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CONSUMERS' PERCEPTIONS AND EXPECTATIONS OF SERVICE QUALITY IN SELECTED FAST FOOD RESTAURANTS

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By

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To my Amma and Appa with deep love and affection

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In Malaysia, fast food restaurants have experienced high growth rates and have introduced more new products and services. As a result, the level of competition has increased. Now, the issue is how each individual restaurant will maintain its competitiveness in terms of service quality. The study examines consumers' perceptions and expectations of service quality in selected fast food restaurants.

The service quality scale called SERVQUAL measured consumers' perceptions and expectations. SERVQUAL consists of five dimensions of service quality, which are tangible, reliability, assurance, empathy and responsiveness. The SERVQUAL technique provides an overall measure of

quality across all the five dimensions of service quality. In this study, 20 pairs of questions were used. One question from each pair asked consumers' to describe their expectation while the other question asked for their perceptions.

A total of 456 consumers were selected as respondents. Frequency counts and percentages were used to analyze the demographic characteristics of the respondents. Gap analysis was used to identify the differences between the consumers' perceptions and expectations. Factor analysis was used to examine the underlying pattern of the statements in the 20 items of the SERVQUAL scale.

The study shows that the reliability dimension constituted the lowest score on the SERVQUAL scale. This was followed by the empathy, tangible and assurance dimensions. The factor analysis results identified six factors that affect consumers' perceptions and expectations of service quality. These six factors are reliability, customer care, customer service, company-oriented item, visionary and caring.

These dimensions and their relative importance provide a guide to fast food restaurants in planning and developing programmes and service quality improvement. Such programmes would help to improve the service quality in

fast food restaurants by means of narrowing the gap between consumers'

perceptions and expectations.

PERSEPSI DAN JANGKAAN PELANGGAN KE ATAS KUALITI PERKHIDMATAN DALAM RESTORAN MAKANAN SEGERA YANG TERPILIH

Oleh

NALINI A/P ARUMUGAM

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Di Malaysia, restoran makanan segera telah mencapai kadar prestasi pembangunan yang tinggi dan telah memperkenalkan banyak barangan dan perkhidmatan yang baru. Ini telah membawa kepada persaingan yang hebat di kalangan restoran makanan segera. Isu yang diutamakan ialah bagaimana sesebuah restoran makanan segera boleh mengekalkan tahap persaingan masing-masing dengan kualiti perkhidmatan. Tujuan kajian ini ialah untuk menilai jangkaan dan persepsi pengguna dari segi kualiti perkhidmatan di restoran makanan segera yang terpilih.

SERVQUAL telah digunakan sebagai ukuran terhadap jangkaan dan persepsi pengguna. Jangkaan dan persepsi pengguna diukur dengan menggunakan skala kualiti perkhidmatan iaitu SERVQUAL yang mengandungi lima dimensi iaitu ciri yang ketara, kebolehpercayaan, jaminan, empati dan tanggungjawab. Satu soalan dari setiap pasangan dalam borang selidik menyatakan jangkaannya, manakala pasangan yang satu lagi menyatakan persepsi pengguna terhadap kualiti perkhidmatan. Kaedah SERVQUAL membolehkan penilaian yang menyeluruh dijalankan terhadap kualiti perkhidmatan dalam lima dimensi.

Sebanyak 456 pelanggan restoran makanan segera telah dipilih sebagai responden. Ciri-ciri demografi respondan dianalisa dengan menggunakan kiraan frekuensi dan peratusan. Manakala bagi mengenalpasti perbezaan antara persepsi dan jangkaan pengguna kaedah analisis jurang diaplikasikan. Analisis faktor pula dibuat bagi menilai corak penilaian ke atas 20 kenyataan SERVQUAL.

Di antara ke semua dimensi yang dikaji, dimensi kebolehpercayaan adalah paling lemah dalam restoran makanan segera dan diikuti oleh empati, ciri yang ketara dan jaminan. Melalui analisis faktor, kajian dapat mengenalpasti enam faktor yang mempengaruhi persepsi dan jangkaan pengguna dalam kualiti perkhidmatan. Enam faktor yang dikenalpasti adalah keyakinan,

perhatian terhadap pelanggan, perkhidmatan pelanggan, perkara-perkara berkaitan dengan syarikat, pandangan dan penyayang.

Selain itu, dengan mengenali dimensi-dimensi kualiti perkhidmatan dan kepentingannya dapat menyediakan suatu panduan yang membina kepada restoran makanan segera dari aspek perancangan dan pembangunan kualiti perkhidmatan supaya menjadi bertambah baik. Program-program sedemikian dapat memperbaiki dan meningkatkan kualiti perkhidmatan dengan mengurangkan jurang diantara jangkaan dan persepsi pelanggan.

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This thesis submitted to the Senate of Universiti Putra Malaysia has been accepted as fulfilment of the requirement for the degree of Master of Science.

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CHAPTER 1

INTRODUCTION

This chapter focuses on the background of the study, changing trends of fast food restaurants, definition of fast food restaurants, global perspectives on fast food restaurants, quality in fast foods, history of fast food restaurants in Malaysia, classification of fast food, market size and growth potential, problem statement, objectives of the study, importance of the study and organization of the thesis.

1.1 Background of the Study

Restaurants are part of an industrial system, providing services to people away from home that becomes progressively more general and broader as it moves from restaurants to food services to hospitality industry. It is towards this sophistication of man's basic needs and his complex life that fast-food restaurants emerged.

Fast-food restaurants are a breakthrough from the traditional catering methods and standards. They have resulted in more sophisticated operations and styles for services. They have provided flexibility and comfort with reasonable prices. Their services are within the level that can satisfy customers with various tastes, drives, and upbringing. Customer satisfaction

has been one of the measurable objectives of other service-oriented establishments. It is to the satisfaction of the customer's needs that the business strives.

Without the support of customers and satisfaction of their needs, the existences of fast-food restaurants would be in jeopardy. A satisfied customer would always go back to the same fast-food establishment where his wants and preferences were not only merely met but also complemented (Reyes, 1996). The satisfaction of customer preferences, in effect, constitutes the image of the particular fast-food restaurant and plays an important role in the business industry.

The word "quality" has come into the everyday vocabulary of management. The need for quality goods and services and for quality improvements is mentioned so often that quality has almost become a buzzword, which easily loses its meaning. There is too much talk about quality and not enough real efforts to make quality a source of competitive advantage.

It is easy to realize that service quality and how to manage quality in service contexts are pivotal issues in today's service economy. There are, of course, firms that have successfully worked with these issues, but as Gummesson concluded, " . . . there has been a lack of widespread focus on services".

However, this is changing now, as service management (and service quality as part of it) has established itself as a recognized field.

In the 1980's and beyond, delivering superior service quality appeared to be a prerequisite for success, if not survival of business (Parasuraman et al., 1988). Rapid deregulation and intensifying competition has led many servicing businesses to speak profitable ways to differentiate themselves. One such strategy that has been related to success in this area is the delivery of high service quality.

Quality is an exclusive and join construct often mistaken for imprecise adjectives like "goodness, luxury, shininess or weight" (Crosby, 1979). As such very few researches have attempted to define and model quality because of the difficulties involved in delimiting and measuring the construct.

Service quality is a measure of how well the service level delivered matches the customer's expectation. Delivering quality service means conforming to the customers' expectation on a consistent basis. Parasuraman et al., (1988) developed a model in which they contended that, customers compared the service they expected with the perception of the service they received in the evaluation of service quality, and it is known as SERVQUAL.

1.2 Changing Trends of Fast Food Restaurants

Eating out has always been a popular and common phenomenon in Malaysia just as other parts of South East Asia. Indeed, with the buoyant economy the number of restaurants and various types of eating-places has grown by leaps and bounds.

Traditional Malay, Chinese, Indian and Malaysian food generally still dominates in family dining and even social dining. However, among the younger population in the urban areas, it is definitely "in" to eat out at the western style restaurants of which fast food restaurants and recently delicatessen/cafes, appear to be the most dominant choices. There is a visible and significant trend towards western style dining in urban areas. The main reason for this trend could be probably the fact that, there is a growing population of young, western educated adults who are relatively well traveled and have been exposed to western cuisines. Besides this, television and advertising commercials have certainly played their part in projecting, and conveying and appealing modern lifestyle being associated with western-style dining.

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1.3 Definition of Fast Food Restaurants

In the early years when the first few fast food restaurants started, the term fast food restaurants were used to describe franchised restaurants that serve standardized western style menus. Prepared according to strict specifications, charge fixed prices and serve food in a fast manner (Lee, 1991). In a less complimentary manner, the term "fast food" also developed a common term of "junk food" giving the impression that the food offered by these restaurants are less nutritious (even a potential health hazard) than other conventional restaurants.

Meanwhile, Bertram (1975), in his book 'fast food Operation' defined fast food as ' food that can be prepared for service and consumption in the minimum amount of the time' and 'food that can be consumed quickly'. We can then establish the types of food that apply to the expression. For example instant mashed potato, which is a fast food, because it is processed at the moment's notice. The individual pork pie is a fast food because it is a packaged product ready to eat. A plate of eggs and bacon is fast foods because it comprises foods in a state both prepared and natural that may be quickly cooked and served.

The Americans have been in the fast food business for many years. The United States is the home of fast food, brought about no doubt by the killing

pace at which most Americans are always looking for change and new ideas so that they always tend to lead (Bertram, 1975). Unlike Europe and Britain, America was untouched by booming during the Second World War and was little affected by food shortages so that catering advanced without the frustrations of restriction. At this time in Britain, catering improvement virtually came to a standstill for six years. In fact, restrictions on building materials and some foods persisted until 1954; so that for some thing like fifteen years the industry stood still and it is little wonder that when normality returned we were nearly twenty years behind America.

However, many go-ahead of the catering industry started traveling soon after the war, to look around for new opportunities and ideas to meet the needs of a rising economy. The industry began to move ahead and 'new look' restaurants were established in London and principal cities. Self-service cafeterias become styled, pleasant places, in which to eat, far removed from the wartime British restaurants, which, despite the good service they did for society, were normally of very low standard.

Bertram found that with the economic expansion came rises in food costs, wages and other operating costs. In fact caterers were faced with cost explosion, the like of which they never had to face before, and new methods like 'cost control' and measuring productivity began to be extensively used.

The industry needed to save on costs, to reduce wages and to boost turnover if it was to survive.

Marketers in the fast food restaurants have always disputed that junk food label and have done a lot to promote the nutritious value, service concept and dining experience of their restaurants. Recently, the term "Quick Service Restaurants" have replaced "fast food restaurants", to describe a restaurant chain that offers consistent standards in type of and quality of the food and service in their restaurants.

1.4 Global Perspectives on Fast Food Restaurants

According to Tennyson (1993), the American hamburger is a relatively recent creation. Hamburgers were not commonly made in America until the early 20th century. The first hamburger fast food chain was White Castle, founded in 1916 by J. Walter Anderson of Wichita, Kansas. He sold five-cent hamburgers along with French fries and colas. White Castle thrived along with other fast-food operations. However, fast food did not become a significant part of the American landscape until after World War II.

Richard and Maurice McDonald chalked out a design for a new type of hamburger restaurant on a tennis court in 1948. Their goal was to make the