The Perceived Service Quality of Chain Restaurants in Bangkok

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Abstract

The chain restaurants in Bangkok were facing competitive challenges from the rise of new entrepreneur to the food service sector. The purpose of this study was to identify the consumption behavior and the current perceived service quality among the customers of chain restaurants in Bangkok. The questionnaire survey was conducted with a sample of 400 customers who experienced the service of several chain restaurants. The demographic data showed that the main target group of chain restaurants was female, young employee, holding bachelor's degree or above, and working in a private company with typical middle to high income family class. By performing factor analysis, five factors of service quality attributes were identified and customer perception of service quality was measured among different gender, age and income group. Finally, multiple regression analysis was tested the relationship between five service quality dimensions and customer's repurchase intention to the service at the chain restaurants. Tangibility was found to be the most dominant factor that influenced customer's repurchase intention for the service, followed by assurance, responsiveness, and reliability, while empathy was not statistically significant correlated. Results from this research provided several implications for the chain restaurants to enhance their service quality.

Keywords: Service quality; Chain restaurant; Consumer perception; Repurchase intention

Introduction

The food service sector including hotels, restaurants and caterers was a major part of tourism industries in Thailand (World Bank, 2013). In 2009, hotel and restaurant businesses, value of 439,720 million baht, occupied 4.9% of GDP (Technology Promotion Association, 2010). In 2010, the number of restaurants in Thailand was less than 60,000 (Ongkunaruk and Sribuathong, 2012), but has increased to 61,760 accounted for 669,000 million baht in 2013 (Kasikorn Research Center, 2014). Restaurant businesses could be classified into two types which were independent restaurant and chain restaurant. Chain restaurant was defined as the restaurant having the similar name, product and policy in all branches. Each branch could be founded in local area, province and national level which were owned by the parent company (Scott, 2013). Recently, Euromonitor revealed that Thai consumers decreased in spending on independent restaurant, while an expense on chain restaurant has raised an increase of 28.7% (Euromonitor, 2012). In 2013, Kasikorn Research Center estimated the growth of chain restaurants due to several reasons including changing in consumer lifestyle to seek for convenience when dining out, the expansion of chain restaurant to department store and community mall, an increased market extension of multinational chain restaurant to Thailand, and the strategic partnership's promotional tactic between chain restaurant and financial institutions. These factors would stimulate the growth of chain restaurants, particularly in Bangkok and vicinity area.

In a consumer oriented era, businesses had to be aware of customer requirements and creating food value chain analysis to improve the customer satisfaction (Zokaei and Simons, 2006). Restaurant businesses were facing competitive challenges due to the rise of new entrepreneur who enabled to offer the unique and superior service to the customers (Steven et

al., 1995). In customer-centric approach, restaurants would attempt to meet or exceed the expectations of the customers as promised by the restaurants. The service quality was one of the major determinants of customer satisfaction and retention, and it would directly affect the business success (Huam et al., 2011). The quality of service would be not only retaining the existing customers, but also certainly bringing new customers through word of mouth communication. However, the assessment on the quality of service was different from general goods because of intangibility attribute. Service quality was assessed by consumer perception and it was likely to be subjective (Parasuraman et al., 1988). Parasuraman et al. (1985, 1988, 1991) developed the service quality measures namely "SERVQUAL" to assess the perceived service quality. Since it measured the expectation and actual performance that was satisfaction, Cronin and Taylor (1992) adapted the new measures called "SERVPERF" which was more appropriate to assess the performance of service quality. Basically, measuring the service quality level periodically was a key component for organizational mission and it would be a part of the quality improvement initiative in the restaurant business (Rita et al., 2011).

This research aimed to identify the consumption behavior and the current perceived service quality of chain restaurants in Bangkok, by means of consumer survey. Perceived service quality was measured by adapting the attribute dimensions of SERVPERF. The results of this study would provide the assessment of consumer perception toward the service quality and the significant relationship between perceived service quality and consumer's repurchase intention for the service of chain restaurants in Bangkok. Finally, several implications for chain restaurant businesses to improve service quality were discussed.

Research Methodology

- **Research design**

This study was a descriptive research, conducted by using a survey method with questionnaire. The study was scoped the consumer survey for the chain restaurants located in Bangkok Metropolitan area. The questionnaire was developed based on the previous academic literatures and used to obtain the consumption behaviors and perceptions of the respondents toward the service quality of chain restaurant. The questionnaire consisted of personal information, consumption behaviors for chain restaurants, the attribute dimensions of service quality (SERVPERF, adapted from Cronin and Taylor, 1992) and consumer's repurchase intention to the service of chain restaurants. Ratings were collected on a seven-point Likert scale ranging from 1=least agree to 7=most agree.

- **Sample and data collection**

The targeted samples in this study were consumers who had experiences on the service of chain restaurants. The various chain restaurants in Bangkok were selected including S&P, Black Canyon, See Fah restaurant, and etc. Initially, the pretest was conducted with thirty respondents who were sampling to answer the questionnaire, in order to assure the validity and reliability. Later, the questionnaire was revised and implemented with larger groups of respondents. Four hundred consumers were face to face interviewed by judgment sampling accordingly. Screen question was used to particularly focus on the respondents who had experiences in dining out at the chain restaurants.

The quality of the research instrument or questionnaire was examined by assessing the face validity and the reliability (Hair et al., 2006). The previous literature relating to service quality was reviewed and adapted to develop the questionnaire. Therefore, it can be concluded that all questions tabbed the established objectives and was valid. The reliability was assessed by using Cronbach's alpha to verify the internal consistency of the questionnaire (Hair et al., 2006). The assessment showed that all Cronbach's alpha for scale questions or all service quality dimensions were greater than 0.70, which was sufficient for internal consistency (Nunnally and Bernstein, 1994).

After collecting all questionnaires, the data was analyzed by PASW Statistics 18 for windows. Descriptive analysis including frequencies, means and standard deviations were calculated. Factor Analysis was applied in order to decrease the number of variables on service quality dimensions, and calculated the factor scores for further analysis. Finally, all factors were identified as the independent variables for multiple regression analysis, to investigate the significant relationship between service quality dimensions and consumer's repurchase intention to the service of chain restaurants.

Results and Discussions

Part 1 Respondents' profiles

The demographics of the target respondents were presented in Table 1. The majority of respondents were female, approximately 67%. The average age for all respondents was 33 years old. They possessed the academic qualification level of bachelor's degree (65%), master's degree (24%), high school (10%) and above master's degree (1%), respectively. According to socio-economic status, a half number of the respondents obtained an average

monthly income over than 20,000 THB. There was only 21% of respondents who received less than 10,000 THB per month. Regarding occupation, it has been found that most respondents were working as a company employee (44%), followed by student (26%), others (14%), entrepreneur or businessman (11%) and government officer (5%), respectively.

Overall, the demographic data showed that the main target customer for chain restaurants in Bangkok was female, young employee (around 30s), holding bachelor's degree or above, and working in a private sector with their monthly income was over than 20,000 THB, or typical middle to high income family class.

Table 1: Demographic data of respondents (n=400)

Variables		No. of respondents	Percentage
Gender	Male	132	33%
	Female	268	67%
Age	Mean = 33 years old		
Education	High School	42	10%
	Bachelor's degree	259	65%
	Master's degree	96	24%
	Above Master's degree	3	1%
Monthly income	Less than 10,000 THB	85	21%
	10,000-20,000 THB	117	29%
	20,001-30,000 THB	64	16%
	More than 30,000 THB	134	34%

Table 1: Demographic data of respondents (n=400) (Continue)

Variables		No. of respondents	Percentage
Occupation	Student	106	26%
	Entrepreneur/Business	42	11%
	Company employee	175	44%
	Government officer	21	5%
	Others	56	14%

Part 2 Respondents' consumption behaviors

The consumption behaviors for foods and services at the chain restaurants expressed by the respondents were presented in Table 2. The respondents preferred to have a meal at S&P restaurant around 24%, followed by Black Canyon (19%), See Fah (12%), Je Ngor Kitchen (11%), and other restaurants, respectively. They usually visited the restaurant less than once a month (28%), once a month (23%) and 2-3 times a month (23%). Almost 80% of respondents aimed to have leisure dining at the chain restaurant, while the other 20% would prefer to have a party, business meeting or privacy time at the restaurant. More than 90% of respondents usually visited the restaurants with their family, relatives and friends, while only 6% come alone. Many respondents (29%) had known the restaurant from their friends or word of mouth communication. Television and radio was the second alternative as a source of information (24%), while internet and social network was increasing recognized as a favorable source (20%). Finally, asking about the most important reason to choose the particular chain restaurant, most respondents indicated that convenience to visit was the most

favorable reason (41%). The tasty foods and reasonable price were also a major concerned factor (35% and 10%).

Table 2: Consumption behaviors of respondents (n=400)

Variables		No. of respondents	Percentage
Chain restaurant	Je Ngor Kitchen	142	11%
	S&P	316	24%
	Bua	100	7%
	See Fah	206	16%
	Laem Charoen	154	12%
	Black Canyon	248	19%
	Banana Leaf	76	5%
	Others	81	6%
Frequency of use	More than once a week	49	12%
	Once a week	57	14%
	2-3 times a month	92	23%
	Once a month	92	23%
	Less than once a month	110	28%
Purpose of visit	Leisure dining	315	79%
	Party	45	11%
	Meeting	19	5%
	Privacy	15	4%
	Others	6	2%

Table 2: Consumption behaviors of respondents (n=400) (Continue)

Variables		No. of respondents	Percentage
Accompany person	Alone	25	6%
	Family / Relatives	204	51%
	Friends	158	40%
	Others	13	3%
Source of information	Friends	115	29%
	Television/ Radio	96	24%
	Family/Relatives	31	8%
	Pass by	63	16%
	Internet/Social network	82	20%
	Others (newspaper/brochures)	13	3%
The most important reason to choose	Tasty foods	140	35%
	Reasonable price	38	10%
	Convenience to visit	163	41%
	Promotion	21	5%
	Good atmosphere	29	7%
	Others	9	2%

The above analysis was paralleled with the prior studies about the consumer behavior for foods and services at the restaurants in Thailand. The study of Sommanaphan and Khongsawatkiat (2013) revealed that the target group of Thai foods restaurant was female,

between 31-35 years old with single status. Most of them had bachelor's degree and obtained monthly income around 20,000-30,000 THB. In addition, Asavamongkolphan (2006) found that friends and family influenced consumer's decision to have a meal at the restaurant, and word of mouth communication was the most favorite source of information.

Part 3 The analysis of perceived service quality for chain restaurants

The service quality of chain restaurant was the level of service that satisfied customers' needs. Since service quality was intangible, it must be assessed by perception of consumers (Parasuraman et al., 1988). In this study, the service quality was assessed by adapting SERVPERF attributes (Cronin and Taylor, 1992). There were 21 questions asking the respondents for their perceptions toward the service quality of chain restaurants. All questions were rated on 7-point Likert scale (1=least agree to 7=most agree). After performing factor analysis, five interpretable factors were obtained from the analysis. Factor 1 was Tangibility (4 questions), Factor 2 was Reliability (5 questions), Factor 3 was Responsiveness (4 questions), Factor 4 was Assurance (4 questions) and Factor 5 was Empathy (4 questions). Five factors for the attribute dimensions of perceived service quality of chain restaurant were summarized in Table 3.

Table 3: Five factors of perceived service quality

Factor 1 Tangibility (4 questions)	Factor 2 Reliability (5 questions)	Factor 3 Responsiveness (4 questions)	Factor 4 Assurance (4 questions)	Factor 5 Empathy (4 questions)
- Modern equipment - Appealing physical facility -Neat appearing employees - Visually appealing service materials	- Should do as promised -Interest in solving customer problems - Perform service right the first time - Provide service at time promised - Insist on error free records	- Prompt service to customers - Always willing to help customers - Never too busy to respond to request -Have customer best interest at heart	- Consumer feel safe in transactions - Consistency of staff politeness - Knowledgeable - Consistently courteous with customers	- Convenient operating hours - Employees give personal assistance - Individual attention to customers - Understand customer specific needs

In this section, the level of service quality perceived by respondents (mean score) with different gender, age and income groups were calculated according to five dimensions as shown in Table 4 to Table 6. The descriptive analysis indicated that both male and female consumers perceived tangibility was the most favorable attribute, and empathy was the least.

Overall, female perceived a little more service quality than male in terms of tangibility, reliability and assurance. According to age, the older consumers were likely to perceive less service quality than the younger persons across five dimensions. For income, high income-level consumers, over than 30,000 baht per month, perceived less service quality in the aspects of reliability, responsiveness and empathy than low income-level group. The respondents regarded empathy as the least concerned factor since this factor obtained the lowest mean score with highest standard deviation. The standardized operation of chain restaurant which was established by the parent company would be the reason for less perception of attentive service.

Table 4: Gender differences and perceived service quality

Factors	Male	Female
	Mean score (S.D.)	Mean score (S.D.)
Tangibility	5.15 (0.85)	5.26 (0.90)
Reliability	5.07 (0.96)	5.10 (0.94)
Responsiveness	4.96 (1.11)	4.95 (1.13)
Assurance	5.07 (0.94)	5.08 (0.91)
Empathy	4.18 (1.35)	4.10 (1.40)

Table 5: Age differences and perceived service quality

Factor	Age (years)				
	15-24	25-34	35-44	45-54	55-64
	Mean score (S.D.)	Mean score (S.D.)	Mean score (S.D.)	Mean score (S.D.)	Mean score (S.D.)
Tangibility	5.14 (0.90)	5.20 (0.90)	5.39 (0.80)	5.34 (0.80)	4.93 (1.09)
Reliability	5.07 (0.94)	5.17 (0.99)	5.17 (0.92)	5.01 (0.86)	4.57 (0.92)
Responsiveness	4.91 (1.07)	5.05 (1.12)	5.07 (1.19)	4.84 (1.16)	4.52 (1.03)
Assurance	5.01 (0.94)	5.12 (0.90)	5.16 (0.93)	5.08 (0.92)	4.86 (0.88)
Empathy	4.24 (1.28)	4.28 (1.37)	4.02 (1.31)	3.79 (1.58)	3.84 (1.52)

Table 6: Income differences and perceived service quality

Factors	Income (THB)			
	<10,000	10,000-20,000	20,001-30,000	> 30,000
	Mean score (S.D.)	Mean score (S.D.)	Mean score (S.D.)	Mean score (S.D.)
Tangibility	5.15 (0.88)	5.31 (0.86)	5.20 (0.88)	5.20 (0.91)
Reliability	5.07 (0.92)	5.07 (1.01)	5.34 (0.92)	5.00 (0.90)
Responsiveness	4.97 (1.10)	4.91 (1.15)	5.22 (0.98)	4.86 (1.16)
Assurance	5.01 (0.96)	5.05 (1.01)	5.27 (0.71)	5.04 (0.90)
Empathy	4.26 (1.36)	4.05 (1.39)	4.51 (1.27)	3.94 (1.40)

Part 4 The relationship between perceived service quality and consumer's repurchase intention

The multiple regression analysis was performed to examine the relationship between perceived service quality attributes and intention to repurchase consumption at the chain restaurants of respondents. The independent variables were five factors; tangibility, reliability, responsiveness, assurance and empathy. The dependent variable (Y) was consumer's repurchase intention for the service at the chain restaurant which was measured by Likert scale (1=strongly unintended to 7=strongly intended. The results indicated that four factors had the positive relationships with intention (Y). At the 0.05 significant level, tangibility, assurance, responsiveness and reliability were positively significant (p-value<0.05), while empathy was not significantly associated with consumer intention. The regression equation was shown as following;

$$Y = 5.345 + 0.364\text{Tangibility} + 0.302\text{Assurance} + 0.229\text{Responsiveness} + 0.223\text{Reliability}$$

The multiple regression analysis revealed that tangibility was the most dominant factor that influenced consumer's repurchase intention for the service at the chain restaurants as it obtained the largest standardized coefficient, followed by assurance, responsiveness and reliability. Tangibility included the appearance of physical facilities, modern equipment, appearance of staff and attractive communication materials. Assurance was found to have the strong positive influence on consumer's repurchase intention. This was paralleled with a prior study by Zhou (2004). The consistency of service was the major practice of chain restaurant due to the training system and parent company's policy. The ultimate target was to assure the standard of service to consumers since the reliability of service quality would be able to create trustworthiness for consumers and then satisfaction as well as repurchase intention. It

could be concluded that consumers perceived that chain restaurant provided less attentive and caring or less personalized service to them. Basically, the chain restaurants were not flexible in their operations since they had to follow the practices of the parent company and perform the standardized service in all branches, and less familiarity with the customers.

Conclusion

The current study implemented performance-based approach to assess the service quality level of chain restaurants in Bangkok. The attribute dimensions adapted from SERVPERF were empirically tested and identified five interpretable service quality factors namely tangibility, reliability, responsiveness, assurance and empathy. Multiple regression analysis was used to analyze the association between five service quality factors and consumer's intention to repurchase the service at chain restaurant and identify the most dominant factor that influenced repurchase intention. The findings showed that tangibility was found to have the strongest positive significant impact. Chain restaurant managers should focus on the appearance of physical facilities, modern equipment, appearance of staff and attractive service materials. In addition, some useful practical implications could be drawn. The manager of chain restaurant should improve assurance by becoming more courteous, knowledgeable and trustworthiness during the service encounter. One of the best ways to build up high level of assurance was to responsively provide customers with timely, accurate and knowledgeable information about foods and beverages. It was also important to improve employee performance through increased employee motivation, improved service skills, training course and awareness of company policies. The quality assurance should attract more customers through the creation of consumer confidence. However, it was apparent that empathy was not significantly associated with repurchase intention, probably because of the

typical characteristic of chain restaurant that was not conveying, through personalized or customized service, that customers are unique and special like the case of independent restaurant. Finally, service quality measurement need to be done frequently and in a timely manner to obtain an accurate current level of service in order to encourage the customer purchase intentions. The managers of chain restaurants should apply service improvement programs in order to enhance the customer satisfaction and repurchase intention. Moreover, they should design programs that increase consumer likelihood of recommending the restaurant to others. Managing service quality levels is a critical strategy for chain restaurant to retain their current customers and also enable them to attract more potential customers in the future.

There were some limitations in this research. The respondents were sampled from Bangkok, and thus the conclusions derived from this study may be limited regarding the target sample. Future study should expand the scope to conduct at a nationwide to becoming more generalize. This research methodology could be further applied to the data for other types of restaurant. The interesting question that might be considered in future research is whether the results revealed in this study would be valid in other types of restaurants such as individual restaurant or fast foods restaurant.

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