



GLOBAL JOURNAL OF HUMAN SOCIAL SCIENCE  
Volume 11 Issue 7 Version 1.0 November 2011  
Type: Double Blind Peer Reviewed International Research Journal  
Publisher: Global Journals Inc. (USA)  
Online ISSN: 2249-460X & Print ISSN: 0975-587X

## Customer Satisfaction towards Service Quality: A Study on Islamic Culture

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*GJHSS-C Classification : 140219, 220104, 220403 JEL Code: P36,*



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# Customer Satisfaction towards Service Quality: A Study on Islamic Culture

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## I. INTRODUCTION

Malaysians have traditionally apportioned the largest amount of household expenditures on food consumption. This item covers consumption of food-at-home (FAH) and food-away-from-home (FAFH). Statistics shows that while expenditures on FAH declined steadily from a share of 33.7% to 22.2% between 1973 and 1999, FAFH expenditures rose from 4.6% to 10.9% during the same period (Department of Statistics Malaysia 2000). This discernible shift in the mode of food consumption, whereby having a meal at home is becoming less often while eating out has become more frequent, reflects the changing lifestyle of the Malaysian population.

Eating away from home for Malaysian households has increased over the years, and this has drawn a significant interest by policy makers for many reasons. This country has achieved high income growth and experienced rapid structural transformation and urbanization in the recent years (Gazi N. I. et. al., 2010). The changes in socio-economic and demographic structure have also occurred – the average household size has been falling (from 5.2 in 1980 to 4.3 persons in 2005), while the percentage of the population in the 65 years and above age category is increasing (Department of Statistics Malaysia, 2006). Women working outside home also showed an increasing trend from 44.5% to 46.7% between 2000 and 2005 (Ministry of Finance, 2004).

In addition, the growing popularity of eating out has paved the way for the development of the FAFH industry in Malaysia. From 1999 to 2003, the Malaysian consumer food service market increased by 16% to a total of 20,235 consumer food service units (Euromonitor International 2004). During the same period, consumer food service transactions and market worth grew by 22% and 39%, respectively, to 1,026 million and RM16,312 million (US\$4,315 million) in current value terms. Moreover, the 60% growth (in unit

terms) of the one-hundred percent home delivery or take-away food sector has been primarily attributed to the increasingly busy work schedules of Malaysians. With the continued global economic recovery, and the growing trend towards the independence of women and their participation in the labor market, the consumer food service market in Malaysia is projected to grow by 19% in unit terms, 30% in total transactions, and as much as 32% in current value, respectively, over the forecast period of 2003–2008 (Euromonitor International 2004).

The increasing trend of home delivery and take-away food sector clearly demonstrates that the Malaysian households are spending less time in preparing FAH, a reflection of busy work schedules outside the home. There is a rapid growth of food service facilities, such as fast food restaurants and *street food stalls*, available throughout the country. At the same time, a variety of food items and the service facilities are now available in the FAFH sector. This will likely to have continuous impacts on the distribution, marketing, food service system, and the nutritional intake. With growing urbanization, it is expected that there will be significant changes in future food consumption in terms of dietary habits and food preferences in Malaysia. The important concerns for FAFH are related to the nutritional value, food safety and the ambient environment of the eateries.

### a) Problem Statement

In the last decade, the importance of small and medium sized enterprises (SMEs) has seen an increase in literature both political and academic. The SME sector has been described as the engine of growth of an economy (Arinaitwe, 2006) and in most economies SMEs account for the vast majority of firms. For example, in the USA, at least 95% of all businesses belong to the SME group (Storey, 1994). Furthermore, in the USA, SMEs accounted for approximately 60–80 percent of the net new jobs created annually over the last decade (SBA Department of Commerce, 2005). There are also significant problems in and experienced by this sector.

In Malaysia, SMEs can be defined based on the number of employees and sales turnover (Azizan Abdullah, 2010). There are several sector of SMEs in Malaysia which were Manufacturing sector (7.2%), Services sector (86.6%) and Agriculture sector (6.2%). Sub-sector in restaurants industry is 14.2 percent from

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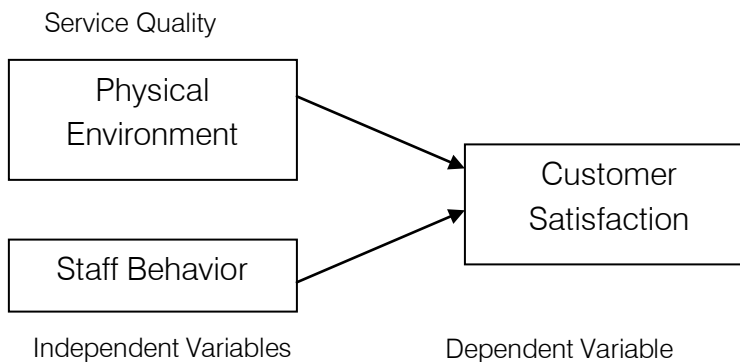
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overall total SMEs in Services sector which are 474, 706. In general, the FAFH food service industry or restaurants in Malaysia can be classified into five main categories, namely dine-in restaurants (including hotel coffee houses), fast-food outlets, coffee shops, food courts or hawker centers, and roadside hawkers. First, dine-in restaurants are normally air-conditioned establishments where uniformed staff provides a full range of services; these cater mostly to those in the upper income groups. Patrons in most of these establishments are also subjected to a service charge and government tax. Second, fast-food outlets consist mainly of franchise holders of Western-style menus. These outlets follow strict serving and preparation specifications, charge standardized prices, and are typically frequented by the upper and middle income groups. *Third, coffee shops are, by and large, non-air-conditioned establishments operated by individual owners who sublet sections of their premises to others selling local gourmet food.* Fourth, the bulk of food courts or hawker centers are located at major shopping complexes or at urban townships. These hawker centers generally serve local cuisine; the ambience in such establishments varies widely according to their location. Lastly, roadside hawkers are commonly sighted congregating along the streets, peddling their foodstuffs. These hawkers remain a favorite among Malaysians from all walks of life, owing to the informal settings and the cheap price ranges.

Knowing what customer want and what makes them come back is important for the restaurant sector. According to Daily (1998), restaurateurs are worrying about customer expectations over the following years.

*Theoretical Framework*



*e) Research Hypothesis*

H1= Physical environment positively and significantly influencing Customer Satisfaction

H2=Staff behavior positively and significantly influencing Customer Satisfaction

*f) Significance of study*

Firstly, in the SMEs restaurant world, the market environment is increasingly competitive. For example, international fast foods restaurants such as Kentucky Fried Chicken (KFC) and McDonalds have found themselves competing with SMEs restaurants such as Radix Fried Chicken (RFC) and Tat Nasi Ayam. At the

One way to find out is to ask customer. The slow rate of growth among Malay food restaurant as compared to others ethnic in the food-service industry suggests that management may wish to seek attributes that are responsible for customer return business success. Customers have their own reasons want to return to any restaurant. They are constantly seeking quality, value and desirable environment away from the pressure of daily life. Offering good service is not enough to attract and retain customer. To gain a competitive advantage in today's market, restaurants have attempted to offer meals that offer good value in favorable ambience.

Thus, this study will look into two variables in service quality which are physical environment and staff behavior. These variables have been chosen to seek whether the two variables have significantly influence customer satisfaction towards the SMEs restaurant and bring happiness to them. These variables have been adopted from Parasuraman et. al.(1988) for physical environment and Brady & Cronin (2001) for staff behavior.

*b) Research Questions*

- i. Does physical environment have any influence on customer satisfaction
- ii. Does staff behavior have any influence on customer satisfaction

*c) Research Objectives*

- i. To determine whether physical environment effect customer satisfaction
- ii. To determine whether staff behavior effect customer satisfaction

same time, SMEs restaurants are looking for ways to catch customers, try to fulfill the needs for good ambience and environment in restaurant and staff behavior that meets the expectations of customers. When customers buy foods in the restaurant they may evaluate ambience in environment in the restaurant and give an image for that restaurant. An appropriate service quality is crucial for SMEs restaurant to succeed. Therefore, service food industry should pay more attention on this aspect.

Secondly, this study combines the two schools of thought in service quality to get better understanding on what customers want and make them come back to

the restaurants which are The North American and Nordic that have dominated to the fact that research in this area which have different assumptions regarding the service quality dimensions. Parasuraman from North American Schools identified ten service qualities known as SERVQUAL meanwhile Gronroos from Nordic School's analysis of service quality is mainly based on two scopes, that is: what customers get as a result of interaction with a service firm; and how customers get services.

## II. LITERATURE REVIEW

### a) *Customer Satisfaction*

Satisfaction is a person's feelings of pleasure or disappointment resulting from comparing a product's perceived performance (or outcome) in relation to his or her expectations (Kotler, 2000, p.36). Based on this review, customer satisfaction is defined as the result of a cognitive and affective evaluation, where some comparison standard is compared to the actually perceived performance.

Achieving customer satisfaction is the primary goal for the most service firms today (Jones and Sasser, 1995). Increasing customer satisfaction and customer retention leads to improved profits, positive word-of-mouth, and lower marketing expenditures (Heskett et al., 1997). Typically, service firms monitor customer satisfaction on an ongoing basis using Likert-type scales that measure customers' level of satisfaction based on their last service encounter (Peterson and Wilson, 1992; Heskett et al., 1997).

### b) *Value-percept theory*

The value-percept theory views satisfaction as an emotional response triggered by a cognitive-evaluative process (Parker and Mathews, 2001). In other words, it is the comparison of the "object" to one's values rather than an expectation. Customers want a meeting between their values (needs and wants) and the object of their evaluations (Parker and Mathews, 2001). More recently, renewed attention has been focused on the nature of satisfaction – emotion, fulfillment and state (Parker and Mathews, 2001).

Consequently, recent literature adds to this perspective in two ways. First, although traditional models implicitly assume that customer satisfaction is essentially the result of cognitive processes, new conceptual developments suggest that affective processes may also contribute substantially to the explanation and prediction of consumer satisfaction (Fornell and Wernerfelt, 1987; Westbrook, 1987; Westbrook and Oliver, 1991). Second, satisfaction should be viewed as a judgment based on the cumulative experience made with a certain product or service rather than a transaction-specific phenomenon (Wilton and Nicosia, 1986).

### c) *Service Quality*

Service quality is the consumer's subjective assessments of service performance like have been said before by the previous researchers (Cronin and Taylor, 1992; Dabholkar et al., 2000). The outcome of research is inconclusive and there has been little agreement on the generic and specific service quality dimensions, although service quality is multidimensional. The North American and Nordic were the two schools of thought that have dominated to the fact that research in this area which have different assumptions regarding the service quality dimensions. There were ten service quality identified by the North American School which are best known as the SERVQUAL dimensions (Parasuraman et al., 1985). On the other hand, five dimensions of SERVQUAL have been classified as original dimensions to be the highly correlated. There are: tangibles, assurance, reliability, empathy, and responsiveness (Parasuraman et al., 1988). In addition, empirical studies found that more economical models of service quality built-in the data better (e.g. Carmen, 1990; Parasuraman et al., 1991, 1994).

Here the different, scholars from the Nordic School (e.g. Lehtinen and Lehtinen, 1991) offered two and three dimensional models of service quality – physical quality, interaction quality, and output quality. In short, the Nordic School's analysis of service quality is mainly based on two scopes, that is: what customers get as a result of interaction with a service firm; and how customers get services. Outstandingly, one flow of research found that a two or three dimensional service quality model offered by the Nordic School (e.g. Gronroos, 1984) was more suitable when applied to various service industries (Brady and Cronin, 2001; Mels et al., 1997).

Consistent with the Nordic School and recent empirical findings, we recognized two basic service quality dimensions – physical quality and staff behavior. The physical evidence of service quality, which relates to the appearance and condition of the physical environment and facilities, has been strongly maintained in several empirical studies (Parasuraman et al., 1988). In the same way, the behavior of service employees, in conditions of their competence, helpfulness, and responsiveness, has been a main element of service quality evaluation (e.g. Brady and Cronin, 2001; Ekinci, 2001; Mittal and Lasser, 1996).

## III. RESEARCH METHODOLOGY

### a) *Research Design*

This study is conclusive research where the objectives are to get the conclusion from the research and determine the relationship between variables. The findings and results of this research are used as input in decision making.

This research is quantitative research where the sources of information are gathered from questionnaire distributed to the customers who attend for eat the fast food product.

For this research, correlation coefficient was used. The SPSS procedure CORRELATION produces Pearson product-moment correlations which summarize the relationship between two variables. The value of the correlation coefficient ranges from -1 to +1. The strength of the relationship between two variables is determined by the magnitude of the correlation coefficient; the sign of the correlation coefficient (+ or -) informs us about the direction of the relationship between two variables.

#### b) Population

In our study, the population involves customers who come to buy food at a fast food restaurant in the Northern region. The customer's includes both youth, and also family.

#### c) Sample Size

Samples selected for multiple regression consists those from the RFC customer population who are buying fast food products. The appropriate sample size depends on variation in population's characteristic and desires precision.

The sample size for this research is 90 and is based on probability sampling. The sample consisted of customers whose age was between 20 to 50 years old . Base on Roscoe's rules of thumb (Sakaran, 2003) the following formula were adopted in determining the sample size of this study;

$$IV = 2 = 3 \text{ item in } 1 \text{ IV}$$

$$DV = 1$$

$$IV + DV = 7 \times 10 = 70 \text{ questionnaires}$$

$$+ 20 \text{ questionnaires (to prevent missing data)} = 90 \text{ questionnaires}$$

From 90 questionnaires that have been distributed to the respondent, all questionnaires have been answered by the respondents and were used in SPSS version 19 for further analysis.

## IV. CONCLUSION

This study offered insight into how culture influences the nature of SQ judgments. This research offers "cultural" themes of SQ that advanced Brady and Cronin (2001) and our understanding of the role of culture in SQ measurement. There is still a lack of evidence about the efficacy of SQ instruments in its application towards the growing potential Muslim market. This research has only just begun to explore this area. The scarcity of research and the important influence of Islamic values provide plenty of support to explore this topic further with future research focusing on Islamic cultural considerations. Furthermore, the need for research on Islamic cultural influence on SQ is also emphasized. Whereas the significance of Islamic influence on consumer behaviors is evident (Delener,

1990; Lam, 2002), the deeper exploration into Islamic cultural influence on SQ and how significantly it affects different perceptions, is still far from adequate. Moreover, it is concluded that the multi-hierarchical and multi-level SQ model as developed by Brady and Cronin (2001) is the most comprehensive model to measure SQ; however, despite the applicability of this model within different service sectors, there is little done to test its applicability in different cultural settings. Therefore, future research will address both issues by empirically testing and re-conceptualizing the comprehensive Brady and Cronin (2001) approach to Islamic cultural customers.

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