moreover, it informs us about future development of the global Czech fast food market by using secondary data of Euromonitor international.

It determines a threat of entry to the market, in other words it estimates how hard is to enter the market for a new competitor. Subsequently, it analyses threat of substitution of existing products, bargaining power of buyers and bargaining power of suppliers.

All the information is gained by analysis of secondary data and personal observation and is being used to obtain deeper knowledge about the problem. Moreover, the information is applied in the marketing research which analyses customer attitudes towards fast food restaurant in Opava region. Finally the results are used in conclusions and recommendation.

4.2 Marketing Research

The marketing research continues with the analysis and uses information acquired in the previous research. This phase deals with another aspect of the problem which is the customer. It aims to analyze customers' attitudes towards fast food restaurant in Opava region. Following sections are dedicated to the entire process of the marketing research which lasted from 5th March 2011 to 14th April 2011.

4.2.1 Objectives of the Research

On the basis of the Porter's analysis and goal of the thesis, objectives of the marketing research are stated:

Main objective

Find out whether there is customers' demand for a new Fast Food restaurant in Opava region.

Specific objectives

Determine:

- Fast food restaurant type to be established
- Preferable fast food restaurant brand to be established
- Preferable location of a new restaurant from the customer's viewpoint
- An average customers' spending
- Frequency of visits of the fast food restaurants

4.2.2 Research Design

It was necessary to gather *primary data* because there was no secondary data available to the topic. Moreover, an investigation of customer attitudes required usage of *quantitative research*. Finally, it was decided to use survey research method. The method uses a questionnaire to gain a data, therefore the next sub-section deals with questionnaire design.

4.2.2.1 Questionnaire

The questionnaire was formed upon the bases of the research objectives. It was written in Czech language, so that Czech respondents could understand its content. It begins with introduction describing a purpose of the research and necessary instruction. Finally it is finished with acknowledgement. The questionnaire has total number of 15 questions and its completing takes 3-5 minutes. Following types of questions are used:

- Close-ended questions: 15
 - Multiple choice: 10
 - Scaled questions: 1
 - Dichotomous (Yes/no): 4
- Contingency (filter) questions: 3

The questionnaire is attached in Appendix P I.

4.2.3 Sampling

Targeted sample was chosen according to the targeted population of the fast food restaurants which was mentioned in theoretical part of the thesis. Thus, the targeted population included teenagers, young adults and families with children. Finally, the sample size was set to 200-300 respondents.

4.2.4 Data Gathering

The questionnaire was pre-tested on 10 respondents to avoid unnecessary misunderstandings and biased results caused by inappropriate formulation of the questions. After that an adjusted version of the questionnaire was distributed according the sampling needs. Table 2 displays number of distributed and returned questionnaires according to a location, target respondents and sample which the respondents represent. Moreover provides us with questionnaires' return rate.

Table 2. Distribution of the questionnaire & return rate

Location	Target	Sample	Distributed Questionnaires	Returned Questionnaires	Return rate (%)
Opava elementary school Otická	Students	Teenagers (10-15)	60	56	94
Opava high school (Mendel Grammar School)	Students	Teenagers (15-18)	65	65	100
Silesian University in Opava	Students	Young adults (18-26)	60	43	72
Kindergarten (MŠ Komárov)	Parents	Families with children	40	26	65
Elementary school (ZŠ Komárov)	Parents	Families with children	60	41	68
Opava elementary school Otická	Parents	Families with children	60	48	80
Kindergarten (Mnišská)	Parents	Families with children	40	35	88
Internet	Student, working	Young adults 18+	40	27	68
Total			425	341	82

Source: Author

Total number of distributed questionnaires was 425. Paper version of the questionnaire was distributed in 385 copies. The questionnaires for students were spread directly in the

lessons. The number of questionnaires given to the parents was so high because of expected low return of questionnaires. Moreover, there was low return rate from university students, therefore additional 40 questionnaires were distributed online by means of online software to the appropriate age category mainly within social network Facebook.

4.2.5 Data Processing and Analysis

First phase of the data processing was to eliminate incorrectly filled questionnaires. Editing revealed 50 inappropriately filled questionnaires which were eliminated and thus not included in data coding. Ultimate number of *suitable questionnaires* was 291, which were subsequently coded. In another words, the sampling size requirements were successfully accomplished.

Second phase consisted of data coding which was executed by means of the online software *vyplnto.cz*. Firstly, online questionnaire was created and then all the gathered data were entered into the system. Subsequently, the system processed the input data together with online responses which had been inserted online in advance. An output was generated in a form of metadata file *.cvs*, which can be opened in Excel. Simultaneously *Vyplnto.cz* created preview graphs which allowed online filtering of the questions.

The last phase incorporated analysis of the data. Metadata in Excel allowed to create graphs which were further described and commented. At the same time, the online system *vyplnto.cz* provided flexible filtration of data according to identification questions.

4.3 Conclusion and Recommendations

The ultimate stage of the analytical part concludes all the information gained from both the Porter analysis and marketing research and provides us with the recommendation for a possible business plan of establishment of a new fast food restaurant in Opava region.

5 PORTER'S FIVE FORCES ANALYSIS

Situation analysis of the fast food restaurants in Opava region is carried out by means of Porter's 5 Forces Analysis. The analysis determines the state of competition in the industry. Moreover, it analyzes whether a new established fast food unit would be profitable among the affecting forces.

5.1 Rivalry among Existing Competitors

The majority of Opava region fast food market is occupied by independent fast food restaurants. Most of the restaurants are strategically located in the city centre. Majority of them surround two biggest squares and one of them is close to the train station which is also a place of significant traffic. Another group is localized within the shopping centers in the area of the city outskirts. This group uses a strategy of offering the quick served food while shopping. The most significant proportion of the restaurants counting 18 outlets offers *mixed range of products* of the most popular quick prepared meals. The most usual offered meal is hot dog, various types of hamburger, chips, grilled chicken and gyros. Furthermore, there are 4 restaurants offering mix range of products with 24/7 (non-stop) opening hours. The non-stop fast food restaurants seem to cover a local demand for the fast food type and the city center is saturated with them. In recent years, independent Asian fast foods entered the market with two restaurants in the city centre and another one in the shopping centre Tesco. The *Asian QSRs* became popular because they offered large portions of meal at affordable prices. Another type of QSR which entered the market was independent Pizza fast food restaurants. Currently there are two units of the Pizza QSRs. Finally, the last group of QSRs which represents *healthy* trend is recently opened Baquette Café. This restaurant may be successful because it follows the recent trend of healthy nourishment.

The fast food restaurant market in Opava had been occupied exclusively by *independent fast food restaurants* until 2009. The situation had changed an entry of burger fast food chain McDonald's. McDonald's took advantage of a niche and successfully opened a new unit in the market. It became immediately highly visited and profitable because Opava region had been lacking so-called trendy world-wide known brand. McDonald's company has invested a lot of funds in promotion and marketing which eased the beginnings of the unit and ensured its visibility. Although the prices of its products are incomparably higher in comparison with the independent QSRs, the customers are still

willing to visit it. This is caused by an image of quality, cleanliness and convenience which the brand created.

Finally, when we look at the rivalry in a broader sense there is a significant competitiveness among the independent QSRs and the market is crowded with restaurants offering mixed range of products. The restaurants are facing following factors: numerous of equally balanced competitors, lack of differentiation of products and slow industry growth. According to the Euromonitor International country sector briefing of September 2010 on the Czech Republic Fast Food, there will be total growth of transactions -3,6% within the independent fast food restaurants between 2009 and 2014 (Fast Food – Czech Republic, Euromonitor International). All the factors result in very intense rivalry.

The Independent Asian fast food restaurants have almost reached the point of saturation in the area. The situation is same in the framework of Pizza QSRs. On the other hand, healthy food sector is occupied only by one competitor.

Nevertheless, there is one monopoly subject in the area of chained fast food restaurants which is McDonald's. Alongside with this the Euromonitor international predicts 32,3% total growth of transactions in the chained fast food sector between 2009 and 2011. Thus, it is obvious that McDonald's is in the perfect position which can be jeopardized only by a newcomer to the market.

Distribution and structure of the QSRs in Opava region is clearly visible in table 3 which is pictured below.

Table 3. List of the fast food restaurants in Opava region

Name/Provider	Independent/Chained/ Non-stop	Type	Location
McDonald's	Chained	Burger	Kaufland shopping center (Hlučínská 1702)
Globus restaurant	Chained (part of Globus company)	Mixed range of products	Globus shopping center (Těšínská 2830/83)
Martin Stoklasa	Independent	Mixed range of products	City center (Horní náměstí 149/29)
Hladové Okno Dolňák	Independent – Nonstop (24/7) opening hours	Mixed range of products	City center (Dolní náměstí 305/21)
Gajane Sirlinyan	Independent - Nonstop (24/7) opening hours	Mixed range of products	City center (Masašská 322/3)
Petra Šimová	Independent	Mixed range of products	City center (Mezi Trhy 136/4)

Zlaté Slunce	Independent	Mixed range of products	City center (Horní náměstí 104/1)
Bašta u Koule	Independent	Mixed Range of products	City center (Horní náměstí 2)
Labužník Fast Food	Independent	Mixed range of products	City center (Hrnčířská 272/14)
Bistro Joanka	Independent - Nonstop (24/7) opening hours	Mixed range of products	Close to the center (Nákladní 388/20)
Gastria Food	Independent	Mixed range of products	Close to the center (Solná 27)
Fast Food Gastro	Independent	Mixed range of products	Close to the center (Solná 34)
Jindřich Müller	Independent - Nonstop (24/7) opening hours	Mixed range of products	Close to railway station – Opava Východ (Janská 762/5)
Rozvoj Opava	Independent	Mixed range of products	Urban district Kateřinky (U cukrovaru 1282/9)
ČSAD - Bufet Opava	Independent	Mixed range of products	Close to the shopping centre Tesco (Těšínská 2914/44)
Komfor	Independent	Mixed range of products	City outskirts (Olomoucká 305/88)
Josef Bartek	Independent	Mixed range of products	Nearby village – Suché lazce (U kašny 17/2)
Milena Reichlová	Independent	Mixed range of products	Nearby village – Hradec nad Moravicí (Opavská 1000)
Naděžda Honajzrová	Independent	Mixed range of products	Nearby village – Hrabyně (Hrabyně 3)
Dragon Restaurant	Independent	Asian	City center (Ostrožná 3)
Asijské Bistro Lotos	Independent	Asian	City center (Horní Náměstí 54)
Ngochan	Independent	Asian	Tesco shopping center (Těšínská 2914/44)
Baguette Cafė Opava	Independent	Healthy nourishment	City center (Ostrožná 234/42)

Source: Author

5.2 Threat of Entry

The threat of entry will be divided into two main sectors which can enter the market, thus independent fast food restaurants and QSR chains.

Entry of a new independent fast food restaurant can be perceived as relatively easy at first sight. It has little barriers to entry from the viewpoint of capital investment, at least in comparison with the chains. The time realization is faster because it does not require any negotiation with a franchisor. It does not face any know-how protection and buyer's switching cost is equal to zero. Nevertheless, the existing companies have already occupied all favorable locations in the city center and overall density of the market is very high. This relates mainly to the independent fast food restaurants offering mixed range of products.

On the other hand, possible fast food chain entrant is confronted with higher capital requirements due to franchise properties. The know-how protection barrier can be overcome only by a purchase of the franchise license. Besides the financial aspect, there are high quality requirement which the franchisee has to meet. Although there are certain barriers to entry, the risk of entrance can be increased by the fact that there is only one chain fast food restaurant, McDonald's. Immediate success of the company can provoke other competitor to enter the market of chained fast food. Nevertheless, the McDonalds's should be still in favorable position with respect to customers' loyalty rooted in its position of the first market entrant.

5.3 Threat of Substitution

The most significant threat of substitution lies in vegetables and fruit. The production costs of fruit and vegetables are much lower in comparison with meat. The recent trend is a healthy life-style which can be satisfied only with the healthy ingredients. The trend can be perceived as exact opposite to the high caloric fast food nutrition.

McDonald's seems to cope with the trend by adding more fruit, vegetable and salads and into its menu. On the other hand, most of the independent QSRs do not change anything and are not following the trend. There is one exception though and that is Baquette Café which based the business on the idea of healthy products.

However, the trend can eventually outshine the high caloric fast food concept as the people would be more aware of their health situation, it is not likely in a near future.

Local market fast food market offers different types of meal as hot dog, hamburger, pizza, grilled chicken, Asian food, gyros, etc. There is not a single QSR which offers fried

chicken. The concept of fried chicken can attract existing customers who are loyal to other concepts or gain new ones.

5.4 Bargaining Power of Buyers

The buyers are limited by given selection of independent fast food restaurants and one chained QSR. The *price sensitive buyers* as low-income consumers are sometimes forced to substitute chained QSR McDonald's with more affordable independent fast food. This can be perceived as an element enhancing bargaining power of buyers in the scope of Porter's 5 Forces analysis, although McDonald's does not seem to react and maintains its prices.

Another element enhancing bargaining power of buyers is *little differentiation of product* in the sector of independent QSR's offering mixed range of products. Most of QSR outlets in Opava region belong to this undifferentiated sector which gives the buyers more power and assurance to find alternative supplier. This eventually leads to a strong competition in the sector and sometimes to price reduction.

5.5 Bargaining Power of Suppliers

The bargaining power of suppliers is not high from the point of view of high number of suppliers offering food ingredients for the fast food restaurants. Suppliers do not offer any special uniqueness or service which means they can be easily replaced.

A few differences can be seen between the suppliers of the independent and chained QSRs. The suppliers of fast food chains are facing significant unification and high standards of the chained QSRs. Furthermore, suppliers face high switching costs because of strong position of the chains. This lowers their bargaining power even more in comparison with independent units. On the other hand their unfavorable position is balance with long contracts with chained fast food restaurants and better purchase prices. Thus even though their bargaining power is weak they tend to be more profitable than the suppliers of independent units.

The suppliers of the independent fast food restaurants face lower switching costs. This is caused by limited power of independent units which are not unified. Furthermore, independent units are more fragmented and they are not so important buyers in a scope of numbers of orders.

It is possible to say that the bargaining power of suppliers is low in both cases of independent and chained sector.

5.6 Summary of the Porter's Five Forces Analysis

The analysis indicates that Opava fast food market faces very intense rivalry among the existing competitors in the independent fast food sector especially in terms of a high number of competitors and negative predicted industry growth -3,6% between 2009 and 2014 (Fast Food – Czech Republic, Euromonitor International). This results in the low threat of entry of a new competitor even though the investments are relatively low, realization is fast and there are no special license requirements. The threat of substitution in the sector shows that existing restaurants do not cope with the healthy trend excluding one competitor Baquette Café which based the business on idea of healthy products. The bargaining power of buyers is relatively high due to high number of similar competitors with little differentiation of products. Finally, the bargaining power of suppliers is low.

On the other hand, the chained fast food sector faces very low rivalry with only one representative McDonald's which holds monopoly in the sector within Opava region. Moreover, the Euromonitor international predicts 32,3% total growth of transactions within the chained fast food sector between 2009 and 2014. This results in high threat of entry by a new competitor despite the fact that the entrance requires high investments, longer realization and high know-how requirements including a franchise license. Furthermore, the McDonald's seems to cope with the latest trends and adds more vegetable and salads to its menu. The bargaining power of buyers is lower because of the monopoly which McDonald's holds. Eventually the bargaining power of buyers is low.

The results of the analysis indicate that the establishment of a new fast food restaurant in the independent sector would not be commercially viable. On the other hand, an investment in formation of a new fast food restaurant in the growing chained sector would be advantageous and possibly prosperous.

6 ANALYSIS OF QUESTIONNAIRE SURVEY

This section is devoted to analysis of the questionnaire results which will provide us with customers' perspective of the problem. The analysis will determine customers' attitudes towards the fast food restaurants and will simultaneously fulfill the objectives of the marketing research which were stated in chapter 4.2.1 in the framework of marketing research methodology.

Firstly, the results of identification questions will be analyzed to show detailed composition of the sample which was used in the questionnaire. Moreover, the results of identification questions will serve for filtration and interpretation of further questions' results. The filtration of the results with help of identification questions will provide us with the following segmentation into groups of respondents: teenagers (10-20 years), young adults (21-25 years), families with children, men and women.

Subsequently, the analysis will evaluate all the remaining questions which will fulfill the marketing research objectives.

6.1 Identification Questions

This chapter analyses already mentioned identification questions.

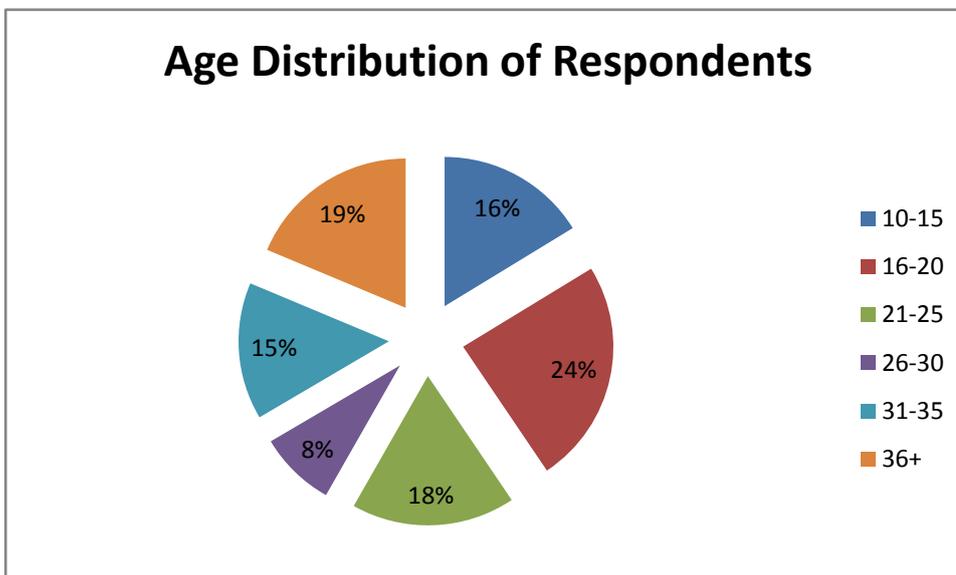


Figure 4. Age Distribution of Respondents

Source: Author

Figure 4 demonstrates the age distribution of the respondents. It is clearly visible that the sample of the questionnaire covers all the targeted age categories: teenagers, young adults and families with children whose representation is confirmed in figure 6. The age

distribution is balanced apart from 8% representation of age group 26-30. Nevertheless, further results of the questionnaire will be valid.

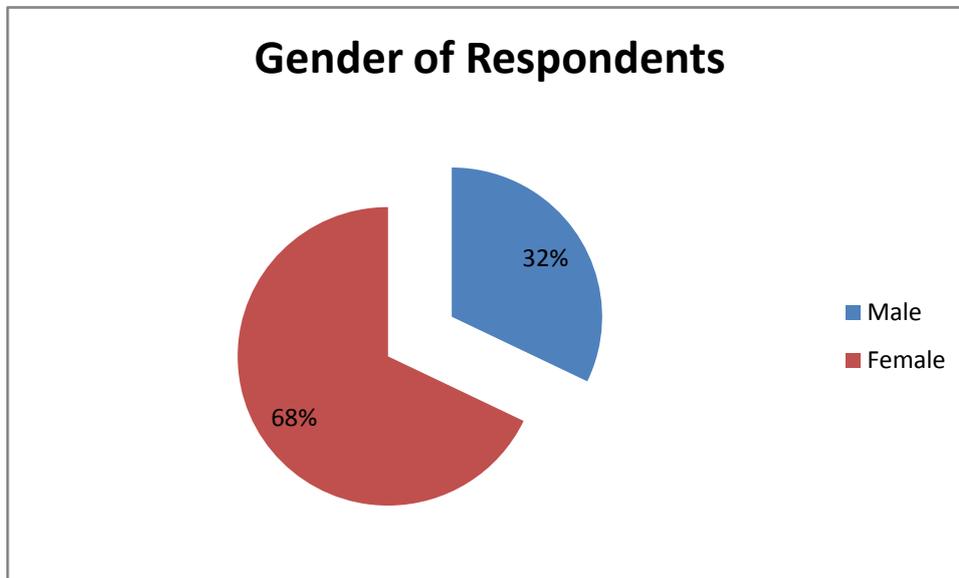


Figure 5. Gender of Respondents

Source: Author

The figure 5 displays the gender of the respondents. The female respondents dominate that is caused by the character of the data gathering. The problem is caused by the group of families with children which is represented by 83% of female respondents. Nevertheless, this does not influence questionnaire's results because the families with children are taken as a whole, in other words we do not differentiate men and women in the group. Therefore, the following question analysing man vs. women responses do not embrace families with children responses.

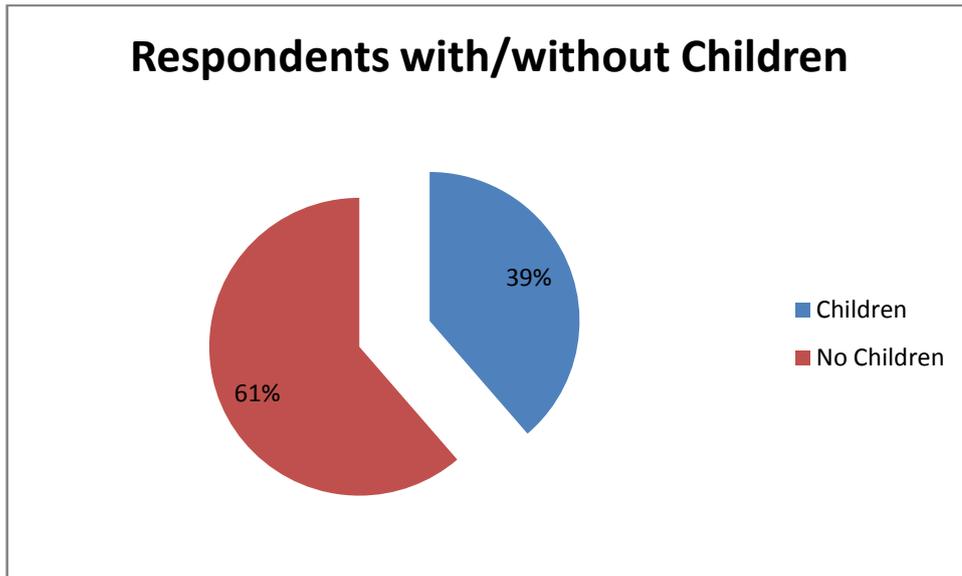


Figure 6. Respondents with/without children

Source: Author

Figure 6 shows us the proportion between respondents with children and without children.

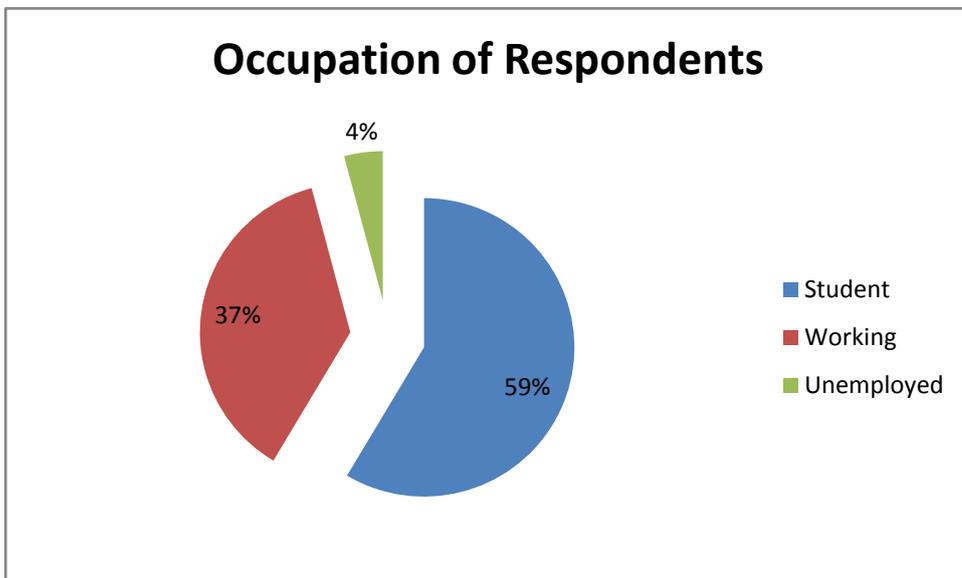


Figure 7. Occupation of Respondents

Source: Author

Figure 7 demonstrates an occupation of the respondents. There is a clear correlation between figure 7 and figure 6. Figure 6 indicates that 61% of respondents do not have the children and at the same time 59% respondents are students who usually do not have any children. The same occurs with working in figure 7 and respondents with children in figure

6. Ultimately the distribution of the sample is rather balanced with 41% of working and unemployed and 59% of students. This corresponds with age distribution of the sample.

6.2 Fast Food Attendance

This chapter will analyze the attendance of the fast food restaurants. At first it will demonstrate a percentage of people in Opava region visiting the fast food restaurants. Then it will show you the reasons for nonattendance for those people who do not visit the restaurants. Ultimately the chapter will deal with the frequency of visits.

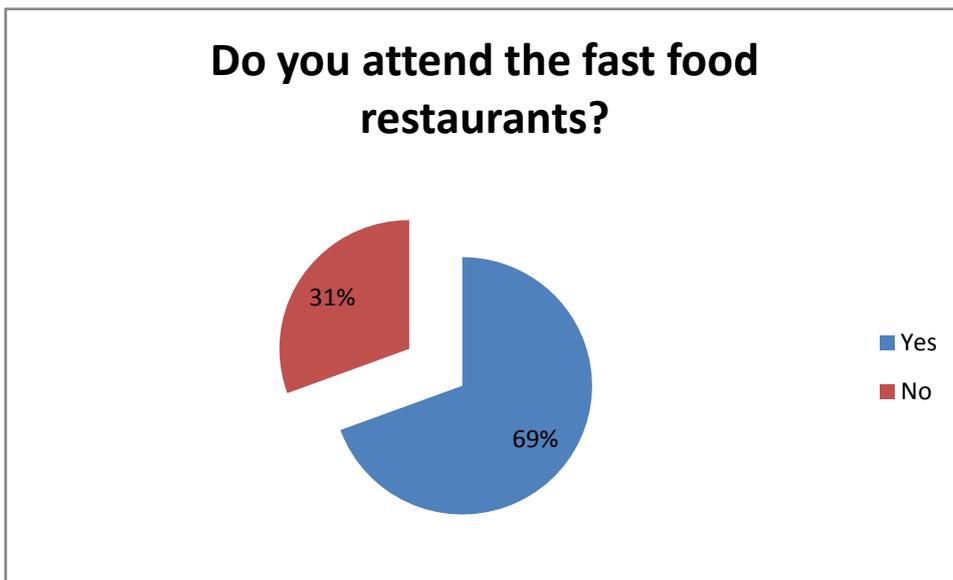


Figure 8. Do you attend fast food restaurants?

Source: Author

The figure 8 indicates that 69% of respondents visit fast food restaurants. Nevertheless, 31% of people do not visit the QSRs and the figure 9 will investigate why.

If we consider segmentation into groups of respondents, the teenagers and young adults visit fast food in more than 80% but families with children only in 53%. The group segmentation is attached in Appendix II, table 4.

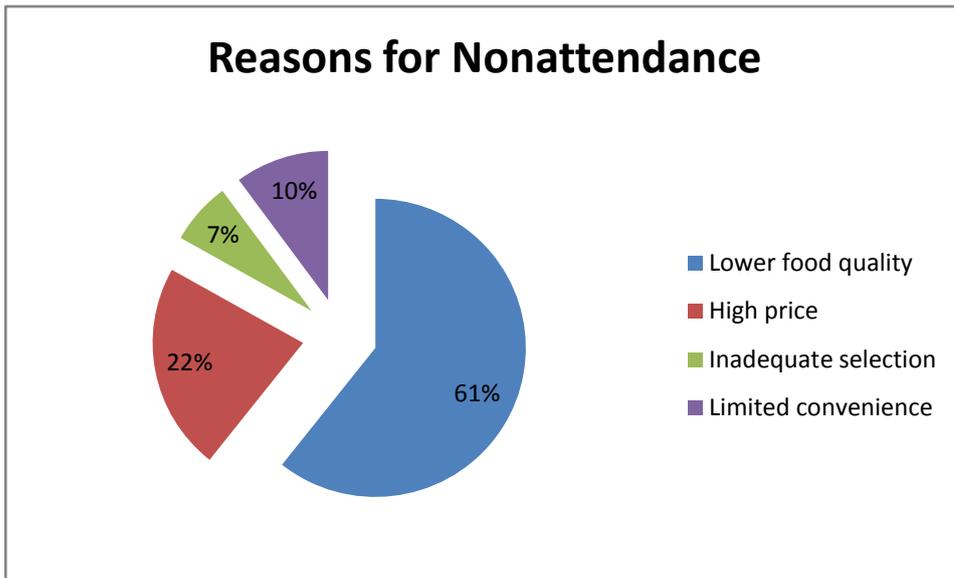


Figure 9. Reasons for non attendance

Source: Author

The figure 9 shows that main reason (61%) for nonattendance is lower quality of the food in the QSRs. Second reason is high price which affects 22% of respondents. The rest 17% is attributed to inadequate selection and limited convenience.

The group segmentation indicates that 83% of female respondents do not visit QSRs because of lower food quality. On the other hand, only 43% of male respondents chose the lower food quality and another 43% selected high price. The group segmentation is attached in Appendix II, table 4.

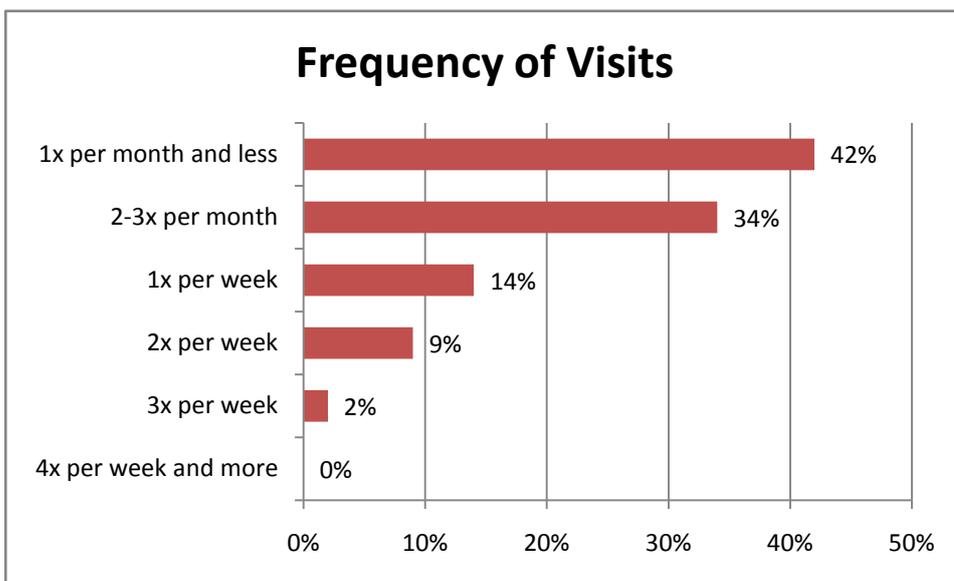


Figure 10. Frequency of visits

Source: Author

The figure 10 demonstrates that most of respondents visit the fast food restaurants 1x per month and less (41%) and 2-3x per month (34%). We can summarize all the responses and the calculation shows us that the average respondent visits the fast food restaurant 2,71x per month.

The group segmentation indicates following average visit per month/group: men 3,9; women 2,7; teenagers 3; young adults 4; families with children 1,7. Please consider that the average visits are only proportional and can not be accurate because of answers with “more” and “less”. The group segmentation is attached in Appendix II, table 4.

6.3 Respondents’ Expenditures on QSRs per Visit

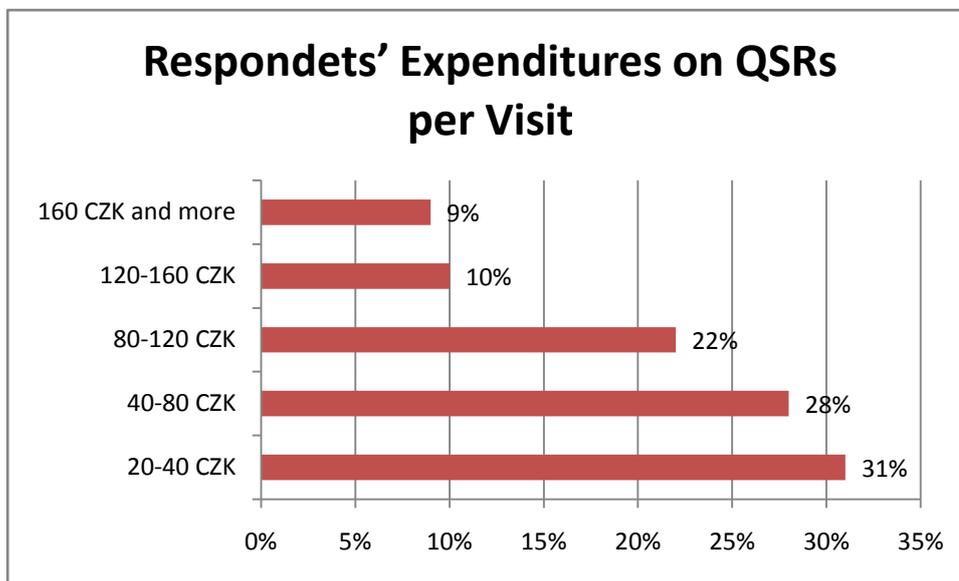


Figure 11. Respondents’ Expenditures on QSRs

Source: Author

The figure 11 demonstrates that most of the respondents’ spendings are in the area of 20-40 CZK (31%), 40-80 CZK (28%) and 80-120 CZK (22%) per visit of a QSR. The rest 19% covers 120 CZK and more per visit of the QSR. The average respondents’ spendings are calculated at 77 CZK per visit of the QSR.

The group segmentation indicates following average spendings per visit of a QSR in CZK/group: men 67; women 53; teenagers 57; young adults 68; families with children 111. Please consider that the average visits are only proportional and can not be accurate because of answer with “more”. The group segmentation is attached in Appendix II, table 4.

6.4 Respondents' Satisfaction with Supply of QSRs' Types in Opava

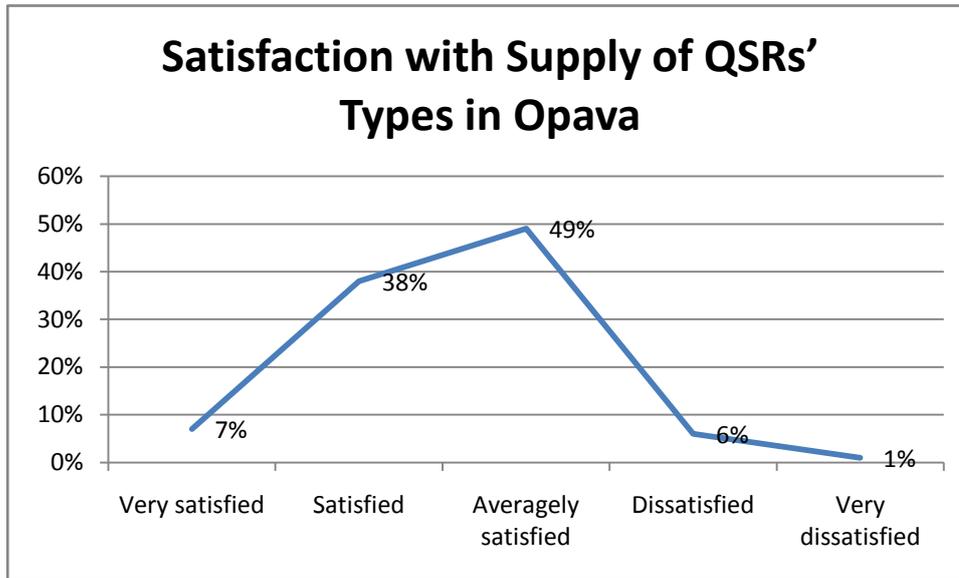


Figure 12. Respondents' Satisfaction with QSRs in Opava Region

Source: Author

The figure 12 displays that 49% of respondents are averagely satisfied with the supply of the fast food restaurats' types in Opava region, 38% are satisfied and low percentage of respondents are very satisfied, dissatisfied and very dissatisfied.

6.5 Establishment of a New Fast Food Restaurant in Opava Region

This chapter analyses respondents' opinions towards an establishment of a new fast food restaurant in Opava region. At first, it will be displayed percentage of respondents who want a new QSR. Subsequently, the chapter will show which types of restaurants the respondents are missing most. It will be discovered which of proposed fast food chains the respondents would visit. Ultimately it will be determined which location is the most suitable for a new unit of QSR according to the respondents.

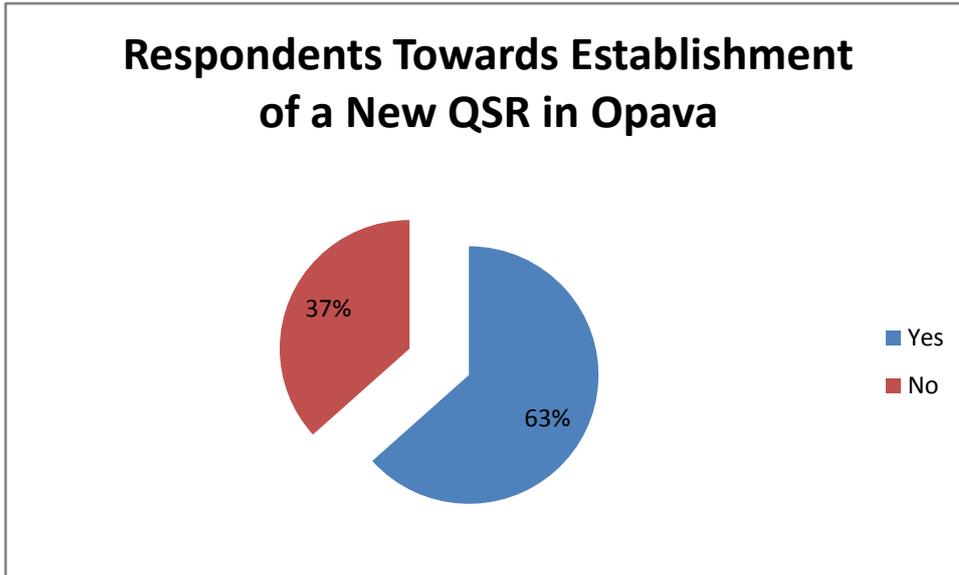


Figure 13. Respondents towards Establishment of a QSR in Opava

Source: Author

The figure 13 demonstrates that 63% of the respondents are for establishment of a new fast food restaurant in Opava. Even despite the fact that most of the respondents are averagely satisfied (49%) and satisfied (38%) with the supply of QSRs' types in Opava region according to the figure 12.

The group segmentation displays that the families with children are less positive towards the establishment of a new QSR with only 49% who voted for. The group segmentation is attached in Appendix II, table 6.

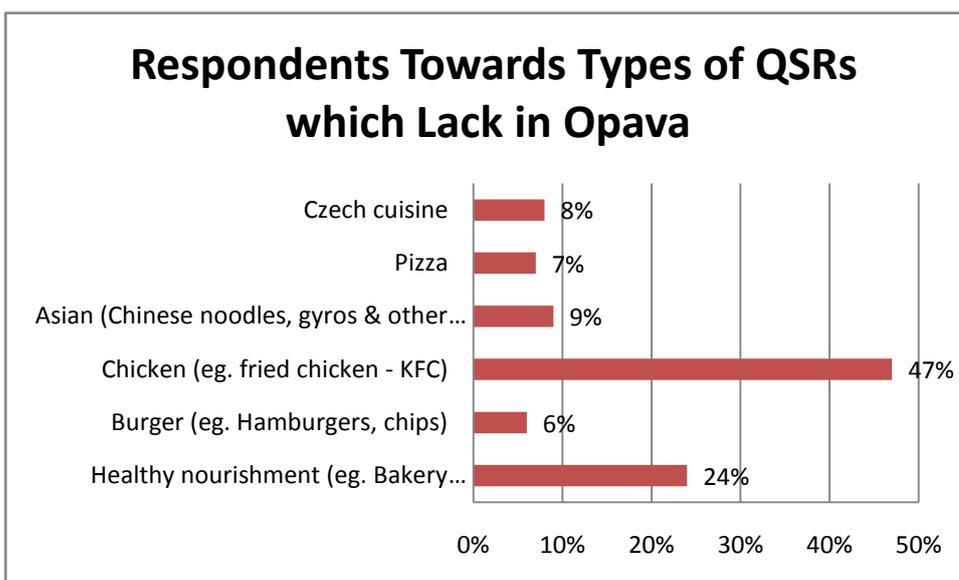


Figure 14. Respondents towards Types of QSRs which Lack in Opava

Source: Author

The figure 14 shows that the majority of respondents (47%) are missing chicken fast food restaurant. The second place is occupied by healthy nourishment (24%). The rest of fast food restaurant types are rather equally covered and represent a minor proportion of respondents' votes.

The group segmentation shows that women (27%) are more in favour of healthy nourishment than men (14%). The families with children (30%) are also strongly for the healthy nourishment in comparison with the teenagers (19%) and young adults (21%). The group segmentation is attached in Appendix II, table 6.

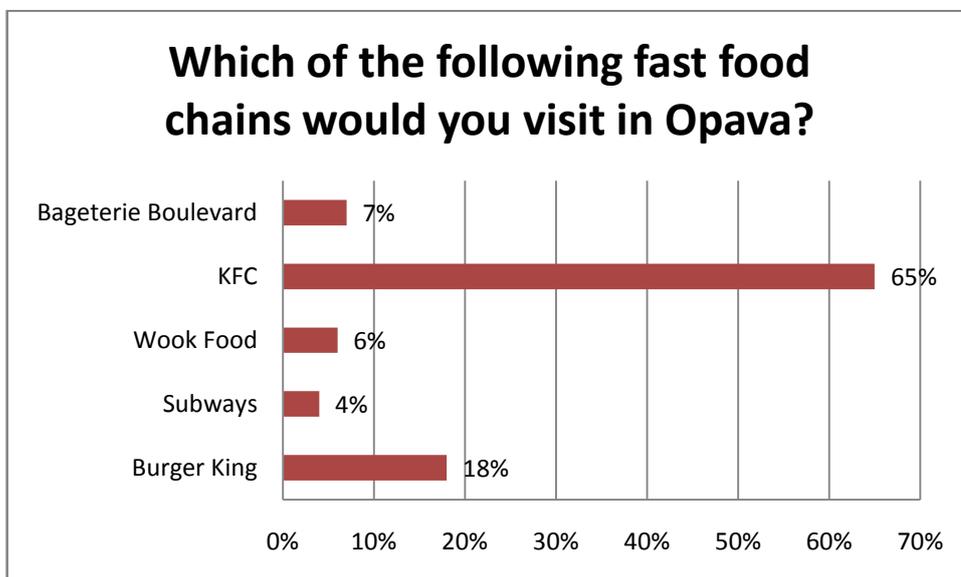


Figure 15. Which of the following fast food chains would you visit in Opava?

Source: Author

The figure 15 demonstrates that 65% of respondents would visit the KFC in Opava in case it would exist there. Second position is taken by Burger King with 18%. The other fast food chains are represented marginally. Nonetheless there is need to remark that figure are at a certain point affected by a visibility of the brands in the market.

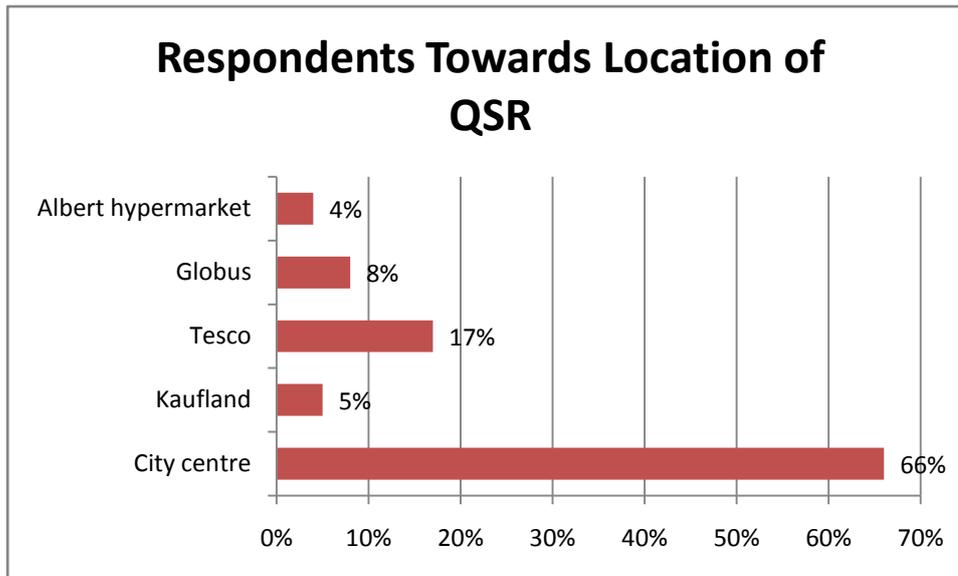


Figure 16. Respondents Towards Location of QSR

Source: Author

The figure 16 demonstrates that the most favorable location of a new fast food restaurant among the respondents would be the city centre with 66% of votes. Another location which is worth considering is an area of the Tesco market. The rest of locations were voted marginally.

6.6 Respondents Towards Late Night Fast Food Restaurants

This section of the analysis is dedicated to respondent attitudes towards the late night fast food restaurants. At first, it is analyzed whether the respondents visit the restaurants or not. Afterwards the section analyses respondents' frequency of visits of the restaurants.

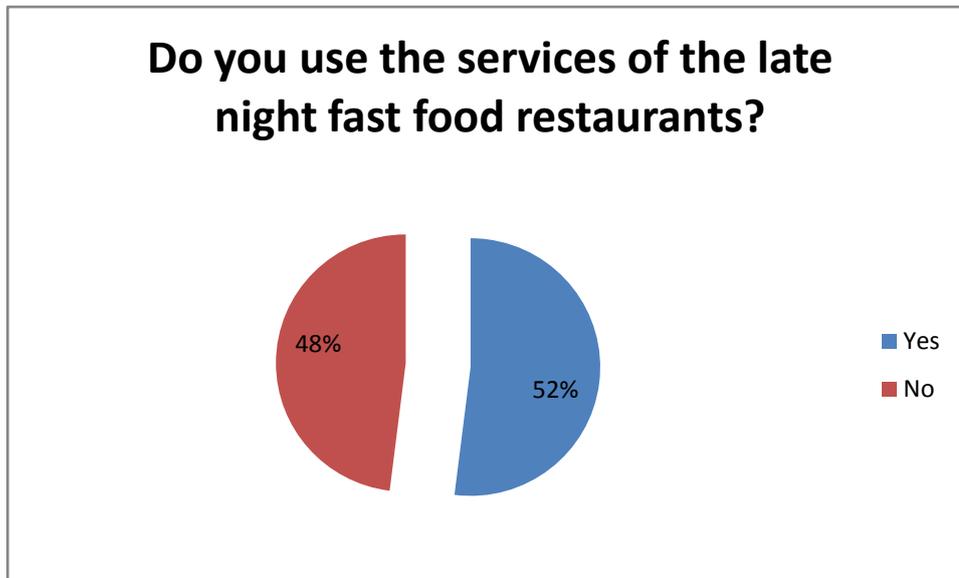


Figure 17. Do you use the services of the late night fast food restaurant?

Source: Author

The figure 17 displays that 52% of the respondents visit the late night fast food restaurants and merely half of respondents (48%) does not.

The group segmentation shows that most of the late night fast food restaurants visitors are young adults with 75% of respondents who voted "yes". On the other hand, the weakest group is the families with children with 38% of "yes" voters. The group segmentation is attached in Appendix II, table 7.

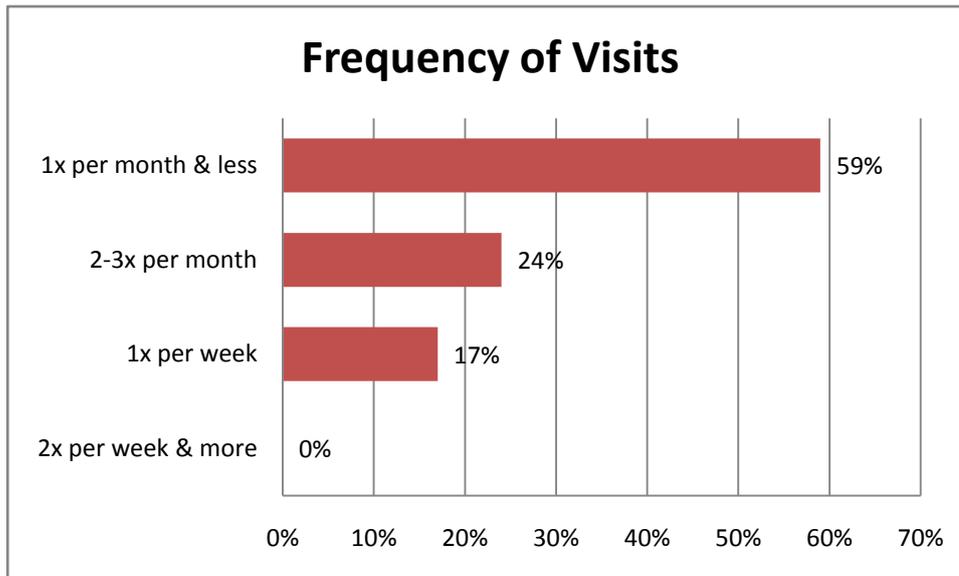


Figure 18. Frequency of Visits

Source: Author

The figure 18 demonstrates that most of the respondents (59%) visit the late night fast food restaurants 1x per month and less. The other figures show that 24% of the respondents visit the restaurants 2-3x per month and 17% of the respondents 1x per week. Thus an average respondent visits the restaurant 1.87x per month.

The group segmentation indicates following average visit rate per month/group: men 2,4; women 1,8; teenagers 1,9; young adults 2,2; families with children 1,33. Please consider that the average visits are only proportional and can not be accurate because of answers with “more” and “less”. The group segmentation is attached in Appendix II, table 7.

6.7 Summary of Questionnaire Survey Results

An analysis of fast food restaurants attendance shows that 69% of respondents visit the QSRs. The strongest group which visits the restaurants is the young adults group and the weakest is the families with children. The most often reason for nonattendance is the lower food quality chosen very frequently by women. The most frequent visitors are the young adults and the least frequent visitors are the families with children.

On the other hand, an analysis of the respondents’ expenditures on QSR per visit displays that the highest spenders are families with children. The teenagers and young adults spend much less money on the fast food services.

The highest proportion of the respondents is averagely satisfied and satisfied with a current supply of QSRs’ types in Opava. Nevertheless, 63% of them are for establishment

of a new fast food restaurant. The results demonstrate that the most of the respondents are missing chicken fast food (47%). The second place is occupied by the healthy nourishment (24%) which was chosen mainly by women and the families with children. At the same time the majority of the respondents (65%) would visit the KFC in Opava in case it would exist there. Finally the highest proportion of respondents chose city centre as a location of a new fast food restaurant.

The last part of the analysis explores respondent attitudes towards the late night fast food restaurants. It shows that only 52% of the respondents who visit the fast food restaurants use services of the late night fast food restaurants. Furthermore, the frequency of the late night restaurants visits is much lower in comparison with the “normal” QSR type.

7 PROPOSED RECOMENDATIONS

This part of the thesis proposes recommendations to a possible business plan for an establishment of a new fast food restaurant in Opava region. At first, it will be defined which type of the fast food restaurant should be established including a favorable fast food chain and its location. Subsequently, a marketing strategy will be proposed which should ensure an advantageous position in the market and maximize profit potential.

All the recommendations are based upon the results of the Porter's Five Forces Analysis and questionnaire survey of customer attitudes towards the fast food restaurants.

7.1 Establishment of a New Fast Food Restaurant in Opava Region

Establish a fast food chain

The results of the Porter's Five Forces Analysis indicate that a new fast food restaurant in Opava region should be of a chained type. The chained fast food sector will face low rivalry among existing competitors in Opava market represented only by the McDonald's. Subsequently, it will be exposed to 32,3% global total growth of transactions within the Czech Republic between 2009 and 2014 according to the Euromonitor International country sector briefing of September 2010 on the Czech Republic Fast Food. Therefore, it is highly recommended to invest in fast food chain establishment despite higher initial investments and longer time realization of the project.

Establish a chicken fast food - KFC in Opava city centre

The questionnaire survey of the customer attitudes towards the fast food restaurants reveals that it would be advisable to establish a chicken fast food type, preferably KFC. The KFC would visit the majority of the respondents. Furthermore, the results show that it is widely known brand with high visibility and promotion. Thus it does not need any initial investments in the promotion. Finally, it is recommended to locate a new KFC unit in the city centre.

7.2 Marketing Strategy

Standard opening hours

At first, the opening hours will be discussed. It is not advisable to start with 24/7 (non-stop) opening hours for two basic reasons. The rivalry among existing competitors offering non-stop services in the city centre is high. Moreover, the questionnaire survey results

indicate that the respondents are using such services only marginally. Thus it is recommended to start a new fast food unit with normal opening hours, i.e. 7am – 22pm.

Add more healthy nourishment to the menu

The results of the analysis show that a menu should offer more vegetable, salads and fruit. This can stimulate the population who does not visit the fast food restaurant because of the lower food quality. Moreover, it might attract the customers who are in favor of establishment of the healthy nourishment type of fast food restaurant. A promotion of the healthy products should be focused mainly on women because they are the strongest supporter of the healthy nourishment according to the questionnaire results.

Strategy toward families with children

A future manager of a new fast food unit should draw his/her attention to the following aspects in order to increase market share and profitability. The families with children which are one of three main targeted groups is the highest spending group. At the same time, the group is the weakest in the frequency of visits of the fast food restaurants. Furthermore, the group has the highest percentage of respondents who do not visit the restaurants. Therefore, it is advised to reinforce an attendance by offering discounts for frequent visitors. This can be realized by means of providing discount vouchers for more expensive purchase. The discount vouchers would be applicable only for a short period of time to persuade the customers to visit the restaurant again as soon as possible. Another mean of sales promotion can be a loyalty program. The customers will be awarded with credits which can be drawn e.g. to obtain the toys for the children. Moreover, the fast food restaurant should create ideal premises for families with children to accommodate their needs. It should entertain the children and provide such services as changing tables, children's nook and hostess's care. This should be promoted throughout the general public.

Strategy towards teenagers and young adults

The second group which should be considered is represented by both teenagers and young adults. They visit the fast food restaurants very often but they spend the least money. Therefore, the sales promotion should encourage them spend more money. This can be accomplished for instance by quantity discount. A success of the solution is dependent on adequate promotion and visibility.

CONCLUSION

The aim of the bachelor thesis was to investigate possibility of an establishment of a new fast food restaurant in Opava region. The author followed subsequent process to fulfill the given objective.

At first, the author completed a literary exploration of the fast food industry, marketing research and Porter's Five Forces Analysis. The findings were incorporated into the theoretical part of the thesis which was divided into three sections. The first section concerned the fast food industry and was dedicated to its history, development and trends. Moreover, it covered the Czech fast food market and customer. Acquired information served as a theoretical foundation for the research executed in the practical part. Similarly the marketing research and Porter's analysis parts of the theory provided us with a theoretical knowledge necessary for the practical application of the research.

The practical part of the thesis began with the research methodology which described the whole process of the analysis. The analysis as such was performed by means of the Porter's five forces analysis and marketing research. The Porter's analysis explored Opava region fast food market and its competitive rivalry. Subsequently, the marketing research executed by questionnaire survey discovered whether there is customers demand for a new Fast Food restaurant in Opava region.

Both results of the Porter's Analysis and questionnaire survey revealed that there is a viable possibility of the establishment of a new fast food restaurant in Opava region. The results of the Porter's Analysis determined that a fast food chain unit should be established rather than an independent fast food restaurant. The following questionnaire survey analysis ascertained that it is advisable to establish a chicken fast food type, preferably a new KFC unit. Finally, the results pinpointed an ideal location of the new KFC unit to Opava city centre.

In the end of the thesis the author proposed the recommendations to a possible business plan for an establishment of a new fast food restaurant in Opava region. The recommendations were base on the analytical findings and provided a reader with the type of the fast food restaurant to be established including favorable fast food chain brand and its location. Moreover, it was proposed a marketing strategy which should ensure an advantageous position in the market and maximize profit potential.

Finally, there is need to say that the thesis has a potential to be extended into a Master's theses which would cover a complete business plan. In other words the thesis would be the marketing part of the future business plan.

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LIST OF ABBREVIATIONS

QSR Quick Service Restaurant

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APPENDICES

P I Questionnaire

P II Tables of segmentation of questionnaire results

APPENDIX P I: QUESTIONNAIRE

Dobrý den,

jsem student vysoké školy a rád bych Vás požádal o vyplnění tohoto krátkého anonymního dotazníku, který je součástí mé bakalářské práce a zabývá se postoji zákazníků k restauracím rychlého občerstvení (Fast Food) v Opavě a okolí. Vyplněním tohoto dotazníku přispějete na zkvalitnění a rozšíření služeb v této oblasti. **Zvolte, prosím, vždy pouze jednu z uvedených možností a tu zakroužkujte**, děkuji.

- 1) Navštěvujete restaurace rychlého občerstvení (Fast Food)?
 - A) Ano
 - B) Ne - Proč tyto restaurace nenavštěvujete? (po zodpovězení přejděte k otázce č. 10)
 - a) Nižší kvalita jídla
 - b) Vysoká cena
 - c) Nedostatečná nabídka
 - d) Omezené pohodlí
- 2) Jak často navštěvujete restaurace rychlého občerstvení?
 - A) 4x týdně a více
 - B) 3x týdně
 - C) 2x týdně
 - D) 1x týdně
 - E) 2-3x měsíčně
 - F) 1x měsíčně a méně
- 3) Jak jste spokojeni se stávající nabídkou typů restaurací rychlého občerstvení v Opavě?
 - A) Velmi spokojen
 - B) Spokojen
 - C) Průměrně spokojen
 - D) Nespokojen
 - E) Velmi nespokojen
- 4) Kolik v průměru utratíte za jednu návštěvu restaurace rychlého občerstvení?
 - A) 20-40 Kč
 - B) 40-80 Kč
 - C) 80-120 Kč
 - D) 120-160 Kč
 - E) 160 Kč a více
- 5) Jste pro rozšíření nabídky rychlého občerstvení v Opavě o novou restauraci?
 - A) Ano
 - B) Ne (pokračujte s otázkou č. 9)
- 6) Který typ restaurace rychlého občerstvení v Opavě nejvíce postrádáte?
 - A) Zdravá výživa (např. pečivo, bagety, sendviče)
 - B) Hamburgerová (např. hamburgery, hranolky)
 - C) Kuřecí (např. smažené kuřecí maso - KFC)
 - D) Asijská (např. čínské nudle, gyros a další asijské speciality)

- E) Pizza
 - F) Česká kuchyně
- 7) Který z uvedených řetězců rychlého občerstvení byste v Opavě navštěvovali?
- A) Burger King
 - B) Subways
 - C) Wook Food
 - D) KFC
 - E) Bageterie Boulevard
- 8) Uved'te prosím, do které části města byste novou restauraci umístili:
- A) Centrum
 - B) Kaufland
 - C) Tesco
 - D) Globus
 - E) Albert Hypermarket
- 9) Využíváte služby nočních restaurací rychlého občerstvení?
- A) Ano – Jak často tyto služby využíváte?
 - a) 2x týdně a více
 - b) 1x týdně
 - c) 2-3x měsíčně
 - d) 1x měsíčně a méně
 - B) Ne
- 10) Uved'te, prosím, jakého jste pohlaví?
- A) Muž
 - B) Žena
- 11) Kolik je Vám let?
- A) 10-15
 - B) 16-20
 - C) 21-25
 - D) 26-30
 - E) 31-35
 - F) 36 a více
- 12) Máte děti?
- A) Ano
 - B) Ne
- 13) V současné době jste:
- A) Student
 - B) Pracující
 - C) Nezaměstnaný

Děkuji za ochotu a čas strávený vyplňováním tohoto dotazníku, přeji Vám hezký den.

Roman Mura

APPENDIX P II: TABLES OF SEGMENTATION OF QUESTIONNAIRE RESULTS

Table 4. Group segmentation – Fast Food Attendance, Respondents' Expenditures on QSRs per Visit

Topic	Question	Answer	Groups of respondents				
			Men	Women	Teenagers	Young Adults	Families with Children
Fast Food Attendance	Do you attend QSRs?	Yes	80%	81%	81%	83%	53%
		No	20%	19%	19%	17%	47%
	Reasons for nonattendance	Lower food quality	43%	83%	64%	75%	56%
		High price	43%	6%	23%	25%	24%
		Inadequate selection	7%	0%	5%	0%	9%
		Limited convenience	7%	11%	9%	0%	11%
	Frequency of Visits	4x per week and more	0%	0%	0%	0%	0%
		3x per week	4%	1%	2%	5%	0%
		2x per week	20%	9%	12%	18%	0%
		1x per week	18%	14%	15%	20%	8%
2-3x per month		34%	36%	32%	40%	31%	
1x per month & less		25%	40%	40%	18%	61%	
Respondents' Expenditures	Respondents' Expenditures on QSR per Visit	20-40CZK	34%	51%	50%	30%	5%
		40-80CZK	34%	33%	30%	40%	16%
		80-120CZK	23%	9%	14%	20%	38%
		120-160CZK	5%	5%	6%	5%	20%
		160 CZK & more	4%	1%	1%	5%	21%

Source: Author

Table 5. Group segmentation – Respondents’ Satisfaction with Supply of QSRs’ Types in Opava

Topic	Question	Answer	Groups of respondents				
			Men	Women	Teenagers	Young Adults	Families with Children
Respondents’ Satisfaction	Respondents’ Satisfaction with Supply of QSRs’ Types in Opava	Very satisfied	0%	5%	2%	18%	7%
		Satisfied	38%	35%	38%	30%	43%
		Averagely satisfied	46%	51%	50%	45%	51%
		Dissatisfied	11%	8%	11%	5%	0%
		Very dissatisfied	5%	1%	0%	3%	0%

Source: Author

Table 6. Group segmentation - Establishment of a New Fast Food Restaurant in Opava Region

Topic	Question	Answer	Groups of respondents				
			Men	Women	Teenagers	Young Adults	Families with Children
Establishment of a New Fast Food Restaurant in Opava Region	Respondents Towards Establishment of a New Fast Food in Opava	Yes	79%	62%	67%	73%	49%
		No	21%	39%	33%	28%	51%
	Respondents Towards Types of QSRs which Lack in Opava	Healthy nourishment	14%	27%	19%	21%	30%
		Burger	7%	4%	6%	7%	3%
		Chicken	64%	42%	53%	48%	40%
		Asian	11%	4%	6%	14%	10%
		Pizza	2%	13%	9%	4%	7%
		Czech cuisine	2%	10%	6%	7%	10%
	Which of the following chains would you visit in Opava	Burger King	32%	15%	22%	28%	3%
		Subways	2%	6%	0%	14%	3%
		Wook Food	2%	10%	5%	10%	7%
		KFC	61%	60%	67%	45%	77%
		Bageterie Boulevard	2%	8%	6%	4%	10%
	Respondents Towards Location of QSR	City center	68%	73%	72%	69%	53%
		Kaufland	5%	8%	9%	0%	0%
		Tesco	16%	15%	9%	28%	23%
		Globus	9%	0%	6%	0%	20%
Albert Hypermarket		2%	4%	3%	4%	3%	

Source: Author

Table 7. Group segmentation - Respondents Towards Late Night Fast Food Restaurants

Topic	Question	Answer	Groups of respondents				
			Men	Women	Teenagers	Young Adults	Families with Children
Respondents Towards Late Night QSR	Do you use the services of the late night restaurants?	Yes	55%	60%	51%	75%	38%
		No	45%	40%	50%	25%	62%
	Frequency of Visits	2x per week & more	0%	0%	0%	0%	0%
		1x per week	29%	11%	13%	30%	9%
		2-3x per month	32%	28%	33%	20%	4%
		1x per month & less	39%	62%	54%	50%	87%

Source: Author