THE DETERMINANTS OF CUSTOMER SATISFACTION AND BEHAVIORAL INTENTION AMONG RESTAURANTS IN KLANG VALLEY AREA OF MALAYSIA: A CONCEPTUAL STUDY

Dharaminder Kaur Chahal & Dr. Naail Mohammed Kamil

ABSTRACT

In recent past, research studies on the restaurant industry concentrated on variables such as variety of drinks with little focus on attributes such as food quality, service quality and atmosphere. The little amount of research highlighting these attributes if at all, were carried out in the Chinese and American systems, highlighting their value systems only. The present conceptual research is aimed at narrowing these research gaps by examining the impacts of service quality, food quality and atmosphere on customer satisfaction and behavioral intention in the restaurant industry, in the South-East Asian context, with particular emphasis on the Klang Valley region of Malaysia. This conceptual research is intended to carry out an in-depth review of literature pertaining to three independent variables (i.e. food quality, service quality and atmosphere) and two dependent variables (i.e. customer satisfaction and behavioral intention). Particularly, the study hypothesized that food quality, service quality and atmosphere will significantly influence customer satisfaction and behavioral intention in the restaurant industry in the Klang Valley region of Malaysia. Several implications of this study were further discussed.

Keywords: Customer satisfaction, behavioral intentions, food quality, service quality, atmosphere, restaurant.

INTRODUCTION

The food and beverage industry, and in particular the restaurant sector is known to be one of the most competitive industries in the world (Maze, 2013). There is continuous flux, in terms of new entrants, expansion and closing of businesses. Over the last half decade, Klang Valley has experienced a population growth spurt, drawing mainly middle to high income earners along with large numbers of tourists. The combination of these population segments creates a demand for good food; not just good, but restaurants that can offer healthy, nutritious and tasty foods, with a creative flair, both vegetarian and non-vegetarian. This coupled with convenience and a desire for a highly pleasant dining out experience, is cause to believe there will be consistent demand for consumer direct food establishments.

Additionally, the fact that global population has quadrupled over the last century and has been estimated by the United Nations to reach 9.7 billion by year 2050, along with rising incomes in developing countries, is reason to believe that it will drive up global food demand which is expected to increase anywhere between 59% to 98% by year 2050 (Elferink &
In the context of Malaysia, the current population of Klang Valley is 7.2 million, which is a quarter of Malaysia’s total population (Reporters, 2014). This would hence, trigger the demand for eating out more frequently by Malaysians.

In a study conducted by Khazanah Research Institute, it was found that the trend of eating out amongst Malaysians had almost doubled in the last three decades (Post, 2015). Also, the Malaysian Food Barometer claimed that according to a recent study conducted by Taylor’s University on the eating habits and food culture of the Malaysian population, it is observed that at least one out of two meals is eaten out by Malaysians (Tan, 2014). This common habit of eating out has become part of the Malaysian culture. Just as how shopping is the national pastime, similarly food, especially dining out, has become and is a national obsession. It is said social events in Malaysia typically revolve around food and/or dining out. This is accepted as a “National truth” when one peruses blogs on anything about Malaysia. Food, places to eat and dine, and having a good time, are synonymous with each other (Wonderfulmalaysia, 2007). In terms of young Malaysian consumers’ behavior towards organizations, a study showed that young adults in adults are quite CSR centric and show positive attitude towards organizations practicing CSR (Periyayya, Nair, Shariff, Roland, & Thanasseelan, 2016). Yet, when it comes to restaurants, perhaps, very less study if at all, has attempted to relate restaurants’ activities with CSR, particularly when it comes to eating out.

Eating out can also have negative consequences to a persons’ health. This is because in many instances, people discover insects in their food which lead to health problems such as diarrhea, food-poisoning and other foodborne diseases. The Selangor Health Department, a state run health department that also oversees Klang Valley, reported that complaints lodged by the public revealed, upon inspection, that cleanliness and hygienic practices were often violated by restaurateurs (Rajendra, 2014). This has in turn necessitated the need for this research. Hence, the purpose of this study is to evaluate the factors influencing customer satisfaction and behavioral intention among restaurants in Klang Valley.

The research is guided by the following research questions: (1) What is the effect of service quality on customer satisfaction among residents in the Klang Valley? (2) What is the effect of food quality on customer satisfaction among residents in the Klang Valley? (3) What is the effect of atmosphere on customer satisfaction among residents in the Klang Valley? (4) What is the effect of service quality on behavioral intention among residents in the Klang Valley? (5) What is the effect of food quality on behavioral intention among residents in the Klang Valley? (6) What is the effect of atmosphere on behavioral intention among residents in the Klang Valley?

LITERATURE REVIEW

Customer Satisfaction

Kotler and Keller (2006) defined satisfaction as “person’s feeling of pleasure against disappointment, which resulted from comparing a product’s perceived performance or outcome against his/her expectations. Rai (2008) however, believes that “perception is defined as consumer’s belief, concerning the service received or experienced” (Dudovskiy, 2012). It can be noted from both definitions that customer satisfaction captures the experiences of customers’ feelings and emotional attachments towards products sold in a particular organization. In a research conducted by Liu and Jang (2009), the researchers investigated American customers’ perceptions of Chinese restaurants in the United States of America (USA), using the Importance Performance Analysis (IPA) approach. The study also examined the attributes of Chinese
restaurant which influences American customers’ satisfaction and behavioral intentions. Overall, the findings of the Liu and Jang’s (2009) study indicates that food quality, service reliability and environmental cleanliness are three pivotal attributes that help create satisfied customers and post-dining behavioral intentions. It is noteworthy that even though the research looked at Chinese restaurants in the USA, the research does not seem to be aligned with the context of Chinese restaurants in the Malaysian context. Even though Malaysia is a multicultural nation with a significant Chinese population, however, the findings of this research may not be applied to Chinese restaurants in Malaysia due to intrinsic national cultural differences and other factors. The present research, thus, attempts to narrow the research gap by studying the particular attribute that influences Malaysian customers towards restaurants, including ethnic Chinese (Malaysian) restaurants.

A study by Chao et. al. (2012) investigated the influence of individualistic cultures (such as the American culture) and collectivistic cultures (such as the Chinese culture) on the interrelationship among five (5) main attributes namely: service quality, food quality, perceived value, customer satisfaction, and behavioral intentions. These attributes were examined in the fast-food industry in the United States and China. Overall, the results from the survey data collected indicated that national culture does have a moderating effect on the relationships and there are differences in the behavioral intentions of American and Chinese customers. More specifically, in the United States, service quality and food quality have stronger influence on customer satisfaction than in China. Also, the effect of perceived value on customer satisfaction and the effect of customer satisfaction and the effect of customer satisfaction on customers’ behavioral intentions are stronger in China than in the United States. Overall, the findings provide rare cross-cultural insights and thus serve as building blocks for strategies in the global fast-food domain. It is quite notable from this research that culture amongst countries does have an effect on customer satisfaction and their behavioral intentions. However, the present research is focused on restaurants in general and importance is not specifically placed on the fast-food establishments. Hence, the present research is narrowed on attributes affecting the customer satisfaction and behavioral intentions amongst restaurants in Klang Valley, Malaysia.

Owing to the fact that culture varies across regions, Ziqiong et. al. (2013) focused on how regional factors affect customer satisfaction in the food service sector. This research was conducted using hierarchical linear models in China. Ziqiong et. al. (2013) investigated the moderating effects on the most important attributes of restaurants. Overall, the results indicated that there is an apparent difference in customer satisfaction across regions. Regional consumption level can positively (negatively) moderate the relationship between food taste (physical environment) and customer satisfaction. It was also found that economic condition and population density have a negative moderating effect on the relationship between the physical environment and customer satisfaction. Educational levels, however, is said to have no regional effect on customer satisfaction. Since the physical environment and level of education differs across countries, these have not been focused in the current research which is confined within the Klang Valley only.

It can be observed that quite a sizable number of literature reviews pertaining to customer satisfaction on restaurants has been studied extensively across continents. However, most of the studies were concentrated on non-Malaysian contexts and cultures. Majority of the researches were either carried out in the Chinese or the United States’ business organizational contexts. These are research gaps that the present research intends to highlight.
Behavioral Intention

Behavioral intention (BI) is defined as a person's perceived likelihood or "subjective probability that he or she will engage in a given behavior" (Medicine, 2002). On the other hand, Armitage and Conner (2001) mentioned that BI is behavior-specific and operationalized by direct questions such as "I intend to [behavior]." with Likert scale response choices to measure relative strength of intention. Intention, however, has been represented in measurement by other synonyms (e.g., "I plan to [behavior]") and is distinct from similar concepts such as desire and self-prediction. Withal Ajzen (1991) argued that BI reflects how hard a person is willing to try, and how motivated he or she is, to perform the behavior.

With regards to BI, Mosavi and Ghaedi (2013) conducted a study on the behavioral intention in luxury fast food restaurants in Shiraz, Iran. Using stratified random sampling, Mosavi and Ghaedi (2013) explored how positive emotion mediates the impact of product quality and behavioral intentions. Similarly, Jani and Heesup (2011) conducted a study integrating both affective and cognitive contributors to customer satisfaction and relationship quality in explaining customers' behavioral intentions. This study is aimed at investigating factors that contribute to increasing full-service restaurant customers' behavioral intentions in the USA. It was found that among the nine hypothesized paths, six were supported and three new paths were included to improve the model fit. Affect is noted to be a major contributor to both customer satisfaction and behavioral intentions. Customer satisfaction is a direct antecedent to trust but indirect to commitment. It is noteworthy that there is a direct impact of service and performance on customer satisfaction. Despite the fact that these authors studied the positive emotions of customers and also considered the affective and cognitive factors, these however, do not seem to be in accordance with the current area of research which is focused specifically on the behavioral intentions of customers such as the number of return visits particularly in the Klang Valley context of Malaysia.

In another research conducted by Wang and Chen (2012) in Taiwan, the researchers discussed the relationships between restaurant attributes (i.e. service scope, waiting experience and food quality) and evaluative factors (i.e. perceived overall service quality and perceived value) in their predictions of future repurchase behavior intentions. It was found that the full-service restaurant operators want to obtain favorable behavioral intentions by providing better service scope, waiting experience and food quality, thus increasing customer perceptions of overall service quality and value. In the USA, however, using Anderson and Gerbing’s two-step approach, Namkung and Jang (2010) investigated the interrelationships among perceived service fairness, emotions and behavioral intentions in a restaurant context. As a result, setting reasonable prices and providing efficient services in a timely manner were found to be the key to negate negative emotion. At the same time, the findings suggest that providing high-quality tangible outcomes and intangible services are critical to evoke positive emotions and eventually to generate future favorable behaviors. It is notable that these authors considered not only the factors affecting behavioral intentions but also the emotions of their customers as a whole. Also, both tangible and intangible factors were considered. Overall, one may infer that the use of too many variables may affect the subject researched. Hence only three attributes are considered in terms of behavioral intentions in this conceptual framework namely: service quality, food quality and atmosphere.

Furthermore, another study was conducted by Eliwa and Ali (2006) in Stillwater, Oklahoma using self-administered closed-ended questionnaires. This research focused on investigating customers’ perception on the restaurants’ image, customers’ satisfaction and
restaurant loyalty. The results indicated that these attributes determined the magnitude of their relative importance to a specific market by linking customer behavior to restaurant loyalty. This emphasizes that the act of creating and maintaining a consistent image with overall satisfaction of a prime target market is crucial and this is more applicable for the upscale market segment. The operators should therefore place emphasis in developing high quality of food and service and should also train their employees to provide consistent friendly, attentive service customers. The author also mentioned that restaurant managers should be aware of the new product and add more varieties of drinks. Even though the term “restaurant loyalty” is used here, yet, it is believed that it is similar to “behavioral intention” as used in the current study. Similar to the study of Eliwa and Ali (2006), one can infer that “variety” of food and drinks in the restaurant business is essential. Conversely, the author provided a suggestion with strong emphasis on the “variety of drinks”. Even though this suggestion is acceptable, yet, it will be a great idea to place emphasis as well on the variety of food offered alongside beverages.

Service Quality

Reliability
Provision of quality service is of utmost importance in achieving success for a restaurant business. If a restaurant can master the art of providing excellent service and commit to selling good food, it would certainly have higher chances of success (Sandlin, 2007). Success in a restaurant business is possible with more visits from satisfied customers. Gustaffsson et. al. (2006) agrees that overall customer satisfaction has a positive effect in triggering customer loyalty and hence, increasing the number of revisits to the restaurant.

Recently in China, Tan et. al. (2014) studied the service quality and customer satisfaction in Chinese fast food restaurants. It was discovered that the use of quantitative and qualitative methodology provided a useful tool for service quality improvement in Chinese fast food restaurants. However, neither was there any mention on the attributes researched, nor about improvements in any specific area of research. Hence a literature gap arising because in the current conceptual framework, service quality is assessed based on both reliability and responsiveness. In another study conducted by Ghimire (2012) in Vantaa, Finland, service quality and customer satisfaction in the restaurant business was examined. The study adapted the use of both Quantitative and Qualitative methods with the use of questionnaire survey and a structured interview. The result of the research attempts to analyze the satisfaction of customers in the Nepalese restaurant Sagarmatha in Helsinki, as well as the service offered by the restaurant. Again, it may be inferred that the analysis of this research seems subjective and lacks details on the specific areas of service quality actually researched in which improvements are needed.

Responsiveness
In contrast to the immediate aforementioned paragraph, another study conducted by Othman and Don (2012) revealed that customer satisfaction of patrons in Malaysia depend on the capability of the restaurant in responding to the knowledge of its customers, competitors and the market condition as a whole. Further, it was also reported that responsiveness to customer’s knowledge had a positive effect on the business performance of a restaurant. This strategy is supported by Gupta et. al. (2007) who conducted a study demonstrating a methodology quantifying the links between three main characteristics of customer satisfaction, revisit intentions and restaurant
performance. This methodology indicates that restaurateurs who pay attention to food quality, menu-pricing and vigilant service tend to achieve higher sales growth. At the same time, it was also discovered that the number of repeated customers increased gradually over time. However, the strategy was challenged by Sankar (2008) who believed that food should be served and given with the manifestation of love. That way, one may infer that the number of revisits to the restaurant would increase because customers feel the positive vibes conveyed by the chefs, restaurateurs and other restaurant helpers. However, this study seems to lack practical details and specifics as it is mostly based on the preparation of food with love. On the other hand, Namkung and Jang (2010) found that the key to negate negative emotions from customers is by providing efficient services which would in turn generate favorable revisit behaviors’.

Food Quality

Hygiene
Lately, the Malaysian public has become more health conscious and the demand for hygienic and healthy food has been increasing in Malaysia over the past years. Hence, “Halal” certification has been prioritized as it is perceived to be healthier and hygienic by most Muslim Malaysians. It is also believed that “Halal” food consumption would lead people in practicing a healthy lifestyle and at the same time leaves a positive impact on human development (Md. Sawari et. al., 2015). Similarly, in another research conducted in Malaysia, Lada et. al. (2009) emphasized the importance of restaurants gaining the “Halal” certification and selling “Halal” food in Malaysia. Foods with “Halal” certification would confirm that food offerings meet the quality and hygiene standards as required per Muslim law. It is also believed that the demand for “Halal” food products are now growing and this has affected the perception on how new businesses should be conducted and operated (Lada et. al., 2009). Further, Abdul Rais et. al. (2013) agreed to the fact that most Malaysians are becoming not only health conscious but are also more particular when it comes to the cleanliness of a restaurant.

In a research carried out by Ryu et al (2012) in a Southeastern state in the United States, self-administered questionnaires were used to propose an integrated model that examined the impact of three elements of food-service quality dimensions (physical environment, food, and service) on restaurant image, customer perceived value, customer satisfaction, and behavioral intentions. Using Structural Equation Modeling, the results showed that the quality of the physical environment, food and services were significant determinants of restaurant’s image. Also, the quality of the physical environment and food were significant predictors of customer perceived value. The restaurant image was also found to be a significant antecedent of customer perceived value. In addition, the results reinforced that customer perceived value is indeed a significant determinant of customer satisfaction, and customer satisfaction is a significant predictor of behavioral intentions. Despite the fact that this study may be similar to the current conceptual framework in question yet, the focus of this study is emphasized within the United States and hence may not be entirely applicable to the current study, when focus is placed within the Malaysian context.

Well-cooked
Serving well-cooked food in restaurants is one of the most essential criteria in maintaining high levels of customer satisfaction while encouraging positive behavioral intention of future customers, with the intention they will be returning customers. Restaurateurs preparing well-
cooked food and in accordance with food handling policies will certainly help reduce foodborne infections such as Escherichia coli O157:H7 (E.Coli).

Namkung and Jang (2007) investigated how food quality is perceived in relation to satisfaction and behavioral intentions in mid-to upscale restaurants using Structural Equation Modeling techniques. The study also attempted to identify which attributes among food-related qualities are critical in improving satisfaction and heightening revisit intention. It was discovered that taste and presentation were the two greatest contributors to customer satisfaction and behavioral intentions. Hence, Namkung and Jang (2007) suggested that managers should pay attention to the key food quality attributes that elicit customer satisfaction and enhance return visits in the restaurant business. It can be suggested that taste and preferences of customers as well as the way food is presented differ across regions. Therefore there is a practical need for the consideration of other attributes such as culture and ethnicity of a particular country prior to concluding that taste and presentation are the sole factors to customer satisfaction and behavioral intention.

Variety
Restaurant menus can at times become incredibly confusing due to the varied food choices on menu. In the section “Behavioral Intention” above, authors Eliwa and Ali (2006) recommended that restaurant managers are encouraged to add more variety of drinks to their menus. It must also be noted that there is lack of research supporting this statement. In other words, there is the need for carrying out further research in identifying the need of having a variety of food and drinks and how these attributes would affect customer satisfaction and behavioral intentions in a restaurant industry.

Atmosphere
Ambience
A study by Veljko et. al. (2014) in Kragujevac, Serbia was carried out using Confirmatory Factor Analysis (CFA) and Structural Equation Modeling (SEM). The research was conducted to identify the antecedents of satisfaction and revisit intentions for full-service restaurants. The results confirmed the significant impact of atmosphere and quality of interaction on guest satisfaction. It was interesting to note that perceived price has not shown any statistically significant impact on guest satisfaction. Additionally, satisfaction along with atmosphere and perceived price emerged as a significant trigger of revisit intentions. Despite the fact that both Serbia and Malaysia are known to be developing countries (Affairs, 2016), yet the cost of living and culture can vary vastly between the two countries. Hence, even though food priced at a particular rate may receive the satisfaction and revisits by customers in Serbia, such a situation may or may not be the same in Malaysia. Hence, the ambience is considered instead in this conceptual framework. Also, it is notable that research in this area is rare and hence gives rise to the need for further study.

Spatial layout
The layout of a restaurant can make a difference in the satisfaction levels and resulting revisits by patrons. Buell et. al. (2014) investigated whether quality of food would improve if customers dine in a restaurant with a layout where cooks and customers could see each other. The laboratory studies of the researchers revealed that this transparency contributed to a 22.2% increase in customer-reported quality. Based on this research, it is believed that cooks seem to
make tastier food when they can see their patrons. On the other hand, using Multiple Regression Approach, a research conducted by Canny (2014) investigated the role of dining experience attributes on customer satisfaction and on behavioral intentions in casual dining restaurant in Jakarta. It was found that dining experience attributes such as physical environment positively influenced customer satisfaction which consequently, positively influences behavioral intentions. In spite that both Jakarta and Malaysia have a larger Muslim population, yet the physical environment preferred by the people in Jakarta and Malaysia may differ. Hence, the spatial layout for restaurants examined in this conceptual framework would cater to the specific preferences of Malaysians.

Signage
Reza and Daniela (2013) conducted a research to investigate the degree of satisfaction and loyalty of Chinese and Swiss fast-food consumers with the use of online surveys and targeted customers from China and Switzerland. The results showed that Chinese consumers have a better perception of meal quality and a more positive image of fast-food restaurants’ like “McDonald’s”. As far as service quality perception is concerned, no major differences were observed. However, in terms of the degree of loyalty, Chinese consumers showed higher customer loyalty as compared to Swiss consumers. This research indicates that consumers in China prefer to go for branded food as it indicates a higher perceived image. Hence, in this study the need for signage is representative of a good, positive image for a restaurant. However, there are lack of findings in this area and hence facilitates the need for further research on the impact signage has on customer satisfaction and behavioral intention within Klang Valley, Malaysia.

CONCLUSION
Restaurants are unique by themselves. The present research attempts to contribute new knowledge to the existing literature pertaining to customer satisfaction and behavioral intention of restaurant patrons. Such literature can impact how restaurants market and manage themselves, with implications particularly for current and upcoming restaurateurs in Klang Valley, Malaysia. When this research is carried out successfully, findings may enlighten corporate managers of restaurants in Klang Valley pertaining to the factors that can influence customer to patronize their services. Also, this conceptual research can trigger more research pertaining to the factors that can influence customers to patronize in the service industry especially in restaurants.

It can be concluded that all three attributes namely service quality, food quality and atmosphere are important determinants of customer satisfaction and behavioral intention of patrons. Hence, restaurateurs are advised to place emphasis on the said three attributes in order to attract new customers whilst retaining incipient customers.

REFERENCES


Ms. Dharaminder Kaur Chahal has obtained a professional accounting qualification and holds a Master’s in Business Administration (MBA) from Cardiff Metropolitan University, United Kingdom, with a focus in International Business and Corporate Finance. Her current research areas of interest include studying the impact of fiscal policies on and environmental factors affecting small businesses and startup companies. She can be contacted at dharaminder.kaur.chahal@outlook.my.

Associate Professor Dr. Naail Mohammed Kamil is a prominent academic professional with his research contributions in Islamic Management, Comparative business ethics (conventional and Islamic) and Islamic Finance. He authors quite a number of research papers in high indexed refereed scholarly journals, and has presented research papers in renowned conferences globally. He currently serves as an Associate Professor at the Faculty of Business, Accountancy and Management at SEGi University in Malaysia. He can be contacted on naailkamil@seg.edu.my or alternatively at naail.kamil@gmail.com.