



THE DIMENSIONS OF CUSTOMER PREFERENCE IN THE FOODSERVICE INDUSTRY

Firdaus Abdullah¹, Abang Zainoren bin Abang Abdurahman², Jamil Hamali³

Faculty of Business Management, Universiti Teknologi MARA Sarawak, Malaysia

*E-mails: ¹dr_firdausabdullah@yahoo.com (corresponding author); ²arainoren@sarawak.uitm.edu.my;
³jamil1@sarawak.uitm.edu.my*

Received 15 August 2012; accepted 08 January 2013

Abstract. Today's foodservice industry management must place a high priority on understanding the growing markets resulting from rapid urbanization and rising numbers of tourists. This industry has a huge impact on the global economy but it is affected by customers' ever-changing preferences. Managers need to gain and sustain strategic advantage in this highly competitive industry, thus a local customer preference assessment is crucial. This paper presents the dimensions of customer preference in the food service industry, tested empirically for unidimensionality, reliability and validity using both exploratory and confirmatory factor analysis. A 30-item questionnaire was designed and distributed to 1000 foodservice customers, yielding a response rate of 64.2%. Factorial analysis confirmed five dimensions of customer preference, and using multiple regression, their order of importance are Halal (permissible in Islam), Price, Quality of Service, Branding and Tangibles. Knowing these dimensions relative influence may result in better allocation of resources for effective service delivery.

Keywords: customer preference, foodservice industry, factor analysis, halal, service delivery, customer satisfaction & loyalty.

JEL Classification: M19

Introduction

In the ever changing market environment, today's foodservice operators must place a high priority on understanding the market in order to retain and sustain strategic advantage in the highly competitive foodservice industry. This industry is considered to be the fastest growth industry in the global market, and it is described by players of the industry as being in the middle of a perfect storm (Haas 2008). However, recent economic uncertainty restricts spending which affects the foodservice industry thus foodservice operators have to reduce prices or offer promotional deals in order to enhance business performance.

During the economic downturn, a constant challenge for foodservice is to find the right mix of attributes that could assist in the repatronage decision (Mohsin 2005). Foodservice has to remain competitive by lowering prices or offering promotional deals in order to lure customers. Hence, economic recessions influence customers to opt for

cheaper foodservice. In addition, most of the promotional activities are the introduction of children's menus and value for money menus which are targeted at price conscious foodservice customers. Hence, the study of the foodservice industry is important as the literature has indicated its vulnerability to changes in customer preference in relation to economic trends.

It is important to note that the foodservice industry is influenced by fast-changing customer preferences (Kara *et al.* 1995; Waldfogel 2008). While preferences can be regarded as an individual's attitude towards a set of objects, customer preference is about choices among valued options with acceptance indicating a willingness to tolerate the status quo (Fife-Schaw *et al.* 2007). Studies of customer preference for foodservice attributes are very limited thus further research is obviously needed. Likewise, changes in customer preference will make existing strategies no longer valid for the operators within the foodservice industry. Therefore,

these operators must be prepared to identify and meet changing customer preferences resulting from changes in the demographic, technological, societal, legal, cultural or ethical characteristics of the industry. Furthermore, most studies of customer preference were conducted in developed countries, such as the United States (Blum 1996; Kim *et al.* 2009), and Europe (Clark, Wood 1998; Tokuc *et al.* 2009). There are only a few studies based in the Asia Pacific (Park 2004). Thus, any attempt to generalise the findings of these studies would be pointless as there may be differences in environmental setting that influence customer preference in different ways in different contexts.

Previous research showed that the most important attributes determining whether a customer will return to a foodservice establishment was the quality of service, and the least considered factors were place and ambiance (Bojanic, Shea 2007). On the contrary, Knutson (2000) contended that price was one of the top-ranked influences with regard to foodservice establishment choices. Literature also showed that price was a concern when customers took their families and the least concern when consuming business meals (Koo *et al.* 1999). Customers searched for information about a foodservice outlet, especially where there were price differences among outlets.

Offering good food and good service is not enough to attract consumers and foodservice outlets should provide meals with good value in a favourable ambience or place. Previous studies showed that attractive décor and atmosphere influenced customer choice of where to dine out. The most important attributes were design and concept of the place and the least important thing was the food. Past work has shown descriptive names improved sales and improved expectations related to the food and the foodservice outlet, and a positive relationship between brand and foodservice establishment performance (Wansink *et al.* 2001). Studies had shown inconsistency in terms of the importance of the foodservice attributes which are mainly quality of service, price, tangibles and branding (Koo *et al.* 1999; Namkung, Jang 2007). Hence, this paper attempts to identify and rank the attributes of customer preference on foodservice establishments, and examine the relationships with customer satisfaction and customer loyalty.

1. Research background

1.1. Customer preference

In the psychology literature, preferences can be regarded as an individual's attitude towards a set of objects, typically reflected in an explicit decision-making process (Lichtenstein, Slovic 2006). On the other hand, one could interpret the term "preference" to mean evaluative judgement in the sense of liking or disliking an object, which is the most distinctive definition used in psychology. Nevertheless, it does not mean that a preference is inevitably constant over

time. Preference can be notably modified by decision-making processes, such as choices, even in an unconscious way. Customer preference can be defined as tending to indicate choices among neutral or more valued options with acceptance indicating a willingness to tolerate the status quo or some less desirable option (Fife-Schaw *et al.* 2007).

1.2. Quality of service

The quality of service was mentioned by various authors such as Bateson and Langeard (1982), Carman (1990), Winsted (1997), Clark and Wood (1998) and Harrington *et al.* (2010). Parasuraman *et al.* (1988) define reliability as the ability to perform the promised service dependably and accurately. Service excellence contributes to customer satisfaction which includes friendly, polite and helpful staff, attentive staff, staff greeting customers and staff being willing to serve. In addition, some studies suggested that there is positive correlation between customer satisfaction and loyalty with employee friendliness, courtesy, quick service, menu variety, and quality of service (Bateson, Langeard 1982; Bowers *et al.* 1994; Harrington *et al.* 2010).

1.3. Branding

The name of a food provides a clue as to what might be expected from the taste of the food. Favourably descriptive menu names can increase sensory perceptions of appearance and taste just as they have been shown to influence food sales, foodservice attitudes, and repurchase intentions. Past work has shown descriptive names improved sales and improved expectations related to the food and the foodservice establishment (Wansink *et al.* 2001). Consumer research views a brand name as one of several possible extrinsic cues, or signals of product quality. There is a positive relationship between brand and firm performance which are hotels and foodservice establishments, and brands do differentiate the offerings. Nevertheless, brand name was found to be an important decision variable for customers and had more impact in choice-making therefore determining the extent of the perceived preference match (Jiang 2004). Brand name still plays an important role in customer communications. Brand recognition and brand reputation have a positive relationship with firm performances which are value performance and accounting performances (Kohli *et al.* 2005).

1.4. Price

Various scholars have indicated Price as customer preference (Kara *et al.* 1995; Huber *et al.* 2001; Palazon, Delgado 2009). Promotions such as new products for limited time periods were run with the purpose of fuelling sales and increasing the frequency of visits. Perceived price fairness influences customer satisfaction and loyalty, and these are

two important antecedents of price acceptance. Price can affect customer satisfaction. Nevertheless, Kendrick (1998) found that price promotion comparatively has less impact on customer loyalty than advertisement specialty.

1.5. Tangibles

The importance of tangible attributes for foodservice establishments were highlighted by various scholars (Cadotte, Turgeon 1988; Kivela *et al.* 2000; Fatimah *et al.* 2011). The design of a foodservice establishment is a medium to create attention because it assists to create a distinctive foodservice establishment atmosphere. However, ambience or place can lead to customer satisfaction. In the foodservice industry, spaciousness is important because it influences customer service experience. Spaciousness is related directly to the perceived size of the interior space and also how openness in the space is psychologically perceived by customers (Bhatia 2003). Besides that, attributes that contributed to the perception of openness are higher ceilings, large openings with a view to the outdoors, unobstructed spaces and others (Scott 1993).

1.6. Halal

The importance of halal food among Muslims were quoted in numerous studies (Al-Khatib *et al.* 1995; Zakaria, Abdul-Talib 2010). Muslims take halal food in line with the Quran. *Halal* is a Quranic term which means allowed or lawful. Allah-the Supreme Law Giver permits *Halal* foods and drinks for consumption. Eating *Halal* food is obligatory on every Muslim. "He only prohibits for you the eating of animals that die of themselves (without human interference), blood, the meat of pigs, and animals dedicated to other than GOD. If one is forced (to eat these), without being malicious or deliberate, he incurs no sin. GOD is Forgiver, Most Merciful." [Al- Baqarah: 173].

Muslim foodservice customers are very much concerned about the authenticity of halal food products claimed by food. Halal brands, trademarks and logos sometimes hold no reliability or authenticity leading to possible doubts from the customers. Muslims are equally very concerned about food ingredients and the way particular food is being prepared and how it is being packaged.

1.7. Customer Satisfaction and Loyalty

Some studies have indicated that there is a positive relationship between attributes of customer preference and business performance (Soriano 2002; Verma *et al.* 1999). Business performance can be categorized into financial and non financial indicators. Financial performance measures the results of a firm's policies and operations in monetary terms such as return on investment, return on assets, value added, profitability, sales and revenue. Unfortunately, by the 1980s there was a growing realization that the traditional

financial accounting systems were no longer sufficient to manage organizations competing in the modern markets. Non-financial business performance begins to take place after the insufficiency of financial performance indicators to manage organizations competing in the modern markets (Johnson, Kaplan 1987). Studies of non-financial performance most often cited in the foodservice industry are those focusing on customer satisfaction, customer complaints, service quality, and customer loyalty (Kennerly, Neely 2003; Knutson 2000; Tse 2001; Susskind, Chan 2000; Park 2004).

Zeithaml (2000) gives an excellent overview of research findings on the relationship between customer satisfaction and organizational performance. Highly satisfied customers will return to buy the product and services which will eventually increase the financial performance of the company. The obvious need for satisfying customers is to increase market share, and to acquire repeat and referral business, all which lead to improved profitability.

Loyalty is defined as a deeply held commitment to repeat purchases of a preferred product or service consistently in the future, despite situational influence and marketing efforts (Oliver 1997). Bowen and Chen (2001) in their study of the relationship between customer loyalty and customer satisfaction, indicated that there is a positive correlation between loyal customers and profitability. Customer loyalty is an important construct for all marketers in defining the means to develop relationships with customers and hence increase business and customer retention. Several studies have determined that high customer satisfaction and service quality result in higher customer loyalty and willingness to recommend the firm to another person (Bolton, Drew 1991; Boulding *et al.* 1993; Rust, Oliver 1994).

2. Methodology

The stages involved in the study are shown in the flow chart in Figure 1. Specifically, this study attempts to determine the items for the dimension of customer preference in the foodservice industry and incorporate them into a Likert-type instrument, as well as administering the instrument to a sample population consisting of foodservice customers. The first stage was to identify the important items for the dimension of foodservice customer preference. The process begins by undertaking a literature search to ascertain previous work in the field, and delineating the number of conceptual variables to be investigated. Specifically, this involves in-depth searching of the literature to ascertain items for the dimension of customer preference.

The literature review provided the basis for generating items for inclusion in the draft questionnaire. Stage two involved the development of a draft survey instrument. The draft questionnaire contained 30 items related to different aspects of the dimension of foodservice customer preference, and the items were presented as statements on the

questionnaire, with the same rating scale used throughout. The items were measured on seven-point Likert-type scales that vary from 1 = strongly disagree to 7 = strongly agree.

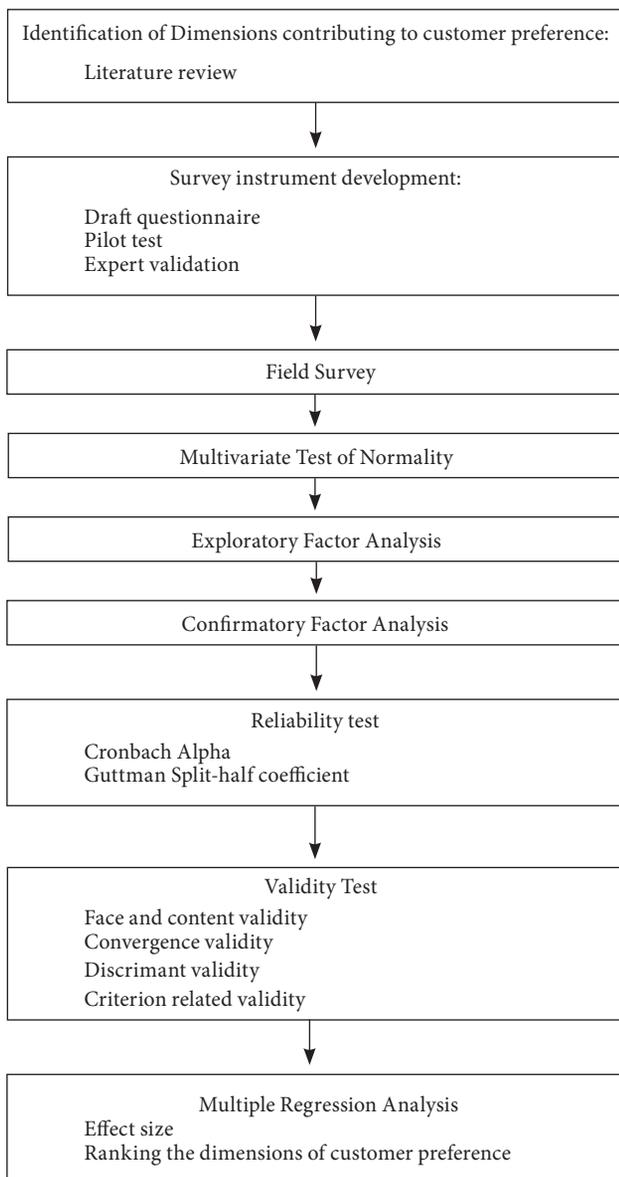


Fig. 1. Stages in identifying the dimensions of customer preference for foodservice establishments

The draft questionnaire was piloted to 100 respondents from different kinds of ethnic background resulting in 53 completed questionnaires returned. The draft questionnaire was subsequently submitted to experts for feedback before being administered on a full-scale survey. The majority of them viewed that the draft questionnaire was in line with the relevant issues of the study although some modifications were needed. Thus, only minor changes were made whereby several items were redrafted and reworded, and technical jargon rephrased to ensure clarity and simplicity. The target population of this study is defined as the foodservice

customers. Data was collected from customers of various ethnicities in Malaysia. Multistage sampling was used for the study where the customers' occupation, gender, religion and race were used to randomize the data collection. A total of 1000 respondents, representing major ethnic groups, was selected, from whom 642 corrected and completed questionnaires were obtained, yielding a response rate of 64.2%.

2.1. Multivariate Test of Normality

The Mahalanobis distances, denoted by D^2 is the index used in checking multivariate normality of the data, and there are two ways of computing D^2 . The first method involves getting D^2 for each subject, and plotting against the quantiles of the χ^2 (Chi-Square) distributions (Johnston, Wichern 1992). Another method involves transforming the sample Mahalanobis distances and plotting them against β (Beta) quantiles. In both methods, a nonlinear pattern indicates departure from multivariate normality. The scatter plots of $chis_q$ vs. di_sq (Method 1) and neu_i vs. ui (Method 2) are shown in Figure 2. The fit for both methods is good $R^2 = 0.979$ and $R^2 = 0.976$ respectively, and the plot is almost linear, thus implying the data is multivariate normal.

2.2. Factor Analysis

Both exploratory and confirmatory factor analyses were used to assess the dimensionality of customer preference. Exploratory factor analysis (EFA) is a useful preliminary technique for scale construction, but a subsequent confirmatory factor analysis (CFA) is necessary to evaluate and refine the resulting scales for unidimensionality. One critical assumption underlying the appropriateness of factor analysis is to ensure that the data matrix has sufficient correlations to justify its application. A first step is the visual examination of the correlations, identifying those that are statistically significant. All correlations are above 0.30 which is considered substantial for factor analysis (Hair *et al.* 1998). Furthermore, an inspection of the correlation matrix reveals that practically all correlations are significant at $p < 0.01$, and this certainly provides an excellent basis for factor analysis.

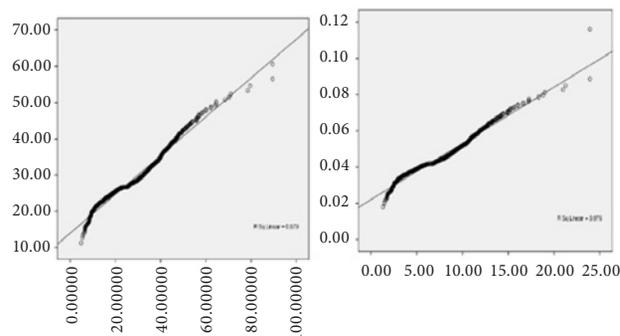


Fig. 2. Scatterplots for Multivariate

The next step involves assessing the overall significance of the correlation matrix with Bartlett's test of sphericity, which provides the statistical probability that the correlation matrix has significant correlations among at least some of the variables. The results were significant at $p < 0.01$, χ^2 (30, $N = 642$), which further confirmed that the data were suitable for factor analysis. Finally, the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy was computed to quantify the degree of intercorrelations among the variables, and the results indicate an index of 0.87, a 'meritorious' sign of adequacy for factor analysis (Kaiser 1970). As for the adequacy of the sample size, there is a 12-to-1 ratio of observations to variables in this study. According to Nunally (1978), the ratio for an adequate sample size should be at least 10:1 which, in this case falls well within the acceptable limits.

In order to gain a better understanding of the factor structure, all the 30 items from the questionnaire were subjected to factor analysis, utilizing the maximum likelihood procedure which was followed by a varimax rotation. The decision to include a variable in a factor was based on factor loadings greater than ± 0.3 (Hair et al. 1998), and all factors whose eigenvalues were greater than 1.0 were retained

in the factor solution (Tabachnick, Fidell 1989). The scree plot was also used to identify the optimum number of factors that can be extracted, and in this study, the first 5 dimensions would qualify.

Table 1 shows the results of the factor analysis in terms of dimensions name and the variables loading on each dimension.

2.2.1. Halal

This dimension relates to customers who choose to go to outlets that employ Muslim workers as well as being operated by Muslims. In addition, it emphasizes customers paying close attention to the Halal ingredients

2.2.2. Price

Special offer pricing in the form of package menus, price discounts, special prices for the regulars are important to foodservice customers Likewise it is centred on the customer highlighting the importance of setting different prices for children.

Table 1. Results

ITEMS	COMPONENT				
	HALAL	PRICE	QUALITY OF SERVICE	BRANDING	TANGIBLES
B17. Employing Muslim worker	.840				
B10. Operated by Muslims	.809				
B04. Halal ingredients	.791				
B28. Serving Halal food	.753				
B02. Avoiding non Halal establishments	.738				
B08. No problem with establishments serving alcoholic beverages	.689				
B07. Importance of Halal logo	.518				
B27. Muslim majority location	.309				
B11. Different pricing for children		.716			
B09. Special offer pricing		.579			
B30. Price discounting		.429			
B22. Special pricing for regular customers		.405			
B06. Promotional pricing for new menus		.366			
B21. Low-priced local delicacies		.316			
B13. Charging reasonable price		.306			
B18. Practicing hygiene			.672		
B12. Preparing delicious food			.622		
B29. Delivering customers' orders accurately			.594		
B26. Quick service			.571		
B05. Knowing the menu items			.526		
B23. Clean food preparation			.451		
B14. Commitment to quality of service			.436		
B19. Impressive exterior outlook			.407		
B24. Friendly waiter or waitress			.368		
B03. Establishment with attractive name				.715	
B20. Brand name menu items				.691	
B15. Spacious seating arrangements					.677
B25. Adequate parking space					.510
B01. Menu variety					.505
B16. Attractive interior design					.416

Quality of service

This dimension describes foodservice customers considering the importance of employees practicing hygiene at all times besides preparing delicious food, and delivering customer's orders accurately. It also suggests the importance of quick service, knowing the menu items, and cleanliness in food preparation.

2.2.3. Branding

It emphasizes foodservice customer seeing the importance of attractive names for a foodservice. In addition, this dimension also indicates the importance of menu items having brand names

2.2.4. Tangibles

This dimension covers the importance of spacious seating arrangements and adequate parking spaces to foodservice customers. The importance of attractive interior design of a foodservice outlet is considered as related to the foodservice customer under this dimension.

2.3. Multicollinearity

Multicollinearity has been diagnosed through analyses of correlation factors and Variance Inflation Factor (VIF). In this study, the largest VIF was observed in the Quality of Service Dimension at 1.67 which showed no support for the existence of multicollinearity. An alternative method to assess multicollinearity is the condition index. A collinearity problem is observed when a condition index falls above the threshold value of 30 and accounts for a substantial proportion of variance of 0.90 and above for two or more coefficients (Hair *et al.* 1998). Results from the collinearity diagnostics revealed that there were no items that possessed a threshold value of above 30, and there was no highest variance contribution associated with the highest condition index. The proportion of variance contributions were all less than 0.90 thus, the observed correlations were not considered harmful.

2.4. Confirmatory Factor Analysis

The confirmatory approach to assessing unidimensionality was implemented within the LISREL framework (Joreskog, Sorbom 1978). A five-dimension measurement model was specified for each construct and the model parameters were estimated using LISREL 8.8. Table 2 shows the fit indices using Chi-Square test, GFI, AGFI, CFI, NNFI, IFI, and RMSEA.

The first fit measure to be reported is the Chi-Square statistic, and it assesses the magnitude of discrepancy between the sample and fitted covariance matrices. A good model fit would provide an insignificant result at the $p > 0.05$ threshold (Barret 2007). The degree of freedom serves as a

standard by which to judge if χ^2 is large or small. For this study the χ^2 / df ratio was 3.00 (Fitzgerald *et al.* 1997) which is a good fit. Other model fit measures such as GFI, AGFI, CFI, NNFI, IFI were employed to assess the "goodness of fit" of the measurement model (Byrne 2001). The Goodness-of-Fit statistic (GFI) is generally considered as the most reliable measure of absolute fit in most circumstances. Kline (1989) indicated that a GFI and AGFI value range between 0 and 1 (perfect fit). In this model, the GFI = 0.89 and the AGFI = 0.87 indicate evidence of unidimensionality for the scales (Diamantopoulos *et al.* 2000).

Table 2. Unidimensionality Test

	Fit Indices
Chi-Square (χ^2) p=0.01 Degree of freedom (df)=395	1186.97
Goodness-of-fit index (GFI)	0.89
Adjust Goodness-of-fit index (AGFI)	0.87
Comparative Fit Index (CFI)	0.93
Non-normed fit index (NNFI)	0.99
Incremental fit index (IFI)	0.93
Root mean squared error of approximation (RMSEA)	0.0566

The next set of fit measures in this model consisted of relative fit indices which show '...how much better the model fits compared to a baseline model, usually the independence model' (Joreskog, Sorbom 1993: 125), and this is assessed using the Non-Formed Fit Index (NNFI) and the Comparative Fit Index (CFI). Bentler and Hu (1999) have suggested NNFI value ≥ 0.95 as threshold. In the present model, the NNFI value is 0.99, an indication of a good fit. Besides, Bollen's (1989) Incremental Fit Index (IFI) value is 0.93 which also indicates a good fit. The next fit measure is Bentler's (1990) Comparative Fit Index (CFI), and the value is 0.93, which implies that there is a strong evidence of unidimensionality for the dimensions. The next measure to consider is the Root Mean Square Error of Approximation (RMSEA). The RMSEA explains how well the model, with unknown but optimally chosen parameter estimates, would fit the population's covariance matrix. The RMSEA value for the five dimensions of customer preference model was 0.056, evidence of reasonable fit to the data (Browne, Koenig 1993). Therefore, it was concluded that the five-dimension customer preference model fits reasonably well and represents a close approximation in the population.

2.5. Reliability test

The results from the unidimensionality assessment do not provide a direct assessment of construct reliability. The

typical approach for reliability assessment is in terms of the Cronbach α coefficient. In this study, two internal consistency estimates of reliability, namely coefficient alpha and split-half coefficient expressed as the Spearman-Brown corrected correlation, were computed for the five dimensions of customer preference constructs. All the values meet the required prerequisite of 0.70 (Cronbach 1951), thereby demonstrating that all the five dimensions are internally consistent and have satisfactory reliability values in their original form.

2.6. Validity test

Once unidimensionality is established and internal consistency estimates of reliability show satisfactory values, the next step involves assessing the validity of the constructs. Given that the questionnaire had been appropriately designed through a comprehensive review of relevant literature then fine-tuned based on the suggestions from various experts, both the face and content validity of the instrument were ensured (Kaplan, Saccuzzo 1993).

Construct validity is concerned with a measure's correspondence with other constructs. Churchill (1979) suggests that convergent and discriminate validity should be assessed in investigating construct validity. The correlation coefficient values among the five dimensions of customer preference in the foodservice industry range from 0.371 to 0.797, and this indicates a moderate positive relationship between the five dimensions of customer preference, indicating evidence of convergent validity. A Chi-square difference test was also employed to test the scale for discriminant validity. All the tests were statistically significant at the $p = 0.01$ level.

Criterion-related validity was established by correlating the dependent variable which is customer satisfaction with the dimensions of customer preference namely Halal, Quality of service, Price, Tangibles, and Branding. Finding indicates that all the dimensions have a significant positive correlation with customer satisfaction from the range of 0.378 to 0.631 which are greater than 0.35. Hence, criterion-related validity is established for all dimensions of customer preference.

2.7. Multiple regression analysis

Multiple regression was used in this study to determine the overall effect of the dimensions of customer preference on customer satisfaction (or how well the five dimensions predicted customer satisfaction), and to assess the relative importance of the individual dimensions. The regression model considered customer satisfaction as a dependent variable and the dimensions of customer preference which are Halal, Price, Quality of service, Branding and Tangibles as independent variables. A multiple regression analysis was subsequently conducted to evaluate how well the five

dimensions predicted customer satisfaction. The linear combination of the five dimensions was significantly related to customer satisfaction, $R^2 = 0.590$, adjusted $R^2 = 0.587$, $F(5, 636) = 183.037$, $p = 0.01$. The sample multiple correlation coefficient was 0.768, indicating that approximately 59.0% of the variance of customer satisfaction level in the sample can be accounted for by the linear combination of the five dimensions.

As for the relative influence of the individual dimension, the resultant output yielded four dimensions contributing significantly towards explaining the variance in the overall customer satisfaction level except Tangibles. Halal is found to be the most important dimension of customer preference in the foodservice industry, secondly Price, thirdly Quality of service, followed by Branding.

Conclusions

The prime contribution of this study is the identification and ranking of dimensions of customer preference in the foodservice industry. The dimensions are crucial for foodservice operators to develop strategies in fulfilling the customers' preferences based on the current market landscape. This paper further contributes to the body of knowledge by developing a new 30-item instrument to capture the customer preference dimensions namely Halal, Price, Quality of Service, Branding and Tangibles. The measuring instrument is a valid tool for practitioners to develop relevant strategies that will enhance the foodservice business performance in the light of the highly competitive industry.

The Halal dimension is the most important dimension influencing customer preference compared to other dimensions. The Halal dimension relates to customers preference for foodservice establishments that employ Muslim workers as well as being operated by Muslims. In addition, it emphasizes customer paying close attention to the Halal ingredients if customers believe the foodservice establishment serves Halal food. This dimension also emphasizes the importance of the halal logo and location of the foodservice establishment.

However, findings suggest that it is important to note the influence of other dimensions such as Price, which encompasses setting prices for children, as well as offer special pricing in menu packages, discounts, special prices for the regulars, promotional prices for new menus, preparing local delicacies, and reasonable price. Furthermore, Quality of Service is another dimension that influences customer preference which is centered on employee's hygiene practices, delicious food, the importance of delivering customers' orders accurately, quick service, menu knowledge, cleanliness of food preparation, commitment to quality of service, and friendly waiters or waitresses. Likewise Branding highlights foodservice customers considering attractive names

of foodservice establishments, as well as menu items that must have brand names. The last dimension is Tangibles which relates to the importance of spacious seating arrangements, adequate parking spaces, a wide variety of menu items, and the importance of attractive interior design in a foodservice establishment.

Recommendations

Owners and managers of today's foodservice establishments should consider the importance of halal compliance as part of their daily business operations. Foodservice operators should be committed to implementing halal compliant operations so that the market will be confident with the particular business premises which in turn this will create positive perceptions and expectations towards one's business. The findings highlighted that Muslim consumers are more likely to be confident with the halalness of the foodservice establishment that carries a trustworthy halal logo. The foodservice operators should register with Islamic bodies or any relevant body to get the halal certification which is essential in exploring the business opportunities in this industry. This is to secure customers' trust and in turn can pave the way for long term relationships through fulfilling customer satisfaction which in turn builds customer loyalty. The findings of this study also suggest that a halal foodservice establishment should not be mixed up with the non-halal establishment in order to preserve its halal purity.

Today's customers are price conscious. Creating a menu package with special price offer is crucial for customer preference, therefore foodservice operators are recommended to keep on developing menu packages. Menu packages can be introduced in conjunction with certain occasions or developed with the combination of existing or new food menus and drinks in order to attract price sensitive customers. Remembering or noticing the regular customers is important to make them further loyal to the particular foodservice establishment. This can be done by giving special prices to the regular customers in order to boost relationships and further create customer loyalty.

Employees are the front-liners of the foodservice establishment. Thus, operators ought to ensure employees are neat, presentable, and are handling food in hygienic ways. It is wise for the foodservice operator to provide employees with uniforms in order to enhance and inculcate hygienic practices among the employees. The use of aprons and hats or caps are an advantage to portray professionalism and seriousness in preserving a hygienic culture among the staff in the eyes of the customers.

Branding strategies can be developed by creating attractive business brand names or attractive signages and branding the menu items. However the business signage

must be easy to remember, be focused to target markets and must sound promising. Failure to relate the business signage to the target market will lead to confused market positioning or even wrong market positioning. Branding the menu can be the foundation of differentiating the menu items with different kinds of target customers, meal periods, and competitors.

In addition, the findings highlight that customers are prone to attractive interior design in considering which foodservice establishment to patronize. It is also important to create an exciting environment as part of an attractive interior design when customers patronise the establishment. Today, foodservice operators should consider the importance of attractive interior designs which encompass cleanliness, furniture, lighting, decoration, odours, music and even utensils. A spacious setting enables customers to freely move around in choosing their seats or going to the washroom. This can only be achieved if the design layouts of the kitchen or bar lounge are well proportionate with the eating lounge.

References

- Al-Khatib, J. A.; Dobie, K.; Vitell, S. J. 1995. Consumer ethics in developing countries: an empirical investigation, *Journal of European Marketing* 4: 87–109. http://dx.doi.org/10.1300/J037v04n02_06
- Barrett, P. 2007. Structural equation modeling: adjudging model fit, *Personality and Individual Differences* 42(5): 815–824. <http://dx.doi.org/10.1016/j.paid.2006.09.018>
- Bateson, J. E. G.; Langeard, E. 1982. Consumer uses of common dimensions in the appraisal of services, *Advances in Consumer Research* 9: 173–176.
- Bentler, P. M. 1990. Comparative fit indexes in structural models, *Psychological Bulletin* 107(2): 238–246. <http://dx.doi.org/10.1037/0033-2909.107.2.238>
- Bentler, P. M.; Hu, L. 1999. Cutoff criteria for fit indexes in covariance structure analysis: the problem of capitalization on chance, *Psychological Bulletin* 111(3): 490–504.
- Bhatia, A. 2003. *Effects of Interior Environment on the Dining Experience and Design of a Prototype Seafood Restaurant*. Florida State University: DigiNoleCommons
- Blum, S. C. 1996. Organizational trend analysis of the hospitality industry: preparing for change, *International Journal of Contemporary Hospitality Management* 8(7): 20–32. <http://dx.doi.org/10.1108/09596119610152023>
- Bojanic, D. C.; Shea, L. J. 1997. Segmentation for a multiunit restaurant operation, *Cornell Hotel and Restaurant Administration Quarterly* 38(4): 56–61. <http://dx.doi.org/10.1177/001088049703800434>
- Bollen, K. A. 1989. A new incremental fit index for general structural equation models, *Social Methods Res.* 17(3): 303–316. <http://dx.doi.org/10.1177/0049124189017003004>
- Bolton, R. N.; Drew, J. H. 1991. A longitudinal analysis of the impact of service changes on customer attitudes, *Journal of Marketing* 55(1): 1–9. <http://dx.doi.org/10.2307/1252199>

- Boulding, W.; Kalra, A.; Staelin, R.; Zeithaml, V. A. 1993. A dynamic process model of service quality: from expectations to behavioral intentions, *Journal of Marketing Research* 30(February): 7–27. <http://dx.doi.org/10.2307/3172510>
- Bowen, J. T.; Chen, S.-L. 2001. The relationship between customer loyalty and customer satisfaction, *International Journal of Service Industry Management* 15(4): 213–217.
- Bowers, M. R.; Swan, J. E.; Koehler, W. F. 1994. What attributes determine quality and satisfaction with health care delivery?, *Health Care Management Review* 19(4): 49–55.
- Browne, D. J.; Koenig, H. F. 1993. Applying total quality management to business education, *Journal of Education for Business* (July/August): 329–329.
- Byrne, B. M. 2001. Structural equation modeling with AMOS, EQS, and LISREL: Comparative approaches to testing for the factorial validity of a measuring instrument, *International Journal of Testing* 1(1): 55–86. http://dx.doi.org/10.1207/S15327574IJT0101_4
- Cadotte, E. R.; Turgeon, N. 1988. Dissatisfiers and satisfiers: suggestions for consumer complaints and compliments, *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behaviour* 1: 74–79.
- Carman, J. M. 1990. Consumer perceptions of service quality: an assessment of the SERVQUAL dimensions, *Journal of Retailing* 66: 33–55.
- Churchill, G. A. Jr. 1979. A paradigm for developing better measures of marketing constructs, *Journal of Marketing Research* 16: 64–73. <http://dx.doi.org/10.2307/3150876>
- Clark, M. A.; Wood, R. C. 1998. Consumer loyalty in the restaurant industry: a preliminary exploration of the issues, *International Journal of Contemporary Hospitality Management* 10(4): 139–144. <http://dx.doi.org/10.1108/09596119810222104>
- Cronbach, L. J. 1951. Coefficient alpha and the internal structure of tests, *Psychometrika* 16(3): 297–334. <http://dx.doi.org/10.1007/BF02310555>
- Diamantopoulos, A.; Siguaw, J.; Siguaw, J. A. 2000. *Introducing LISREL: a guide for the uninitiated*. London: Sage Publications.
- Fatimah, U. Z. A. U.; Boo, H. C.; Sambasivan, M.; Salleh, R. 2011. Foodservice hygiene factors – the consumer perspective, *International Journal of Hospitality Management* 30: 38–45. <http://dx.doi.org/10.1016/j.ijhm.2010.04.001>
- Fife-Schaw, C.; Kelay, T.; Vloerbergh, I.; Chenoweth, J.; Morrison, G.; Lundéhn, C. 2007. *Measuring customer preferences for drinking water services*.
- Fitzgerald, L. F.; Drasgow, F.; Hulin, C. L.; Gelfard, M. J.; Magley, V. J. 1997. Antecedents and consequences of sexual harassment in organizations: a test of an integrated model, *Journal of Applied Psychology* 82(4): 578–589. <http://dx.doi.org/10.1037/0021-9010.82.4.578>
- Haas, T. J. n.d. 2008. *Building success and momentum in food-service*. Amelia Island, FL: Thomas J. Haas Assoc. Inc.
- Hair, J. F.; Anderson, R. E.; Tatham, R. L.; Black, W. 1998. *Multivariate data analysis fifth edition*. Upper Saddle River, NJ: Prentice-Hall.
- Harrington, R. J.; Ottenbacher, M. C.; Way, K. A. 2010. *QSR Choice: Key restaurant attributes and the role of gender, age and dining frequency*. Paper presented at the International CHRIE Conference-Refereed Track, University of Massachusetts, Amherst.
- Huber, F.; Herrmann, A.; Wricke, M. 2001. Customer satisfaction as an antecedent of price acceptance: result of an empirical study, *Journal of Product & Brand Management* 10(3): 160–169. <http://dx.doi.org/10.1108/10610420110395403>
- Jiang, P. 2004. The role of brand name in customization decisions: a search vs experience perspective, *Journal of Product & Brand Management* 13(2): 78–83. <http://dx.doi.org/10.1108/10610420410529708>
- Johnson, H. T.; Kaplan, R. S. 1987. *Relevance lost: the rise and fall of management accounting*. United States of America: Harvard Business School Press.
- Johnston, R. A.; Wichern, D. W. 1992. *Applied multivariate statistical analysis*. Vol. 3rd edition. New Jersey: Prentice Hall.
- Joreskog, K. G.; Sorbom, D. 1978. *Analysis of linear structural relationship by method of maximum likelihood*. Chicago, IL: National Educational Resources.
- Joreskog, K. G.; Sorbom, D. 1993. *LISREL8: Structural equation modeling with the simplis command language*. Hillsdale, NJ: Lawrence Erlbaum Associates.
- Kaiser, H. F. 1970. A second-generation Little Jiffy, *Psychometrika* 35: 401–405. <http://dx.doi.org/10.1007/BF02291817>
- Kaplan, R. M.; Saccuzzo, D. P. 1993. *Psychological testing: principles, applications and issues*. Vol. 3rd edition. Pacific Grove, CA: Brooks/Cole.
- Kara, A.; Kaynak, E.; Kucukemiroglu, O. 1995. Marketing strategies for fast-food restaurants: a customer view, *International Journal of Contemporary Hospitality Management* 7(4): 16–22. <http://dx.doi.org/10.1108/09596119510146823>
- Kendrick, A. 1998. Promotional products vs price promotion in fostering customer loyalty: a report of two controlled field experiments, *The Journal of Service Marketing* 12(4): 312–326. <http://dx.doi.org/10.1108/08876049810226982>
- Kennerley, M.; Neely, A. 2003. Measuring performance in a changing business environment, *International Journal of Operations & Production Management* 23(2): 213–229. <http://dx.doi.org/10.1108/01443570310458465>
- Kim, J.-H.; Kim, M.; Kandampully, J. 2009. Buying environment characteristics in the context of e-service, *European Journal of Marketing* 43(9/10): 1188–1204. <http://dx.doi.org/10.1108/03090560910976438>
- Kivela, J.; Inbakaran, R.; & Reece, J. 2000. Consumer Research in The Restaurant Environment, Part 3: Analysis, Findings and Conclusions, *International Journal of Contemporary Hospitality Management* 12(1): 13–30. <http://dx.doi.org/10.1108/09596110010304984>
- Kline, R. B. 1989. Is the fourth edition Stanford-Binet a four-factor test? Confirmatory factor analyses of alternative models for ages 2 through 23, *Journal of Psychoeducational Assessment* 7: 4–13.
- Knutson, B. J. 2000. College students and fast food: how students perceive restaurant brands, *The Cornell Hotel and Restaurant Administration Quarterly* 41(3): 68–66. <http://dx.doi.org/10.1177/001088040004100318>
- Kohli, C. S.; Harich, K. R.; Leuthesser, L. 2005. Creating brand identity: a study of evaluation of new brand names, *Journal of Business Research* 58(11): 1506–1515. <http://dx.doi.org/10.1016/j.jbusres.2004.07.007>

- Koo, L. C.; Tao, F. K. C.; Yeung, J. H. C. 1999. Preferential segmentation of restaurant attributes through conjoint analysis, *International Journal of Contemporary Hospitality Management* 11(5): 242–250. <http://dx.doi.org/10.1108/09596119910272784>
- Lichtenstein, S.; Slovic, P. 2006. *The construction of preference*. New York: Cambridge University Press. <http://dx.doi.org/10.1017/CBO9780511618031>
- Mohsin, A. 2005. Service quality perceptions: an assessment of restaurant and café visitors in Hamilton, New Zealand, *The Business Review* 3(2): 51. Cambridge.
- Namkung, Y.; Jang, S. 2007. Does food quality really matter in restaurants? Its impact on customer satisfaction and behavioral intentions, *Journal of Hospitality & Tourism Research* 31(3): 387–410. <http://dx.doi.org/10.1177/1096348007299924>
- Nunnally, J. C. 1978. *Psychometric theory*. Vol. 2nd edition. New York: McGraw-Hill.
- Oliver, R. L. 1997. *Customer satisfaction: a behavioral perspective on the consumer*. New York: Mc Graw-Hill.
- Palazon, M.; Delgado, E. 2009. The moderating role of price consciousness on the effectiveness of price discounts and premium promotions, *Journal of Product & Brand Management* 18(4): 306–312. <http://dx.doi.org/10.1108/10610420910972837>
- Parasuraman, A.; Zeithaml, V. A.; Berry, L. L. 1988. SERVQUAL: A multiple-item scale for measuring consumer perceptions of service quality, *Journal of Retailing* 64(Spring): 12–37.
- Park, C. 2004. Efficient or enjoyable? Consumer values of eating-out and fast food restaurant consumption in Korea, *International Journal of Hospitality Management* 23: 87–94. <http://dx.doi.org/10.1016/j.ijhm.2003.08.001>
- Robinson, D. T.; Wu, Y. 2008. May. *What's in a name? Causes and consequences of corporate name changes*. Paper presented at the Annual Meeting of the Financial Management Association, 2008, Hong Kong.
- Rust, R. T.; Oliver, R. L. 1994. *Service Quality. Insights and Managerial Implications from the Frontier*. London: SAGE.
- Scott, S. C. 1993. Visual attributes related to preference in interior environments, *Journal of Interior Design Education and Research* 18(1/2): 7–16. <http://dx.doi.org/10.1111/j.1939-1668.1993.tb00067.x>
- Soriano, D. R. 2002. Customers' expectations factors in restaurants. The situation in Spain, *International Journal of Quality & Reliability Management* 19(8/9): 1055–1067. <http://dx.doi.org/10.1108/02656710210438122>
- Susskind, A. M.; Chan, E. K. 2000. How restaurant features effect check averages, *Cornell Hospitality Quarterly* 41(6): 56–63.
- Tabachnik, B. G.; Fidell, L. S. 1989. *Using multivariate statistics*. Cambridge: Harper.
- Tokuc, B.; Ekuklu, G.; Berberoglu, U.; Bilge, E.; Dedeler, H. 2009. Knowledge, attitudes and self-reported practices of food service staff regarding food hygiene in Edirne, Turkey, *Food Control* 20(6): 565–568. <http://dx.doi.org/10.1016/j.foodcont.2008.08.013>
- Tse, A. C. B. 2001. How much more are consumers willing to pay for a higher level of service? A preliminary survey, *Journal of Service Marketing* 15(1): 11–17. <http://dx.doi.org/10.1108/08876040110381328>
- Verma, R.; Pullman, M. E.; Goodale, J. C. 1999. Designing and Positioning Food service in Multicultural Market, *Cornell Hospitality Quarterly* 40(6): 76–87.
- Waldfogel, J. 2008. The median voter and the median consumer: local private goods and population composition, *Journal of Urban Economics* 63(2): 567–582. <http://dx.doi.org/10.1016/j.jue.2007.04.002>
- Wansink, B.; Painter, J.; Ittersum, K. V. 2001. Descriptive menu labels' effect on Sales, *The Cornell Hotel and Restaurant Administration Quarterly* 42(6): 68–72.
- Winsted, K. F. 1997. The service experience in two cultures: A behavioral perspective, *Journal of Retailing* 73(3): 337–360. [http://dx.doi.org/10.1016/S0022-4359\(97\)90022-1](http://dx.doi.org/10.1016/S0022-4359(97)90022-1)
- Zakaria, N.; Abdul-Talib, A. N. 2010. Applying Islamic market-oriented cultural model to sensitize strategies towards global customers, competitors, and environment, *Journal of Islamic Marketing* 1(1): 51–62. <http://dx.doi.org/10.1108/17590831011026222>
- Zeithaml, V. A. 2000. Service quality, profitability, and the economic worth of customers: what we know and what we need to learn, *Journal of Academy of Marketing Science* 28(1): 67–85. <http://dx.doi.org/10.1177/0092070300281007>

Firdaus ABDULLAH. DBA, South Australia; MBA, Bournemouth, UK; DETSUP, Universite de Poitiers, France. Assistant Rector & Associate Professor, Universiti Teknologi MARA, Malaysia Research interests: service marketing, entrepreneurship, strategic planning, project management, sales & marketing, business etiquette.

Abang Zainoren bin Abang ABDURAHMAN. Faculty of Business Management, Universiti Teknologi MARA Sarawak, Malaysia. Research interests: entrepreneurship and marketing.

Jamil HAMALI. Rector & Professor of Quality, Universiti Teknologi MARA Sarawak, Malaysia. Research interests: quality management, service marketing, strategic planning, entrepreneurship.