

NURAIN FASIHAH BINTI RAMZUZZAMAN

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ANALYZING THE ADOPTION FACTORS TOWARDS BEHAVIOUR INTENTION
TO USE SERVICE INNOVATION TECHNOLOGY IN RESTAURANT

NURAIN FASIHAH BT RAMZUZZAMAN

UNIVERSITI TEKNIKAL MALAYSIA MELAKA

SUPERVISOR'S APPROVAL

'I hereby declared that I have read this thesis and this research is sufficient in terms of scope and quality. This project is submitted to Universiti Teknikal Malaysia Melaka as a requirement for completion and reward Bachelor Degree in Technology Management (Technology Innovation) with Honours (BTMI).'

Signature :
Name of supervisor : Prof Madya Dr. Juhaini binti Jabar
Date : 7th June 2017

Signature :
Name of panel : Prof Madya Dr Md Nor Hayati
Date : 7th June 2017

ANALYZING THE ADOPTION FACTORS TOWARDS BEHAVIOUR
INTENTION TO USE SERVICE INNOVATION TECHNOLOGY IN
RESTAURANT

NURAIN FASIAH BT RAMZUZZAMAN

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DECLARATION

“I hereby declare that this project paper is the result of my own and independent work except the summary and experts that have been specifically acknowledgement”

Signature :

Name : NURAIN FASIHAN BT RAMZUZZAMAN

Date : 7th June 2017

DEDICATION

This paper is dedicated to both my father and mother who always motivate me in completing this research. They always give me support and advice to me in order to fulfill the requirement of the research. Without their support and motivation, it will be impossible for me to complete the research.

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ABSTRACT

Service innovation is a new development that is crucial in maintaining the competitive advantages for business and services. The steps towards service innovation requires creativity and willingness. Furthermore, service innovation are very important especially for restaurants in order to increase productivity and efficiency of the business. Thus, to encourage the intention to use service innovation technology for restaurants, a few factors should be analyzed. Basically, this research were conducted in order to analyze the adoption factors towards behavior intention to use service innovation technology in Restaurant. The adoption factors choose were based on three adoption theory that is Technology Acceptance Model (TAM), Theory of Reason Action (TRA) and Diffusion of Innovation. These theory was referred to while developing the adoption factor for service innovation in restaurant. To collect and analyze data, this research are using quantitative data analysis. Questionnaire were distributed as a primary data collection to more than 500 respondent. Result for this research will be analyze using SPSS to test relationship with variable.

Keywords: Service Innovation, Restaurant, Behavior Intention

ABSTRAK

Inovasi perkhidmatan merupakan satu perkembangan baru yang sangat penting dalam mengekalkan kelebihan daya saing untuk perniagaan dan perkhidmatan. Langkah-langkah ke arah inovasi perkhidmatan memerlukan kreativiti dan kesediaan. Tambahan pula, inovasi perkhidmatan adalah sangat penting terutama bagi restoran untuk meningkatkan produktiviti dan kecekapan perniagaan. Oleh itu, untuk menggalakkan niat untuk menggunakan teknologi inovasi perkhidmatan bagi restoran, beberapa faktor perlu dianalisis. Pada asasnya, kajian ini telah dijalankan untuk menganalisis faktor-faktor penggunaan ke arah tingkah laku niat untuk menggunakan teknologi inovasi perkhidmatan di Restaurant. Faktor-faktor penggunaan pilih adalah berdasarkan kepada tiga teori diterima pakai iaitu Technology Acceptance Model (TAM), Theory Reasoned Action (TRA) dan Penyebaran Inovasi. teori ini telah dirujuk semasa membangunkan faktor penerimaan pakai bagi inovasi perkhidmatan di restoran. Mengumpul dan menganalisis data, kajian ini menggunakan analisis data kuantitatif. Soal selidik telah diedarkan sebagai koleksi data utama kepada lebih daripada 500 responden. Keputusan kajian ini akan menganalisis menggunakan SPSS untuk menguji hubungan dengan pembolehubah.

Kata Kunci: Servis Inovasi, Restoran, Niat kelakuan

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LIST OF ABBREVIATIONS

BI	=	Behavior Intention
CP	=	Complexity
CT	=	Compatibility
DV	=	Dependent Variables
EFA	=	Exploratory Factor Analysis
ESS	=	Employee Self Service
IV	=	Independent Variables
O	=	Observability
RA	=	Relative Advantage
SPSS	=	Statistical Package for the Social Sciences
T	=	Triability
TAM	=	Technology Acceptance Model
TRA	=	Theory of Reasoned Action
W	=	Willingness to Change

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CHAPTER 1

INTRODUCTION

This chapter will introduce the analyzing of adoption factors towards behavior intention to use service innovation in restaurant. Apart from that, this chapter also will provide all the problem statement arise, research questions and also research objective for this research.

1.1 BACKGROUND OF STUDY

Five driver of productivity growth alongside skills, investment, enterprise and competition would be innovation. In depth of that, there is also a study that indicate a technology or innovation has tremendously revolutionized restaurant industry (Vivek Ranjan, Nikesh Masiwal, 2015). Which shows how much the restaurant services has evolve from a traditional ways of serving to the use of technology and innovation in serving the customers. On the other hand, not all restaurant are open to this kind of innovation. Some restaurants are still attached to their conventional ways of handling business. This conventional ways has actually prevent the restaurant industry from experiencing the ultimate impact of innovation.

Referring to a study, it has been said that technological enhancement and innovation in restaurant service has improved the growth of restaurant industry (Farsani, Sadeghi, Shafiei, & Shahzamani Sichani, 2016). This research has proved that service innovation

in restaurant has received a very encouraging responses. Innovation can be perceived as a fresh ideas or brain wave that resulting in creation of new products, process, technology and etc. In order to improve services in restaurant, it would be best if restaurants owner using this opportunity to applying innovation concomitant to this technology era.

In Malaysia, restaurants that adopt the use of technology in their services are fast food restaurant such as Pizza Hut, McDonalds, KFC and Bistro like restaurant. These restaurants improve their productivity and can deal with large amount of customers at one time. Lots of full service restaurant in Malaysia still does not adopt use of technology in their restaurant as some of them are not ready to change. This research will test few factors to analyze the reason for these full service restaurant not adopting the use of technology in their daily routine. Apart from optimizing the productivity of a restaurants, innovation in service can also increase customer satisfactions. In the past years, rapid development of restaurant technology played decisive role in changing customers dining experience(Hsu & Wu, 2013).

The purpose of this chapter is to provide a brief background of this research paper is to analyze the adoption factor towards behavior intention to use service innovation technology in restaurant. Additional to that, this chapter also provide an overview of the flow of this study. A research problems, research objective and research questions will be provided next to emphasize the objective for this research. At the end of this chapter will be concludes with significance, scope and limitation and brief key concept of this study.

1.2 PROBLEM STATEMENT

Studies suggested that the technology adoption will lead to beneficial consequences on operation performance (Hsu & Wu, 2013). Well in this study, it can be said that technology adoption can lead to an increase of productivity of service in full service restaurant. But most of full service restaurant in Malaysia chooses not to adopt innovation in their services which actually deteriorate their ability in providing much better service. Restaurants nowadays still using traditional ways of servicing customers that one of it is paper-based menu. Findings of a study results that technology did help to enhance service quality as it confirmed customer has experience greater usability using a tablet-driven menu compared to paper based menu. (Hsu & Wu, 2013).

In this research, researcher also would like to acknowledge the factors that can change behavior towards adopting technology for full service restaurant in Malaysia. Malaysia is one of the developing country in this world and as we are reaching towards the era of technology, it is possible for all these restaurant to also follow the trend nowadays and moved towards innovative measures. But most restaurant owner are afraid of trying new things as they are worried that they consequences is bad for their business. Restaurant owners are satisfied with the traditional ways of serving customer as that is the way that they are accustomed to.

The factors that will be consider in moving towards technology adoption are the relative advantage of those technology towards restaurant services, compatibility of the technology, complexity of using the technology and also the willingness to adopt the new technology.

1.3 RESEARCH QUESTION

To pursue the research related to the factors affecting the adoption of service innovation by full service restaurant, this study needs to answer the following questions:

- I. What are the service innovation can be used in full service restaurant?
- II. What are the factors that affecting the service innovation adoption?
- III. What is the relationship of adoption factors towards behavior intention to use service innovation in restaurant ?

1.4 RESEARCH OBJECTIVE

The research objective if this study is:

- I. To identify service innovation for full service restaurants
- II. To uncover the factors affecting service innovation adoption
- III. To analyze the relationship of adoption factors toward behavior intention to use service innovation technology

1.5 SCOPE, LIMITATION AND KEY ASSUMPTION

1.5.1 Scope

The researcher focus on the factors that affecting the intention in using technology for service innovation in full service restaurant as the independent variable and the adoption of the technology in the full service restaurant as the dependent variable. The researcher wants to investigate on the factors that will affect the use of technology as their service innovation, whether these factors will be the concern of these full service

restaurant owner. Thus questionnaire will be distributed to 250 restaurants owner. Secondly, the researcher focus on the service innovation that can be adopt by the full service restaurant. Those service innovation will be introduced in the next chapter. Lastly, researcher will focus on the relationship of adoption factors towards behavior intention to use service innovation for the full-service restaurant. To generate the result survey will be conducted in Melaka and Kuala Lumpur area to 250 respondents.

1.5.2 Limitation & Key assumption

The limitation that need to be face by researcher in order to analyze the adoption factors towards behavior intention to use service innovation technology in full service restaurant are, firstly, researcher assume that respondent has adequate knowledge to be part of respondent for primary data collection. This because every necessary information are retrieved and analyze from the questionnaire answer. If respondent simply answer without thinking, it result produce will turn out wrong. Second limitation is, researcher assume that the respondent will provide honest answer. The answer must not be influence by any other resources except from their own experience and knowledge. Third limitation that will be face by the researcher is that researcher assume that the respondent has more experience in managing the restaurant as well as knew what kind of services that are preferred by the customer. The answer provide by the respondent should be justified by the respondent.

1.6 IMPORTANCE OF THE STUDY

The significance of this study is to analyze the factors affecting adopting technology of service innovation for full service restaurant. From these factors, the researcher will manage to generate result of reason for no service innovation was made in these full-service restaurants. The researcher will also can finalize whether the service innovation

are relevant for these full service restaurant. In order moving forward towards the era of technology or Internet Of Things (IOT)(Farsani et al., 2016), this research are significant to know the rate of full service restaurant that are interested in adopting the innovation onto their services. Apart from that, this research also can help in introducing suitable innovation for the full service restaurant. The restaurant owner can understands the need of the customer in which can help increase the profit and work ease for the restaurant. Additional to that, this research will also benefit future research as it already provided the future research on statistic of the factors that affecting the technology adoption by the full service restaurant. The future research also can learn the benefit of these service innovation towards customer satisfaction and develop another related research.

1.7 SUMMARY

This whole chapter introduced the readers of the essence that included for this research which is the background study, research objectives, research problems, scope, limitation key assumption and also the significance of this research for future study. For the next chapter, the researcher will describe the findings of literature study for the previous model study on Technology Acceptance Model, Diffusion of Innovation and Theory of Reasoned Action. The developed model of service innovation will be developed through the above model.