



**INTERRELATIONS BETWEEN SERVICE QUALITY,
CUSTOMER SATISFACTION, AND PURCHASE INTENTION
IN FAST FOOD RESTAURANTS**

A Study on Generation Y in Kuala Lumpur, Malaysia.

**ATIKAH BINTI SAIFUDDIN
2010221504**

**BACHELOR OF BUSINESS ADMINISTRATION WITH HONOURS (MARKETING)
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA, KAMPUS KOTA BHARU**

JUNE 2012

ACKNOWLEDGEMENT



First of all, I want to praise the heartiest gratitude to Allah S.W.T. for granting me the strength, patience, and guidance throughout the process of preparing this project. A successful project can never be prepared by the single effort or person to whom the project is assigned, but it also demand the help and guardianship of some conversant persons who helps in the undersigned actively or passively in the completion of successful project.

With a great pleasure, I express my gratitude to my advisor, Madam Wan Noor Hana Wan Abd Aziz, my second examiner Tuan Hj. Mohd Rosli Tuan Hasaan, and my internship supervisor Mr Cheah Kiu Lye (Vice President II, SDFBM) and Mr Marc Shahbudin Abdul Raffur (Sales Operation Executive), without their help this would not have been completed. They have given the precious suggestion and constructive guidance that have been indispensable in the completion of this project paper.

I would also like to thank to En Ridhuan (VP I of Sime Darby Foods & Beverages Marketing) and Mr Steven (SVP II, Agribusiness) that are likely to ask the improvement of my thesis. Heartfelt thanks because provides me information and supportive comment to accomplish the final project. I also like to express my deepest appreciation to my beloved parents, and to my real friend Mohd Afdhalluddin Mohd Huzaimi for their passionate to help in terms of support, financial, and encouragement, also for instilling in me unquestionable values and morals, thank you for your love, and guidance Last but not least, to all my friends and all the respondents who directly and indirectly supported to me during my project paper, without the help of whom this project would not have been possible to be done within the dateline.

I wish and believe Allah S.W.T. will bless each of you with good faith forever.

Thank you.

ABSTRACT

In any business, the service quality and customer satisfaction are the two most important key marketing strategies for competitive differentiation and customer retention. An understanding of this issue will help business to become more successful. Due to the competition in the business, customer satisfaction measurement has become common practice in the fast food restaurants throughout the world with the aim of assessing the quality of existing management practice and suggesting the direction for improvement. The aims of this study are to examine the most influence key determinants of customer satisfaction towards service quality level and to identify the interrelations between customer satisfaction and customer purchase intention in fast food restaurants in Kuala Lumpur, a study on generation Y. For generation Y, no study has yet investigated the above mentioned interrelationship. The purpose of this study is to fill this gap.

A questionnaire survey which is designed according to the SERVQUAL model was used to measure service quality. Other conceptually related variables were included in this research, such as consumer purchase intention, overall service quality and overall satisfaction. The sample sizes of 100 were drawn. The result reveals that all the service quality are positively related to customer satisfaction and customer satisfaction is positively related to customer purchase intention in the fast food restaurants in Kuala Lumpur, a study on generation Y. Responsiveness demonstrates the highest positive linear correlation with customer satisfaction and reliability shows the weak positive linear correlation with customer satisfaction.

This study suggests that SERVQUAL is a suitable instrument for measuring the fast food restaurants in the generation Y context. Therefore, fast food restaurants managers can use this instrument to assess the fast food restaurants service quality in Kuala Lumpur, Malaysia

TABLE OF CONTENTS

CONTENTS	PAGE
TITLE PAGE	i
DECLARATION OF ORIGINAL WORK	iii
LETTER OF TRANSMITTAL	iv
ACKNOWLEDGEMENT	v
TABLE OF CONTENTS	vi
LIST OF TABLES	viii
LIST OF FIGURES	xi
LIST OF ABBREVIATION	xii
ABSTRACT	xiii

CHAPTER 1: INTRODUCTION

1.0	Introduction	1
1.1	Background of study	1
1.2	Problem statement	4
1.3	Research objectives	6
1.4	Research questions	7
1.5	Significant of study	9
1.6	Scope of study	9

1.7	Limitation	10
1.8	Conclusion	11

CHAPTER 2: LITERATURE REVIEW

2.0	Introduction	12
2.1	The conceptual definition of the service quality and SERVPERF dimensions	12
2.1.1	Service Quality	12
2.1.2	SERVPERF model	13
2.1.2.1	Tangibility	15
2.1.2.2	Reliability	15
2.1.2.3	Responsiveness	15
2.1.2.4	Assurance	16
2.1.2.5	Empathy	16
2.2	Customer purchase intention/re-purchase intention	16
2.3	Interrelationship among service quality, customer satisfaction and purchase intentions	16
2.4	Theoretical framework	19
2.5	Hypotheses development	20
2.6	Conclusion	21