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FACTORS INFLUENCING CUSTOMERS’ SATISFACTION TOWARDS SUBAIDAH RESTAURANT IN UUM

NASIRU SAIDU

MASTER OF SCIENCE MANAGEMENT

UNIVERSITI UTARA MALAYSIA

MAY, 2017
FACTORS INFLUENCING CUSTOMERS’ SATISFACTION TOWARDS
SUBAIDAH RESTAURANT IN UUM

NASIRU SAIDU

Thesis Submitted to
School of Business Management,
Universiti Utara Malaysia,
In Partial Fulfillment of the Requirement for the Award of Master of Sciences
(Management)
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ABSTRACT

The purpose of this study is to investigate the influencing factors of customer satisfaction in restaurant industry. Since the restaurant sector is one of the fastest growing sectors in Malaysia, it is a paramount important to investigate the customers’ perception on restaurant factors influencing customers satisfaction. A total of 327 questionnaires were collected from the customers of Subaidah restaurant in UUM. Partial Least Squares Structural Equation Modeling (PLS-SEM) was used to test the study hypotheses. The findings of this study show that Service quality, Food quality, Physical environment, Restaurant facility and Halal elements are positively and significantly influence overall customer’s satisfaction. While Food price influence on overall customer’s satisfaction was not supported by the result of the hypotheses. Findings of this study provide more insight to managers of hospitality industry especially in the development of restaurant industry that will give some managerial implication and useful direction for restaurateurs. Moreover the findings of this research can also be extremely important in the basis of providing solutions and information for restaurants managers and scholars in the area of customer satisfaction with the specific interest in catering and hospitality industry.

Keywords: Customer’s satisfaction, food quality, service quality, price, physical environment, restaurant facility, halal elements.
ABSTRAK


Kata kunci: kepuasan pelanggan, kualiti makanan, kualiti perkhidmatan, harga, persekitaran fizikal, kemudahan restoran, unsur halal.
ACKNOWLEDGEMENT

All praises are due to Allah (SWT) the Omnipotent, the Beneficial, the Merciful for giving me the health, wealth, and wisdom to seek for knowledge. I thank Him for sparing my life to successfully complete my Msc program and put up this piece of work.

First and foremost, i will like to thank my supervisor, Dr. Norzieiriani Ahmad for her valuable contribution to the completion of this task. Her painstaking and thorough study of the draft and the positive suggestions she gave, made my work a whole lot easier. Therefore words can neither qualify nor quantify how helpful your guidance and advice has been. I am forever grateful for your support Dr!

I owe a debt of gratitude to my lovely mother Hajia Hauwa Saidu for giving me her all and constantly praying for my success. To my brothers, Alhaji Babayo Saidu, Hamisu Saidu, Alh. Salisu Saidu, Alh. Ibrahim saidu, Sabiu Saidu and all family of late Alhaji Saidu (May Allah Grant him with internal peace) as well as the entire family of my father-in-law, I say a big thank you.

Words will fall short if i had to thank you for all you have done for me, you been my strongest support and i am proud to call you wife!! Iklima Muhammad Sani (IKNASS) in fact your my Google you have everything i am searching for! Lots of love! The best gifts in the world are not always wrapped in boxes, but also comes in the form of loving kids like you Ihsan Naim and Muhammad Hanif may Allah blessed you and entire family.

Finally I am greatly indebted to Bauchi State University for giving me the privileged opportunity to study at Universiti Utara Malaysia (UUM). I most to extend my gratitude’s to friends and well wishers at home and here in Malaysia also entire staff of Bauchi State University Gadau Nigeria. ALHAMDULILLAH
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LIST OF ABBREVIATIONS

CS – Customer satisfaction
FQ – Food Quality
SQ – Service Quality
PR – Price
PE – Physical environment
FA – Facility
UUM – Universiti Utara Malaysia
PhD – Doctor of philosophy
PI – Purchase intention
PLS-SEM – Partial least square- structural equation modeling
SPSS – Statistical package for social sciences
UK – United Kingdom
USA – United States of America
UUM - University Utara Malaysia
JAKIM- Jabatan Kemajuan Islam Malaysia
CHAPTER ONE

Introduction

1.1 Background of the Study

The chapter discusses and presents the background of the study and current research problem that arise on services offered by restaurant businesses. In addition, the chapter had outlined the objectives of the study which were derived from the research problem. Conclusively, the terms used in the discussion of service and product quality were defined.

Customer satisfaction is a dimension that measures the products and services provided by the business firm to meet the customer’s anticipation and this has been acknowledged as a key performance pointer for business organization. Satisfaction is the feelings of being contented with something. In other words, it is a feeling of achievement of getting what one wants from products or services (Advanced learners dictionary 1999). This shows that customer’s satisfaction is the ability for the customers to obtain what he wants or desire from the products or services. Customer satisfaction is a customer’s contentment response. It is a decision that a product or service characteristic, or the product or service itself, delivers a pleasant point of consumption correlated satisfaction (Oliver’s 1997). On other the hand it is the whole level of satisfaction among service or a product involvement.

Customer satisfaction is the soul of business and the capacity to make customers satisfy is a key for several reasons. For instance it is understand that disappointed customers are likely to criticize the establishment or search for restore from them extra frequently in order to ease intellectual disharmony and fizzled consumption experience (Oliver, 1987; Nyer,
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REFERENCES


measurement of consumer satisfaction and dissatisfaction (pp. 455-488).


Fornell, C (1992), A national customer satisfaction and service quality; two constructs or one?, in cravens, D.W. and Dickson, P.R. (Eds), Enhancing Knowledge Developments in Marketing No. 4, American Marketing Association, Chicago, IL, pp. 10-18


Appendix A: Questionnaire

Dear respondent,
I am a student of School of Business Management, University Utara Malaysia (UUM) carrying out a research in partial fulfillment for the award of Msc Management on the topic “Factors Influencing Customer Satisfaction towards Subaidah restaurant in UUM Kedah Malaysia”.

It will be highly appreciated if you could spare out some few minutes to fill this questionnaire. Please note that there is no right or wrong answers; only your personal opinions matter. All information and responses provided will be treated with utmost confidentiality and used strictly for academic research purposes.

Thank you for your kind response.
Nasiru Saidu (819771)
Msc Management Candidate
School of Business Management, UUM College of Business
Mobile Number: +60166006159/ What’s App+2348035905206
Email: nasirinta@gmail.com
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<th>Part A. Demographic Information</th>
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<td><strong>2. Marital Status</strong></td>
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<td><strong>3. Age</strong></td>
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<td>Below 21 years old</td>
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<td>21 – 25 years old</td>
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<td>26 – 30 years old</td>
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<td>31 – 35 years old</td>
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<td>36 – 40 years old</td>
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<td>More than 40 years old</td>
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<td><strong>4. Ethnic Group</strong></td>
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<td>Bachelor Degree</td>
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<td>Diploma</td>
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<td>Matriculation</td>
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<td>Other (Please specify) __________</td>
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6. Occupation

Student □
Unemployed □
Non-executive □
Executive/professional □
Business owner □
Other (Please specify) □

Section B Restaurant Patronizing Patterns

1. On average, how often do you dine at Subaidah restaurant?

About once a day □
Several times a day □
Once a week □
A few times a week □
Once a month □
A few times a month □
Other (Please specify) □

2. On average, how much you normally spend when you eat in Subaidah restaurant?

Less than 5 RM □
RM 5 – RM 10 □
RM 11 – RM 15 □
RM 16 – RM 20 □
RM 21 and Above. □

3. Which of the following best describe the purpose of your dining at Subaidah restaurant?

Business □
Convenient meal □
Social reason □
Family/friend gathering □
4. Choose one important factor that you consider before deciding to dine in Subaidah restaurant.

Food  
Service  
Cost of meal  
Physical environment  
Facility  
Halal elements
SECTION C, Customers’ perceptions of food quality, service quality, price, physical environment, Facility, Halal element and overall customer satisfaction of Subaidah restaurant.

Please indicate the extent to which you agree with each of the following statements regarding.

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<td>FOOD QUALITY / ITEMS</td>
<td>SD</td>
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<tr>
<td>FQ1</td>
<td>The quality of food served in Subaidah satisfy you well</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FQ2</td>
<td>Subaidah restaurant offers excellent and hygienic food</td>
<td></td>
<td></td>
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<tr>
<td>FQ3</td>
<td>Subaidah restaurant offered fresh food.</td>
<td></td>
<td></td>
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<tr>
<td>EQ4</td>
<td>Subaidah restaurant food presentation was visually attractive</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FQ5</td>
<td>Subaidah restaurant aroma of the food was enticing</td>
<td></td>
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<td>Dis- Agree</td>
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<td>SERVICE QUALITY / ITEMS</td>
<td>SD</td>
<td>D</td>
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<tr>
<td>SQ1</td>
<td>Subaidah restaurant Employees served me food exactly as i ordered</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SQ2</td>
<td>Subaidah restaurants Employees provided prompt and quick service</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>SQ3</td>
<td>Subaidah restaurant employees are well Dressed</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SQ4</td>
<td>Subaidah restaurant employees made me feel comfortable in dealing with them</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SQ5</td>
<td>Subaidah restaurant employees are always willing to help me</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SQ6</td>
<td>Subaidah restaurant employees makes you feel special</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>S/N</td>
<td>PRICE / ITEMS</td>
<td>SD</td>
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<tr>
<td>P1</td>
<td>Subaidah restaurant food price reflects the food image</td>
<td>SD</td>
<td>D</td>
<td>N</td>
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<tr>
<td>P2</td>
<td>I am willing to pay higher price at Subaidah restaurant</td>
<td>SD</td>
<td>D</td>
<td>N</td>
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<tr>
<td>P3</td>
<td>Subaidah restaurant food served must be a good value for my money.</td>
<td>SD</td>
<td>D</td>
<td>N</td>
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<tr>
<td>P4</td>
<td>Cheap price for my meal is important to satisfaction</td>
<td>SD</td>
<td>D</td>
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<tr>
<td>PE1</td>
<td>Physical cleanliness of Subaidah restaurant attracts me to patronize.</td>
<td>SD</td>
<td>D</td>
<td>N</td>
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<td>SA</td>
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<tr>
<td>PE2</td>
<td>Subaidah restaurant had attractive interior design and decoration</td>
<td>SD</td>
<td>D</td>
<td>N</td>
<td>A</td>
<td>SA</td>
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<tr>
<td>PE3</td>
<td>Subaidah restaurant has a cheerful and enchanting atmosphere</td>
<td>SD</td>
<td>D</td>
<td>N</td>
<td>A</td>
<td>SA</td>
</tr>
<tr>
<td>PE4</td>
<td>Subaidah restaurant has available packing space</td>
<td>SD</td>
<td>D</td>
<td>N</td>
<td>A</td>
<td>SA</td>
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<tr>
<td>PE5</td>
<td>Subaidah restaurant has attractive and enticing presentation of food.</td>
<td>SD</td>
<td>D</td>
<td>N</td>
<td>A</td>
<td>SA</td>
</tr>
<tr>
<td>PE6</td>
<td>Subaidah restaurant has an appealing physical facilities</td>
<td>SD</td>
<td>D</td>
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<tbody>
<tr>
<td>FA1</td>
<td>Subaidah restaurant background music is pleasing</td>
<td>SD</td>
<td>D</td>
<td>N</td>
<td>A</td>
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<tr>
<td>FA2</td>
<td>Subaidah restaurant has a good design and layout</td>
<td>SD</td>
<td>D</td>
<td>N</td>
<td>A</td>
<td>SA</td>
</tr>
<tr>
<td>FA3</td>
<td>Subaidah restaurant has an appropriate color scheme</td>
<td>SD</td>
<td>D</td>
<td>N</td>
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</tr>
</tbody>
</table>
**FA4** Subaidah restaurant has a nice smell (scent)

<table>
<thead>
<tr>
<th>S/N</th>
<th>HALAL ELEMENT / ITEMS</th>
<th>SD</th>
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<tbody>
<tr>
<td>HE1</td>
<td>I am willing to pay more for food that has halal elements</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>HE2</td>
<td>I will not buy a food product, if doubts are raised about it by my peers and family</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>HE3</td>
<td>I don’t buy any food with haram ingredients.</td>
<td></td>
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<tr>
<td>HE4</td>
<td>I don’t eat pork or haram meat</td>
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<tbody>
<tr>
<td>CS1</td>
<td>I am very satisfied with my overall experience in Subaidah restaurant</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>CS2</td>
<td>Overall, Subaidah restaurant puts me in a good mood</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CS3</td>
<td>I have really enjoyed myself at Subaidah restaurant</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>CS4</td>
<td>I am sure it was the right time to eat at Subaidah restaurant.</td>
<td></td>
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</tr>
<tr>
<td>CS5</td>
<td>I truly enjoyed Subaidah restaurant food.</td>
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Appendix B: Measurement Model
Appendix C: Structural Model
Appendix D: Predictive Relevance Model