

Consumer Perceptions about Fast Food Restaurants in Asaba

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Received: 9 December 2011 Accepted: 31 December 2011 Published: 15 January 2012

Abstract

The fast food culture is fast expanding in Nigeria. Much of that is attributable to the increasing affluence, rapid urbanization, and changing life styles among Nigerians. Although many of the fast food chains offer similar or undifferentiated products the way and manner their services are provided are critical to gaining competitive edge. In Asaba the Delta State capital, experience has shown that as one new fast food outlet opens shop some of the old ones close, thereby suggesting a 'revolving door syndrome' in the fast food industry. This paper therefore, sought to assess the perceptions of customers about service quality in selected fast food restaurants in Asaba. A total of 180 customers were randomly selected and administered a 22 item structured questionnaire out of which 120 were found useable. An analysis of variance (ANOVA) indicated that the range of products, availability and consistency of products as well as packaging significantly affect customer perception about service quality at .001. Gender and price do not affect customer perceptions about quality of service. The findings further showed that customers patronize fast food for the change and not because of nutritional value. Therefore fast food is not yet perceived as a clear alternative to homemade cooking. Major recommendation is for fast food chains to improve on the nutritional value of their products.

Index terms— Service, Quality, Fast food, Undifferentiated products, Consumers, Homemade meals, local menu.

1 INTRODUCTION

Nigerians were first introduced to fast foods within the context of what obtains in the West by the United African Company (UAC) when they opened MR. BIGGS restaurant in 1987. However, long before then traditional fast foods had been in vogue and continue to be patronized. These include roasted plantain (bolie), roasted/fried yam (dundun), akara, suya meat (beef kebab), and fura de nono (local yogurt). Since the introduction of Mr. Biggs into the fast food industry, consumer acceptance of fast food has continued to increase. These include Tantalizers, Sweet Sensation, Tasty Fried Chicken, Chicken Republic, Mama Cass, Munchies etc. Some of the fast food chains like Mr. Biggs, Tantalizers and Tasty Fried Chicken are now listed on the Nigerian Stock Exchange (NSE). The latest big entrants are McDonalds and Kentucky Fried Chicken (KFC).

With the exception of McDonalds and KFC none of the other fast food chains are known to operate under franchise agreements, even though many of them have outlets in the major cities of Nigeria such as Abuja, Port Harcourt, Ibadan, Calabar, Warri and Asaba. The city of Lagos remains the headquarters of fast foods in Nigeria, although with the rapid urbanization and expansion of the other cities it means that most expansion in the fast food industry will take place outside Lagos.

Since the 1960s Nigeria has had one of the fastest population growth rates in the world. In 2010 almost half of all Nigerians (70 million) live in cities (Business Wire, 2011). As more people migrate to the already crowded cities the demand for fast food will be expected to increase. To meet the demand many local restaurants known as Bukateria have mushroomed in many of the cities along side the Western-oriented fast food restaurants to serve this added population.

2 II.

3 STATEMENT OF THE PROBLEM

The consumer's tastes and needs are dynamic, implying that every brand should constantly seek ways to offer freshness in order to remain relevant in the market place. The restaurant industry is no longer divided into clear-cut segments since the services offered do sometimes overlap. Many of the fast food restaurants offer similar products or services. Therefore, the way and manner their services are provided are critical to gaining competitive edge. In Asaba, the capital of Delta State, experience has shown that just as a new The city of Asaba was selected because it is the state capital. Also, because of its close proximity to Onitsha (the commercial capital of neighbouring Anambra State), it experiences a high volume of both human and vehicular traffic. Furthermore, its strategic location as the gateway to the Western parts of Nigeria, it is home to majority of the ethnic groups in Nigeria. Being an oil-producing state it has one of the fastest growing economics in the federation. Fast food outlet opens shop some of the older ones are closing making it appear as if the fast food industry is a "revolving door". For example, just as Zinos restaurant was going out of business Favourites was opening shop.

The restaurant diner seem to have added some scrutiny to his/her menu perusal and upped what he/she outside dinning experience. In addition to the "feel good" experiences they are also critical of food taste.

The question then is -what is the potential fast food restaurant guest looking for? What must fast food restaurant owner do to be able to project the right image as well as meet the needs of the customers? Because many of the fast food restaurants provide undifferentiated products, service quality becomes a discriminator between superior/inferior product or service. Any service provider that seeks to enjoy competitive edge must respond to customer needs so as to promote satisfaction and gain customer loyalty. In other words, you must either adapt or die. Consequently, this paper sought to assess the perceptions of customers about service quality in selected fast food restaurants in Asaba. There are several studies that address behavioural service quality, customer satisfaction, and behavioural intentions in fast food restaurant (FFRs) (Brady et al. 2001, Gulbert. et al. 20004; Ara et al. (1995). However, to the best of our knowledge none has focused on the city of Asaba.

4 III.

5 OBJECTIVES OF THE STUDY

The objective of this study is to assess the customer perceptions about the quality of service in selected fast food restaurants in Asaba. The specific objectives included: 1. Determine the number of fast food restaurants in Asaba 2. Determine the range of products or services provided by the restaurants. 3. Determine how often customers purchase fast foods. 4. Determine the dimensions/attributes of service quality

6 IV. OVERVIEW OF FAST FOOD INDUSTRY

A fast food restaurant (FFR) also known as a Quick Service Restaurant (QSR) within the industry itself, is a specific type of restaurant characterized both by the fast cuisine and by minimal table service. Food served in fast food restaurants are cooked in bulk in advance and kept hot, is finished and packaged to order and is usually available ready to take away, even though seating may be provided. The term "fast food" was recognized in a dictionary by Merriam-Webster in 1952.

Some trace the modern history of fast foods in America to July 7, 1912 with the opening of a fast food restaurant called the Automat in New York. The Automat was a cafeteria with its prepared foods behind small glass windows and coin-operated slots. The company also popularized the notion of "take-out" food, with their slogan "less work for mother". The American company White Castle is generally credited with opening the second fast-food outlet in Wichita, Kansas in 1921. Most historians and secondary school textbooks state that A & W was the first fast food restaurant which opened in 1919 (Grass, 1977). By 1961 Ray Kroc bought out the McDonald brothers and created what is now the modern McDonald's corporation. One of his major business strategy was to promote cleanliness of his restaurants to the growing groups of Americans that had become aware of food safety issues.

Fast food has generally been designed to be eaten "on-the-go" and often does not require traditional cutlery and is eaten as a finger food. Fast food outlets have become popular with consumers for several reasons. One is that through economies of scale in purchasing and producing food, these companies can deliver food to consumers at a very low cost. According to the Bureau of Educational and Cultural Affairs (<http://exchanges.State.gov>) although some people dislike fast food for its predictability, it can be reassuring to a hungry person in a hurry or far from home.

In his best-selling 2001 book *Fast Food Nation*, Schlosser (2001) leveled a broad, socio-economic critique against the fast food industry, documenting how fast food rose from small, family-run businesses (like McDonald brothers' hamburger joint) into large, multinational corporate juggernauts whose economies of scale radically transformed agriculture, meat processing, and labour markets in the late 20th century. He argues further that while the innovations of fast food industry gave Americans more and cheaper dining options, it has come at the price of destroying the environment, economy, and small-town communities of rural America while shielding consumers from the real costs of their convenient meals, both in terms of health and the broader impact of large-scale food production and processing on workers, animals and land.

V.

7 RISE OF FAST FOODS

Because Nigeria is one of the fastest growing economies in the world, coupled with what may be described as emerging acculturation, more fast food restaurants are being established even on smaller scale. The expansion in the fast food industry may be attributed to the following:

Increasing urban migration which affects the younger population who are also more receptive to the fast food concept; increasing Western acculturation among the populace; the increasing affluence among the people; 1. the changing life styles as indicated by the increasing belief that eating out is part of leisure; 2. the perception among the working class singles (male and female) that fast food is cheaper and perhaps more efficient on their time; little room for cooking at home; 5. the expansion of fast food menus to incorporate indigenous dishes provide prospective customers a desired alternative to the Western meals.

Because the fast food industry is highly labour-intensive, they constitute a major employer of labour.

Although there is the strong potential for success in the fast food industry there are many challenges facing the industry such as: 1. inadequate number of food processing to add value to items like chicken, meat and fresh fish products, frozen foods and canned vegetables which affect operating costs. 2. Cost of fund remains high and prohibitive due to high interest rates which also contribute to high operating costs. 3. Poor infrastructure including power, poor road network as well as the sometimes overlapping roles of the different tiers of government.

VI.

8 RESEARCH HYPOTHESES

The following hypotheses were formulated to test the perceptions of customers about service quality. 1. H₁: The range of products, cleanliness, and decor affect perceptions of service quality. 2. H₂: Courtesy, respect, and friendliness of employees affect service quality. 3. H₃: Consistency and promptness of service affect server quality. 4. H₄: Individualized attention, ease of contact, and understanding the needs of customers affect service quality. VII.

9 LITERATURE REVIEW

No business exists without customers. In the philosophical words of Peppers and Rogers "The only value your company will ever create is the value that comes from customers -the ones you have now and the ones you will have in future". This is absolutely true. Customer value is an asset to the organization. Munusamy, Chelliah and Mun (2010) argued that in order to maintain the customer, the organization needs to ensure that the right products and services, supported by the right promotion and making it available at the right time for the customers. They argue that customer satisfaction measurement is a postconsumption assessment by the user, about the products or services gained. Consumers tend to organize information at various levels of abstraction which range from simple product attributes to complex personal values. Micuda and Dinculescu (2010) noted that attributes that signal quality have been dichotomized into "intrinsic" and "extrinsic" cues. Intrinsic cues are attributes that are part of the physical composition of the product such as flavour, colour, size, fitness for use, styles and so on. They cannot be changed without changing the nature of the product and are consumed along with the product. On the other hand, extrinsic cues are attributes that relate to the product, but are not product-specific and can serve as general indicators of quality across all types of products.

Quality in service has been defined as a construct composed of a technical dimension and a functional or rational dimension: the former centres upon what is delivered by the company to the customer -result, whereas the latter refers to the way the service is performed (Gronroos, 1984). Parasuraman et al. (1988) studied four consumer service industries: long distance telephone, banking, credit cards and an appliance repair and maintenance. They found consistent attributes of perceived quality across the four industries. They included reliability, responsiveness, assurance, empathy and tangibles. Micuda and Dinculescu (2010) argued that the five attributes suffer from at least two major shortcomings. Firstly, they are broad and not industry-specific since they don't provide cues that consumers can use to infer service quality. Secondly, the particular attributes or cues that comprise each dimension vary across service contexts. The five-dimensional structure could serve as a meaningful framework for tracking a firm's service quality performance over time and comparing it against competitors.

Western style fast food franchises are increasingly crossing national boundaries and looking for growth among customers in Nigeria. Nigeria is becoming a major player in the global market because of its size and growth potential.

Service quality is reflected in a consumer's evaluative perception of an encountered service (Cronin & Taylor 1994). Zeithaml and Bitner (2000) suggested that consumers judge the quality of a service based on their perceptions of the technical outcome provided, the process by which the outcome is delivered, and the quality of the physical surroundings where the service is delivered. Today, almost all the FFRS focus on several ways to increase their service quality in order to increase the level of satisfaction among their customers and thus increase their purchase intentions as well as loyalty (Qin & Prybutok, 2008; Gilbert, Veloutson, Goode, & Moutnho, 2004; Kara, Kaynak, & Kucukemiroglu, 1995). When FFRS are able to achieve or exceed the expectations of customers, the customer will be satisfied with the service. Customer satisfaction may be viewed as the individual's perception of the performance of a product or service in relation to his or her expectations. Grilbert et al (2004) argue that service quality measurement need to be done frequently to obtain an accurate current level of service quality .

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Consumer Perceptions about Fast Food Restaurants in Asaba provided by a fast food restaurant in order to increase customer satisfaction as well as to encourage customer repurchase intentions towards the restaurant.

According to Leon & Leslie (2006) the degree of satisfaction provided by the goods or services of a firm can be measured by the number of repeat customers. Tat et al. (2011) posit that intense competition and high quality expectation from customers have forced many fast food companies do transform from a productcentric approach to a customer centric approach. Therefore, understanding each customer's distinct needs and recent service quality level are essential for an FFRS to maintain and enhance their competitive edge. A study by Tat et al. (2011) indicated a strong relationship between customers' perceived overall service quality and customer satisfaction. Diners whose experiences match expectations will be satisfied and where their expectations are exceeded they will be very satisfied.

11 VIII. METHODOLOGY

The research instrument adopted for this study was a 22 item structured questionnaire. The items were developed based on the attributes of quality proposed by Parasuraman et al. (1988). They include reliability, assurance, responsiveness, empathy and tangibility. The study sought to assess customer perceptions about service quality in selected fast food restaurants (FFRs) in the city of Asaba. They include Mr. Biggs, Sizzlers, Macdons, and Mocwis out of the seven major FFRs in Asaba. The population comprised all those who have had experience patronizing FFRs in Asaba.

The sampling techniques adopted was the random sampling which ensured that each member had an equal chance of being selected. A total of 160 questionnaires were administered to customers of the selected fast food restaurants, out of which only 120 (67%) were found usable. The total sample comprised 70 (58%) female and 50 (42%) male (see Table 1) More than 85% of the respondents were between 24 and 40 years old (table 2); while majority of the respondents are married (table ??). Means and standard deviations were used to identify the levels of customers' perceived quality towards FFRs. The five independent variables of empathy, assurance, reliability, responsiveness, and tangibility were tested on their impact on service quality using ANOVA. However, because of the overlap of the two dimensions of reliability and reliability they were merged. ** Significant at $P < .05$

12 RESULTS

13 As shown in

Table 5 present the results of customer perceptions about service quality based on the four dimensions of quality. The table shows that the overall services provided by FFRs are favourably perceived by customers. The four dimensions of quality significantly affect customer perceptions about quality. The dimension of tangibility which assessed the range of products, cleanliness, physical condition, and the overall décor of a FFR show a significant value of .003. Therefore, H₁ which says the range of service, cleanliness, and décor affect customer perceptions about quality was accepted.

This means that prospective FFR owners should seek to ensure they provide a range of products in a clean environment. Similarly, the dimension of assurance which include courtesy, and friendliness of employees, respect, and security of customers had a significant value of .002. Therefore, H₂ which sought to test the effect of courtesy and security was accepted. The implication is that a courteous and friendly employees affect customer perceptions about quality. The dimensions of reliability 79 Global Journal of Management and Business Research Volume XII Issue I Version I Consumer Perceptions about Fast Food Restaurants in Asaba and responsiveness which include the attributes of consistency and promptness of service significantly customer perceptions at a value of .016. Consequently, the result supports hypothesis (H₃) and was therefore accepted.

Finally, H 4 which tested the dimension of empathy with attributes such as caring, providing individualized attention to customers, ease of contact, as well as understanding customers' needs showed the existence of significant effect on customer perceptions on service quality at .000. This result supports the hypothesis that providing are, individualized attention, approachability, and understanding customer needs affect customer perception about quality, and was therefore accepted.

X.

14 DISCUSSION

The following is the discussion on the findings about the perceptions of customers on the quality of fast food restaurant in the city of Asaba. The study was based on the five dimensions of quality as proposed by parasuraman et al (1988). These include tangibility, assurance, responsiveness, reliability, and empathy. However, because of the seeming overlap of the attributes of responsiveness and reliability, the two dimensions were merged. The study revealed that all the dimensions were critical to customers' perceptions about the source quality of FFRs.

Research has indicated that service quality has been increasingly recognized as a critical factor in the success of any business (parasuraman et al, 1988) and the fast food industry is no exception. Service quality has been widely used to evaluate the performance of banking services (Cowling and Newman, 1995). For example the banks (a service industry) understand that customers will be loyal if they can receive greater value than from competitors (Dawes and Siwales, 1999). Chaoprasert and Elsey (2004) have argued that customers can perceive differences in the quality of service they get.

The study revealed that the dimension of tangibility which include the range of products served and the cleanliness of the environment affect customer perceptions about the service quality of a FFR. The implication here is that FFRs should incorporate local menu in order to provide customers a broad spectrum to choose from. Mr. Biggs is beginning to respond in that direction. Respondents were asked to rank the attributes of quality in order of importance. The result indicated that the quality of food, cleanliness, consistency, manner and hospitality of staff as the most important to customers. (see Table 6). This result agrees with a similar study by Chee (2010) of fast food restaurant buying behavior in India. This kind of information can be an important guide for the formulation of correct customer-friendly marketing strategies of a fast food chain. Some respondents were interviewed on whether they perceive fast food as a clear alternative to homemade meals. Out of the 15 respondents, 11 (73%) said that they perceive FFRs as mere outlets for fun and change but believe that homemade food remains their favourite because of the nutritional value and the hygienic condition which they are made. This findings agree with the result of a similar study by Goyal and Singh (2007) who found that although young Indian consumers patronize FFRs their preference is homemade foods.

Fast foods as the name implies, are for convenience as nobody has to cook or clean up as well as the speed of service. Viewed from this context fast food fulfill the needs of people in a hurry but need a meal. Although the concensus response of people who patronize fast food is that they are seeking a change from the rigours of homemade meals, FFR owners should intensify efforts towards increasing the nutritional value for customers.

The study showed that they empathy dimension contributed the highest perception level in service quality. This is consistent with the study by Chow and Luk (2005) where they claimed that customers regarded "empathy" as the highest priority in assessing service quality of a FFR. This is because it provides caring, individualized attention, approachability, as well as understanding the needs of customers. The study also revealed that assurance dimension has a positive influence on customer perception about service quality. However, the finding did not corroborate with some studies such as Festus et al. (2006); Landrum et al. (2006) who stated that other dimensions were more dominant in predicting customer satisfaction. These differing results may be due to the different models used, industries or sampling method adopted. As Tsai and Huang (2002) have noted, employee expertise is an important component of overall service quality. One implication therefore, is for FFRs to improve on their assurance dimension by becoming more welcoming courteous, knowledgeable, and trustworthy during transactions.

The dimensions of responsiveness and reliability which include the attributes of consistency, wiliness to help customers, the degree to which they inspire confidence, and promptness of service impact positively on quality. The results of this study showed that these attributes significantly affect service quality. This result tend to agree with Gronroos (1984) that customers tend to evaluate service providers (including FFRs) mainly on the basis of personal contact and interaction. It is critical for FFRs to provide reliable and responsive services. This is because reliability and trust are necessary for a successful business. Tat et al. (2011) in their study confirmed that perceived service quality can have a powerful impact on satisfaction. Poor service quality increase customer dissatisfaction and the likelihood that customers dine at a competitor and/or become an active champion in persuading others to go elsewhere (Gilbert, et al. 2004) Finally, Qin (2008) incorporated the dimension of recoverability in proposing a FFR success model. He defined recoverability as the ability to deal with service failures. Previous findings indicated that failure itself doesn't necessarily lead to customer dissatisfaction, but failure to effectively handle recoveries can lead to lost customers and negative word-of-mouth (Heskett, et al; 1994; Coll, et al; 2005). In addition, service quality and satisfaction could affect consumers' likelihood to recommend a FFR to others.

15 XI. CONCLUSION

The average fast food consumer patronizes a restaurant once a week for lunch or dinner. Fast food consumers eat out for the change and not because of their nutritional superiority over homemade meals. Customers attach great importance to the quality of food, cleanliness, consistency, and the general attitude of the staff. Therefore, by evaluating a fast food restaurant on these attributes will enable a manager understand the market trends so as to develop effective marketing and operational strategies. Price of products are low on customers' scale of values. Improving the nutritional value of fast food can attract more customers to fast food and help in developing a trust that fast food can be a clear alternative to homemade meals.

1

| S Sex | F Frequency | P Percentage |
|----------|-------------|--------------|
| M Male | 50 | 48 |
| F Female | 70 | 52 |
| T Total | 120 | 100.00 |

Figure 1: Table 1 :

2

| Age | Frequency | Percent | Cumulative F Frequency |
|--------------|-----------|---------|---------------------------|
| 16-23 | 18 | 15.0 | 15.0 |
| 24-29 | 24 | 20.0 | 35.0 |
| 30-35 | 23 | 19.2 | 54.2 |
| 36-41 | 26 | 21.6 | 54.2 |
| 42 and above | 29 | 24.2 | 100.0 |
| Total | 120 | 100.0 | 100.0 |

Table 3 : Marital Status

| Marital Status | Frequency | Percentage |
|----------------|-----------|------------|
| Single | 50 | 41.7 |
| Married | 58 | 48.3 |
| Divorced | 12 | 10.0 |
| Total | 120 | 100.00 |

Table 4

Figure 2: Table 2 :

5

: ANOVA

Figure 3: Table 5

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| Attributes | Frequency | Percentage |
|----------------------|-----------|------------|
| Quality of food | 44 | 36.7 |
| Cleanliness | 37 | 30.8 |
| Consistency | 25 | 30.8 |
| Hospitality of staff | 14 | 11.7 |
| Total | 120 | 100.00 |

Figure 4: Table 6 :

Consumer Perceptions about Fast Food Restaurants in Asaba 3. the changing demographic composition of the workplace as more women are employed at different levels of the economy; 4. pressure of work and other social activities leave

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