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**A REVIEW ON THE DEVELOPMENT OF CATERING SERVICE
AND
DEMAND IN FOODSERVICE ORGANIZATION**

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A Review on The Development of Catering Service and Demand in Foodservice Organization

1.0 INTRODUCTION

1.1 Overview

This chapter consists of eight sections. It begins with the background to the research study from broader context (Section 1.2). This is then followed by Section 1.3, the problem statement. Section 1.4 and 1.5 presents the research objectives and research questions of this study. Significance of the study can be found in Section 1.6. Section 1.7 explains the scope of the study. Finally, Section 1.8 list and define the key terms used for this study.

1.2 Background of the Study

Foodservice plays an important role and specifically in Malaysian due to tourism development and the phenomenon of Malaysians eating out (Euromonitor, 2006). According to (Samoggia, Bertazzoli, Hendrixson, Glibetic, and Arvola, 2016) higher income of persons especially women will influence the factors of perceived behavioral control, attitudes towards healthy eating, subjective norms and level of knowledge regarding healthy food. They also will related with family habits and food affordability and availability. Apart from that, it was found that, due to busy schedules in the city and income increases of Malaysian household, many of them preferred to dine out instead of cooking and eating at home (McCluskey, 2015). This was seen one of the main drivers that constantly push the foodservice industry and give positive impact on the national economy.

Today the foodservice industry is defined in its broadest sense to mean all establishments where food is regularly served outside the home. Such establishments include formal restaurants, hotel dining rooms, coffee shops, family restaurants, specialty and ethnic restaurants and fast food outlets (Josiam, Kinley, and Kim, 2004 and DiPietro, 2017). Foodservice that operate in schools, colleges and universities, hospitals and nursing homes and other health care settings, recreational facilities, transportations companies, the military,

correctional facilities, office buildings and plants, convenience stores, supermarkets, service delis, and departments stores and community centers and retirements residence are also included. All of these operating systems is divided into their segments commercial and non-commercial segment which are there is a systems in place to help foodservice industry professionals speak the same language and easy for people to understand.

Similar to other countries, the foundations of foodservice industry in Malaysia is divided into two segments, which is commercial segment and non-commercial segment. The commercial segments, are those whose primary business is food and beverage services and it exists to generate profits from sales of food and beverages. It is includes operations in catering and banquets, restaurants, retail, cruise ships and stadium airlines. Whilst, non-commercial segment are self-operated food service and the financial goal does not involve generating profits from sales of food and beverages products. The examples of non-commercial foodservice are schools and universities, the military, health care, clubs, business and industry. On top of that catering service that provide mass quantity of food in certain time rapidly increase in demand as compare to other foodservice operations (Palacio and Theis, 2014).

The most recent study on catering service conducted by (Parker, 2015) was on social judgments and strategic action in foodservice context. The study found that particular topic is social judgments giving an impact to the performance of catering industry. Together with that, to provide good quality services to the customers, the organizations must have strong human resource management. In order to understand this aspect of management, the organization must know quality service entails and how it can be identified or measured. A part from that, (Karen Kueh, 2007) had already mentioned that Generation Y consumers influenced by the culture of service quality expectations. In general, they highlighted this is importance to understand the cultural background of consumers in designing strategies for effective service delivery and customer service expectation management. Coupled with that, good management team must attempts to estimate service quality not only from the customer's perspective but also from the employee's as well.

Nevertheless, there are little emphasis on gaining deeper understanding the development of foodservice industry particularly from the catering service perspective. This is because, in order for hospitality establishments to sustain competitive in the future they must

become more responsive to the changing needs of their employees and customers. Increased competition, globalization and a diverse workforce forced the management to re-structure their organizations structure (Blum, 1996). In addition, there is a need to critically discuss on how demand could influence the growth of catering service in foodservice industry development. Therefore, this study is specifically proposed to respond those inquiries.

1.3 Problem Statement

As previously discussed, foodservice industry is characterized by complexity and diversity of its development. It was also found that this industry often crosses the fluid boundaries between the informal and formal economy which contribute to Gross Domestic Product (GDP) growth which was due to the inconstant fluctuation of demand from various market segments within the country or region. Catering service has shown unstable growth each year. This is supported by (Butler, 2011) found that the nature of this service is seasonal. This is mean by, our industry only high demand during public or school holidays, annual events especially at the end of the year and etc. (Olsen, 2001) said that the increasing competitiveness of the industry recently let in most firms in the field are not yet ready to accept the challenges.

Furthermore, foodservice sector can be easily influenced by demand from existing market segments that heavily depending on what is in trends. This is due to markets is the most growth potential in emerging economies in which consumers have different priorities, spending abilities and foodservice preferences. Thus gives impact on the development of future catering service especially rapid changes of trends could force the management of a catering company to upgrade and update with the latest facilities, send their staff for training often, and many more.

If all these continuously occur, catering service operators have to bear undesirable cost like new ingredients, purchase new facilities and training for new skills and failure to meet the current demand could cause them losing their customers in the long-run. In addition, this study, based on the existing literature, found that there is less research has been undertaken to conceptually discuss and argue on the development of catering service and demand in foodservice organization.

1.4 Research Aim and Objectives

Having identify and discuss the problem in previous section (Section 1.3), this study seeks to critically review on the development of catering service and demand in foodservice organization.

RO1 - To discuss on the development of concept of catering service in foodservice industry;

RO2 -To determine the association between demand and changes occurred along the development of catering service.

1.5 Research Question

From the aim and research objectives, the following research questions are proposed: -

RQ1 How does the concept of catering service developed in foodservice industry?

RO2 How demand effects the changes of catering service concept throughout its development?

1.6 Significant of the Study

The findings from this study have significantly contributed additional knowledge on how the catering industry expand in this country to meet the customer demand. The better understanding about on development of catering service and demand in foodservice organization it is important because of the reading material on catering in this country is very limited and most of this source is came from outside of the country. With that researcher will expand their academic regarding this topic and gain more information from the theory and knowledge aspects. Other than that, research on this topic will improve the understanding about related topic and come out with other theory and more information to improve the customer demand in the industry.