

# [Overview and background of the fast food industry](https://assignbuster.com/overview-and-background-of-the-fast-food-industry/)

Fast food came around after the after the Second World War and has come a long way since then. In the past it was a mere convenience provider and time saver, the easiest and fastest way to fill appetites, as the name suggests. It has now evolved into a premium luxury item. It is now very popular amongst all ages of people, especially children.

Fast food Marketing is a necessity for Fast Food brands these days. Fast Food despite being a treat to the taste buds is hazardous to health and comes bearing a plethora of ailments. Therefore, it must essentially be advertised and marketed in order for businesses to make sales and be profitable. Fast food sales are increasing at a rapid pace mainly due to effective marketing strategy. Edwin Land rightfully said " Marketing is what you do when your product is no good" which holds true in this case. Marketing camouflages the dangerous truth and sways the consumer into thinking that the temporary taste is worth more than the life-long disease. Marketers hence must undergo the pain of coming up with a successful marketing campaign using the various advertising methods to manipulate customers because this very art of creating an artificial need out of a want or a desire is what fast food marketers like Coca Cola do, for e. g. " Food is askin for Coca-Cola", a thousand calories are " finger-lickin' good" by Kentucky Fried Chicken and the mounds of cheese that come with 'I'm lovin' it' by McDonalds. Children are a very lucrative market for fast food brands because they are young and impressionable. Children are easier to target as they see color and sound and are wooed. This study will examine the various Fast Food Marketing Methods used; both above the line and below the line and explore their various impacts on children's consumption of fast food.

## Importance of the Study

Fast Food originated from the West particularly the U. S and spread throughout the world until it became a craze. It gained popularity in the East rapidly due to the ease of communication globally.  The success of Fast Food chains relies heavily on their marketing and thus they vest everything in it. The scarce information that there is available suggests that children form a large proportion of the fast food target market and a major reason for their families consuming fast food too. Also as John Scully says, " no great marketing decisions have ever been made on qualitative data", thus in order to aid fast food chains this substantially quantitative research must be conducted. A few examples of the marketing methods used are television commercials, billboards, print ads like posters, banners, flyers and standees, internet ads via websites, blogs and social forums and radio ads. The topic has a lot of scope considering the number of fast food chains that exist in today's time and the fact that more and more keep opening every day.

Fast Food is an immensely successful business in Pakistan where majority comprises of foodies. Therefore the study has relevance to Pakistan as Fast Food businesses continuously use a variety of marketing strategies and advertising campaigns to sell their products and services and reap more profits.

## Research Question

Very few people have endeavored to undertake such a research. However in order to under why marketing of fast food has the impact that it has on children and how fast food chains can take advantage of it, this topic needs to be addressed. Therefore the study aims to answer the following Research Question:

" What is the most effective fast food marketing method catered to children?"

## LITERATURE REVIEW

The literature review will set the context for and inform the study by examining previous research on this topic. The aim of the literature review is to evaluate the existing literature on the importance of fast food marketing to children in order to do an analysis of the advertisements being used to fulfill the purpose.

Fran Lowry (2010) in a study for the assessment of total annual exposure to food advertising for 2003, 2004, 2005 and 2007, television ratings data from Nielsen Media Research were used. Three different age groups of children were assessed using the data, i. e. 2 to 5 years, 6 to 11 years, and 12 to 17 years. Exposure to advertisements for beverages, sweets and fast food restaurants was also examined. In 2003, it was found that children aged 2 to 5 years, 6 to 11 years and 12 to 17 years were exposed to 13. 3, 13. 6 and 13. 1 food advertisements per day on the average respectively. In all three age groups the exposure to beverage advertisements underwent a decrease from 27% to 30% with a lump sum fall in advertisements of sugar-sweetened beverages like fruit drinks and regular soft-drinks. Fast food advertisements most frequently targeted to all ages of children and seen most by children of 6 to 11 years were those of McDonald's. This showed targeted branding according to the authors. Burger King similarly also targeted mostly the 6- to 11-year-olds. Exposure to advertisements for Subway, Taco Bell, and KFC also rose among 2- to 5-year-olds and 6- to 11-year-olds, but advertisements seen by children in these age groups continued to be dominated by McDonald's and Burger King, according to the authors. The study also found that black children in all age groups in 2003, 2005, and 2007, saw more food advertisements per day when compared to white children. Also, the racial gap in exposure to food advertising grew between 2003 and 2007, particularly for fast food advertisements. By 2007, black children aged 2 to 5, 6 to 11, and 12 to 17 years saw 1. 5, 1. 4, and 1. 6 times as many food advertisements per day, respectively, compared with white children of these ages and they also had more than double the rate of increase in exposure to fast food advertisements. According to the study, exposure to television advertisements for fast food among children increased by as much as 20. 4% between 2003 and 2007, whereas advertisements for beverages and sweets declined, The results of the study was that many positive changes have occurred in children's exposure to food advertising, consistent checking of this exposure as well as the nutritional analysis is required to further appraise self-regulatory pledges. Lisa Powell (2006 ) and her colleagues from the University of Illinois in Chicago write that there has been a rising trend in total energy intake derived from away-from-home, specifically fast food, outlets and also that excess fat and sugar intake and consumption of items such as sugar-sweetened beverages and fast food have been linked with higher energy intake and obesity. Television is a major advertising medium to reach children, and there is strong evidence that television advertising influences children's dietary intake.

Jennifer L. Harris et al. (2010) in the study answered the research question: " Do these actions have a positive impact? Or, does the sheer volume of fast food marketing eclipse any of these industry initiatives?" They base their analysis on the twelve restaurants; McDonald's, Burger King, Wendy's, Taco Bell, Subway, Pizza Hut, KFC, Domino's, Dairy Queen, Dunkin Donuts, Starbucks and So nic. They assess the marketing practices and strategies of all these and compare it with the industry in totality. The methods included analyzing the nutritional quality of restaurant menu items; analyzing data on media exposure and spending from syndicated sources (i. e., The Nielsen Company, Score Inc. and Arbitron Inc.)They studied three components of their marketing plans i. e. menu composition, external advertising and in-store marketing. The three criteria to identify marketing that were targeted to children, teens, and African American and Hispanic youth. Children were exposed to more than 1, 200 traditional fast food ads per year and this strategy was used a lot by fast food restaurants to encourage potential customers to visit. Many fast food restaurants have expanded into newer forms of marketing that are relatively inexpensive and more difficult to give numerical value to. McDonald's and Burger King indulge in web-based marketing starts with children as young as 2 at Ronald. com, McWorld. com, HappyMeal. com, and ClubBK. com. KFC. com and Starbucks. com also appeared in the top 10 most frequently visited fast food websites in the study. Banner ads from these restaurants reached up to 70 million unique viewers every month. Social and viral media used by fast food restaurants has also increased largely. The use of mobile marketing by fast food restaurants has also begun but most restaurants placed banner ads on third-party mobile websites, eight have introduced downloadable iPhone applications, and a few have begun to conduct text message advertising to customers who opt-in to this feature. Fast food marketing is becoming omnipresent. These restaurants also purchased more than two-thirds of fast food radio and outdoor, there was little variation in their marketing messages and the products they promoted. Restaurants appeared to compete primarily by introducing new menu items and promoting the " value" of their foods. A few restaurants (Subway and Wendy's) promoted their food quality. Banner advertising and social media marketing also predominantly emphasized special offers, and value/cheap and new/improved messages; and promoted new menu item introductions, dollar/value menus, and combo meals. Licensed characters were meant for children. Eight restaurants offered kids' meals catered specifically to children, while four used external marketing to address children i. e. McDonald's, Burger King, Subway, and Dairy Queen . McDonald's and Burger King had maximum advertising targeted to children. Children viewed approximately one child-targeted ad per day for these two restaurants (in addition to ads for other products not exclusively targeted to children). The McDonald's Research by Grier (1996) and colleagues demonstrated that higher exposure to fast food advertising by parents was associated with increased frequency of taking their children to these restaurants because the advertising influenced their beliefs about how often other parents took their children. The authors recommended that fast food restaurants build better standards for every item in child-targeted marketing that applies to every fast food restaurant and also in all of kid's meals served.

Shin Yi Chou et al. (2005) in the study shed light on the link between television fast food advertising and the consequent childhood obesity around the world especially in the United States. The aim of the paper is to utilize the 1979 Child-Young Adult National Longitudinal Survey of Youth and the 1997 National Longitudinal Survey of Youth to explore the effects of fast-food restaurant advertising on children and adolescents being overweight. The results showed that a ban on these advertisements would decrease the number of overweight children ages 3-11 in a fixed population and overweight adolescents' ages 12 to 18 years by 10 and 12 percent respectively. The absence of tax deductibility of this kind of advertising would lead to lesser decreases of between 3 and 5 percent in these outcomes but would result in lower costs on children. The 1997 sample consisted of 8, 984 respondents from 6, 819 different households, ages 12 to 18 years. There were two sub-samples: one consisting of 6, 748 respondents born between 1980 and 1984. The second comprising of 2, 236 oversampled black and Hispanic respondents. A survey was conducted on them. Television watching time and advertising messages were found to be positively correlated. Results also reflected that the number of hours of messages seen on television has a long impact on both children and adolescents. It could also be seen that fast food restaurant advertising has a larger effect on the Body Mass Index of adolescents than on children, despite children being expose longer to fast-food restaurant advertising due to longer television viewing time. In totality the results showed a direct lasting effect of exposure to fast-food restaurant advertising on the body mass index for children. Lesser impact on the probability of being overweight is less important.

Thomas N. Robinson et al. (2007) in his experimental study on fast food branding aimed to explore how cumulative real-world marketing and brand exposures influence young children by means of testing the effects of branding on taste preferences through extensively marketed sources. The sample comprised of sixty- three children from low-income preschools, whose average age was 3. 5 to 5. 4 years. They had to taste 5 identical food items with beverages in matching McDonalds packaging but were actually not branded and to compare the taste of each. " A summary total taste preference score (ranging from -1 for the unbranded samples to 0 for no preference and +1 for McDonald's branded samples) was used to test the null hypothesis that children would express no preference". The results of the study showed that average total taste preference score across all foods and beverages compared was 0. 37 ± 0. 45 (median, 0. 20; inter-quartile range, 0. 00-0. 80) and much more than zero (P <. 001), reflecting that children like food and drink they thought to be from McDonalds to be better. It was found that larger influence of branding was on children at whose homes there were more television sets and who ate food from McDonald's frequently. The conclusion of the study was that food and beverage branding impressions the minds of young children and affects their taste preferences. The authors recommend monitoring and regulation of marketing to young children utilizing branding as a strategy for bettering young children's eating habits.

Sharon Beder (1998) in her study aims to examine four aspects of marketing to children i. e. the development of a consumer, forms of marketing, advertising on the Internet and concerns. Advertising takes advantage of individual insecurities, creates artificial needs and offers quality solutions. It leads to consumption. Children specifically are the target. In Australia, an average $31. 60 is spent weekly by children below18 have and they control above 70 per cent of their parents' fast food purchases. Children and teenagers between the ages of 10 and 17 spend n the US there are over 57 million school age children and teenagers who spend about $100 billion yearly of personal and family money on sweets, food and drinks. Brandweek magazine pointed out that even in China where children save most of the little income they get and their total spending amounts to $2. 6 billion yearly, " second only to the US". Brandweek cited a survey showing McDonald's was the favorite fast food worldwide and Coke was the favorite drink. It argued:" If it is possible to create global preferences with food products--where obstacles like differences in local cuisine and culture exist--transcending cultural boundaries with toys, clothing and entertainment products should be considerably easier". Television ads account for almost 70% of the total amount spent on advertising to children in the US. Total advertising expenditure accounts for almost 15% of the total budget for marketing to children. A new trend in advertising is the internet. The authors question the ability of the young to understand advertising and its purpose and not be impressioned by it. The study thus emphasizes Fast food marketing and how it is a vast industry.

Mary Story and Simone French (2004) in a study aimed to appraise the food advertising and marketing channels used to target children and adolescents in the US, the effect of food advertising on eating habits, and current policies. The youth is a major profitable target market for food and beverage industries. Consequently children and adolescents are now marketed to extensively. " Food marketers are interested in youth as consumers because of their spending power, their purchasing influence, and as future adult consumers". " Multiple techniques and channels are used to reach youth, beginning when they are toddlers, to foster brand-building and influence food product purchase behavior. These food marketing channels include television advertising, in-school marketing, product placements, kids clubs, the Internet, toys and products with brand logos, and youth-targeted promotions, such as cross-selling and tie-ins. wide range of food advertising techniques and channels are used to reach children and adolescents to foster brand awareness to encourage product sales. Marketing channels include television advertising, in-school marketing, product placements, kids clubs, the Internet, toys and products with brand logos, and youth-targeted promotions". Experimental studies continuously showed that children exposed to food advertising prefer advertised food products more often than those not exposed to such ads. Studies with children under age 11 have found strong links between television watching time by children and number of children's requests to parents for those foods, and availability of those foods in their homes. African American and Hispanic children watch more television when compared to white children and so viewed more food ads. Various studies have established that children under 8 years of age are developmentally unable to understand the purpose of advertisements and consider advertising claims as factual.

V. Henderson and B. Kelly (2005) in their study documented the sorts of foods advertised nutritional claims made whilst advertising on African American television as well as the general market. The sample comprised of 553 advertisements that were analyzed for their content during 101. 5 prime-time Television hours. This resulted in classification of advertisements according to fast food restaurant, sit-down restaurant, packaged food), specific food type, and the presence of a weight-related nutritional claim. T and Chi-square tests were used to make comparisons. The results showed that more advertisements were aired on the African-American Television than on general market. These were mostly for fast food, fizzy drinks, candy, meat, and were rarely for cornflakes, grains and pasta or fruits, vegetables, desserts or liquor. People framing policies need to have a greater awareness of the prevailing advertisements for food and their possible effect on behavior as well as knowledge and thus should seriously work with manufacturers of food to pave way for the creation and promotion of healthy food according to the authors.

Hill, J. M. and Radimer, K. L. (1998) in a study examined food advertisements aired on Australian television during programs for children below 10 years of age. Kinds of foods that were promoted linked messages and the impression of food and eating habits in comparison to current dietary recommendations. 239 advertisements were appraised, of which 25% were for fast food restaurants and 22% for chocolate. Of the main foods advertised, 11% were for cereal products, 8% for fruit and only 1% for vegetables. Main tactics used by advertisers to sell foods were give-aways (20%), taste (16%) and fun (14%). On the contrary, advertisements for breakfast cereals often used nutritional claims and often contained messages that were in line with current dietary guidelines for Australians. Generally, the complete dietary picture shown to children through advertisements was said to be poorly balanced and only included a narrow range of foods.

Michele Roberts and Simone Pettigrew (2007) studied behaviors modeled in food advertising are influencing children's diets. They conducted a food advertising audit targeted to children find out aspects that affect children's food socialization. Quantitative and qualitative methods were used to provide "(1) descriptive statistics of incidence and (2) a thematic analysis of messages contained in a sample of food advertisements screened in Perth, Australia, during children's morning television programming." In 28. 5 hours of children's television programs, 950 advertisements were broadcasts, 212 of which were for food. The Qualitative aspect observable in the ads were the existence of grazing, the denigration of main foods, exaggerated health claims and the implied ability of specific foods to emphasize popularity, functionality and mood. The most popular advertising appeal was fantasy, present in 57% of the campaigns. The outcomes of the study are of interest to many stakeholders,

including the food and advertising industries, policy makers, child health advocates and academic researchers. Driven by concerns about childhood obesity, there is escalating demand for responsible food advertising to children (McDonald 2003). According to the authors advertisers must respond to these issues.

Kay M. Hammond et al. (2008) aimed to expose internationally, the balance of television advertising for healthy and less-healthy foods to which children and adolescents are exposed. The sample comprised 9-17 year old New Zealanders to explore the extent to which they were exposed to advertising for a variety of food groups over a year and compared New Zealand rates of advertising with a 13-country study. The method used was "'People meter' data collected over three months May and September 1995 and February 1996 - and food advertising from a sample week of television during hours when children were likely to be watching were also examined. The Comparison was made with a similar 1989 South Australian study and an international study covering 13 countries." The results showed that the exposure estimated for a year and the opportunities for exposure in the sample week were maximum for sweet snacks, drinks, fast food/takeaways and breakfast cereals. There were very low levels for fruit, vegetables, and meat/fish/ eggs and water was not advertised in any sample month. " Comparisons with the 13-country study showed New Zealand had the third-highest rate of food advertising, the highest rate of confectionery and drinks advertising, and the second-highest rate of restaurant advertising which included fast food restaurants." To conclude the authors suggest that the immediate trends in food advertising create a difference in interest between public health and commercial interests. Regulation of food advertising may be required to solve this problem.

## METHODOLOGY

## Research Type

I will be conducting Primary/Field or Quantitative Research, gathering first hand data from my sample population about how the fast food marketing methods used by marketers influence their children or children around them. I will later be quantifying the results.

## Data Type and Research Period

The study is based on people's perceptions and how they feel they are influenced by advertisements and how these fast food marketing methods are a major contributing factor in their children's consumption of fast food. Therefore Primary or Field Research which is basically quantitative in nature is more suitable.

## RESULTS

## Demographics

The primary research for the study comprised of questionnaire surveys that were floated amongst 50 respondents, both married and unmarried, falling in the age bracket of 20 to 40 years. 25 of the respondents were male and 25 female in order to eliminate gender bias. The people with children were targeted to find out more about their children's fast food consumption resulting from advertising exposure. The working population was targeted to specifically because they have a need for fast food. This was done with the purpose of finding out the most effective method of fast food marketing that results in consumption of fast food by children in Lahore. Most of the married respondents were bankers, doctors, engineers and teachers who had children, whilst the unmarried respondents were mostly students at the Lahore School of Economics and had younger siblings between the ages of 3 to 17 years, who consume fast food. The target population for the research will be people living in Lahore who have children in their families who consume fast food. 75% fell in the age group of 20 to 29 years, whereas the remaining 25% were aged between 30 to 40 years. Most of these individuals belonged to the upper and upper middle class with lump sum pocket monies or household incomes, and had exposure to all sorts of fast food advertisements. A majority fell in the 30, 000-40, 000 income range.