

RELATIONSHIP BETWEEN CUSTOMER SATISFACTION AND REPURCHASE INTENTION ON MCDONALD'S KUALA LUMPUR

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ABSTRACT

This study was conducted to examine the relationship between the customer satisfaction and the intention to repurchase at the McDonald's fast food restaurants in Kuala Lumpur. Restaurant industries are getting bigger and more competitive which created difficulties for the public on making choices on their repurchasing intention. Interestingly, many customers are willing to queue up to purchase their food at fast food restaurants in Kuala Lumpur. Therefore, a quantitative research was carried out with a set of survey questionnaires involving 171 respondents at McDonald's restaurants in Kuala Lumpur. The results were analysed by using SPSS to perform descriptive and correlation analyses. The results of the survey showed that majority of the respondents were males, aged between 18 to 27 years old with monthly income less than RM 1,000 and the frequency of visits to McDonald's restaurants of once in a month. The results also showed that four of the attributes of customer satisfaction were significantly and positively related to the repurchase intention. The findings will be useful for the distinguishing fast food outlets from other restaurant industries to improve their customer satisfaction; hence, to enhance customers' repurchase intention.

Keywords: *Fast food restaurant, repurchase intention, customer satisfaction, relationship, service quality, product quality, price, environment quality.*

INTRODUCTION

Restaurateur enterprises as well as restaurant industries become one of the most profitable industries in the world. With a wide range of products and services, fast food industry was given a new dimension to enter the worldwide market (Sabir et al., 2014). However, as many business enterprises need to compete and attract their customers, they began to notice the necessity of customer satisfaction as customers are the actual agents or stakeholders in determining the success of any product or service (Sabir et al., 2014) and repurchase intention which considered as the customers' decision of buying again at a certain food or service outlet (Yaw & Chaipoopirutana, 2014). Nevertheless, the assumption that the primary reason for people to visit restaurants is for the meal (Sulek & Hensley, 2004 cited by Mohalijah et al., 2014). This is an ultimate question in this era. Based on Sabir et al. (2014) and from Mukhtar, (n.d.), it is stated that these three determinants could affect the

customer satisfaction which are: service quality, price, food quality and environment of restaurants. However, there are some inconsistencies in arguments amongst scholars that whether customer satisfaction shows an impact towards repurchase intention (Yi & La, 2004). Therefore, this study is done to determine the relationship between customer satisfaction and repurchase intention by looking at each element that able to generate satisfaction on fast food restaurant around Kuala Lumpur. For the brand of fast food restaurant, McDonald's is the choice as it is known as the most famous fast food chain in the world (Statista, 2014).

LITERATURE REVIEW

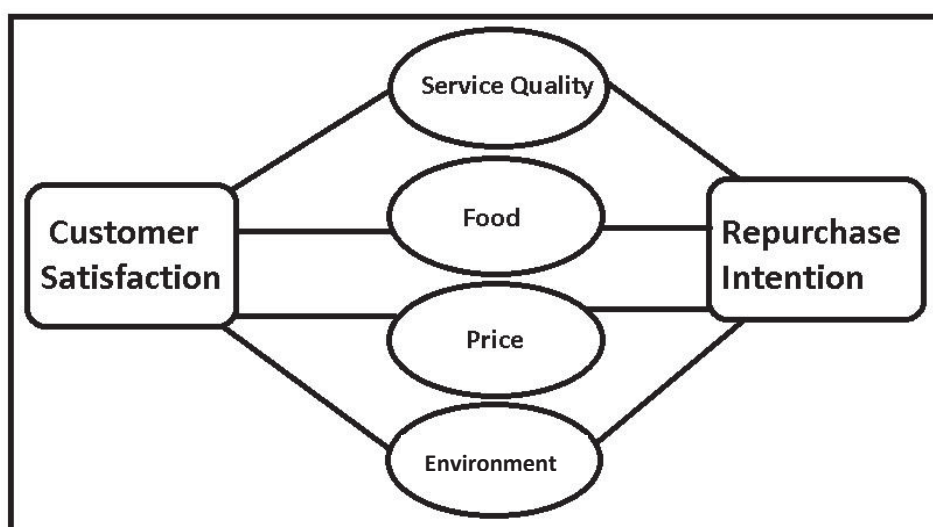


Figure 1: Conceptual Framework

This study will focus on the relationship between customer satisfaction and repurchase intention in which it is determined by four attributes of customer satisfaction on McDonald's Kuala Lumpur (service quality, food quality, price and environment) towards repurchase intention as shown in Figure 1.

Fast Food Restaurant in Malaysia

Most Malaysians prefer to eat home cook food or to take away their foods than dine at restaurant. Nonetheless, due to the changes in consumer trends, the act of eating outside becomes more popular which supports the existence of fast food outlets (French, Story, Fulkerson, & Hannan, 2001 is cited by Yong et al., 2013). The acceptance of fast food is also strongly associated with the acceptance tendency of Malaysians adopting western styles of food consumption. Besides that the demand has also increased because of many factors. For instance, this may include the growing of middle class population, changing in consumer tastes, preferences and lifestyle.

McDonald's in Malaysia

The world biggest fast food outlet, McDonald's made their way to expand their corporation in Malaysia back in December 1980. It was when McDonald's Corporation, USA gave Golden Arches Restaurants Sdn. Bhd. the license to operate McDonald's restaurants in Malaysia where they have been operating for more than 30 years under that brand (Golden Arches Restaurant Sdn. Bhd., 2015). They managed to bring the first taste of McDonald's to local consumers exactly on 29 April 1982. (Malaysia Business Information Links, 2008).

With the adapted price, packaging, taste and products McDonald's restaurants managed to populate more than 270 McDonald's outlets throughout Malaysia. (McDonald's Malaysia, 2014).

Customer Satisfaction

Based on Babin and Harris (2013), it was found that customer satisfaction is interpreted by different attentions from researches and marketing managers which lead to different perceptions from one individual to another. It is shown that customer satisfaction takes part in post purchase stage of five stage model of consumer buying process (Kotler & Armstrong, 2012). Customer satisfaction is defined as a post consumption evaluation of a product or a service and the ability of an organization to provide a service performance that exceeds the customer expectations (Chionomona & Sandada, 2013). According to Liu et al. (2009 cited by Sabir et al., 2014), restaurants should provide customer services which are consistent, efficient and genuine in order to create customer satisfaction because highly satisfied customers are one of the most important assets to the organization. Customer satisfaction is always highly related to perceived restaurant quality. In today's market, customers expect that they will receive good restaurant quality when dining in fast food restaurants. In this study, three general categories of perceived restaurant quality are provided as greatest potential determinants of customer satisfaction. These general categories are food quality, service quality and restaurant environment (Yong et al., 2013). Supported by Sabir et al. (2014), it is stated that these three determinants could affect the customer satisfaction in terms of service quality, price and environment of restaurants.

Repurchase Intention

Repurchase intention is defined as the person's likelihood of using a service provider (Yaw, Awi & Chaipoopirutana, 2014) or also buy the product in the future (Zawiyah, Halim & Hamed, 2005). In the restaurant industry, customers' level of satisfaction is strongly associated with repeated purchase intention (Cho & Park, 2001). Each of the individual is influenced by different reasons for coming back to any restaurant in the future (Soriano, 2002). In addition, Weiss (2003) stated customer revisit intention or even purchase intention is basically influenced by the restaurant attributes (service quality, food quality, price and environment quality). It is important as repeating customers are more profitable than acquiring new customers.

METHODOLOGY

In this study, formal scientific methodology was used as the method to collect the information. The data collection method was done through hard copy of communication study order to get more precise and unbiased data for them to fill in their opinions. In terms of quantitative study, cross sectional dimension and statistical study were selected to obtain data from 171 respondents at the McDonald's Kuala Lumpur outlets in Berjaya Times Square, Sungei Wang, and Leisure Mall by using non-probability convenience sampling method.

The sampling was restricted to 18 years old and above, as this group would have chosen their own food and beverages for about 6 days. This questionnaire was done in order to capture the information of respondents in Kuala Lumpur. The survey questions are segmented into seven sections. Each of them has different questions to support the study; but, they are segmented into two methods which are multiple choices and Likert Scales. Based on the collected data, SPSS (Statistical Package for Social Sciences) was utilised to ascertain the descriptive and inferential analyses.

RESULTS AND DISCUSSION

Respondents' Profiles

Table 1: Percentage of Respondents in Accordance to Gender

Gender	Number	Percentage (%)
Male	93	54
Female	78	46
Total	171	100%

Table 1 shows the distribution of respondents in accordance to gender. Among the respondents, it is noted that there were almost equal proportion of male (54%) and female (46%).

Table 2: Percentage of Respondents in Accordance to Age Groups

Age Group	Number	Percentage (%)
18-27	107	63
28-37	39	23
38-47	13	8
48-57	5	3
58-67	6	4
≥ 68	1	1
Total	171	100%

In Table 2, most of the respondents were in the age group of 18-27 years old (62%). Meanwhile, 23% of them from the age group of 28-37 years old, 8% from the group of 38-47 years old, 3% from the group of 48 to 57 years old, 4% from the group of 58-67 years old, and the remaining 1% from the group of 68 years old and above.

Table 3: Number of Respondents in Accordance to Occupation

Occupation	Number	Percentage (%)
Students	97	57
Employees	47	27
Businessman/woman	20	12
Non-working	7	4
Others	0	0
Total	171	100%

Table 3 indicates 57% or 97 of the respondents were students. This is followed by employees with 27% or 47 of the respondents. 12% or 20 of the respondents indicated that they were businessman or businesswoman. The remaining 4% or 7 respondents were not working.

Table 4: Number of Respondents in Accordance to Monthly Income

Monthly Income	Number	Percentage (%)
<RM1000	73	43
RM1000-RM1999	35	20
RM2000-RM2999	26	15
RM3000-RM3999	17	10
RM4000-RM4999	12	7
≥RM5000	8	5
Total	171	100%

Table 4 shows 43% or 73 of the respondents indicated that their monthly income was lesser than RM1000. 20% or 35 of the respondents indicated their monthly income ranged from RM1000 to RM1999. 15% or 26 of the respondents notified that their monthly income was between RM2000 to RM2999. While, 10% (17) and 7% (12) of the respondents indicated their monthly income fell between the range of RM3000 to RM3999 and RM4000 to RM4999 respectively. Only 5% (8) of the respondents indicated their monthly income was more than RM5000.

Table 5: Number of Respondents in Accordance to Frequency of Patronage

Frequency of Patronage	Number	Percentage (%)
Once a year	19	11
Once a month	102	60
Once a week	36	21
More than once a week	14	8
Total	171	100%

As stated in Table 5, majority of the respondents (60% or 102 respondents) patronage to McDonald's restaurants with the frequency of at least once a month. This is followed by the frequency of patronage of once a week (21% or 36 respondents), once a year (11% or 19 respondents) and more than once a year (8% or 14 respondents).

Table 6: Number of Respondents in Accordance to Their Willingness of Revisit

Willingness of Revisit	Number	Percentage (%)
Yes	159	93
No	12	7
Total	171	100%

Table 6 shows that majority of the respondents (93% or 159 respondents) were willing to revisit McDonald's restaurants. Only 7% or 12 respondents indicated otherwise.

The Relationship between Customer Satisfaction and Repurchase Intention

Table 7: Correlations for Independent and Dependent Variables

		Repurchase intention	Service qualities	Product qualities	Price	Environments of restaurants
Repurchase intention (DV)	Pearson Correlation	1	.640**	.540**	.700**	.550**
	Sig.		.000	.000	.000	.000
	N	171	171	171	171	171
Service qualities (IV1)	Pearson Correlation	.640**	1	.300**	.400**	.280**
	Sig.	.000		.000	.000	.000
	N	171	171	171	171	171
Product qualities (IV2)	Pearson Correlation	.540**	.300**	1	.330**	.440**
	Sig.	.000	.000		.000	.000
	N	171	171	171	171	171
Price (IV3)	Pearson Correlation	.700**	.400**	.330**	1	.210**
	Sig.	.000	.000	.000		.000
	N	171	171	171	171	171
Environments of restaurants (IV4)	Pearson Correlation	.550**	.280**	.440**	.210**	1
	Sig.	.000	.000	.000	.000	
	N	171	171	171	171	171

****Correlation is significant at $p < 0.01$ (2-tailed)**

As shown in Table 7, all the four independent variables (service qualities, product qualities, price and environment of restaurants) were found to have significant relationship ($p < 0.01$) to the dependent variable (Repurchase intention). Service qualities and price showed positive and strong relationship with repurchase intention. Meanwhile, product qualities and environment of restaurants showed positive and moderate relationship with repurchase intention.

Price had a correlation of $r = 0.700$, $p < 0.01$. The result indicated the strongest relationship among the four variables with repurchase intention. This finding is consistent with Weiss's (2003) findings that stated customer revisit intention or even purchase intention is basically influenced by service quality, food quality, price and environment quality. The current finding indicated that any increment in price would increase the customer repurchase intention and vice-versa.

Similarly, service qualities showed a strong and positive correlation of $r = 0.640$, $p < 0.01$, towards repurchase intention. This finding again is consistent with Weiss's (2003) findings. A good service quality will lead to higher chances for customers to repurchase food from the premises.

Previous study supported a strong and positive relationship between product qualities, environment of restaurants and repurchase intention (Cho & Park, 2001). However, the current study indicated moderate positive relationships between these variables with the values of $r = 0.540$, $p < 0.01$ and $r = 0.550$, $p < 0.01$ respectively.

CONCLUSION

The objective of this study was to determine the relationship between customer satisfaction factors (price, service quality, product qualities and environment of the restaurant) and repurchasing intention in McDonald's restaurants in Kuala Lumpur. In conclusion, it was found that there was a strong and positive relationship between price and repurchasing intention. Similar relationship was also found for service quality and repurchasing intention. Furthermore, the product qualities and restaurant's environment were found to have moderate and positive relationship with repurchasing intention.

The results of this study contribute to the institutions of higher learning in Kuala Lumpur in terms of meeting up with the internal demands of food and beverage services. The institutions could allow fast food restaurant owners to operate businesses at their premises. In this way, it may help to boost not just the fast food businesses, but also to benefit the institutions in terms of generating income from the rental fees.

The results of this study also served as a useful information for managers from McDonald's restaurants in Kuala Lumpur to be able to create a better performance planning for their outlets. Based on these findings, managers will be able to work on a more strategic plan to enhance customer satisfaction as well as the customer repurchase intention and eventually their business growth.

Recommendation for Further Study

For further research, it is suggested that to bring in broader types of customers into the sample. For instance, senior citizens and secondary school students could be included to ascertain their perceptions regarding the relationship between customer satisfaction and repurchase intention. The results of the study of the senior citizens and secondary school students could profitably be compared with the findings of this study.

A future study might consider the factor of brand loyalty and its effects on repurchase intention. The study might examine the relationship and the influence of brand loyalty towards repurchase intention.

Besides, further study should also consider on different platforms and type of restaurants as the area of their studies. The findings could be a comparison to the current study; hence, these will enrich the literature by adding new pieces of information to the field with empirical evidence.

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