THE EFFECTIVE COMMUNICATION OF EMPLOYEES IN FAST FOOD OUTLET ON CUSTOMERS PURCHASE INTENTION

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I hereby declare that I have read this project paper and on my view this project paper is sufficient in term of scope and quality for Bachelor of Technopreneurship

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DECLARATION OF ORIGINAL WORK

"I hereby declare that this project paper is the result of my independent work except the summary and excerpts that have been specifically acknowledgement"

Signature   :
Name   : NORHAIZAN BINTI MUHAMAD
Date   : JUNE 2014

DEDICATION

To my beloved father and late mother

Muhamad bin Tahir

Halimah binti Jusoh

To my beloved brothers and sisters-in-law

To my true love

To my beloved friends

ACKNOWLEDGEMENT

ABSTRACT

This research is aimed to know the extent the effective communication of employees in fast food outlets affects customers' purchase intention. The researcher also wants to identify the element of effective communication of employees in fast food outlets affects customers' purchase intention. There three independent variable that was discussed in this research, which are the nonverbal communication, verbal communication and electronic word of mouth communication towards customers purchase intention. Furthermore, the researchers also have been doing some literature review of this research. This descriptive research using the quantitative method to analyze the data obtained. The researcher uses multiple regression analysis (MRA) to measure which the effective communication is significant to the customer's purchase intention. After make analysis of data findings in chapter 4, the effective communication that has had strong impact is verbal communication. The researcher made some of recommendation to improve the research for the future.

Keywords: Fast Food Outlets, Effective Communication, Nonverbal Communication, Verbal Communication, Electronic Word of Mouth Communication, Purchase Intention, Descriptive Research, Quantitative Method

ABSTRAK

Kajian ini bertujuan untuk mengetahui tahap komunikasi yang berkesan di kalangan pekerja di kedai makanan segera yang memberi kesan kepada niat pembelian pelanggan. Penyelidik juga mahu mengenal pasti elemen komunikasi yang berkesan di kalangan pekerja di kedai makanan segera yang memberi kesan kepada niat pembelian pelanggan. Terdapat tiga pembolehubah bebas yang telah dibincangkan dalam kajian ini, iaitu komunikasi bukan lisan, komunikasi lisan dan perkataan komunikasi elektronik mulut terhadap niap pembelian pelanggan. Tambahan pula, para penyelidik juga telah melakukan beberapa kajian literatur dalam kajian ini. Kajian deskriptif dengan menggunakan kaedah kuantitatif adalah untuk menganalisis data yang diperolehi. Pengkaji menggunakan analisis regresi berganda (MRA) untuk mengukur samada komunikasi yang berkesan adalah penting kepada pelanggan membeli niat. Selepas membuat analisis penemuan data dalam bab 4, didapati bahawa komunikasi yang berkesan yang mempunyai kesan yang kuat adalah komunikasi lisan. Penyelidik juga membuat beberapa cadangan untuk meningkatkan penyelidikan untuk masa hadapan.

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WOM	=	Word of Mouth
MRA	=	Multiple Regression Analysis
P	=	Significant value
R	=	Correlation
N	=	Number of Respondent
SPSS	=	Statistical Package for the Social Sciences
ANOVA	=	Analysis of variance
KFC	=	Kentucky Fried Chicken

CHAPTER 1

INTRODUCTION

1.1   Background of the study

According to (Hossein, et al., 2011), the fast food industry is on in an upward trend. The demand for fast food product is now growing as it is a convenience which suits the lifestyle of customers. With the changing lifestyle of Malaysian consumers, more educated people and affluent, people tend to eat-out especially in fast food restaurants. Along with the heavily promote through media and information technology exposure, customers have a variety choice of fast food pattern and restaurants. Therefore, local, fast food restaurants have to be sensitive to these changing trends and to be innovative and get prepared to change accordingly to avoid from losing their existing and future potential customers.

The fast food outlets in Malaysia are facing increasing competitive challenges as with other industries around the world. Nowadays, almost all the fast food outlets focus on several ways to increase their service quality in order to increase the level of satisfaction among their customers and thus increase their purchase intentions as well as loyalty (Qin & Prybutok, 2008; Gillbert, Veloutsou, Goode et al., 2004; Kara, Kaynak, & Kucukemiroglu, 1995). In Malaysia, fast food outlets such as McDonald's, KFC and Pizza   Hut   are   undergoing   dramatic   transformations   and   are   experiencing

heightened competition (Yap & Kew, 2007). For instance, McDonald's, KFC and Pizza Hut are striving hard to offer superior and unique service to their customers.

For the research, I have choose McDonald. It is because McDonalds is the one of the leading restaurant chains in the world, touching the lives of people every day. They improved their quality of products and services with the time. In the past McDonalds did not have drive through and 24 hour service. All of them are open for late nights. McDonalds primarily sells hamburgers, cheeseburgers, chicken products, French fries, breakfast items, soft drinks, milk shakes, and deserts. In this McDonald's, the cashier Especially Employees play an important role to attract customers. Mostly cashier is in the front and attend the new customers. The cashier who is attending customer is very friendly and has good communication. All staff members are trained well before to communicate effectively. To communicate well, it is necessary to talk politely and use gestures to convey meaning. The employees give customer satisfaction through good customer service using communication.

According to Elizabeth and Richard (2013), communication is the process whereby one conveys ideas, opinions, attitudes, feelings, sentiments, beliefs, or impressions on others. It is a means by which one sends and receives information. Effective communication is an essential part of a smoothly running business organization. Communication involves the transmission of information from a source (or a number of sources) to receivers. The information is communicated in the form of a message. In the modern organization, there will be multi-channel flows of communication. Increasingly, these interactions will be carried out by electronic media such as through a sales website, email communications and other means.

Communication is the process of sharing ideas, information, and messages with others in a particular time and place. According to Encarta (1998), communication includes writing and talking, as well as nonverbal communication (such as facial expressions, body language, or gestures), verbal communication and electronic word of mouth communication. Communication is a vital part of personal life and it can improve the customer's purchase intention.

1.2   Problem Statement / Research Questions

In this study, the researcher would like to highlight the issue of effective communication that used among employees in the fast food industry. Now, the problem of communication occurring in the mass media such as television, internet and communication devices such as marketing other ads created by using banners, bunting, billboard and so on is one of the problems that will make consumers feel cheated, confused and disappointed if any advertised and offered not the same as it was shown. Therefore, employees should play an important role to ensure the communication provided is right and clear to persuade customers to buy more. Therefore, researcher need to know which communications have an impact on customers purchase the intention.

One of the most important tasks for employees of McDonald is, they must know how to communicate with their customers. Because different employees are influenced by messages in different ways, if they fail to attract attention or they are misinterpreted, it will give effect on customers' purchase intention and waste a lot of money on marketing. Research questions are constructed as follows:

i.   To what extent does the effective communication of employees in fast food outlet affect customers purchase intention?

ii. Which element of effective communication of employees in fast food outlet affect customers purchase intention?

1.3   Research Objectives

The objectives of the study are as follows:

i.   To know the extent the effective communication of employees in fast food outlet affects customers purchase intention.

ii.   To identify the element of effective communication of employees in fast food outlet affects customers' purchase intention.

1.4   Scope

The scope of the research is to investigate the effective communication of employees in fast food outlets affects customers purchase intention in Malacca. The researcher has chosen McDonald's in the area of Malacca.

However, to achieve the goals and the objective of this research, the scope of the research is to investigate the several variables that affect on customers' purchase intention. Besides, in this research also is to identify the element of effective communication of employees in fast food outlets affects customers' purchase intention.

1.5   Flow of the Study

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┌──────────────────────┐   ┌──────────────────────┐   ┌──────────────────────┐
│ Objective of research│   │  Scope of research   │   │ Important of the study│
└──────────┬───────────┘   └──────────┬───────────┘   └───────────┬──────────┘
           └──────────────┐           │          ┌────────────────┘
                          ▼           ▼          ▼
                    ┌──────────────────────────────┐
                    │      Literature Review        │
                    └───────────────┬──────────────┘
                                    ▼
                    ┌──────────────────────────────┐
                    │ Data Collection               │
                    │    •  Quantitative            │
                    │       Research                │
                    │       -Questionnaire          │
                    └───────────────┬──────────────┘
                                    ▼
                    ┌──────────────────────────────┐
                    │        Data Analysis          │
                    └───────────────┬──────────────┘
                                    ▼
                    ┌──────────────────────────────┐
                    │    Interpretation of finding  │
                    └───────────────┬──────────────┘
                                    ▼
                    ┌──────────────────────────────┐
                    │   Report Preparation and      │
                    │        Presentation           │
                    └──────────────────────────────┘
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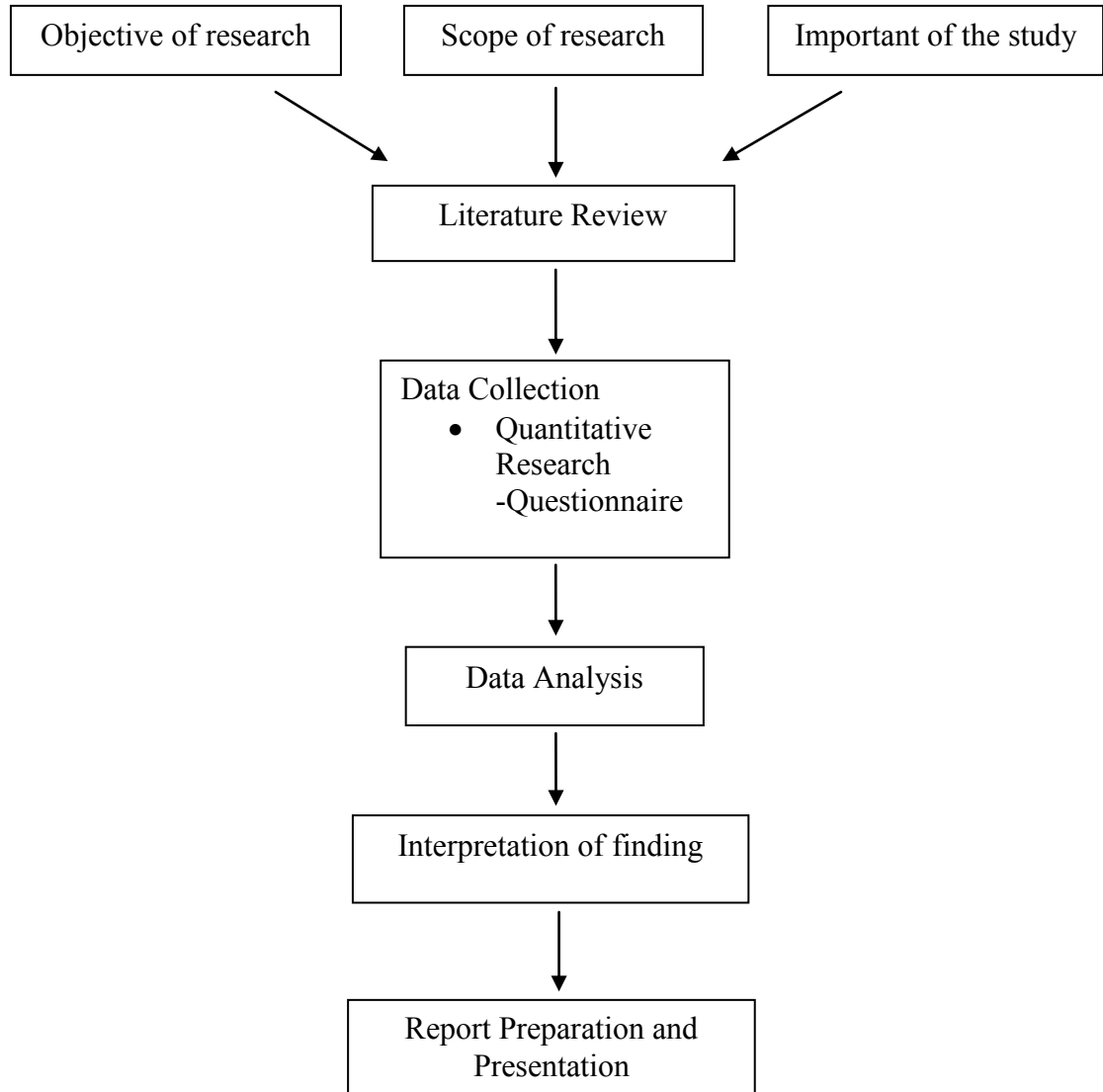
Figure 1.1: The Flow of Study

1.6   Limitation

There are two limitations are identified in this study. Firstly, the study is to investigate the effective communication of employees in fast food outlets affects customers' purchase intention.

Secondly, the researcher was assumed that all of the respondents involved in this study would be honest in answering the questions.

1.7   Summary

The overall overview of this chapter was covered the background of the study that shown the fast food industry in Malaysia actually McDonald. The problem statement identified the reason of this research. The overall overview is followed by the objective of this research which states the related variable for this research. The research objective is to answer the research question. To examine communication that influence on the customers purchase intention, the researcher will be able to get more detailed information to meet the consumers need and requirements. After that, it discusses the scope of the study which is focused on the region for this research. Lastly, the researcher should be concerned about the limitations of the study, which can affect the research.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This chapter consists of definitions and the terms of the journals, articles, books and any written sources related to the strengthening of this study. All definitions used in this study as evidence for a study supported by previous writers about the theory used in the literature for reference. It helps to emphasize a topic to discuss and come out with a stronger proof. This chapter is about all of the research literature as a source for research. In this research, the independent variable of effective communication divided by three. They are nonverbal communication, verbal communication and electronic word of mouth communication. Then, the purchase intention is the dependent variable in this research.

2.2   Overview of Communication

According to Encarta (1998), communication includes writing and talking, as well as nonverbal communication (such as facial expressions, body language, or gestures), verbal communication and electronic word of mouth communication. Communication is a vital part of personal life and is also important in business, education, and any other situations where people encounter each other.

Effective communication helps better understand a person or situation and enables to resolve differences, build trust and respect, and create environments where creative ideas, problem solving, affection, and caring can flourish. As simple as communication seems, much of what try to communicate to others and what others try to communicate. According to effective communication combines a set of skills, including nonverbal communication, attentive listening, the ability to manage stress in the moment, and the capacity to recognize and understand your own emotions and those of the people you're communicating with.

2.3   Term in communication

2.3.1   Sender

The sender is somebody or something that sends or transmits something. To establish as an effective communicator, they must first establish credibility. In the business arena, this involves displaying knowledge of the subject, the employees and the context in which the message is delivered. They must also know their audience (individuals or groups to which they are delivering their message such as customers).

Failure to understand who they are communicating to will result in delivering messages that are misunderstood (Fowler, 2005).

2.3.2   Message

The message is a communication in speech, writing, or signs. In communication, the message conveyed is very important to improve the understanding of a person. Written, oral and nonverbal communications are affected by the sender's tone, method of organization, the validity of the argument, what is communicated and what is left out, as well as individual style of communicating. Messages also have intellectual and emotional components, with intellect, allowing us the ability to reason and emotion, allowing us to present motivational appeals, ultimately changing minds and actions (Fowler, 2005).

2.3.3   Channel

A channel is a course or a means of communication or expression. Messages are conveyed through channels, with verbal including face-to-face meetings, telephone and videoconferencing; and written, including letters, emails, memos and reports (Fowler, 2005).

2.3.4   Context

The words or phrases or passages that come before and after a particular word or passage in a speech or piece of writing and help to explain its full meaning (Encarta, 2005). The situation in which the message is delivered is the context.

2.4   Effective communication

Effective communication helps us better understand a person or situation and enables us to resolve differences, build trust and respect, and create environments where creative ideas, problem solving, affection, and caring can flourish. As simple as communication seems, much of what we try to communicate to others and what others try to communicate to gets misunderstood, which can cause conflict and frustration in personal and professional relationships. By learning these effective communication skills, the employees of McDonald can connect better with customers (Lawrence et al., 2014).

2.5   Non verbal communication

Hanafiah A.R (nd) stated nonverbal communication use sign languages, symbols, and devices that produce sounds that relay messages to people. This shows that the communication process is based on the combination. Nonverbal communication is a powerful way to contribute to (or detract from) success in communicating messages to the customers. Nonverbal communication is the process of conveying a message without the use of words. It can include gestures and facial expressions, tone of voice, timing, posture and where you stand as you communicate (Schmitz A., 2012). Bello (1997) states some forms of non-verbal communication are gestures, kinesics (body movements), physical appearance, paralanguage (vocal sounds: tone, voice, pitch or loudness). Proper use of facial expressions, body movements, eye contact, and pitch of voice helped the employees to provide better understanding of the customer's purchase intention.

At the fast food restaurant, (Kniemann, 2011) realized that there were two main types of feeling that were being communicated by the nonverbal communication of both the customers and workers, through facial expressions and body movements. The study