The Role of Perceived Quality, Store Image, And Trust in Predicting Customers' Purchase Intentions Towards Restaurants in Terengganu

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ABSTRACT

The restaurant industry is highly competitive and the entrepreneur must pay attention to customers' purchase intentions in order to have chances to stand out from the competitors. It is a crucial aspect for every entrepreneur to look deep into. Getting customers' intention is like a war in marketing arena to all business to maintain the restaurants survival. Choosing a restaurant comes almost automatically when one feels hungry and it does not need much information. There are characteristics behind every purchase decision that can come from extrinsic, intrinsic, and consumer attitude. Each of these factors includes dimensions that can be utilised in business strategy. Entrepreneurs can use these factors so delicate, so that customers might not even recognise it. Customers might think that they have always purchased the same brand or product but they do not realise that the affecting factors behind this decision can come from perceived quality, store image, and trust. This study focuses and contributes the knowledge about role of perceived quality, store image and trust that affect customers' purchase intentions. The purpose of this study is to investigate the relationship between perceived quality, store image and trust towards customers' purchase intentions. The study describes that the relation between independent variable have significant relationship with customers' purchase intentions. This is quantitative study with a sample size of 210 respondents. Researcher distributed 210 questionnaires to be used for data analysis. The results of this study show that perceived quality, store image and trust have significant relationship with customers' purchase intentions. Further research is required to cover other factors that can also affect the customers' purchase intentions and at the same time close the current gaps in our understanding of customers' purchase intentions as a whole.

Keywords: perceived quality, store image, trust, customers' purchase intentions, restaurant.

INTRODUCTION

Customers' purchase intentions are related to get attention from people and it is about to draw people for using or purchase the product. In this study, the researcher focuses on restaurants located in Taman Safiah Murni, Pekan Batu 10, Terengganu, organised either formally or informally. Small restaurants can be described as small food premises, local owner, small and native operators. Normally, it includes local dishes at an affordable price. The variety of foods gives the customers choices that include local dishes and foreign food like Thais and western fast food. Restaurants are usually a family business, run by family members with the assistance of a few workers (Noraziah & Mohd, 2012). Others aspects, such as product and service quality are also crucial in determining the

customers' purchase intentions. Recently, mass media has a huge influence in influencing customers. Therefore, they manipulate customers' way of thinking through emotions, needs, wants and demands to achieve their target sale. Researchers and organisations spent billions of dollars on consumer research to identify important factors that influence on customers' purchase intentions (Mirabi et al., 2015). So, several studies have been conducted about marketing issues by researchers. The results of studies about customers' satisfaction and brand awareness showed that while few brands became successful but the majority of them are indistinctive and suffered from brand loyalty reduction (Jalali, 2011). Previous marketing studies stated that the main factor in the success of companies and the creation of competitive advantage is the increase of perceived value, perceived quality and customer satisfaction (Ranjbarian et al., 2012). Also, inventing valuable products and inducing the desired store image are recognised as the essential requirements of customers' behavioral intentions (Herman, 2010). According to above discussion, restaurants are not an exception and these companies should maintain long-term and profitable relationships with their own customers in order to survive in the competitive restaurant industry. In order to make a valuable marketing decision, business management need to have a deep and true understanding of the successful factors on the customers' purchase intentions. Therefore, the first step is to identify the factors affecting on customers' purchase intentions. There are many researches in this area but little knowledge focused on restaurants. Therefore, it is necessary to address this issue seriously in terms of local setting. Consequently, the main purpose of this study is to investigate the role of perceived quality, store image, and trust in predicting customers' purchase intentions towards restaurants in Terengganu.

LITERATURE REVIEW

Perceived Quality

Chen and Chang (2013) proposed that perceived quality could also be described as green perceived quality, although it is more known as environmental consciousness. Previous research suggested a six-dimensional construct of perceived quality using performance, durability, attention, worthiness, reliability, and product safety. Customers' opinion of a product can be defining as the ability of that product to fulfill customers' expectations. It may have little or nothing to do with the actual excellence of the product, as it is more based on the firm's current public image, consumer's experience with the firm's other products, and the influence of the opinion leaders, customers' peer group, and others. The exact determination of perceived quality cannot be concluded straight away as it is an opinion and also due to perceptiveness about what is crucial to customers are implicated. The qualified aspects are the crucial of features, cleaning action, types of clothes to be washed, and so on that may not match those of all customers. However, it is important to note as a whole that each customer have their own personalities, needs, and preferences. Perceived quality can directly influence customers' purchase intentions. Before buying a product, a customer normally has some insight regarding the product quality, price and style. After that, purchase intention can be changed either increase or decrease after using the product, depending on the quality as these two features are related directly with each other closely.

H_1: There is a relationship with perceived quality and customers' purchase intentions.

Store Image

According Cian and Cervai (2011), the word store image can be defined as providing identification to a product or object. In term of psychosocial point of view, store image can be defined as a cultural configuration which has the ability in promoting a product and establishing links between it by experiencing subjective factors, which include feelings, values, beliefs and wishes. Meanwhile,

Cornelius et al. (2010) stated that a store image as one of the methods for a store to be recognised and defined by shoppers. Likewise, other authors described a store image as consumer's impression or perception in viewing the store (Cornelius et al., 2010). Understanding store image is not a straightforward matter. It is a complicated, multidimensional paradigm that is established from perception of both noticeable and discrete store attributes. The attributes have connection with eight dimensions, namely atmosphere, convenience, facilities, institutional, merchandise, promotion, sales personnel, and service. In proposing a conceptual model, it is important to include the store image as one of the factors, which can directly and positively affect the consumer evaluation on the store brands (Beneka et al., 2015). Lastly, Wu (2011) has agreed in indicating that store image has a straight and certain impact on the customers' purchase intentions of the store brands. While Beristan and Zorilla (2011) has highlighted the definite relation between the store image and loyalty to store brands.

H$_2$: There is a relationship with store image and customers' purchase intentions.

Trust

According to Chen and Huang (2013), confident impacts of trust on customers' purchase intentions can be conjectured under three requirements. The first two conditions of making purchase can be considered as a form of perceived risk and as a form of establishing a relationship. Thirdly, the purchase intention of a customer can be used as a strong influence in making the actual purchasing. Trust in terms of the emotional side can be defined as a position or status for the contradictory side to further their business agreement or to accomplish the predetermined goal. Once people trust each other in a business deal, they would do anything they could to preserve the promises that they agreed upon (Montazeri, 2013). Brand trust is another related concept. In this concept, it explores the customers' trust signifying a collective of notions regarding the credibility integrity and goodwill of a brand (Aurier & N'Goala, 2010). Therefore, it is undeniable that customers' trust does play a crucial function in influencing customers' purchase intentions and loyalty towards foods with store brands (Calvo-Porral & Levy-Mangin, 2017). The vital part of determining customers' purchase intentions can be concluded as a trust issue. Trust represents customers' confidence in purchasing, which can be influenced by the expectations regarding the ability related to skills and expertise, benevolence related to care for the interest of customers, and integrity related to maintain values and honoring commitment of the restaurant (Yu et al., 2015).

H$_3$: There is a relationship with trust and customers' purchase intentions.

Customers' Purchase Intentions

Customers' purchase intentions cover the readiness of a customer to buy a particular product or service. It is relied on the several flexible internal and external factors. Shah (2012) also suggested that customers' purchase intention is the reason of a customer to buy a product. It is a type of decision-making matter. Meanwhile, Morinez's (2007) study focused more on a condition of a customer's inclination to buy a particular product in a particular environment. Furthermore, purchase intention also demonstrates a few processes such as rational requisite, information search from the external environment, option evaluation and purchase decision, and also after-purchase experience (Naderibani et al., 2016). There are six points that came before a purchase decision is made which include awareness, understanding, curiosity, preference, encouragement and purchase (Kawa, 2013). Meanwhile, Gogoi (2013) claimed that the quality of a product will not be trusted if it comes with low price tag, modest wrapping and infamous brand. Therefore, to make the brand recognisable, powerful advertising trick is important to appraise and affect the customers' behavior (Nabsyeh & Bostan,

2012). Based on the above discussion, it can be concluded that store image, perceived quality and trust are related to customers' purchase intentions, which lead to the formation of framework for the present study as depicted in Figure 1.

H_4: There is a significant difference in customers' purchase intentions by marital status.
H_5: There is a significant difference in customers' purchase intentions by level of income.
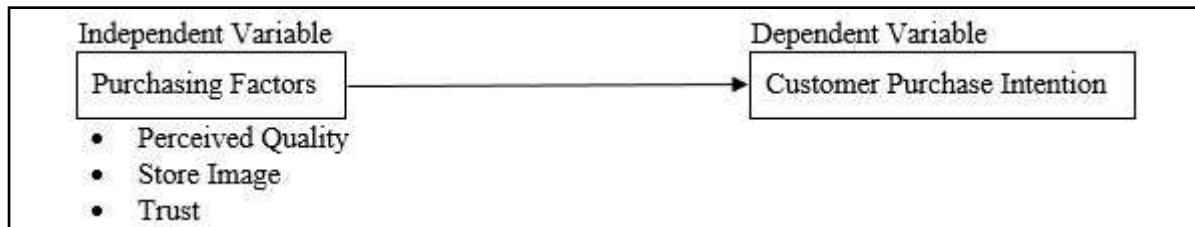H_6: There is a significant difference in customers' purchase intentions by education level.

Figure 1: Proposed Conceptual Framework

METHODOLOGY

The Research Design

The type of study design used by the researchers was a correlational study. The study to find out if there is a relationship between two variables tested in this research, which are purchasing factors and customer purchase intention.

Sampling Frame

The sampling frame for this study was obtained from the residents at Taman Safiah Murni, Pekan Batu 10, Terengganu. Participants were selected based on either men or women aged 18 years old and above as well as had consumed food product from the selected restaurant in Taman Safian Murni, Pekan Batu 10, Terengganu.

Survey Instrument

A face-to-face self-administered questionnaire was adopted from Chen (2008) to develop the research instrument for the present study. For this study, the close-ended questions are being applied, with the five-point Likert scale ranging from Strongly Agree to Strongly Disagree, which required the respondents to choose one.

Sample Size

A sample is a subset of the population (Green & Salkind, 2014). While, according to Green and Salkind (2014), the appropriate sample size should be more than 30 or less than 500. Thus, the sample size of this study is depending on the population figure at Taman Safiah Murni was 469, the sample size selected were 210 respondents.

Sampling Technique

The researchers used convenience sampling as the sampling technique. This type of sampling technique was preferred because it is fast, easy and the subjects are readily available. All forms of research, it would be perfect to test the whole population, but in most cases, the population is just too large that it is impossible to include every individual. This is the reason why most researchers depend on sampling techniques like convenience sampling.

FINDINGS

The objectives of this research is to examine the role of perceived quality, store image, and trust in predicting customers' purchase intentions towards restaurants in Terengganu. The questionnaires were distributed to the residents in the selected area who focus on their purchase intentions. Researchers used the Pearson Correlation Coefficient. This statistical method used to test the strength and direction of a linear relationship between two interval variables and further clarify the magnitude of the correlation coefficient tells us how close the relationship is to the ideal cases whether no relationship or perfect relationship. If the coefficient is near to zero, the relationship is weak or we would say that there is no relationship between the variables. If the coefficient is near to 1.0, then there is a strong relationship between the variables. As for this study, strength of relationship recommended by Green and Salkind (2014) are used.

Table 1 Mean and Standard Deviation for Perceived Quality, Store Image and Trust

Items	N	Mean	Std. Deviation
Store Image	210	3.97	0.62
Trust	210	3.95	0.61
Perceived Quality	210	3.89	0.48

Table 1 shows that the highly rated items with the highest mean of (M = 3.97, SD = 0.62) is the store image. More than half of the respondents agreed with the statements provided to measure store image such as "The location of this restaurant is strategic and easy to find", "The purchasing process at this restaurant is very easy and customer friendly", "Workers and waiters look smart and attractive", and "Clear and complete dishes menu signage". Vo and Nguyen (2015) stated it is statistically tested in their study that in terms of the effects on customers' purchase intentions, store image was significantly proved. Alic et al. (2017) also supported this and added that store image plays an important role in the image building of product and services, suggesting that customers may derive inferences about product and services from their original perceptions of the store image. Thus, the more positive customers' view about the store image, the more positively they will judge its product and services.

Table 2 Pearson Correlation between Perceived Quality, Store Image, and Trust towards Customers' Purchase Intentions

Purchasing Factors	N	Sig. (2-tailed)	Pearson Correlation
Perceived Quality	210	0.00*	0.65
Store Image	210	0.00*	0.68
Trust	210	0.00*	0.67

*Correlation is significant at the 0.05 (2-tailed)

Table 2 indicates that there is a significant relationship between perceived quality, store image, and trust towards customers' purchase intentions. Results of the correlation shows that customers' purchase intentions are strongly influenced by perceived quality (r = 0.65, p < 0.05), store image (r = 0.68, p < 0.05) and trust (r = 0.67, p < 0.05). Therefore, this study accepts hypothesis H_1, hypothesis H_2, hypothesis H_3 and rejecting the null hypothesis. The findings are aligned with Vo and Nguyen (2015), they stated that perceived quality are important factors that customers have to consider carefully prior to making purchase decision. In addition, the consumer's experience or familiarity level about products and services is not strong enough so that it is less meaningful to motivate them to buy these products and services. Lien et al. (2014) stated that the results confirm most of the path effects showing that image positively influences customers' purchase intentions. They added image is an important antecedent in reflecting the customers' decision that the attractive and valuable products and services increases customers' trust associated with the image. Calvo-Porral and Levy-Mangin (2017) also supported the findings of the study and stated that it is logical to assume that trust plays a very important role in customers' purchase intentions.

Table 3 Demographic Variables and Customers' Purchase Intentions

Demographic variables	F	Sig.
Marital Status	2.81	0.032*
Level of Income	3.34	0.021*
Education Level	2.37	0.043*

*Correlation is significant at the 0.05 (2-tailed)

Table 3 shows that there is a significant difference between customers' purchase intentions by marital status. The ANOVA generates an F-ratio value of marital status (2.81) and p < 0.05. Therefore, the study accepts the research hypothesis H_4 and rejects the null hypothesis. Wang (2014) explained that marital status had significant effects on both products or services preference and customers' purchase intentions of those products and services. Srinivasan et al. (2015) also added that marital status is one of the important demographic variables that can have an influence on purchase intention where people with different marital status can respond differently to the various attributes of products and services.
The result of one-way analysis of variance (ANOVA) shows that there is a significant difference between customers' purchase intentions by level of income. The ANOVA generates and F-ratio value of level of income (3.34) and p < 0.05. Therefore, the study accepts the research hypothesis H_5 and rejects the null hypothesis. Ahmed (2014) agreed that level of income is one of the most important features that influence customers' purchase intentions. He also added that other demographic background such as gender, age, family size and race influence customers' decision too. The income level affects what customers can afford and what can give value towards their hard earn money.
The result of one-way analysis of variance ANOVA shows that there is a significant difference between customers' purchase intentions by education level. The ANOVA generates an F-ratio value of education level (2.37) and p < 0.05. Therefore, the study accepts the research hypothesis H_6 and rejects the null hypothesis. Lasuin and Ching (2014) supported the findings and stated that it is statistically proven and shown that the higher education level has a positive impact on customers' purchase intentions among Malaysian consumers. Srinivasan et al. (2014) also added that undergraduates, graduates and postgraduates will respond differently to the various attributes of products and services.

Table 4 Accepted and Rejected Hypotheses

Hypothesis	r / F	p	Accepted / Rejected
H_1	0.65	0.000	Accepted
H_2	0.68	0.000	Accepted
H_3	0.67	0.000	Accepted
H_4	2.81	0.032	Accepted
H_5	3.34	0.021	Accepted
H_6	2.37	0.043	Accepted

CONCLUSION

The discussion and the findings of this study can help the entrepreneurs to make decisions regarding their next strategies. Based on the findings, the result showed that all three factors were strongly related with customers' purchase intentions. The customers' purchase intentions will occur if the entrepreneurs make the right decision to choose the right strategies and combine them. It is such a normal activity to get customers' intention to purchase their product in the restaurant industry. There are many other factors to be considered to capture customers' purchase intentions. The restaurant manager should think of some ways to satisfy their customer, especially their needs. Even though it is not easy or it is impossible to fulfil all the customers' needs but the entrepreneurs could use other ways to this. For example, they can communicate with the customers about free gifts, coupons, and using attractive decorations. The management just need to make sure that the customers are not bored getting the same appearance or product and of course the entrepreneurs should think about the combination of it. Besides that, entrepreneurs should provide an opportunity to the customers to share their needs to be fulfilled by them. Last but not least, the entrepreneurs should do more research and try more ways in getting attention to attract more customers to buy their products. This is the most important thing in order to increase sales. The management should know how to attract customers' attention.

This study has several limitations and it is good if this research can cover a larger area with bigger customer population. The researcher can get more respondents, which can produce an accurate and precise data of the large population and sample. Other than that, the researcher needs to focus on a bigger scope of study. The researcher needs to give more attention on other targeted customers surrounding the selected areas in Terengganu. For the next research, the researcher plan to put more variables in order to get more information and get a better result for this study. Furthermore, in order to further strengthen and validate the findings of the study, the researcher also can come out with the interview method instead of using the distribution of questionnaires. As conclusion, 210 respondents were asked to select from the most favorable response from each statements of perceived quality, store image and trust towards customers' purchase intentions in Terengganu. The study summarises the following key findings such as all the independent variables have a positive relationship with customers' purchase intentions. Generally, the results of the research showed that all items studied have a positive relationship towards customers' purchase intentions. According to the data analysis, the relationship between perceived quality, store image and trust towards customers' purchase intentions towards restaurants in Terengganu are strong positive relationship even one of the independent variables was good.

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