Customer Perceptions and Behaviors of Fast Food Restaurants: A Case Study of Radix Fried Chicken Sdn. Bhd.

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Abstract: In developing marketing strategies, it is important to find out customers perceptions and behavior. Many studies on consumer behavior have been undertaken towards this end. This study focuses on customer perceptions and behaviors of fast food restaurants based on a case study of Radix Fried Chicken Sdn. Bhd. The study which employs the quantitative method uses data obtained from 400 customers. It examines the influence of marketing mix and customer shopping behavior on customer purchase decision. The results show that demographic characteristics, i.e., gender, age, education level and monthly income do not have a high degree of influence on customer purchase decisions. Rather, the seven marketing mix are major factors which influence customer purchase decision. The findings of this study supports the Model of Nature of Customers' Perception developed by Del, Roger and Kenneth in the year 2004, which states that individuals are not passive interpreters of marketing and other messages; and customers actively assign meanings to products and services based on their needs, desires, expectations and experience.

Key words: customer perceptions and behaviors; customer purchase decisions; fast-food industry

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1. Introduction

Demand for and consumption of fast food continues to be significant in Malaysia. As is probably the case in other parts of the world, highly time-constrained lifestyle with limited time for dining and affordability may be some major factors for this phenomenon. Thus, many studies have been conducted to study various aspects of the fast food industry. This paper reports the findings of a case study of customer perceptions and behaviors relating to Radix Fried Chicken Sdn. Bhd. (henceforth referred to as RFC), a Malaysian fast food chain. The objective of the study is to determine the relationship between customers' perceptions of the marketing mix (7P's) and their intention to purchase RFC products. The study of consumer behaviors refers to the study of individuals, groups, or organizations and the processes they use to select, secure, use and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society (Hawkins et al., 2004).

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2. Theoretical Framework

The theoretical framework of the study was developed based on the Model of Nature of Consumer Behaviors by Hawkins, Best, Convey and Koch (2004) on Zeithaml, Bitner and Grembler's Stages in Consumer Decision Making and Evaluation of Services (2012) and on Fifielf and Gilligan's (1996) Marketing Mix — the 7P's. The theoretical framework is as shown in Figure 1. Two hypotheses were made, i.e., Hypothesis 1— Customers differentiated by demographics categories (gender, age, nationality, education level and income level) have different purchase intentions toward RFC products; and Hypothesis 2 — Customers differentiated by demographics categories (gender, age, nationality, education level and income level) have different consumption behavior at RFC restaurants.
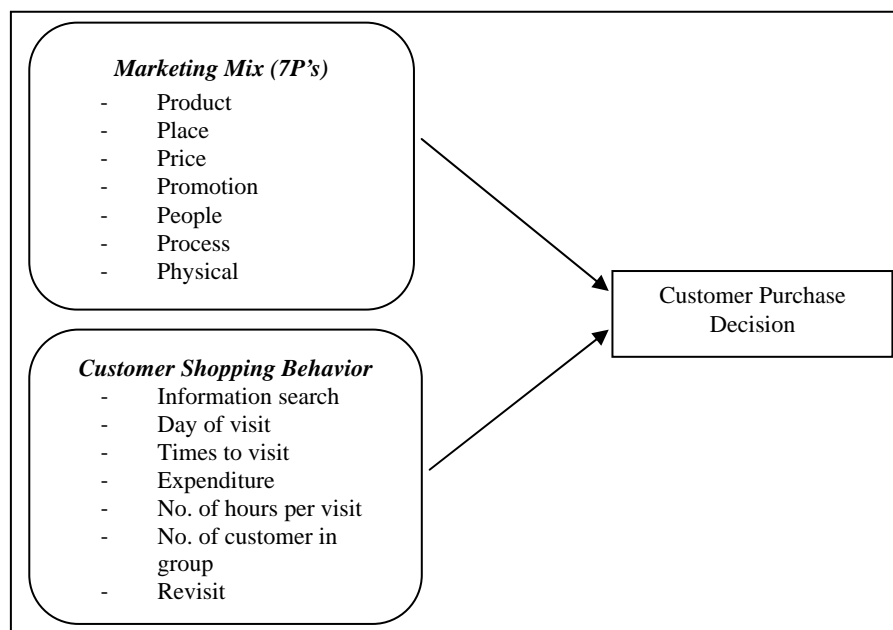

Marketing Mix (7P's)
- Product
- Place
- Price
- Promotion
- People
- Process
- Physical

Customer Shopping Behavior
- Information search
- Day of visit
- Times to visit
- Expenditure
- No. of hours per visit
- No. of customer in group
- Revisit

Customer Purchase Decision

Figure 1   Theoretical Framework

3. Methodology

This is a descriptive study which is based on the ideals of positivism which assumes that "reality" is out there waiting to be discovered and that universal laws of nature operate according to rational, logical reasoning as described by Hair, Money and Samuel (2007). The populations of this study are customers who eat at any RFC Restaurants in Malaysia. Sampling size was calculated from average number of customers who visited RFC restaurants in one month. In this study, the questionnaire which uses five-point "Likert Scale" to measure the degree of customers' consideration of services provided by RFC restaurants, was designed in two languages; in English and Malay languages in order to accommodate the different characteristics of the respondents. The questionnaire has three sections. The first section of questionnaire includes seven (7) questions. This section required the respondents to provide their personal data and demographic characteristics like gender, age, nationality, educational level, income level and hobbies. The second section consists of seven (7) questions. This section of questionnaire enquires customers' behaviors when visiting RFC Restaurant. The required information includes, day of visit, time of visit, amount of expenditure, number of hours spend per visit, number of members

of group visit and number of re-visit to RFC restaurants. The last section consists of 34 questions in total, divided in seven parts which covers the customers' perceptions towards RFC restaurants in order to develop the marketing mix strategy. The seven elements of mix strategy are product, place, price, promotion, people, process and physical. A pilot research instrument was conducted to 10% of the overall sum of customers in RFC per month to check the clarity and the respondents' comprehension of the questions in the questionnaire. Four hundred questionnaires were gathered. The data collected from the questionnaire that represent the population sample were analyzed by SPSS. The data analysis involves descriptive statistic and inferential statistics. The frequency data consists of percentage, means, chi-square, standard Deviation, t-test and f-test.

4. Findings

The paper only reports two (2) of the three (3) major findings of the study which are:

(1) The Overall Results of Customer Perceptions of the Marketing Mix (7Ps); and

(2) The results of the hypothesis tests of the relationship between demographic characteristics and customers intention to consume RFC products.

4.1 The Overall Results of Customer Perceptions of the Marketing Mix (7Ps) of RFC

Table 1 shows the overall results of Customer Perceptions of the marketing mix (7Ps) of RFC. From this table, it is observed that firstly, for all the marketing mix, by aggregated mean, RFC was not considered excellent. The best mean was "good". Nonetheless, of the 35 elements, 28 were rated "good" and only seven elements were rated "average". Secondly, customers regarded the promotion efforts of RFC as "average" for all the elements which include "Advertising in Local Media", "Tray Mat""Leaflets" and "Vouchers or Discount". For the marketing mix, "Place", "neighborhood around RFC" was rated "average". For the marketing mix "People and Staff", the element "training" was rated average. For the marketing mix "Process/Services", the element "Time Taken for Food Delivery" is rated average.

4.2 Relationship between Demographic Characteristics and Intention to Consume at RFC

Five (5) demographic variables were tested to statistically determine whether differences in these variables have effects on intention to consume at RFC. The five (5) variables are gender, age, nationality, education level and income level.

Details of the statistical results are as follows:

Hypotheses 1.1: Different gender will have different perceptions to consume Radix Fried Chicken Restaurant services:

H0: There is no difference in perception to consume at RFC Restaurants by gender.

H1: There is a difference in perception to consume at RFC Restaurants by gender.

Table 2 presents the experiment result from t-test about relationship between two groups of gender and customer perception of RFC Restaurants. The significant level is 0.055. This significant level is greater than 0.05, therefore, accept H0. Therefore, **there is no significant difference between genders to the perception toward RFC Restaurants.**

Hypotheses 1.2: People of different age will have different perceptions to consume RFC products:

H0: There is no difference in perception to consume at RFC products by age.

H1: There is a difference in perception to consume at RFC products by age.

Table 1   The Overall Customer Perception Result by Mean and Standard Deviation

Item	Customer Perception of RFC Restaurants		Mean	Standard Deviation	Translate Meaning
1	Products	Taste	3.7425	0.82334	Good
		Menu Variety	3.7350	0.86987	Good
		Cleanliness	4.0600	0.80810	Good
		Healthy Food/Freshness	4.0150	0.84354	Good
		Average	**3.8881**	**0.83621**	**Good**
2	Place	Convenient Location	3.7050	0.86883	Good
		Close to other Interesting Places	3.5775	0.91984	Good
		Decoration in RFC	3.6775	0.86334	Good
		Neighborhood around RFC	3.1725	1.06564	Average
		Average	**3.5331**	**0.92941**	**Good**
3	Price	Reasonable Pricing	3.6125	0.85976	Good
		Value for your Money	3.5975	0.81680	Good
		Good Price Range	3.5900	0.79906	Good
		Good Price Combo Sets	3.6250	0.84330	Good
		Average	**3.6063**	**0.82973**	**Good**
4	Promotion	Advertising in Local Media	3.1875	1.18145	Average
		Tray Mat	3.2250	1.07576	Average
		Leaflet	3.2225	1.10046	Average
		Vouchers or Discount	3.3900	1.23763	Average
		Average	**3.2563**	**1.14883**	**Average**
5	People/Staff	Attentive Service	3.5250	1.00094	Good
		Teamwork	3.5625	0.97646	Good
		Training	3.3975	1.00350	Average
		Communication Skill	3.4450	1.05582	Good
		Average	**3.4825**	**1.00918**	**Good**
6	Physical/RFC Appearance	Décor	3.7075	0.84779	Good
		Employee Uniforms	3.8500	0.83019	Good
		Menu Board Design	3.7800	0.82965	Good
		Logo and Brand Material	3.8550	0.81279	Good
		Average	**3.7981**	**0.83011**	**Good**
7	Process/Services	Time to Oder	3.4300	1.04299	Good
		Time taken to deliver food	3.4075	1.05557	Average
		Easy to Understand Menu	3.6675	0.91872	Good
		Overall Services	3.5500	0.94855	Good
		Average	**3.5138**	**0.99146**	**Good**
Overall Customer Perception in RFC Restaurants in Average Total			**3.5826**	**0.93928**	**Good**

Table 2   Difference in Perception Classified by Gender

Customer Perception to RFC Restaurants	No. of Respondent	Mean	S.D.	Sig.	t	Sig. (2-tailed)
Gender				0.055	-0.095	0.924
					-0.093	0.926
Males	164	0.89211	0.06966			
Females	236	0.77390	0.05038			
Significant level at 0.05						

Table 3 presents, test between customers' five groups of age and perception. The experiment result from F-test significant level of 0.224 is greater than 0.05, therefore, accept H0. **Difference in age leads to difference in perceptions toward RFC Restaurants.**

Hypotheses 1.3: The discrepant on nationality will have differed on the perception to consume RFC Restaurant services:

H0: There is no difference in perception to consume at RFC Restaurants by nationality.

H1: There is difference in perception to consume at RFC Restaurants by nationality.

Table 3   Difference in Perception Classified by Age

Customer Perception to RFC Restaurants	No. of Respondent	Mean	S.D.	F	Sig.
Age				1.428	0.224
Below 20 years old	65	3.6923	1.07417		
21-30 years old	271	3.7232	0.71555		
31-40 years old	41	3.7317	1.02529		
41-50 years old	14	4.0714	0.91687		
Over 50 years old	9	4.2222	0.44096		

Table 4 present, the experiment result from t-test and significant level that the relationship of two group of nationality and perception to RFC Restaurants. This significant level is 0.293 which is greater than 0.05, therefore, accept H0. This mean **there is no difference in perception to consume at RFC Restaurants by nationality**.

Hypotheses 1.4: The discrepant on education level will have differed on the perception to consume RFC Restaurants:

H0: There is no difference in perception to consume at RFC Restaurants by Educational level.

H1: There is an on perception to consume at RFC Restaurants by Education level.

Table 4   Difference in Perception Classified by Nationality

Customer Perception to RFC Restaurants	No. of Respondent	Mean	S.D.	Sig.	t	Sig. (2-tailed)
Nationality				0.293	0.165	0.869
					0.129	0.900
Resident	390	0.81811	0.04143			
Tourist	10	1.05935	0.33500			
Significant level at 0.05						

Table 5 present four groups on education level that experiment result from f-test of relationship between education level and perception. The significant level of this experiment is 0.003, which is less than the definition of significant level 0.05. Therefore reject H0. Therefore, **there is a difference in perception to consume at RFC Restaurants by education level.**

Hypotheses 1.5: The discrepant on income per month will have differed on the perception to consume RFC Restaurants:

H0: There is a difference in perception to consume at RFC Restaurants by income.

H1: There is difference in perception to consume at RFC Restaurants by income.

Table 6 present five groups on income per month that the experimental result from f-test of the relationship between income per month and perception. The experiment significant level is 0.000 which less than the definition of significant level 0.05. It means we must reject H0, and therefore, **there is a difference in perception to consume at RFC Restaurants by income**.

Table 5   Difference in Perception Classified by Educational Level

Customer Perception to RFC Restaurants	No. of Respondent	Mean	S.D.	F	Sig.
Educational Level				4.796	0.003
Elementary	13	4.3846	0.96077		
High School	64	3.5000	0.92582		
Bachelor Degree	263	3.7529	0.74888		
Master Degree or Higher	60	3.8167	0.91117		

Table 6   Difference in Perception Classified by Income per Month

Customer Perception to RFC Restaurants	No. of Respondent	Mean	S.D.	F	Sig.
Income per Month				5.559	0.000
Less than RM1,000.00	271	3.6974	0.81009		
RM1,001.00-RM2,500.00	73	3.6164	0.79285		
RM2,501.00-RM4,000.00	39	3.9487	0.79302		
RM4,001.00-RM5,500.00	12	4.4167	0.90034		
Above RM5,500.00	5	4.8000	0.44721		

5. Conclusion

The major conclusions of this study are firstly, RFC restaurants are only rated at best as "good" by customers. For seven elements for which RFC was rated "average", it must take action. These are promotion, training and time taken to deliver food. The last element, "time taken to deliver food" is a critical success factor for many fast-food restaurants. Therefore, if RFC intends to be competitive in the fast-food industry, it must come up with clear-cut strategies to manage this challenge.

Another major conclusion to this study is that the perceptions to consume at RFC are differentiated by age, education level and income level. Differences in gender and nationality have no relationship in customer's perceptions to consume RFC products.

Finally, the findings of this study supports the Model of Nature of Customers' Perception developed by Del, Roger and Kenneth in the year 2004, which states that individuals are not passive interpreters of marketing and other messages; and customers actively assign meanings to products and services based on their needs, desires, expectations and experience

6. Recommendations

These research findings would be useful and applicable for RFC Restaurants in order to promote and to set-up an effective marketing mix strategy for the restaurant in the future. The following recommendations are proposed to the management team of RFC Restaurants:

(1) To use these findings to identify key areas of service perception. This study can help the management to make decisions and set-up new marketing mix strategy based on the finding of researcher on customers' behavior and customers' perception from the use of the marketing mix (7P's).

(2) To improve the staff skills, especially communication skills. The management of RFC Restaurants should provide employee training programs on continuous basis to enable them serve customers more efficiently.

(3) To identify more effective marketing and promotion strategy. The findings of the study suggest that the management of RFC should promote their products in many different ways like local media, newspaper and

magazines. Besides, they may also distribute leaflet or brochures and voucher or discount coupons to potential customers in the nearby community areas.

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