Influence of Restaurant Attributes Towards Perceived Value and Customer Overall Satisfaction at Casual Dining Restaurants in Klang Valley

Faridah Ahmad, HazrinaGhazali, Mohhidin Othman and Nathalie Joan Jules

Faculty of Food Science and Technology, University Putra Malaysia, Serdang, Malaysia

Abstract: Casual dining restaurant becomes popular, especially among urban people in Malaysia which provides variety of menu in a comfortable environment with good services while the price offered is less expensive compare to fine dining restaurant. In order to identify the worthiness feeling dining at a casual dining restaurant, this study aimed to investigate the relationship between restaurant attributes towards perceived value. The relationship between perceived value and customers' overall satisfaction were also measured. A total of 682 usable responses from casual dining restaurant customers in the Klang Valley were analysed. An exploratory factor analysis and inferential statistics procedure were performed by using SPSS Version 21. Moderate impacts with positive correlation were found between service attributes, food attributes and physical environment with perceived value. Interestingly, innovative and convenience attributes were also found to have correlation with perceived value. In addition, the relationship between perceived value and overall satisfaction was also found to have a moderate impact. The paper indicates that restaurant attributes have an impact to customers' perceived value which ultimately leads to customers' overall satisfaction.

Key words: Perceived Value · Overall Satisfaction · Restaurant Attributes · Casual Dining Restaurants

INTRODUCTION

The increasing of food demand nowadays has encouraged the opening of many food establishments especially in urban areas. During the first half of 2014, the restaurant subsector flourished by 5.9% [1]. This indicated the eating out activities has grown vigorously. The competition exists amongst food stalls, restaurants and cafeterias encourage these types of food establishments to provide best services in all aspects to customers. [2]suggested offering high value of product and service with the aim to gain advantage amongst food service players and to remain in this competitive market.

Casual dining restaurant is the most growing sector as a consequence of positive growth of food service industry [3]. In Malaysia, casual dining restaurant sector was determined as the popular restaurant that attracts consumers to dine out especially among urban population. Malaysian casual dining restaurant is divided into two categories based on the price range [4]. The lower price averagely range from RM10 to RM20 per person while the higher price is from RM40 to RM50 per person. The number of casual dining restaurant units in 2013 were 719 and expected to reach 1063 units in 2018 [5].

In facing customers demand, casual dining restaurant has to create competitive advantages to remain in the marketplace. Thus perceived value concept was introduced. Perceived value focuses on customer-directed concept that covers the interaction between product and service to measure what is provided by service provider and the result received [6]. The concept of perceived value has acquired attention in many studies to anticipate consumer behaviour by [6, 7].

Many of prior studies explored customers' preferences at full-service restaurant but limited determines the influence of restaurant attributes towards perceived value and association with customer satisfaction particularly in casual dining restaurant segment [8]. Despite the importance of restaurant attributes in restaurant selection and customer satisfaction, limited study has focused on the factors that lead to customer's perceived value and the relationship

Corresponding Author: Hazrina Ghazali, University Putra Malaysia, Serdang, Malaysia.
Tel: +0389468518.

towards customer satisfaction at casual dining restaurant specifically in Klang Valley. Hence, this study is aimed to fill gap by identifying the relationship between restaurant attributes and customer perceived value as well as the relationship of perceived value and overall satisfaction.

Literature Review

Perceived Value: Defined as the outcome from comparison between overall benefits with what was sacrificed or the cost involved [9]. It is consider to be one of the factors contribute to the success of restaurants in earning competitive advantage [10]. Customers were often compare the foods and services received with the cost they sacrifice on the food and services [11, 12] indicated that customers considering the value they might get with the money they sacrifice worth during making a decision to return to the service provider. Generally, there are two aspects explained consumer behaviour called hedonic and utilitarian aspects [11, 13]. Hedonic value refers to the overall evaluation from the product and service uniqueness, symbolic meaning [14], emotions and cognitive elements [15] while utilitarian value refers to perception of price, efficiency, task specific and economical aspects of a product or service or it can be defined as an evaluation of overall benefits and sacrifices [16].

Restaurant Attributes: The role of restaurant attributes were agreed by past researcher as the most important criteria that influence customer's decision and can be used by restaurant operators to target customers and fulfil their expectation [17, 18]. The attributes are foods and beverages, services and restaurant's interior. Recent study by [19] found that the quality of food such as taste and presentation were the most important attributes choosen by customers in selecting a restaurant [20-24].

In addition, the roles of physical environment should be considered in enhancing the image to the restaurant [25] which includes layout, décor and artefacts and ambient conditions [26, 27] pointed out that continuous improvement in physical environment is important in service sector because this sector produce and consume simultaneously. Pastresearch indicated the significant of comfortable and pleasing environment gave an impact on overall quality of service experience [25, 28-30]. On the other hand, [7] considered that service attributes is a salient element in restaurant experiences which influence the quality of the restaurant in general where customers'

willingnessto pay more for a good service. Providing good physical environment without delivering quality service by the service staff may dissatisfied customers and their revisit intention [31] because providing exceptional services are important and strong value to remain competitive [32].

[26] suggested that physical environment factor and quality of food [7] were antecedent factors that promote perceived value. In addition, [10] pointed out that providing quality services are an element that gives competitive advantage as good service quality leads to high customer perceived value[33]. Meanwhile, [7] agreed that perceived value is a key determinant to measure customer satisfaction. According to [34] satisfaction is the evaluation made after experiencing the purchasing of product or services. The higher perceived value reflects more satisfied customers [22]. It is important to pass customer expectation to reach the satisfaction level. Therefore, this study proposed that there is a significant relationship between restaurant attributes and perceived value as well as the positive relationship between perceived value and overall satisfaction at casual dining restaurant in Klang Valley.

Methodology

Research Design: Quantitative approach was adopted for this study and a non-probability convenience sampling was used to reach consumers of casual dining restaurant in Klang Valley. Klang Valley was chosen as the location of this study due to high number of casual dining restaurants [35]. A total of 800 questionnaires were self-administered by researcher to the voluntary respondents with the criteria to be met were Malaysian, aged 18 years old and above, lived or worked in Klang Valley and had dined at casual dining restaurant at least once in last three months. Descriptive analysis, factor analysis and inferential statistics were run using IBM SPSS Statistics version 21.

Instrument: The survey questionnaire was developed according to the construct of food quality, physical environments and service quality. The survey questionnaire was built in bilingual, which were English and Malay languages, to facilitate the understanding of the respondents to answer the questions accurately. The term used to identify customer's evaluation upon disconfirmation of each items of casual dining restaurant that they visited was 'expectations met'. The term was

adopted from [36, 37]. Consequently, 30 attributes were adopted from a research carried out by [24, 38-42]. The five-point Likert scale was used with different levels of expectations. (1= much worse than expected to 5= much better than expected). As for perceived value and overall satisfaction, a five-point Likert scale was used in to measure the level of agreement to the statements (1=strongly disagree, 2=disagree, 3=neutral, 4=agree and 5= strongly agree). The items were adapted from [43-46].

RESULT

Profile of Respondents: From the 682 responses gathered, the average age of the respondents was 29 years old and more than half (64.4%) were female, while 35.6% were male respondents. In terms of ethnicity, about 82.8% were Malays, followed by Chinese (12.0%), Indians (4.1%) and other Malaysian ethnics (1.0%). The majority or 46.9% were degree holders and about half of them (47.1%) held Managerial, Professional and Executive posts, followed by clerical and related occupations (21.0%). As for job sector, more than half (60.6%) worked in the private sector and 51.6% earned RM 1001 to RM 3000 a month, followed by those who earned RM 3001 to RM 5000 (22.6%) a month. With regard to marital status, majority (55.7%) were single, while 41.9% of the respondents were married.

Factor Analysis Confirmation: Principal component analysis with a Varimax rotation was utilised. This method is important to understand the structure of a set of a variables, to measure variable and to cut down a dataset to a manageable size despite of holding much of the existing data [47]. Table 1 shows the results which all 30 attributes were factorised into four groups with the largest total variance (53.71%) contributed by service attributes group followed by food attributes explained 6.50% from the total variance. Meanwhile, physical environment explained 5.57% of the total variance and innovative and convenience that explained 3.87% of the total variance. Service attributes becomes priority to customers in evaluating the value perceived.

Correlation: Pearson correlation analysis was used in order to test the hypotheses developed between restaurants attributes and perceived value. Table 2 revealed the results and the correlation between service

attributes and perceived value showed positive with moderate strength at the level of.470. The strength of the relationship was measured according to Guilford's Rule of thumb. Meanwhile, for food attributes and perceived value, the value is .440. It indicated the positive correlation with moderate strength of relationship between variables. In regards to physical environment attributes, it shows positive and moderate relationship with perceived value at .408 degree level. Lastly, the innovative and convenience attributes also showed positive correlation with moderate strength, 0.417. Therefore, all the relationship of restaurant experience attributes variables and perceived value were exist in positive correlation with moderate strength of relationship. Table 3 shows the correlation between perceived value and overall satisfaction. It shows the positive relationship with moderate strength at the level of .671. It can be concluded that customers' overall satisfaction at casual dining restaurant was influenced by their perceived value towards the experience received through restaurant attributes. Table 4 showed the results of multiple linear regressions between constructs. Result shown that 24.7% (R^2=.247) of perceived value can be explained by all attributes (service, food, physical environment and innovative and convenience). Meanwhile, the standardised coefficients suggested that service attributes has the highest tendency in influencing customer perceived value.

Overall, the results of this study contribute to the theoretical perspective by confirming the relationship exist between restaurant attributes at casual dining restaurant and perceived value, as well as the relationship towards overall satisfaction. This study support past research of[13] which found that ambience, physical environment and food quality had an impact on customer perceived value. The positive findings showed that higher level of 'expectation met' increase the perceived value of customers. Consequently, with higher perceived value, customers tend to satisfied more. [45] suggested that the relationship between perceived value and customer satisfaction had to be strengthened for customers to revisit intention and to spread positive words to others, as well as to be an important predictor for future behavioural intentions [48]. In addition, [49] stressed that the positive perceived value towards dining experience and satisfaction resulted in the willingness to recommend, loyalty and willingness to pay more.

Table 1: Principle components of factor analysis

Attributes	Variance (%)	Factor Loadings	Reliability	Eigenvalues
Service attributes	53.71		0.96	16.113
Cleanliness of the restaurant		0.537		
Dining privacy		0.49		
Restaurant's temperature		0.507		
Friendly, polite and helpful staff		0.806		
Staff are willing to serve		0.817		
Efficient service		0.831		
Attentive staff		0.812		
Staff are greeting customers		0.784		
Staff have menu knowledge		0.771		
Sympathetic handling of complaints		0.751		
Food attributes	6.5		0.927	1.949
Attractive meal presentation		0.596		
Safety of food		0.687		
Menu variety		0.684		
Nutritious		0.726		
Tastiness of food		0.731		
Freshness of food		0.701		
Appropriate temperature of food		0.687		
Smell of food		0.692		
Portion size of food		0.607		
Physical Environment attributes	5.57		0.888	1.671
Visually appealing interior design		0.643		
Pleasing background music		0.711		
Appropriate lighting		0.821		
Colour used in the restaurant		0.776		
Level of noise in the restaurant		0.505		
View from the restaurant		0.6		
Innovative and Convenience	3.87		0.885	1.162
Innovative menu item		0.5		
Nearby restaurant location		0.752		
Adequate parking		0.769		
Dining hall size		0.689		
Facility layout that makes easy to get around		0.579		

Table 2: Correlations of variables

	Correlation Coefficient				
Variables	Service attributes	Food attributes	Physical environment attributes	Innovative and convenience attributes	Perceived value
Service attributes	1	.752**	.709**	.692**	.470**
Food attributes	.752**	1	.680**	.689**	.440**
Physical environment attributes	.709**	.680**	1	.719**	.408**
Innovative and convenience attributes	.692**	.689**	.719**	1	.417**
Perceived value	.470**	.440**	.408**	.417**	1

**Correlation is significant at the .001 level

Table 3: Correlations between perceived value and overall satisfaction

	Correlation Coefficient	
Variables	Perceived value	Overall satisfaction
Perceived value	1	.671**
Overall satisfaction	.671**	1

** Correlation is significant at the .001 level

Table 4: Multiple linear regression

Model	R	R Square	Adjusted R Square	Std. Error of Estimate		Durbin Watson
1	.497	.247	.243	2.91460		1.858

	Unstandardized coefficients		Standardised coefficients	t	Sig.
Model	B	Std. error	Beta		
1 (Constant)	8.391	.704		11.913	.000
Service attributes	.111	.025	.251	4.407	.000
Food attributes	.081	.032	.139	2.511	.012
Physical Environment attributes	.058	.050	.062	1.147	.252
Innovative and Convenience attributes	.105	.055	.102	1.898	.058

CONCLUSION

As a conclusion, this study provides insight of customers perceived value from restaurant experience at casual dining restaurant in Klang Valley and the correlation of perceived value towards overall satisfaction. This study provides the idea to practitioners on how to increase the level of satisfaction via perceived value for the benefits of return intention, positive word-of-mouth and customer loyalty. Since the finding showed service attributes, food attributes, physical environment attributes, as well as innovative and convenience lead to the highest level of perceived value, this study suggested for practitioners to highlight and put extra considerations to these four factors in order to improve current strategies and expand casual dining market segment in Malaysia. Constructive action plan should be designed to fulfil the expectations and increase the level of satisfaction in order to attract more customers to the restaurant. The findings from this study also benefit future studies on explaining consumer behaviour regarding attributes that influence restaurant selection, the perceived value received from restaurant experience and overall satisfaction at casual dining restaurants in Klang Valley.

REFERENCES

1. Ministry of Finance Malaysia. 2014. Economic Performance and Prospects. Retrieved from http://www.treasury.gov.my/pdf/economy/er/1415/chapter3.pdf
2. Woodruff, R.B., 1997. Customer value: the next source for competitive advantage. Journal of the Academy of Marketing Science, 25(2): 139-153.
3. Dziadkowiec, J. and A.S. Rood, 2015. Casual-Dining Restaurant Preferences: A Cross-Cultural Comparison. Journal of Foodservice Business Research, *18*(1), 73-91. doi:10.1080/15378020.2015.995755
4. Euromonitor International. 2012. Full-Service Restaurant in Malaysia.
5. Euromonitor International. 2014. Full-Service Restaurant in Malaysia.
6. Chen, P. and H. Hu, 2010. How determinant attributes of service quality influence customer-perceived value An empirical investigation of the Australian coffee outlet industry. International Journal of Contemporary Hospitality Management, 22(4): 535-551.
7. Ryu, K., H.R. Lee and W.G. Kim, 2012. The influence of the quality of the physical environment, food and service on restaurant image, customer perceived value, customer satisfaction and behavioral intentions. International Journal of Contemporary Hospitality Management, 24(2): 200-223.
8. Hwang, J. and C. Ok, 2013. The antecedents and consequence of consumer attitudes toward restaurant brands: A comparative study between casual and fine dining restaurants. International Journal of Hospitality Management, 32(1): 121-131. doi:10.1016/j.ijhm.2012.05.002
9. Zeithaml, V., 1988. Consumer Perceptions of Price, Quality and Value: A Means-End Model and Synthesis of Evidence. Journal of Marketing, 52: 2-22.
10. Hu, H.H., (Sunny), J. Kandampully and T.D. Juwaheer, 2009. Relationships and impacts of service quality, perceived value, customer satisfaction and image: an empirical study. The Service Industries Journal, 29(2): 111-125. doi:10.1080/02642060802292932
11. Park, C., 2004. Efficient or enjoyable? Consumer values of eating-out and fast food restaurant consumption in Korea. International Journal of Hospitality Management, 23(1), 87-94. doi:10.1016/j.ijhm.2003.08.001
12. Bolton, R.N. and J.H. Drew, 1991. A Multistage Model of Customers' Assessments of Service Quality and Value. Journal of Consumer Research, 17: 375-384.

13. Ha, J. and S. Jang, 2010. Perceived values, satisfaction and behavioral intentions: The role of familiarity in Korean restaurants. *International Journal of Hospitality Management*, 29(1), 2-13. doi:10.1016/j.ijhm.2009.03.009

14. Holbrook, M.B. and E.C. Hirschman, 1982. The Experiential Aspects of Consumption?: Consumer Fantasies , Feeiings and Fun. The Journal of Consumer Research, 9(September): 132-141.

15. Gallarza, M.G. and I. Gil, 2006. Value dimensions, perceived value , satisfaction and loyalty?: an investigation of university students ' travel behaviour. Journal of Tourism Management, 27: 437-452. doi:10.1016/j.tourman.2004.12.002

16. Overby, J.W. and E. Lee, 2006. The effects of utilitarian and hedonic online shopping value on consumer preference and intentions. Journal of Business Research, *59*, 1160-1166. doi:10.1016/j.jbusres.2006.03.008

17. Koo, L.C., F.K.C. Tao and J.H.C. Yeung, 1999. Preferential segmentation of restaurant attributes through conjoint analysis. International Jornal of Contemporary Hospitality Management, 11(5): 242-250.

18. Paulins, V.A. and L.V. Geistfeld, 2003. The effect of consumer perceptions of store attributes and apparel store preference. Journal of Fashion Marketing and Management, 7(4): 371-385.

19. Man, J., S. Sydnor, S. Ki and B. Almanza, 2015. A conflict of choice?: How consumers choose where to go for dinner. International Journal of Hospitality Management, *45*, 88-98. doi:10.1016/j.ijhm.2014.11.007

20. Joshi, N., 2012. A Study on Customer Preference and Satisfaction towardsRestaurant in Dehradun City. Global Journal of Management and Business Research, 12(21).

21. Namkung, Y. and S. Jang, 2007. Does Food Quality Really Matter in Restaurants? Its Impact On Customer Satisfaction and Behavioral Intentions. Journal of Hospitality and Tourism Research, 31(3): 387-410.

22. Ryu, K. and H. Han, 2010. Influence of the Quality of Food, Service and Physical Environment on Customer Satisfaction and Behavioral Intention in Quick-Casual Restaurants: Moderating Role of Perceived Price. Journal of Hospitality and Tourism Research, 34(3): 310-329.

23. Sulek, J.M. and R.L. Hensley, 2004. The Relative Importance of Food, Atmosphere and Fairness of Wait: The Case of a Full-service Restaurant. Cornell Hotel and Restaurant Administration Quarterly, 45(3): 235-247.

24. Upadhyay, Y. and D. Sharma, 2009. Consumers Preferences Towards Restaurants?: Examining Their Homogenity. Advances in Consumer Research, 8: 76-82.

25. Bitner, M.J., 1992. Servicescapes: The Impact of Physical Surroundings on Customers and Employees. Journal of Marketing, 56: 57-71.

26. Han, H. and K. Ryu, 2009. The Roles of the Physical Environment, Price Perception and Customer Satisfaction in Determining Customer Loyalty in the Restaurant Industry. Journal of Hospitality and Tourism Research, 33(4): 487-510.

27. Njite, D., G. Dunn and L. Hyunjung Kim, 2008. Beyond Good Food: What Other Attributes Influence Consumer Preference and Selection of Fine Dining Restaurants? Journal of Foodservice Business Research, 11(2): 237-266.

28. Brady, M.K. and J.J. Cronin, 2001. New Some Thoughts on Perceived Service Conceptualizing Approach Quality?: A Hierarchical. Journal of Marketing, 65(3): 34-49.

29. Kueh, K. and B.H. Voon, 2007. Culture and service quality expectations: Evidence from Generation Y consumers in Malaysia. Managing Service Quality, *17*(6), 656-680. doi:10.1108/09604520710834993

30. Ryu, K. and S.S. Jang, 2007. The Effect of Environmental Perceptions on Behavioral Intentions Through Emotions: The Case of Upscale Restaurants. Journal of Hospitality and Tourism Research, 31(1): 56-72. doi:10.1177/1096348006295506

31. Voon, B.H., 2011. Service Environment of Restaurants?: Findings from the youth customers. Journal of ASIAN Behavioral Studies, 1(2): 45-56.

32. Marković, S., S. Raspor and K. Šegarić, 2010. Does restaurant performance meet customers' expectation? An assessment of restaurant service quality using a modified DINESERV approach. Tourism and Hospitality Management, 16(2): 181-195.

33. Cronin, J.J., M.K. Brady and G.T. Hult, 2000. Assessing the effects of quality, value and customer satisfaction on consumer behavioural intentions in service environments. Journal of Retailing, 76(2): 193-218.

34. Oliver, R.L., 1981. Measurement and Evaluation of Satisfaction Processes in Retail Settings. Journal of Retailing, 57: 25-48.

35. Euromonitor International. 2013. Consumer Lifestyles in Malaysia.

36. Barsky, J.D., 1992. Customer Satisfaction in the Hotel Industry: Meaning and Measurememt. Journal of Hospitality and Tourism Research, 16(1): 51-73.

37. Kivela, J., J. Reece and R. Inbakaran, 1999. Consumer research in the restaurant environment. Part 2: Research design and analytical methods. International Journal of Contemporary Hospitality Management, 11(6): 269-286.

38. Weiss, R., A.H. Feinstein and M. Dalbor, 2004. Customer Satisfaction of Theme Restaurant Attributes and Their Influence on Return Intent. Journal of Foodservice Business Research, 7(1): 23-41. doi:10.1300/J369v07n01

39. Harrington, R.J., M.C. Ottenbacher, A. Staggs and F.A. Powell, 2011. Generation Y Consumers: Key Restaurant Attributes Affecting Positive and Negative Experiences. Journal of Hospitality and Tourism Research, *36*(4), 431-449. Retrieved from http://jht.sagepub.com/cgi/doi/10.1177/10963480114 00744

40. Ryu, K. and S. Jang, (Shawn). 2008a. DINESCAPE?: A Scale for Customers ' Perception of Dining Environments. Journal of Foodservice Business Research, 11(1): 2-22.

41. Andaleeb, S.S. and C. Conway, 2006. Customer satisfaction in the restaurant industry: an examination of the transaction-specific model. Journal of Services Marketing, 20(1): 3-11.

42. Raajpoot, N.A., 2002. TANGSERV?: A Multiple Item Scale for Measuring Tangible Quality in Foodservice Industry. Journal of Foodservice Business Research, 5(2): 109-127.

43. Al-Sabbahy, H.Z., Y. Ekinci and M. Riley, 2004. An Investigation of Perceived Value Dimensions: Implications for Hospitality Research. Journal of Travel Research, 42: 226-234.

44. Oh, H., 2000. Diners' Perceptions of Quality, Value and Satisfaction: A Practical Viewpoint. Cornell Hotel and Restaurant Administration Quarterly, *41*(3), 58-66. doi:10.1177/001088040004100317

45. Ryu, K., H. Han and T.H. Kim, 2008. The relationships among overall quick-casual restaurant image, perceived value, customer satisfaction and behavioral intentions. International Journal of Hospitality Management, 27(3): 459-469. doi:10.1016/j.ijhm.2007.11.001

46. Sweeney, J.C. and G.N. Soutar, 2001. Consumer perceived value: The development of a multiple item scale. *Journal of Retailing*, 77(2): 203-220. doi:10.1016/S0022-4359(01)00041-0

47. Field, A., 2013. Discovering Statistics Using IBM SPSS Statistics (4th ed.). London: SAGE.

48. Liu, Y. and S.S. Jang, 2009b. The effects of dining atmospherics: An extended Mehrabian-Russell model. International Journal of Hospitality Management, 28(4): 494-503.

49. Ladhari, R., I. Brun and M. Morales, 2008. Determinants of dining satisfaction and post-dining behavioral intentions. International Journal of Hospitality Management, 27: 563-573.