ANALYTICAL HIERARCHY PROCESS (AHP) APPROACH ON CONSUMER PREFERENCE IN FRANCHISE FAST FOOD RESTAURANT SELECTION IN MANADO CITY
(Study at: McDonald's, KFC, and A&W)

PENDEKATAN PROSES ANALITIK HIRARKI TERHADAP PREFERENSI KONSUMEN PADA PEMILIHAN RESTORAN MAKANAN CEPAT SAJI DI KOTA MANADO
(Penelitian pada: McDonald's, KFC dan A&W)

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Abstract: Franchise fast food restaurant has become one of the preferred restaurants in Manado City. There have been many outlets franchise fast food restaurant which opened its business in Manado City. The purpose of this research is to analyze the most preferred franchise fast food restaurant by consumer and to analyze the criteria that influence consumer in selecting franchise fast food restaurant. Researcher used Analytical Hierarchy Process (AHP) to compare each franchise fast food restaurant as the alternative. Population and sample in this research are people in Manado who have eaten and have experienced the service in McDonald's, KFC, and A&W. The sample this research consist of 50 respondents. The sample technique is purposive sampling. The result shows that McDonald's is the most preferred franchise fast food restaurant by the consumer, followed by KFC, and A&W. The result also shows that the criteria with the highest influence on consumer in selecting franchise fast food restaurant is price. Researcher suggests that every franchise fast food restaurant in Manado City to focus on their price strategy in order to attract more consumers.

Keywords: *analytical hierarchy process, consumer preference, franchise fast food*

Abstrak: *Restoran makanan cepat saji telah menjadi salah satu restoran pilihan konsumen di kota Manado. Sudah banyak gerai restoran makanan cepat saji yang membuka usahanya di kota Manado. Tujuan penelitian untuk menganalisis restoran makanan cepat saji mana yang paling di sukai konsumen dan menganalisa kriteria yang paling mempengaruhi konsumen dalam memilih restoran makanan cepat jadi. Peneliti menggunakan Analytical Hierarchy Process (AHP) untuk membandingkan setiap restoran makanan cepat saji sebagai alternatif. Populasi dan sampel penelitian ini adalah orang di Manado yang pernah makan dan merasakan pelayanan di McDonald's, KFC, dan A&W. Sampel penelitian sebanyak 50 responden. Teknik sampling adalah purposive sampling. Hasil penelitian ini menunjukan McDonald's adalah restoran makanan cepat saji yang paling di sukai konsumen, diikuti KFC, dan A&W. Hasil penelitian juga menunjukan kriteria yang memiliki pengaruh tertinggi pada pelanggan dalam memilih restoran makanan cepat saji adalah harga. Peneliti menyarankan untuk setiap restoran makanan cepat saji di kota Manado untuk fokus pada strategi harga mereka untuk menarik lebih banyak konsumen dalam berbelanja.*

Kata kunci: *proses analitik hirarki, preferensi konsumen, makanan cepat saji*

INTRODUCTION

Research Background

Human being needs to consume food in order to survive. A particular kind of food is composed of a wide variety of choices and flavors. Everyone has individual taste on food. Food consumption is usually cooked by themselves and some can be purchased directly because it is fast with common name is fast food.

Fast food restaurants become the choice of many consumer for practicality and fast in terms of serving, especially for people in urban areas who does not have enough time to make their own food because they are busy with their activities, so that they prefer fast food restaurants that does not require quite a long time in terms of serving. Indonesia is one of the countries where the fast food industry is growing significantly. Many fast food restaurants are scattered mainly in big cities. It is very easy to find fast food restaurant outlet, especially in the big cities in Indonesia.

It just the same with franchise of fast food restaurant that shows an increasing of its business outlets in Indonesia. There are franchise of fast food restaurants that is very easy to be encountered in downtown like McDonald's, Kentucky Fried Chicken (KFC), A&W, and many others. In Manado, there are many franchise of fast food restaurants opened its outlet. The number of outlets of franchise fast food in Manado, such as McDonald's have 1 outlet, KFC have 8 outlets, and A&W have 3 outlets.

In Manado, there are many franchise of fast food restaurants opened its outlet. The existence of multiple outlet franchise fast food restaurants such as McDonald's, KFC, and A&W in Manado pose tough competition among fast food franchise company restaurant to attract consumers. one of the things that are important to be able to attract consumers for franchise of fast food restaurant companies, such as McDonald's, KFC, and A&W should be able to read any preferences that affect the consumer so they want to eat in there. Whether it is in terms of price, location, service, atmosphere and others because each consumer has a preference of each franchise of fast food in restaurant that they would visit.

Research objective

From the research problem, the objectives of this research are: (1) to identify franchise fast food restaurant that people preferred the most, and (2) to identify the criteria that has highest influence in selecting franchise fast food restaurant.

THEORITICAL FRAMEWORK

Marketing

Kotler, et al, (2011:5) defined marketing is the process by which companies create value for customers and build strong relationships in order to capture value from customers in return. Marketing as an organization functions, not a group of persons or separate entity within the firm (Burns and Bush, 2006:4). Based on this researcher can defined that marketing is the process of giving value to customer and customers return the value.

Consumer Behavior

Solomon (2011:34) defined consumer behavior is a process that not only happen when consumer gives over money to seller in turn get good or service, but also the process that include the issues that influence the consumer before, during, and after purchase. Consumer behavior is the study of individuals, groups, or organizations and the processes they use to select, secure, use, and dispose of products, services, experience, or idea to satisfy need and impacts that these processes have on the consumer and society (Hawkins, et al, 2004:7). Based on this researcher can defined that consumer behavior is the process that makes consumer get satisfy with their needs.

Consumer Decision Making

McDaniel, Lamb, and Hair (2011:191) defined consumer decision making is important thing because in understanding consumer decision making, we will understand how consumer make the purchase decision, how the process of decision making by consumer from searching until selecting the product or service, and also we can know the factors that influence the decision making. Consumer decision making is the process of making
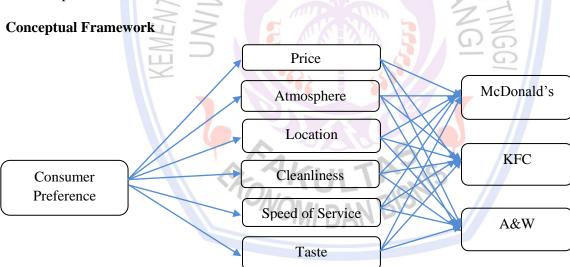
purchase decisions based on cognitive and emotional influences such as impluse, family, friends, advertisers, role models, moods, and situations that influence a purchase (Schiffman and Kanuk, 2007:3). Based on this researcher can defined consumer decision making is the process of consumer has to choose something in other to get the best choice.

Consumer Preference

Ubeja and Jain (2013) defined consumer preferences as the subjective (individual) tastes, as measured by utility, of various bundles of goods. Preference and acceptance can in certain circumstances mean the same thing but it is useful to keep the distinction in mind with preference tending to indicate choice among neutral or more valued options with acceptance indicating a willingness to tolerate the status quo or some less desirable option (Fife, et al. 2007). Based on this researcher can defined consumer preference is the individual personality of goods or services that their like.

Previous Research

Khatibi, Thiagarajan, and Ismail (2003) Factor Analyzing Consumer Preference Toward McDonald's and A&W in Malaysia, finds that taste was the main determining factors to choose a franchise fast food restaurant. Also confirms that McDonald's is considered as moment leader in fast food restaurant. Islam and Ullah (2010) Factors Affecting Consumers' Preferences On Fast Food Items In Bangladesh, indicated identified that brand reputation is the most important factor of the student consumers of fast food in Bangladesh. The recent upset in the fast food industry of Bangladesh was created by the discovery of unethical practices conducted by several fast food businesses resulted in consumers putting their trusts on renowned fast food brands only**.** Noor and Sarker (2013) Influential Factors of Consumer Preferences in Choosing Franchise Food Outlets in Bangladesh found the qualities of product and brand loyalty are significantly and positively effective on the preference of consumers in choosing franchisee Food outlets also the product quality is the most effective factor on purchase decision.

Conceptual Framework

Type of Research

This research will use quantitative method. Quantitative research seeks to quantify the data. It seeks conclusive evidence based on large, representative samples and typically involving some form of statistical analysis (Maholtra, 2006:180). The method used in this research is Analytical Hierarchy Process (AHP).

Place and Time of Research

This research is conducted in Manado. This research is conducted from March until April 2016.

Population and Sample

Population refers to the entire group of people, events, or things of interest that the researcher wishes to investigate. It is the group of people, events, or things of interest for which the researcher wants to make inferences based on sample statistics (Sekaran and Bougie 2009:262). Population in this research is people in Manado who have eaten and have experienced the service in McDonald's, KFC, and A&W.

The sampling design is purposive sampling. Purposive sampling or judgement sampling is a nonprobability sampling technique which an experienced individual selects the sample based on his or her judgement about some appropriate characteristic required of the sample member (Zikmund 2003:382). The sample of this research is 50 respondents that who have eaten and experienced the service in franchise fast food restaurant.

Data Collection Method

Primary data refer to information obtained first-hand by the researcher on the variables of interest for the specific purpose of the study (Sekaran and Bougie 2009:180). Individuals provide information when interviewed, administered questionnaires, or observed. Group depth interviews, or focus groups, are another rich source of primary data. The primary data used in this research is questionnaire that will be distributed to respondents.

Operational Definition of Research Variable
1. Consumer preference (Y) defined as measured in terms of the level of satisfaction from consuming the food and service at franchise fast food restaurant
2. Franchise fast food criteria (X) is factors of franchise fast food restaurant that influencing people or reason why people want to visit and eat in those restaurant.
3. Alternatives: (1) McDonald's, (2) KFC, (3) A&W.

Data Analysis Method Analytical Hierarchy Process

Taylor (2013:440) defined the Analytic Hierarchy Process (AHP), develop by Thomas Saaty, is a method for ranking decision alternatives and selecting the best one given multiple criteria. The AHP generates a weight for each evaluation criterion according to the decision maker's pairwise comparisons of the criteria. AHP combines the criteria weights and the options scores, thus determining a global score for each option, and a consequent ranking. The global score for a given option is a weighted sum of the scores obtained with respect to all the criteria. One common scale for AHP (adapted from Saaty) is:

Table 1 Common Scale for AHP (adapted from Saaty)

Preference Level	Numerical Value
Equally preferred	1
Equally to moderately preferred	2
Moderately referred	3
Moderately to strongly preferred	4
Strongly preferred	5
Strongly to very strongly preferred	6
Very strongly preferred	7
Very strongly to extremely preferred	8
Extreme preferred	9

Source: Taylor (2013), Introduction to Management Science 11th Edition

Following is a summary of the mathematical steps used to arrive at the AHP-recommended decision (Taylor, 2013:445):
1. Develop a pairwise comparison matrix for each decision alternatives (site) for each criterion.
2. Synthesization:
   a. Sum the value in each column of the pairwise comparison matrices.
   b. Divided each value in each column of the pairwise comparison matrices by the correspondent column sum-these are the normalized matrices.
   c. Average the values in each row of the normalized matrices-these are the preference vectors.
   d. Combine he vectors of preferences for each criterion (from step 2c) into one preference matrix that shows the preference for each site for each criterion.

3. Develop a pairwise comparison matrix for the criteria.
4. Compute the normalized matrix by dividing each value in each column of the matrix by the corresponding column sum.
5. Develop the preference vector by computing the row averages for the normalized matrix.
6. Compute an overall score for each decision alternative by multiplying the criteria preference vector (from step 5) by the criteria matrix (from step 2d).
7. Rank the decision alternatives, based on the magnitude on their scores computed in step 6.

RESULT AND DISCUSSION

Result

Table 2 Result of AHP of Consumer Preference in Franchise Fast Food Restaurant

McDonald's	KFC	A&W
0.4466	0.3522	0.2011

Source: Data Processed, 2016

The result shows that consumers choose McDonald's as the most preferred franchise fast food restaurant for among all alternatives. McDonald's have the highest score with 0.4466, followed by KFC with score 0.3522, and A&W with score 0.2011. In general, the degree of consistency is satisfactory (acceptable) if consistency ratio $\leq$ 0.10. The consistency ratio of this result is 0.04, it means the data comparison in this result is valid and consistent.

Table 3 Result of the overall criteria

Price	nAtmosphere	Location	Cleanliness	Speed of service	Taste
0.2432	0.1699	0.1269	0.2152	0.1039	0.1408

Source: Data Processed, 2016.

The result shows that the highest score is price (0.2432). It means that price is the factor that influence the most consumers in selecting franchise fast food restaurant. The second highest influence consumers choice is cleanliness (0.2152), followed consecutively by atmosphere (0.1699), taste (0.1408), location (0.1269), and speed of service (0.1039). In general, the degree of consistency is satisfactory (acceptable) if consistency ratio $\leq$ 0.10. The consistency ratio of this result is 0.06. It means the data comparison in this result is valid and consistent.

Discussion

Result of AHP of consumer preferred franchise fast food restaurant

Using all the criteria the result of data analysis shows that consumer choose McDonald's as the most preferred fast food restaurant in Manado. The second highest preferred by consumer is KFC and followed by A&W as the less preferred. The reason McDonald's being the highest preferred by consumers that restaurant has the highest score in three criteria all of six criteria.

Pairwise Comparison for the Main Criteria Analysis

The result of analysis shows that price is the most preferred criteria in selecting franchise fast food restaurant followed consecutively by atmosphere, cleanliness, taste, location, and speed of service. Price became the highest influence criteria because people have look for an affordable price when they want to eat in franchise fast food restaurant. The respondents in this research mostly are college students and who mostly visit or eat in

franchise fast food restaurant are young consumers. College student got money from their parents especially with college students who live in dormitory. It makes college student thinks wisely to using their money for eat in franchise fast food restaurant and look for a cheaper price.

Second highest influence criteria is cleanliness. The cleanliness of restaurant is also important for people in selecting franchise fast food restaurant. When people want to eat in franchise fast food restaurant, they will look at the cleanliness of the franchise fast food restaurant. The third position followed by atmosphere. Atmosphere is also one of the most important criteria for people when they want eat in franchise fast food restaurant. Franchise fast food restaurant that has a great atmosphere will be consumer choice as a place to eat.

Fourth position is taste. Taste is the one of the factors that makes consumer visit franchise fast food restaurant. In terms of taste that franchise fast food restaurant have not much different. Basically is depending on each consumer which franchise fast food restaurant they are preferred for the taste of foods. Five position is location. Location became a supporting factor for the success of franchise fast food restaurant. Most franchise fast food restaurant operating in downtown so that consumers can easy to reach it. In the last position is speed of service. Franchise fast food restaurant is famous with their speed of service in terms of serving foods. Each franchise fast food has standard for their speed of service that make consumer not have to wait long until received their food.

CONCLUSION AND RECCOMENDATION

Conclusion
The result of this research shows the conclusion stated below, which are:
1. McDonald's is the most preferred franchise fast food by the consumer, followed by KFC and A&W.
2. Price is the most preferred among six criteria for selecting franchise fast food restaurant followed consecutively by cleanliness, atmosphere, taste, location, and speed of service.

Recommendation
There are three recommendations based on the conclusion above, which are:
1. KFC and A&W must improve their performance regarding the criteria which are became their weakness because McDonald's almost dominates the best performance in all priority criteria that make this franchise fast food restaurant able to attract more consumer.
2. Price has important role in selecting franchise fast food restaurant. Price becomes a most dominant criteria that considered by the respondents that influence their selection in choosing franchise fast food restaurant. Therefore, every franchise fast food restaurant particularly in Manado have to pay attention toward this factor. Consumer will seek for an affordable price when they want to eat in franchise fast food restaurant. For franchise fast food restaurant, good price is crucial part for franchise fast food restaurant to keep their consumer.

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