

THE DOCTORAL RESEARCH

ABSTRACT

Volume: 1, Issue: 1 May 2012



**FIRST
ISSUE**



INSTITUTE of GRADUATE STUDIES

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IPSis Biannual Publication

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Title : Dimension Of Customer Preference In The Malaysian Foodservice Industry:the Relationship With Customer Satisfaction And Loyalty
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Today's foodservice industry management must place a high priority on understanding the growing markets, as a result of rapid urbanization and rising numbers of tourists. This fast growing industry has a huge influence on the global economy, however it is greatly affected by customers' ever-changing preferences. It is essential for managers to gain and sustain strategic advantage in the highly competitive industry due to the low entrant barrier. However to be competitive in this industry requires a local customer preference assessment. Most studies in this area are from outside Malaysia, subsequently they might not be appropriate for any strategy development that will improve customer satisfaction and loyalty in the Malaysian setting. This thesis presents the dimensions of customer preference in the Malaysian foodservice industry in rank order and proposes the framework of customer preference in the Malaysian foodservice industry. A questionnaire was constructed using 30 items related to customer preference, and distributed to 1000 foodservice

customers, yielding a response rate of 64.2%. Factorial analysis involving exploratory factor and confirmatory factor analysis highlighted five new dimensions which critically determine customer preference. The five dimensions in order of importance are Halal, Price, Quality of Service, Branding and Tangibles. A Multiple Regression analysis indicates that all the dimensions contributed significantly towards explaining the variance in the overall customers' satisfaction level except for Tangibles. The findings also suggest that the correlation between customer satisfaction and customer loyalty is positive and high. However, the other findings highlight that race has consistent influence over the five dimensions compared to other customer demographic profiles. The open ended question indicates that most of the weaknesses that need to be improved are related to quality of service. Likewise, the strengths of the foodservice industry are associated with Price and Tangibles. This thesis also offers crucial strategies that can be guidelines for practitioners and authorities in enhancing the foodservice industry in Malaysia. Hence the framework of customer preference is proposed, encompassing the five dimensions. Using the framework as the guideline, the following specific strategies are recommended; adopting halal as a marketing strategy, developing effective pricing methods, emphasis quality of service, identifying a creative branding strategy, and promoting the importance of ambience and service support system.