Chapter 15
Determinants of Customers' Perceived Value in the Fast Food Industry for Global Brands in Malaysia

Jalal Rajeh Hanaysha
DRB-HICOM University of Automotive Malaysia, Malaysia

Haim Hilman
Universiti Utara Malaysia, Malaysia

Zahari Abu Bakar
DRB-HICOM University of Automotive Malaysia, Malaysia

Lee Khai Loon
Universiti Malaysia Pahang, Malaysia

ABSTRACT

The purpose of this research was to investigate the effect of food quality, customer service, physical environment, and price fairness on perceived value in the fast food industry. A survey method was used for the collection of desired information from the visitors of global fast food restaurants in the East Coast region of Malaysia. The returned questionnaires were analyzed by SPSS and structural equation modeling (PLS-SEM). Overall, the findings showed that the impact of food quality on perceived value is positive. The results also showed that the effect of customer service on perceived value is insignificant. The outcomes also proved that physical environment has a significant positive impact on perceived value. Finally, the findings indicated that price fairness has a positive effect on perceived value. These results enhance the understanding towards the significance of the selected factors in influencing customers' perceived value in the fast food industry.

INTRODUCTION

Due to the quick changes in global business markets, the needs of consumers have shifted in recent years towards seeking for products or services that deliver superior value for them (Ullakonoja, 2011). In the past, the added value was perceived as product-centric that can be controlled by organizations. However, currently, superior customer value has emerged as a concept that can be created by both an organization and its customers, and for this reason, customers presume that organizations should engage them by providing favorable experiences (Prahalad & Ramaswamy, 2013; Yusof, Musa, & Rahman, 2018). In prior literature, customer perceived value was regarded as a key factor that affects customer satisfaction (Mackevičiūtė, 2013; Mehmood & Hanaysha, 2015; Prebensen & Xie, 2017). Additionally, several researchers confirmed the significance of customer perceived value and reported that it can influence consumer's purchase intention (Chi, Yeh, & Tsai, 2011; Gan & Wang, 2017). Customer value can be defined in terms of the perceived preference, evaluation of product features, and the outcomes of using a product or service to fulfill certain needs (Woodruff, 1997).

Minnema, Bijmolt, Petersen, and Shulman, (2018) indicated that perceived value represents one of the foremost imperative factors in the purchasing decision of consumers. The authors added that consumers tend to buy from brands which provide them with superior values. Therefore, if consumers develop trustworthy relationships with a service provider as a result of perceived value in the consumption process of a particular product or service, it will lead to various advantages such as: positive brand image, higher customer loyalty, and increased profit (Abdullah, Abd Ghani, & Hanaysha, 2013). Moreover, perceived value is a key factor for differentiating a brand and building its competitiveness (Hou, Cheng, Hung, Chen, & Shen, 2017). Due to the benefits of perceived value for both firms and their customers, it has become essential to identify the drivers of perceived value. By observing the prior literature on perceived value, it can be noticed that the majority of the previous researches on this topic have focused on western countries, but few were done in the Asian markets. Additionally, the increasing rivalry among businesses requires organizations to distinguish themselves in order to attract and keep their profitable customers on the long term by focusing on tangible and intangible customer values.

Hu, Kandampully, and Juwaheer (2009) reported that firms should focus on delivering superior services for customers in order to influence their perceptions of brand value. Food quality and physical environment have also been considered to be important for influencing consumer behavior and value perception. In past literature, it was found that food quality (Haery & Badiezadeh, 2014) and physical environment (Liu & Jang, 2009; Nitiwanakul, 2018) had positive effects on customer perceived value. Moreover, Gunmmesson (2002) regarded price fairness and customer service key factors for determining perceived value and brand power. Despite the significance of food quality, customer service, and physical environment, there are few studies that examined their impact on perceived value (Ryu, Lee, & Kim, 2012). Therefore, this study is designed to minimize these gaps by examining whether food quality, customer service, physical environment, and price fairness have any positive effects on perceived value in the fast food industry. The following sections present the literature review for this chapter, followed by is the method of data collection and results. This chapter ends by discussion and conclusion in addition to the limitations and directions for future research.

Related Content

Responsible Consumption, Consumer Well-Being, and Environment
Vijay Kumar Jain, Pankaj Kumar, Hemraj Verma, Pankaj Chamolaand Kumari Aditi (2022). *International Journal of Social Ecology and Sustainable Development (pp. 1-18).*
www.irma-international.org/article/responsible-consumption-consumer-well-being-and-environment/293248

Mapping the Landscape of Social Sustainability Research: A Bibliometric Analysis and Sentiment Analysis
Charu Saxena, Bhanupriya Khatriand Shad Ahmad Khan (2024). *ESG and Ecosystem Services for Sustainability (pp. 309-336).*
www.irma-international.org/chapter/mapping-the-landscape-of-social-sustainability-research/356221

AI in Renewable Energy Education: Teaching the Future of Sustainable Power Systems
C. Tamilarasi, K. Sowmiya, G. D. Vignesh, R. L. Jasmine, P. Nehruand P. Selvakumar (2025). *Rethinking the Pedagogy of Sustainable Development in the AI Era (pp. 133-152).*
www.irma-international.org/chapter/ai-in-renewable-energy-education/372541

Community Based Eco Cultural Heritage Tourism for Sustainable Development in the Asian Region: A Conceptual Framework
G. Poyya Moli (2013). *Creating a Sustainable Ecology Using Technology-Driven Solutions (pp. 124-140).*
www.irma-international.org/chapter/community-based-eco-cultural-heritage/75380

An Efficient Early Diagnosis and Healthcare Monitoring System for Mental Disorders Using Machine Learning
Kishor Kumar Reddy C., Pullisani Satvika, Srinath Dossand Marlia M. Hanafiah (2023). *Intelligent Engineering Applications and Applied Sciences for Sustainability (pp. 137-159).*
www.irma-international.org/chapter/an-efficient-early-diagnosis-and-healthcare-monitoring-system-for-mental-disorders-using-machine-learning/329576