

**K. J. Somaiya Institute of Management Studies and Research**

**Program: PGDM-Comm 2018-20 Trimester II**

**Subject: Business Research Methods I  
(End Term Examination)**

Maximum Marks: 50  
Duration: 3 hours

Date: 14<sup>th</sup> January, 2019

**Notes:**

- 1. Work on the SPSS file labeled with your roll no. ONLY.**
  - 2. You have to attempt 5 questions in all.**
  - 3. Question no. 1 is compulsory and carries 5 marks.**
  - 4. Ques no. 6 of the case is compulsory and carries 15 marks.**
  - 5. Attempt any 3 questions out of remaining 5, carrying 10 marks each.**
  - 6. Prepare a word document.**
  - 7. Make suitable assumptions if required and state them.**
  - 8. Keep saving your files every ten minutes or so.**
  - 9. Name the folder consisting of Word document, SPSS output file with your roll number and names. Finally, transfer your folder to an exam folder, as per on-the-spot instructions given to you.**
1. Write a short note on basic and applied research and their types.

**Case: Wendy's: History and Life after Dave Thomas**

Wendy's/Arby's Group, Inc. is the number three hamburger chain by sales, which trail only those of McDonald's and Burger King. The Group is comprised of the Wendy's® and Arby's® brands, two companies distinguished by traditions of quality food and service. The company, with approximately \$12 billion in system-wide sales in 2008, owns or franchises more than 10,000 restaurants.

Wendy's/Arby's Group, Inc., restaurants offer burgers and fries as well as alternative items such as baked potatoes, chili, and salads. Each Wendy's restaurant offers a standard menu featuring hamburgers and chicken breast sandwiches, prepared to order with the customer's choice of condiments, as well as chicken nuggets, chili, baked potatoes, french fries, salads, desserts, soft drinks, and children's meals. Arby's serves traditional fast food with items such as slow-roasted and freshly sliced roast beef sandwiches, Curly Fries, Jamocha shakes, Market Fresh sandwiches, and wraps and salads made with wholesome ingredients and served with the convenience of a drive-through.

Dave Thomas, the founder of Wendy's, began his fast-food career in 1956 when he and Phil Clauss opened a barbecue restaurant in Knoxville, Tennessee. He put his restaurant

experience to use in 1969 by opening his first Wendy's restaurant, naming it after his daughter. Thomas limited the menu to cooked-to-order hamburgers, chili, and shakes, charging prices slightly higher than rivals Burger King and McDonald's. The restaurants were decorated with carpeting, wood paneling, and Tiffany-style lamps to reinforce the relatively upscale theme. In the early 1970s, the company began franchising to accelerate expansion. It also founded its Management Institute to train owners and managers in Wendy's operational techniques. The first non-U.S. Wendy's opened in Canada in 1975. Wendy's went public in 1976, and by the end of that year, it boasted a collection of 500 restaurants. Its first national commercial aired in 1977. Two years later, the chain added a salad bar to its menu.

Dave Thomas retired as chairman in 1982 and took the title of senior chairman. Wendy's launched an \$8 million TV ad campaign featuring Clara Peller asking, Where's the beef? in 1984, and its market share jumped to 12 percent. When McDonald's and Burger King responded with their own campaigns, neither the introduction of a breakfast menu (1985), new products such as the Big Classic burger (1986), nor the SuperBar buffet (1987) could help reverse the erosion of the company's market share (down to 9 percent by 1987). With his honest demeanor and humble delivery, Thomas found an audience as Wendy's TV spokesperson in 1989. The company even attributed the rebound in earnings at the time to his appearances.

Wendy's reacted to growing concern about nutrition by introducing a grilled chicken sandwich in 1990. It also appealed to budget-conscious consumers with its 99-cent Super Value Menu. Wendy's had 4,000 restaurants by 1992, the same year it added packaged salads to its menu. The next year, high school dropout Thomas earned his diploma; his class voted him Most Likely to Succeed.

The death of Dave Thomas early in 2002 was a crushing blow to the company and a loss for the fast-food industry. Wendy's continued to perform well over the next three years, even after losing its founder, Dave Thomas. In November 2004, Wendy's decided to end its unsuccessful ad campaign featuring an Everyman-type character, an unofficial spokesman called Mr. Wendy, because the campaign drew attention away from the food. This marks an ongoing dilemma for Wendy's: how to brand the company in the post-Thomas era. The company initiated a series of ads featuring still images of Dave Thomas in late November 2005 to commemorate the chain's 35th anniversary, but the long-term question of its identity remains. During 2005, it started a campaign built around the call to action Do What Tastes Right that underscores Wendy's 35-year heritage of serving great tasting, high-quality food. It featured a variety of different style ads, matched to targeted audiences. Included were advertising that promoted specific menu items as well as executions that supported the Wendy's brand as a whole.

In mid-2006, Wendy's International, Inc., created a new area of marketing to lead innovation efforts for the Wendy's brand. The expanded role of Wendy's marketing

department included the establishment of an Innovation and Strategy group comprised of Research and Development, Strategic Insights, & Innovation, and Operations Innovation.

Wendy rolled out its strategic growth plan in October 2007, and identified 10 imperatives for 2008. The imperatives are focused on Doing What's Right for Customers. The 10 imperatives build on Wendy's Recipe for Success, which is focused on revitalizing the Wendy's brand, stream-lining and improving operations, reclaiming innovation leadership, strengthening franchisee commitment, capturing new opportunities (e.g., international growth), and embracing a performance driven culture.

In August 2008, Wendy's reached out to cash-strapped consumers with a trio of high-quality, signature sandwiches priced at 99 cents. It introduced a 99-cent Double Stack cheeseburger and plans to aggressively promote this menu option, along with the company's popular 99-cent Junior Bacon Cheeseburger and 99-cent Crispy Chicken Sandwich. On September 29, 2008, Triarc Companies, Inc., the franchisor of the Arby's restaurant system, completed its previously announced merger with Wendy's International, Inc. The combined company was renamed Wendy's/Arby's Group, Inc.

Wendy's is leading the way with some innovations such as fruit bowls and combo-meal flexibility. Wendy's is currently testing some new products, including a deli-style sandwich line using fresh-baked bread called frescata, and yogurt, granola, and mix-ins for its Frosty. Wendy's uses no preservatives in its bowls of pineapple, honeydew, cantaloupe, and grapes, which come with a low-fat, strawberry-flavored yogurt for dipping. Wendy's is also pinning hopes on a new double-sided grill to boost burger quality and speed of service, and said it may be ready to test breakfast in the next year or so. But Wendy's has a few hurdles to overcome. Rivals have caught up to the menu innovations of Wendy's. McDonald's has crested a youth wave with I'm lovin it and music promotions. And, while Wendy's in the past came within a half share point of over-taking number two Burger King, Burger King now looks to have widened that gap, thanks to edgy marketing that's given it a cult following among the fast-food faithful. Wendy's advertising emphasized more clearly their points of differentiation from their competition, including higher quality, great taste, and fresh never frozen ground beef.

In order to survive the merciless fast-food industry, Wendy's conducted a survey. Wendy's wanted to study customer demographics and awareness of different competing fast-food chains; the satisfaction responses of consumers in terms of family orientation, comfort, price, quick service, healthy foods, cleanliness, and so on; and the patronage preferences of costumers in terms of eat-in or drive-through. The questionnaire used follows and the data obtained can be downloaded from the Web site for this book. Based on the data collected and analysis of this study, Wendy's intends to improve its service and brand orientation.

## Questionnaire

Your co-operation in answering these questions is greatly appreciated.

Ques 1. Your Age

- a) Under 18
- b) 18-24
- c) 25-29
- d) 30-34
- e) 35-39
- f) 40-45
- g) 46 or Older

Ques 2. Gender

- a) Male
- b) Female

Ques 3. Which of the following fast-food restaurants are you aware of? You may Tick more than 1 Option.

- |                |     |    |
|----------------|-----|----|
| a) Arby's      | Yes | No |
| b) Burger King | Yes | No |
| c) McDonald's  | Yes | No |
| d) Subway      | Yes | No |
| e) Wendy's     | Yes | No |

Ques 4. In the past four weeks, approximately how many times have you eaten food from a fast-food restaurant?

Ques 5. You have indicated that you have heard of these restaurants. When was the last time, if ever, that you, have eaten from each one.

	Within the past 4 weeks (1)	More than 4 weeks to the past 3 months (2)	More than 3 months ago (3)	Never (4)
Arby's				
Burger King				
McDonald's				
Subway				
Wendy's				

Ques 6. Rate the restaurants you have eaten from in the past three months using a 10-point scale, where “1” means you think it is terrible, and “10” means you think it is perfect, and.

	1	2	3	4	5	6	7	8	9	10
Arby’s										
Burger King										
Subway										
McDonald’s										
Wendy’s										

Ques 7. Below is the list of statements that may or may not be used to describe you in general. Using the scale 5 = ‘Disagree Completely’, 4 = ‘Disagree Somewhat’, 3 = ‘Neither Agree Nor Disagree’, 2 = ‘Agree Somewhat’, 1 = ‘Agree Completely’, please indicate how strongly you agree or disagree with each statement.

	5	4	3	2	1
a. I try to stay current on the latest health and nutrition information					
b. I read nutritional labels on most products I buy					
c. I am making more of an effort to find out about the nutritional content of the foods I eat at fast food restaurants					
d. I consider the amount of fat in the foods I eat at fast food restaurants					
e. I consider the amount of fat in the foods my kids eat at fast food restaurants					
f. I have been making an effort to look for fast food choices that have better nutritional value than the foods I have chosen in the past					
g. I am eating at fast food restaurants less often out of concern for the high fat content in the foods at fast food restaurants					

Ques 8. Which of the following methods do you most often use when purchasing from fast food restaurants?

- a) Cash
- b) Credit Card
- c) Debit Card
- d) Check
- e) Other

Ques 9. Which of the following best represents the last level of education that you completed?

- a) Some High School or less
- b) High School Graduate
- c) Some College/Technical School
- d) College Graduate or higher

Ques 10. Which of the following best describes your household's total yearly income?

- a) Under Rs.25,000
- b) Rs.25,000 but under Rs.50,000
- c) Rs.50,000 but under Rs.75,999
- d) Rs.75,000 but under Rs.1,00,000
- e) Rs.1,00,000 but under Rs.1,50,000
- f) Rs.1,50,000 but under Rs.2,00,000
- g) Rs.2,00,000 or over

This completes all the questions.

Thank you very much for your assistance with this interview!

The data for 300 respondents is provided in **SPSS File *Wendy's\_Roll No. #.***

**99 in the data indicates missing value.**

**Question no. 6 is compulsory. Attempt any 3 questions out of remaining 5:**

1. Is the age (Ques 1) related to awareness of fast food restaurant Arby's (Ques 3\_a)? Also test the association of this relationship.
2. Identify the most preferred restaurant based on respondents' ratings in Ques 6.
3. Identify the perception of agreeability of "I try to stay current on the latest health and nutrition information" (Ques 7\_a).
4. Is "I have been making an effort to look for fast food choices that have better nutritional value than the foods I have chosen in the past" (Ques 7\_f) more agreeable by respondents than "I am eating at fast food restaurants less often out of concern for the high fat content in the foods at fast food restaurants" (Ques 7\_g)? Formulate the null and alternative hypotheses and conduct an appropriate test.
5. Identify the difference in the average perception of males and females (Ques 2) with respect to agreeability of "I consider the amount of fat in the foods my kids eat at fast food restaurants" (Ques 7\_e).
6. Are the variables "I read nutritional labels on most products I buy" (Ques 7\_b) and "I am making more of an effort to find out about the nutritional content of the foods I eat at fast food restaurants" (Ques 7\_c) related? Considering Ques 7\_b as dependent variable and Ques 7\_c as independent variable run the regression analysis and fit the model.

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