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# **KEY SUCCESS FACTORS OF QUICK SERVICE RESTAURANTS**

by

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in

Business Management

at the

College of Business and Economics

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But the Lord answered to me, “My grace is sufficient for you, for My power is perfected in weakness” (2 Corinthians 12:9).

As God was to Abraham, Isaac, and Jacob, so He is to us today. I devote the moment to thank God Almighty who had given me the courage, strength, and wisdom to complete the study.

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To my husband, Christopher Mushwana, and children, Christopher Nhlulo and Masingita (Naza), thank you for your patience and sharing time with my studies. You have always been there when I needed you most and it has never been easy.



## **ABSTRACT**

Quick service restaurants (QSRs) have become the most visited restaurants of all restaurant types globally. Customers' connection to service quality has compelled the QSRs to implement effective strategies to satisfy their customers. Key success factors and service quality have become important aspects of QSR because of their benefits, such as increased profit, competitiveness, market share, and customer preservation.

This study applied a quantitative technique using a survey research strategy. Self-administered questionnaires were distributed to QSR managers, owners and customers in Gauteng province using non-probability sampling. The Statistical Package for Social Science program (SPSS) Version 24 was used to analyse the data. The statistical techniques used were mean, standard deviation, correlation analysis, and exploratory factor analysis (EFA).

This study investigated the link between key success factors (KSFs) and service quality of QSRs. Questionnaires were conveniently placed for customers visiting a QSR and the questionnaire was also distributed to chosen, franchised, and independent QSRs in Gauteng province.

A total of 150 questionnaires (customers) and 100 questionnaires (managers/owners) were collected and analysed. The objectives were evaluated by applying mean, standard deviation, and correlation analysis. The key success factors (KSFs) – people, marketing, price, processes, and service quality of QSRs – were confirmed by owners, managers, and customers.

The study indicated a significant and positive correlation between each KSF and service quality in a QSR. It is recommended that owners and managers adopt the key success factors as part of their competitive strategy. By implementing KSFs, QSRs would probably improve customer loyalty and increase their income.

Only QSRs in Gauteng province of South Africa were studied; consequently, the findings might not be generalised to other types of restaurants in other geographic regions. Future studies could be expanded to include other types of restaurants, other service sectors in other regions of the country.

## DECLARATION

I certify that the *minor dissertation* submitted by me for the degree *Master of Commerce (Business Management)* at the University of Johannesburg is my independent work and has not been submitted by me for a degree at another university.

GLADNESS NKATEKO MUSHWANA



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## LIST OF ACRONYMS

CSF	Critical Success Factor
EFA	Exploratory Factor Analysis
IQ	Interactive Quality
FFR	Fast Food Restaurant
KMO	Kaiser-Meyer-Olkin
KSF	Key Success Factor
KFC	Kentucky Fried Chicken
QSR	Quick Service Restaurant
MSA	Measures of Sampling Adequacy
OQ	Outcome Quality
PCA	Principal Component Analysis
PEQ	Physical Environment Quality
SQ	Service Quality
SPSS	Statistical Package for Social Science
STD	Dev Standard Deviation
RASA	Restaurant Association of South Africa
SACsi	South African Customer Satisfaction Index
SADC	Southern African Development Community

## **CHAPTER 1: INTRODUCTION TO THE STUDY**

### **1.1 Background**

South Africa has one of the biggest foodservice markets in the Southern African Development Community (SADC) region (USDA, 2016). The food sector includes various operations – from big food manufacturers and industrial catering provision to small scale sausage roll outlets, as well as those that specialise in the distribution of equipment and facilities. The commercial sector encompasses full restaurants, which are most sit-in and fast food or quick service restaurants that cater for most take-aways. Within the business sector, well-known restaurants continue to expand because of a shift in consumer spending, which would rather choose meals from fast/quick service restaurants (Wingrove & Urban, 2016). This swing has generated prospects in the restaurant industry. However, restaurants experience intensified rivalry from grocery stores, store food chains, and food deli outlets, which also provide convenient foods and snacks. This study focused on commercial quick service restaurants.

The restaurant business is established in accordance with the regulations of the food service industry and the approved restaurant associations of South Africa, such as the Restaurant Associations of South Africa (RASA), which provide assistance to these businesses concerning the rules and laws of the industry. RASA participants comprise private restaurants, food outlets, café bars, industrial cafeterias, mobile cafes, and main license or franchise clusters.

Numerous researchers worldwide have conducted surveys in fast-food businesses with the result that a vast growth has been seen in the QSR enterprises globally (Kaur, 2013; Min & Min, 2011). Quick service restaurants (QSRs) are different from other forms of food outlets because of their distinctive characteristics, namely their lower prices and fast delivery, which cater to their clients (Cao & Kim, 2015). The customers consistently visiting fast food outlets usually have confidence in and allegiance to the product, because these clients are loyal to the brands with which they are most familiar and trust (Sahagun & Vasquez-Parraga, 2014).

Euromonitor International (2015) recorded poultry as the most preferred choice of QSR, showing that Kentucky Fried Chicken (KFC) has the most stores in the South African region, reaching 771 stores, followed by other famous brands that boast 509 stores. Parsa, Jeanne-Pierre, Smith and Bujisic (2015) recognise key success factors (KSFs) that appear to be most prevalent to most QSRs, such as service quality, people, and viability. According to Strydom (2014), KSF analysis is critical in South Africa because of increased rivalry, both locally and globally, resulting from food outlets being set up.

## **1.2 Significance of the study**

Competition between QSRs has increased, as technological advances, customer demands, and needs have arisen. It is critical for QSRs to establish some sort of understanding about customer demands, by monitoring and managing the key success factors. Further study is required into understanding the KSFs, especially from the shop level, to improve the success and profitability of the QSR.

This study shows that innovative food brands, which had been started in South Africa, might appreciate revenue boost for a time being, but surveys indicate that in the existing financial climate, customers generally visit a food outlet once every week. Over a long period of time, clients may maintain loyalty to QSRs that provide the best product value in terms of price and service quality (SAcsi, 2016).

This study provided useful information to QSRs to introduce effective KSFs and service quality recovery strategies to avoid disappointing service and lessen complaints related to total operations and service quality. It can be argued that service quality has attracted the attention of many experts and academics; however, these studies have been explored more in developed countries than in developing countries.

In South Africa, an insufficient number of studies have been conducted researching the effect of KSFs and service quality on customer satisfaction with regards to QSR. Consequently, this study closed the gap in this regard, as the aim was to investigate the influence of KSFs and service quality on QSR owners, managers, and to examine customers' experiences and the importance of KSFs and total service quality.

The significant findings of this study expanded the contribution to the hospitality literature on QSR by using Brady and Cronin's (2001) multifaceted hierarchical pattern

of service quality to provide a systematic understanding of the concept of service quality in QSRs. Furthermore, the study contributed by conceptualising as well as measuring the customer perception of service quality in QSRs by revising the hierarchical approach. This technique helped to address some of the shortcomings of traditional measurement methods, for instance Service Quality instrument model (SERVQUAL).

### **1.3 Problem statement**

The QSRs in South Africa have encountered problems that pose a threat to their competitive edge, viability, and expansion. Rivalry has come from regional and international QSR franchise groups that have joined the South African marketplace (Kaur, 2013; Strydom, 2014). According to Lee, Lee, Chua, and Han (2016), because of the low entry barriers in the restaurant sector, ambitious entrepreneurs generally hurdle into this highly volatile and competitive environment without the required mandatory skills.

The majority of the QSRs appear not to understand the KSFs and to what extent they might affect operational effectiveness and development. A deeper awareness of the restaurant key success factors is a vital key to the likelihood of a restaurant being successful in the industry (Maumbe, 2012; Roberts-Lombard, 2009; Swart, 2017).

### **1.4 Research objectives**

#### **1.4.1 Primary objectives**

The main objective of the study is to ascertain the key success factors and service quality in quick service restaurants (QSRs).

#### **1.4.2 Secondary objectives**

The secondary objectives of the study are:

- To evaluate the importance of key success factors in the QSRs from the owners'/managers' viewpoint.
- To assess the importance of key success factors in the QSRs from the customers' viewpoint.
- To explore the link between key success factors and service quality of QSRs from the managers'/owners' perspective.



- To ascertain the connection between key success factors and service quality of QSRs from the customers' perspectives.

## 1.5 Hypotheses

Managers'/owners' perspectives:

**H1:** A statistically significant and positive correlation exists between service quality and key success factors: people, processes, promotion sales, and price.

The following are the subgroups of the management perception hypothesis:

**H1a:** A significant and positive correlation exists between key success factors, people, and the overall service quality of QSRs.

**H1b:** A significant and positive correlation occurs between key success factors, processes, and overall service quality of QSRs.

**H1c:** A statistically significant and positive correlation exists between key success factors, promotion sales, and service quality of QSRs.

**H1d:** A significant and positive correlation exists between key success factors, price, and service quality of QSRs.

Customers' perspectives:

**H2:** There is a statistically significant and positive correlation between service quality and key success factors such as people, processes, promotion sales, and price.

The following are the subgroups of the customers' perception hypothesis:

**H2a:** There is a significant and positive link between key success factors, people, and overall service quality of QSRs.

**H2b:** A significant and positive relationship exists between key success factors, processes, and service quality of QSRs.

**H2c:** There is a statistically significant and positive correlation between key success factors, marketing, and overall service quality of QSRs.

**H2d:** There is a statistically significant and positive correlation between key success factors, price and convenience, and overall service quality of QSRs.

The study has deliberately left out the introductory discussion of (1) a literature review and (2) research methodology in this chapter as may be prescribed or expected by some researchers. The reason for taking this approach is to minimise repetition.

The overview of the study has already been presented in the abstract, and almost the same content is presented in the final chapter of the study. The literature review is displayed in the subsequent chapter and a detailed research approach is offered in Chapter three.

## **1.6 Outline of the study**

### **1.6.1 Chapter 1: Introduction**

The section presents an outline of the research, which provides background information about the restaurant industry and more specifically, quick service restaurants (QSRs). Additionally, the chapter depicts the significance of the research and the aims of the study, which include main and secondary objectives, the problem statement, and the hypotheses formulated for the study.

### **1.6.2 Chapter 2: Literature Review**

Chapter 2 presents a thorough theoretical assessment of the various key success factors (KSF) and their significance. The chapter also give an academic synopsis of the dimensions of QSR service quality, which cover the interactive, physical environment, and the quality outcome.

### **1.6.3 Chapter 3: Research Design and Methodology**

Chapter 3 provides the study design and methodology, which are discussed in detail to incorporate the research strategy, philosophy, timeline, and research method. The sampling structure, sampling method, target population, and the data collection method are described in this section.

### **1.6.4 Chapter 4: Research Empirical Results**

Subsequent, to conducting a data analysis, the empirical results are discussed and interpreted in Chapter 4.

### **1.6.5 Chapter 5: Conclusion and Recommendations**

In Chapter 5, the most important results are summarised. Recommendations are made to assist the managers and owners of both franchises and independent QSRs to enhance the service quality for their customers. Additionally, restrictions (limitations) and suggestions for further studies are conveyed clearly.



## CHAPTER 2: LITERATURE REVIEW

### 2.1 Introduction

The key success factors have commonly been identified by the trading market and the consumers. Opinions expressed in the literature indicate that customers play a central part in the growth of various critical success factors (CSF), which should be adapted to individual countries (Gikonyo, Berndt & Wadawi, 2015). According to Bullen and Rockart (1981), geographical location may affect KSFs. However, Asemi and Jazi (2010) stipulate that there is no difference between advanced and developing countries when implementing KSFs; however, there are certain differences between nations. That means that local conditions appear to be shaped to a country's characteristics, product types, and organisational goals. Furthermore, KSFs focus mostly on people skills, processes, systems, and excellent performance, which eventually result in success.

According to Insight Survey (2016), quick service restaurants in South Africa face strong competition from retail food supermarkets and casual merchants. The main food grocery stores offer customers more, and more famous ready-to-serve food in their café shops, which has given rise to cost hostilities (Veitch, 2017). Owing to the low entry barriers in the sector, aspiring entrepreneurs generally jump into this extremely volatile and competitive environment without the required skills or experience (Lee *et al.*, 2016).

Authors contend that a better understanding of the business KSFs and their attractiveness is crucial for a restaurant to succeed in the industry (Maumbe, 2012; Roberts-Lombard, 2009; Swart, 2017).

This chapter presents a theoretical overview of various KSFs of the restaurant sector, focusing on customers' and managers' points of view. Additionally, it includes the conceptual structure of the research to examine and to find the significant KSFs and service quality required for a restaurant's operations.

The terms 'key success factor' (KSF), and 'critical success factor' (CSF) are used interchangeably. Furthermore, the terms 'quick service restaurant' (QSR), and 'fast food restaurant' (FFR) are also used interchangeably.

## 2.2 Overview of key success factors

QSRs are becoming ever more versatile, showing aggressive behaviour. Restaurant executives concede that is a challenge to trade while experiencing a two-sided problem within the environment (Mhlanga, 2018). On the one hand, sales are low, and on the other, working costs have increased (Maumbe, 2012). Meanwhile, substitute products are increasing (Swart, 2017), new entrants are rising (Veitch, 2017), and there is an elevated level of rivalry between clients who increasingly express their desire to buy certain kinds of products (Bhasin, 2018; Nair, 2016).

The micro-environmental variables pose a specific challenge to restaurant executives on how to maintain profitability in a declining industry, while offering high quality and effective services to loyal clients (Mhlanga, Hattingh & Moolman, 2014). The quick service restaurants would obviously understand the impact of the micro-environment on attaining this seemingly impossible goal (Goko, 2017).

Despite rigorous competition in the local market, global food brands have grown in South Africa. Nevertheless, established QSRs are regularly superior to newcomers, especially when the newly formed QSR tries to move to unexploited areas in the regional market. For example, entrepreneurs have suffered extensive rivalry from McDonald's and Steers, following the entry of Burger King into the South African region (Nair, 2016). The giant shops, McDonalds, and Steers, had to lower their prices, add menu diversification, and open their stores in areas where Burger King had opened (Sharebox, 2017).

Regardless of the rise in client pressure for fast food offerings, the closure rate for quick QSRs in South Africa is bigger than the typical closure rate for other small businesses, with food outlets usually collapsing within the first year of establishment (SSA, 2018; Mhlanga *et al.*, 2015).

According to Melia (2011), key success factors, performance management, and performance measurement are intrinsically intertwined. Melia (2011) supports the connection of KSFs with other variables and highlights the apparent connection between key success factors, industry context, and the measurement of results. Performance measurement frameworks and their related performance measures, for instance, provide the data required to inform and sustain an organisation's KSFs. When the KSFs have been pinpointed, it is possible to cultivate techniques to evaluate

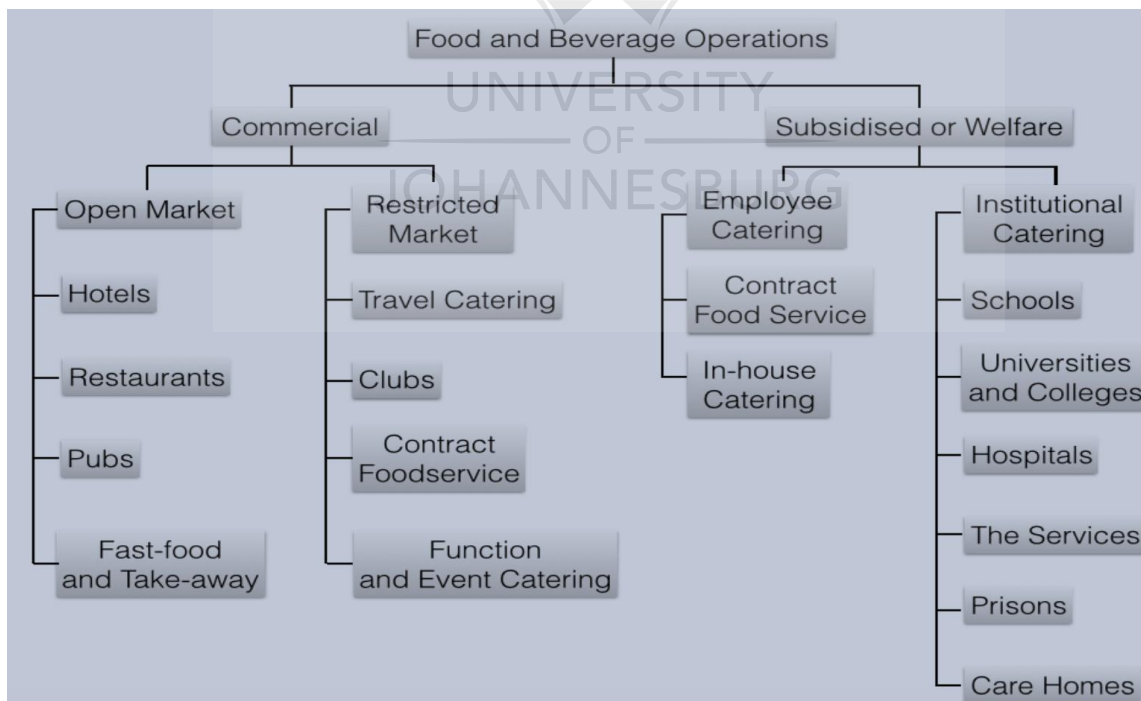
the implementation of the proven factors (Melia, 2011). Key success factors emerge from various aspects of the operational context of the organisation, like the operational strategy, product price, location, marketing, and positioning (Melia, 2011). Internal controllable variables contribute to the achievement of the restaurant business, as compared to external uncontrollable variables (Mandabach *et al.*, 2011).

The literature review emphasises the importance of KSFs to the internal environment of the restaurant business.

### 2.3 Overview of the hospitality industry

The food service establishment constitutes an essential component of the tourism industry, encompassing catering services, resorts, restaurants, bars, and hotels (Melia, 2011). Restaurants form part of the food and beverage industry, and the employees are required to buy raw ingredients, ensure service quality, control inventory, and explore the restaurant’s operating KSFs.

The following figure illustrates the food and beverage operations according to the categories in the industry.



**Figure 2.1: A categorisation of food service ventures**  
 Source: (Davis, Lockwood, Alcott & Pantelidis, 2012)

The South African food service sector was formerly dictated by an agglomerate trade arrangement, although presently, a completely different composition has developed, which encompasses franchise and independent QSRs. According to Swart (2017), there is aggressive rivalry between QSRs because of the huge amount of QSR establishments, including franchise and independent restaurants vying for clients.

The introduction of numerous QSRs has resulted in an oversupply in the region, since the market is not big enough to support so many restaurants (Igumbor, Sander Puoane, Tsolekile & Schwarz, 2012). According to Igumbor *et al.*, (2012), as of 2012, South Africa has recorded 8 661 QSRs, which are a lot of restaurants compared to Brazil, Russia, India, and China (BRIC) states. Green (2014) contends that each year, roughly 25 million citizens spend time at QSRs in South Africa, compared to other similar-sized nations. Countries such as Australia, which is approximately four times the size of South Africa, have fewer QSRs than South Africa (Igumbor, 2012). However, there are many food delivery businesses in some parts of South Africa, through online applications such as Mr D Food delivery and UberEATS, which have the power to swing the demand over restaurants (Swart, 2017). Furthermore, the food facilities in in-store cafes where customers buy easily available prepared meals, and assorted salads have increased (Green, 2014). Owing to their cheaper prices they offer customers, these instore food cafes have replaced many QSRs (Goko, 2017). In addition, many providers of processed foods such as wheat, meat, vegetables, dessert, cow's tongue, and organic foods, are easily available (Goko, 2017). This helps contractors to promote reduced costs of food products to food outlets (Brown, 2016), thus reducing input expenses.

#### **2.4 Definitions of key success factors**

The concept of key success factors (KSFs), similarly referred to as critical success factors (CSFs), is derived from the management information systems sector for the design of top executives' data organisations (Grunert & Ellegaard, 1992). KSFs are characterised as "the limited number of areas in which satisfactory results will ensure successful competitive performance for the individual, department or organisation" (Bullen & Rockart, 1981).

In addition, KSFs are designated as a "few key areas in which things must go right for the business to flourish and for the manager's goals to be attained" (Bullen & Rockart,



1981:7). In general, the basic concept of the KSF is “a statement about causal relationship, namely between success and some cause of success” (Grunert & Ellegaard, 1992:5). The concept was subsequently adjusted to the sphere of corporate strategy investigations, which converted into various distinct methods, but which could mainly be split into three different modes: a business trait, a planning tool, and a market description (Grunert & Ellegaard, 1992).

#### **2.4.1 A business trait**

The underlying philosophy of this perspective is that each business is unique in every aspect and should therefore “discover its own distinctive match with its setting” (Grunert & Ellegaard, 1992:5). Consequently, creating general findings about important key success factors within the industry is challenging. The only type of research application to identify important KSFs is a case study.

#### **2.4.2 A planning tool**

The concept is used to create “planning instruments” to aid enterprises locate the correct plan (Grunert & Ellegaard, 1992). The significance of the concept is to benefit entrepreneurs achieve clearer outcomes and improve the creation of strategies when planning, taking into consideration significant key success factors. It forces managers to stress a small percentage of key factors to assist in the process of interpretation and to formulate strategy, solve problems, and make decisions.

This method emphasises skills development and improved decision making by using the priority KSFs for business functions, as well as knowledge of the implementation process to distinguish the influence of success factors and to create policy (Grunert & Ellegaard, 1992).

#### **2.4.3 A market description**

The final viewpoint of key success factors is referred as the view of mutual experiences, which compares perceived variables of success with actual success factors. The concept behind this perspective is that sharing and studying the experience of company strategies make it possible to construct a universal and empirically based understanding of distinct kinds of strategies related to company achievement, which can give direction for a business strategy (Grunert & Ellegaard, 1992).



The research point of view assumes that company performance is an objective truth governed by casual interactions that can be revealed by studies. This perspective is aimed at creating a knowledge base of the market's real success factors. This objective seems to be extremely ambitious as it faces huge barriers. The first challenge is that it is often hard to define and link achievement and variables that lead to success. Furthermore, the reliability and validity of measurement can hardly be assessed.

Another serious issue lies with temporary and continuously shifting KSFs. The moment market participants acknowledge KSFs, each will capitalise on the same abilities and resources that may lead to changes in the KSF (Grunert & Ellegaard, 1992).

## **2.5 The five-star model of key success factors**

This five-star model of KSFs is based on Lawrimore's work (2011), entitled *Five key success factors: a robust business critical factors for the industry specific success*. The core five KSFs are people, marketing, finance, operations, and strategy.

A KSF is "one of several elements that consistently cause or produce success in any business or organisation" (Lawrimore, 2011:6). A KSF is simply any one of various components that results in consistent successful output when combined and it determines the sustainability of business (Lawrimore, 2011).

According to Lawrimore (2011), the components that are accessible to any commercial organisation consist of persons (employees/staff, acquaintances, executives), things (workplace, apparatus, money), and activities (internal and external tasks). An additional frequent factor in the industry is that all businesses have an objective or focus (to make revenue or provide services to the community). The survival of these mechanisms, however, does not ensure success, as each organisation would then succeed, which has certainly not been the case.

Mandabach *et al.*, (2011) studied 110 restaurants in southern New Mexico using a quantitative survey method and interviews, which tested the relevance of KSFs as projected by Parsa *et al.*, (2005). Mandabach *et al.*'s (2011) model classifies KSFs into an internal (controllable) environment, an external (uncontrollable) environment, and the family life cycle.

The external environment component incorporates factors that the managers or owners do not have control over, and such factors include the customers, who are crucial for contributing to the restaurant's success, the location of the restaurant, services offered by the contractors, indistinctness about local and national economy, and industry conflicts, which have a great impact on the restaurant's success (Mandabach *et al.*, 2011).

Suitable internal environmental factors, contributing to the success of the restaurant business, equate to the external environmental factors (Mandabach *et al.*, 2011). Some of the internal environmental factors comprise the business strategy, the products offered, as well as the marketing strategy. Furthermore, the internal elements convey to the entrepreneur's gender and age, values, and goals, how they manage the business, the implementation of the business concept, the development of a marketing plan, the management of economic aspects as well as how the staff are supervised. The determinant of restaurant business success or failure depends on how management combines with the internal management of KSFs.

The KSFs and their significance to quick service restaurants is detailed below.

### **2.5.1 People**

People are the first of the five main variables of KSFs. Lawrimore (2011) describes individuals as employees and staff in the business, or as this function is often referred to, human resources, including their training and learning. If there are no people working to ensure that the operations are carried out, there will be no business. This KSF is not specific to the industry; regardless of the industry, people are at the core of all business activities. The excellence of the people working in a restaurant in addition to the kind of abilities that they acquire is a contributing factor of the productivity of the restaurant.

Ryu and Han (2010) define service staff as the employees in an establishment, which consist of the appearance, gender, and number of employees. A service staff member's willingness to serve and the speed of the service are considered important determinants, as these influence a client's satisfaction (Lin & Mattila, 2010).

In a study conducted in Kenya, employee competence control proved to be rated as a key success factor of QSR (Gikonyo, Berndt & Wadawi, 2015). It was vital for

customers that employees of the QSR were warm and welcoming, had the knowledge required to answer questions, provided prompt service, and gave clients individual attention. Employees in QSRs understood clients' specific needs, they were consistently courteous when dealing with them, they remained vigilant to react to customer requests, and always had a good appearance.

QSRs select staff who corresponded with their standards and accomplished corporate goals. Highly skilled employees, team collaboration, and content employees are the aspects that are linked to human resource management. The aspects are expected to be carried out by managers as quickly as they hire new employees for the restaurant. QSR managers ought to educate the staff about decent comportment, as well as respecting customers. It is crucial to create harmony with the customers and show kindness towards them. Such personnel are much more likely to lead to excellent service quality, food quality, and to provide outstanding service to the customers (Baghbadorani, 2016).

Human capital management ensures that employment relations are efficient and effective by enticing and preserving employees who make a significant contribution towards the business objectives. Compensation, performance review, and the health and safety are essential measures for human resources management (HRM) (Jones & George, 2009). Furthermore, the HRM role likewise oversees the employer-employee and trade union affiliation (Jones & George, 2009).

The most substantial factor in supplying excellent service is a talent to acquire a good labour force. Although securing the appropriate people is considered the greatest goal, restaurants have to bargain with a high turnover rate, and a resilient strategy is required.

Efficiency is the use of human, physical and information resources, such that output is maximised for any established set of resource inputs. An efficient manager might be doing the appropriate job, but not doing it properly. Doing the proper job does not require much time or resources. In any company, an efficient manager is someone who expends limited available resources, such as time, materials, and people, to have the job finished in a more professional manner (Cassidy & Kreitner, 2011).

In an organisation, a leader is different from a manager. A good leader is not primarily a good manager, though a good manager should have optimal leadership qualities. A manager is someone who upholds the balance of effectiveness and efficiency in the establishment.

In addition, managers must have the ability to retain customers by utilising exceptional customer relations. This factor is essential to build a credible restaurant customer base and to use direct marketing. Additionally, managers are obliged to possess the ability to realise a customer mindset to modify new food trends in the restaurant (Tran, 2015).

### **2.5.2 Operations**

Operations are the second key factor of success. Operations are the company's internal operations, that is, what employees do daily (Lawrimore, 2011). The function of operations can be described as that part of an organisation dedicated to the production or supply of goods and services (Greasley, 1999).

As Greasley stated above, operations are not limited to manufacturing businesses alone, as has always been mistakenly assumed. Operations are an embodiment of numerous functions in restaurants, hotels, marketing, finance, cleaning, and all business aspects. The effectiveness and the efficiency of operations determine how a business becomes successful. For instance, how efficient the resources are used by the business, and how efficient company procedures are.

There are several significant variables in key positions related to food products in the creation of exceptional service quality. Firstly, the correct quantity of frequent, clean, fresh, and seasonal produce should be acquired, together with consistent quality. These factors form the basis of a QSR (Tran, 2015).

On the other hand, insisting on taste or flavour, holding on to innovative techniques to attain interesting combinations are vital variables that sustain the restaurant's moving and expanding over a longer period (Tran, 2015). Conducting vigilant inspections of the purchased raw ingredients and invariably testing food before serving it are essential to retain the quality standards that act as a control system.

### **2.5.3 Marketing**

Marketing is the third success factor, because it embodies the company's external duties, much more than customer sales (Lawrimore, 2011). Marketing puts the

customer first and, most importantly, recognises the product and services. Hence, if marketing activities fail, the business will surely fail. Effective marketing activities are therefore a key success factor for business success (Lawrimore, 2011).

According to Kukanja, Omerzel and Bukovec (2017), the most traditional styles of promotion in the QSR are media dealings, rebates, exclusive deals, board advertisement, menu designs, direct selling, advertising, and exceptional restaurant invites. Direct sales produce the one method of marketing interaction that affords prompt reaction from invitees. The attainment of direct (personal) sales relies to a large extent on the capability, efficiency, and temperament of staff.

The quality of promotional activities, such as product design, is important as a feature of technical variables (Din, Zahari, Othman & Abas, 2012; Sharma, Wagle, Sucher & Bugwadia, 2011).

Brand knowledge includes two aspects that are components of the reminiscence connection that customers retain when determining a specific brand, such as brand recognition and brand image. Brand awareness includes brand recognition and brand recall efficiency, which are essential to conceptualise brand understanding through memory recall.

Brand awareness means the competence of customers to endorse a previous involvement with a product, which applies brand as an imprint, while brand recall means the ability of the customer to remember the brand when proposed a classification of item (Wingrove & Urban, 2017). In the QSR sector, brand awareness continues to have a constructive influence and to give a boost to the brand connections that customers have about selected food offerings (Mackay, Spies, Williams, Jansen Van Rensburg & Petzer, 2013).

Brand image within the QSR typically relates to the value of emotional ideas and thoughts associated with restaurants by customers (Mackay *et al.*, 2013).

Knowing how customers distinguish between brands, and product-related characteristics, such as sense of taste, consistency, and features, are crucial. Distinctions between brands are clearly conveyed by comparing the characteristics of rival brands, or implicitly mentioning what is noticeable in the rival brand (Wingrove & Urban, 2017).

The achievement of a brand is strongly influenced by a direct or indirect variable, which is the brand's characteristics as well as its market positioning, which are essential for ensuring a product's ongoing consumption.

#### **2.5.4 Finances**

Finance is the fourth key success factor (Lawrimore 2011). It is a fusion of various items, just like marketing. Besides the profitable funds, it embraces assets such as equipment, furniture, facilities and all other business or lease assets.

Any business that wishes to succeed requires funding, that is, a good stream of income generation. Appropriate revenue generation is just one aspect, while managing revenue is as critical as its generation (Lawrimore, 2011).

According to Kukanja *et al.*, (2017), a reasonable expenditure has a significant effect on customers' contentment and opinion of quality. The restaurant industry tends to be highly cost resilient, owing to small cost shifts that are tracked by means of a substantial shift in capacity demand (Kukanja 2017). Studies have highlighted the significance of distinct cost variables (such as precise billing, which is also a quality KSF in the DINESERV system), cost attractiveness, and estimated cost level vs definite cost level (Kukanja *et al.*, 2017).

The participation of senior executives is important to accomplish a QSR and the most important support is financial, which is critical in the implementation of strategies and innovations. The financial tasks of a QSR's operators and managers are similar to those in other businesses, which include purchasing decision making, cost control, and cash flow management. Most of the QSRs are market-oriented and apply financial policies like any other business. The percentage of fixed costs is normally higher than the variable expenses, so a reduction in revenue will affect the profit negatively (Bozas, 2011).

Research has revealed that conventional and economic gauges are commonly used in the hospitality sector. For example, Cruz (2007) evidenced traditional measures as being mainly used by the global hospitality groups. According to Earlier, Banker, Potter and Srinivasan (2005), competence of financial instruments revealed efficacy of a hotel food service when evaluating current and past operations. Even recent



hospitality-related surveys continue to use these indicators as main measures (e.g., Chen, 2011).

Financial performance is thus generally evaluated using some economic market and/or accounting indices. Accounting statistics are one of the usual and quickly available ways to measure a company's efficiency (Baghbadorani, 2016).

### **2.5.5 Strategy**

The fifth and last key success factor, according to Lawrimore (2011), is strategy, which involves maintaining a peerless effort and persistence, comprising internal factors such as fundamental values, as well as external components such as strategic marketing.

Strategy consists of plans, choices, and decisions that are used to guide a business towards greater profitability and success. Strategies are activities such as financial strategy and marketing strategy (Thompson, Strickland & Gamble, 2013).

Various management levels are equipped for different types of planning. QSR executives realise decisions on strategic forecasting and govern the path of an organisation. The intermediate position uses tactical scheduling to apportion resources; whereas junior leaders apply prior administration tactics to guarantee that tasks are achieved and that they have attainable resources (Cassidy & Kreitner, 2011).

A restaurant's approach involves each facet of the business. If the strategy is a bad strategy, the result is the failure of the business, but if the strategy is effective, it guarantees a company's success.

While KSFs may differ from nation to nation and even from business to business in the same sector (Asemi & Jazi, 2010), researchers have discovered that developing KSFs help companies generate a competitive advantage (Trkman, 2010). In applying the KSF approach to the business strategy, Rockart (1979) discovered the primary advantages for executives and noticed differences between sectors.

However, KSFs help executives determine what factors need management attention, and to what extent and how well they operate are measures for executives to define the business's circumstances. While the factors may differ from industry to industry, KSFs still assist companies to move away from the "easy to obtain" information and

help them concentrate their attention on significant information that might not otherwise be gathered (Hietschold, Reinhardt & Gurtner, 2014).

According to Mandal and Bagchi (2016), the most appropriate strategy for businesses is differentiation, with the core strategies being differentiation and cost leadership. This is because the micro and restaurant businesses do not focus on cost management, or, alternately, they use their distinction as a tool for competition. In such cases, the determinants of their performance, namely financial performance and competitiveness, depend on flexibility (e.g., output, customisation, speed to satisfy present demand), innovation (finding and implementing new or creative ideas to satisfy the requirements of customers), resource allocation (the process of using material, human and finance effectively and efficiently in business process), and quality, which involves service quality (Mandal & Bagchi, 2016).

## **2.6 Service quality (SQ)**

Service quality (SQ) occurs as a subject during research in several service segments, including fast food restaurants (Chang, 2009). SQ is ranked as a distinct success variable of QSR that enhances customer fulfilment, loyalty, along with retention (Agarwal & Dahm, 2015; Mamalis, 2009).

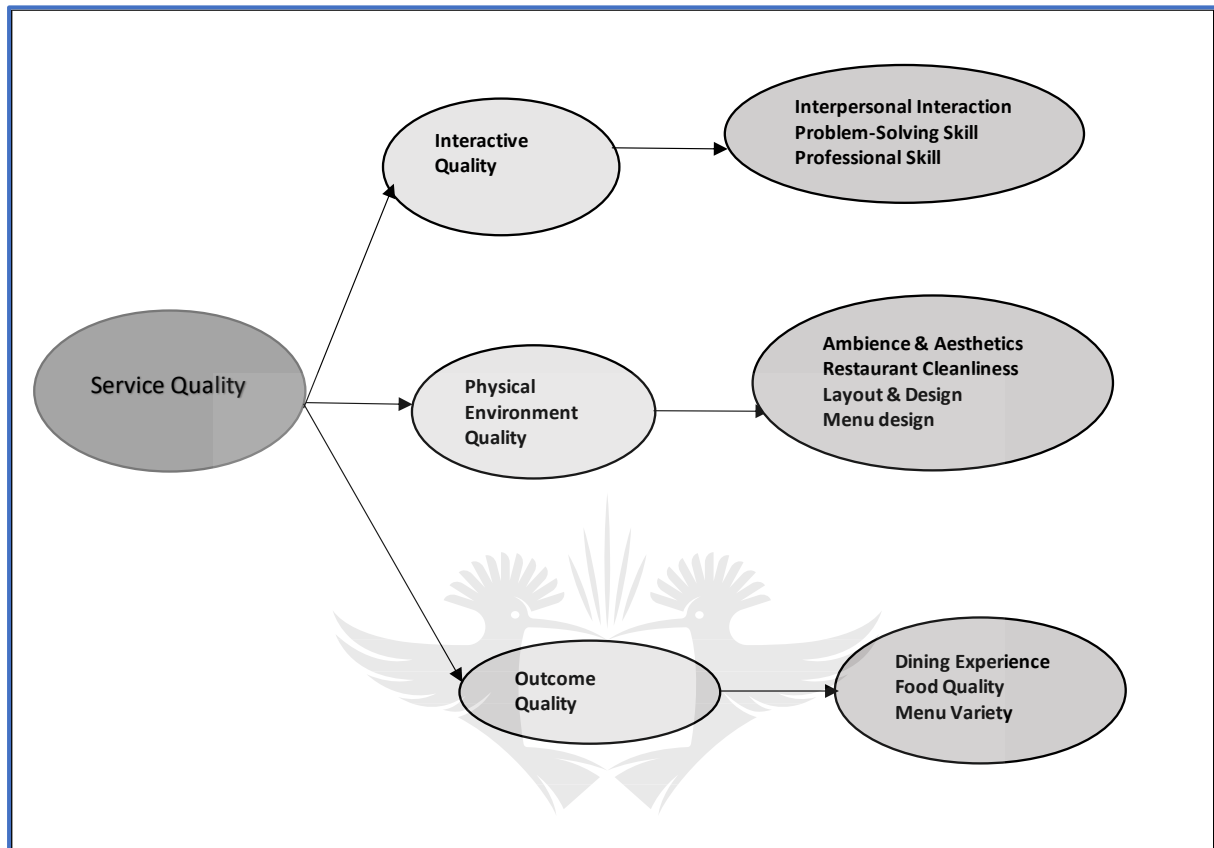
According to Keith and Simmers (2011), SQ is habitually influenced to assess the QSR discernment of service practices, comprising the interaction between staff and customers, and the collaboration of personnel work teams, which incorporates other aspects, such as menu design and QSR atmosphere.

According to Mohi, Wu and Wong (2013), the adequate mix of various aspects could have an impact on the patron's judgment of the facility's reputation, which could lead to customer satisfaction and high-quality service ratings. The most important thing is thus to probe the scopes of SQ within the food outlets. Multiple studies proposed a multivariate and hierarchical concept of SQ (Clemes, Brush & Collins 2011; Clemes, Gan & Ren, 2011; Wu, 2014; Wu & Hsu, 2012; Wu & Ko, 2013; Wu, Lin & Hsu, 2011).

The first step is to expound on service management definitions. The universal service description is as follows: A service is elusive but satisfies the consumer and it is conducted by people, and not through devices or robots. The service possibly might be or not be connected to real commodities (Tran, 2015). Service management is the



management of operations or procedures engaged in service actions, together with obligations of scheduling, organising, conscription, and monitoring responsibilities (Appannaiah, Krishna, Raghavan & Reddy, 2010).



**Figure 2.2: Service Quality (SQ) framework in the Quick Service Restaurant**  
**Source:** Multifaceted hierarchical pattern of service quality (Brady & Cronin, 2001).

Quality of service, as proposed by Brady and Cronin (2001), is the comprehensive measurement of three main primary components, which incorporate, physical environment quality (PEQ), interaction quality (IQ), and outcome quality (OQ). Every main component contains its own subdimensions as shown in Figure 2.2.

The primary and subdimensions are detailed below.

### **2.6.1 Interaction quality (IQ) is the primary key element**

Grönroos (1982) and Leblanc (1992) highlighted the implication of IQ in service provision and conceded this primary element as the greatest effect on service quality experiences. IQ consists of four sub elements: mindset, behaviour/conduct, problem deciphering, and proficiency.

Firstly, mindset correlates to the attributes of an employee (e.g., approachability and attentiveness). That mindset portrays a central role concerning client satisfaction as a value of close collaboration amid customers and staff in the restaurant sector (Wu & Li, 2015). Secondly, conduct/behaviour is called a discernible act that influences the sensitivity of IQ by the customer (Wu & Li, 2015).

Problem deciphering concentrates on the capability of the employee to address customers' difficulties and grievances. Wu (2013) claimed that customers are relatively amenable to the way the staff handle their complaints and problems.

Lastly, competence has widely been acclaimed as the process during which the interface scope is shaped, depending on an employee's expected abilities. Ryu and Han (2010) discovered that knowledge directly affects the general quality of service assessment of the patron.

### ***2.6.2 The second primary element is physical environment quality (PEQ)***

PEQ is the operational efficiency of the service-by-service providers to customers. Five sub features define PEQ: atmosphere and aesthetics, restaurant equipment, hygiene of the restaurant, layout and design, and menu planning (Lu, Zhang & Wang, 2009). In accordance with the conditions of ambience, and aesthetics, ambience alludes to subtle contextual circumstances (for instance, melody, scents, and warmth) that influence non-visual senses that may have a subliminal effect on customers (Ryu & Han, 2010)

Furthermore, aesthetics encompasses the layout together with interior decoration and decoration, all of which add to the restaurant environment's attractiveness (Wu & Li, 2015). A main role is played in the restaurant sector by the second subdimension, restaurant/dining equipment. The greater the level of customer service quality ratings of operations, the higher the likelihood of restaurant/dining facilities being part of the service experience (Markovic, Raspor & Šegarić, 2010).

Thirdly, hygiene of restaurants is very prominent in the restaurant sector and is viewed as the most critical aspect when evaluating contentment (Alonso & O'Neill, 2010; Barber, Goodman & Goh, 2011). Fourthly, layout and design reflect the blueprint of an organisation's service unit, encompassing aesthetic and operational physical elements (Davis, Lockwood, Alcott & Pantelidis, 2012).

The last subdimension represents the significance of menu designs. Colour, layout, image, as well as other layout components may be used to produce a set menu that attracts the attention of the customer to the products that the food outlet is offering (Mohi, Wu & Wong, 2013).

### **2.6.3 Outcome quality (OQ)**

The main element of OQ in terms of the outcome of the service act refers to anything the customers benefit from regarding a service, especially whether OQ meets the requirements of employees (Wu & Li, 2015). The OQ consists of three sub elements: food quality, menu diversity, and dining experience.

#### **2.6.3.1. Food quality and menu diversity**

Food quality has been documented as a vibrant element of consumer satisfaction (Kim, Hertzman & Hwang, 2010). Food quality can denote a comprehensive range of features, for instance diet, temperature, cleanliness, and food formulations, which QSRs are supposed to surpass the customers' expectations (Barber, Goodman & Goh, 2011).

#### **2.6.3.1. Dining experience**

Waiting time refers to the time spent by clients waiting in line for their services. When buyers visit a restaurant, they hope to have a satisfactory waiting period that would contribute to their satisfaction to some extent (Wu & Li, 2015). The main objective of leadership is to create some degree of customer satisfaction by ensuring an appropriate waiting time. Finally, valence considers the post-spending evaluation of customers to check whether the outcome is satisfactory or undesirable (Barber, Goodman & Goh, 2011).

## **2.7 Chapter summary**

'Experience' is the most common thing that is claimed to be offered in the hospitality industry, and it is a 'sensory experience' when it is a restaurant. While the food itself is a restaurant's core product, the environment, the service, and the workers are part of the key success factors, as not only are consumers looking for food, but also for service and a fine atmosphere (Heung & Gu, 2012).

The chapter outlined the five key success factors, which consist of people, marketing, operations, finance, and strategy, and service quality (SQ), which incorporates interactive, outcome, and physical environmental quality.

In the next section, Chapter 3, the research methodology will be discussed in detail.



## **CHAPTER 3: RESEARCH DESIGN AND METHODOLOGY**

### **3.1 Introduction**

The section illustrates the research plan and data gathering process. It outlines the research strategy, research philosophy, population description, and the sampling process. A demonstration of the information-gathering tool applied is provided, and the ethics, validity, and reliability of data are reviewed prior to the concluding statement.

### **3.2 Research design and methodology**

The study design, as the principal plan for the gathering and examination of the data, is essential. It is considered as an overall action plan for the research to be carried out (Zikmund & Babin, 2013). The approach by Silver, Stevens, Wrenn and London (2013), which defines research design as an action plan that addresses research questions or hypotheses, was followed in this study.

#### **3.2.1 Research philosophy**

The study was carried out from a pragmatic worldview. "Pragmatism recognises that there are a wide range of methods for showing the world and supporting research, and that numerous substances may exist instead of one single perspective" (Saunders, Lewis & Thornhill, 2012).

Research philosophies assist researchers to clarify research designs and recognise designs that perform well for them (Easterby-Smith, Thorpe, Lowe, Thorpe & Thorpe, 2002). According to Flowers (2009), philosophies are classified as positivist, interpretivist, and realist philosophies.

Positivism is positioned in the natural sciences and is distinguished through its examination of theories and hypotheses (Wilson, 2014). It means that a researcher functions independently from the observer under observable conditions.

The validity of assumptions is checked by applying this method. Positivism postulates that the societal world occurs dispassionately, and that understanding remains genuine, while strengthened by way of observations, measurements, and social rules to make results generalisable.

Positivism is founded on principles of rationality, reality, validity, and the emphasis is solely on evidence gathered from direct observation and skill. It is empirically determined by applying quantitative approaches.

This is reinforced by Creswell (2014) who considers positivism as a philosophy of determination, where the motives control the outcome. Positivism research is more critical than qualitative research (Creswell, 2014). It is crucial to remark that positivism emerges from a quantitative research viewpoint more than that from qualitative research (Creswell, 2014).

Interpretivism presumes that social science and natural science differ. Items can change according to circumstances in social science, established practices, opportunities, and memories (Hatch & Cunliffe, 2006).

Realism integrates the positivist and the interpretivist positions. Blaikie (1993) contended that reality exists notwithstanding of observation and measurement; reality does not change, but people's perceptions and situations do.

This research embraced a positivist position, because it explores key success factors, and service quality of QSR. According to Creswell (2014), positivism accentuates the objectivity of the research, and provides some freedom, which often involves manipulating reality by using independent variables, since reality is perceived as being independent of the observer.

Literature on KSF and service quality was reviewed, and assumptions and hypotheses were indicated. Hypotheses were generated based on past research findings in other studies. The investigator was an outside variable and did not manipulate the items or subjects being tested or the results.

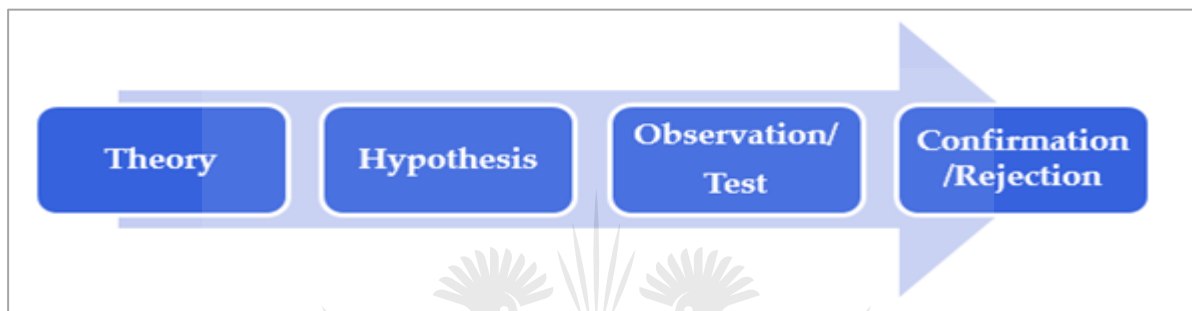
To safeguard minimum social connections, data were gathered from participants by applying standardised survey forms. Using statistical tools to validate the hypotheses, the results were captured and analysed.

### **3.2.2 Research approach**

The research approach was divided into different forms of reasoning, namely deductive, inductive, and abductive (Saunders *et al.*, 2012). When a study takes a strong theoretical stance in which the analysis measures through data collection, that

implies that a deductive approach is used. The inductive approach investigates a concept and creates a theoretical interpretation when the data are collected and analysed. Abductive reasoning discovers a sensation, linking up themes and explaining patterns to develop a new or to modify an existing theory (Collins & Hussey, 2009).

In this study, multiple theories that delve into key success factors of Quick Service Restaurants were examined and these theories offered insights into the logic of the research, the problem statement, and the objectives.



**Figure 3.1: Research approach**

**Source:** Compiled from Wilson (2013)

Therefore, this research adopted the deductive method, which was deemed suitable because of the nature of the study, its philosophical role, and the need for the subject to collect data for testing and validating the hypotheses. In the deductive approach, existing literature is examined to attain relevant theories, and assumptions are made from these existing theories (Wilson, 2014). Hypotheses formulated for the study were tested and the expectations were implemented to allow for the quantitative evaluation of the data (Saunders *et al.*, 2012).

The rationale for selecting the deductive method in this study was because of the theories related to the key success factors of quick service restaurants and the related hypotheses that were tested. New insights were received not only through a literature review, but also through the self-administered questionnaires, which were distributed to the customers who visited the quick service restaurants, and the managers who managed these restaurants.

### **3.2.3 Research strategy**

Saunders *et al.*, (2012) described research tactic as a plan to be pursued by a researcher to address the research question. Appropriateness of a notable research

strategy is determined by the study question, the rational viewpoint held by the researcher, and the adopted research approaches.

Leedy and Ormrod (2013) documented surveys, observation studies, correlation research, and developmental design as four descriptive research designs that are used to collect quantitative data. Creswell (2014) described survey research as a research design that permits a quantitative account of developments, views, and mindsets of the unit. This was advocated by Zikmund and Babin (2013), who maintained that using a survey is a technique that contains sample units in the form of recorded observation of conduct. It can be articulated that survey research generally uses face-to-face interviews, telephone interviews, or written questionnaires (Leedy & Ormrod, 2013).

Surveys are practical and the findings, when done correctly, can be quite useful to researchers. It is crucial that an investigator should understand the various inaccuracies that may occur with survey studies. Researchers should be able to improve the approaches to data collection and decrease the likelihood of errors to obtain useful results (Zikmund & Babin, 2013).

According to Floyd and Fowler (2009), the aim of a survey is to generate statistics about a target population. This means that surveys gather data from a sample to ensure responses can be used accurately to describe each respondent's characteristics.

The main purpose of this study was to assess key success factors and service quality of QSRs. The study used the survey strategy to obtain data about the importance of KSFs based on customers' and managers' perspectives. This strategy was selected because data could be collected faster, and it was more affordable compared to other strategies. Moreover, the survey technique afforded the investigator clear guidance throughout the process, preventing the objective of the study to be prejudiced (Kabir, 2016).

Structured questionnaires were constructed. Comprehensive, clear, and precise questions were given to carefully chosen participants. This strategy was preferred for its relevance, together with methods that have already been deductive in nature, in which the data were collected to authenticate or alter functional philosophy, or



hypotheses. The conducted survey approach enabled the collection of data and the subsequent quantitative analysis. It provided control over the process, and the findings could be simplified to apply to the whole population from which samples were collected.

#### **3.2.4 Research methods**

The choice of methodology for the research work is important because it addresses the methods and techniques used in data gathering (McNabb, 2010). Qualitative, quantitative, and mixed approaches are the most universal research methods. The main differences in the three methodologies are briefly discussed below.

Qualitative research is used when a researcher strives to investigate and grasp group attributes of a community (Creswell, 2014:246). This approach considers the attributes or characteristics, which might be reduced to numerical values (Leedy & Ormord, 2013). Moreover, studies of social experiences adopt the qualitative approach, as it allows an in-depth understanding of the subjects under study (Wilson, 2014).

Quantitative research, in comparison, is defined as evaluating the relation between the variables as a way of testing objective theories. This means that variables are measured using instruments so that numerical methods can be used to analyse data (Creswell, 2014).

Quantitative approaches are predominantly used in descriptive research, where the data collection process is highly structured and rigorous, as opposed to unstructured and more versatile qualitative research. According to Silver, Stevens, Wrenn and London (2013), descriptive analysis is regarded as a well-classified means of quantitative data collection and offers details and statements on the key links between variables (Creswell, 2014).

A mixed method approach is multi-method strategy that uses both qualitative and quantitative methods in just one or multi progressive research. The judgement to select a mixed method is influenced wholly by the research question and the current research cycle (Saunders, Lewis & Thornhill, 2012).

The quantitative method was used and considered suitable in this research because measurements of variables, number-driven data collections, and the use of statistics to explain relationships were involved in the analysis process. Furthermore, with

minimal interactions between the research and the sample, the quantitative approach permitted easier data collection. By using this approach, the research also offered objective answers to the problem at hand, guaranteed data reliability due to the monitored observation, and lowered subjective judgment.

### **3.2.5 Research time horizon**

Cross-sectional research is a study of a specific phenomenon at a specific time, and data are obtained from a specific population (Creswell, 2014). A cross-sectional design was applied, as the data gathering was conducted by means of self-administered questionnaires collected from managers and customers of quick service restaurants.

The rationale for selecting this design was because of its affordability compared to a longitudinal design, and it was less time consuming. It was conducted to accomplish the study's objectives, namely, to explore the extent of the importance of KSFs on QSRs.

## **3.3 Sampling**

This section explains the sampling method used in this research. The section centres on the target population, sample range, sampling method, as well as sample aspect of study. A sampling technique is a population record obtainable from a survey (Collis & Hussey, 2009). According to Zikmund and Babin (2013), sampling necessitates a method dedicated to deriving beliefs based on the measurement of a part of the population.

### **3.3.1 Population**

The population study principally counts on the research questions as well as the study framework. The population is as a complete set of cases or group members, for example, persons, families, shops, or restaurants, who share a similar set of features (Saunders *et al.*, 2012). According to Cooper and Schindler (2011), a thorough population description is "the total collection of elements about which the study wishes to make some statistical inferences".

Statistical inference is a process whereby conclusions are reached about the population based on the data that describe a sample drawn from the population (Saunders *et al.*, 2012). The two-stage method consists of a target population, in which

the research need to generalise must be identified, and secondly, the sampling method, which has to be formulated.

### **3.3.2 Sampling frame**

The sample frame was defined by Wilson (2014) as a list of actual cases from which a sample is taken. This is a population list with their correct identification (Yeboah & Yeboah, 2015). In this study, a list of QSR customers and managers was not obtainable before the research.

Due to the non-accessibility of a list of possible participants who will visit the restaurant, the non-probability sampling method, namely convenience sampling, was selected. This means that those participants visiting the quick service restaurant on the selected dates were approached to participate in the study. Customers who were above 18 years old, male, or female, and understood English were approached to participate in the study. Owners or managers of QSRs, were approached to participate in the study.

While there are several types of restaurants, such as coffee shops, fine dining restaurants, quick service and casual restaurants, this study is based on a quick service restaurant, as this type of restaurant is the most popular type in South Africa.

### **3.3.3 Sampling technique and method**

The sample is a subcategory of a target population, where data were collected from respondents to allow the researcher to outline suppositions involving the complete population (Altinay & Paraskevas, 2008). It is expensive to evaluate all units of the target population (Saunders *et al.*, 2012), thus, a sample is used to generalise the population.

Zikmund and Babin (2013) underline that the main alternative sampling methods may be split into two classes, namely probability sampling, and non-probability sampling. Regarding probability sampling, each item in the population has an equal to zero probability of being selected (Quinlan, 2011). The studies that use probability sampling desire to claim that the results of the sample are generalisable to the entire population. The systems for probability sampling encompass random, stratified, systematic, and cluster sampling. In non-probability sampling, the sample's chosen based on non-

random criteria, and that not all member of the population has a chance of being included (Cooper & Schindler, 2011).

The research did not have a sample frame of QSR users; therefore, the non-probability technique was selected. The justification for implementing this strategy was to ensure a prompt turnaround time in data collection and cost-effectiveness, as compared to other techniques.

Sampling techniques for non-probability include quota, snowball, convenience, and sampling of ruling (Saunders *et al.*, 2012). As stated by Etikan, Musa and Alkassim (2016), convenience sampling is a type of non-probability sampling in which members of the target population who meet certain practical criteria, such as ease of access, geographical proximity, availability at a given time, or willingness to participate, are included for study purposes.

The result of using convenience sampling is that the investigator chooses population features to get a substantial aggregate of completed questionnaires easily and economically and is based on individual availability or personal judgement (Zikmund & Babin, 2013). Likewise, Bradely (2010) affirms that non-probability sampling depends mostly on human judgement and is often used in marketing studies.

The participants were chosen because they were available on the days of data collection. The respondents were given questionnaires to complete when visiting the restaurant and managers/owners were approached at their workplace during trading hours. The primary data were easily obtained as the respondents were available in the QSR.

#### **3.3.4 Sample size**

The sample size can be determined by considering the cost of collecting data, high precision, and swiftness required to accumulate it (Cooper & Schindler, 2011). Similarly, Wilson (2014) affirmed that the sample size is influenced by the nature of investigation while attention should be given to factors such as costs and desired degree of precision when determining sample size.

A total of 160 questionnaires were dispensed to QSR customers and 100 were given to managers in various QSRs in Gauteng province to complete the questionnaire manually. The sample population was urged to choose only one QSR, otherwise the

questionnaire would be spoiled. After collecting the questionnaires from the customers, only 150 questionnaires were useful for analysis, and all 100 questionnaires from the managers were useful for analysis. The standard errors made by customers was to complete more than one QSR, which resulted in the questionnaires not being usable.

### **3.4 Data collection**

This section will discuss the sources of data compilation. The sources applied were primary and secondary methods. Firstly, secondary data were collected to improve the quality of the questions to be included. Secondly, primary data were assembled by employing the survey (questionnaire) method.

Secondary data refer to data obtained from other sources rather than from respondents, such as official statistics, professional associations, governmental publications, newspapers, articles, and research institutions (Wilson, 2014). Secondary data seem to be easy and quick to gather and are less expensive to collect than primary data. Yeboah and Yeboah (2015) cited that the investigator does not have any influence on the condition of secondary data. Basically, secondary data may not be reliable and valid (Zikmund & Babin, 2013).

In comparison, Zikmund and Babin (2013) described primary data as the original information collected by fieldwork from the participants for a study. This is the information that helps a researcher make an informed decision, instead of predictions. Similarly, Silver *et al.* (2013) outlined that with primary data, the researcher uses research questions or hypotheses and at some point, impart these for enhanced decision making. The three primary data collection methods are survey, observation, and experiment.

A survey is a questionnaire, which is used to assemble primary information. Data were gathered and extracted through a quantitative study. The research used a cross-sectional design, using questionnaires to provide details about the required information. A self-administered questionnaire tries to describe what is happening or learn why a specific business activity is taking place (Cooper & Schindler, 2011). Primary data were collected from respondents, using self-administered questionnaires, over a period of eight weeks.

### **3.4.1 Questionnaire**

A questionnaire is considered as a vital tool widely used in quantitative research, and it is generally linked with sample surveys (Bradley, 2010). Furthermore, Bradley (2010) considers a questionnaire as a formal list of questions for obtaining information from respondents. This is substantiated by Leedy and Ormrod (2013), where a questionnaire is referred to as a paper and pencil instrument, which is supplied to a vast number of people, as well as those residing miles away. According to Silver *et al.* (2013), statements or questions should be formulated based on the study executed so that the chance of respondents providing incorrect information can be reduced.

The benefit of using questionnaires is that the respondent is offered confidentiality and anonymity, which gives the respondents time to answer without any concerns of their privacy being invaded (Wilson, 2014).

Questionnaires were circulated to the participants (QSR customers) when they visited the QSR of their choice, and likewise, were handed over to the manager/owner in charge of a specific QSR. The questionnaires were handed out to adults above 18 years of age who were fluent in English. The customers and managers studied the questions by themselves and selected answers on the questionnaire that related to them. It took a maximum of 10 minutes for the customers and managers to complete the whole survey. After the respondents had finalised the questionnaire, all questionnaires were collected by the researcher.

A paper-based questionnaire was formulated and applied to assess the key success factors of quick service restaurants. Furthermore, the questionnaire was formulated so that the research could test the hypotheses proposed for this study.

The self-administered questionnaire for managers consisted of 38 statements (Section B and C combined). The KSF statements were formulated using literature on service quality, largely based on a multi-faceted framework of service quality (Brady & Cronin, 2001).

Section A of the managers' questionnaire consisted of eight questions relating to personal information, such as gender, age, educational level, ethnicity, and the name of the QSR where they were operating. The following 5-point Likert scale was used in the managers' questionnaire to measure the key success factors and service quality

of QSR: 1 = To no extent; 2 = Small extent; 3 = Moderate extent; 4 = Large extent; 5 = Very-large extent.

Section B consisted of the five key success factor statements described in the literature, namely, human resource management (people); marketing; finances; operations; and business strategy. The constructs of 25 statements were formulated with a minimum of four in each KSF. Section B measured the key success factors from the managers' perspectives.

Section C consisted of three service qualities (SQs), namely, outcome, physical environment, and interactive quality. This section contained 13 statements.

For customers, Section A consisted of six demographic questions. Section B and C both consisted of 36 statements (18 statements for KSF and 18 statements for SQ). The strategy KSF was eliminated for customers, as the research showed that customers had limited knowledge of this KSF.

For customers, on the other hand, a 4-point Likert scale was used to measure the service quality from a customer's perspective, namely 1 = Totally unimportant; 2 = Unimportant; 3 = Important; and 4 = Very- important.

### **3.5 Reliability and validity analysis**

It is imperative to authenticate the consistency and quality features of the study. The research is unlikely to carry much credibility without addressing concerns of reliability and validity. There are three primary measurement parameters, namely validity, reliability, and sensitivity. The following paragraphs outline the aspects of the study's validity, and reliability.

#### **3.5.1 Reliability**

Reliability refers to the degree to which the objects or items are consistent with each other (Pallant, 2013). Similarly, Zikmund and Babin (2013) clearly defined reliability as the degree to which measures are free from errors and therefore yield consistent results. Furthermore, Saunders *et al.*, (2012) described reliability as when the research data collection techniques and the analytical procedures would yield consistent results if they were adopted at another time by other researchers.



The Cronbach Alpha Coefficient was used in the research to quantify reliability. This statistic evaluated the internal consistency of elements in the questionnaire. According to Pallant (2016), when the item score is less than 0.7, it means that statements are not reliable, and if the score is bigger than 0.7, it suggests that items are reliable. Reliability notching is essential to standardise the measurement scales and show whether the items measure what they were meant to measure. It is, however, not enough to measure reliability only, the validity must also be ensured.

### **3.5.2 Validity**

According to Pallant (2013), validity is the extent to which items from questionnaires measure what they are supposed to measure. This is supported by Saunders *et al.* (2012), who described validity as the degree to which the findings relate to what they seem to be. This means that scale testing includes the collection of evidence related to its use. It would be easy to measure validity if the true value is known.

Marais, Du Plessis and Saayman (2017) defined internal validity as whether there has been satisfactory control over variables other than treatment, so that it can be concluded that treatment alone has produced a change in the dependent variable. External validity is the accuracy with which experimental results beyond experimental participants can be generalised (Zikmund & Babin, 2013). Consequently, external validity is expanded when the subjects involved in the survey genuinely symbolise the target population, and the findings are applied to other groups.

Research conducted in a real-life environment may be more reasonable, as it yields results that are universally applicable to other real-world situations (Leedy & Ormrod, 2013). The study was based on a real-life situation. The responders to the study were customers who generally visit restaurants, and a group of managers/owners of restaurants who manage the day-to-day operations of the outlets.

According to Zikmund and Babin (2013), numerous modes of validity are observed. Content validity refers to the competency with which a measure has sampled content from a proposed domain (Zikmund & Babin, 2013). The questions, which include all the components or information related to the analysis, must be developed from the literature study to ensure the content validity of the research questionnaires. Accordingly, content validity is a well-known technique to ask the evaluators if statements are what they are supposed to be.



Predictive validity indicates the success measures used for predicting the aims or purposes, where a researcher needs to predict the results or estimate the existence of some condition or behaviour (Silver *et al.*, 2013).

Construct validity relates to the desire to measure the existence of certain features from which there is no possible empirical validation (Silver *et al.*, 2013). On the other hand, Saunders *et al.*, (2012) referred to the extent to which study measurement questions in fact measure the existence of the construct the research planned them to measure.

Face validity emerges when content was plausibly visible to indicate what was intended to be quantified. The questionnaire must be explicit and user-friendly to the respondent according to the level of their judgement (Zikmund & Babin, 2013).

### **3.6 Data preparation**

Data preparation involves processing the collected data, thereby authenticating and recording it in a correct form (manual or electronic) so that any data needed later can be retrieved easily (Bajpai & Singh, 2009). According to Cooper and Schindler (2011), the primary step consists of editing, coding, and data recording. The processes ensure the correctness of data submission, and conversion from raw to compact structure, which include added categories suitable for analysis.

#### **3.6.1 Data editing**

According to Zikmund and Babin (2013), data editing is the process of verifying the completeness, consistency, and legibility of information, while ensuring the data are organised for coding and reserved or stored. Furthermore, Cooper and Schindler (2011) noted that data editing reveals mistakes and omissions, and it is possible to rectify them, thus assuring that quality standards have been accomplished.

In this study, data editing was done during the time of the collection of questionnaires by verifying that all questions were answered, and that customers only selected one restaurant of their choice, thereby trying to minimise errors.

### **3.6.2 Data coding**

According to Brown, Suter, and Churchill (2013), a well-designed questionnaire generally simplifies the coding process and advances accuracy. Coding was executed to manage data professionally by applying the SPSS software programme.

### **3.6.3 Data capturing**

Cooper and Schindler (2011) described data capturing as a data preparation stage where data are recorded from the questionnaires or coded sheets onto the computers or onto disks. The arranged data were transmitted to an SPSS software programme after data had been edited, coded, and errors checked.

### **3.6.4 Data cleaning**

Data cleaning confirms that data have been recorded appropriately into the data files, which consists of verifying consistency and handling of missing responses (Brown *et al.*, 2013). This is the stage where it was checked that the completed questionnaires and respondents complemented each other. After editing, coding, and capturing the data into SPSS statistics software, including cleaning the data files, the data were stored on a peripheral and a fixed drive of the computer.

## **3.7 Data analysis**

Data analysis entails diminishing the stored data to a more feasible volume, establishing summaries, drawing up patterns, and carrying out statistical techniques (Collins & Hussey, 2009). The expertise of a statistician who understands the SPSS software package was required. A statistician from Statkon affiliated with the institution facilitated data testing.

The SPSS software package was used to compile the descriptive statistics, frequencies, and exploratory factor analysis. Furthermore, descriptive statistics, such as mean, standard deviation, correlation, and regression analysis, were used to analyse data collected from the respondents.

### **3.7.1 Descriptive statistics**

The most used systems in a quantitative research strategy are descriptive and inferential statistics with questionnaires used as tools for data collection (Quinlan, 2011). Descriptive statistics set out elementary structures and review the data in a modest and reasonable manner (Zikmund & Babin, 2013). In addition, descriptive

analysis “is a possible procedure of a quantitative strategy that outlines the numerical data by institutions, to summarise and translate the sample of the research data” (Monette, Sullivan, Dejong & Hilton, 2014).

Descriptive analysis, which involves frequencies and percentages, was employed to furnish the findings in a table format. Quantitative data were evaluated using different statistical methods for measuring central tendencies, which included mean, measurements of dispersion, and standard deviation. Summarising statistics were organised by using frequency tables and graphs to point out in numbers and percentages, how respondents had answered the questions related to each construct, namely age, gender, educational status, current position, level at work, work experience, choice of their restaurants, and indicating whether they were franchise or non-franchise restaurants.

### **3.7.2 Factor analysis**

It is critical to verify the validity and reliability measures before testing the hypothesised model. For instance, reliability, and validity of the dimensions are the tools used to evaluate accuracy and applicability measurements (Lee, Lee, Chua & Han, 2016).

Factor analysis was done on the constructs to augment the reliability of the questionnaires applied in the study. According to Pallant (2013), factor analysis facilitates the investigator to handle the constructs that are linked. Furthermore, factor analysis is used to reduce a large number of variables to a smaller number of manageable factors, which is a means of arranging the data as well as determining the fundamental structure of the data, in which a large number of variables measure a small number of basic variables (Wiid & Diggins, 2013).

Two distinct kinds of factor analysis are observed. Firstly, exploratory factor analysis (EFA), which is used when there is uncertainty about the sum of factors that exist between the set of constructs (Zikmund & Babin, 2013). EFA was implemented to scrutinise the items in the ranges that are inter-correlated. Secondly, confirmatory factor analysis (CFA) is operated when an extreme hypothetical theory exists about the factorial composition, that is, the number of factors in which the constructs are associated to each construct prior to presenting the analysis.

Cooper and Schindler (2011) stipulated that in using CFA, the researcher can assess the input of each evident variable to integrate effectiveness of the overall instrument measures into the valuation of the relationships between dependent and independent variables. The Kaiser-Meyer-Olkin (KMO), which means “measure of sampling adequacy”, was examined before the factor analysis was checked, to ascertain whether there was adequate correlation between the individual items contained within each section of the questionnaire. A KMO measure and related Bartlett’s p-values were established when using this test.

The Bartlett’s Test and the Kaiser-Mayer-Olkin (KMO) demonstrate the measure of sampling adequacy (Hair *et al.*, 2011). Bartlett’s test is significant at  $p < 0.05$  for the EFA to be evaluated suitable and if the KMO is reduced, then 0.5 is therefore not suitable, which means exploratory factor analysis should not be completed (Pallant, 2007). According to Pallant (2007), a KMO with a value between 0.5 and 0.7 is mediocre, 0.7 and 0.8 is good, 0.8 and 0.9 is great and above 0.9 is excellent.

EFA was employed to minimise larger number of KSFs and service quality items to a more manageable number of factors. Factor loadings of more than 0.5 are fundamentally a prerequisite for functional significance (Pallant, 2007), which means the items for a factor are engaged.

As proposed by Tabachnick and Fidell (2014), the principal extraction factoring method for managers was conducted using first order varimax rotation (F1- F25) and second order direct oblimin rotation (F26-38). Similarly, it was conducted for customers using first order varimax rotation (F1-F18) and second order direct rotation (F19-36). This study considered factor loading of more than 0.3 as a good indication to confirm the appropriateness of a factor. Pallant (2016) endorsed the sample for conducting factor analysis to be 150 and above.

Numerous sets of factor analysis were also determined, including explaining total variance, indicating the eigenvalues of factors, pattern matrix, and communalities, which demonstrated factor loading of each factor.

### **3.7.3 Correlation analysis**

Correlation is an approach sourced to analyse the connection of two continuous variables. The Pearson correlation coefficient ( $r$ ) is a test of the intensity of the

interactions among two variables. Variance analysis (ANOVA) exists as a numerical instrument used to estimate disparities between two or more means (Pallant, 2013). According to Pallant (2013), the connection among the variables can either be one negative or positive, whereas a positive connection implies when one variable expands, the other variable will also expand. Furthermore, a negative relationship suggests that when one variable increases, the other variable will decrease.

As endorsed by Pallant (2016), a coefficient of greater than 0.5 means that there is a powerful correlation. However, when the value is between the range of 0.3 to 0.5, then the correlation is of moderate intensity, and lastly, the value within 0 and 0.3 hints at a weak correlation between the variables (Pallant, 2016).

Pearson product-moment correlation was developed to analyse the correlation among the KSFs of the QSRs. These statistics were used to find the extent to which KSF factors are dependent on one another. Moreover, this technique was employed to analyse the link between KSF and service quality factors to test the developed hypotheses.

In addition, a correlation matrix was also checked to test multicollinearity problems, where it is assumed that correlation value between the variables should be less than 0.90 for the regression model to be justified (Tabachnick & Fidell, 2014).

#### **3.7.4 Ethical consideration**

The research design must be free from physical impairment, doubt, hurt, humiliation, and loss of individual confidentiality. There are also strict procedures and conduct patterns that must be adhered to during the study process to validate that the results are sincerely recorded (Cooper & Schindler, 2014).

This study conformed to the Master of Commerce dissertation guidelines provided by the University in the Faculty of Management. It followed the research ethics guidelines.

The research had to ensure that the questionnaire was unidentified/anonymous, and that submissions by respondents were not shared with other respondents to avoid being prejudiced. The participants who participated in the study were informed that the study was voluntary.

The attendees were able to leave at any time without further obligation. The research assured the participants of their right to confidentiality.

### **3.7.5 Chapter summary**

The research design and methodology used for the study were explored. The topic comprised research philosophy, method, target population, sampling, reliability, and validity analysis. The different methods used to analyse data were discussed. Empirical results and recommendations will be discussed in Chapters 4 and 5.



## **CHAPTER 4: RESEARCH RESULTS AND DISCUSSION**

### **4.1 Introduction**

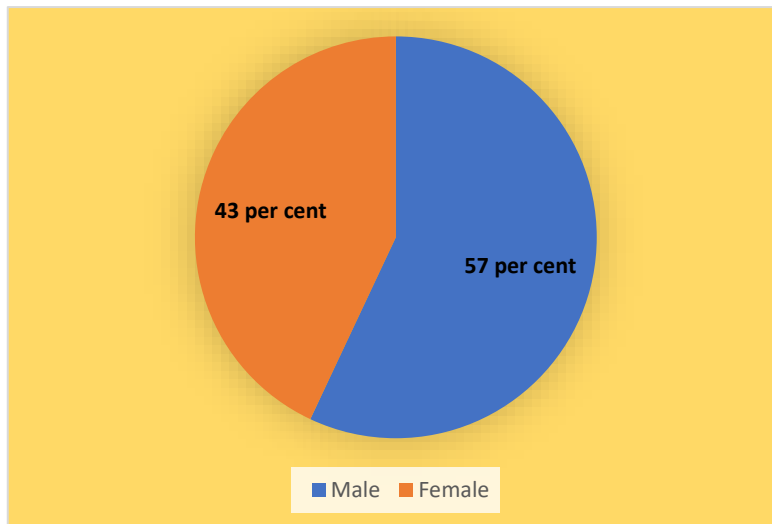
In the preceding chapter, the research methodology was discussed. Chapter 4 combines the findings of the study, an interpretation of empirical results and a discussion of the results. The quantitative research results are reviewed through a discussion of the descriptive, reliability assessment and factor statistical analysis.

The empirical findings and the discussion are presented in the following manner. Firstly, the demographic profile of the respondents is analysed. Secondly, the mean scores and standard deviation results for all the KSF managers and customers perspectives are provided. Results from EFA, reliability and validity analysis, and correlation are and analysed. Lastly, the results are discussed in this chapter.

### **4.2 Demographic profile of respondents**

Part A of the questionnaire invited participants to furnish demographic information, such as age, gender, education, qualifications, and work position levels. The demographic results for managers/owners and customer participants are shown in Figure 4.1 to Figure 4.9.

4.2.1 Demographics of managers/owners Figure 4.1 indicates that even though the sample was relatively evenly spread in relation to gender, there were more males (57%) than females (43%). This shows that males were dominant participants and were the majority operating the restaurant businesses in the chosen target population.



**Figure 4.1: Owners'/managers' gender distribution**

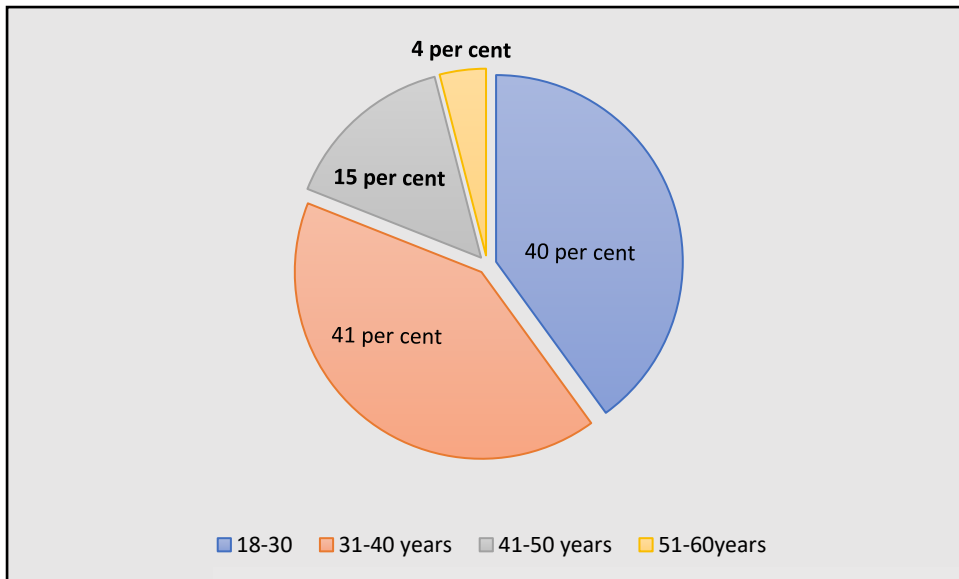
The high percentage of male owners or managers of QSRs is a sign of male dominance in the restaurant industry. The findings are in accordance with the outcomes found by Karki and Panthi (2018), who found that most restaurant owners were males, approximately 78.5% males to 21.5% females.

The findings also concur with the results in the Global Entrepreneurship Monitor (Herrington, Kew & Kew, 2014), which stated that there were 1.5 times more male entrepreneurs than women.

#### *4.2.1.2 The age of the respondents*

Participants were requested to specify their age. The age spread of the respondents in Figure 4.2 shows that 41 (41%) participants recorded between the ages of 31-40 years, followed by 40 (40%) respondents in the 18-30 years age group, and about 15 (15%) managers in the age 41-50 years age group, and 4 (4%) aged above 50 years.



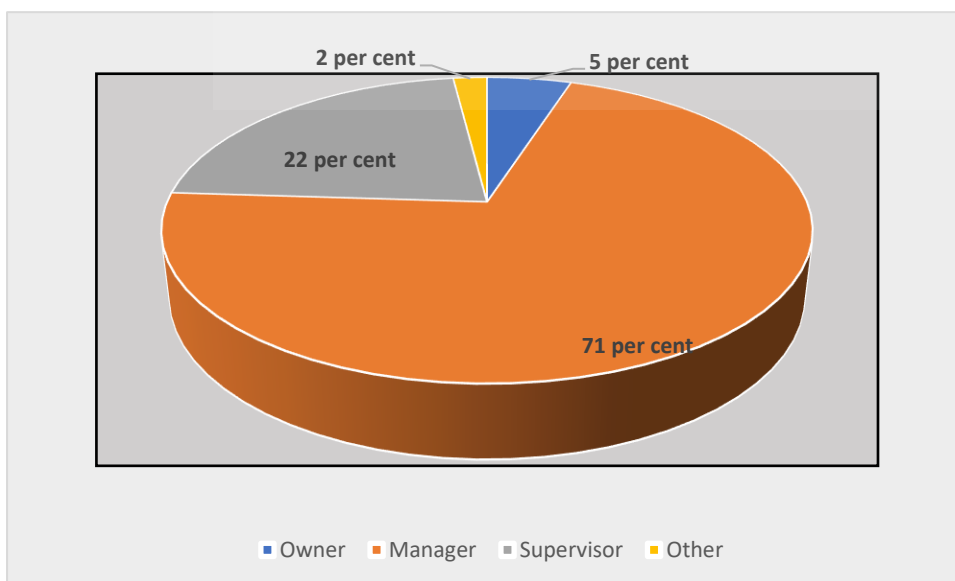


**Figure 4.2 Age groups of the respondents**

#### 4.2.1.3 Current position in the quick service restaurants

Participants were requested to designate their current job titles in the restaurants. Figure 4.3 indicates that most respondents were in a managerial position, about 71 (71%), compared to the 22 (22%) supervisors and 5 (5%) owners. Whereas 2 (2%) of respondents were holding positions other than the ones already discussed, such as a family member or an assistant restaurant operator. This is a good representation of the study's targeted respondents, of owner-managers, who in this case were at least 98%.

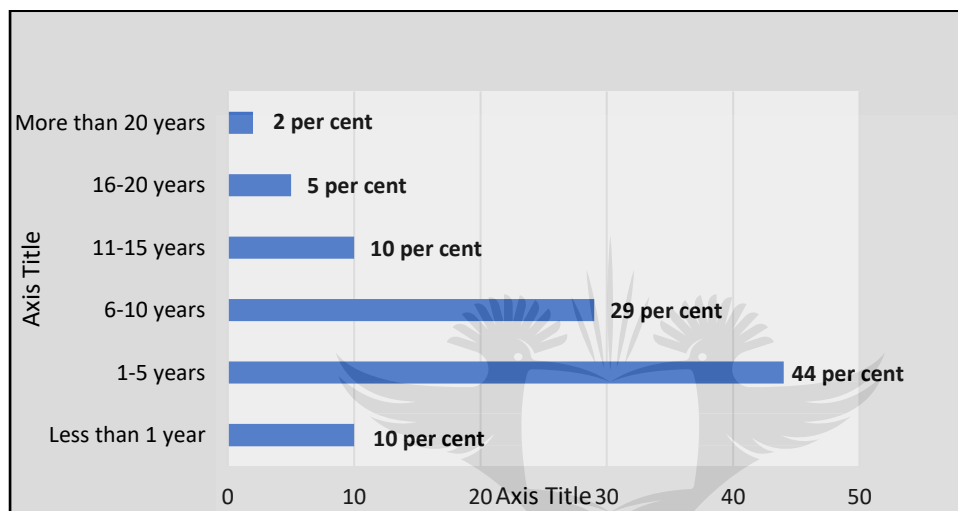
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**Figure 4.3: Respondents' current positions in the QSR**

#### 4.2.1.4 Respondents' years of experience

Participants indicated their work experience in the restaurants. Figure 4.4 indicates that most of the restaurant owners/managers (44 (44%)) had experience between 1-5 years, followed by 29 (29%) of the owners/managers who had 6-10 years' experience in the position. There were only 10 (10%) who had less than one year experience and those with more than 20 years' experience were 2 (2%) of the target population. A total of 54% of the target population had less than 5 years' experience.

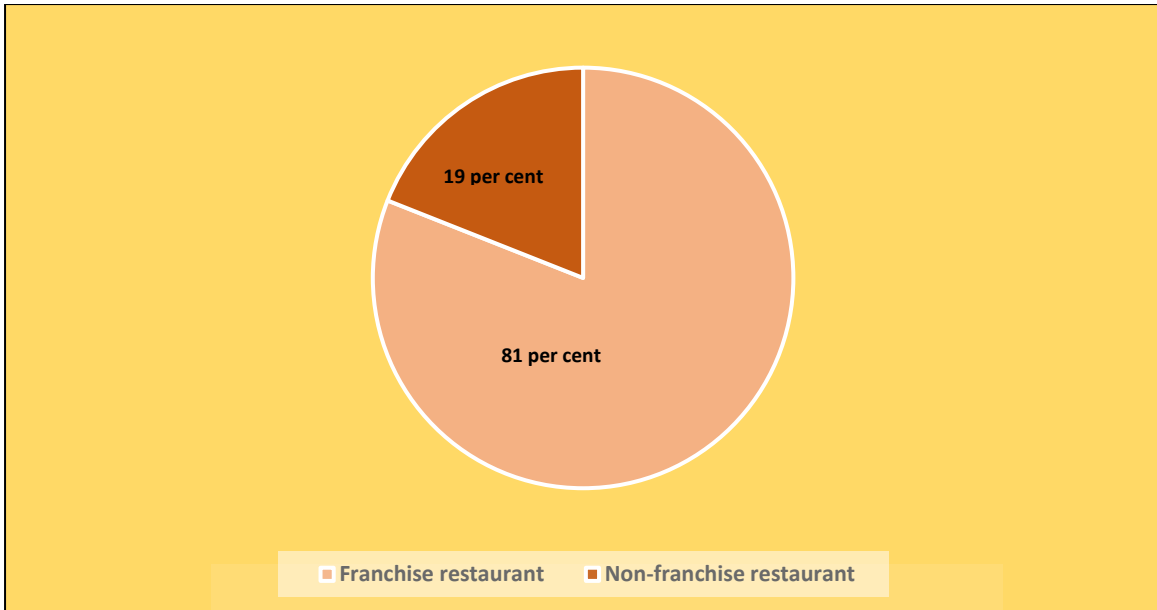


**Figure 4.4 Respondents' years of experience**

#### 4.2.1.5 Comparison of franchise vs non-franchise QSRs

According to Figure 4.5, approximately 81 (81%) of the QSRs of the respondents were franchised, while 19 (19%) were independent restaurants (non-franchised).

Due to convenience method chosen in the study, the research nominated more participants from franchised shops, as they were quite easy, convenient, and organised.

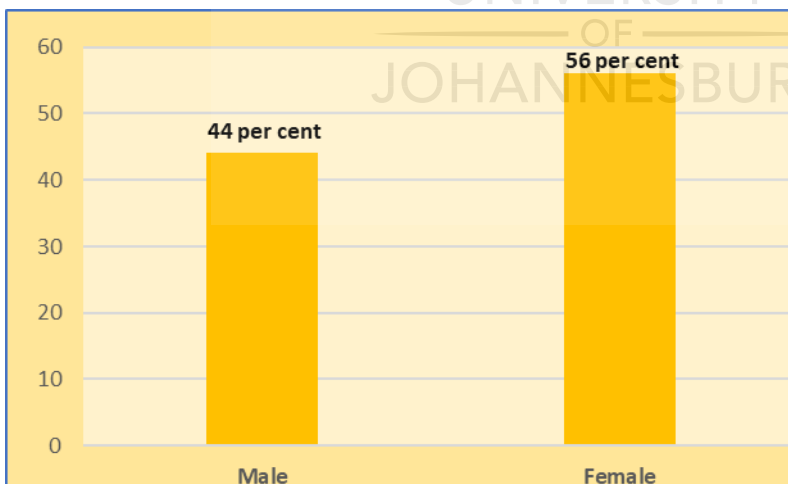


**Figure 4.5 Franchise vs non-franchise QSRs**

### 4.3 Demographics of customers

#### 4.3.1 Customers' gender distribution

The findings in Figure 4.6 demonstrate that in the total sample of 150 respondents, 66 of respondents were males (44%) and 84 respondents were females (56%). This shows that females were more dominant participants compared to males.

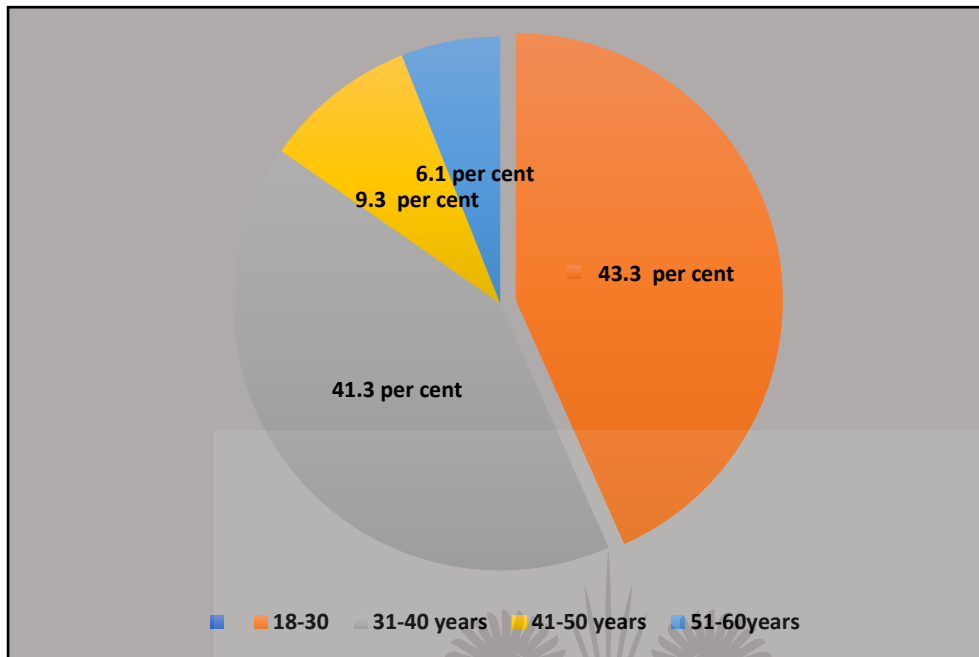


**Figure 4.6 Customers' gender distribution**

#### 4.3.2 Customers' age distribution

Figure 4.7 shows most respondents 65 (43.3%) between the ages of 18-30 years, followed by 62 (41.3%) between the ages of 31-40 years, 14 (9.3%) who were between

the ages of 41-50 years, and lastly, only 9 (6.1%) participants between the ages of 51-60 years.



**Figure 4.7 Customers' age distribution**

#### **4.3.3 Customers' highest education qualification**

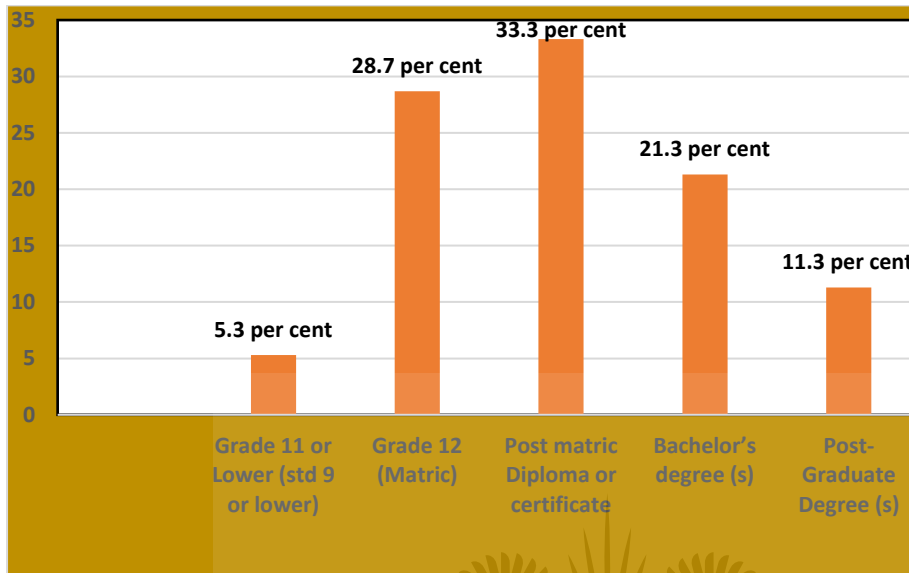
The respondents were asked to indicate their highest educational qualification. Figure 4.8. indicates that of the customers who visited the QSRs, 33.3% had post-matric diplomas and certificates, followed by bachelor's degrees (21,3%) and postgraduate degrees (11.3%). Those with less than matric accounted for 5.3% of the respondents.

Individuals with lower education tended to earn less money and might not be interested in visiting quick service restaurants and would rather buy other fast foods that are affordable, easily available, which they could get in their communities, such as fat cakes, kotas, dumplings and chips.

According to Mhlanga, Hattingh and Moolman (2015), customers with diverse educational qualifications assessed their experiences of food and beverage differently. This is supported by Zheng (2010) who discovered significant variations in experiences of food, service, and the various levels of education.

According to Nelia, Steyn and Labadarious (2011), a substantial segment of the population in South Africa purchases food from road merchants and to some extent

from fast food spazas. The sale of street foods consequently provides food security to many individuals who purchase or offer these items, especially those in the low socio-economic group.



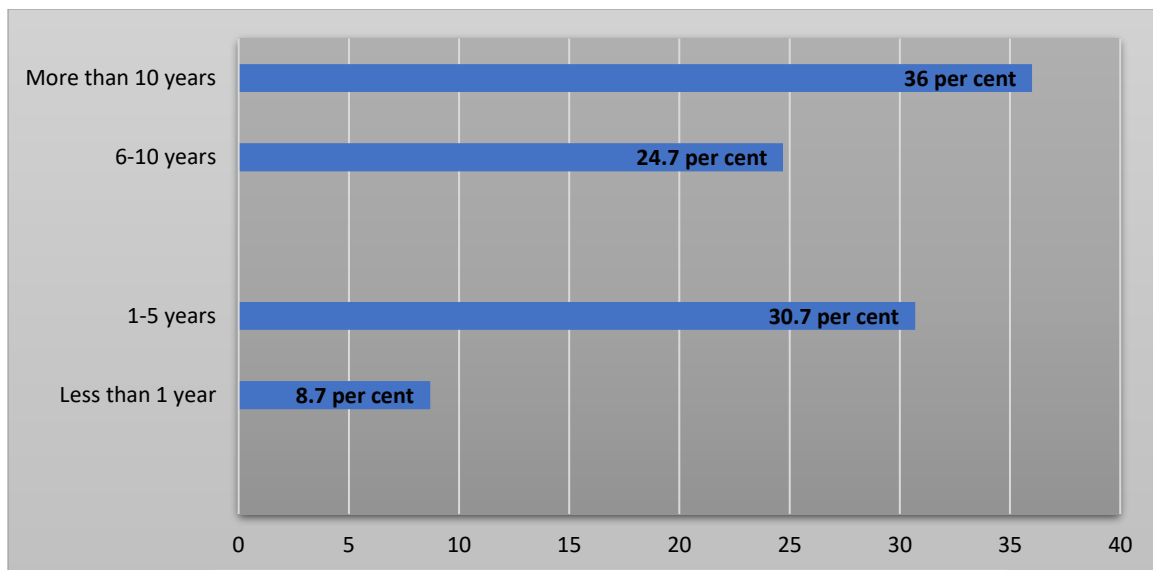
**Figure 4.8 Respondents' highest education qualification**

#### **4.3.4 Duration of respondents' QSR visits**

According to Figure 4.9, most respondents 54 (36%) had visited the QSR for more than 10 years, followed by 46 (30.7%) who visited the restaurant for between 1-5 years. About 37 (24.7%) had visited the restaurant for between 6-10 years, and 13 (8.7%) of the respondents had been patronising the restaurant for less than a year.

Customers' satisfaction would result in loyalty, and customer loyalty is a by-product of customer satisfaction. Pleased and satisfied customers develop loyalty and are inclined to return to the restaurant to buy more products.

The perceived price is one of the factors that lowers the correlations between quality factors (service, food, and physical environment quality) and customer's satisfaction, which means that if the perceived price is realistic, the level of satisfaction and loyalty of the customer concerning the quality of the food, service and physical environment quality will rise (Ryu & Han, 2010).



**Figure 4.9** Duration of respondents' QSR visit.

#### **4.4 Exploratory factor analysis**

Factor analysis was implemented to validate the reliability, and validity of the questionnaires. EFA was therefore executed to examine the interrelationships between the constructs, and SPSS was used to perform data analysis.

The elementary principle in factor analysis is to merge the variables of interdependence so the test would be able to approve a smaller number of variables for further analysis (Wiid & Diggines, 2011; Tabachnick & Fidell, 2014). A data reduction strategy was considered appropriate, applying exploratory factor analysis directly to several variables used in the questionnaire (Hair *et al.*, 2011).

This allowed those items that did not measure an expected factor or that simultaneously measured multiple factors to be recognised. These items could be deficient indicators of the desired construct and could be removed from further research. Before beginning an EFA, it is crucial to ascertain the factorability of the correlation matrix.

##### **4.4.1 KMO and Bartlett's Test**

To calculate if data were suitable for factor analysis, two statistical measures created by SPSS are assigned, Kaiser-Mega-Olkin (KMO) and Bartlett's test of sphericity. These statistics are used to measure sampling adequacy.

The KMO is rated acceptable if it ranges from 0 to 1, with 0.6 as a recommended minimum value for a good factor analysis. Bartlett's test should be lower than 0.05 for factor analysis to be appropriate (Pallant, 2016).

Appendices A1 (managers) and A2 (customers) show the original questionnaires used for original factor loading matrices, which used the SPSS program and the principal extraction method. The rows show the original variables as grouped under the original constructs.

#### *4.4.1.1 KMO and Bartlett's Test: Managers' KSF*

As per Appendix A.1 (managers' questionnaires), Section B had 5 constructs. Firstly, human resource management (people) with eight subsets; marketing with four subsets; finances with five subsets; operations/processes with four subsets and lastly, strategy with four subsets. Section C had three constructs, firstly, outcome quality with four subsets; physical environment quality with four subsets; and lastly, interactive quality with five subsets. Section B had 25 questions, while Section C had 13 questions, a total of 38 questions.

For variables in Section B, Table 4.1 shows the second-order rotation method using direct oblimin rotation, which revealed a KMO of 0.847 as a measure of sampling adequacy, while Bartlett's test of sphericity provided a chi-square value of 240.376 ( $df = 10$ ,  $Sig = 0,000$ ) for independent variables. The study found that the KMO measure and Bartlett's test of sphericity chi-square value was well above the threshold and were significant at 0.000, implying that factor analysis was appropriate and dependable.

For variables in Section C (service quality), Table 4.1 indicates a KMO of 0.768 as a measure of sampling adequacy, while Bartlett's test of sphericity provided a chi-square value of 801.3094 ( $df = 78$ ,  $Sig = 0,000$ ) for service quality factors. The study found that the KMO measure and Bartlett's test of sphericity chi-square value were well above the threshold, and they were highly significant at 0.000, showing that factor analysis was favourable factorably.

The outcomes of the KMO and Bartlett's test revealed that patterns and correlations are compact, and accordingly, offered an outstanding justification for further analysis to be performed.

**Table 4.1 KMO and Bartlett's Test: Managers KSF**

KMO and Bartlett's Test	KMO and Bartlett's Test	Section B questionnaires	Section C questionnaires
Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.847	0.768
Bartlett's Test of Sphericity	Approx. Chi-Square	240.376	801.309
	Df	10	78
	Sig.	0.000	0.000

An EFA was performed to provide additional support for the quality and reliability of the instrument used in the study.

#### 4.4.1.2 KMO and Bartlett's Test: Customers' KSF

As per Appendix A.2 (customers' questionnaires) under Sections B and C, Section B had four constructs: firstly, people factor with five subsets; marketing factor with four subsets; finances/pricing factor with five subsets; and lastly, processes factor with four subsets. Meanwhile, Section C had three constructs, firstly, outcome quality with seven subsets; physical environment quality with seven subsets; and lastly, interactive quality with four subsets. Section B had 18 questions, and Section C had 18 questions, with a combined total of 36 questions.

As the results stipulate in Table 4.2 (Section B questionnaires), rotation using second-order direct oblimin analysis showed KMO of (0.822) as a test for sampling adequacy, Bartlett's test of sphericity signified chi-square of (185.630) (df 10, Sig=0.000), thus both complying with the specifications.

Table 4.2, using first order varimax rotation analysis, shows the results: KMO is (0.860), Bartlett's test of sphericity is (1244.674), df (10, p= 0.000). The results indicate sampling adequacy and significance at (p=0.000), demonstrating that the factor could be used.

**Table 4.2 KMO and Bartlett's Test: Customers KSF**

KMO and Bartlett's Test	KMO and Bartlett's Test	Section B questionnaires	Section C questionnaires
Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.822	0.860
Bartlett's Test of Sphericity	Approx. Chi-Square	185.630	1244.678
	Df	10	136
	Sig.	0.000	0.000



#### 4.4.2 Procedure for determining factor structures

The variables of key success factors were re-validated to regulate composition and reliability using factor analysis. Eigenvalues > 1.00 were recognised as an indication of differentiation of possible factors.

Variables were exposed to exploratory data analysis and where variable loadings were discovered to be less than 0.30, they were deleted or removed, and another series of exploratory analysis was conducted until 'clean' compositions were discovered.

When conducting EFA, the responses of 38 items in Section B and C, under managers' questionnaires of KSF, were rotated, using a principal component analysis to inspect the grouping of items and connection to the original theoretical ranges.

Grouped factor solutions were later explored, using a principal axis factoring with direct oblimin rotation, which incorporated a five-factor composition in Section B and a three-factor composition in Section C. The consequential pattern matrix revealed that the eight-factor solution produced highly empirical and insightful interaction. The pattern matrix of the items is provided in Table 4.3.

#### 4.5 Managers' factor analysis

**Table 4.3 Total variance explained of 38 items (Sections B and C)**

Factor	Initial Eigenvalues			Rotation Sums of Squared Loadings
	Total	% of Variance	Cumulative %	
<b>Section B</b>				
1	<b>11.409</b>	45.634	45.634	5.362
2	<b>1.864</b>	7.456	53.090	3.202
3	<b>1.491</b>	5.964	59.054	2.527
4	<b>1.431</b>	5.725	64.778	2.296
5	<b>1.174</b>	4.696	<b>69.475</b>	2.128
6	0.975	3.899	73.374	
7	0.752	3.009	76.383	
8	0.721	2.882	79.265	
9	0.643	2.572	81.837	
10	0.625	2.498	84.336	
11	0.558	2.231	86.567	
12	0.487	1.950	88.517	

Factor	Initial Eigenvalues			Rotation Sums of Squared Loadings
	Total	% of Variance	Cumulative %	
13	0.433	1.731	90.247	
14	0.369	1.475	91.722	
15	0.325	1.298	93.020	
16	0.297	1.190	94.210	
17	0.254	1.017	95.227	
18	0.233	0.932	96.159	
19	0.226	0.905	97.064	
20	0.174	0.694	97.758	
21	0.145	0.579	98.337	
22	0.136	0.542	98.879	
23	0.121	0.485	99.364	
24	0.098	0.393	99.758	
25	0.061	0.242	100.000	
<b>Section C</b>				
1	5.406	41.585	41.585	2.741
2	2.036	15.664	57.249	2.707
3	1.446	11.124	68.373	2.485
4	0.920	7.080	75.453	
5	0.833	6.404	81.857	
6	0.570	4.382	86.239	
7	0.394	3.029	89.269	
8	0.367	2.824	92.092	
9	0.342	2.634	94.726	
10	0.264	2.030	96.756	
11	0.211	1.623	98.380	
12	0.135	1.039	99.419	
13	0.076	0.581	100.000	

Extraction Method: Principal Axis Factoring.

In Section B, nine items were packed on Factor 1, three items on Factor 2, six items on Factor 3, four items on Factor 4, and three items on Factor 5. Furthermore, in Section C, five items were packed on Factor 6, three items on Factor 7, and three items on Factor 8. The factors were marked in accordance with the common subject of significant linked items. This is reflected in Table 4.4.

**Table 4.4 Managers' rotated pattern matrix**

Pattern Matrix	Factors Loading								Factor Name	Alpha
	1	2	3	4	5	6	7	8		
	B9. Marketing plan and strategies in place	0.809								
B10. Product innovation and uniqueness	0.776									
B25. Clear business strategy	0.710									
B24. Clear marketing strategy	0.702									
B11. Communication with the customers about restaurant food offerings	0.700									
B12. Promotion of food adverts	0.683									
B5. Performance Appraisal systems are in place (e.g. performance bonuses, staff recognition awards, etc.)	0.528									
B4. In-house staff training programs are in place	0.443									
B3. Formal restaurant/ food service management education is a prerequisite for managers	0.431									
B7. Clear and communicated Labour Relations policies		0.830						People	0.878	
B8. Clear and communicated basic conditions of employment Act & regulations		0.718								
B6. Clear and communicated Health & safety policy		0.601								
B22. Organisation- vision clear to staff			0.636					Processes	0.812	
B23. Clear restaurant core values			0.541							
B20. Acceptable restaurant opening hours			0.459							

B21. Acceptable waiting time			0.442									
B1. Restaurant operators/managers have long-term experience			0.401									
B2. Ability to Control Food Cost is important for managers			0.387									
B13. Good revenue/sales growth				0.843								
B14. Good return on investment				0.680								
B19. Implement and run a systems-led operation				0.492								
B18. Clear standard operating procedures				0.429								
B16. Reasonable food price offering					0.814							
B17. Justified food price competitiveness					0.659							
B15. Accurate billing system					0.630							
C31. Good seating arrangement						0.902						
C30. Visually appealing interior design and decorations of the restaurant						0.854						
C33. Pleasant restaurant ambiance						0.702						
C29. The menu has a good variety of items						0.488						
C32. Clean restaurant furniture (e.g., dining table, chair)						0.430						
C34. Consistent & reliable service							0.833					
C36. Efficient staff handling of problems							0.724					
C35. Prompt service							0.687					
C37. Staff treat customers with respect							0.620					
C38. Staff give customers individual attention.							0.547					
C28. Good quality food is served								0.945				
C26. The food is served hot and fresh								0.848				
C27. The food tastes good and flavourful								0.719				
											Promotion-Sales	0.801
											Price	0.798
											Restaurant Layout & Menu Design	0.857
											Interactive Quality	0.834
											Food Quality	0.902

Extraction Method: Principal Axis Factoring.

Table 4.4 shows the factor loadings for eight factors. Field (2005) had a similar approach to Steven's (2002) of considering a factor as reliable when it has more than four loadings of minimum 0.6, regardless of the sample size. Steven (2002) recommended that a reduction of 0.4 should be suitable for elucidation purposes. This is further supported by Hair *et al.* (2011) who emphasised that a factor range of 0.4 has good factor solidity and is considered to lead to a desirable and tolerable solution. Field (2009) recommended that factor loadings higher than 0.35 be regarded as significant.

Factor loadings less than the absolute value of 0.31 were withheld, as recommended by Tabachnick and Fidell (2014). Some items that did not have sufficient loadings on any factors were subsequently excluded. Where an element was linked across more than one factor, the highest factor loading took priority order.

After rotation, these eight factors were identified as empirical dimensions for managers KSF: business strategies; people; processes; promotion-sales and price; restaurant layout and menu design; interactive quality; and food quality.

#### **4.5.1 Internal consistency reliability (managers)**

Hair *et al.* (2011) defined reliability as the extent to which a variable or set of variables are consistent with what they are intended to measure. Similarly, Cooper and Schindler (2011) defined Cronbach's alpha as the average correlation amongst all items corrected for the number of items.

Reliability analysis reviews overall consistency of the items employed to determine a proper quantity (questions). Research evaluates the degree to which the questions in the questionnaire are connected to one another using reliability analysis.

Reliability was determined in accordance with the means of Cronbach's alpha test. Hair *et al.* (2011) claimed that items with an alpha correlation of 0.70 and higher are viewed as acceptable, although this may decrease to 0.60 in exploratory research. Taber (2018) asserted that alpha values of 0.60 to 0.65 are still acceptable. In this study, all alpha values are above 0.7 and therefore acceptable. The lowest is 0.798 for price and the highest is 0.902 for food quality. The eigenvalues are all above 1.00. Eigenvalues are performed to decide which factors are applicable and can be examined and so be retained. All the factors in Table 4.4. were structurally sound and could therefore be used in the analysis.

#### 4.6 Customers' factor analysis

Table 4.6 confirms the factor settings of seven factors. Factor loadings smaller than the pure value of 0.31 were revoked, as advised by Tabachnick and Fidell (2014). Items that had not received adequate capacity on any factors were subsequently omitted. Two items were loaded on their own, separate from the original factors. These items are item B16 and B18 in Section B. Based on inadequate loadings, these items were omitted as factors. As recommended by Tabachnick and Fidell (2014), one item (C31 – how important is a non-smoking area) has a factor loading of less than 0.31 and it was therefore excluded.

**Table 4.5: Total variance explained for 37 items of Section B & C: Customers**

Measuring the following constructs: (Section B: pricing, marketing, people) (Section C: Service quality (SQ))				
Factor	Initial Eigenvalues			Rotation Sums of Squared Loadings
	Total	% of Variance	Cumulative %	Total
1	5.803	32.241	32.241	2.555
2	1.880	10.445	42.686	2.408
3	1.514	8.410	51.096	2.031
4	1.139	6.328	57.424	1.113
5	1.079	5.996	63.420	1.023
6	0.940	5.223	68.643	
7	0.750	4.168	72.811	
8	0.705	3.919	76.730	
9	0.629	3.496	80.227	
10	0.600	3.335	83.562	
11	0.567	3.148	86.710	
12	0.477	2.648	89.358	
13	0.460	2.558	91.916	
14	0.377	2.094	94.010	
15	0.319	1.773	95.784	
16	0.279	1.553	97.337	
17	0.251	1.394	98.731	
18	0.228	1.269	100.000	
<b>Section C</b>				
1	6.755	39.737	39.737	3.416
2	1.927	11.335	51.072	2.489

Factor	Initial Eigenvalues			Rotation Sums of Squared Loadings
	Total	% of Variance	Cumulative %	Total
3	1.444	8.492	59.564	2.477
4	1.050	6.178	65.742	1.132
5	0.775	4.561	70.303	
6	0.760	4.470	74.772	
7	0.655	3.856	78.628	
8	0.597	3.509	82.137	
9	0.547	3.215	85.352	
10	0.463	2.722	88.075	
11	0.405	2.380	90.455	
12	0.369	2.172	92.627	
13	0.334	1.963	94.590	
14	0.282	1.659	96.248	
15	0.251	1.479	97.727	
16	0.203	1.196	98.923	
17	0.183	1.077	100.000	

Extraction method: Principal axis factoring

After rotation, these seven factors were identified as empirical dimensions for customers KSFs: price and convenience; marketing (promotion); people; interactive; outcome, physical environment, and food quality.

Table 4.6 below shows the pattern matrix, factor loadings, factor names and alpha values, and no further analysis of the factors was done. All the factors have eigenvalues above 1 and alpha values above 0.6. The lowest is 0.26 for food quality. The measures were therefore structurally sound and reliable and could be used in the analysis.

**Table 4.6: Extraction Pattern Matrix**

Pattern Matrix	Factor loadings							Factor Name	Alpha
	1	2	3	4	5	6	7		
B13. The costs in this restaurant seem appropriate for what I get	0.802							Price and Convenience	0.801
B10. How important is reasonable food price offering	0.621								
B12. How important is accurate bill (e.g., till slip)	0.577								
B14. How important is the price of fast food for me to buy	0.524								
B17. How important is restaurant opening hours	0.522								
B11. There should be products that carry value for money	0.519								
B9. There should be Social media advertising activities		0.768						Marketing (Promotion)	0.801
B8. There should be special offers		0.693							
B6. How important is the visibility of marketing and advertising signs		0.627							
B7. There should be a known reliable brand		0.533							
B15. How important is prompt responsiveness of staff to questions I ask		0.427							
B1. How important is sufficient number of staff to ensure quality service			0.633					People	0.745
B2. How important is the presence of restaurant manager to ensure quality offering			0.581						
B3. How important is the competency of service staff			0.556						
B5. How important is the restaurant that has the customers best interests at heart			0.492						
B4. How important is employees that speaks clearly			0.395						
C33. How important is reliable service and consistent				0.709				Interactive quality	0.869
C30. There should be neat (presentable) staff				0.705					
C35. How important is staff handling of problems				0.700					
C29. How important is cleanliness of the premises				0.680					



Pattern Matrix	Factor loadings							Factor Name	Alpha
	1	2	3	4	5	6	7		
C36. How important is prompt services				0.680					
C34. How important is staff friendliness				0.621					
C32. How important is the right appearance of the physical facilities				0.394					
C24. How important is good hygiene practices					0.739			Outcome quality	0.817
C22. How important is the taste of food					0.668				
C21. How important is the appearance of food that is visually appealing					0.596				
C23. How important is appropriate food temperature					0.588				
C25. There should be high food quality offers					0.519				
C27. How important is pleasant feeling of music and sound						0.823		Physical Environment Quality	0.822
C28. How important is the interior design and decorations of the restaurant						0.796			
C26. How important is good ambience						0.628			
C20. There should be fresh food ingredients							0.747	Food Quality	0.625
C19. How important is the variety of menu items							0.448		

Extraction Method: Principal Axis Factoring.

#### 4.7 Internal consistency reliability (customers)

Reliability and validity are exclusive features of a good measurement tool. Validity is when the property of a test measures what it aims to measure (Cooper & Schindler, 2014). Reliability is when a test measures the same item a number of times, with the same result (Zikmund & Babin, 2010). The instrument was authenticated for reliability and consistency, as shown by the relevant factors, Cronbach's alpha values and explained variance values above.

It was thus established that the constructs (questions) remained reliable; and that the constructs were measuring what they were proposed to measure, indicating a good and reliable tool.

The next section, Section 4.8, re-examines the study's aims and objectives and then tests the stated hypotheses.

#### **4.8 Evaluating the research objectives and hypotheses.**

The primary objective of the study was to determine the key success factors and service quality of the QSRs. This was achieved through the secondary objectives of the study, which were:

- To evaluate the importance of key success factors in the QSR from the managers' perspective.
- To evaluate the importance of key success factors in the QSR from the customers' perspective.
- To examine the relationship between key success factors and service quality of QSRs from the managers'/owners' perspective.
- To evaluate the relationship between key success factors and service quality of QSRs from the customers' perspectives.

The secondary objectives are discussed below.

##### ***4.8.1 Evaluation of the extent of key success factors in the QSR from the managers' perspective***

As mentioned previously, a Likert scale was used to assess the 38 statements that were used to assess key success factors variables of the Quick Service Restaurants. With regard to each statement, participants had to indicate their degree of agreement: Very large extent (5); Large extent (4); Moderate extent (3); Small extent (2) or to No extent (1) with the statement content.

The Likert-scale results were analysed using descriptive statistics and it was assumed that a score of more than three out of five was an indication of a positive preference towards the statement.

The results of the means analysis of the KSF constructs are represented in Table 4.7. All the factors have an average mean score of 4.5195, which is above four out of five

on the Likert-scale, indicating that the participants (managers) considered the attributes (factors) as key success factors.

**Table 4.7: Managers’ KSF descriptive results**

Factors	NValid	Mean	Median	Mode	Std. Deviation	Minimum	Maximum
Business Strategies	100	<b>4.3499</b>	<b>4.6667</b>	4.89 <sup>a</sup>	0.74774	1.56	5.00
People	100	<b>4.4400</b>	5.0000	5.00	0.81908	2.00	5.00
Processes	100	<b>4.3733</b>	<b>4.6667</b>	4.67	0.62815	2.17	5.00
Promotion-Sales	100	<b>4.4075</b>	4.5000	5.00	0.62730	2.25	5.00
Price	100	<b>4.4833</b>	<b>4.6667</b>	5.00	0.60927	3.00	5.00
Restaurant Layout & Menu Design	100	<b>4.6000</b>	5.0000	5.00	0.58396	2.60	5.00
Interactive Quality	100	<b>4.6560</b>	4.8000	5.00	0.45223	3.00	5.00
Food Quality	100	<b>4.8467</b>	5.0000	5.00	0.40039	3.00	5.00
<b>Average</b>	<b>100</b>	<b>4.5195</b>	<b>4.7875</b>	<b>4.945</b>	<b>0.6085</b>	<b>2.44</b>	<b>5.00</b>

a. Multiple modes exist. The smallest value is exposed.

Five of the eight constructs assessed in Section B were business strategies (mean = 4.35) which is the lowest; followed by processes (mean = 4.37); promotion-sales (mean = 4.40); people (mean = 4.44); and pricing (mean = 4.48); but all had a mean above three out of five. The results indicate that the managers viewed the price factor to be practised or implemented in their restaurant to a large extent followed by the people factor as a KSF in the QSR. Regarding the service quality construct, managers perceived the food quality factor (mean = 4.84) to be the largest KSF in the QSR. Thus, the model factors consist of key success factors: *people* (HR management), *processes*, *promotion-sales*, *price*, and *service quality – restaurant layout & menu design*, *interactive quality*, and *food quality* for further tests analysis.

The next section discusses the collinearity diagnostics.

#### 4.8.1.1 Collinearity diagnostics

Collinearity or multicollinearity creates duplicate information, which means that what a variable describes about the response is overlapping with what is explained by another variable. Hair *et al.* (2010) pointed out that as multicollinearity increases (>30), it is harder to detect the effect of any single variable, as it produces biased estimates of coefficients for variables because those variables have more interrelationships.

**Table 4.8: Collinearity diagnostics (managers)**

<b>Collinearity Diagnostics<sup>a</sup> Model</b>	<b>Factors</b>	<b>Eigenvalue</b>	<b>Condition Index</b>
1	1. Business Strategies	5.945	1.000
	2. People	0.021	16.965
	3. Processes	0.013	20.996
	4. Promotion- Sales	0.009	26.340
	5. Price	0.007	29.255
	<b>Service quality</b>		<b>32.876</b>

a. Dependent Variable: Service Quality

In Table 4.8, the eigenvalue of business strategies is 5.945, which affects the results of the condition index to be 32.876, which is not recommended as it can pose problems to other variable results. Therefore, SecB-F1 (business strategies) was removed for further analysis in the study.

The next section discusses the importance of KSF of the QSR from the customers' perspective.

#### **4.8.2 Assessment of the importance of key success factors of the QSR from the customers' perspective**

A five-point Likert-scale was employed to review 36 statements that were used to evaluate the key success factor variables of the Quick Service Restaurants from the customers' viewpoints.

Participants had to show the degree of importance they placed on each assessed aspect, using: Extremely important (5); Very important (4); Important (3); Slightly important (2); or Not important (1). The results of the means analysis of the customers' KSF constructs are represented in Table 4.9. All the factors have an average mean score of 4.3094, which is above four out of five on the Likert-scale, indicating that these are very important KSFs as measured by the participants (customers).

**Table 4.9: Customers' KSF descriptive results**

<b>Factors</b>	<b>N Valid</b>	<b>Mean</b>	<b>Median</b>	<b>Mode</b>	<b>Std. Deviation</b>	<b>Minimum</b>	<b>Maximum</b>
Price & Convenience	150	<b>4.3087</b>	4.5000	5.00	0.62539	2.00	5.00
Marketing (Promotion)	150	<b>4.0827</b>	4.2000	5.00	0.79872	1.60	5.00
People	150	<b>4.3853</b>	4.4000	5.00	0.59578	2.40	5.00
Interactive Quality	150	<b>4.6314</b>	4.8571	5.00	0.49356	2.71	5.00

Factors	N Valid	Mean	Median	Mode	Std. Deviation	Minimum	Maximum
Outcome Quality	150	<b>4.5500</b>	4.8000	5.00	0.57038	1.40	5.00
Physical Environment Quality	150	<b>3.8444</b>	4.0000	5.00	0.95434	1.00	5.00
Food Quality	150	<b>4.3633</b>	4.5000	5.00	0.69247	2.00	5.00
<b>Average</b>	<b>150</b>	<b>4.3094</b>	<b>4.4653</b>	<b>5.00</b>	<b>0.6758</b>	<b>1.87</b>	<b>5.00</b>

Three factors are below the average mean: physical environment quality (mean = 3.8444); marketing (mean = 4.0827); and price (mean = 4.3087), but all the KSF variables still had a mean above three out of five.

The KSFs with the highest mean scores were interactive quality (mean = 4.6314); outcome quality (mean = 4.5500); people (mean = 4.3853); and food quality (mean = 4.3633). The results convey that these factors were identified by customers to be **very important** in the QSR. The first study objective was to determine the key success factors and service quality of the QSRs.

The results above indicate that these variables of KSFs and service quality are present in the quick service restaurants, as perceived by the participants (managers) in the QSR and the customers who visit the QSRs.

To accomplish the next stated hypotheses, a correlation analysis was conducted.

#### **4.8.3 Correlation analysis**

Pearson product-moment correlation substantiated the possible link in the restaurant key success factors and service quality. To examine relationship in relation to KSF and service quality, a one-tailed test significance was used. According to Parsa (2016), “a single-tailed test is a statistical test in which a distribution’s critical area is one-sided, it is either greater than or less than a given value, but not both”. Tested samples would resolve within the critical unilateral area, where the alternative hypothesis is accepted instead of the null hypothesis (Parsa, 2016).

In accordance with Pallant (2013), the Pearson correlation coefficient ( $r$ ) is deployed when a researcher wishes to investigate the strength of the relationship between the two continuous factors. The relationship between the factors may be negative or positive. If a positive relationship is indicated, when one factor rises, the other variable

will also rise. Furthermore, a negative relationship is indicated, when one factor rises, the other factor will decline (Pallant, 2013).

To translate the correlation results, the size of the effect should be reflected to determine whether the correlation coefficient is negative or positive. Pearson correlation coefficient ( $r$ ) arrays between -1 to +1 (Pallant, 2016). When the coefficient is elevated, then 0.5 illustrates a strong correlation. But when the value is within the range of 0.3 to 0.5, it means the correlation is of moderate intensity and a value between 0 and 0.3 shows a weak correlation between the factors (Pallant, 2016).

The Pearson product-moment correlation was applied to analyse the correlation among key success factors and overall service quality factors. This statistic is considered to find the extent to which KSF, and service quality factors are dependent on one another and to test hypotheses developed for this study.

#### *4.8.3.1 The relationship of KSF and service quality (managers)*

Objective number three of the study was to discover relationship of the KSFs and the service quality within QSRs. To accomplish this goal, the resulting hypotheses were offered:

**H1:** There is a statistically significant and positive correlation between service quality and key success factors: *people, processes, promotion-sales, price.* (management perception)

The following are the subgroups of the management perception hypothesis:

**H1a:** There is a statistically significant and positive correlation between key success factors, people, and overall service quality of QSR.

**H1b:** There is a statistically significant and positive correlation between key success factors, processes, and overall service quality of QSR.

**H1c:** There is a statistically significant and positive correlation between key success factors, promotion-sales, and overall service quality of QSR.

**H1d:** There is a statistically significant and positive correlation between key success factors, price, and overall service quality of QSR.

The following table shows the Pearson's correlations that measure the relationships of KSFs and service quality.

**Table 4.10: Pearson's correlations of managers' KSF and overall service quality**

	Factors	Service Quality	People	Processes	Promotion & Sales	Price
	<b>Service Quality</b>	<b>1.000</b>	0.409	0.576	0.601	0.458
	People	0.409	1.000	0.670	0.501	0.451
	Processes	0.576	0.670	1.000	0.598	0.464
	Promotion & Sales	0.601	0.501	0.598	1.000	0.330
	Price	0.458	0.451	0.464	0.330	1.000
	N	100	100	100	100	100
<b>Sig. (1-tailed)</b>	<b>Service Quality</b>		<b>&lt;0.01</b>	<b>&lt;0.01</b>	<b>&lt;0.01</b>	<b>&lt;0.01</b>

Dependent Variable: Service Quality correlation significant at  $p < 0.01$

#### 4.8.2.2 The relationship of KSF and overall service quality (customers)

Objective number four of the study was to assess the association of KSF from the clients' perspectives and the effect on overall service quality of QSRs. To attain this objective, the following hypothesis was intended:

**H2:** Customers' perception alludes to the presence of a positive and significant bond amidst service quality and the key success factors: price and convenience, promotion (marketing), and people.

The following are the subgroups of the customers perception hypothesis:

**H2a:** There appears to be a statistically significant and positive correlation between KSF, price convenience and overall service quality of QSR.

**H2b:** There seems to be a statistically significant and positive correlation between KSF, marketing (promotion) and overall service quality of QSR.

**H2c:** There is a statistically significant and positive correlation between KSF, people and overall service quality of QSR.

The following table indicates Pearson's correlations, which measure the relationships of KSFs) and service quality from the customers' perspective.



**Table 4.11: Pearson’s correlations of customers’ KSF and overall service quality**

Pearson Correlation		ServQual	Price & convenience	Marketing (promotion)	People
	ServQual	1.000	0.615	0.613	0.697
	Price-Convenience	0.615	1.000	0.442	0.461
	Marketing (promotion)	0.613	0.442	1.000	0.535
	People	0.697	0.461	0.535	1.000
	N	148	148	148	148
<b>Sig. (1-tailed)</b>	<b>Service Quality</b>		<b>&lt;0.01</b>	<b>&lt;0.01</b>	<b>&lt;0.01</b>

Dependent Variable: Service Quality correlation significant at  $p < 0.01$

## 4.9 Research discussion (managers)

### 4.9.1 Correlation among key success factors and service quality variables (managers/owners)

As shown in Table 4.10, the findings suggest that all factors are highly correlated, where the greatest degree of correlation is discovered between the *promotion & sales* factor and *overall service quality*. This means that most manager respondents recognised that the *promotion & sales* factor, and *overall service quality* of QSRs are very important with a score of 0.601. This means that the more managers find that QSRs require an overall service quality offering, the more promotion it will require, which would lead to increased sales levels.

A lower correlation, although correlated, is observed between factors: people and overall service quality with the score of 0.409. This implies that the factors: people and service quality will need to be reinforced to produce more optimistic results on the running of quick service restaurants.

The Pearson Coefficient, in Table 4.10, shows that there is a significant, positive correlation between each of the KSF dependent variables (people, processes, promotion-sales, price, and the dependent variable, service quality). This demonstrates that each correlation is statistically significant at  $p < 0.01$  level, and therefore the hypotheses are supported.

### 4.9.2 Hypothesis testing

#### 4.9.2.1 Relationship between KSF variables and service quality

The hypotheses will be reviewed in detail, commencing with people factor.



- **People and overall service quality correlation**

**Hypothesis H1a** quantified a statistically positive correlation between KSF people, and overall service quality of QSR.

According to Table 4.10, the results indicate that there exists a positive correlation between the factors: people and overall service quality ( $r = 0.409$ ,  $p < 0.01$ ). This is indicative that managers find the people factor more useful when is implemented effectively. Thus, hypothesis H1 is supported.

The people factor as a key success factor (Nieh & Pong, 2012) includes all aspects relating to staff, such as teamwork, well trained staff, and skills development, and the ability to handle customers' requests. Similarly, restaurant businesses generally acknowledge that the principles, well-designed policies and procedures, training, and leadership support, lead to improved employee knowledge, participatory behaviour, and work performance (Miao, Newman & Huang, 2014; Smith, Mills & Dion, 2010; Zaied, Hussein & Hassan, 2012).

The outcomes are consistent with the assertion by Kukanja (2017), and Gadelrab and Ekiz (2019), that quality of people (staff) has the utmost impact in assuring overall restaurant SQ. Furthermore, such discoveries mean that the quality of people is a highly significant key success factor for the restaurant industry (Mosavi & Ghaedi, 2012; Ryu and Lee, 2013; Voon, 2012).

According to manager respondents, people form part of the key success factors affording to restaurant success and existence. All respondents agreed that the most demanding issue in staffing is to find competent personnel with effective training.

Although the confirmations illustrate that there is a positive and significant correlation between human resource management (people) and service quality, it means the restaurants have to appoint the correct people with the exact skill sets and that staff will need to be professionally managed, informed appropriately, and able to work together. According to Campiranon and Scott (2014), staff need to be knowledgeable about the products they are selling.

- **Processes and service quality correlation**

**Hypothesis H1b** affirmed that there is statistically significant and positive correlation between KSF processes and overall service quality of QSR.

The results in Table 4.10 show that there is a positive and significant correlation between KSF processes and overall service quality of the QSR. This is shown by the positive relation and p-value of less than 0.01 ( $r = 0.576$ ,  $p < 0.01$ ). Therefore, hypothesis H1b is supported.

Restaurant processes are defined as a set of plans and policies of the restaurant to fulfil the requirements and accomplish its objectives (Nella & Christou, 2014). It becomes especially important for QSR businesses to pinpoint their operations strategy and to be transparent about it (Hana, Hyun & Kim, 2011).

Restaurant processes are primarily concerned with ensuring that the package of services is delivered to the customer at the appropriate time and location. Two main operations areas are described: the role of the despatcher/front desk, and the role of controlling production. The restaurant reception desk role has been associated with phoning and apportioning customers, arranging, and transmitting the service delivery system to customers. A production monitor role is responsible for activities at the interface among “front office” alongside in the “back room” (Tran, 2015).

Furthermore, the processes factor comprises several elements that need to be established and be sustained, such as planning, average produces, typical instructions, portion proportions, and commodity advancement. The operation control may be carried out manually or through a software IT system.

Empirical research that explores the connection between restaurant processes and service quality is comparatively limited. Earlier empirical studies have primarily centred on analysing the relations between the 7 P marketing mix (including processes) and the assumption variables, such as service quality, market orientation, employees' satisfaction, and customers' satisfaction. The results concur with Camillo, Connolly, and Kim (2008), whose investigation of the success factors for independent restaurateurs revealed that the processes factor is significant for a restaurant to be successful, and that this includes implementing stringent internal controls, crafting recipes, sustaining service points, consistency, and procuring goods.

Furthermore, the conclusions are consistent with Kanyan, Ngana and Voon (2016), who showed that service operations management positively correlated to overall service quality and is important in the QSR. The QSRs are obliged to continually design, execute, monitor, and adjust the distinct facets of the service operations to realise the excellent customer fulfilment, and good returns.

- **Promotion – sales and overall service quality correlation**

**Hypothesis H1c** asserted that there exists a statistically significant and positive correlation between KSF promotion-sales and overall service quality of QSRs.

Table 4.10 reveals the results, which suggest that there is a positive correlation between KSF promotion-sales and overall service quality of the QSR. This is shown by a p-value less than 0.01 ( $r = 0.601$ ,  $p < 0.01$ ). Therefore, hypothesis H1c is supported.

Promotion incorporates the unique approaches of communicating to the customers what the company has to offer. Therefore, promotion influences the “Price”, “Place”, “Physical evidence” and “Process” (Lin, 2011).

Direct selling presents the most common form of promotion that provides immediate feedback from customers. This means that promotion is dependent on service staff (people) competences, skill, and their personality qualities (Fernández-Miguélez, Díaz-Puche, Campos-Soria & Galán-Valdivieso, 2020).

Although the vast majority of KSFs are in the production process, promotion is one factor that may be accomplished prior to the “production-consumption point” to attract customers to the restaurants (Akroush, Abu-ElSamen, Samawi, & Odetallah, 2013).

The results are in line with Kukanja’s proclamation (2017), that restaurant managers rated the promotion factor as positively correlated to service quality. Although the research reveals positive and significant correlation between promotion and service quality, it is crucial to understand sales quality systems. According to Mhlanga (2018), escalating SQ is going to yield not only customer satisfaction, or improve customer loyalty, but it will also heighten the restaurant’s reputation and boost restaurant sales.

- **Price and overall service quality correlation**

**Hypothesis H1d** specified that there is a statistically significant correlation between KSF price and overall service quality of QSR.

Table 4.10 demonstrates a positive and significant correlation between KSF price, and overall service quality of the QSR. This is shown by a p-value < than 0.01 ( $r = 0.458$ ) and  $p < 0.01$ ). Therefore, hypothesis H1c is supported.

Price should be competitive and ensure profitability (Khan, Hussain & Yaqoob, 2018). This study agrees with Khan, Hussain, Yaqoob (2018), who discovered a statistically positive significant connection between price and service quality in a study of fast-food restaurants in Peshawar Pakistan. Kukanja (2017) also noted that restaurant managers rated price as positive correlated to service quality and it was the second most important attribute after the people (HR) factor.

#### **4.10 Research discussion (customers)**

##### **4.10.1 Correlation among key success factors and service quality variables (customers)**

As shown in Table 4.11, the outcomes indicate that all factors are highly correlated, where the greatest degree of correlation is found between the *people* factor and *overall service quality*. This suggests that most customer respondents recognise that the *people* factor, and *overall service quality* of QSRs are very important KSFs with a score of 0.697. This means that more customers find that QSRs require the *people* factor to experience a better overall service quality.

Although correlated, a lower correlation is observed between the promotion/marketing and overall service quality factors with a score of 0.613. This suggests that the promotion/marketing and service quality factors will need to be reinforced more to improve customers' loyalty to the quick service restaurant.

##### **4.10.2 Hypothesis testing (customers)**

The Pearson Coefficient in Table 4.11 displays a positive correlation between each of the KSF variables (*price-convenience*, *promotion*, *people*), and dependent *overall service quality*. This demonstrates that all correlations are statistically positive and significant, considering that the p-value is less than 0.01 and therefore the hypotheses are supported.

#### 4.10.2.1 The association between KSF variables and overall service quality (customers)

- **Price – convenience and overall service quality**

**Hypothesis H2a** states that there is a statistically significant and positive correlation between the KSF price-convenience factor and the overall service quality of QSR. Table 4.11 shows that there is a positive and significant correlation between KSF price-convenience, and overall service quality of the QSR. This is shown by a p-value lower than 0.01 ( $r = 0.615$ ,  $p < 0.01$ ). Consequently, hypothesis H2a is accepted.

From the clients' perspective, the price-convenience refers to what the customer pays or offers for acquiring the product or service (Kim *et al.*, 2010). Objectivity of price is a psychological component that plays an important part in the customer's response to the reimbursed cost (Kim *et al.*, 2010).

The findings are in line with the assertion by Kim *et al.* (2010) that price as a key success factor had a positive significant impact on the overall service quality and customer satisfaction. The study also concurs with Saad and Conway's (2006) argument that overall service quality and customer satisfaction were positively significantly influenced by price. The finding confirms scientific literature in terms of KSFs for the restaurant industry in terms of price/finances (Lucchetti & Font, 2013; Ortigueira & Gomez-Selemeneva, 2011).

The results differ, however, with the assertion by Kukanja (2017) that value cost was not influenced by customers' quality perceptions, even though demand in the restaurant industry emerges to be enormously price-elastic. Hence, it can be reported that customers are not price-susceptible if restaurant offerings fulfil their quality perspectives.

- **Marketing (promotion) and overall service quality**

**Hypothesis H2b** stated that there is a statistically significant and positive correlation between KSF marketing (promotion) and overall service quality of QSR. Table 4.11 shows the results, which indicate that there is a positive correlation between KSF promotion and overall service quality of the QSR. This is shown by the positive relation of a p-value  $< 0.01$  ( $r = 0.613$ ,  $p < 0.01$ ). Therefore, hypothesis H2b is accepted.

Kotler, Lane-Keller, Brady, Goodman, and Hansen (2012) refer to marketing management as the art and science of choosing target markets and getting, keeping and growing customers through creating, delivering and communicating superior customer value. In the contemporary world of business, companies must become more and more customer-centred, as competition is high, and customers have several options available to select from. This means that marketing signifies an aiding part of the production process (Pirnar, Kurtural & Tutuncuoglu, 2019).

According to Jasson and Govender (2017), keeping in touch with customers, through promotional strategies or advertising campaigns that aim at attracting new customers, provides the highest return on investment. Regular communication stimulates the restaurant's brand and creates strong value in the customers' minds.

The conclusions coincide with the study by Ugonna, Okolo, Nebo and Ojieze (2016), which found that the influence of marketing and promotion on service quality and customer retention was at a positive significant level in a study of quick service restaurants in Awka, Nigeria. Hence, restaurants embrace promotion tools as a key success factor to retain customers. Furthermore, the study is consistent with the finding that the marketing attribute, promotion, was positively significant to service quality in a restaurant study by Kukanja (2017), comparing both customers' and managers' quality experiences.

A study by Khan, Hussain and Yaqoob (2018) of quick service restaurants in Peshawar Pakistan also showed that marketing (especially promotion) has a significant positive relationship to overall service quality.

- **People and overall service quality**

**Hypothesis H2c** discloses that there is a statistically significant and positive correlation between KSF people, and overall service quality of QSRs. Table 4.11 shows that there is a positive and significant correlation between KSF people and overall service quality of the QSR. This is shown by the positive relation of a p-value  $< 0.01$  ( $r = 0.697$ ,  $p < 0.01$ ). Therefore, hypothesis H2c is accepted.

According to Petzer and Mackay (2014) and Ryu and Han (2010), success and survival of restaurants are a lot more dependent on the quality of its staff and how effectively and efficiently they are managed to accomplish its objectives. Hence, it is

essential for restaurants to construct an effective people strategy, recruitment process, and preserve skilled staff (Davis *et al.*, 2012).

Customers' views are distinctly clear in that they trust the quality of people as a key factor in assuring overall restaurant service quality (Kukanja, 2017). This is also confirmed in a study by Gadelrab and Ekiz (2019), which investigated key success factors for restaurant operations in Saudi Arabia. Furthermore, these results are consistent with other studies (see Mosavi & Ghaedi, 2012; Ryu & Lee, 2017; Voon, 2012), which portrayed quality of people (staff) as the most significant attribute key success factor for QSR.

#### **4.11 Applying the star model of key success factors**

The star model of success factors, as suggested by Lawrimore (2011), identifies the key success factors in business as people, operations, marketing, finances, and strategy. From the managers' perspectives, only four factors were confirmed as key success factors. The strategy factor was eliminated because of its similarity to the operations/processes factor. The strategy factor was not included on the customer respondent forms, and all factors were therefore accepted as the key success factors by customers.

#### **4.12 Chapter summary**

This chapter submitted the empirical results of this study, which encompassed demographic details of respondents, mean, and standard deviation of the variables. Factor analysis results were presented showing five factors that have emerged from the principal factor extraction with varimax rotation for both manager and customer respondents. These factors showed eigenvalues greater than 1. The correlation results revealed positive correlations for all key success factors and service quality dimensions – people, processes, promotion-sales, and price for both managers and customers.



## **CHAPTER 5: CONCLUSION AND RECOMMENDATIONS**

### **5.1 Introduction**

Empirical results as well as their analysis were shown in the previous chapter. Data were analysed using SPSS Version 24. This section starts by confirming a summary of the problem statement, and the objectives of the study. Additionally, a summary of the main findings is given, as well as recommendations. Furthermore, the limitations of the study and proposals for future study are examined.

The empirical findings of the study make a substantial contribution to existing information and provide valuable information to QSRs to conduct their KSFs properly, and more importantly, to provide restaurant service quality that meets customers' expectations and their needs. Similarly, customers will benefit from this study by experiencing improved restaurant service quality from their respective QSRs.

### **5.2 Problem statement**

Quick service restaurants in South Africa experience various issues that constitute a threat to a competitive edge, development, and expansion. Expanded competition from both local and global restaurant franchise brands entering the South African market exists at an exponential rate (Kaur, 2013; Min & Min, 2011; Strydom, 2014).

Given the low entry barriers in the restaurant sector, ambitious entrepreneurs generally leap into this highly volatile and extremely competitive environment without the required mandatory skills or experience (Lee *et al.*, 2016). The drastic breakdown rate is caused by severe industry rivalry, which has impacted fast-food restaurant productivity in South Africa (Mhlanga, 2018).

The majority of QSRs show a lack of expertise knowledge of the KSF. According to Maumbe (2012), Roberts-Lombard (2009), and Swart (2017), a healthier consideration of restaurant KSFs and their attractiveness is a key to realising the possibility that a restaurant will be successful in the industry.

Notwithstanding the necessity to impact knowledge about the importance of key success factors that may lead to improved service quality in the quick service restaurants industry, the aim of this study was to analyse and confirm these KSFs with



a view to examining managers'/owners' and customers' perceptions and the importance and extent of them in implementing these KSFs.

### 5.3 Study objectives

The primary objective of the study was to determine the key success factors and service quality of the QSR industry.

This was to be reached through the following secondary objectives:

- To evaluate the importance of KSFs in the QSRs from the managers' perspective.
- To evaluate the importance of KSFs in the QSRs from the customers' perspective.
- To observe the link between KSFs, and service quality of QSRs from the managers'/owners' perspectives.
- To evaluate the association between KSFs, and service quality of QSRs from customers' perspectives.

### 5.4 Summary of major empirical findings

When comparing the mean values of KSF scores for managers and those for customers, there are differences with the average mean value of managers' views (4.52) and customers' views (4.31). The results show that managers rated their attributes much higher than the customers did. These results concur with the study conducted by Kukanja (2017) where managers rated higher with a mean value of 3.86 and customers 3.56 when conducting the study on quality attributes of the restaurants.

The results show that all factors are highly correlated, where the greatest degree of correlation is discovered between factor *promotion & sales* and *overall service quality* in managers' perspectives. The results also further indicate that all factors are highly correlated, where the greatest degree of correlation is found between the *people* factor and the *overall service quality* factor in customers' perspectives.

On the other hand, a lower correlation, is observed between the *people* factor and overall service quality with a score of 0.409 on managers' perspectives, and a score of 0.613 of the *promotion* factors as per the customers' perspectives.

The *price* factor is rated at 0.458 from the managers' viewpoint, compared to 0.615 from the customers' viewpoint. The results differ from Kukanja's (2017) assertion, who

claimed that the *price* factor did not influence customers' quality perceptions; however, in this research, managers rated the *price* factor the second most important factor after the *people* factor. The results in this study show that customers and managers consider price very important as a key success factor and that QSRs should be competitive, with good service quality.

From the managers' perspectives, the *people* factor is rated 0.409, which is lower compared to the customers' perspectives at 0.697. The results show that the *people* factor is considered a key success factor in restaurant business as well as the overall quality of service. Managers view the *people* factor as a KSF; however, some activities may not be adequately implemented, such as HR policies (appraisals, bonuses, and skills training).

Consequently, the model key success factors for managers, according to their mean values, indicate that the highest priority rank consists of factors: (1) price; (2) people; (3) promotion-sales; and (4) processes. Additionally, the model service quality according to their mean values consists of: (1) food quality; (2) interactive quality; and (3) restaurant layout and menu design.

From the customers' viewpoint, the highest-ranking key success factors based on the mean values consist of (1) price; (2) marketing (promotion); and (3) people factors. For service quality, the ranking consists of (1) interactive quality; (2) outcome quality; (3) food quality; and (4) physical environment quality. The results reveal these key success factors as very important in the quick service restaurants, according to customers.

The empirical results accepted Hypothesis H1, which shows significant and positive correlations between overall service quality and key success factors: people, processes, promotion-sales, and price. Furthermore, Hypothesis H2 was accepted, which disclosed a significant, and positive correlation between overall service quality and key success factors: price and convenience, promotion (marketing), and people factor.

The study achieved its set objectives and confirmed the postulated hypotheses.

## 5.5 Recommendations

Contemplating the results of the analysis, the following recommendations are proposed in connection with the KSF of quick service restaurants to ensure an increase in overall service quality of the QSR industry.

The management implications of this study are constructed based on the main empirical findings of the study. The KSFs are to be implemented as the main benchmarks to explore strengths and weaknesses of QSRs, including rivalry. The management will have to ensure that the employees are given relevant skills on the job to provide an exceptional service quality as this can increase customers' loyalty and boost sales. This can be achieved through intensive and routine staff training.

### 5.5.1 Managers' recommendations

- a) When analysing the results from the mean and standard deviation, this study found that managers are most perturbed about the *business strategies* factor. This was shown by lower mean scores for business strategies, which shows that managers less considered the implementation of business strategies of QSRs from the shop level and concentrated on improving the QSR processes factor.

The study therefore suggests that QSR management reinforce the *business strategies* factor (marketing plan, product innovations, food offering, company vision, and communication with customers) to avoid confusion with the process or operations factor. Furthermore, employees should be involved in strategy sessions to assist in solving problems, as well as stimulating ideas and innovation that would lead to business success, i.e., communicating the organisation vision to be clear, core values, and business strategies.

- b) This study found a statistically significant and positive correlation between the key success factor *people*, and overall service quality of QSRs, which as a result show the extent of providing service quality in the QSR; however, when compared with the customers, the *people* factor was rated low. The *people* factor, which involves clear communication, implementation of labour related policies, basic conditions of employment, health and safety policies, and recruitment, is paramount to maintaining a committed workforce, and enthusiasm to further the company's interests.

The study recommends continued employee engagement of all policies as a key success factor to unlock company excellence. Organisational culture can improve floor operations, as well as profitability. Matching this positive environment with employee engagement programmes and targeted training will provide support to restaurant safety, and operating efficiency to achieve the objectives. Managers should always consider that retaining exceptional accomplishments in these key success factor has the ability to generate viable competitive advantages for a QSR business in the longer term.

- c) This study found a statistically significant and positive correlation between key success factors, *processes*, and overall service quality of QSR. The study suggests that management should continue to involve employees in every step of the production process. The five methods that can be used are: rebuilding communication and process improvement; forming open, supportive managers; shifting obligation to employees; creating a high-confidence organisation; and establishing formal team structures.

Furthermore, employees must be encouraged to remain attentive and to report unethical cases in all food preparation processes. A good code of conduct can be printed and published on the notice boards and in staff areas to encourage good ethical behaviour from employees.

The QSRs are expected to consistently and continuously plan, implement, evaluate, and improve on the different aspects of the service operations in order to achieve the best customer satisfaction.

- d) The study reveals that there is a positive correlation between KSF promotion-sales and overall service quality of the QSR. Although the discovery reveals a positive and significant correlation between promotion and service quality, it is crucial to understand sales quality systems. The study recommends also escalating sales quality to yield not only customer satisfaction on KSF promotion, or improve customer loyalty, but it will equally reinforce the restaurant's prestige and enhance restaurant sales.
- e) The study shows that there is a statistically significant correlation between KSF price and overall service quality of QSR. The *price* factor (for example, training on

pricing competitiveness and billing systems) was classified as the most significant by both managers and customers.

The study recommends setting a distinctive price strategy that will be communicated and implemented throughout all management levels. The QSR management should therefore consider demand, cost, and competition in setting product prices. The approach should compare both cost-oriented pricing and demand-oriented pricing. For instance, in cost-oriented pricing, a percentage of the desired profit is added to the cost of the product to obtain the final price of the product, whereas in demand-oriented pricing, also known as the customer-based pricing method, consumer demand, based on perceived value as a key component, is used.

### **5.5.2 Customers' recommendations**

- a) The study found that most customers were in the age group between 18-30 years at 43.3%, followed by the 31-40-year group at 41.3%. The study recommends that management look into finding an opportunity for the restaurants to implement key success factors targeting young customers, provide diverse product offerings, the highest service quality and to meet the demands and trends for young age groups.
- b) The study found that females were more dominant participants compared to males. In evaluating key success factors and service quality, male customers are more goal oriented in comparison to the female customers who are social oriented. This can be attributed to the fact that female customers have more collective apprehensions, a greater necessity for connection and nurturing of cordial relationships with others. Owing to these disparities, female customers typically provide better performance ratings, and they are more susceptible to the social dimension of a service they experience. Thus, they provide greater attention to employees' services than male customers.

Therefore, the study recommends that management look at gender disparities of various female and male segmentations, to alter marketing strategies based on gender. Moreover, employees' awareness of gender disparities could lead to a greater understanding of female and male customer needs and behaviours, which could lead to an improvement in market segmentation and expanded market

shares. Consequently, in the future, restaurant managers should provide additional efforts to enhance the satisfaction level of male customers.

- c) While analysing the results from the mean and standard deviation, this study found that customers are most concerned about the *physical environment quality* factor. This was shown by lower mean scores for physical environment quality (PEQ), which demonstrate that customers are not satisfied with the PEQ.

The *physical environment quality* factor has a greater effect on preserving existing customers as well as attracting new ones. This is another KSF that QSRs use to create a competitive advantage. The physical environment quality consists of all tangible and intangible elements inside and outside a restaurant. The study recommends that restaurant managers should invest carefully in interior design – decoration, clean floors, and other fittings – because expenditure is the most considerable investment to draw customers. Furthermore, the surrounding environment incorporates intangible background characteristics, which have a significant effect on customers' perceptions and responses relative to the environment of the QSR.

- d) The study showed a statistically significant and positive correlation between the *price-convenience* factor and overall service quality of QSR. The *price-convenience* factor is the value that customers surrender to acquire a product or service. When customers are happy with a product or brand, they are more inclined to recommend the brand to others and there is a greater chance that they would continually buy that product instead of switching to alternative brands. Additionally, a reasonable price could positively and directly affect customers' perceptions of the importance of a the KSF price and the quality service of a restaurant.
- e) The study has shown a statistically significant and positive correlation between the *marketing (promotion)* factor and overall service quality of QSR. The study thus recommends that staying in contact with customers offers the greatest return on investment. Thus, providing promotional strategies or promotional campaigns that aim at attracting new customers, and regular communication that stimulates the restaurant's brand and creates strong value in the minds of customer, are recommended. Therefore, variables such as the following should be emphasised



as part of the promotion, social media advertising activities, special offers, visibility of marketing and advertising signs, and employees' prompt responsiveness on product knowledge.

- f) The research indicates a statistically significant and positive correlation between the *people* factor and overall service quality of QSR. Customers' views are particularly clear, given that they have confidence in the quality of people as a key factor in guaranteeing overall restaurant service quality. Therefore, it is critical for restaurants to build an efficient and effective people strategy by maintaining good recruitment processes and skilled employees, enough staff in a shift to ensure good quality, the presence of a restaurant manager to ensure quality offering, and encouraging employees to communicate clearly.

## 5.6 Study contribution

The results demonstrate that compliance with the KSFs increases the possibility of survival for a QSR. The aim was to ascertain how managers and customers perceive key success factors and service quality from the QSR's viewpoint. When re-examining the literature, little data were noticed on the relationship between customers and restaurant managers of QSRs.

Reverting to the hypotheses outlined at the beginning of the study (H1 and H2), it is possible to affirm that there are statistically significant differences between customers' and managers' viewpoint for various KSFs and service quality. However, there are similarities in KSFs and service quality opinions among both groups of respondents.

The research proposes that each key success factor be researched independently and be defined in greater detail, and then ranked in preference of importance. In particular, the key success factor for QSR planning should be examined in more detail as it has key attributes affecting the restaurant business, human resources (people), marketing (promotion), financial (pricing), and operations/processes plans.

Largely, the discoveries add to the enhancement of food facility excellence, which would support the detection of customers' and managers' obligations to safeguard execution progress in QSR. The conclusions may widen the expertise of QSR key success factors, and SQ appropriate for transnational evaluation. For instance, the research is regarded to be beneficial for scholars and owners because it describes the

KSFs from managers' and customers' viewpoints. Upgrading KSFs in quick service restaurants in South Africa will unquestionably expand customer satisfaction, loyalty and lift the reputation of the QSR.

### **5.7 Limitations of the study**

The study was constructed on key success factors and service quality in quick service restaurants sited in Gauteng province. Vigilance is hence vital when generalising the results of the study towards other divisions since a replication of the outcomes in other geographic regions might show different variables.

Although it is projected that the discoveries would not be drastically different, it would be worthwhile to extend the study in some regions to enhance the generalisability of the findings. Moreover, the variables of restaurant key success factors and service quality were limited to 38 constructs for managers and 36 constructs for customers.

### **5.8 Suggestions for further research**

The study can be steered at a management level to understand the strategic positions adopted by restaurants. Studies, combining quantitative and qualitative approaches, may provide some evidence of the importance and extent of the key success factors from a strategic point of view.

Associating staff (people factor) as a KSF, further studies are needed to explore the performance appraisals, thereby improving employee intelligence quotient (IQ). The value of participating in an understanding of the complexity of restaurant service quality management and the key success factors is crucial.

It is imperative that restaurateurs regularly quantify customers' quality insights to enrich the superiority of product offerings, thereby executing key success factors.



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## ADDENDUM A: MANAGER'S QUESTIONNAIRE

### KEY SUCCESS FACTORS OF QUICK SERVICE RESTAURANTS

Dear Sir/Madam

You are invited to participate in the study to better understand the KSF in the restaurant sector. I am conducting research as a Master student in the Department of Management at University of Johannesburg. The questionnaire should only take 10 minutes of your time to complete. Please answer from own perspective and as honestly as possible. Your participation in this study is voluntary. If you are 'older than 18', you are invited to participate. All responses will be kept strictly confidential. Therefore, please do not enter your name or contact details.

Thank you for participating.

**EXAMPLE** of how to complete the questionnaire.

Please indicate your gender

If you are a female:

Male	1
Female	<del>2</del>

## SECTION A: BIOGRAPHIC INFORMATION

Instructions: please select only one response for each question and mark it with a cross or circle.

A1	<b>Please indicate your gender</b>	
	Male	1
	Female	2
A2	<b>Please indicate your age</b>	
	18-30	1
	31-40 years	2
	41-50 years	3
	51-60years	4
	Older than 60 years	5
A3	<b>Please indicate your current position in the company</b>	
	Owner	1
	Manager	2
	Supervisor	3
	Other ( <b>Specify</b> ) .....	4
A4	<b>Years of experience in the position</b>	
	Less than 1 year	1
	1-5 years	2
	6-10 years	3
	11-15 years	4
	16-20 years	5
A5	<b>Is this restaurant a franchise or non-franchise?</b>	
	Franchise restaurant	1
	Non-franchise restaurant	2

A6	<b>Please indicate the number of employees in this restaurant.</b>	
	1-9	1
	10-49	2
	50-100	3
A7	<b>What is the main dish that you are serving in this restaurant?</b>	
	Burgers	1
	Chicken	2
	Pizza	3
	Fish	4
	Other (specify) .....	5
A8	<b>What is the name of this restaurant?</b> <b>Tick only one</b>	
	A	1
	B	2
	C	3
	D	4
	E	5
	F	6
	Other <b>Please specify.</b> .....	7

**Section B measures the Key Success Factors of the fast-food restaurants.**

## **SECTION B**

### **KEY SUCCESS FACTORS OF QUICK SERVICE RESTAURANTS**

## MANAGER SURVEYS

To what extent is the following implemented within this restaurant? Please rate the following aspects (in the table) with ratings 1 – 5 representing the following:

1= To no extent; 2= Small extent; 3 = Moderate extent; 4= Large extent; 5 = Very large extent

	Statements	To no extent	Small extent	Moderate extent	Large extent	Very large extent
	<b>Key Success Factors in the restaurant</b>					
	<b>Human Resource Management (People)</b>					
1	Restaurant operators/managers have long-term experience	1	2	3	4	5
2	Ability to Control Food Cost is important for managers	1	2	3	4	5
3	Formal restaurant/ food service management education is a prerequisite for managers	1	2	3	4	5
4	In-house staff training programs are in place	1	2	3	4	5
5	Performance Appraisal systems are in place (e.g., performance bonuses, staff recognition awards, etc.)	1	2	3	4	5
6	Clear and communicated Health & safety policy	1	2	3	4	5
7	Clear and communicated Labour Relations policies	1	2	3	4	5
8	Clear and communicated basic conditions of employment Act & regulations	1	2	3	4	5
	<b>Marketing</b>					
9	Marketing plan and strategies in place	1	2	3	4	5
10	Product innovation and uniqueness	1	2	3	4	5
11	Communication with the customers about restaurant food offerings	1	2	3	4	5
12	Promotion of food adverts	1	2	3	4	5
	<b>Finance /Pricing / costs</b>					
13	Good revenue/sales growth	1	2	3	4	5
14	Good return on investment	1	2	3	4	5
15	Accurate billing system	1	2	3	4	5
16	Reasonable food price offering	1	2	3	4	5
17	Justified food price competitiveness	1	2	3	4	5
	<b>Operations/processes</b>					
18	Clear standard operating procedures	1	2	3	4	5
19	Implement and run a systems-led operation	1	2	3	4	5

20	Acceptable restaurant opening hours	1	2	3	4	5
21	Acceptable waiting time	1	2	3	4	5
	<b>Strategy</b>					
22	Organisation vision clear to staff	1	2	3	4	5
23	Clear restaurant core values	1	2	3	4	5
24	Clear marketing strategy	1	2	3	4	5
25	Clear business strategy	1	2	3	4	5

Section C measures the service quality of the restaurants.

## **SECTION C**

To what extent is the following implemented within this restaurant? Please rate the following aspects (in the table) with ratings 1 – 5 representing the following:

**1= To no extent; 2= Small extent; 3 = Moderate extent; 4= Large extent; 5 = Very- large extent**

	<b>Statements</b>	<b>To no extent</b>	<b>Small extent</b>	<b>Moderate extent</b>	<b>Large extent</b>	<b>Very large extent</b>
	<b>Outcome quality</b>					
26	The food is served hot and fresh	1	2	3	4	5
27	The food tastes good and flavourful	1	2	3	4	5
28	Good quality food is served	1	2	3	4	5
29	The menu has a good variety of items	1	2	3	4	5
	<b>Physical Environment quality</b>					
30	Visually appealing interior design and decorations of the restaurant	1	2	3	4	5
31	Good seating arrangement	1	2	3	4	5
32	Clean restaurant furniture (e.g., dining table, chair)	1	2	3	4	5
33	Pleasant restaurant ambiance	1	2	3	4	5
	<b>Interactive quality</b>					
34	Consistent & reliable service	1	2	3	4	5
35	Prompt service	1	2	3	4	5
36	Efficient staff handling of problems	1	2	3	4	5
37	Staff treat customers with respect	1	2	3	4	5
38	Staff give customers individual attention.	1	2	3	4	5



Thank you for your input. It will contribute tremendously to the success of this research study.



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**ADDENDUM B: CUSTOMERS' QUESTIONNAIRE**

**QUESTIONNAIRE: KEY SUCCESS FACTORS OF QUICK SERVICE RESTAURANTS**

Dear Sir/Madam

You are invited to participate in the study to better understand the KSF in the restaurant sector. I am conducting research as a Master student in Department of Management at University of Johannesburg. The questionnaire should only take 10 minutes of your time to complete. Please answer from own perspective and as honesty as possible. Your participation in this study is voluntary. If you are 'older than 18', you are invited to participate. All responses will be kept strictly confidential. Therefore, please do not enter your name or contact details.

Thank you for participating.

**EXAMPLE** of how to complete the questionnaire.

Please indicate your gender

If you are a female:

Male	1
Female	<del>2</del>

## SECTION A: BIOGRAPHIC INFORMATION

Instructions: please select only one response for each question and mark it with a cross or circle.

A1	<b>Please indicate your gender</b>	
	Male	1
	Female	2
A2	<b>Please indicate your age</b>	
	18-30	1
	31-40 years	2
	41-50 years	3
	51-60years	4
	Older than 60 years	5
A3	<b>Please indicate your ethnicity</b>	
	Black	1
	Coloured	2
	Indian or Asian	3
	White	4
A4	<b>Please indicate your highest education qualifications</b>	
	Grade 11 or Lower (std 9 or lower)	1
	Grade 12 (Matric)	2
	Post matric Diploma or certificate	3
	Bachelor's degree (s)	4
	Post-Graduate Degree (s)	5
A5	<b>Which Fast Food Restaurant do you visit most?</b> <b>Tick only one</b>	
	<b>A</b>	1
	<b>B</b>	2
	<b>C</b>	3

	<b>D</b>	4
	<b>E</b>	5
	<b>F</b>	6
	Other <b>Please specify.</b> .....	7
A6	<b>How long have you been visiting the fast food restaurant selected in question 5?</b>	
	Less than 1 year	1
	1-5 years	2
	6-10 years	3
	More than 10 years	4

## SECTION B:

### CUSTOMER'S SURVEYS

In terms of the following aspects for the fast-food restaurant that you visit most (as indicated in question 5 above), how are these factors important to you? Please rate, with ratings 1- 5 representing the following:

1= Not important; 2= Slightly Important; 3 =Important;4 = Very Important; 5= Extremely important

	Statements	Not important	Slightly important	important	Very important	extremely important
	<b>In visiting the restaurant, these factors are important to me</b>	1	2	3	4	5
	<b>People</b>					
1	How important is sufficient number of staff to ensure quality service	1	2	3	4	5
2	How important is the presence of restaurant manager to ensure quality offering	1	2	3	4	5

3	How important is the competency of service staff	1	2	3	4	5
4	How important is employees that speaks clearly	1	2	3	4	5
5	How important is the restaurant that has the customers best interests at heart	1	2	3	4	5
<b>Marketing</b>						
6	How important is the visibility of marketing and advertising signs	1	2	3	4	5
7	There should be a known reliable brand	1	2	3	4	5
8	There should be special offers	1	2	3	4	5
9	There should be Social media advertising activities	1	2	3	4	5
<b>Finance/Pricing</b>						
10	How important is reasonable food price offering	1	2	3	4	5
11	There should be products that carry value for money	1	2	3	4	5
12	How important is accurate bill (e.g. till slip)	1	2	3	4	5
13	The costs in this restaurant seem appropriate for what I get	1	2	3	4	5
14	How important is the price of fast food for me to buy	1	2	3	4	5
<b>Operations/ Processes</b>						
15	How important is prompt responsiveness of staff to questions I ask	1	2	3	4	5
16	How important is helpfulness of staff in satisfying customers' needs	1	2	3	4	5
17	How important is restaurant opening hours	1	2	3	4	5
18	How important is restaurant waiting time	1	2	3	4	5

The following Section C measures the service quality of fast-food restaurants.

## SECTION C

In terms of the following aspects for the fast-food restaurant that you visit most (as indicated in question 5 above). How are these factors important to you? Please rate, with ratings 1- 5 representing the following:

**1= Not important; 2= Slightly Important; 3 =Important;4 = Very Important; 5= Extremely important**

Statements	Not important	Slightly important	important	Very important	extremely important
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	<b>In visiting the restaurant, these factors are important to me</b>	1	2	3	4	5
	<b>Outcome quality</b>					
19	How important is the variety of menu items	1	2	3	4	5
20	There should be fresh food ingredients	1	2	3	4	5
21	How important is the appearance of food that is visually appealing	1	2	3	4	5
22	How important is the taste of food	1	2	3	4	5
23	How important is appropriate food temperature	1	2	3	4	5
24	How important is good hygiene practices	1	2	3	4	5
25	There should be high food quality offers	1	2	3	4	5
	<b>Physical environment quality</b>					
26	How important is good ambience	1	2	3	4	5
27	How important is pleasant feeling of music and sound	1	2	3	4	5
28	How important is the interior design and decorations of the restaurant	1	2	3	4	5
29	How important is cleanliness of the premises	1	2	3	4	5
30	There should be neat (presentable) staff	1	2	3	4	5
31	How important is Non-smoking space	1	2	3	4	5
32	How important is the right appearance of the physical facilities	1	2	3	4	5
	<b>Interactive quality</b>					
33	How important is reliable service and consistency	1	2	3	4	5
34	How important is staff friendliness	1	2	3	4	5
35	How important is staff handling of problems	1	2	3	4	5
36	How important is prompt services	1	2	3	4	5

Thank you for your input. It will contribute tremendously to the success of this research study.