



CUSTOMER SATISFACTION AND LOYALTY TOWARDS FOODSERVICE OUTLET

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Customer satisfaction and loyalty towards food-service outlets.

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Abstract

In today's competitive business environment, creating customer satisfaction is important to the success of a business organization. Many believe customer satisfactions can lead to loyalty; increased customer loyalty can lead to increase in profitability. However satisfaction is a very subjective issue. A customer can be satisfied with the service received while another may not; depending on what is the want and expectation of the service. In this preliminary study, it was found that although satisfaction are fulfilled, other factors are also important and can influence customer to return to the outlet. A clean establishment is among the important factor the operator of a food service outlet should emphasize, beside quality of food and others. Satisfaction alone is not simply enough to create utmost loyalty. Even though the results of the study supported the hypotheses that there is a relationship between customer satisfaction and cleanliness with loyalty, further findings shows that although there is a relationship between the variable of satisfaction with loyalty, the significant rate is quite low. This is because customer tend to get bored easily with the similar type of food served and may dine at another, either to sample new menus or have new experience.

Keywords: Customer satisfaction, cleanliness, customer loyalty, food service outlet

CHAPTER

1

1. INTRODUCTION

1.1. Background of Study

Malaysia is one of the countries in the world where a family can afford to dine out almost every day of the week. Depending on one's budget, the choice of eating places can range from posh hotels and chic sidewalk cafes to fast food joints and hawker stalls, and nobody ever get bored with the limitless availability of the cuisines available.¹

Change in lifestyle and demographic affect consumer demand for goods and services. Statistical data from the Department of Statistics Malaysia, 2000 shows that expenditures on food-at-home (FAH) declined steadily from 33.7% to 22.2% from 1973 to 1999, while food-away-from-home (FAFH) expenditures rose from 4.6% to 10.9% during the same period.² An average Malaysians would normally have four daily meals; breakfast, lunch, dinner, and supper. Not surprising, the largest part of the expenditures was accounted for food and drink.

Traditionally Malaysian household's consists of married couples with a working husband, non-working wife and their children. On the other hand the non-traditional

CHAPTER

2

2. LITERATURE REVIEW

2.1. Customer Satisfaction

Satisfaction can be defined as an attitude. The customers gave certain service standards in mind prior to consumption (their expectation), observe service performance and compare it with their standard, and then from satisfaction judgments based on the comparison. The resulting judgment is label negative disaffirmation, if the service is worse than expected, positive disaffirmation, if better than expected, and simple confirmation if as expected. When there is substantial positive disaffirmation, plus pleasure and an element of surprise, than the customer are likely to be delighted. (Lovelock. C, 2001)

Kotler (2002) defines customer satisfaction: "Satisfaction is the level of a customer's felt state resulting from comparing a products or services perceived, performance standard against the customer's expectation". Thus the satisfaction level is the difference between perceived performance and actual performance.

Because of the many definition of customer satisfaction, it remains an ambiguous and abstract concept and the actual manifestation of the state of satisfaction will vary from