

Influence of Customer Expectations and Service Encounter on Perception of Service Quality in Fast Food Retailing

*Taiwo, K.O (PH.D) Aigbodon, I.A and *Olapegba, P.O

*Department of Psychology,
University of Ibadan, Ibadan.

Abstract

*The influence of customer expectations and service encounters on perception of service quality in fast food retailing was investigated in this study, using 196 patrons of three fast food outlets in Oshodi-Isolo Local Government Area of Lagos State. The instrument used for data collection consisted of three different scales; service encounter scale, customers' expectation scale, and perception of quality scale. A 2*2 analysis of variance and independent t-test were used to analyse the data. The results showed that there was interactive effect of service encounter and customers' expectations on perceived service quality. ($F_{1,1108} = 5.54; P < 0.05$). However, there was no difference in the perceived service quality of males and females ($t = 0.13; df = 194, n.s$). The findings of this study revealed that there are implications for consumer psychologists fast-food operators, it also emphasized the need for proper training of outlet staff to deliver quality service and the provision of an enabling service climate.*

Introduction

The perception of individuals tends to differ based on their motives, need, expectations, previous experiences and present encounter. This is about the same way Nigerians perceive and adjust to the demands of modern living, particularly in urban and metropolitan cities. The fast lane nature to modern living has forced most city dwellers to adjust their styles of living of fit into this kind of existence.

The 'loyal' consumption of 'fad' food is on the increase in most, if not all-major cities, as a result of long working hours, little time for leisure and tremendous increase in the number of working females. It is no longer uncommon to find people taking breakfast and lunch in one or more fast food restaurants every working day of the week. These outlets also do lucrative business during weekends and public

holidays as they have become major recreational centers for pleasure-seeking urban dwellers.

Popularity of fast-food outlets is also enhanced by proliferation, which makes them easily accessible from both business and residential areas. The wide range of exotic snack and array of drinks available, their relative cheap costs and respite facilities are part of the factors that contribute to the ever increasing prominence fast-food outlets, which attract the high middle and low income earners including corporate executives.

To meet the expectations and needs of their patrons fast food operators have adopted customer oriented marketing strategies, since it has been discovered that a major influence in the choice of outlet by patrons is expectation about quality service which is brought about in either of two ways. The first is before patronizing the outlet, and secondly, before and after every service encounter in the fast food outlet. Customers however, have some difficulty forming accurate expectation prior to their first use of service since they have no direct experience to go by (Clow, Kurtz and Ozment, 1992). In addition, customers need first hand experience (actual service encounter) to positively or negatively disconfirm their expectations of the service quality of the fast-food outlets.

In forming expectations, customers rely on information they receive from families, friends and acquaintances as well as their own personal observations of the physical layout of outlets. In this direction, promotional advertisement plays an important role in expectation formation of prospective customers.

Service encounter between patrons and operators is another concept that is central in the delivery of fast food service. Shostack (1985) defined service encounter as a period of time during which a customer directly interacts with a service. This definition encompasses all aspects of the fast food restaurant with which customers may interact, including its personnel, its physical facilities and other visible elements. Many times, that interaction is the service from the customers' point of view. Moreover, assessment of the quality of a service encounter involves emotional (affective) and cognitive (functional) perceptions of service quality.

Staying competitive in the fast-food industry entails providing quality service as perceived by the customers. As there is no absolute service quality, the value received of a service rendered is a function of how close the customers' experiences match their expectations both of process and outcome (Bell and Zemke, 1987). The key word here is expectation, services are perceived as superior quality only because they meet and exceed the expectation that customers have. In other words, service assessment is largely dependent on customers perception of what they have received. (Zeithaml, Parasunamal, and Berry, 1990).

Perception of service quality is industry-related. Parasunamal, Zeithaml, and Berry (1985, 1988) thus defined service quality as the overall evaluation of a specific firm that results from expectations of how firms in that industry should perform. The point, however, is that both what is perceived and what is expected are psychological phenomena.

Finally, how easy it is for customers to order, receive and pay for snacks and drinks also influence perceptions of service quality. Coupled with this, is the time it takes to actually process the snacks. For outlets which showcase already prepared snacks, ordering may not take much time, but for those outlets that produce snacks according to orders, the actual processing of the snacks is an important part of the product marketing. In such outlets, other processes that are 'invisible' to the customer form an essential part of the service package. For instance, the proper organization of the kitchen ensures a steady supply of freshly baked snacks for counter staff to draw on as customers' order. Though customers expect some delay in getting served, what they do not want nor accept is slow service. Customers' perception of service speed contributes to their overall assessment of service quality.

Consequently, considering the benefits inherent in customer retention through delivering quality service in fast-food outlets it becomes important to identify those factors that influence the perception of service quality. What are therefore, those expectations of customers that the fast food retailer must know, assess and provide services to surpass in order for the service to be perceived as being of superior quality? Do the demographic characteristics of customers influence how they perceive service quality?

The following hypotheses were tested, (1) customers who have high expectations and experienced a satisfactory service encounter will perceive a superior service quality than customers who have low expectations and experienced unsatisfactory service encounter. (2) More frequent customers will perceive a superior service quality than occasional and first time customers.

Methodology

Design

Ex-post facto design was used for this study as none of the independent variables was manipulated; the situation for study already existed. The independent variables were service encounter, customers' expectations, and frequency of patronage, while the dependent variable was perception of service quality.

Subjects

196 subjects were selected from the patrons of three fast-food outlets located in Ibeju and Okota, Lagos state. Of the 196 subjects, are 111 males and 85 females with their ages ranging between 15 years and 66 years. 119 were singles, 64 married while 13 were either separated or widow(er)s.

Instrumentation

The instrument used for this study was a questionnaire consisting of four sections. Section A taps the demographic data of the subjects, while section B (service encounter scale) was developed by Aigbodon (2000). The scale measures respondents'

satisfaction with their PRESENT service encounter. It is a 12-item scale with Likert-type response format designed on a seven-point scale ranging from 7-1 with response options. Agree completely (7) Agree moderately (6), agree slightly (5), undecided (4), Disagree slightly (3) Disagree moderately (2), Disagree completely (1). The scale has a Cronbach alpha of 0.85 with split-half reliability of 0.7. The higher the score the more satisfactory the service encounter.

Section C and D of the questionnaire were adapted from SERVQUAL instrument by Parasuraman, Zeithaml, and Berry (1994). Section C measures expectations of service quality; it is made up of 21 items with Likert-type format ranging from one to nine. The higher the score the higher the customers' expectations of service quality in the outlet. The scale has a Cronbach alpha of 0.95 and a split-half measure of 0.8. Section D of the scale measures respondents' overall assessment of the outlet's performance compared to other outlets they have visited or heard about. This is also a 21-item scale in the Likert-type response ranging from one to nine, with Cronbach alpha of 0.91 and split-half measure of 0.80.

Procedure

Oral consent to participate was sought from the respondents after which they were given information as to the nature and purpose of the study. Respondents were assured of absolute confidentiality, and were as well informed that there were no right or wrong answers rather they should try and respond to all items honestly.

In administering the questionnaires, the researchers visited the different outlets on alternate days and at alternate times. Respondents were randomly selected by allotting number to tables (this was done with the help of the supervisors). On completing the questionnaires, the respondents were thanked while again emphasizing the purpose of the study and assurance of confidentiality.

Statistical Analysis

The statistics used for analysis were the 2X2 Analysis of variance for the first hypothesis, and a one-way analysis of variance for the second hypothesis.

Results

The first hypothesis which stated that customers who have high expectations and experienced a satisfactory service encounter will perceive a superior service quality than customers who have low expectations and experienced an unsatisfactory service encounter was supported. The result obtained was statistically significant $F(1,108)=5.54;<0.05$. The result is shown in Table 1 below. Meanwhile, the second hypothesis which stated that more frequent customers will perceive a superior service quality than occasional and first time customers was not supported statistically. The result is shown in Table 2 below.

Table 1

2*2 Analysis of variance showing the main and interactive effect of service encounter and customers expectations on perception of service quality.

Source	SS	df	Ms	F	P
Service Encounter	255.74	1	255.74	0.58	Nc
Customers Expectations	6716.17	1	6716.17	15.2	0.10
Encounter Expectation	2434.05	1	2434.05	5.54	0.05
Error	47445.7	108	439.31		
Total	57498.86	111	518.01		

Table 2 One-way analysis of variance showing frequent, occasional, and first time customers' perception of service quality.

Source	ss	df	ms	F	P
Between	1099.53	2	549.77	1.18	n.s
Within	61122.71	131	466.5		
Total	62222.24	133			

Discussion and Conclusion

The result of this study (as stated in table 1 above) confirms that customers who had high expectations and experienced a satisfactory service encounter perceive a superior service quality than customers who had low expectations and experienced unsatisfactory service encounter. This finding shows that the quality of customers' service experience at different occasion cumulate in the expectation they have of the fast-food outlet visited, which in turn, influences evaluation of service quality. Therefore, a service encounter that is satisfactory reinforces the expectations of and perceptions of superior service quality.

This result agrees with previous studies in this area, Odeyemi (1998) found a significant positive relationship between expectation of service quality and satisfactory service. Also, Gottlieb, Grewal and Brown (1994) in a similar study found that positive disconfirmation of the focal and contextual dimensions of expectations had positive influences on perceived quality.

The result of analysis shown in table 2 does not support the hypothesis that predicted that there would be no significant difference in the perception of service quality of frequent, occasional and first time customers. The result shows that the frequency of patronage of different groups did not influence perception of service quality by them.

This result was supported by Pritchard's (1969) study of fairness in hypothetical retail exchange situations. Subjects perceived the situation in which shopping frequency was high as less fair than the situation in which shopping frequency was low only when both service and price inequities were high. It follows therefore, that the perception of service quality will not differ much among the different frequencies of patronage (i.e. frequent, occasional and first timers).

Consequently, it should be noted that a cohesive service-product design is not only necessary but also essential if quality service is to be rendered effectively in fast-food outlets. To perform better than their competitors, fast-food retailers need to differentiate themselves by rendering superior service quality, especially as most fast-food service products are homogenous in nature.

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