

# **Project Work**

## Factors Influencing Consumers in Choosing International Outlets of Fast Food: Effects of Extrinsic Cues



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## Factors Influencing Consumers in Choosing International Outlets of Fast Food: Effects of Extrinsic Cues

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## LETTER OF TRANSMITTAL

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Sub: Submission of Project Report.

Dear Sir

It is of great honor and pleasure to me to present you my project report prepared under BUS 498. The entire duration of preparing this report has been immensely helpful to me, giving me a golden opportunity to look to the real scenario and move to the real world. A lot of lessons were learnt and a vast amount of experiences were gained. Developing interpersonal skills, doing survey and of course handling each and every detail with a professional attitude were just to name a few. Truly this will help me in my future life, solving more complex situations and problems and building knowledge on project work.

I will always be available to respond to any queries that you may have regarding the subject matter.

Thanking You Sincerely Yours

Name Shaikh Ibne Seraj ID: 2006-2-10-119 Department of Business Administration,East West University

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## **Synopsis**

After a number of exploratory researches, it was needed to come up with some solutions rather than just to get the insight. And my mission starts from that realization through the selection of topic 'Factors influencing consumers while choosing international fast food outlets: Effect of Extrinsic Cues'- Bangladesh Perspective. In this purpose my concentration goes for the fast food product after conducting an effective exploratory research through the frequency distribution where I have included 10 questions verbally to get the primary idea about the perception of choosing fast food product while going to international outlets from 20 respondents. The respondents are the students belong to the Business School from East West University situated in Dhaka at Mohakhali and employee of Grameenphone Ltd, contact centre that situated in Dhaka at khilkhet. Then with the idea and knowledge from this research, I proceed further to give a conclusion about my project topic. Through the random sample selection process and according to supervisor's approval I select 50 samples from population of the same university and office including those respondents of exploratory research. This questionnaire consists of 29 questions. Amongst the 26 items constructed to get the data, one item with six sub-items was for dependent variable and the other twenty five items were for the independent variable and other 3 are for demographic use. The regression analysis has been used here for the analysis of the data. Finally I have come to the conclusion that two factors out of six have an impact over consumption decision of the consumer.

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# Factors influencing consumers while choosing international fast food outlets: Effect of Extrinsic Cues

### **1.0 INTRODUCTION**

Fast food is the term given to food that can be prepared and served very quickly. While any meal with low preparation time can be considered to be fast food, typically the term refers to food sold in a restaurant or store with low quality preparation and served to the customer in a packaged form for take-out/take-away. On the other hand outlets may be stands, which may provide no shelter or seating or fast food restaurants (also known as quick service restaurants). In our country international fast food outlet which is also considered as franchise operations which are part of restaurant chains have standardized foodstuffs shipped to each restaurant from central locations. Now a day due to globalization a large portion of the consumers of the fast food has become interested to go to international franchises of fast foods. In a result, the number of patrons of international franchises is rising rapidly.

In the year of 1962, one of the investigators named as Cox was the first person who developed a model of the consumer product evaluation process. Since that period of time, researchers concentrated on brand evaluation research focusing on the influence of unusual types of cues. Consumer assesses a product on the basis of information cues. Such cues have been separated in to two types, namely intrinsic and extrinsic (*Olson and Jacoby1972*).Intrinsic cues are physical characteristics of a product that serve to influence consumers perceptions regarding a brand and extrinsic cues are external characteristics of a product such as brand image, perceived quality, perceived price, country of origin, customer service, environment etc that serve to influence consumer perceptions toward a brand. Various intrinsic and extrinsic cues may influence consumer product or service evaluation. This research will find out the influence of some extrinsic cues while choosing international fast food outlets.



#### **1.1 PROBLEM DEFINITION**

The project problem is to determine why customers choose international outlets or franchise outlets of fast food when they consider having fast food. This project report will provide specific information regarding the relevant *extrinsic cues* and how they influence the customers' choice for international outlets of fast food.

#### 2.0 APPROACH TO THE PROBLEM

#### 2.1 RELATED CONSTRUCT OF THIS STUDY

Six extrinsic cues have been considered as the related constructs in this study and they are: brand image, perceived quality, perceived price, country of origin, customer service and environment.

#### 2.1.1 BRAND IMAGE

Brand image refers to images arising in a consumer's mind from exposure to a named brand. It refers to the impression in the consumers' mind of a brand's total personality (real and imaginary qualities and shortcomings). Consumers buy not only a product (commodity), but also the images associated with the product such as power, wealth, sophistication, and most importantly identification and association with other users of the brand. The term "brand image" gained popularity as evidence began to grow that the feelings and images associated with a brand were powerful purchase influencers. Studies based on that also suggested that brand image can be an important information cue for consumers to evaluate a product (Hutchinson, Kalyan, & Mantrala, 1994; Nedungadi, Chattopadhyay, & Muthukrishna, 2001).

A brand is unlikely to have one brand image, but several, though one or two may predominate. The key in brand image research is to identify or develop the most powerful images and reinforce them through subsequent brand communications. Good brand images are instantly evoked, are positive, and are almost always unique among competitive brands. Brand image is developed over time through advertising campaigns with consistent theme, and packaging, customer service, word-of-mouth and other aspects of brand experience. Brand images are usually evoked by asking consumers the first words/images that come to

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their mind when a certain brand is mentioned (sometimes called "top of mind"). When responses are highly variable, non-forthcoming, or refer to non-image attributes such as cost, it is an indicator of a weak brand image. Consumers also feel pride of owning a product purchased from a branded store because they perceive the brand as an image of social status.

#### 2.1.2 PERCEIVED PRICE

Consumers want to get highest utility from a product they purchase by sacrificing money and benefit from other brands. Price perception is the process by which consumers translate price into meaningful cognitions, and it has interested researchers for several years (Lichtenstein, Block, & Black, 1988). The classical economic models suggest that consumers maximizes utility by allocating a limited budget over alternative goods and services (Lilien & Kotler, 1983). So effects of price are more associated with quality perception of a product or brand. Consumers generally perceive high priced products to be of high quality. Price conveys information to the consumer about product quality) Erikson & Johnson, 1985). Thus, price information is extensively used as an extrinsic cue to evaluate a product. That is why, price can play both role as an indicator of the level of quality and an indicator of the amount of sacrifice needed to purchase a product.

#### 2.1.3 PERCEIVED QUALITY

Quality can be defined as the ability of a product to satisfy a consumer's needs and requirements (McCarthy & William, 1991). Perceived Quality is defined to as the consumer's opinion of a product's (or a brand's) ability to fulfill his or her expectations, which is directly related to his / her satisfaction. It may have little or nothing to do with the actual excellence of the product, and is based on the firms (or brands) current public image, consumer's experience with the firm's other products, and the influence of the opinion leaders, consumer's peer group, and others. Quality is the best indicator of the product's durability, reliability, precision, and other valued attributes. It provides added value and constructive perception on a brand to affect consumers' brand evaluation. The perception of a product's high quality often depends on the consumers' distinct liking and beliefs toward supplier of the products. Thus, a certain product may hold several attributes of quality, but still it may

not satisfy consumers' preference if it does not fit with their perceptions and beliefs of high quality.

Typically, consumers recognize the quality levels of different brands through categorical information as well as experience with the brand and they form positive or negative perceptions about the quality of a particular brand. Moreover, consumers often choose brands with high perceived quality as they correlate high quality with high social status. When the consumers are convinced that higher quality is maintained by a specific brand, they are more likely to evaluate that brand positively. However, product quality perception usually varies with product class.

#### 2.1.4 COUNTRY OF ORIGIN

People tend to stereotype the product or brand image through the attachment of the "made in" tag (Nagashima, 1970). Usually when consumers have no familiarity or knowledge about a product or brand they tend to examine the impact of country image. Several studies have examined country of origin effect on product evaluations (Li & Wyer, 1994; Maheswaran, 1994). Country image plays a significant and optimistic role in consumers' evaluation of a brand. Each country's product is not evaluated positively in the world. Consumers' perception of some country is better than other countries. When a country's name in the country of origin label is tied with good image, consumers' evaluation of that product becomes favorable. When a country's name in the country of origin label is tied with poor image, consumers' evaluation of that product becomes unfavorable (Chowdhury, 2001). There is a tendency that products from industrially developed countries are evaluated as being superior compared to those from less developed countries produce superior quality products because they are financially strong as well as their production and marketing capability is advanced. So, country of origin influences consumers' brand evaluation if the country is familiar as high image country.



#### 2.1.5 CUSTOMER SERVICE

Customer service (also known as Client Service) is the provision of service to customers before, during and after a purchase. According to Turban et al. (2002), "Customer service is a series of activities designed to enhance the level of customer satisfaction - that is, the feeling that a product or service has met the customer expectation." Its importance varies by product, industry and customer. As an example, an expert customer might require less prepurchase service (i.e., advice) than a novice. In many cases, customer service is more important if the purchase relates to a "service" as opposed to a "product". Customer service may be provided by a person (e.g., sales and service representative), or by automated means called self-service. Examples of self service are Internet sites. Customer service is normally an integral part of a company's customer value proposition. Some have argued that the quality and level of customer service has decreased in recent years, and that this can be attributed to a lack of support or understanding at the executive and middle management levels of a corporation and/or a customer service policy. Recently, many organizations have implemented feedback loops that allow them to capture feedback at the point of experience. This has been shown to be useful as it allows companies to improve their customer service before the customer defects, thus making it far more likely that the customer will return next time. Customer care also benefits some businesses more than others.

#### **2.1.6 ENVIRONMENT**

Evidence from environmental psychology supports the notion that people form inferences about a focal object or person based on environmental cues. Sadalla, Vershure, and Burroughs (1987) found that subjects were able to correctly infer a homeowner's selfconcept from looking at pictures of that person's dwelling. Consumers with incomplete information about merchandise or service quality tend to base purchase decisions on inferences they make from various information cues (Bloom and Reve 1990; Nisbett and Ross 1980; Zeithaml1988). The store environment offers a multitude of stimuli that can serve as cues to consumers looking for this information-processing shortcut. For example, a store with thick carpeting, low-level lighting, and muted, but fashionable, colors may lead customers to infer that the store sells high quality merchandise, or offers high quality service. Consumer inferences about service quality can also be influenced by the retail store environment. This assertion is consistent with work by Parasuraman~ Zeithaml, and Berry

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(1988) that identified elements of the physical environment (e.g., up-to-date equipment, visually appealing facilities, well-dressed and neat employees) as important "tangibles," a key component of service quality. Rys, Fredericks, and Luery (1987) concluded that environmental factors were the most important cues to consumers judging restaurant quality.

### **2.2 RESEARCH QUESTIONS**

1. Does brand image influence the consumers in choosing international outlets of fast food?

2. Does the perceived price influence the consumers in choosing international outlets of fast food?

3. Does perceived quality influence the consumers in choosing international outlets of fast food?

4. Does country of origin influence the consumers in choosing international outlets of fast food?

5. Does level of customer service influence the consumers in choosing international outlets of fast food?

6. Does environment of the outlet influence the consumers in choosing international outlets of fast food?

#### **2.3 Hypotheses**

Based on the Research Question, the following hypotheses have been developed:

#### Influence of Brand Image

Brand image is a crucial cue of a brand. Generally, brand displays elevated role for evaluating a brand, when they lack the ability to judge the intrinsic cues of a brand. Brand image inhibits the learning of other attribute information too. Moreover, it provides specific information about product quality, reputation, performance, credibility, prestige and so on about a brand. Hence, high image brands have significant and dominating influence in evaluating a brand. A wellknown brand also reduces the consumers' risk perception and increases positive evaluation towards the brand. Sometimes brand image is used as a symbol of social status and it forces the consumer to own that brand. For example, the brand Rolex for watches and Mercedes for automobiles fall into this category. Consumers perceive these brands as unique and valuable. Thus, if a brand can achieve reliability and reputation as a high image brand, the consumer develops favorable evaluation towards that brand.

 $H_1$ : Brand image has significant influence on the consumers is choosing international outlets of fast food.

#### Influence of Perceived Price

Consumers are more likely to use price in product evaluation when some relatedproduct information is lacking (Jacoby, Olsen, & Haddock, 1971), when they arenot familiar with a product (Monroe 1976), and when information about purchasecontext is lacking (Belk, 1975; Erickson & Johansson, 1985). Consumers oftenperceive price as an extrinsic quality cue (Dodds & Monroe, 1985; Dodds et al.,1991). Several studies have searched consumer perception of price as an indicatorof quality, and many of these have shown price to operate in these manner(Erickson & Johansson, 1985; Dodds & Monroe, 1985; Dodds et al., 1991). Although there are so many arguments in favor and against this rationale, in this

study, the idea of positive relationship between price and perceived quality is adopted. The arguments behind this assumption are:

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(a) producing quality good needs sophisticated machineries that cost more and increases price,

(b) manufacturers use high quality raw materials to produce quality products, and(c) it is unlikely that a product with low quality will be charged more in this competitive world. Therefore, the following hypothesis is drawn based on the above reasoning:

 $H_2$ : Perceived price has significant influence on the consumers is choosing international outlets of fast food.

#### Influence of Perceived Quality

Quality is the totality of features and characteristics of a brand based on its ability to satisfy stated and implied needs. When a consumer lacks sufficient knowledge about intrinsic cues, he or she may use perceived quality information to evaluate a brand. Nowadays, a consumer does not intend to buy just a brand, but he or she purchases the benefits associated with it. Consequently, high quality perceptions toward a brand achieve consumers' preferences and satisfactions rapidly. Consumers evaluate a brand as unique, prestigious, and reliable for its superior

quality. If the product is associated with high-perceived quality, the consumers' trust of a brand is increased and thus a brand's preference is also increased. Moreover, consumers use the brand's quality to differentiate a brand from the other brands. Researchers generally have postulated that there are many different ways to differentiate products; superior quality is one of the most effective (Porter, 1980). Therefore, the perception of higher quality directly influences the consumers' favorable evaluation of a brand.

H<sub>3</sub>: Perceived quality has significant influence on the consumers is choosing international outlets of fast food.

#### Influence of Country of Origin

The country-of-origin field of research has been extensively explored and documented in the international business literature. A substantial body of literature has accumulated showing that consumers adjust their attitudes toward a product according to its country of origin (Bilkey & Nes, 1982; Han, 1989; Hong & Wyer, 1989; Gurhan-Canli & Maheswaran, 2000). This bias may be categorized as either "home country bias" or "foreign country bias". With "home country bias", consumers prefer products made in their own country to identical products made in foreign countries. "Foreign country bias" exists when differential differences are expressed for products made in different foreign countries (Huber & McCann, 1982; Roth & Romeo, 1992). Country of origin is widely accepted as the overall perception consumers form of products from a particular country, based on their prior perceptions of the country's production and marketing strengths and weaknesses (Roth & Romeo, 1992). Moreover, studies suggest that country of origin has a positive effect on consumers' perceptions of product quality (Bannister & Saunders, 1978; Johansson, 1989; Kapferer, 1994; Jo, 2005; Nagashima, 1970; Erdem, Joffre, & Ana, 2006). In short, consumers are willing to pay premium prices for a product made in a specific country such as Japanese mechanics, French perfumes, Italian fashions and so on. The literature on country-of-origin effects has been enriched with a wide range of different premises and experiments from different countries. The majority of these studies demonstrate the existence of country-of-origin effects on product evaluation, although the magnitude, direction and process vary considerably (Okechuku, 1994; Elliott & Cameron, 1994; Maheswaran, 1994; Iyer & Kalita, 1997; Thakor & Katsanis, 1997). When the consumers cannot detect brand quality and value, they consider the country of origin for evaluating a brand. Thus, like price, country of origin may also serve as a proxy variable when other information is lacking. A positive country image towards a brand provides favorable evaluation.

 $H_4$ : Country of origin has significant influence on the consumers is choosing international outlets of fast food.

### Influence of Customer Service

Customer Service has an outstanding influence over customer mind especially in business world. Whenever it's related to service type products it becomes much more important. Promptness, responsiveness, friendliness of employee or service provider in the case of customer service has substantial benefit over consumer mind while selecting or purchasing product.

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H<sub>5</sub>: Customer service has significant influence on the consumers is choosing international outlets of fast food.

### **Influence of Environment**

Environment always plays a vital role in terms of purchasing certain product or receiving certain type of service. Exterior, Interior, Cleanliness etc give rise the importance of environment. Some consumers still give more importance to environmental factors rather than other factors such as price, quality, brand image etc.

 $H_6$ : Environment of the outlet has significant influence on the consumers is choosing international outlets of fast food.

Here, **choice of international fast food outlets** will be considered as a **Dependent variable** and the other factors as **independent variable**. The relationship is presented below,

**Choice of international fast food outlets** = Brand Image + Perceived Price + Perceived Quality + Country of Origin + Customer Service + Environment of the Outlet

Regression Model: Y=βo+ β1\* X1+ β2\* X2+ β3\* X3+ β4\* X4+ β5\* X5+ β6\* X6

Here, Constant= βo Independent Variables: Brand Image, X1 Perceived Price, X2 Perceived Quality, X3 Country of Origin X4 Customer Service, X5 Environment of the Outlet, X6

### **Dependent Variable:**

Choice of international fast food outlets, Y

#### **3.0 RESEARCH DESIGN**

## **3.1 QUESTIONNAIRE DESIGN**

A questionnaire was developed which contained 29 questions. Among them 26 questions were related to the research problem and the rest 3 were about the demographic profile of the respondents for any farther research in the future. The model included questions covering brand image, perceived quality, perceived price, country of origin, customer service and environment of international fast food outlets which affects customers' choice. A Likert scale was used to question the respondents on the five point scale. The respondents were asked to rate on the scale between Strongly Agree and Strongly Disagree.



#### **3.2 DATA COLLECTION METHOD**

A questionnaire was used to collect the data. The initial questionnaire was revised to ensure proper wording, length and sequencing of the questions as per instruction and advices by the project supervisor during the meetings. The data were collected from the students of the East West University, employees of Grameenphone Itd and from other general peoples.

#### **3.3 SAMPLE SELECTION**

To select the sample we have used non-probabilistic sampling method and which is convenient sample. A sample size of 50 students was used to conduct the research. The respondents of the sample were the students of East West University, employees of Grameenphone ltd and general peoples as it are easy for me to collect data from the campus and work place. Though there are some criticisms about the use of student as respondent of any sample but many of the researchers used student as sample.

#### **3.4 RELIABILITY**

The researcher focused only on reliability testing of the items of dependent and independent variables rather than validity testing, since this research had limitations in terms of time and scope.

#### **3.5 MEASUREMENT OF THE VARIABLES**

Amongst the 26 items constructed to get the data, one item with six sub-items was for dependent variable and the other twenty five items were for the independent variable. Reliability and internal consistency of the multi item scales for each of the constructs were measured using Cronbach Coefficient Alpha. The minimally acceptable reliability for primary research should be in the range of point five to point six (Nunnally, 1967). Based on the assessment, I excluded 2 items under perceived quality. Coefficient alpha values were computed for each construct separately which range from 0.556 to 0.861.

Dimensions	Items	Alpha Value
Choice of fast food outlet	6	.861
Brand Image	4	.782
Perceived Price	5	.556
Perceived Quality	3	.602
Country of Origin	3	.853
Customer Service	3	.750
Environment	4	.659

## 4.0 DATA ANALYSIS

### **4.1 ANALYSIS TECHNIQUES**

Once the reliability analysis was done, the researcher excluded 2 items under perceived quality that ultimately improved the alpha value from .249 to .602. Then, the researcher calculated the mean value of dependent variables and independent variables. Finally, the researcher completed the analysis part through regression analysis.

## 5.0 RESULT & FINDINGS

### 5.1 Hypothesis Testing:

In this section hypothesis based on the six factors that influence choice of international outlets of fast food. For this research purpose, the level of significance,  $\infty = 0.05$ .

## H<sub>1</sub>: <u>Brand image has significant influence on the consumers is choosing international</u> <u>outlets of fast food.</u>

Independent Variables	Standardized Coefficient (b)	t-value	<i>p</i> -value (sig.)
Brand Image	.046	.298	.767

The observed table shows that brand has a positive influence on the customer choice but it is not statistically significant as we can see that p-value (.767) is larger than alpha value (.05), so  $H_1$  is rejected.

## H<sub>2</sub>: <u>Perceived price has significant influence on the consumers is choosing international</u> <u>outlets of fast food.</u>

Independent Variables			<i>p</i> -value (sig.)
Perceived price	341	-2.167	.036

The observed table shows that perceived price has a negative influence on the customer choice but it is statistically significant as we can see that p-value (.036) is smaller than alpha value (.05), so H<sub>2</sub> is accepted.

## H<sub>3</sub>: <u>Perceived quality has significant influence on the consumers is choosing international</u> <u>outlets of fast food.</u>

Independent Variables	Standardized Coefficient (b)	t-value	<i>p</i> -value (sig.)		
Perceived quality	070	482	.633		

The observed table shows that perceived quality has a negative influence on the customer choice but it is not statistically significant as we can see that p-value (.633) is larger than alpha value (.05), So  $H_3$  is rejected.

## H<sub>4</sub>: <u>Country of origin has significant influence on the consumers is choosing international</u> <u>outlets of fast food.</u>

Independent Variables	Standardized Coefficient (b)	t-value	<i>p</i> -value (sig.)
Country of origin	.343	2.280	.028

The observed table shows that country of origin has a positive influence on the customer choice and it is statistically significant as we can see that p-value (.028) is smaller than alpha value (.05), So  $H_4$  is accepted.

## H<sub>5</sub>: <u>Customer service has significant influence on the consumers is choosing international</u> <u>outlets of fast food.</u>

Independent Variables			<i>p</i> -value (sig.)		
Customer service	.211	1.012	.317		

The observed table shows that customer service has a positive influence on the customer choice but it is not statistically significant as we can see that p-value (.317) is larger than alpha value (.05), So  $H_5$  is rejected.

## H<sub>6</sub>: <u>Environment of the outlet has significant influence on the consumers is choosing</u> <u>international outlets of fast food.</u>

Independent Variables	Standardized Coefficient (b)	t-value	<i>p</i> -value (sig.)		
Environment	.239	1.336	.189		

The observed table shows that environment of the outlet has a positive influence on the customer and it is statistically significant as we can say that p-value (.189) is larger than alpha value (.05). so  $H_6$  is rejected

### 5.2 REGRESSION ANALYSIS:

Model	R	R Square	Adjust-ed R Square	Std. Error of the Estimate	Change Statistics				
					R Squar e Chan ge	F Change	df1	df 2	Sig. F Change
1	.476(a)	.227	.119	.74369	.227	2.100	6	43	.076

From the regression analysis, the researcher has found that the Value of R Square is .227. That means, Independent variable (brand image, perceived price, perceived quality, country of origin, customer service, environment) has around 22.7% impact over the dependent variable (choice of international fast food outlet).

### 5.3 DISCUSSION:

- Through this project report the researcher has try to identify the potential factors that affect consumers' choice of international outlets of fast food.
- The factors that were taken into consideration included brand image, perceived price, perceived quality, country of origin, customer service, environment of the outlets.
- Reliability test was conducted on some specific items under all these mentioned factors and only the items that had an alpha value more than 0.5 were kept for finding out the mean and then the regression analysis was carried out.
- The regression analysis of the research revealed that only *perceived price and country of origin* had significant influence on the consumers' choice.
- The other factors were not significant enough based on their level of significance.
- > The underlying reasons influencing such an outcome requires further research.

#### **5.4 LIMITATION AND FUTURE RESEARCH:**

- The project analysis only used convenience sampling method from only the student samples of East West University, employee samples of Grameenphone Ltd; the sample as such may not portray the actual composition of the consumers in Bangladesh. Therefore, as a recommendation for future research in this field, the sampling method might have to be changed. Moreover, to overcome the limitations of a student sample, a more diverse sample should be taken into account, so that the findings can be generalized.
- The sample size for this project report contained only 50 respondents, which may not have been adequate to elicit the actual outcome from this project.
- Due to time constraint, validity test was not carried out which may have affected the outcome.
- The R<sup>2</sup> value (.227) was comparatively low which indicates that there may be other factors outside this model which may have significant influence over the dependent variable. To make further research on this topic more fruitful, more factors should be considered.

#### **6.0 CONCLUSION:**

In this study, consumers' choice of international outlets of fast food was tested using some independent variables. The study initially provided some background on some constructs and conceptually defined them. The six constructs are: brand image, perceived price, perceived quality, country of origin, customer service, and environment of the outlets. This study measured how individuals subjectively choose international outlets of fast food based on all these constructs.

However, the outcome of the study gave some confusing and somewhat contradictory results. It showed that environment of the outlet was the only influencing factor which has positive and significant impact. The findings of this research are highly dependent on the student sample being used, and thus any generalization of the result of this study in any proportion for other populations must be done with caution. Further qualitative and quantitative researches with other types of samples and sampling methods should be undertaken in order to verify the generalizability and application of the result of this research.

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#### APPENDIX

### QUESTIONNAIRE

I am the student of **East West University**. Being part of the Project Work Course (BUS-498), the following questions are designed to help find certain factors regarding which are influencing consumers while choosing international fast food outlets: Effect of Extrinsic Cues. As a student, conducting this research is essential for me to fulfill my course requirements. I assure you this information will only be used for academic purpose and will be kept private and I will not take more than 5 minutes from you to fill it up. Thanks for participating in this survey. Your participation will certainly make a difference!

Q: 1 – Do you like going to any of the international fast food outlets? Answer:

## a. Yes

b. No

(If your answer is **No**, then please return the questionnaire)

# Q: 2 – Indicate your level of agreement to each of the following factors in influencing your decision for going to international fast food outlets

Factor	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly agree 5
Brand Image					
Perceived Price					
Perceived Quality					
Country of Origin	_				_
Customer Service					
Environment					

Q: 3 – The brand name of the international fast food outlet you consume from indicates your social status

Strongly	Disagree	Neutral Agree	St	rongly
Disagree				Agree
1	2	3	4	5

Q: 4 –Brand image is the most important consideration for you to choose an international fast food outlet

Strongly	Disagree	<b>Neutral Agree</b>	S	trongly
Disagree				Agree
1	2	3	4	5

Q: 5 - International fast food outlets always have a stylish brand name

Strongly	Disagree	<b>Neutral Agree</b>	5	Strongly
Disagree				Agree
1	2	3	4	5

Q: 6- Compared to local fast food outlets international fast food outlets are more prestigious.

Strongly	Disagree	Neutral Agree	St	rongly
Disagree				Agree
1	2	3	4	5

Q: 7 – Price of the food is an important factor before deciding to dine in an international fast food outlet

Strongly	Disagree	Neutral Agree	S	trongly
Disagree				Agree
1	2	3	4	5

Q: 8 – The price charged by the international fast food outlets is reasonable.

Strongly	Disagree	Neutral Agree	S	trongly
Disagree				Agree
1	2	3	4	5

Q: 9- Compared to the price charged by the other fast food outlets, international fast food outlets charge reasonable price.

Strongly	Disagree	Neutral Agree	St	rongly
Disagree				Agree
1	2	3	4	5

Q: 10 -- Increase in the price of food in your favourite international fast food outlet will change your decision to go there.

Strongly	Disagree	Neutral Agree	S	trongly
Disagree				Agree
1	2	3	4	5

Q: 11 – The price compared to the quality is always acceptable in international fast food outlet

Strongly	Disagree	<b>Neutral Agree</b>	S	trongly
Disagree				Agree
1	2	3	4	5

Q: 12 – You consider the taste of foods in an international fast food outlet before going there.

Strongly	Disagree	<b>Neutral Agree</b>	St	rongly
Disagree				Agree
1	2	3	4	5

Q: 13 – You consider the freshness of foods in choosing an international fast food outlet.

Strongly	Disagree	Neutral Agree	S	trongly
Disagree				Agree
1	2	3	4	5

Q: 14 – You consider the nutritional value of foods in choosing an international fast food outlet.

Strongly	Disagree	Neutral Agree	9	strongly
Disagree				Agree
1	2	3	4	5

Q: 15 – The availability of variety in food menu influences your decision in choosing international fast food outlets.

Strongly	Disagree	<b>Neutral Agree</b>	S	itrongly
Disagree				Agree
1	2	3	4	5

Q: 16 – International fast food outlets maintain consistency in providing the same quality of food

Strongly	Disagree	<b>Neutral Agree</b>	9	Strongly
Disagree				Agree
1	2	3	4	5

Q: 17 – The country of origin influences you in choosing international fast food outlets.

Strongly	Disagree	Neutral Agree	S	trongly
Disagree				Agree
1	2	3	4	5

Q: 18 – The country of origin indicates superior quality in international fast food outlets.

Strongly	Disagree	<b>Neutral Agree</b>		Strongly
Disagree				Agree
1	2	3	4	5

Q: 19 -- The level of reliability is influenced by the country of origin of the outlets.

Strongly	Disagree	Neutral Agree	S	itrongly
Disagree				Agree
1	2	3	4	5

Q: 20 – The promptness of serving food at the international fast food outlets influences your choice.

Strongly	Disagree	Neutral Agree	St	rongly
Disagree				Agree
1	2	3	4	5

Q: 21 – The friendliness of the employees of international fast food outlets influences your choice.

Strongly	Disagree	Neutral Agree	S	trongly
Disagree				Agree
1	2	3	4	5

Q: 22 – The responsiveness of the employees of international fast food outlets influences your choice.

Strongly	Disagree	Neutral Agree	:	Strongly
Disagree				Agree
1	2	3	4	5

Q: 23 – The exterior design of the international fast food outlet attracts you.

Strongly	Disagree	<b>Neutral Agree</b>	S	trongly
Disagree				Agree
1	2	3	4	5

Q: 24 – The interior decoration of the international fast food outlet attracts you.

Strongly	Disagree	<b>Neutral Agree</b>	S	trongly
Disagree				Agree
1	2	3	4	5

Q: 25 – The location of the international fast food outlet influences your choice.

Strongly	Disagree	<b>Neutral Agree</b>		Strongly
Disagree				Agree
1	2	3	4	5

Q: 26 - The cleanliness of the international fast food outlet attracts you.

Disagree	<b>Neutral Agree</b>	Str	ongly
			Agree
2	3	4	5
	Disagree 2	Disagree Neutral Agree 2 3	

## Q: 27 – What is your Age?

- a. 18-25
- b. 25 32
- c. 32 39
- d. 39 and above
- Q: 28 Gender
  - a. Male
  - b. Female

## Q: 29 - What is your average monthly income in BDT (TK)?

- a. Less than 10000
- b. 10001 to 20000
- c. 20001 to 30000
- d. 30001 to 40000
- e. Above 40000

## SPSS ANALYSIS

## Reliability

#### Warnings

The space saver method is used. That is, the covariance matrix is not calculated or used in the analysis.

### **Case Processing Summary**

		N	%
Cases	Valid	49	98.0
	Excluded (a)	1	2.0
	Total	50	100.0

a Listwise deletion based on all variables in the procedure.

## **Reliability Statistics**

Cronbach's Alpha	N of Items
.861	6

#### **Item Statistics**

	Mean	Std. Deviation	N
level of agreement to each of the following factors	4.00	1.000	49
level of agreement to each of the following factors	3.86	.913	49
level of agreement to each of the following factors	4.45	.937	49
level of agreement to each of the following factors	3.33	1.214	49
level of agreement to each of the following factors	4.16	1.067	49
level of agreement to each of the following factors	4.55	1.022	49

#### **Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
level of agreement to each of the following factors	20.35	16.606	.603	.846
level of agreement to each of the following factors	20.49	17.338	.572	.851
level of agreement to each of the following factors	19.90	15.385	.852	.804
level of agreement to each of the following factors	21.02	17.104	.393	.892
level of agreement to each of the following factors	20.18	14.695	.817	.805
level of agreement to each of the following factors	19.80	15.332	.768	.816

### Scale Statistics

Mean	Variance	Std. Deviation	N of Items
24.35	22.523	4.746	6

## Reliability

### Warnings

The space saver method is used. That is, the covariance matrix is not calculated or used in the analysis.

### **Case Processing Summary**

		N	%
Cases	Valid	50	100.0
	Excluded (a)	0	.0
	Total	50	100.0

a Listwise deletion based on all variables in the procedure.

## **Reliability Statistics**

Cronbach's Alpha	N of Items
.782	4



## Item Statistics

	Mean	Std. Deviation	N
The brand name of the international fast food outlet you consume from indicates your social status	3.42	1.032	50
Brand image is the most important consideration for you to choose an international fast food outlet	3.64	1.025	50
International fast food outlets always have a stylish brand name	3.62	.830	50
Compared to local fast food outlets international fast food outlets are more prestigious	3.74	1.046	50

### **item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
The brand name of the international fast food outlet you consume from indicates your social status	11.00	5.061	.712	.660
Brand image is the most important consideration for you to choose an international fast food outlet	10.78	5.155	.693	.671
International fast food outlets always have a stylish brand name	10.80	7.224	.340	.833
Compared to local fast food outlets international fast food outlets are more prestigious	10.68	5.324	.624	.710

## Scale Statistics

Mean	Variance	Std. Deviation	N of Items
14.42	9.432	3.071	4

## Reliability

## Warnings

The space saver method is used. That is, the covariance matrix is not calculated or used in the analysis.

## **Case Processing Summary**

		N	%
Cases	Valid	49	98.0
	Excluded (a)	1	2.0
	Total	50	100.0

a Listwise deletion based on all variables in the procedure.

### **Reliability Statistics**

Cronbach's Alpha	N of Items
.556	5

### Item Statistics

	Mean	Std. Deviation	N
Price of the food is an important factor before deciding to dine in an international fast food outlet	4.10	.714	49
The price charged by the international fast food outlets is reasonable	2.96	1.060	49
Compared to the price charged by the other fast food outlets, international fast food outlets charge reasonable price	2.84	1.161	49
Increase in the price of food in your favourite international fast food outlet will change your decision to go there	3.24	1.071	49
The price compared to the quality is always acceptable in international fast food outlet	3.53	1.063	49

#### **Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Price of the food is an important factor before deciding to dine in an international fast food outlet	12.57	9.208	056	.646
The price charged by the international fast food outlets is reasonable	13.71	5.750	.512	.375
Compared to the price charged by the other fast food outlets, international fast food outlets charge reasonable price	13.84	5.473	.489	.381
Increase in the price of food in your favourite international fast food outlet will change your decision to go there	13.43	6.875	.259	.536
The price compared to the quality is always acceptable in international fast food outlet	13.14	6.375	.367	.470

### Scale Statistics

Mean	Variance	Std. Deviation	N of Items
16.67	9.474	3.078	5

## Reliability

### Warnings

The space saver method is used. That is, the covariance matrix is not calculated or used in the analysis.

## **Case Processing Summary**

		N	%
Cases	Valid	50	100.0
	Excluded (a)	0	.0
	Total	50	100.0

a Listwise deletion based on all variables in the procedure.

### **Reliability Statistics**

Cronbach's Alpha	N of Items
.249	5

### Item Statistics



	Mean	Std. Deviation	N
You consider the taste of foods in an international fast food outlet before going there	3.96	.925	50
You consider the freshness of foods in choosing an international fast food outlet	4.16	.912	50
You consider the nutritional value of foods in choosing an international fast food outlet	3.32	1.115	50
The availability of variety in food menu influences your decision in choosing international fast food outlets	3.88	.895	50
International fast food outlets maintain consistency in providing the same quality of food	3.84	.889	50

## Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
You consider the taste of foods in an international fast food outlet before going there	15.20	4.898	026	.336
You consider the freshness of foods in choosing an international fast food outlet	15.00	4.449	.096	.228
You consider the nutritional value of foods in choosing an international fast food outlet	15.84	4.137	.059	.277
The availability of variety in food menu influences your decision in choosing international fast food outlets	15.28	3.879	.274	.055

## **Scale Statistics**

Mean	Variance	Std. Deviation	N of Items
19.16	5.647	2.376	5

## Reliability

#### Warnings

The space saver method is used. That is, the covariance matrix is not calculated or used in the analysis.

## **Case Processing Summary**

		N	%
Cases	Valid	50	100.0
	Excluded (a)	0	.0
	Total	50	100.0

a Listwise deletion based on all variables in the procedure.

### **Reliability Statistics**

Cronbach's Alpha	N of items
.336	4

### **Item Statistics**

	Mean	Std. Deviation	N
You consider the freshness of foods in choosing an international fast food outlet	4.16	.912	50
You consider the nutritional value of foods in choosing an international fast food outlet	3.32	1.115	50
The availability of variety in food menu influences your decision in choosing international fast food outlets	3.88	.895	50
International fast food outlets maintain consistency in providing the same quality of food	3.84	.889	50

#### **Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
You consider the freshness of foods in choosing an international fast food outlet	11.04	4.733	168	.602
You consider the nutritional value of foods in choosing an international fast food outlet	11.88	2.883	.204	.240
The availability of variety in food menu influences your decision in choosing international fast food outlets	11.32	2.916	.386	.027
International fast food outlets maintain consistency in providing the same quality of food	11.36	2.929	.387	.028

#### Scale Statistics

Mean	Variance	Std. Deviation	N of Items
15.20	4.898	2.213	4

## Reliability

#### Warnings

The space saver method is used. That is, the covariance matrix is not calculated or used in the analysis.

## **Case Processing Summary**

		N	%
Cases	Valid	50	100.0
	Excluded (a)	0	.0
	Total	50	100.0

a Listwise deletion based on all variables in the procedure.

### **Reliability Statistics**

Cronbach's Alpha	N of items
.602	3

#### **Item Statistics**

	Mean	Std. Deviation	N
You consider the nutritional value of foods in choosing an international fast food outlet	3.32	1.115	50
The availability of variety in food menu influences your decision in choosing international fast food outlets	3.88	.895	50
International fast food outlets maintain consistency in providing the same quality of food	3.84	.889	50

## **Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
You consider the nutritional value of foods in choosing an international fast food outlet	7.72	2.328	.342	.633
The availability of variety in food menu influences your decision in choosing international fast food outlets	7.16	2.668	.432	.476
International fast food outlets maintain consistency in providing the same quality of food	7.20	2.571	.481	.410

### **Scale Statistics**

Mean	Variance	Std. Deviation	N of Items
11.04	4.733	2.176	3

## Reliability

#### Warnings

The space saver method is used. That is, the covariance matrix is not calculated or used in the analysis.

## Case Processing Summary

		N	%
Cases	Valid	50	100.0
	Excluded (a)	0	.0
	Total	50	100.0

a Listwise deletion based on all variables in the procedure.

## **Reliability Statistics**

Cronbach's Alpha	N of Items
.853	3



#### **Item Statistics**

	Mean	Std. Deviation	N
The country of origin influences you in choosing international fast food outlets	2.62	1.048	50
The country of origin indicates superior quality in international fast food outlets.	2.96	1.087	50
The level of reliability is influenced by the country of origin of the outlets	2.90	1.035	50

#### **Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
The country of origin influences you in choosing international fast food outlets	5.86	3.674	.745	.773
The country of origin indicates superior quality in international fast food outlets.	5.52	3.642	.709	.809
The level of reliability is influenced by the country of origin of the outlets	5.58	3.800	.717	.800

## Scale Statistics

Mean	Variance	Std. Deviation	N of Items
8.48	7.765	2.787	3

## Reliability

### Warnings

The space saver method is used. That is, the covariance matrix is not calculated or used in the analysis.

### **Case Processing Summary**

		N	%
Cases	Valid	50	100.0
	Excluded (a)	0	.0
	Total	50	100.0

a Listwise deletion based on all variables in the procedure.

#### **Reliability Statistics**

Cronbach's Alpha	N of Items
.750	3

#### **Item Statistics**

	Mean	Std. Deviation	N
The promptness of serving food at the international fast food outlets influences your choice	3.92	.778	50
The friendliness of the employees of international fast food outlets influences your choice	4.20	.571	50
The responsiveness of the employees of international fast food outlets influences your choice	4.00	.670	50

## **Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
The promptness of serving food at the international fast food outlets influences your choice	8.20	1.265	.508	.774 .
The friendliness of the employees of international fast food outlets influences your choice	7.92	1.504	.664	.597

The responsiveness of the employees of international fast food outlets influences your choice	8.12	1.373	.598	.642
---	------	-------	------	------

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
12.12	2.761	1.662	3

## Reliability

### Warnings

The space saver method is used. That is, the covariance matrix is not calculated or used in the analysis.

### **Case Processing Summary**

		N	%
Cases	Valid	50	100.0
	Excluded (a)	0	.0
	Total	50	100.0

a Listwise deletion based on all variables in the procedure.

### **Reliability Statistics**

Cronbach's Alpha	N of Items
.659	4

## Item Statistics

	Mean	Std. Deviation	N
The exterior design of the international fast food outlet attracts you	3.90	.863	50
The interior decoration of the international fast food outlet attracts you	4.04	.880	50
The location of the international fast food outlet influences your choice	3.58	.906	50
The cleanliness of the international fast food outlet attracts you	4.28	.927	50

### **Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
The exterior design of the international fast food outlet attracts you	11.90	3.929	.483	.564
The interior decoration of the international fast food outlet attracts you	11.76	3.451	.643	.447
The location of the international fast food outlet influences your choice	12.22	4.379	.297	.686
The cleanliness of the international fast food outlet attracts you	11.52	4.091	.367	.643

## **Scale Statistics**

Mean	Variance	Std. Deviation	N of Items
15.80	6.327	2.515	4

## Regression

## **Descriptive Statistics**

	Mean	Std. Deviation	N
Dependent	4.0407	.79220	50
Brandimage	3.6050	.76780	50
PerceivedPrice	3.3280	.61113	50
PerceivedQuality	3.6800	.72519	50
CountryofOrigin	2.8267	.92885	50
CustomerService	4.0400	.55386	50
PhysicalEnvironment	3.9500	.62881	50

## Correlations

		Dependent	Brandimage	PerceivedPrice	PerceivedQuality	CountryofOrigin	Custom
Pearson Correlation	Dependent	1.000	.130	132	040	.228	
	Brandlmage	.130	1.000	.314	.098	.203	
	PerceivedPrice	132	.314	1.000	.116	.129	
	PerceivedQuality	040	.098	.116	1.000	.232	
	CountryofOrigin	.228	.203	.129	.232	1.000	
	CustomerService	.150	.382	.467	.112	171	
	PhysicalEnvironment	.264	.204	.251	159	117	
Sig. (1- tailed)	Dependent		.183	.181	.391	.056	
-	BrandImage	.183		.013	.249	.079	
	PerceivedPrice	.181	.013		.212	.187	
	PerceivedQuality	.391	.249	.212		.052	
	CountryofOrigin	.056	.079	.187	.052		

	CustomerService	.149	.003	.000	.220	.117
	PhysicalEnvironment	.032	.078	.040	.135	.209
N	Dependent	50	50	50	50	50
	BrandImage	50	50	50	50	50
	PerceivedPrice	50	50	50	50	50
	PerceivedQuality	50	50	50	50	50
	CountryofOrigin	50	50	50	50	50
	CustomerService	50	50	50	50	50
	PhysicalEnvironment	50	50	50	50	50

## Variables Entered/Removed(b)

Model	Variables Entered	Variables Removed	Method
1	PhysicalEnv ironment, CountryofOr igin, PerceivedQ uality, BrandImage , PerceivedPr ice, CustomerS ervice(a)		Enter

a All requested variables entered.

b Dependent Variable: Dependent

### **Model Summary**

					Change Statistics					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change	
1	.476(a)	.227	.119	.74369	.227	2.100	6	43	.073	

a Predictors: (Constant), PhysicalEnvironment, CountryofOrigin, PerceivedQuality, BrandImage, PerceivedPrice, CustomerService

## ANOVA(b)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regressio n	6.970	6	1.162	2.100	.073(a)
	Residual	23.782	43	.553		
	Total	30.752	49			

a Predictors: (Constant), PhysicalEnvironment, CountryofOrigin, PerceivedQuality, BrandImage, PerceivedPrice, CustomerService

b Dependent Variable: Dependent

## Coefficients(a)

		Unstandardized Coefficients		Standardized Coefficients			95% Confidence Interval for B		Correlations			Co
Model	- Car	В	Std. Error	Beta	t	Sig.	Lower Bound	Upper Bound	Zero- order	Partial	Part	Tolera
1	(Constant)	2.387	1.056		2.261	.029	.258	4.517				
	Brandimage	.047	.158	.046	.298	.767	271	.365	.130	.045	.040	
	PerceivedPrice	442	.204	341	- 2.167	.036	853	031	132	314	۔ 291.	
	PerceivedQuality	077	.160	070	482	.633	399	.245	040	073	.065	1 2
	CountryofOrigin	.293	.128	.343	2.280	.028	.034	.551	.228	.328	.306	1
	CustomerService	.302	.299	.211	1.012	.317	300	.905	.150	.153	.136	
	PhysicalEnvironment	.301	.225	.239	1.336	.189	153	.755	.264	.200	.179	-

a Dependent Variable: Dependent

## Coefficient Correlations(a)

Model			Physical Environment	CountryofOrigin	PerceivedQuality	BrandImage	Perc
1	Correlations	PhysicalEnvironment	1.000	083	.298	.043	1
		CountryofOrigin	083	1.000	256	264	
		PerceivedQuality	.298	256	1.000	.029	
		BrandImage	.043	264	.029	1.000	
		PerceivedPrice	.045	196	.001	102	
		CustomerService	- 589	.330	275	301	
	Covariances	<b>PhysicalEnvironment</b>	.051	002	.011	.002	
		CountryofOrigin	002	.016	005	005	
		PerceivedQuality	.011	005	.026	.001	
		BrandImage	.002	005	.001	.025	
		PerceivedPrice	.002	005	.000	003	
		CustomerService	040	.013	013	014	

a Dependent Variable: Dependent

## Collinearity Diagnostics(a)

	Dimension	Eigenvalue		Variance Proportions								
Modeł			Condition Index	(Constant)	Brandimage	PerceivedPrice	PerceivedQuality	CountryofOrigir				
1	1	6.810	1.000	.00	.00	.00	.00	.00				
	2	.089	8.739	.00	.00	.01	.00	.67				
	3	.037	13.515	.00	.17	.01	.58	.07				
	4	.028	15.545	.01	.74	.03	.08	.09				
	5	.021	17.831	.01	.01	.82	.00	.01				
1	6	.008	29.264	.97	.00	.00	.21	.06				
	7	.006	35.125	.00	.08	.13	.13	.11				

a Dependent Variable: Dependent

