



Determining Factors That Influence Customers Repatronage Intention: The Case Study of Radix Fried Chicken (RFC), the Local Homegrown Fast Food Chain Restaurant in Malaysia

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Abstract

Purpose: Fast food consumption is a growing phenomenon in Malaysia. The fast food franchises are competing among themselves to retain existing customers since it is more advantageous than exploring new customers. Repatronage intention which means repeat buying and coming to fast food restaurants become a main concern for them. Thus, this study attempt to investigate the factors influences repatronage intention of customers towards Radix Fried Chicken (RFC), local homegrown fast food restaurant.

Design/methodology/approach: In this paper, multiple regression is applied to analyze four factors which are food quality, service quality, atmospheric quality and perceived value that influence the experience quality of customers and in turn effect on repatronage intention towards RFC.

Findings: Results indicate that the customers have passion to revisiting the RFC outlets due to the food quality and perceived value offered by them. It is proven that the customers are concern about the quality of foods in terms of Halal factor, healthy menu and menu appeal served by RFC. The additional value such as reasonable price and positive mood display in RFC restaurant also contribute



to the positive experience and indirectly influence the repatronage intention of the customers.

Keywords: Repatronage, Service Quality, Food Quality, Atmospheric Quality, Perceived Value

INTRODUCTION

The acceptance of fast food is growing rapidly in the world as well as in Malaysia. This growing phenomenon arises due to the changing of Malaysians lifestyle where we become busier and have limited time at home. Atkins and Bowler (2001) indicate that busier consumer lifestyle and dual-working families with children cause the main reason of people choose quick meal rather than cook at home. Farzana et al. (2011) also agree with the statement where they specify the time constraints is the major factor of fast food consumptions which result from busy lifestyle, longer working hours, beanpole family and career women. Therefore, fast food is the perfect choice for them since it is instantly prepared and ready to eat in limited time.

Due to this changing lifestyle, it gives an opportunity to the fast food providers to expand their businesses. The changing patterns of Malaysians lifestyle towards fast food give diverse impact to our healthy life. At a moment, Malaysia facing with serious obesity problems where heavy fast food consumptions cause serious health problems. The issues of fast food consumptions are commonly being discussed in previous researches. Despite from that, the quality and safety of fast food are being doubt by Jabatan Kemajuan Islam Malaysia (JAKIM) which is the department that controls the Halal standard of foods in Malaysia. Since most of Malaysians are Muslim therefore the Halal factor become a main concern in our food and the issue of Halal in fast food becomes a serious issue at one time. Therefore, this study is conducted to fill the gaps of Halal issues and other factors that may influence the repatronage intention of customers at one of homegrown Malaysia companies which is RFC.

Three specific objectives are being highlighted which are (1) to identify the elements that influence customers to go to RFC restaurant; (2) to determine the most important factors that could create positive experience in RFC restaurant; and (3) To recommend strategic action plans for continuous service improvement of the RFC restaurant. In the following sections, a brief relevant recent literature has been reviewed. Next, methodological discussion has been carried out and lastly, a conclusion followed by the managerial implication, limitation and future research direction will be discussed.

2. LITERATURE REVIEW

2.1 Customers Repatronage Intention



Loyalty is defined as “a deeply held commitment to repurchase or re-patronize a preferred product or service consistently in the future despite situational influences and marketing efforts” (Oliver, 1999). According to Jacoby and Chestnut (1978), customer loyalty can be understood by examining the beliefs, affective connections, and conative processes that orient a customer towards a product or service. Furthermore, Oliver (1999) classified loyalty into four phases that are cognitive loyalty, affective loyalty, conative loyalty, and action loyalty. Cognitive loyalty focuses on the brand’s performance aspects, while affective loyalty is directed toward the brand’s likeability. Conative loyalty is experienced when the customer focuses on wanting to repurchase the brand and, finally, action loyalty is a commitment to repurchase the product or service. Thus, in this study, it is most likely by the action loyalty and perhaps the cognitive loyalty.

2.2 Total Restaurant Quality

According to Bojanic (2007), most of the research concerning selection of a restaurant usually is “...based on identification of determinant attributes”. The attributes are taste of food, competitive price, service response time, cleanliness of the fast-food restaurant, fast-food restaurant location, amenity, safety, employee courtesy, restaurant operating hours, and the availability of healthy menus (Min and Galle, 1996; Kara et al., 1997; Tsai et al., 2007). RFC is basically a new fast food restaurant that niche in halal healthy food, the researcher develop a model that is total fast food restaurant quality which the researcher focus on the food quality, atmospheric quality, service quality and perceived value. Under food quality, the researcher focuses on appeal, halal and healthy menu. For service quality, the researcher focuses on response time and courtesy. For atmospheric quality, the researcher focuses on the ambience dimension and design dimension. Last but not least, for perceived value, the researcher focuses on hedonic and utilitarian value. Therefore, the theoretical framework develop in this study is shown in Figure 1 below.

Total Restaurant Quality

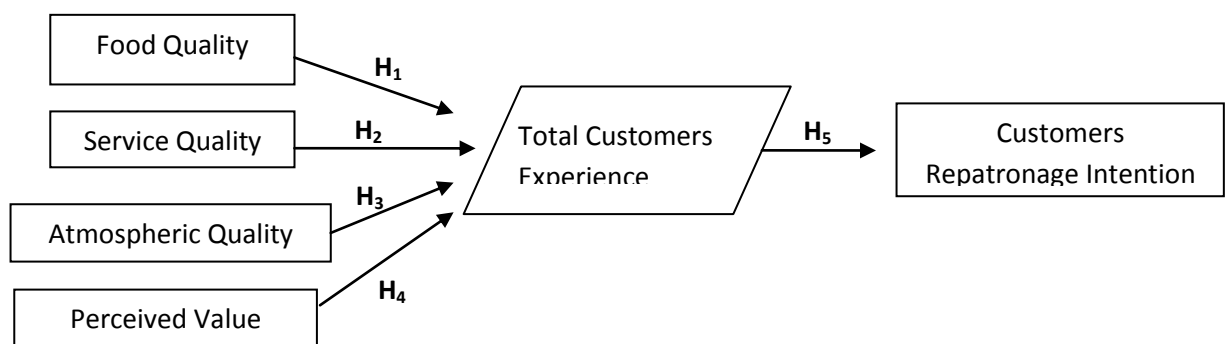


Figure 1: Proposed Theoretical Framework



2.3 Food Quality

Food quality is one of the most critical components of a dining experience (Namkung and Jang, 2007; Sulek and Hensley, 2004). Clark and Wood (1999) confirmed that food quality is a primary factor influencing customer loyalty in restaurant choice. While, Susskind and Chan (2000) persisted that from the customer's perspective, food quality is a key determinant for visiting a restaurant. Mattila (2001) considered food quality as a key predictor of customer loyalty in casual-dining restaurants and Sulek and Hensley (2004) found that when compared with other aspects of the restaurant, such as environmental components and service quality, food quality is the most important element of customer satisfaction. Namkung and Jang (2007) tested the impact of food quality on customer satisfaction and behavioural intentions and found a positive relation between food quality and satisfaction or behavioural intentions. Kivela et al. (2000) considered several aspects of food quality such as tastiness of food, menu variety, and nutrition to examine the effect of excellent food on customer satisfaction and return patronage. For, Raajpoot (2002), he used food presentation, serving size, menu design, and variety of food to measure product quality (food quality) in the food service industry. Hence, the researcher found and interprets safety as in Muslim Context, that is the level of halal of the food consuming and the cleanliness. While, appeal as the taste, texture, colour, temperature, portion size and presentation of food. For dietary acceptability is healthy menu. Based on this rationale, the following hypothesis was suggested:

H1 The certainty of food quality in RFC restaurant creates a positive total customers' experience and this will lead to repatronage intention of customers.

2.4 Service Quality

Service quality is often viewed from two perspectives that are from the customer's cognitive evaluation of the service provided (Taylor and Baker, 1994) and a multidimensional construct created by an evaluation of attribute performance (Parasuraman et al., 1988). Service quality is usually defined as the customer's judgment of the overall excellence or superiority of the service (Zeithaml, 1988). Thus, it is the customer's subjective evaluation formed by comparing expectations and perceived performance (Bolton and Drew, 1991; Parasuraman et al., 1985, 1988). Based on this gap theory, Parasuraman et al. (1988) developed SERVQUAL as a mechanism to measure service quality. SERVQUAL consists of five dimensions that are reliability, responsiveness, empathy, assurance, and tangibles. In addition, since perceived levels of service in restaurants are based on the relationship between customers and service providers (Nikolich and Sparks, 1995), customer's perceptions and evaluation of service quality may be highly dependent upon the service provider's



performance during service delivery. Thus, in this study service quality refers to the level of service provided by restaurant employees and following hypothesis was suggested.

H2 The better the service quality, the more positive customers' experience and this will lead to higher customer's repatronage intention.

2.5 Atmospheric Quality

Previous studies have identified atmospherics as another important element of the dining experience and reported that atmospherics influence customer's emotions and expectations regarding service and food quality (Baker et al., 1994; Reimer and Kuehn, 2005; Wall and Berry, 2007). Usually, a customer first perceives the atmospherics when he or she enters a restaurant, which occurs before any actual services or foods are delivered. Thus, the emotions created by the perception of the atmospherics may affect the customer's reaction to the actual services and foods in restaurants (Bitner, 1990; Zeithaml et al., 1993). That is, if a customer has a high perception of the atmospherics, then customers' expectations for service and food quality could also be higher. Given this statement, the following hypothesis was suggested:

H3 The higher the atmospheric quality, the more positive customers' experience and this will lead to higher customer's repatronage intention.

2.6 Perceived Value

The first definition indicates that perceived value is derived from a comparison between the expected benefits of a product and the sacrifices that a consumer would have to make in order to assure those benefits (Monroe and Krishnan, 1985). The results of this comparison should affect the level of customer satisfaction. Nevertheless, even though individuals in both cases make a comparison between rewards and costs, the concepts of perceived value and satisfaction are not synonyms. As regards perceived value, the give and receive components are respectively represented by the perceptions of quality and price (Dodds and Monroe, 1985), meaning that these two concepts are those that make up the very definition of perceived value. In addition, Zeithaml et al. (1998) indicate that "perceived value plays an important role in consumers' purchase decision making, suggesting that behavioral intentions are consequences of perceived value". According to Donovan and Rossiter (1982), hedonic value is associated with the revisit intention through emotions and affective experience which become antecedents of approach or avoidance behavior where utilitarian value also means revisit intention but through high valuable



experiences in terms of efficient and economical aspects (Swinyard, 1993). Hence, the customers will spread positive word-of-mouth to others if they perceive positive experience/value either hedonic or utilitarian value. Given this rationale, the following hypothesis was suggested:

- H4 The higher the customers perceived value towards RFC, the more positive customers' experience and this will lead to higher customers' repatronage intention.**

2.7 Total Customers' Experience

Consumers are often faced with buying situations in which they should make a choice among a set of alternatives. Brand choice can be either first time (new) choice or a repurchase choice. Typical initial choice decisions involve three key elements that are, (1) the number and degree of similarity of alternatives, (2) the value of attributes, and (3) the degree of uncertainty (Bettman, et al., 1991). The majority of studies have found much empirical evidence that supports the relationships between many pre-consumption variables such as expectation of attribute performance and actual attribute performance and post-consumption emotions including satisfaction, attitude, and repurchase intention (Anderson 1973; Anderson and Sullivan 1993; Cardozo 1965; Churchill and Surprenant 1982; LaTour and Peat 1980; Oliver 1980, Olson and Dover 1979; Olshavsky and Miller 1972; Westbrook and Reily 1983). Attitude has been generally defined as the "learned predisposition to respond in a consistently favorable or unfavorable approach with respect to a given object" (Fishbein and Ajzen, 1975). Emotions can furthermore be part of the consumer experience of the service encounter (Price et al., 1995), affecting consumer loyalty and relationship quality (Wong, 2004). Consumer values can be regarded in the light of their cultural context (Solomon, 2004) comparative to what people in a certain culture admire, see as important, prefer and believe in (Zeithaml and Bitner, 2000). This is where halal plays their roles in this study. Given this reasoning, the following hypothesis was suggested:

- H5 Positive total customers experience leads to higher customers' repatronage intention.**

3. METHODOLOGY

This study carried out in a group and supervised directly from respective lecturer. Before data collection took place, an interview session with RFC administrator was held in order to have some customers' demographic information. This session was very important for researchers to have right respondents. The data collection session resulted in 373 usable sets from 400 questionnaires distributed.



The questionnaire consist of seven sections which are demographic information, food quality, service quality, atmospheric quality, perceived value, total customers experience and repatronage intention. In section 1, the respondents were asked about demographic information and this section was measured using nominal scale. Section 2 (food quality) comprise of 3 dimensions; Halal which adapted from previous research by Syed and Nazura (2011), taste of food and healthy menu by Stevens et I. (1995). Section 3 (service quality) consist of 2 dimensions; response time and courtesy also using the same measurement from Stevens et I., (1995). Section 4 (atmospheric quality) comprise of 2 dimensions; ambience and design dimension were adapted from conceptual design of Bitner (1992). Section 5 (perceived value) consist of 2 dimensions; hedonic and utilitarian value were adapted from Babin et al. (1994). All these sections were measured using seven-point likert scale anchored by strongly disagree (1) and strongly agree (7). Section 6 (total customers experience) and Section 7 (repatronage intention) were adapted from Mehrabian-Russell Theory and these sections were measured using seven-point numerical scale.

For data collection, two RFC branches were selected located at Sungai Petani, Kedah, Lagenda Heights and Laguna Merbok. Lagenda Heights branch surrounded by shop lots and nearby TESCO Hypermarket which have close competitor to RFC, KFC. The next branch located at Laguna Merbok which surrounded by residential area. All data were collected from customers who dined-in at RFC. Several approaches were taken in order to reach the customers such as direct contact with customer and offer them to answer the survey. The data collection method was most like mall-intercept method which require researcher to approach the respondents directly. And also other approach was involved key personnel (cashier) to distribute the questionnaires. Respondents filled out the questionnaires given on-site and returned upon completion.

4. RESULTS

Pearson correlation was undertaken to examine the correlation in the research hypothesis. The result of analysis is presented in Table 1. The hypothesis states that food quality, service quality, atmospheric quality and perceived value are correlated with total customers experience and in turn total customers experience has correlation with repatronage intention. The result of these analyses indicate that perceived value was very strongly positively ($r = .768$) and highly significant ($p = .001$ level) correlation to customers' total experience. Another three factors which are food quality ($r = .681$), service quality ($r = .599$) and atmospheric quality ($r = .643$) were strongly positively and highly significant ($p = .001$ level) correlation to customers' total experience. The correlation between total customers experience and repatronage intention was very strongly positive and significant ($r = .795$) at $p = .001$.



Table 1: Correlations matrix of RFC restaurant

	foodquality	servicequality	atmospheric	perceivedvalue	experience	repatronage
foodquality	1					
servicequality	.653(**)	1				
atmospheric	.747(**)	.670(**)	1			
perceivedvalue	.760(**)	.654(**)	.758(**)	1		
experience	.681(**)	.599(**)	.643(**)	.768(**)	1	
repatronage	.714(**)	.640(**)	.630(**)	.797(**)	.795(**)	1

** Correlation is significant at the 0.01 level (2-tailed).

The result of analysis is then tested using multiple regressions analysis in Table 2 to measure the relationship between all four independent variables (food quality, service quality, atmospheric quality and perceived value) towards intervening variable (total customers experience). The results shows that all four factors have positively related towards total customers experience and two factors which are food quality and perceived value were highly significant at $p < .005$. Table 3 shows the relationship between total customers experience towards dependent variable (customers repatronage intention). The result shows that total customers experience is positively related towards repatronage intention and highly significant at $p < .005$.

Table 2: Coefficients(a)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.659	1.189		2.236	.026
	foodquality	.091	.028	.177	3.215	.001
	servicequality	.092	.038	.112	2.417	.016
	atmospheric	.021	.045	.025	.452	.651
	perceivedvalue	.340	.035	.541	9.644	.000

a Dependent Variable: experience



Table 3: Coefficients(b)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.304	.925		5.733	.000
	experience	.822	.033	.795	25.223	.000

a Dependent Variable: repatronage

5. CONCLUSION

This study examined four factors regarding total experience quality in RFC restaurant and their impacts on customers experience and repatronage intention. Overall of this study showed that all four factors (service quality, food quality, atmospheric quality and perceived value) has stronger impact on RFC customers experience and influence their intention to dine again at RFC. This result indicates that the concept of RFC is acceptable by the customers. The Halal factor plays a major approach why most customers choose RFC products. Besides, the healthy and tasty menu introduce by RFC using bio organic products increase the confidence level of customers to consume their products. On the other hand, additional value offered by RFC also gives positive experience to the customers. Here, RFC focus on the portion, price and mood display in the restaurant that enhances the intention of customers to dine at RFC restaurant. However, some limitations that must be taken into consideration are the availability of the products and the time consuming to get the meals. Most of customers are complaining about the unavailability of certain meals and also longer period taken when getting the foods. Here, the management of RFC must alert with those weaknesses. Regularly inventory checking and training of the staff should be done wisely to avoid those matters. Regarding atmospheric quality, most customers are satisfied with the decoration and interior design of RFC. As a result, this study proposed and confirmed to relationship among total experience quality, total customers experience and customers repatronage intention.

Despite its importance, this study has some limitations where respond of this study only gathered from two RFC restaurants at similar demographic background of customers since it was collected at north region, Sungai Petani. Thus, the impacts of customers may differ at another branches located at different region and the quality offered also different in other places. Based on the limitation, therefore future research is suggested to explore the homegrown restaurant from different perspectives at different location to ensure RFC can capture limitations at every branch.



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