Improving Performance Services for Customer Satisfaction: A Case Study of Kentucky Fried Chicken

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ARTICLE INFORMATION

ABSTRACT

From 2020 to 2021, many KFC outlets went into liquidation because the company suffered losses to the point where they could not pay their obligations. Apart from the impact of the pandemic, the increasing number of competitors in the fast-food sector is also the cause of the decline in KFC's business. To survive, KFC must have service performance that can increase customer satisfaction so that customers continue to choose KFC as a place to fulfill their desires. KFC in Sungai Dua, Gelugor, Penang is the subject of this investigation. In conclusion, this study aims to examine customer satisfaction, happiness towards ambiance of perceived price, food quality, service quality, and physical environment quality, and also to examine related services designed to meet customer needs. We are using qualitative and quantitative methods to explore this study. After examining the findings, we found that all the variables tested show strong reliability except for variable physical environment quality.

Keywords: Competitors, Customer Satisfaction, Food Quality, KFC, Service Performance

INTRODUCTION

Globally, Kentucky Fried Chicken (KFC) was the main fast-food chain that led the industry and was expanded internationally. With over 15,000 establishment branches around the world, KFC is the most recognized venue among the others. Nowadays, the fast-food market is highly competitive with new faces of fast-food businesses such as Texas-Chicken, 4-Fingers, A&W, Family Mart, CU Mart, and others. More competition means more choices for the customers to choose their preferred company and their desire to get wonderful service, tasteful food, and nice facilities. To compete and survive in these competitions, KFC Sungai Dua should improve their performance services and make a change towards new experiences for customer satisfaction. Therefore, one of the key responsibilities of the KFC Customer Service Team is to enhance the level of services offered by each KFC branch, which has been proven to increase customer satisfaction over time because they consist of not only the quality of food but also satisfactory services to its target customers. Products and services play an important role in all businesses. Hence, effective performance is essential for KFC through both formal and informal processes. In these studies, we focused on improving performance with several aspects which are facilities, food quality, price and services designed to meet customer satisfaction and to gain their happiness towards KFC services. Thus, we used the survey system conducted via Google Forms to collect all information and evaluate the satisfaction of customers as our research method. This type of method allows KFC to gather information related to customer opinion to make an important decision.

Food quality is the most important aspect of improving KFC's performance. This is because the quality of food, including taste, freshness, and healthiness, is closely related to customer satisfaction. Moreover, to prevent any issues, KFC will make sure to keep up a strong relationship with customers. Hence, there is a close relationship between service quality and customer satisfaction. Thus, Mohd Nazri et al. (2020) emphasize that customers obtain satisfaction when their needs are fulfilled. There are main factors that affect service quality consist of responsiveness, reliability, and assurance. These all include taking orders, greeting customers, and completing purchases both in cash and online transfer. KFC gives its employees valuable training so they can train customers quickly and effectively to maintain excellent customer service. Physical Environment Quality KFC places a high priority on customer convenience, particularly in terms of hygiene. Therefore, KFC Malaysia is aware of the extent to which each restaurant's cleanliness is maintained by responsible parties to provide a relaxing atmosphere for customers to enjoy food at KFC. Next, KFC is an attraction for all ages because of its affordable prices for each of the menu options. To entice customers away from its competitors, KFC sets its prices slightly lower compared to its competitors. It gives customers awareness and urges them to buy in view of their low pricing. When a business can deliver excellent service, it will win in increasing customer satisfaction. Once the customer is satisfied, they will compare the services from one company with other companies. By obtaining a high-quality service, customers will be motivated to build a strong relationship with the company.

LITERATURE REVIEW

Perceived Price
Septiano and Sari (2020) state that customers' perceptions of pricing are based on how the information about price is used and comprehended to provide them with a meaningful experience. The amount of money that buyers use to compare one vendor to another seller is known as the "perceived price" (Witama & Keni, 2020). Price is referred to as the value that consumers forgo in exchange for the advantages of utilizing or purchasing

a good or service offered by the vendor. Price has a big influence on consumer evaluation because customers usually think that the different price set by the seller is a great measurement to pick a better one (Shamsudin, Nayan, Ishak, Esa & Hassan, 2020 and Setiawan, 2021). According to Zhong and Moon (2020), an unreasonable price placement of a product or service will result in negative behavior of customers, such as spreading bad reviews or switching brands. Sellers need to understand the demand and ability to pay their customers. Some customers would want to search for a product that has good quality ingredients while having a low buying price. To increase client happiness and satisfaction, they must therefore modify these two variables (Shamsudin, Nayan, Ishak, Esa & Hassan, 2020).

Food Quality

The generations in today's life are more concerned and attentive regarding the food they consume. This change in attitude is based on the customers' level of education, level of income, and the increased number of campaigns that emphasize the importance of eating healthy food (Shamsudin, Nayan, Ishak, Esa & Hassan, 2020). Food quality has some aspects that customers investigate: food's appearance, taste, variety of menu, healthiness, and freshness (Zhong & Moon, 2021). Customers give great importance to the features of the food. Features include the number of artificial components, the number of calories in each serving, and the food's own quality or freshness (Shamsudin, Nayan, Ishak, Esa & Hassan, 2020). Sellers need to develop their food according to most of these demands or characteristics that customers want to gain more engagement from their customers. According to a study by Zamani (2020), improving the image and brand awareness of goods and services is the goal of food quality, and doing so will accelerate corporate growth.

Service Quality

Service quality is a level of measurement to compare the actual services and the expected services of the customer. Dam and Dam (2021) has defined service as the adaptation to clients' demands in delivering their service. Service quality is one of the most important and frequently discussed elements in research to determine the level of customer satisfaction (Elizar, Indrawati, & Syah, 2020; Nguyen, Pham, Tran, & Pham, 2020). Customer satisfaction must be continuously improved to create strong consumer loyalty (Moron et al., 2022). According to the research by Bello, Jusoh, and Nor (2020), they stated that service quality has two dimensions which are technical and functional, which is further explained that it corresponds to "how" service is being created and "what" being provided but Dewi, Hajadi, Handranata, and Herlina (2021) states that there are five dimensions for service quality which is tangibles, reliability, responsiveness, assurance, and empathy. These dimensions are also called SERVQUAL, which is a useful tool to measure service quality. However, based on Dam and Dam (2021), SERVPERF has better outcomes in terms of reliability, validity, and predictive power compared to SERVQUAL. Figure 1 illustrates our research model. A total of 9 hypotheses were formulated.

Figure 1. Research Model
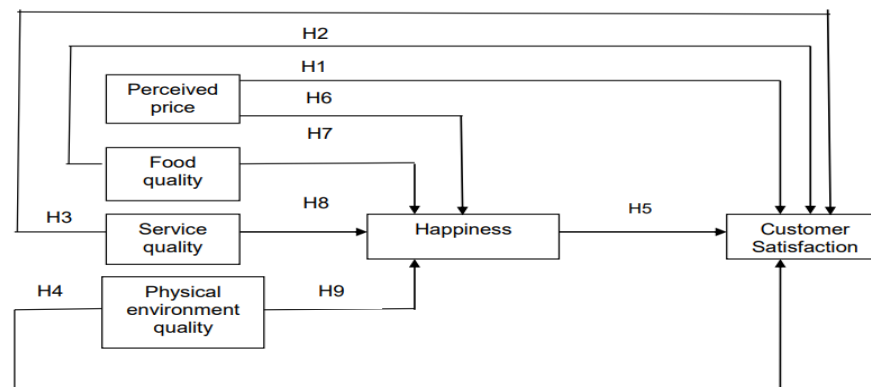
RESEARCH METHOD

The research method we are using is a mix of qualitative and quantitative methods to gain and collect data and information to conduct our case study on improving performance services of Kentucky Fried Chicken (KFC) for customer satisfaction. The two methods we used were collecting data using surveys and using articles, websites, and journals. These two methods are sufficient for us to collect enough data to know about the background, strengths, weaknesses, and improvements of Kentucky Fried Chicken (KFC).

Sample and Procedure

Our primary data source is the survey because it contains most of the information in our case study. We created it by using google forms, and it collects the information of our respondents and other points that can help researchers think about steps and development that can improve KFC's customer satisfaction. The spread of the survey is by using social media such as Whatsapp and Telegram. We approached the respondents by using social media because social media is the platform that has the highest number of users, which is reported to have 300 million users, and this will make us easily gain responses to our survey. Our survey was able to collect 150 respondents, and their responses were analyzed to draw conclusions regarding our topic. The analysis of the survey shows that most of the respondents are a female aged from 20 to 29 years old.

To gain a better understanding of our topic, we collect data using articles, websites, and journals. The data was gathered from the KFC official websites and other past study articles and journals that have been done by past researchers. The data obtained from these sources is important for us to understand more deeply the current issues in KFC and detect the weakness of KFC that can be improved to increase customer satisfaction. This data is also being used to describe the background of KFC and to write up our introduction.

Measures

We adopted the items from (Zhong & Moon, 2020). The survey is divided into seven sections. Section A asks about the respondent's demographic, such as age, gender, income, and also the frequency of respondents consuming KFC's products. Section B to section G uses the measurement of a 5-point Likert scale rated from 1 (strongly dissatisfied) to 5 (strongly satisfied).

Section B is the Perceived Price

Perceived price is customers' perceptions of pricing are based on how the information about price is used and comprehended to provide them with a meaningful experience (Hanaysha, 2016). A sample questionnaire is "the price of the fast food is reasonable" (α= 0.554), "based on the food, the price here is fair" (α= 0.586) and "the price of the fast food is affordable"
 (α= 0.651).

Section C is Food Quality

Food quality has some aspects that customers investigate which are food presentations, taste, variety of menu, healthiness, and freshness (Ryu et al., 2012). A sample questionnaire is "the food smells good" (α= 0.695) and "the food is delicious" (α= 0.742). Then, "the food is fresh" (α= 0.733) and "the food looks attractive to me" (α= 0.701).

Section D is Service Quality

Service quality is a level of measurement to compare the actual services and the expected services of the customer (Ryu et al., 2012). A sample questionnaire is "staff members are friendly" (α= 0.806) and "staff members are very helpful" (α= 0.767). Next, "staff members serve quickly and promptly" (α= 0.765), and lastly is "I feel comfortable with staff members' service" (α= 0.790).

Section E is Physical Environment Quality

Physical environment quality is how the company creates a good environment in a restaurant that can improve a company's brand image and affect customer conceptions (Hanaysha, 2016). This is a sample questionnaire is "the restaurant environment is clean" (α= 0.330) and " the lighting in the restaurant is comfortable" (α= 0.588). Lastly, "the temperature in the restaurant is comfortable" (α= 0.518).

Section F is About Customer Satisfaction

Customers were asked to report how satisfied they were with the services that KFC provided (Ryu et al., 2012). A sample questionnaire is "the overall experience of this fast-food restaurant is satisfying" (α= 0.556) and " I think my decision to visit this restaurant was a wise one" (α= 0.577). Lastly, "this restaurant meets most of my expectations" (α= 0.742).

Section G is About Happiness

Happiness is the level of loyalty and satisfaction that consumers feel after utilizing a product (Gong & Yi, 2018). A sample questionnaire is "I think visiting this fast-food restaurant will contribute to customer happiness" (α= 0.667) and "by visiting this restaurant, customers' quality of life will be improved" (α= 0.565). Lastly, "this restaurant provides a happy and enjoyable dining experience for my family and friends" (α= 0.610).

RESULTS

The case study questionnaire contained 24 questions to examine customer satisfaction with KFC performance services. An online Google Form was used to distribute the survey to 150 respondents. The purpose of this survey is to help KFC to collect data from customers so that KFC can make important decisions to improve their services, especially during this pandemic. Figure 1 reveals that female participants were remarkably higher than males between 20-29 years old.

Table 1. Summary of Respondents' Demographics (N=150)

Response	Frequency	Percentage (%)
Gender Male Female	 59 91	 39.5 60.5
Age Below 20 years old 20-29 years old 30-39 years old 40-49 years old 50 years old and above	 21 114 8 4 3	 14 76 5.3 2.7 2
Race Malay Chinese Indian Other	 94 34 11 11	 62.7 22.7 7.3 7.3
Occupation Employed Homemaker Self-employed Student Unemployed Other	 18 2 6 124 0 0	 12.1 1.3 4 82.6 0 0
How often do you eat at KFC? Once a week 2-3 times a week Once a month 2-3 times a month Rarely Never	 13 23 39 29 46 0	 8.7 15.3 26 19.3 30.7 0
What is your average Ringgit Malaysia (RM) spent at KFC? RM 1 - RM 9.99 RM 10 - RM 19.99 RM 20 - RM 29.99 RM 30 - RM 39.99 RM 40 - RM 49.99 RM 50 and above	 3 40 67 25 7 8	 2 26.7 44.7 16.7 4.7 5.3

The summary of 150 demographic respondents from the survey is shown above. According to Table 1, most of the respondents are Malay with 62.7% that lead the race, followed by Chinese with 22.7% and 7.3% both Indian and others. Over half of the respondents are students, as they find that KFC is a cheap and easy way to get food, while only 12.1% are employed. The respondents prefer to eat at KFC 2-3 times a month, and many of them said they rarely eat at KFC. From the results of the survey, the table quite clearly shows that most respondents spend their money around RM20 - RM29.99 to eat at KFC. This shows me that most of the respondents didn't mind spending their money on food at KFC, which is quite expensive, or they buy more than one displayed

menu. However, there are eight respondents who spend RM50 and above at KFC, and it is possible that they eat with their families. Table 2 displays descriptive statistics, information on dependability, and zero-order correlations between variables. All variables tested show strong reliability ranging from .58 to .84.

Table 2. Descriptive Statistics, Cronbach's Coefficients Alpha, and Zero-order Correlations for All Study Variables

Variables	1	2	3	4	5	6
Perceived Price	**.691**					
Food Quality	.678**	**.774**				
Service Quality	.583**	.784**	**.831**			
Physical Environment Quality	.516**	.749**	.749**	**.588**		
Customer Satisfaction	.481**	.692**	.692**	.606**	**.746**	
Happiness	.560**	.733**	.776**	.616**	.632**	**.710**
Number of items	3	4	4	3	2	3
Mean	4.571	4.533	4.503	4.589	4.530	4.487
Standard deviation	0.560	0.595	0.629	0.495	0.638	0.665

*Note: N=150; *p<.05, **p<.01, ***p<.001. The diagonal entries represent Cronbach's coefficients alpha.*

Based on Table 2, Cronbach's coefficient alpha for customer satisfaction is 0.746 and happiness is 0.710. On the contrary, Cronbach's alpha coefficient for the perceived price, food quality, service quality, and physical environment quality were 0.691, 0.774, 0.831, and 0.588.

Table 3. Regression Analysis

| Variables	Customer Satisfaction	Happiness
1. Perceived Price	-.004	.067
2. Food Quality	.238*	.248*
3. Service Quality	.283*	.510***
4. Physical Environment Quality	.139	.007
5. Happiness	.155	
R^2	.534	.646
F Value	33.034	66.043
Durbin-Watson Statistic	1.496	1.645

*Note: N=150; *p<.05, **p<.01, ***p<.001.*

As presented in Table 3, customer satisfaction is the dependent variable, while perceived price, food quality, service quality, physical environment quality, and happiness will be the independent variable. The hypotheses developed were assessed using regression analysis. According to the results, food and service quality were positively and significantly related to customer satisfaction. As a result, H2 and H3 are proven. The R^2 value of the output is 0.534. It shows that 53.4% of customer satisfaction is affected by food quality and service quality. In contrast, food quality showed a beta value of 0.238 and service quality showed a beta value of 0.283. On the contrary, perceived price, physical environment quality, and happiness show an insignificant effect on customer satisfaction.

Moreover, the output indicated that food quality and service quality could influence customer satisfaction through happiness. Happiness is defined as customer perceptions of how much their quality of life and well-being has improved. The result shows that the

dependent variable of happiness and independent variables of food quality and food quality are positively related with β values of 0.284 and 0.510. Therefore, H7 and H8 are supported. Service quality possesses the highest β value of 0.510, which means service quality affects happiness the most and is followed by food quality of 0.284. Besides perceived price, physical environment quality is not significantly related to happiness. Hence, H6 and H9 are not supported. The summary of the output with the hypothesized model is shown below.

Figure 2. Hypothesized Model
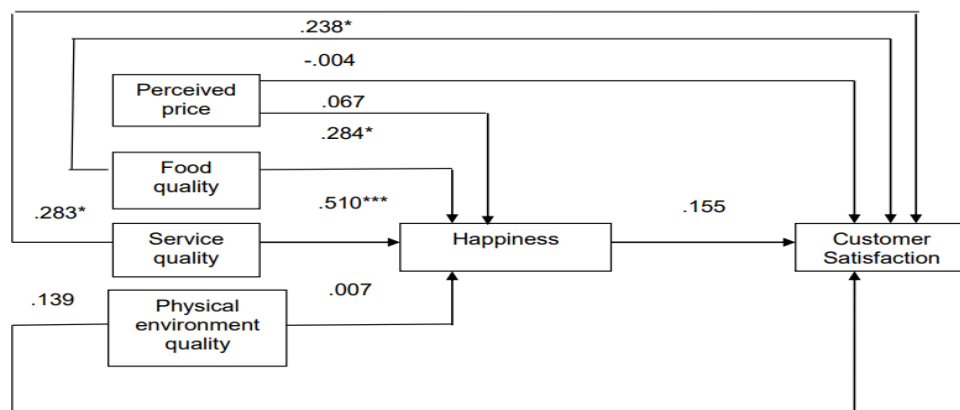
DISCUSSION

This discussion refers to the results of a study on customer statistics in relation to various factors such as perceived price, food quality, service quality, physical environment quality and happiness. The study surveyed a group of respondents, the majority of whom were female, young, Malay and students. The results of the study, as presented in Table 2, show that all the variables tested show strong reliability except for variable physical environment quality. Table 3 shows the findings of a regression analysis wherein customer satisfaction is the dependent variable while the other variables are the independent variable. The results indicate that food quality and service quality are significantly related to customer satisfaction, while the other variables are not. The R^2 value of 0.534 suggests that 53.4% of the changes in customer satisfaction can be explained by food quality and service quality. The beta, β value for service quality (0.283) indicates that it is the most influential factor affecting customer satisfaction, while the β value for food quality (0.238) indicates that it also influences customer satisfaction, but to a lesser extent. Food quality is particularly significant in terms of reflecting and promoting the restaurant's features that are important for increasing customer satisfaction. In other words, food quality is the initial value people place in a restaurant when making a food selection based on their personal assessment of the cleanliness, freshness, and taste of the food. A higher level of food quality can be a key aspect in boosting customer satisfaction and loyalty since it shows that customers believe they are getting good value for their money and reasonable food for the price they are paying. Low food quality, on the other hand, may induce discontent and cause customers to switch to other restaurants or foods. The results of the previously discussed study demonstrate that food quality value is a significant influence in determining customer satisfaction, with a beta value of 0.238. This indicates that a rise in food quality is likely to increase customer satisfaction.

The goal of this analysis is to identify the factors that could improve performance services for customer satisfaction. Thus, the findings indicate that food quality and service quality

are among the most vital factors in increasing customer satisfaction. There are several recommendations for ways that KFC might improve future food and service quality. First, add more food options with a different tastes to the menu. Customers expect KFC to offer a wider selection of foods with a fresh flavors. Customers also demand large-sized chicken tight. Thus, KFC needs to expand the size of the chicken. After that, KFC needs to make sure that staff members are more friendly and smile when serving food to customers at the counter. In addition to further promotions and offers, such as providing a coupon or present once they spend more than RM150 and a promotional coupon during the delivery applicant. Finally, KFC must provide a good environment to increase customer satisfaction, such as upgraded connection speeds and touch screen ordering service.

CONCLUSION

In conclusion, Kentucky Fried Chicken's (KFC) services and goods have a significant influence on customer satisfaction. According to our research, most customers are happy with the KFC goods and existing services. Most customers also know about KFC through social media. This demonstrates how social media and the internet may help individuals learn about new subjects more quickly and readily. Customers are generally more likely to choose KFC's fried chicken than its burger because they enjoy its exciting taste with its spicy and distinctive flavor. However, the issue with KFC is that all the menu items are mostly high in calories, and none of the patrons thinks the meal is nutritious. They won't frequently or perhaps occasionally purchase KFC's products. Fewer consumers are dissatisfied with KFC's services and goods, according to the rating of satisfaction area. To retain the restaurant's high standards and top quality, they advised KFC to enhance both its services and cuisine.

DECLARATION OF CONFLICTING INTERESTS
The authors have declared no conflicts of interest.

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