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FULL – SERVICE RESTAURANTS:
EFFECT OF RESTAURANT
QUALITY ATTRIBUTES ON
CONSUMER BEHAVIOUR
OUTCOMES

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sufficient in terms of scope and quality for the award of
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ATTRIBUTES ON CONSUMER BEHAVIOUR OUTCOMES

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Laporan ini dikemukakan sebagai
memenuhi sebahagian daripada syarat penganugerahan
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DECLARATION OF ORIGINAL WORK

“Hereby, I declare that this thesis entitled “Full-Service Restaurants: Effect of Restaurant Quality Attributes on Consumer Behaviour Outcomes” is the result of my own research except as cited in the references. The thesis has not been accepted for any degree and is not concurrently submitted in candidature of any other degree”

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DEDICATION

Special thanks to my beloved family members

Friends

Thank you to my supervisor and panel

Miss Siti Nor Wardatulaina bt. Mohd Yusof

Puan Murzidah bt. Ahmad Murad

For all the spirituals and moral support that had been given to me all the time.

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ABSTRACT

Nowadays, the trend of dining in restaurants has become more popular in Malaysia. In an increasingly competitive environment, restaurants must be focused on customer using marketing concepts that identify their needs thus leading to their satisfaction and increased behavioral intention. The purpose of this study is to examine the relationship between the attributes of restaurant quality and consumer behavior outcomes and to determine the most important restaurant quality attributes on consumer behavior outcomes in full service restaurant industry. In this study, the restaurant quality attributes consist of food quality, service quality and atmosphere quality. This study utilize designed a questionnaire approach based on restaurant quality attributes, customer satisfaction and behavioral intention. The data will be collected from 350 customers of full-service restaurants in Malacca, Malaysia. Reliability and validity test, descriptive statistical analysis, Pearson correlation, multiple regression analysis and hypothesis test have been applied to analyses the result of this study. The results of this study were illustrated that food quality, service quality and atmosphere quality positively influencing the consumer behaviour outcomes in full-service restaurant industry and the atmosphere quality is the most important restaurant quality attributes on consumer behaviour outcomes in full-service restaurant industry.

Keywords: Food quality, service quality, atmosphere quality, customer satisfaction, behavioral intention, full-service restaurants

ABSTRAK

Pada masa kini, sikap masyarakat yang gemar menjamu selera di restoran menjadi lebih popular di Malaysia. Dalam persekitaran kompetitif yang semakin tinggi ini, restoran harus memberi tumpuan kepada pelanggan yang menggunakan konsep pemasaran untuk mengenalpasti keperluan pelanggan sekali gus memberi kepuasan dan meningkatkan rasa untuk membeli kepada pelanggan. Tujuan kajian ini adalah untuk menganalisis hubungan antara ciri-ciri kualiti restoran dengan ciri-ciri tingkah laku pengguna dan untuk menentukan yang mana ciri-ciri kualiti restoran adalah paling penting dalam hasil tingkah laku pengguna dalam perkhidmatan industri restoran. Dalam kajian ini, ciri-ciri kualiti restoran terdiri daripada kualiti makanan, kualiti perkhidmatan dan kualiti suasana. Kajian ini, memberikan pendekatan melalui soal selidik yang berdasarkan kepada ciri-ciri kualiti restoran, kepuasan pelanggan dan niat tingkah laku. Data ini akan mengumpulkan segala data daripada 350 pelanggan yang menggunakan perkhidmatan restoran di Melaka, Malaysia. Analisis kebolehpercayaan dan pengesahan, analisis statistik penjelasan, analisis hubungan, analisis regresi dan ujian hipotesis telah digunakan untuk menganalisis hasil kajian ini. Hasil kajian ini telah digambarkan bahawa kualiti makanan, kualiti perkhidmatan dan kualiti suasana positif mempengaruhi hasil tingkah laku pengguna dalam industri restoran perkhidmatan penuh dan suasana kualiti adalah berkualiti restoran yang paling penting sifat-sifat kepada hasil tingkah laku pengguna dalam industri restoran perkhidmatan penuh.

Kata Kunci: Kualiti makanan, kualiti perkhidmatan, kualiti suasana, kepuasan pelanggan, niat tingkah laku, restoran perkhidmatan penuh

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LIST OF ABBREVIATION

FAH	=	food-at-home
FAFH	=	Food-away-from-home
CPI	=	Consumer Price Index
DV	=	Dependent Variable
IV	=	Independent Variable

CHAPTER 1

INTRODUCTION

1.1 Research Background

Malaysians have traditionally apportioned the largest amount of household expenditures on food and beverage industry. This includes consumption of food-at-home (FAH) and food-away-from-home (FAFH). Nowadays, dining out is becoming popular among the Malaysians. According to the Department of Statistic Malaysia 2015, the Consumer Price Index (CPI) for the food away from home on the month of December 2014 increased by 4.0 per cent to 116.3 indexes compared with 113.6 indexes in the same month last year. This statistics indicate that food consumption patterns of Malaysian more prefer dining out than dining at home, whereby Malaysian dining out has become more frequent and reflects the changing lifestyle of the Malaysian population. In terms of the growing popularity of Malaysians dining out, this has paved the way for the development of the restaurant industry. As the number of restaurant increase, people have many options for choosing a restaurant for dining.

Essentially, restaurants are the business that serving food and providing a dining experience to their customer. According to Golnaz, Zainalabidin, Nasir and Phuah, (2013), full-service restaurant including hawkers have recorded sustainable growth over the past few years in Malaysia. A Full-service restaurant defined as a place or restaurant that provides food services to client. The customer chooses what he or she wishes to eat from a menu, places his or her order with a waiter and receives the chosen dish at his/ her table and pay after eating (North American

Industry Classification System, 2012).

When customer dining at a restaurants, the cognitively evaluate what they experience. Campbell-Smith (1967) was one of the pioneers in defining a model of dining experience that explains the key elements of the restaurant quality attributes. These elements have since been classified into categories based on significance: food and beverage, service, hygiene, value for money and ambiance (Cousins, Foskett, & Gillespie, 2002). More recently, Jang and Namkung (2009) stated that food quality, service quality and atmosphere quality are the basic restaurant attributes that customer use to evaluate perceived quality. Restaurant not only a place for dining, it is also a better place to get in touch with friends and family and having a delicious meal. Hence, dining experience is becoming more important for the customer because they are looking for fun, social and unique dining occasions. According to (Marinkovic, Senic, Ivkov, Dimitrovski and Bjelic (2014), there are different motivations for going to restaurant such as social interaction, time saving, atmosphere and taste. Nowadays, customer expects creative and special dining experience or restaurant setting such as themes restaurant and music café. Thus, the attributes of restaurant play an important role in consumer behaviour outcomes. From the hospitality sector's perspective, consumer behaviour outcomes such as customer satisfaction, recommendation to other and return intention are considered to be a critical indicator for the businesses future and important factors to determining the success of a business.

According to Kimberly, Lisa and Ioana (2015), customer satisfaction increase by improving product or service attributes or quality. When customer satisfaction increases based on attributes of the restaurant experience, this in turn will lead to greater profitability and it will benefit to the business. Hence, which attributes of restaurant quality are most important to the customer, and which trigger customer satisfaction, recommendation and return intention in full-service restaurant, must be identified.

This research is intended to study the effect of restaurant quality attributes consist of food quality, service quality and quality of atmosphere on consumer behaviour outcomes toward full-service restaurant.

1.2 Problem Statement

In Malaysia, the rich of food heritage has enabled the restaurant industry to flourish and dining out has promote the restaurant industry development. While a range of challenges still exist for restaurants operators. Due to the rapidly growing in the full- service restaurant sector, this industry has become more competitive than ever. According to Soriano (2002) noticed that restaurant failures are partly a result of management's lack of strategic orientation in measuring and focusing on customer satisfaction. Therefore, restaurant operators have facing the challenges on improve customer satisfaction, recommendation, and return intentions. To sustain success of any restaurant, there need to determine the consumer behaviour outcomes such as customer satisfaction, recommendation, and return intentions.

Developing special dining experiences is the main aim of restaurant with regard to attracting customer (Jensen & Hansen, 2007). Moreover, restaurant need to continuous improvements and breakthroughs for meet customer requirement and expectation. Those who provide customer with high restaurant quality attributes can have a strong competitive position in today's dynamic marketplace. In recent years, many previous research have been identified a number of different attributes of restaurant quality (Gupta, McLaughlin, & Gomez, 2007; Ha & Jang, 2010). There have several attributes of restaurant quality can influence on customer satisfaction, recommendation, and return intentions which are food quality, service quality and atmosphere.

Although previous research have shown that restaurant attributes influence customer behavioral intention (Gupta et al. 2007; Ha & Jang, 2010; Ryu & Han, 2010), there has not been identify the most important restaurant quality on consumer behaviour outcomes and there have been very few research focused on the full-service restaurant .Thus, the purpose of this research is to complement existing research on the effect of restaurant quality attributes on consumer behaviour outcomes in full-service restaurant industry. To ensure that long-term success of the restaurant, the attributes of restaurant quality and the consumer behaviour outcomes are important. Therefore, it is a need to study and identify the factors which facilitate the consumer behaviour outcomes

1.3 Research Question

- What is the relationship between the attributes of restaurant quality and consumer behaviour outcomes?
- What is the most important restaurant quality attributes on consumer behaviour outcomes in full-service restaurant industry?

1.4 Research Objective

- To examine the relationship between the attributes of restaurant quality and consumer behaviour outcomes.
- To determine the most important restaurant quality attributes on consumer behaviour outcomes in full-service restaurant industry.

1.5 Scope of Study

This study is carrying out among the respondents in Malaysia and focus on the full-service restaurant sector. The scope of this research is to identify the restaurant quality attributes that impact the consumer behaviour outcomes in full-service restaurant. There are three restaurant quality attributes will influence on consumer behaviour outcomes, which are food quality, service quality and atmosphere. Furthermore, this research also to determine the strongest impact on consumer behaviour outcomes among the restaurant quality attributes.

1.6 Limitation of Study

The study has several limitations. The first limitation of this study is the limited of time. Researchers are given a short period of time to finish this research. Due to the sample size is 350 consumers, thus the time constraints is a time limitation in conducting the survey. Another limitation of this study is lack of cost to collect the data for the research. This study facing high cost of collecting information and distributing the questionnaire to respondent for data collection. Moreover, another constraint is the methodological limitations. In this study researchers examine the relationship between the attributes of restaurant quality and consumer behaviour outcomes in full-service restaurant only using the quantitative method which is survey questionnaire. Instead there are several other types of methods can be used to conduct a research.

1.7 Significance of Study

This research is to give an overview for entrepreneurs of full- service restaurants about the influence of restaurant quality attributes on consumer behaviour outcomes. Entrepreneurs able to get more detail information about the customer needs and expects to increase the customer satisfaction, recommendation or word - of - mouth and return intention by examine the restaurant quality attribute on consumer behaviour outcomes. Hence, this study also will identify the most important restaurant quality attribute on consumer behaviour outcomes. Therefore, the result will serve as a useful reference for entrepreneurs in the restaurant field.

1.8 Summary

This chapter will summarize the research focuses on the effect of restaurant quality attributes on consumer behaviour outcomes in full-service restaurants. This chapter describes the background of the study, problem statement, research questions, objective, scope and the research limitation as well as its research significant. In Chapter 2 will continue the study by reviewing the literature for each variable in this research in order to give a clear explanation for the concept of this research and proposed a theoretical framework.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

The intention of this study is to have a better knowledge and understanding of the restaurant quality attributes in association with customer satisfaction and behavior intention. Hence, this chapter will be providing literature reviews and theories related to restaurant quality attributes on consumer behaviour outcomes in full-service restaurant. It consists of restaurant quality attributes which are food quality, service quality and atmosphere quality; and consumer behaviour outcomes which include customer satisfaction and behavioral intention. This chapter reviewed the concept theories previous studies that are consists of relevant to this study in order to provide a direction and to support the study. There are many books, journals, and existing researches will be utilized as reference. Moreover, the research theoretical framework will also be developed after reviewing the past literature in order to ensure the relationship between all the variables is logical. Lastly, researchers have developed three hypotheses in this chapter for this study.

2.2 Restaurant Quality Attributes

In a restaurant setting, there are many quality factors that could influence the customer's satisfaction. Research has suggested that food, atmospherics, and service are three major components of the restaurant experience (Dulen, 1999; Susskind and Chan, 2000). According to Dulen (1999), asserted that food, physical environment, and service are the major features in increasing the accuracy of customer assessments of restaurant's quality.

Full-service restaurant is a place that provides food and beverages to customer and served by a service employee, after that the customer pay for those foods and services. Accordingly, customers expect a certain level of quality and usually evaluate quality and the dining experience as a whole based on a set of attributes the restaurant provides. Food, service and atmosphere are important attributes of a customer's restaurant dining experience and are the three commonly factors that could influence the customer satisfaction and customer behaviour outcomes (Jang and Namkung, 2009; Kwun, 2011).

2.2.1 Food Quality

Food quality is in general considered as the most essential component of the overall restaurant experience and it considered being a very important dimension of restaurant quality of dining experience (Namkung & Jang, 2007; Ha & Jang, 2010; Ryu & Han, 2010). According to Peri (2006), food is the core product of a restaurant so that the food quality is an absolute requirement to satisfy the needs and expectations of restaurant customer.

Food quality evaluated based upon various characteristics. For example, Kivela, Inbakaran and Reece (2000) recognized temperature, presentation, menu variety and tastiness as four key attributes of food quality, while Raajppot (2002) stated the food presentation, serving size, menu design, and variety of food to estimate food quality in the foodservice industry. Furthermore, Sulek and Hensley,

(2004) stated that the nutritious of food has become increasingly important. Recently, Namkung and Jang (2007) recognized the six dimensions of food quality such as presentation, menu item variety, healthy options, taste, freshness and temperature.

According to Namkung and Jang (2007), presentation is refers to how attractively food is presented and decorated. In addition, Kivela et al. (2000) pointed out that the presentation of food is a key of food attribute in modeling customer satisfaction and return intention. Nowadays, people always capture picture of food before dining and post it on their own social media. This will attract more customers and meanwhile increase the profit of the restaurant.

While, menu item variety involves the assortment or number of different menu items. In previous studies, menu item variety was a crucial attribute of food quality in creating customer satisfaction (Kivela et al., 2000; Raajpoot, 2002). Malaysia has multicultural and multiracial population consisting of Malays, Chinese, Indians and numerous indigenous peoples. Every race has own styled cuisine. Hence, restaurants can constantly develop new menus or offer more variety of food to entice diners and customer will have more choice.

Healthy options involve offering nutritious and healthy food. According to Namkung and Jang (2007) stated that healthy food could have a significant effect on customer perceived evaluation of the dining experience. Kivela et al. (2000) stated that healthy foods are importance in restaurants and suggested nutritious food can modeling customer satisfaction and return. Moreover, nowadays restaurant customers are increasingly interested in healthy menu items (Sulek & Hensley, 2004). For example, meals that are low in fat and low in carbohydrates.

Taste refers as a key attribute in food in the dining experience (Namkung & Jang, 2007). Taste of food in restaurants has become increasingly important because many customers have become food savvy (Cortese, 2003). Furthermore, the taste of customer always changes and they always prefer delicious meals. For example, there are many Malaysian youth customers who prefer hot and spicy food available in fast food and food courts (Bo, 2011). Thus, taste is usually believed to influence restaurant customer satisfaction and future behaviour intentions (Kivela et al., 2000).

Freshness refers to the fresh state of food and appears to be related to crispness, juiciness, and aroma (Peneau, Hoehn, Roth, Escher & Nuessli, 2006). In previous studies, freshness of food has been cited as a crucial intrinsic quality cue of food (Acebron & Dopico, 2000; Kivela et al., 2000). According to Kennedy, Stewart-Knox, Mitchell and Thurnham (2004), in order to judge freshness, product appearances were utilized. For those consumers who shop at the traditional markets in Malaysia, they are often able to touch the meat to determine its freshness before deciding to buy (Chamhuri & Batt, 2009). Moreover, a freshness of ingredients can increase the taste of food.

Temperature is also a sensory element of food quality (Johns & Tyas, 1996; Kivela et al., 2000). According to Delwiche (2004), temperature is interacting with other sensory properties such as taste, smell, and sight. Temperature of food plays a critical role in food safety because the food can born large number of bacteria and it may cause food poisoning. Thus, temperature could be considered as one determinant enhancing pleasure in the food experience (Kahkonen, Tuorila & Hyvonen, 1995).

Moreover, previous research has shown that the importance of food quality in restaurant setting. For example, Mattila (2001) and Liu and Jang (2009) found that food quality is a key predictor of customer loyalty and influencing post dining behavioral intentions. Customer will always return to a restaurant that provides a delicious food. Sulek and Hensley (2004) also reported that food quality was the most important factor influencing satisfaction when compared with other attributes of the restaurant, such as atmosphere and service quality and is the only factor predicting behavioral intention. In addition Gupta et al. (2007) report that food quality is most important attribute, followed by price, greeting, and service. According to Namkung and Jang (2007) found a positive relationship between food quality and satisfaction and behavioral intentions and reported that food quality is the most important factor affecting customer's dining experience in a restaurant setting.

Recently, Ryu and Han (2010) and Jeong and Jang (2011) confirmed that quality of food served as the greatest contributor to the restaurant image, which in turn affects customer perceived value, customer satisfaction, and behavioral