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The Relationship between Food Service  
Quality, and Customer Satisfaction and  
Loyalty.

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## **ABSTRACT**

The Food Service Quality is a topic that has been discussed over the years. Unproductive levels of food service quality can affect customers' level of satisfaction and loyalty. The main function which restaurant members must perform is the delivery of quality services to its customers. This study is focusing on identifying the relationship between food service quality, and customer satisfaction and loyalty. A total of 384 questionnaires were distributed around Kuching City areas: Satok, Jalan P.Ramlee, India Street, and Jalan Matang. The questionnaires were distributed to four groups of races: Malay, Chinese, Iban, and others. The Cronbach's Alpha showed 0.941 for tangible dimension which consist of 10 questions. 0.901 for dimension of reliability, 0.904 for dimension of responsiveness, 0.904 for the dimension of assurance, 0.916 for dimension of empathy and 0.928 for customer's loyalty and satisfaction. These values means that the overall results were reliable. Thus from this study it is found out that, the food service quality strongly affected customer satisfaction and loyalty. The dimensions such as tangibles, reliability, responsiveness, assurance, empathy and customer satisfaction and loyalty need to be considered by to the restaurant operator. In addition to the survey result, the findings also contain several recommendations that should be taken into consideration by the restaurants. The researcher hopes it will give several benefit to all parties.

# CHAPTER ONE

## INTRODUCTION

### 1.1 Overview

FOOD is one of the physiological needs that everyone has to fulfill. Nowadays, people are busy with their working activities. They prefer to go to the restaurant nearest to their home place. Besides, housewife chooses to bring the family to have lunch and dinner at the restaurant. Because of that, it is important for foods provider such as restaurants to ensure their services always satisfy the customers and able to fulfill customers need and want.

Williams and Visser, (2002), mention that companies which are always seeking ways to reduce the cost tend to forget their responsibilities to their customers. It is commonly known that there is a positive relationship between customer loyalty and profitability. Gould (1995) helped to identify the interest in loyalty through his research that supported Reichheld and Sasser's work.

Nowadays many marketers are seeking information on how to build customer loyalty. Some methods to increase the profit from loyalty comes from reduced marketing costs, increased sales and reduced operational costs. Loyal customers are less likely to switch because of price and they make more purchases than similar non-loyal customers

## **CHAPTER TWO**

### **LITERATURE REVIEWS**

#### **2.1 INTRODUCTION**

The restaurant industry in the USA is large and ubiquitous. Providing a range of products and services, it touches nearly every household in one way or another. Reflecting on the size of the industry, The National Restaurant Association (NRA) predicted in 2003 that Americans would spend \$426.1 billion on food consumed outside the home (National Restaurant Association, 2003). Of this amount, it was predicted that full service restaurants could secure about \$153.2 billion or, roughly, 36 percent of the share. The restaurant industry has grown over the years, largely because the American way of life has changed. Since 1950, the proportion of married women in the work force has nearly tripled (Goch, 1999), resulting in women having less time to plan and prepare meals at home.

Today, meals are more of an afterthought rather than a planned occasion (Mogelonsky, 1998). People find themselves hungry with no time to cook; so they eat out. The result is the booming restaurant industry. The NRA also predicted that on an average day in 2003, the restaurant industry would post \$1.2 billion in sales. The winner of this contest over America's taste buds is the customer who has more restaurant options than ever before, allowing him or her to be more finicky and demanding. Customers' expectations for value, in relation to price, also seem to be on the rise: people want "more" for their money. The same scenario is experienced in Malaysia in general and in Sarawak in particular. The restaurant business is growing.

*Sources by Syed Saad Andaleeb and Carolyn Conway  
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