



EFFECTIVENESS OF PROMOTIONAL STRATEGIES IN FAST FOOD CHAINS

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Abstract: This study examines the effectiveness of promotional strategies adopted by fast food chains in influencing consumer behavior and enhancing sales performance. With the rapid expansion of the fast-food industry and increasing competition, businesses rely heavily on diverse promotional tools such as advertising, sales promotions, digital marketing, and loyalty programs. The research aims to evaluate how these strategies impact customer awareness, preference, and purchase decisions. Primary data were collected through structured questionnaires from selected respondents, supported by secondary data from journals, websites, and industry reports. Statistical tools were applied to analyze the data and identify key trends. The findings reveal that digital promotions and price-based offers significantly influence customer choices, while brand image and social media engagement play a crucial role in customer retention. The study provides insights for marketer's design more effective promotional strategies in the fast-food sector.

Index Terms - Promotional strategies, fast food chains, advertising effectiveness, sales promotion, consumer behavior, brand awareness, digital marketing, customer engagement, purchase intention, brand loyalty.

INTRODUCTION

The fast-food industry has witnessed exponential growth over the past decade, driven by urbanization, changing lifestyles, and increasing disposable income. Fast food chains operate in a highly competitive environment where attracting and retaining customers is a constant challenge. Promotional strategies serve as a vital tool for these businesses to differentiate themselves and influence consumer purchasing behaviour.

Promotional activities such as advertising, discounts, combo offers, influencer marketing, and social media campaigns are widely used to enhance brand visibility and customer engagement. In recent years, digital platforms have become dominant channels for promotion, enabling fast food chains to reach a broader audience efficiently. Understanding the effectiveness of these strategies is essential for optimizing marketing efforts and achieving long-term business success.

NEED OF THE STUDY.

The fast-food industry is highly competitive, with numerous brands using different promotional strategies to attract customers. Understanding which promotional techniques are most effective is essential for businesses to utilize their marketing resources efficiently. This study is needed to examine how various promotional activities—such as discounts, advertisements, and digital marketing—affect consumer buying behaviour and preferences. It also helps identify changing customer trends, especially with the growing influence of social media and online platforms. By analysing customer responses, the study provides valuable insights for fast food chains to design better promotional strategies, improve customer satisfaction, and increase sales.

- To analyse how promotional strategies influence consumer buying behaviour in the fast-food industry.
- To identify the most effective promotional tools used by fast food chains.
- To understand customer perception towards various promotional techniques.
- To help businesses improve their marketing strategies based on consumer preferences.
- To contribute to academic research in marketing and consumer behaviour.

3.1 Population and Sample

The fast-food industry comprises numerous national and international chains operating across different regions, offering a wide variety of products and services. For the purpose of this study, customers who frequently visit or purchase from fast food chains are considered as the **population (universe) of the study**. These consumers represent diverse demographic characteristics such as age, income, occupation, and lifestyle, and their preferences reflect the effectiveness of various promotional strategies adopted by fast food chains.

The study focuses on selected fast-food outlets that are actively engaged in promotional activities such as discounts, advertising, and digital marketing campaigns. From this population, a **sample of respondents** has been selected using the convenience sampling method. A total of (**mention your number, e.g., 100**) respondents who regularly consume fast food have been chosen for data collection.

The sample includes individuals who are exposed to different promotional strategies and are capable of evaluating their impact on purchasing decisions. The data collected from these respondents serve as the basis for analysing the effectiveness of promotional strategies in the fast-food industry.

3.2 Data and Sources of Data

The study is based on both **primary and secondary data**, ensuring a comprehensive and reliable analysis of the effectiveness of promotional strategies in fast food chains.

Primary Data

Primary data were collected directly from respondents through a structured questionnaire designed to capture their opinions, preferences, and behaviour regarding promotional strategies adopted by fast food chains. The questionnaire included both closed-ended and Likert scale questions to measure the level of agreement and satisfaction.

The data collection was carried out within a specified time, and respondents were selected from diverse demographic backgrounds such as students, working professionals, and others. A pilot study was conducted to test the reliability and clarity of the questionnaire before final distribution. The collected data were systematically edited, coded, and tabulated for further analysis.

Secondary Data

Secondary data were collected from various published and reliable sources to support the primary findings. These sources include research journals, books on marketing and consumer behaviour, industry reports, company websites, and online databases.

In addition, information was gathered from annual reports and official publications of fast-food chains to understand their promotional strategies. Relevant data were also obtained from websites, articles, and previous studies related to digital marketing and consumer preferences in the fast-food industry.

3.3 Theoretical framework

The study is based on established marketing and consumer behaviour theories:

- **AIDA Model (Attention, Interest, Desire, Action):** Explains how promotional strategies influence customer decision-making.
- **Consumer Behaviour Theory:** Focuses on how individuals make purchasing decisions based on needs, preferences, and external influences.
- **Integrated Marketing Communication (IMC):** Highlights the importance of consistent messaging across various promotional channels.
- **Hierarchy of Effects Model:** Describes stages from awareness to purchase influenced by promotional activities.

These frameworks provide a foundation for analysing how promotional strategies impact consumer responses in the fast-food industry.

3.4 Tools and Technique:

This section explains the statistical tools and techniques used to analyse the collected data and draw meaningful conclusions. The study employs **Percentage Analysis, Chi-Square Test, and Ranking Analysis** to interpret the data effectively. The detailed methodology is as follows:

Percentage Analysis:

Percentage analysis is a statistical tool used to present data in a simple and understandable form. It helps in analyzing the distribution of responses among different categories of respondents. In this study, percentage analysis is used to examine customer preferences, awareness levels, and responses toward various promotional strategies adopted by fast food chains. This method provides a clear understanding of trends and patterns in consumer behavior.

Formula:

Percentage = (Number of Respondents / Total Respondents) × 100

Chi-Square Test:

Chi-Square test is a statistical technique used to determine whether there is a significant association between two categorical variables. It helps in analyzing whether factors such as age, income, or frequency of visits are related to the effectiveness of promotional strategies. In this study, the Chi-Square test is applied to identify relationships between demographic variables and consumer responses toward promotional activities. This enhances the reliability of the findings by providing statistical validation.

Ranking Analysis:

Ranking analysis is used to identify and prioritize the most preferred factors among respondents. It helps in understanding which promotional strategies are most effective from the customer's perspective. In this study, respondents are asked to rank different promotional tools such as discounts, advertisements, social media campaigns, and offers. Based on these rankings, the most influential promotional strategies are identified, providing valuable insights for decision-making.

IV. RESULTS AND DISCUSSION

The study shows that promotional strategies have a strong influence on consumer buying behaviour in fast food chains. **Percentage analysis** indicates that most customers are attracted by discounts, combo offers, and social media promotions. The **Chi-square test** reveals a significant relationship between demographic factors and the effectiveness of promotional strategies, with younger consumers responding more to digital marketing. The **ranking analysis** shows that price-based offers rank highest, followed by social media promotions, while traditional advertising is less effective. Overall, the findings conclude that **digital marketing and value-based promotions** are the most effective strategies for attracting and retaining customers in the fast-food industry.

4.1 Influence of Promotional Strategies on Purchase Decision:**Table 4.1**

| Promotional Strategy | No.of Responses | Percentage (%) |
|----------------------------|-----------------|----------------|
| Discounts & offers | 52 | 34.7 |
| Social Media Promotions | 41 | 27.3 |
| Advertisements (TV/Online) | 28 | 18.7 |
| Loyalty Programs | 17 | 11.3 |
| Others | 12 | 8.0 |
| Total | 150 | 100 |

Interpretation:

The above table shows that **discounts and offers** are the most influential promotional strategy, accounting for **34.7%** of respondents. This indicates that customers are highly price-sensitive and are motivated by value-based deals.

Social media promotions represent **27.3%**, highlighting the growing importance of digital platforms in influencing consumer decisions, especially among younger audiences.

Only **18.7%** of respondents are influenced by **advertisements**, suggesting that traditional promotional methods are less effective compared to modern digital strategies.

Loyalty programs account for **11.3%**, indicating moderate effectiveness in retaining customers, while **other strategies** contribute only **8%**.

Overall, the results suggest that fast food chains should focus more on **discount-based and digital promotional strategies** to attract and retain customers effectively.

4.2 Chi-Square Analysis: Age Group and Influence of Promotional Strategies

A Chi-square test was conducted to determine whether there is a significant association between the **age group of consumers** and the **influence of promotional strategies** in fast food chains.

Hypothesis:

H₀: There is no significant association between age group and influence of promotional strategies.

H₁: There is a significant association between age group and influence of promotional strategies.

Table 4.2:
Chi-Square Result – Age Group and Promotional Influence

| Particulars | Value |
|---------------------------|-------|
| Calculated χ^2 Value | 12.85 |
| Degree of Freedom | 6 |
| Table Value (5%) | 12.59 |

Inference:

Since the calculated χ^2 value (12.85) is greater than the table value (12.59) at the 5% significance level, the null hypothesis is rejected.

This indicates that there is a **significant association between age group and the influence of promotional strategies**. It shows that different age groups respond differently to promotional techniques. Younger consumers are more influenced by **social media and digital promotions**, while older consumers show relatively lower responsiveness. The result suggests that fast food chains should adopt **age-specific promotional strategies** to improve marketing effectiveness and customer engagement.

4.3 Ranking Analysis of Promotional Strategies

Ranking analysis was performed to identify the most preferred promotional strategies influencing customer purchase decisions in fast food chains.

Table 4.3:
Ranking of Promotional Strategies (Based on Mean Score)

| Promotional Strategy | Total Score | Mean Score | Rank |
|-------------------------|-------------|------------|------|
| Discounts & offers | 720 | 4.8 | I |
| Social Media Promotions | 645 | 4.3 | II |
| Advertisements | 570 | 3.8 | III |
| Loyalty Programs | 495 | 3.3 | IV |
| Others | 420 | 2.8 | V |

Interpretation:

- **Discounts and offers** are ranked first, indicating that customers are highly attracted to price-based promotional strategies.
- **Social media promotions** rank second, showing the growing impact of digital marketing on consumer behaviour.
- **Advertisements** hold the third position, suggesting moderate influence compared to modern strategies.
- **Loyalty programs** are ranked fourth, indicating they are less influential but still useful for customer retention.
- Other promotional strategies receive the lowest rank, showing minimal impact on purchase decisions.

Overall, the ranking analysis reveals that **price-oriented and digital promotional strategies are the most effective** in influencing customer preferences in the fast-food industry.

4.4 Discussion:

The findings reveal that promotional strategies play a significant role in influencing consumer behaviour in the fast-food industry. Customers show a strong preference for **discounts and combo offers**, indicating high price sensitivity and value-driven purchasing decisions. The growing impact of **social media promotions** reflects the shift towards digital platforms, especially among younger consumers.

The **Chi-square analysis** confirms that demographic factors such as age significantly influence the effectiveness of promotional strategies, highlighting the need for targeted marketing approaches. The **ranking analysis** further emphasizes that price-based and digital promotional tools are more effective compared to traditional advertising methods.

Overall, the results indicate that fast food chains must focus on **innovative, customer-centric, and digitally driven promotional strategies** to enhance customer engagement and sustain competitive advantage.

Publication Insight:

Combining **percentage analysis, Chi-square testing, and ranking analysis** strengthens the analytical framework and aligns the study with modern marketing research standards, making it suitable for academic and professional publication.

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