

# CUSTOMER REPEAT PURCHASE ATTRIBUTES: A CASE OF TAPAK URBAN STREET DINING

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## ABSTRACT

*The food truck industry has become a phenomenon and gained popularity around the world. Long gone are the days where street food is only restricted to hotdogs and burgers; the advent of food trucks, brings a mixture of complex menu items and crowd favorites direct to the masses. In Malaysia, food truck influences the social and cultural environment, also providing economic opportunities for the society. Conventional thinking of how a Food and Beverage outlet should be has been traded with a more contemporary idea that includes having a sort of a food truck bazaar where a number of various food trucks are placed to appeal to all crowds. TAPAK Urban Street Dining Kuala Lumpur is one example, where it is a dedicated area for food trucks to sell gastronomic delights of local, western and oriental cuisines. The purpose of this paper is to identify the attributes influencing the repeat purchase of customers at this new dining haven. This study focuses on three major attributes of dining experience in term of food quality, price and service quality. A descriptive research design being applied in this study using quantitative approach. The sample population were selected from the patrons during happy hours and 380 questionnaires were successfully collected. The findings revealed that all attributes suggested has significant relationships with customers' repeat purchase from the food trucks, providing a better understanding on the food truck concept in Malaysia and how to promote repeat purchases.*

**Keywords:** food truck, repeat purchase, food quality, price, service quality

## INTRODUCTION

Malaysia is a nation that is diverse in culture, ethnicity and rich with history. Having such a diverse background influences a number of things and food is one of it. The food trend in Malaysia is made up of cuisines from all the ethnicities but majority of it derives from the three major ethnic groups which are the Malays, Chinese and Indian. These major ethnic groups consume and create high demand in market for food items that consist of rice, meat, fish, vegetable and fruits (Shamsudin, 2010) and are willing to pay for the best quality. The food service industry in Malaysia is not just restricted to traditional and local Malay cuisine but varies to western, Chinese and Indian cuisine. Therefore, there are several choices to choose from when dining out.

The concept of dining or eating has developed and evolved over the years, most Malaysian nowadays especially in the urban areas prefers to dine out instead of having their meals at home. Restaurants, food courts and food stalls are becoming more and more filled with customers (Ali, 2012). A more contemporary food service concept has slowly become popular over the years, which is the food truck and this concept is known all around the world, influencing the local social economy (Koutroumanis, 2015).

The food truck concept, as described by Petersen (2014) has grown rapidly since 1991 where a variety of foods were offered, and it could be operated practically almost on every street. This created opportunities for entrepreneurs to create their own food service establishment directly to the man on the street serving affordable meals but not lacking in flair (Williams, 2013; McLaughlin, 2009). Biding to similar regulations imposed on any food service establishments, food trucks operates with a mini commercial kitchen therefore follows strict hygiene and sanitation requirements set by the governing body (Williams, 2013). Due to the fact that the scale of the concept is smaller as compared to a typical food service establishment, the capital needed to start up a food truck business is lower (Baylen, 2011).

However, there is an issue pertaining to food trucks where consumers claim that the value provided is lower than what is charged, viewing that the quality provided is similar to the ones that are available at food stalls and street hawkers (Yusoff, 2017). There are food truck operators that take advantage on the novelty value of food trucks and raise the prices of their menu haphazardly which has an effect on the image and perception of consumers towards the food truck industry.

Therefore, this study is conducted to examine the relationship between Food Price, Food Quality, Service Quality and their relation to Repeat Purchase. Due to the fact that this study is based on food trucks, the researcher has identified one location that is suitable which is TAPAK Urban Street Dining (TAPAK). It is located at Jalan Ampang, Kuala Lumpur. TAPAK offers an outdoor eating environment under the signature of KL's city skyline. There are about 30 food truck that had variety of international cuisine which opened in 7 nights a week from 6.00pm until midnight.

## **LITERATURE REVIEW**

### ***The Food Truck Phenomenon***

The Food and Agriculture Organization (FAO) describes street foods as “ready to eat foods and beverages prepared and sold by sellers or hawkers especially in the street and other similar places” (FAO, 2016). The seller provided the foods in dissimilar ways either non-motorized carts, both or stand also known as hawker or mobile food truck. (Choi, 2016).

Similarly, street food dining is alike with hawker and there are various studies conducted related hawker (Henderson, 2017; Raflis, Omar & Ishak, 2016). Though, the study on the mobile food truck is still bare. This is due to the ever-increasing attention from public towards food truck business nowadays. However, there is a determined necessity to change understanding in food truck business for commercial sustainability (Wessel, 2012; Ibrahim, 2011).

Historically, people acknowledge the food trucks as a truck provided foods only for factory and construction employee with cheap price (Ibrahim, 2011). In recent times, the hotspot area for food trucks is near to the office area during the lunch hour and relocated to other public

places in the night time (Hirsh, 2011). The newest food trucks are well-equipped are with food with good facilities, serving different cultural cuisine, accompanied with innovative truck designs (Wessel, 2012). Mobile food truck is also known as the emerging enterprise that serves variation of foods from simple, comfort food to gourmet food (Esparza, Walker & Rossman, 2014).

The mobile food truck can be considered into three different kinds, which are the restaurant based food truck, traditional food truck, and the new comer food truck (Hawk, 2013; Ragavan, 2014). The traditional food truck vends local foods or snacks via truck or SUV. These categories of food truck not focusing on brand, but their food quality develops their key attention (Ragavan, 2014). Nearly café infiltrated the food truck sector as a one of their tactics for brand distinguishability (Loomis, 2013; The Market Edge, 2010).

The food truck operators perceived opportunities to enter new market and maintaining the customer loyalty by offering the extraordinary menu (Ibrahim, 2011; Loomis, 2013). This kind of food truck known as pop-up restaurant with expensive price than ordinary food trucks (Henderson, 2017). In the era competitive marketplace, food truck struggle with others to hold their customer based on their food and service quality (LeComte, 2016).

### ***Food Price***

Food prices will create customers' attention. Typically, customer claim about the increasing in food price, the demand for low-priced food, or unreasonable price and attitudinal evaluations. These factors lead to the dissatisfaction among customers.

According to neoclassical economic theory, customers will decide their choices based on lowest price. Nevertheless, some of customers will looking and made a decision making by favoring on high priced goods or item compare to the lowest price (Huang, Chang, Yeh, & Liao, 2014), or probably they would decline the discount or promotion offered if the price is unreasonable (Kahneman, 2003). The customers' subjective of price evaluation is inspiring. Since 1950, the increasing of attention in single differences was emphasized on psychological process in the economic field (Katona, 1977). Customer was looked up on the price information and the previous price had been concerned by the theoretical academic investigation in decades ago. Evidently, customers' knowledge about pricing had been verified regarding to the lowest price (Monroe, 2003).

### ***Food Quality***

Nowadays, business distributing fast food is categorized as a high competitive in marketplace (Liu, Jang, 2009). Some researchers had strong evidence that food quality is one of the key element to success in business (Du & Sun, 2004). Experimental evidence shows that food quality has an important effect to the long-term business performance due to the favorable food preference to the business (Du & Sun, 2004). Hereafter, the business should identify which can give an impact to customers' purchase decision (Bryhni, Kjos, Ofstad & Hunt, 2002). Every person has different perception about food quality as it is a diverse term (Rohr, Luddecke, Drusch, Muller & Alvensleben, 2005). Based on study of Peri (2006), it was described the food quality as a product supplies the packaging system and market system. Meanwhile Bredahl (2003) indicated that the food quality should contains about the sensory, health, convenience and process dimensions.

Generally, food quality can be assessed in many ways. According to Grunert, Bruno, Bredhal & Bech (2004), food quality was linked about physical qualities of food such as fat content. The food quality has contributed consequence on customer satisfaction and behavioral purposes (Ha & Jang, 2010). In a cafe business, food is an essential product which plays as

important role (Liu & Jang, 2009). Likewise, Namkung & Jang (2007) and Sulek & Hensley (2004) have defined food quality as a necessary element of a dining experience.

### ***Service Quality***

In this era globalization, some researcher study about the significant of service in association. Based on Parasuraman, Zeithaml & Berry (1985), the researcher discovers problems in the meaning of service quality concept. These problems were created, assessed and expended in the way of service (Zeithaml, 1998). From the early research on quality, it has been found that early research efforts concentrated on defining and measuring the quality of tangible goods and products, while the seemingly more difficult services sector was ignored.

Conversely, Gronroos (1990) has noted that product quality was traditionally linked to the technical specifications of goods, with most definitions of quality arising from the manufacturing sector where quality control has received extensive attention and research. These product-based definitions of quality may be appropriate to the goods producing sector, however, knowledge about the quality of goods is insufficient to understand service quality (Parasuraman, Zeithaml & Berry, 1985).

Associated with product quality, it is hard to measure service quality tangibly due services are intangible entities with characteristics such abstract, perishable, diverse and instantaneous (Lovelock & Wright, 2002). Subsequently, some description had been given to service. Resultant from the difference in the descriptions of service quality, various methods have been expressed to measure service quality. Parasuraman, Zeithaml & Berry (1985) improve a 22 item SERVQUAL scale, whereby concludes five dimensions, i.e. Tangible, Reliability, Responsiveness, Assurance and Empathy, to measure service quality.

### ***Repeat Purchase***

Based on the study of Lu, Berchoux, Marek & Chen (2015), shows that satisfied customer will bring come back to the hotel for another visit.

Besides, Ng (2005) say on the customer satisfaction and return intention that food quality and restaurant decoration are dominant give a customer satisfaction. Hence, another factor of customer satisfaction that gives repeat purchase are service quality and price. Moreover, Kabir (2016) had found there are 8 point that influences customer satisfaction in fast food namely; food quality, service quality, convenience, physical environment, customer facing technology, price, service speed and order accuracy.

In other hand, Herrmann, Xia, Monroe & Huber (2007) say that customer satisfaction can be effect by the price fairness in positive way, yet the price fairness also can be negative affect by the customer exposure. Price can be manipulated the customer satisfaction or dissatisfaction followed by the quality.

Therefore, for the purpose of this study the following hypotheses were postulated:

H1: There is a relationship between Food Price and Repeat Purchase

H2: There is a relationship between Food Quality and Repeat Purchase

H3: There is a relationship between Service Quality and Repeat Purchase

## METHODOLOGY

This research is undertaken at TAPAK. A descriptive research was used as a research design as it is distinguished by its ability to investigate the customers repeat purchase behavior in this area. The units of analysis for this study are the customers who visit TAPAK. During the completion of this study, the exact population for this study is not known, therefore in acquiring the sample, this study utilizes a non-probability sampling method specifically the convenience sampling technique and the sufficient sample size decided upon was 30 respondents which are acceptable as supported by Creswell (2014) due to the unknown N-value.

In terms of data analysis, the structured questionnaire was analyzed using IBM Statistical Package for the Social Sciences (SPSS) 22.0 in order to obtain descriptive statistic – frequency. The relationship of each variable was analyzed using the Pearson Correlation.

## FINDINGS AND DISCUSSION

### *Demographic Profile*

The distributed online questionnaires were able to capture 30 respondents consisting of 56.67% (17) female and 43.33% (13) male. For the age frequency, majority are 21-30 years old (36.67%) followed by 18-20 years old (30%), 31-40 years old (6%), 41-50 years old (3%) and lastly 51-60 (3.33%).

### *Reliability Test*

The instrument for this study was adapted from the works of several authors (Rafli, Omar & Ishak, 2016; Dyana, Suki & Adeline, 2014; Ha & Jang, 2010; Monroe, 2003) for the variables of Demography, Food Quality, Repeat Purchase, Service Quality and Food Price. A five-point Likert Scale was used for every variable except Demography, ranging from Strongly Disagree to Strongly Agree. Since the instrument was adapted from varying studies, a reliability study was conducted, and all of the variables reported Cronbach's Alpha values (Demography=0.957, Food Price=0.942, Food Quality=0.947, Service Quality=0.771, Repeat purchase=0.935) higher than the acceptable value of 0.6 (Zeller & Carmines, 1982).

### *Correlation Analysis*

Table 1: Correlation Analysis

		Food Price	Food Quality	Service Quality	Repeat purchase
Food Price	Pearson Correlation	1	.881*	.998**	.985**
	Sig. (2-tailed)		.048	.000	.002
	N	30	30	30	30
Food Quality	Pearson Correlation	.881*	1	.872	.949*
	Sig. (2-tailed)	.048		.054	.014

	N	30	30	30	30
	Pearson Correlation	.998**	.872	1	.979**
Service Quality	Sig. (2-tailed)	.000	.054		.004
	N	30	30	30	30
	Pearson Correlation	.985**	.949*	.979**	1
Repeat Purchase	Sig. (2-tailed)	.002	.014	.004	
	N	30	30	30	30

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

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

Table 1 identifies the correlational value between the variables of Food Price, Food Quality, Service Quality and Repeat purchase. The values of Food Price (.985) and Service Quality (.979) recorded values that are significant at 0.01 levels in relation to Repeat purchase, whilst Food Quality (.949) is significant at the level of 0.05.

### ***Discussion on Variables***

Based on the findings obtained (Table 1), all three hypotheses were accepted. All three variables relate to Repeat Purchase. The results for Food Price and Food Quality is supported by the works of Huang, Chang, Yeh and Liao (2014) with both variables has a positive relationship to Repeat Purchase. In terms of Service Quality and its positive relationship with Repeat Purchase is supported by Lu and Seock (2008). These results points toward the need to have a systematic evaluation on setting the price, quality of food and of the service in order to create value for repeat purchases of the customers.

## **CONCLUSION**

The fact that this study was conducted utilizing a non-probability sampling method makes it not generalizable to a bigger population, but it provides a start for further exploration and discussion of the subject matter. All in all, the study revealed that there is a positive relationship between food price, food quality and service quality on customers returnable to visit at TAPAK. Hence, all the objectives have been achieved in relation to the operable of research question. As mentioned previously, the information gathered could be used for better understanding not only for the general public but for the local governing body in creating awareness towards the trend of food trucks. Finally, this study adds valuable fresh data to the current literature on the food price, food services and food quality as well services quality. The information constitutes an important source of literature for the ongoing discussion and interest on the part of scholars in Malaysia's foodservice studies.

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