

CONSUMER'S INTENTION TOWARDS SELF-SERVICE TECHNOLOGY IN FAST
FOOD RESTAURANTS IN PERLIS MALAYSIA



VERIFICATION BY SUPERVISOR

I hereby declare that I had read this thesis and in my opinion, this thesis is adequate in term of scope and quality for the award Bachelor of Technology Management

(Innovation Technology)



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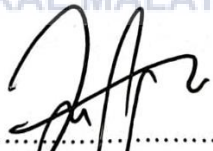
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CONSUMER INTENTION TOWARD SELF-SERVICE TECHNOLOGY IN FAST
FOOD RESTAURANT IN PERLIS MALAYSIA

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Report submitted in fulfilment of the requirement for the degree of Bachelor of
Technology Management (Hons) in Innovation Technology

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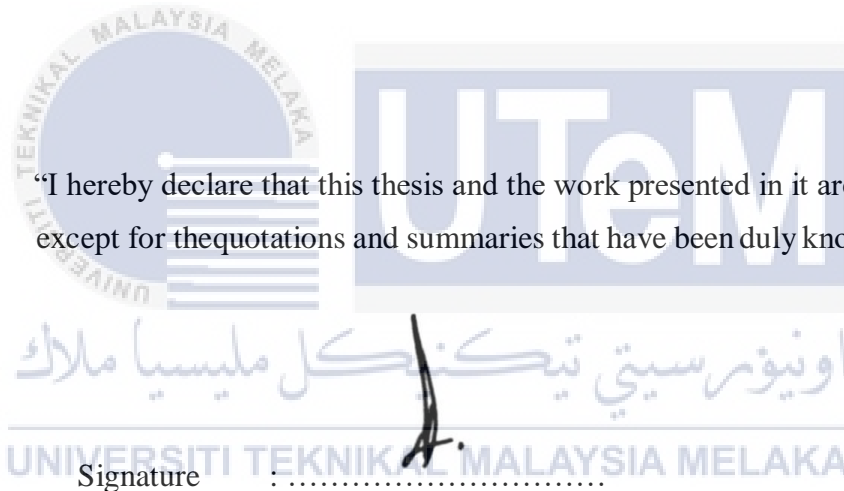
Faculty of Technology Management and Technopreneurship

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JUN 2020

DECLARATION OF ORIGINAL WORK

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“I hereby declare that this thesis and the work presented in it are my own except for the quotations and summaries that have been duly knowledge.”

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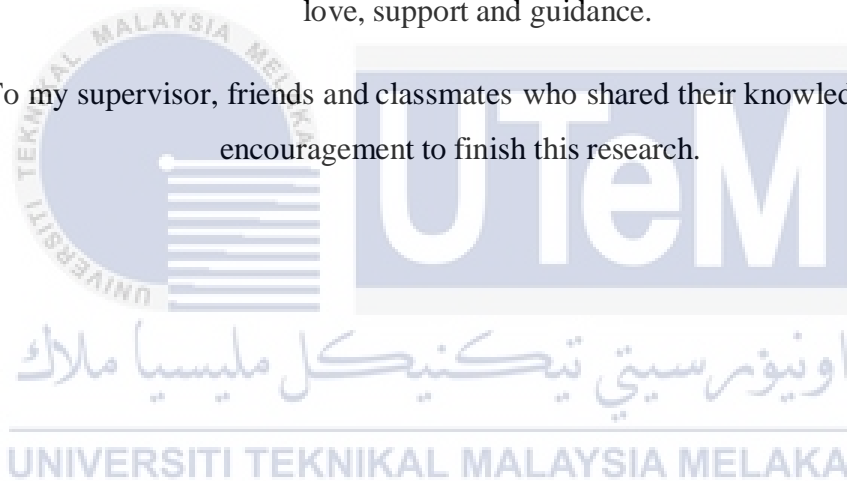
DEDICATION

This research paper is dedicated to my beloved parents.

A special feeling of gratitude to my loving parents for being the sources of my inspiration and motivation.

I will always appreciate them for giving us strength and continually provide their endless love, support and guidance.

To my supervisor, friends and classmates who shared their knowledge and encouragement to finish this research.



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ABSTRACT

Today, the self-service kiosk is the things that must have in fast food restaurant. Therefore, this research aims to investigate consumer's intention to use self-service technology in Perlis, Malaysia. This researcher chooses Perlis as research location because Perlis is state that is less developed in the field of technology in peninsular Malaysia. The specific problem that addressed in this study was lack of understanding how to use the technology and a lack of knowledge operate the system and consumers find it difficult to use. The purpose of this quantitative study was use technology Acceptance Model (TAM) as a purpose of framework to examine the factors that could influence consumer's intention toward self-service technology in Perlis. There are 3 factors such as perceived usefulness, perceived ease of use and perceived enjoyment with consumer's intention toward self-service technology. A quantitative research design was chosen to investigate the research problem and associated questions. The population for this study 20–39-year-old consumer in Perlis have 42,800 person. The target sample for this study was 100 respondents. Furthermore, the Partial Least Squares Structural Equation Modelling (PLS-SEM) had been conducted in this study.

Keyword: Self-service technology, PLS.

ABSTRAK

Hari ini, kiosk layan diri adalah perkara yang mesti ada di restoran makanan segera. Oleh itu, penyelidikan ini bertujuan untuk menyiasat hasrat pengguna untuk menggunakan teknologi layan diri di Perlis, Malaysia. Pengkaji ini memilih Perlis sebagai lokasi kajian kerana Perlis merupakan negeri yang maju dalam bidang teknologi di semenanjung Malaysia. Masalah khusus yang ditangani dalam kajian ini adalah kurang memahami cara menggunakan teknologi dan kekurangan pengetahuan mengendalikan sistem dan pengguna sukar untuk menggunakannya. Tujuan kajian kuantitatif ini adalah menggunakan Model Penerimaan Teknologi (TAM) sebagai rangka kerja untuk mengkaji faktor-faktor yang boleh mempengaruhi niat pengguna terhadap teknologi layan diri di Perlis. Terdapat 3 faktor seperti persepsi kebergunaan, persepsi kemudahan penggunaan dan persepsi keseronokan dengan niat pengguna terhadap teknologi layan diri. Reka bentuk kajian kuantitatif telah dipilih untuk menyiasat masalah kajian dan persoalan yang berkaitan. Populasi bagi kajian ini pengguna berumur 20–39 tahun di Perlis mempunyai 864,000 orang. Sampel sasaran kajian ini adalah seramai 100 orang responden. Tambahan pula, Pemodelan Persamaan Struktur Separa Kuasa Dua Terkecil (PLS-SEM) telah dijalankan dalam kajian ini.

Kata kunci: Teknologi layan diri, PLS.

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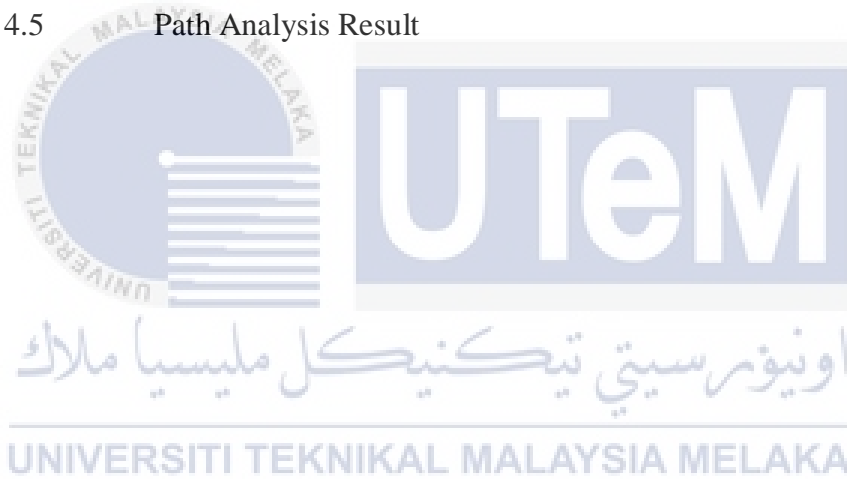
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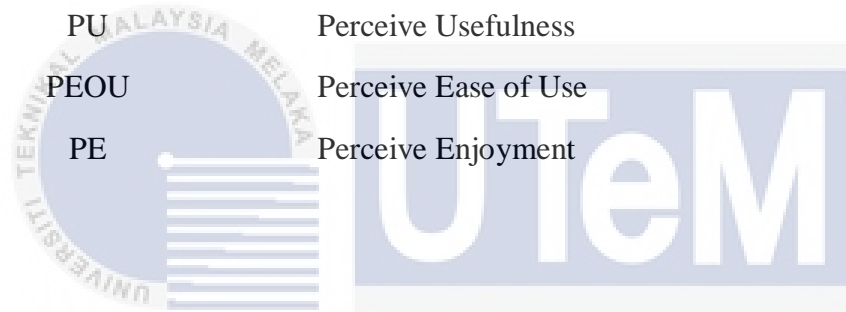
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LIST OF ABBREVIATIONS

UTeM	Universiti Teknikal Malaysia Melaka
PLS-SEM	Partial Least Squares Structural Equation Modeling
TAM	Technology Acceptance Model
SSTs	Self-Service Technologies
ICT	Communication Technology
SSK	Self-Service Kiosks
QSRs	Quick Service Restaurants
SSPS	Statistical Package for Social Science
PU	Perceive Usefulness
PEOU	Perceive Ease of Use
PE	Perceive Enjoyment



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CHAPTER ONE

INTRODUCTION



Technology-facilitated transactions are becoming more common in today's fast-paced environment. Instead of communicating with personnel, an increasing number of consumers are interacting with technology to achieve service outcomes. The expanding use of communication technology (ICT) and information in service technology has transformed service provider- customer interaction and promoted the standardization of many services. Self-service technologies (SSTs) are tools that allow customers to complete a task or transaction without interacting with a service representative (Baba, N.,2020)

In order to adapt to the new market condition and remain relevant and to obtain a competitive advantage, an increasing number of businesses are changing their business models. At the same time, new firms spring up in reaction to customer use of technology. In today's environment, technology infusion has

infused many products and services to provide improved end user's advantages. Service interactions are gradually being complemented by technology or changed entirely into SSTs (Agapi, A. ,2017).

Consumers benefit from SSTs since they are simple to use and take less time. Furthermore, introducing SSTs can reduce labor expenses, provide standardized services, reduce staff, and improve customer satisfaction from a corporate standpoint (Na, T. K.,2021). Fast-food restaurants would be able to come up with innovative ways to meet customers' requirements and wants in order to maintain their competitiveness in the business world. To put it another way, the fast-food restaurant establishment would have a competitive advantage over competitors like KFC, Wendy's, and others. It can stay up with internal tactics to beat the competition since they know the improvement of customer service to keep customers satisfied by understanding why people desire to utilize the self-service kiosk. (Yang,2019).

One of the signs of a market shift in fast food businesses is the development of unmanned payment systems. In just one year after adopting a kiosk system in 2017, KFC put kiosks in all of its normal locations, with the exception of special outlets. Among the main fast-food chains, KFC is the first to use a "100% kiosk" strategy. Burger King and McDonald's are increasing the number of kiosks they have. One kiosk is equivalent to 1.5 employees, according to the industry. Kiosks are chosen because they eliminate the risks involved with face-to-face services, despite the fact that they are not a novel technique to reduce labor expenses. (Lee, S.,2020).

Since clients are comfortable with online and mobile environment in many aspects of their daily lives, the consumption trend is moving toward unmanned services for convenience and familiarity. From recognizing product information to selecting a product and paying, customers can benefit from self-service that is quick and convenient and escape the psychological burden of dealing with face-

to-face conversations. As a result, unmanned kiosks are expected to become more prevalent in a range of locations (Lee, S.,2020).

1.1 Background of Study

A kiosk is one of the most prevalent types of SSTs, and it is now regarded as one of the restaurant industry's most recent developments. The restaurant's kiosk is an unattended payment system that allows customers to place orders or participate in service activities without having to interact with staff. Restaurant kiosks are expected to become a common and routine service for customers in the near future, since they not only establish an innovative technology infrastructure but also provide additional value to customers.

As new technology-based products and services enter the market, technology is playing an increasingly essential role in customer-firm relationships. Customers benefit from such products and services not just because they are quick and convenient, but also because they supply a variety of essential information. Most retail and service businesses benefit from the self-service option because it allows customers to accomplish some work that would otherwise be done by personnel, lowering labour costs and attracting more customers. Customers can also use SST during the service process to play the role of part-time employees, contributing to service quality, value, and satisfaction (Shim,2020).

Customers tell the waitress what they want on their menu, and the waiter writes it down in traditional food ordering. He then personally delivers the meal products to the consumer after delivering the order to the culinary department. However, this form of business procedure takes time and is inconvenient for the client (Awojide,2018). SSTs have completely replaced traditional interpersonal services. SSTs are implemented by businesses in order to increase profitability. This is because businesses see higher productivity and cost savings prospects, they maintain a consistent service environment because there are no people engaged, and they can handle extended service delivery hours (Agapi, A.,2017).

The technology is creating new lifestyle of society to improve the human lifestyle. Technology generates a win-win situation for everyone by providing benefits in all areas. Artificial Intelligence, the Internet of Things, Service Robotics, Blockchain Technology, M-Wallets, Mobile Applications, Self-Ordering Kiosks, and other technologies, enrich human lifestyles. Self-service kiosks are the main topic of this study. The term "self-service kiosks" refers to a stand-alone touch screen equipment that allows customers to create a service without the assistance of an employee. (Yang,2019).

Customers may customize their purchases using SSK, create a meal with greater process control based on their personal requirements, and pay quickly and easily. Nearly 80% of customers believe restaurant technological solutions are more practical, and 70% believe restaurant technology speeds up service and improves ordering accuracy. Customers are willing to pay higher prices at fast-food restaurants and pay an average of USD 2.47 if service is speedier, according to Kurien and Das (2017). A shorter waiting time will very certainly affect the customer's promise to use SSK. All of these variables indicate that the trend toward SSK is likely to grow more significant in the hospitality sector in general, but notably in the fast-food category (Ketimin,2021).

Self-service technology (SST) is an information and communication technology (ICT) that enables clients to design their own service, personal service, self-service, or a combination of the two with no or little help from staff or service providers. Because more consumers are willing to use these new technologies to create their own services, "high-touch and low-tech" tools and devices are being gradually supplanted by "low-touch and high-tech" alternatives. Restaurants utilise self-service kiosks (SSK) to let customers place, customise, and pay for their food and beverage orders, while hotels use them to provide hotel and area information as well as self-check in/out services. Self-service kiosk (SSK) technology has been rapidly adopted by quick service restaurants (QSRs) since it cuts labour costs and enhances service speed (JAMIL,2020).

The restaurant sector has become increasingly competitive. As a result, restaurant brands that want to win will be those that use modern technology to adapt to client needs the most effectively. Self-service kiosks (SSKs) have recently been employed by a number of restaurant chains to replace traditional point-of-sale systems. The goal of this study was to look into the many factors of customers' behavioural intention to use SSKs (El-Said,2020). Despite the fact that the relationship between technology and customer satisfaction has received increased attention in recent years, but no studies have examined consumer experiences with SSTs and how they view SSTs in a restaurant setting. As a result, this study employs a qualitative approach to investigate young people's SST-using experiences and attitudes on hospitality in connection to SSTs. This study looks into why young people prefer SSTs as a service approach in fast food businesses (Yang, Q.,2018).

The components influencing this study were identified, and this study has assisted researchers in analysing and comprehending why customers use SSK. The majority of SSK studies were carried out in a context of a safe food restaurant. In order to address these various issues, this study offers a conceptual model incorporating a technological acceptance model. As a result, this argument demonstrates how the customer in a fast food restaurant perceives and evaluates SSK. This study seeks to discover and clarify the relationship between the elements that affect fast food patrons' intent to continue using SSK (Ketimin,2021).

1.2 Problem Statement

SSTs are becoming increasingly popular, and they have the ability to enhance or even replace human services (Liu, C.,2022). Consumers, on the other hand, may not necessarily find technology-based services useful. Intentions to utilise self-service kiosks are reduced due to technological problems. Consumers find that the self-service kiosk is ineffective due to a technological issue, and they prefer to interact with a human. Customers will always be able to adjust to using a self-service technology if it has user-friendly features. Some people, on the other hand, do not like it because it causes them problems every time they try to use it. Because of a lack of understanding of how to use the technology and a lack of knowledge of how to operate the system, consumers find it difficult to operate. Furthermore, customers may find it difficult to understand or use. Consumers may also find it difficult to learn and apply (Yang, T, 2019).

According to (Latif, 2021), demonstrate that there is negative consumer feedback in the use of self-service technology (SSTs). The system still has several issues, particularly with menu choices and payment methods. This because some of the customers do not know the about menu that they want to order, so they need slowly see the menu to make decision. While the traditional style of food ordering, the customer can ask the cashier about the menu that restaurant provide, and they also can give some of the explement menu that customer maybe like it too. As a result, businesses must be able to create a positive customer experience by understanding what customers want, in order to increase customer satisfaction and loyalty. (Latif, 2021).

According to (Hamid, N.,2021) found the customer is difficult to obtain a table number into the system after selecting checkout. This is because they are not good at using a new system such as a kiosk that needs to enter the table number that has a mark on the kiosk. This situation can cause the customer to feel embarrassed for not being able to use the system properly. Secondly, customer is lack on the knowledge of technology and they do not know how to use SSTs to order as fast-food restaurant was using traditional system before this. Previously,

restaurants only used the traditional system by taking orders from employees without having to expend energy to choose for themselves.

Another issue was with SSTs interface, which was not user pleasant, and the instructions for food selection and meal customization were not clear enough. Obviously, this is a serious issue because clients may need extra time to choose their meal, generating a line to use SSTs (Hamid, N.,2021). The next issue was mentioned the payment system, which was claimed slowing down the ordering process due to a deceptive order number, and the "pay at counter" option appeared unnecessary as SSTs offered cashless transactions via credit or debit card (Hamid, N.,2021).

Customers' changing needs and demands have resulted in a wide range of customer service instruments. For example, in 2015, McDonald's used in the United States, self-service kiosks are used to cut labour costs. The lack of cash acceptance in self-service kiosks, on the other hand, is the fundamental reason for such low performance. Because cash users can make orders on the machine but must pay at the cash register, they cannot avoid the line like card users can. The kiosk may need to be updated or altered to handle cash transactions. One of the negative feedbacks also indicates that if you pay cash, you must return to the cashier queue, which is the primary reason why McDonald's ordering kiosks have a severe problem, rendering them unsuitable for a huge number of consumers (JAMIL,2020).

1.3 Research Questions

The research questions are the essential process where it provides the focus and framework about the direction of the study. Research question is fundamentally the key components as it can guide and provide a concise and more understanding guideline of this study. The research questions is state stated as below:

1. How does perceive usefulness influence consumer's intention to use self-service kiosks in fast food restaurant?
2. How does perceive ease of use influence consumer intention to use self-service kiosks in fast food restaurant?
3. How does perceived enjoyment influence consumers intention to use self-service kiosks in fast food restaurant?

1.4 Research Objectives

The objectives defined the factors influence people use self-service technology. This research studies have developed to stay focus and guide throughout the study. There are three research objectives stated as below:

1. To identify the usefulness of self-service kiosk in fast food restaurant.
2. To examine how self-service kiosk provide ease of use in fast food restaurant.
3. To analysis the enjoyment of self-service kiosk in fast food restaurant brings influence consumer to use.