

EE489: Comments on 7-11 Group

The Effect of Online Food Delivery Service to Chain Convenience Store

7-11 uses effective location strategy and provides food products mostly. According to the growing trend of delivery services, it has affected 7-11 as they help many restaurants reach consumers more easily. There have been many branches of 7-11 stores up to above 14,036 in Thailand by 2018 due to the growing population and the increase in a number of younger generations, who prefer more convenient thing like ready-to-eat food market. Moreover, many people have changed their behaviour to use internet more based on the growing trend of internet usage. Due to the technology disruption, it is able to bring the consumers and buyers closer. The main players are Grab, Lineman, Foodpanda, GET etc. The main question of this group is “*How do online food delivery services affect the chain convenience stores?*” Their objectives are to analyse the factors affecting consumer behaviour on food consumption and to understand consumer perception toward food delivery and RTE food. For the methodology used, they came up with their research design by having 251 respondents. However, their main target group are those who live in Bangkok and there are 189 respondents who actually live in Bangkok. The data were collected through online questionnaire and the type of data is cross-sectional data.

Their dependent variable (Y) is a frequency of consuming RTE food from 7-11 per week, while the factors included as independent variables are demographic, meal preference, facilities, period of consumption, and frequency of using FDS (FDS: food delivery services) done through in this research is logit-probit regressions.

The results obtained are as follows: The respondents, whose ages are between 18-24 years old, consume less of RTE food as *btw18_24* variable has negative relationship toward the dependent variable. For *hhn* or household number, it is not statistically significant. For the area, they dropped low density area to be based line; the middle density area increase RTE food and high density area is not statistically significant. For period of consumption, they dropped afternoon period, the periods of morning, lunch, and evening are statistically significant but nighttime period is not statistically significant which might be too the reason that the probability to consume RTE food at this time does not change that much unlike the other periods as other periods tend to be rush hour periods. For the meal preference average (*mp_avr*), which is the average from RTE and FDS, the respondents who do not consume RTE food are concerned about meal preference for each meal. Moreover, if a meal preference increases for a unit, the probability to consume RTE food decreases even when the respondents consume RTE food more than 7 times per week. For the facilities, they also used the average value but this variable is not statistically significant. The factors that are statistically significant are age, period of consumption, meal preference, and location.

Personally, I think it is quite interesting to know that in terms of individual consumption, it seems that they tend to consume more RTE food but when it comes to household part, the results are not significant throughout different frequencies of RTE consumptions. This indicates the people tend to each more RTE food if they eat alone, while if they eat with family, they tend to consume less of RTE food. For the independent variables added in the model, I think is appropriate enough as they have included demographics, meal preference, facilities, period of consumption, and frequency of using FDS, which all of these factors definitely have some effects on their research question. The results are convincing as the factors like period of consumption and meal preference are statistically significant as I have these 2 factors in my mind that they should be statistically significant because they should directly have their impacts of frequency of consuming RTE per week.

EE489: Comments on Restaurants Group

Consumer's alternative choice of restaurant substitution

The objectives are to define the market definition of the restaurant chain market and to understand the factors that affect consumer behaviour toward the selection of restaurants. The scope of their study is restaurant chain of big corporates in Thailand like Central, Minor, and MK groups. They gathered their data through online survey from all customers residing in Thailand, which their sample group would be 300-350 respondents. The purpose of the study is to be used as a guideline for both restaurant businesses to develop their business model and for the government regulations to effectively implement the policies. According to the literature reference of this group, waiting time reduces the satisfaction of consumers. However if a restaurant can reduce waiting time, it can increase consumer satisfaction. For the industry background of this group, the total market value is 400 million baht which are around 61,760 restaurants estimated in 2012; this number includes both independent and franchise restaurants. 6 major players are Singha Corporation, Oishi Group, Minor International, MK restaurant group, Zen Corporation, and Central restaurant group. The restaurant type that has the highest market share is Cafe (19 billion baht).

This group uses the marketing theories like Marketing Mix (7Ps) and SCP paradigm—including market structure, market conduct, and market performance as theoretical framework. Most big players use Marketing Mix (7Ps) as their market conduct strategies. Isaan healthy food and Japanese cuisine have the uprising trend. There is an expected 4-5% growth rate for the next year. The data were gathered through online survey and the type of data is cross-sectional data. Their population of interest includes men and women residing in Bangkok and metropolitan region. The sample group of the research is 603 respondents. The factors that affect consumer's restaurant selection were divided into 1. Demographic factors (i.e. Gender, Age, Occupation, Residential province), 2. Frequency factors (i.e. Frequency of going to restaurant at malls, Frequency of eating fast foods at malls, Frequency of eating Japanese food at malls), and 3. Lifestyle factors (i.e. Taste, Service, Brand, who you usually go with).

They used binomial logistic regression for their model and applied dummy method in their variables. There are 3Y variables or dependent variables which are Y_j (same type of restaurants), Y_k (diff), and Y_l (gohome). X_{pi} is the demographic factors consisting of gender, age, income, student, publicofficer, govofficer, bus, unemploy, freelance, in BKK and not in BKK. For the variables in the models, they are described

F_{pj} is the frequency factors consisting of $frqrest$, $frqff$, $frqwf$, $frqjf$, $frqhp$, and etc.

L_{pi} is the lifestyle factors consisting of taste, clean, service, brand, location, environment, variety, and etc.

The results show that income, occupation, living/residential region affect the frequency of going to restaurants at malls, people value taste as the first priority followed by hygiene and service quality, Isaan food restaurants are the type of restaurants that consumers highly intend to stick with the same type when it comes to their alternate choice, people tend to still go to other restaurants instead of eating outside malls, and people's preference is more than one since their second choice tend to be different type of restaurants more than the same types as their alternative choices.

I think from all the variable included in the 3 models they are descriptively able to answer the objectives. However they should have mentioned the main question of their research at the beginning of the presentation video. For the independent variables like student, and other jobs, they should have written the word "job" in front of the abbreviations so that they could be easily observed.

