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Revisiting customers' perception of service quality in fast food restaurants



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ABSTRACT

This research is an extension to previous work in fast food restaurant marketing. The population of this research consists of actual fast food restaurant customers. Following the literature, data are analyzed using Confirmatory Factor Analysis, Structural Equation Modeling, and Path Analysis. Findings of this work identify factors impacting customer satisfaction, as well as dimensions of service quality and their rankings in the fast food restaurant context. Results indicate that there is no direct way of increasing behavioral intentions through improving service quality for fast food restaurants. Rather, behavioral intentions can be improved through customer satisfaction as an intermediary. Further, this work finds evidence that customer satisfaction can be improved through service quality, food quality, and price-value ratio, which in turn would pave an indirect path toward improvement in behavioral intentions in this industry. Results of this research shed light on prioritizing managers' focus and resource allocation for customer satisfaction and different dimensions of service quality and can be used by fast food restaurant managers to set guidelines and strategies in providing better service to their customers.

1. Introduction

Providing high quality service to customers is one of the most important challenges every organization faces. No firm can survive unless it can attract and keep a sufficient number of satisfied customers. Successful performance of firms depends on creation of distinctive value in services they offer in an effective way for customers. This has made the perceived product quality become one of the most important competitive factors in the market.

Customer satisfaction, in general, is one of the most important factors in determining an organization's success and increased efficiency. This paper uses the definition of customer satisfaction offered by the SERVPERF instrument (Cronin and Taylor, 1992): customer performance perceptions and performance importance which measure service quality. The SERVPERF instrument is developed based on the SERVQUAL instrument by Parasuraman et al. (1985, 1988) in which service quality is measured as the gap between perceptions and expectations. SERVQUAL suggests that a positive gap would indicate satisfaction, while a negative one would indicate dissatisfaction. In this research, as is common in the fast food restaurant literature, customer satisfaction is measured with the SERVPERF instrument and is sourced from food quality, service quality, and price-value ratio. A detailed discussion of variable choices and their root in the literature is provided in the paper. According to Kotler and Armstrong (1995), marketers always look for ways to create value and satisfaction for their customers, which is an evidence for the importance of customer

satisfaction.

For customer-oriented firms, customer satisfaction is considered a necessary element for success. Marketers normally seek to create value and satisfaction for customers, and service quality is a determinant factor in customer satisfaction. Additionally, in the restaurant industry success and survival of each restaurant depends on the restaurant performance and its customers' viewpoint about it. More loyal customers (behavioral intentions) who choose to make the purchase and decide on repeating their purchase in the future make the business more successful, which would then help the business survive in a competitive market. Therefore, the relationship among behavioral intentions, service quality, and customer satisfaction is crucial and is investigated in this work in the context of fast food restaurant industry.

While these three factors and their relationship have been studied by Qin and Prybutok (2008), more recent research findings necessitate a need to revisit the problem. Kim and Leigh (2011) at UC Davis Center for Healthcare Policy and Research study fast food restaurants' target market and identify groups of consumers who are more likely to consume fast food products. Based on their findings, people with middle level incomes (up to \$60,000) and those who work more hours are more likely to eat at fast food restaurants. These findings challenge the target market sample used by Qin and Prybutok (2008) for their analysis. Their college student sample would not be a good representative of groups of consumers who have middle level income and those who work more hours; hence, may not be generalized to other circumstances. In other words, this would challenge the findings by

Qin and Prybutok (2008) and would make their results questionable, which would then call for a revisit of the problem and results based on the UC Davis 2011 research findings. Qin and Prybutok (2008) themselves note in their paper that their results may not be applicable to a broader population group and suggest an on-site survey as an extension to their work to find more valid outcomes. Additionally, a sample of college students represents less heterogeneity in population, and it is common knowledge that fast food customers are not limited to college students only. Therefore in this work, the author focuses on extending the previous knowledge and findings and seeks potential differences with previous work done in the field.

In this work the author collects the data from real fast food restaurant customers and uses a setting similar to the previous work for the analysis. Not all results of the current paper conform to Qin and Prybutok (2008). Results of this paper show that there is no direct way of making improvements in customer behavioral intentions by improving service quality. Rather, this paper finds evidence that in order to reach better behavioral intentions, fast food restaurant managers need to go through customer satisfaction as an intermediary. The paper provides support that customer satisfaction can be improved through service quality, food quality, and price-value ratio. It also identifies and ranks service quality dimensions which would then shed light on allocating resources and paying attention to each dimension based on the business strategy and goals for the managers.

This paper's findings show the general population being more sensitive toward receiving an error-free service as well as having access to employees helping them with their requests at a fast food restaurant more than anything else. This is different in some ways from what Qin and Prybutok (2008) found. They found college students' priority in service quality and satisfaction to be receiving a sympathetic and reassuring service with convenient operating hours. While the differences in findings are interesting and may intuitively make sense (for example, fast food restaurants located on university campuses are not open for long hours; hence, operating hours become important), due to research findings by Kim and Leigh (2011), results of the work done by Qin and Prybutok (2008) may not be a true reflection of the target market for this industry. This would invalidate previous findings and may not offer beneficial and valid managerial implications for fast food restaurant managers. In this work the author's target market sample is chosen in a way that it would be in line with findings by Kim and Leigh (2011). The author believes that since findings of this paper are backed by more recent research in the field, they should be taken into account more seriously as they come from a population which allows for incorporation of Kim and Leigh (2011)'s findings; therefore, they would be more generalizable to a broader population. In turn, the results should be treated as a more trustworthy source for managerial implications in this field.

The present study fills the gap and contributes by investigating customer satisfaction and ranking of service quality dimensions in fast food restaurants. It provides evidence that the path toward making improvements in behavioral intentions is through customer satisfaction as the intermediary. Results show that improving service quality in fast food restaurants will not directly improve behavioral intentions. Since in practice no manager has access to an infinite amount of resources, by providing ranking of service quality dimensions, the paper helps managers find their focus area and allocate their resources better given their business goals and strategies. Fast food restaurant managers can use findings of this research to improve service quality to their customers. This work also sheds light on fast food restaurant managerial decisions and helps managers take future steps in creating a more customer-oriented culture at their restaurants.

The remainder of the paper is organized as follows: in Section 2 a review of the relevant literature is presented. Section 3 and Section 4 cover the conceptual model and hypotheses, and methodology and scale measurement respectively. Section 5 includes the data collection process and Section 6 focuses on data analysis and findings. Paper

concludes with Sections 7 and 8 which present discussion and managerial implications and further research directions.

2. Literature review

Service has been studied from different angles in the literature. According to Zeithaml and Bitner (1996), service may include behaviors, processes, and performances. Lehtinen and Lehtinen (1991) summarize service quality in three elements: physical quality, which includes components such as buildings and equipment used; corporate quality, which includes organizational image and attributes; and interactive quality, which results from the interaction between service staff and customers and the interaction among customers. Understanding of service quality and its relationship with other factors calls for a review of previous research on service quality in fast food restaurants.

In a competitive market, fast food restaurants will need to focus on improving their service quality in order to be able to compete and survive (Gregory et al., 1998). Zeithaml and Bitner (1996) mention that improvement in service quality attracts new customers and helps the organization keep their current customers. In addition to that, as Yu (2002) mentions, higher service quality will make customers be more satisfied, which will then increase the repurchase incident (i.e., behavioral intentions). This signals the importance of studying the relationship among service quality (including its measurement) and customers' behavioral intentions in making the purchase and their satisfaction based on the service they receive from the restaurant, along with other factors studied in the literature. This relationship has been previously studied (Zeithaml et al., 1996; Oliva et al., 1992; Meuter et al., 2000). This part of the paper focuses on reviewing the details of previous work done in this area.

In order to review the literature in this field and given the multiple angles of the problem, and also for the convenience of the reader, previous work is categorized into three streams. Major papers in each stream are reviewed within each block and are used in making the connection to each hypothesis of this work. The first stream builds the theoretical foundation for Hypotheses 1–3 of this paper. The second stream builds the theory for Hypothesis 4, and the third one supports Hypothesis 5. These streams are presented as following.

2.1. Service quality, customer satisfaction, and behavioral intentions

Service quality has been considered as a superior construct and the determinant factor for customer satisfaction (Gotlieb et al., 1994). The relationship between service quality and customer satisfaction has been emphasized by researchers (Storbacka and Lehtinen, 2001). For instance, emerging service quality models are mostly observed in the literature after the 1980's (O'Neill et al., 1998), showing the importance of this issue. Law et al. (2004) find the elements impacting customer satisfaction and their relationship with behavioral intentions. Kivela et al. (1999) develop a predicting model of behavioral intentions based on customer satisfaction. Further, while service quality and customer satisfaction have interactions, Brady and Robertson (2001) show that service quality impacts behavioral intentions through customer satisfaction, which they identify as an intermediary effect.

According to Kim and Lough (2007), the more faithful to a service the customers become, the more satisfied from the service they will be. That, in turn, will increase their purchase probability (behavioral intentions) and will also help the firm use word-of-mouth from its satisfied customers (Laczniak et al., 2001). Equivalently, negative word-of-mouth can be created by dissatisfied customers. An example is the case in which a customer gets unhappy or dissatisfied from a company because of an undesired and/or negative reason, which will result in the customer complaining about the situation (Ladhari, 2007) and hence reducing behavioral intentions. These show the close interaction among service quality, customer satisfaction, and behavior-

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