

FOOD-SERVICE INDUSTRY: AN OVERVIEW OF ATTRIBUTES THAT INFLUENCES CUSTOMERS TO REPEAT PURCHASE INTENTION

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ABSTRACT

This research concerns on an overview of restaurant's attributes that influence customer repeat purchase intention at restaurant. The term food industry is referring to the complex, global collective of diverse businesses that together supply much of the food energy consumed. The objectives of conducting this research are to identify the most influential restaurant's attribute that lead to repeat purchase among the customer, to observe the most dominant attribute that lead customer repeat purchase base from gender differences and third is to examine the relationship between dependant variable (repeat purchase intention) and independent variables (place, price, good quality food, brand name and menu variety). Specifically this research had been done at Bujang Valley area, Kedah. A total of respondent of 278 were selected fill the sets of questionnaires. The data was analyzed with descriptive statistic, Independent group T-Test and Two-Way ANOVA of Statistical Package for Social Sciences (SPSS) version 16.0. The result shows that the most factor that influencing the customers to repeat purchase is price and male customers also tend to prefer price as the factor for them to repeat purchase in a restaurant. The next influential attribute is menu variety in which it can be as the additional criteria for a restaurant to attract customer to repeat purchase.

Keywords: Food Industry, Service, Attributes, Repeat Purchase Intention

INTRODUCTION

The issues of food service industry in Malaysia have become one of the issues that are being debated in the country nowadays. This can be seen through many cases that are related to the food service industry. Whether restaurants or stall, the core business is still serving food to the customers.

Apathy about cleanliness and high food prices could damage the tourism industry, which is one of Terengganu's main sources of income. Menteri Besar Datuk Ahmad Said said cleanliness in the state capital was "unsatisfactory" and placed the blame squarely on residents and hawkers. The local council cleaned up the streets in the daytime, and by evening the streets were again strewn with rubbish, he said. On top of that, hawkers charged premium prices for their food and did not maintain hygiene. "People come here expecting clean and inexpensive food." "They will feel cheated if our food prices remain high and our food is not covered properly," he said after welcoming 42 passengers on board Firefly's inaugural direct flight from Singapore on Tuesday evening at the Sultan Mahmud Airport. This case is not the good example of attributes that can influence customers to come back to the restaurants as they felt that the price that they have to pay are not equitable with the service they get (NSTONLINE, 2009).

Satisfaction becomes part of the revised perception of service quality, which eventually affects purchase behavior (Bolton & Drew, 1991; Oliver, 1980; Parasuraman, Zeithaml & Berry 1988). Therefore, they concluded that the causal relationship between service quality and consumer satisfaction in relation to purchase behavior follows the following sequence:

Callan (1994) identified nine determinants affecting consumer repeat purchase intention and the service provider understands of the consumer in the hotel industry through extensive interviews and focus-group studies. These factors were security and access, location and image, price/value, competence, access, security, additional services, tangibles, and leisure facilities.

Place become one of the important role in influencing the customers choice since tangible elements of service such as ambience and layout influence the customer purchase behavior (Zeithaml & Bitner, 2003). Besides, the information provided by the restaurant itself through their physical environment such as the decorations, sound and lighting will play a determining role when customers make their choice in choosing restaurants (Pedraja & Yague, 2001). These shows that how place of a restaurant play the role for the customer to choose a restaurant to have meal.

Students are a group who has not created values yet, so price should be another important factors referring to satisfaction. Price is the cost of making the purchase, (Tse, 2001). The price of the items on the menu have greatly influence customers because price has the capability of either can attract or repelling them to make a choice in choosing a restaurant (Monroe, 1989). This is due to price to be paid for a service determines the customer's expectation toward the service provided (Teboul, 1991).

Restaurants must offer quality food to attract and retain customers. To gain competitive advantage in today's market, restaurants must also offer quality service, meals of food value and favorable ambience. Even though healthy eating has been one of the most significant trends, the industry must continue to recognize the importance of offering quality and tasty food items. (Morgan & Rao, 2000). It means that serving quality food is very crucial to each and every restaurateur in order to attract customers to come back to the restaurant. In the quality of food, there are four items that are being examined which are menu variety, innovative food, presentation of food and also fresh ingredients and food consistency (Soriano, 2001).

Branding is widely seen as one of the canons of marketing dogma. Doyle (1998), for example, argues that "brands are at the heart of marketing and business strategy" and Kotler, Armstrong, Saunders & Wong (1999) suggest that "the most distinctive skill of professional marketers is their ability to create, maintain, protect, reinforce and enhance brands". In its original sense a brand can be defined as a mark burned into anything with a hot iron and in some pre-modern societies branding was employed to distinguish ownership and identity of slaves, of cattle and of some commodities. (Jones, Hillier, Shears & Hill, 2002).

The changes in patron preferences, menu trends and the availability of new convenience foods and competition are also influential factors towards the customer's repeat purchase intention. Offering consumers a choice board or a menu of choices of various menus would create value towards the company (John, Venkatram & Steven, 2001).

METHODOLOGY

Sample

Sample for this study was selected from Non-Residents (NR) Students of Universiti Teknologi Mara (UiTM) Kedah. The number of population of NR students of UiTM Kedah is 1037 as cited by Masria's College Officer. Then, according to Uma (2003), the number of sample selected as respondents is 278 people.

The objectives of this study are to identify the most influential restaurant's attribute that lead to repeat purchase among the customer. Next is to observe the most dominant attribute that lead customer repeat purchase base from gender differences and last is to examine the additional criteria for a restaurant to increase customer repeat purchase.

Data collection

The data for this study had been collected through personally administered questionnaires. The advantage of this method is the completed data can be collect from the respondent in one time or period (Uma, 2003). Section A is listed with questions that require the respondent background. It is such as age, race, level of education and the experience of repeat purchase intention. Section B, C, D, E and F focus on the studying the relationship between place, price, good quality food, brand name and menu variety towards the intention to repeat purchase. Section G consist of the questions regarding restaurant's attribute that influence customer repeat purchase intention.

Data reliability

Cronbach's Alpha is a reliability coefficient that indicates how well the items in a set positively correlated to one another (Uma, 2003). The closer Cronbach's Alpha is to 1, indicates that the question is significant and reliable. To measure the reliability and significant of the questionnaire, the reliability test should be above or equal with 0.6. The reliability for this study is 0.878.

RESULT

The reimbursements that hope to be profited from this study are that this research will offer to the restaurateurs to know further about the most influential attributes that helps them to deliver their services and at the same time how they get repeated customers. This can help the service provider of food service industry to deliver better services (food services) to the non-resident students. Besides that, this study also can help the restaurateurs to reduce the gap between customers expected service and customer perceived service. It can be done when the service provider know what they should serve to the customers by trying to fulfill their personal needs and wants. Furthermore, this result can assist future researchers to make research in this field in order to get better results. This is because they will know what types of attributes that influence repeat purchase intention and understanding why repeated purchase occurred.

CONCLUSION

As a conclusion, this study is to identify what are the most influential restaurant's attribute between place, price, good quality foods, brand name and menu variety. In this study, it had been identify price as the most influential attributes that attract customers to intend to repeat purchase at restaurants. It seems instead of cheap price, customers tend to repeat purchase if customers get payment equity which there is the fairness between price and the service exchange. The respondents also are among of students who do not earn money by themselves. That is why they are more concern on price in order to make repeat purchase as compared to other

attributes which are place of the restaurants, good foods quality, brand name and the variety of menus. Perhaps, this study could give some information to the restaurateurs on how to manage to attract the customers intention to repeat purchase so as they could come out with appropriate strategies as well as developing their businesses. Hope this research also could give the impact to the other researcher for continuing this for further research.

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