

University students' perception on the fast food industry service quality in Terengganu

Journal of Tourism, Hospitality & Culinary Arts (JTHCA)
2017, Vol. 9 (2) pp 551-560
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UiTM Press
Submit date: 26th June 2017
Accept date: 28th Aug 2017
Publish date: 30th Sept 2017

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Proposed citation:

Bakar, A.M.F.A., Anuar, J., Alias, M.A.M., & Mohamad, T. (2017). University students' perception on the fast food industry service quality in Terengganu. *Journal of Tourism, Hospitality & Culinary Arts*, 9(2), 551-560.

Abstract

Foodservice business is one of the fastest growing segments of the hospitality industry. The same trend can be viewed in Terengganu where fast food restaurants or also known as quick service restaurants are popular among youth. This study investigates the perceptions of university students with regards to fast food restaurants service quality in Terengganu, given that university students are considered major customers of fast food industry. This study adopted quantitative method where survey was conducted through the distribution of 200 self-administered questionnaires. Samples were university students from three universities. Findings indicate that majority university students perceived fast food restaurants in Terengganu to be of a high quality. Their fast food restaurant choices were strongly influenced by the restaurant's cleanliness, consistency of menu items and location. It is noteworthy to investigate the perceptions of university students on fast food restaurants as it provides the valuable insights for restaurateurs into the attributes that are essential to university students when selecting a fast food restaurant.

Keywords:

Fast food restaurants, foodservice, perception, university students

1 Introduction

Foodservice business is one of the fastest growing and most diverse segments of the hospitality industry. Over the past decade, fast food restaurants had been undergone a tremendous growth worldwide and in Malaysia. Probably, the growth is associated with the convenience of dining at the restaurant, a meeting point to socialize or for business discussion, reduction in leisure time, rapid urbanization as well as changes in lifestyle as more woman working. Majority of the frequent fast food restaurants customers in Malaysia came from the educated middle-income group of customers who have acquired a taste for hamburgers and fried chicken (a well-entrenched traditional food in the Malay diet), family groups, young working adults, children, students and tourists (Lassen et al., 2015). Trade sources commented that KFC attracts mainly young adults and children, while McDonald's attracts office workers during the week and family groups during the weekend. It is reported that 70% of customers who patronize fast food restaurants in Malaysia are students, particularly the teen market.

Supportive augmentation can be found in Garg (2014) study who emphasized that university student market is expanding and these young adults had formed a substantial market for the fast food industry. The same trend can be viewed in Terengganu where fast food restaurants or also known as quick service restaurants are popular among youth. They like to socialize or do homework at these restaurants. The convenient drive-thru services at fast food restaurants also had contributed to its popularity. Moreover, there has been discernible shift in food demand by Malaysians away from rice to wheat-based products such as flour, bread, and various convenient and instant foods (Jaini, Mahmood & Zaib, 2014).

The intense competition among key players in fast food restaurants had contributed to the organizations looking for opportunities to expand the number of outlets, which, in turn, will build up their brands as well as their volume and value sales in the Malaysian market. Most players will continue to focus on expansions in the retail channel, where the human traffic levels are at their highest, with greater opening of outlets within shopping malls as well as supermarkets/hypermarkets. The relevance of investigating customer perceptions of the service experience has always been a crucial element of the restaurant business (Haque et al., 2011). It is important to gain an understanding about how key service factors vary across different perceptions of the Malaysian market of fast food restaurants operating within the country (Garg, 2014). With increasing competition in the industry, it becomes critical for restaurateurs to differentiate themselves in order to appeal more broad population segments (Baltazar, 2011).

Customers normally form perceptions and opinions based on the tangibles and technical performances of the restaurant services. To the best of the researcher's knowledge, little has been specifically written about how university students' in Terengganu perceived fast food restaurants. It would be interesting to investigate the pattern of food market in Terengganu whether the pattern is in line with other countries

or contradict previous studies. This study aims to investigate customer's perceptions (specifically university students) of and preferences for fast food restaurants in Malaysia and to further understand the relevant criteria they considered to make decisions. It has been recognized that university students are major customers of the fast food industry (Garg, 2014). Hopefully, such findings will assist restaurant operators in developing need-oriented type marketing strategies and targeting promotional efforts, to infiltrate new markets as well as re-examining the current market needs. This paper starts with introduction and background of the study, followed by methodology in the next section. Results will be detailed out in data analysis followed by discussion and conclusion in the last section.

2 Literature Review

2.1 The Overview of Food Service Industry in Malaysia

In Malaysia, two (2) multinational organizations that dominate fast food restaurants are McDonald's and Kentucky Fried Chicken (KFC) though the first fast food concept was introduced by AW in 1963. The major player, KFC later followed in the 1970s and has significantly increased over 20 years. Other fast food restaurants in Malaysia include Pizza Hut, Subway, Kenny Rogers Roasters, Deli France, Burger King, Dunkin Donuts, A&W and many more (Haque, Rahman, Ahmed, Yasmin & Asri, 2011). Most of them were introduced into Malaysia from the USA via franchise agreements with large local organizations. Aggressive advertising campaigns, good hygiene standards and the use of franchise agreements assist to secure their positions in this region. QSR Brands Berhad remained in the leading position with more than half of all values sales in overall fast food in year 2007, with its KFC brand. Then, Golden Arches Sdn Bhd follows with its McDonalds brand.

Both players are highly popular among Malaysians due to their renowned brand names worldwide and strong financial resources to back up their expansion strategies. These leading players have invested heavily in various advertising and promotional campaigns as in Malaysia; advertisements for the fast food are customary specially to accompany new product developments and promotions (Euromonitor, 2008). KFC also tied up with national television channel RTM and local newspapers to promote and strengthen its brands. In addition to concentrating on foods and promotions, they also placed an emphasis on offering good services such as 24-hour opening and Wi-Fi Internet access to customers.

2.2 Restaurant and Food Attributes

The overall restaurant evaluation is influenced by several attributes and the importance of these attributes in influencing customer's purchase decision (Chen & Hu, 2010). In most cases, customers choose restaurants based on previous knowledge, experiences and repeat an earlier action in which the result was satisfactory (Josiam,

Kalldin & Duncan, 2015). While for other times, a true decision must be reached and hence customers are forced to make an active choice. Studies conducted by Chen *et al* (2010) highlighted that the tangible elements of a restaurant such as food and layout are crucial. Other researchers meanwhile emphasized on the intangible elements such as ambience and staff friendliness (Jang, Ha & Park, 2012). It is vital for restaurant operators to better understand the motivations of their customers and the significance of restaurant attributes such as food quality, service quality and ambience on the overall dining experience (Josiam *et al.*, 2015). Furthermore, food safety is also vital for restaurant customers, as perception of poor hygiene and safety practices may result in the loss of customers to restaurants that customers considered safer (Harrington, Ottenbacher & Kendall, 2011).

Additionally, food-related attributes are also important to determine customer behaviour (Jeong & Jang, 2011). Impressive food quality will lead to a positive word-of-mouth. In conjunction with that, other crucial food-related attributes are nutritional content (Howlett, Burton, Bates & Huggins, 2009), healthy choice (Namkung & Jang, 2007) as well as menu name (Wansink, Van Ittersum & Painter, 2005). The food-related attributes are significantly important, as it represent restaurants' tangible cues for customers since restaurant service are highly experiential. Menu pricing on the other hand can be seen as a tangible non-food-related attribute that is important to portray restaurant quality. This is further supported by Baek, Ham & Yang (2006) who used the conjoint analysis to determine the role of brand name, menu price, food-related factors, service and hygiene-related factors in the evaluation of fast food restaurants.

3 Methodology

This study adopted a quantitative method through the distribution of questionnaires. A self-administered questionnaire among 200 university students was conducted to explore their perceptions on four fast food restaurants in Terengganu namely McDonald's, KFC, Burger King and A&W. The fast food restaurants were selected on the justifications that these restaurants were among international popular fast food brands in the country. The respondents came from various academic programs as stipulated in Table 1, while there were three universities involved in the data collection which are Universiti Teknologi MARA Terengganu, Universiti Sultan Zainal Abidin and Universiti Malaysia Terengganu. Given the vast number of sample size in conducting this study, a survey questionnaire tends to be more economical as it saves time and requires less human and financial resources. It is reported that a survey questionnaire is convenient and inexpensive, particularly when administered collectively to a specific study population. Additionally, questionnaires can be designed to be simple and clear and it allows greater uniformity of responses and greater reliability and honesty (Anderson, Sweeney, Williams, Camm & Cochran, 2012).

Table 1: Respondent courses

Programs	University
Advertising	Universiti Teknologi MARA Terengganu
American Degree	Universiti Sultan Zainal Abidin, Terengganu
Audio Engineering	Universiti Malaysia Terengganu
Business Management	
Culinary Arts	
Hotel Management	
Law	
Mass Communication	
Office Management	
Public Relations	
Psychology	
Tourism Management	

Respondent's representatives from each university were contacted and they had been briefed on the objectives of the study to seek for their approval to the survey. Upon agreement of the study, this survey was established in the classroom of each selected university. All information pertaining to respondent's opinions and answers were treated confidentially. Respondents were permitted to withdraw at any stage if they feel uncomfortable with the questions. A total of 200 self-administered questionnaires were distributed, with duration of one (1) week time to compile all questionnaires. Of the 200 distributed questionnaires, only 181 questionnaires were completed. However, 29 incomplete questionnaires were excluded from the data analysis. Therefore, the amounts of useable response in this study were 181 questionnaires. The data in this study were computed and analyzed using the Statistical Program for the Social Sciences program (SPSS).

The questionnaire asked the respondent's general perceptions of fast food restaurants while final part of the questionnaires includes several questions pertaining to frequency of eating in fast food restaurant, favourite fast food restaurant and reasons for dining at the restaurant. The questions were adopted from previous studies (Kara, Kaynak & Kucukemiroglu, 1996; Knutson, 2000; Chandon & Wansink, 2007; Oyewole, 1999). Twelve (12) attributes were elicited from the literature and adopted for the context of this study. It comprised of price, friendliness, food quality/consistency of menu items, menu variety, service speed, calorie contents/ nutrition, cleanliness, convenience/location, business hour, delivery service, novelties for children and seating facilities.

A pilot study was conducted before the actual data collection. Samples were 30 students from the Faculty of Hotel and Tourism Management, UiTM Terengganu to help refining the instrument. Researchers explained the purpose of the pre-test subjects, the purpose and procedure of the study and asked them to answer and review the

questionnaires carefully. At the end of the session, researchers established a discussion with the students and they were encouraged to offer comments and suggestions on the parts they had difficulties to respond to. Suggestions on better wording and the scales of instrument were provided. Minor adjustments were made to the questionnaire after the weak points had been detected.

4 Data Analysis

The data were analyzed through SPSS version 24 software. To reiterate, the purpose of the study was to explore university students' perceptions of the fast food restaurants in Terengganu. This study was planned to identify the main choice of variables and analyzing them if the perceived importance of this variable differed according to student demographic. The questionnaires emphasized on respondents' perceptions on the given twelve attributes about service quality in fast food restaurant. A five-point Likert scale were implemented and the respondents need to rate their agreement or disagreement to the statements. The perceptions were based on the four fast food restaurants namely Burger King, KFC, A&W and McDonalds. To determine the response pattern, the researcher used a mean distribution as been illustrated in Table 2. Means smaller than 2.5 were referred to as low quality while means bigger than 3.5 were referred to as high quality.

Table 2: Mean score analysis

Statements	Mean	Std. Deviation
Price		
S1 – Prices of food are fair	3.35	.89
S2 – The restaurant provides value-for-money	3.37	.83
Total mean score	3.36	
Friendliness		
S3 – Employee serving with smile	3.35	.88
S4 – Caring and communicating servers	3.34	.83
S5 – Polite and courteous servers	3.42	.79
Total mean score	3.37	
Food quality/ consistency of menu items		
S6 – Taste of food is excellent	3.69	.81
S7 – Quality of food served is consistent	3.55	.88
Total mean score	3.62	
Menu variety		
S8 – Food variety is excellent	3.48	.89
S9 – Provide health food choices	2.88	1.01
Total mean score	3.18	
Service speed		
S10 – Provides prompt and quick service	3.59	.84
S11 – Services food exactly as ordered	3.70	.86

Total mean score	3.65	
Calorie contents/ nutrition		
S12 – Keeping the fat/calories low on food served	2.73	1.07
S13 – Nutritional information given on food	2.98	1.05
Total mean score	2.86	
Cleanliness		
S14 – Clean facilities	3.64	.84
S15 – Clean employee work area	3.64	.81
Total mean score	3.64	
Convenience/location		
S16 – Very easy to reach the restaurant	3.84	.80
S17 – Situated in good location	3.92	.75
Total mean score	3.88	
Business hour		
S18 – Appropriate hours of operation	3.95	.75
Delivery service		
S19 – Reliable delivery service	3.66	.86
S20 – Fast and prompt delivery	3.48	.90
Total mean score	3.57	
Novelties for children		
S21 – Convenient child menu	3.51	.86
S22 – Child friendly	3.51	.83
Total mean score	3.51	
Seating facilities		
S23 – Comfortable seats	3.42	.91
S24 – Convenient restaurant layout	3.68	.79
Total mean score	3.55	

The perception of university students pertaining to fast food restaurants in Terengganu was demonstrated by an average total mean score of 3.51 based on a 5-point Likert scale. The value suggested that university students' perceived fast food restaurants in Terengganu to be of a high quality. The positive perception is desirable and crucial for the growth of fast food restaurants. Presumably, a high level of product or service quality will lead to high levels of customer value and satisfaction. It is undeniable that customer's perceptions on quality, value and satisfaction are among the crucial elements to gauge their purchase intentions and source of competitive advantage; in this case, the university students.

These results may also be associated with changing customer preferences in Terengganu. In this context, the rising affluence of Malaysians is in line with rapid urbanization, better education and other economic factors that may have been some of the factors that have contributed to the shifting trend in dining preferences in Malaysia. Additionally, fast food restaurants in Asia are more contemporary and trendy. It is regarded as more of a social or entertaining experience, where the standardized and

efficient appearance of fast food restaurant seem to be exotic and new, and seen as a proper place for eating-out and meeting other people.

Findings also revealed that based on the mean values of the 12 attributes, eight attributes were perceived to be of a high quality. These attributes include business hour, convenience/location, service speed, cleanliness, food quality / consistency of menu items, delivery service, seating facilities, and novelties for children. On the other hand, respondents perceived four items to be of average quality. These were friendliness, prices, menu variety, and calorie content/ nutrition. These finding suggested that fast food restaurants operators in Terengganu should place great emphasis on these attributes because they will affect future patronage.

It is essential for restaurant operators to acknowledge how customers perceive each attribute, as each attribute has its own significance to service quality and customers purchase intention for fast food restaurants. Interestingly, one attribute that demand further attention from the fast food restaurant operators was calorie content and nutrition of their food products. The general consensus postulated that fast food is unhealthy. This particular attribute had the lowest average mean value of 2.86, which was slightly higher from the low quality range (<2.5). This may be attributed to the fact that 75% of university students were health conscious. Hence, restaurant operators need to be more responsive to customer concern regarding nutritional intake and overall public health. In addition, Figure 1 displays the dining preferences opted by the respondents.

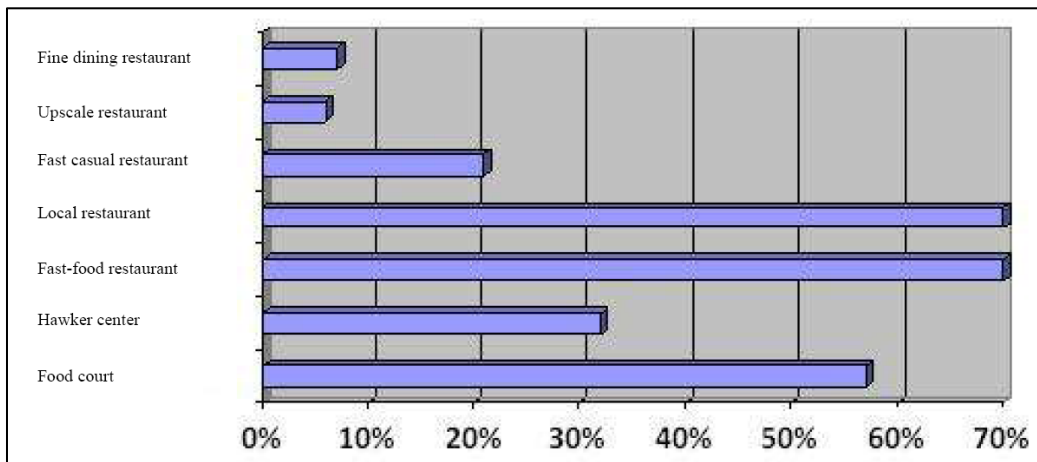


Figure 1: Dining preferences

Findings as stipulated in Figure 1 demonstrated that fast food restaurant and local restaurant were both highly preferred by most respondents (70%), followed by food court (58%), hawker center (32%) and fast casual restaurant (12%). Only 7% chose fine

dining restaurant and another 6% chose the upscale restaurant showing that these types of restaurants were not popular among university students in Terengganu.

5 Conclusion

The fastfood restaurants were perceived to be very clean, conveniently located, served high quality food, and operated at appropriate hours. Moreover, the service was prompt and fast, the seating facilities were comfortable, the delivery service reliable and the fast food operators were doing well in providing novelties for children. While these attributes are positively perceived, respondents still viewed other attributes like price, friendliness, menu variety and calorie contents/nutrition to be of an average quality. The fast food restaurant choices were strongly influenced by the restaurant's cleanliness, consistency of menu item and location. Other attributes were still important but proved to have had a smaller impact on their decision-making processes. Price was rated as the least important factor for the respondents in choosing fast food restaurants. Several implications for management can be inferred from the findings. It was noted that university students represent a substantial market for the fast food industry in Terengganu. The restaurants served as a platform to socialize besides satisfying their hunger. Hence, restaurant operators who are keen to explore their customers' perceptions and preferences can benefit from the results of this study.

Nevertheless, there were certain limitations in this study. The sample size may restrict the generalization of these findings to the general public's opinion in Terengganu. It is limited only to the perceptions of the university students as they are the major customers of fast food restaurants. Replicating this study with a larger sample to see the customer's pattern is important in the future to generalize the finding. Moreover, future research should include both chained fast food and independent fast food restaurants. In addition, future research should also explore the performance of Eastern and Asian fast food brands and investigate how these chains are perceived and positioned by customers against the U.S fast food chains in Terengganu. It is also interesting to discover how western expatriates in Malaysia view the U.S fast food chains operations in the country.

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