

**FACTORS AFFECTING CUSTOMERS' SATISFACTION
TOWARDS ON-PREMISE WEDDING CATERING
SERVICES IN KLANG VALLEY**

BY

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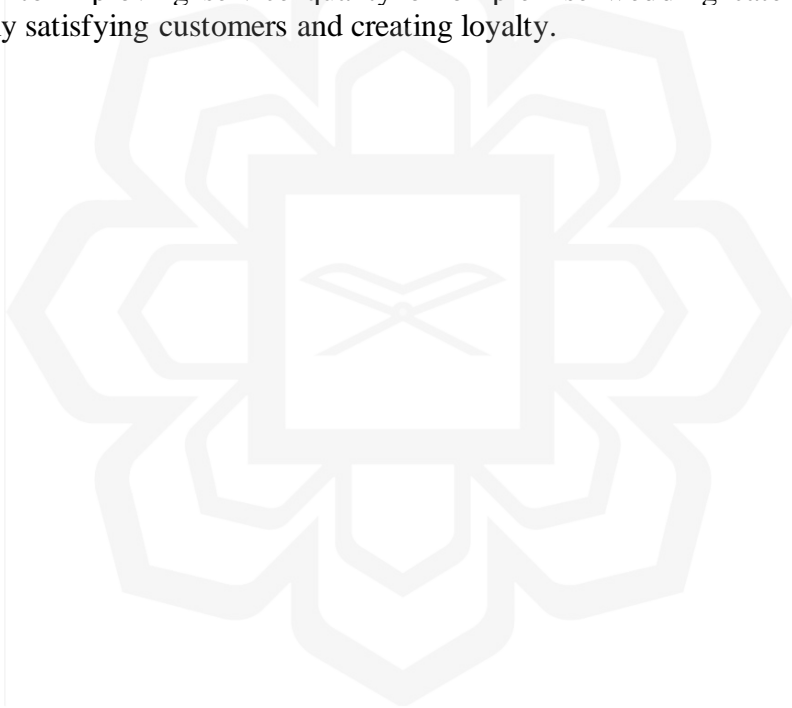
**A dissertation submitted in fulfilment of the requirement for
the degree of Master of Science (Marketing)**

**Kulliyyah of Economics and Management Sciences
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ABSTRACT

The aim of this study is to identify the factors affecting customers' satisfaction of on-premise wedding catering services in Klang Valley. The conceptual framework proposes four dimensions that influence the customers' satisfaction of on-premise wedding catering services in Klang Valley, those are facility and atmosphere, quality, price and service. Moreover, 210 respondents are selected using purposive sampling method to participate in online questionnaires. The empirical findings show that facility and atmosphere, price and service do have significant influence while quality does not have significant influence on customers' satisfaction towards on-premise wedding catering services in Klang Valley. However, quality is the most influential dimension and does reflect a positive relationship with customers' satisfaction towards on-premise wedding catering services in Klang Valley. This study provides valuable insight into improving service quality of on-premise wedding catering services and indirectly satisfying customers and creating loyalty.



خلاصة البحث

يهدف هذا البحث إلى التعرف على العوامل التي تؤثر على رضا العملاء تجاه خدمات الضيافة الداخلية لحفلات الأعراس في منطقة كلانق فالي. تناولت الدراسة أربعة أبعاد تؤثر في رضا العملاء وهي المرافق والبيئة، والجودة، والسعر، والخدمة. كما تم جمع البيانات من 120 مشارك في كوالا لمبور قاموا بالإجابة من خلال استبانة إلكترونية باستخدام منهج العينة العمدية. وأظهرت النتائج التجريبية بأن المرافق والبيئة والسعر والخدمة لها تأثير كبير بينما لم يكن للجودة تأثير كبير على رضا العملاء نحو خدمات الضيافة الداخلية لحفلات الأعراس في منطقة كلانق فالي. تقدم هذه الدراسة رؤية قيمة حول تطوير خدمات الضيافة الداخلية لحفلات الأعراس في منطقة كلانق فالي بما يؤدي بشكل غير مباشر إلى تحقيق رضا العملاء وصياغة ولائهم اتجاه الخدمات المقدمة.

APPROVAL PAGE

I certify that I have supervised and read this study and that in my opinion, it conforms to acceptable standards of scholarly presentation and is fully adequate, in scope and quality, as a dissertation for the degree of Master of Science (Marketing)

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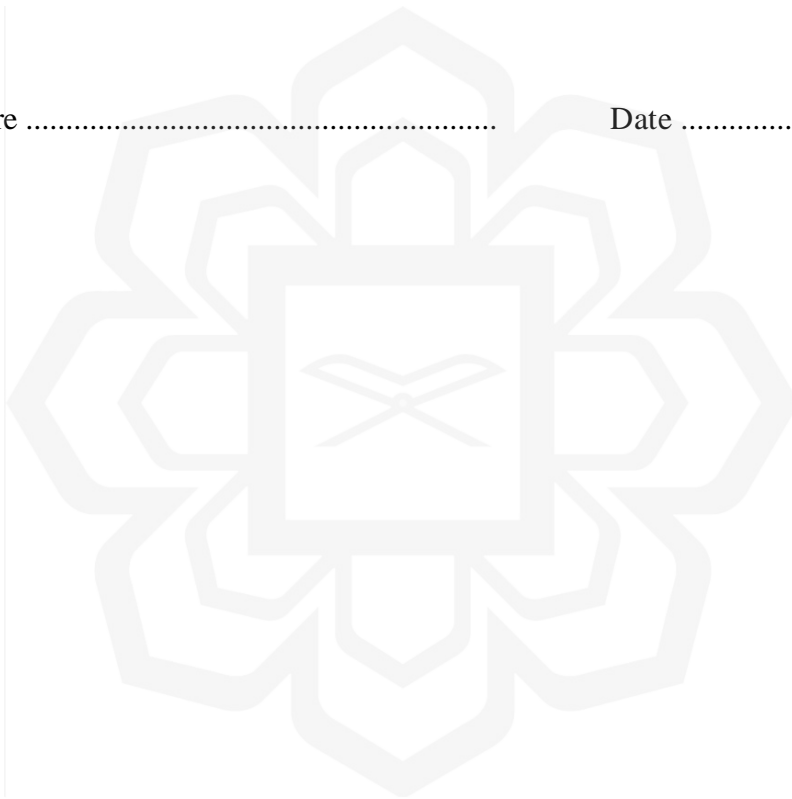
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DECLARATION

I hereby declare that this dissertation is the result of my own investigations, except where otherwise stated. I also declare that it has not been previously or concurrently submitted as a whole for any other degrees at IIUM or other institutions.

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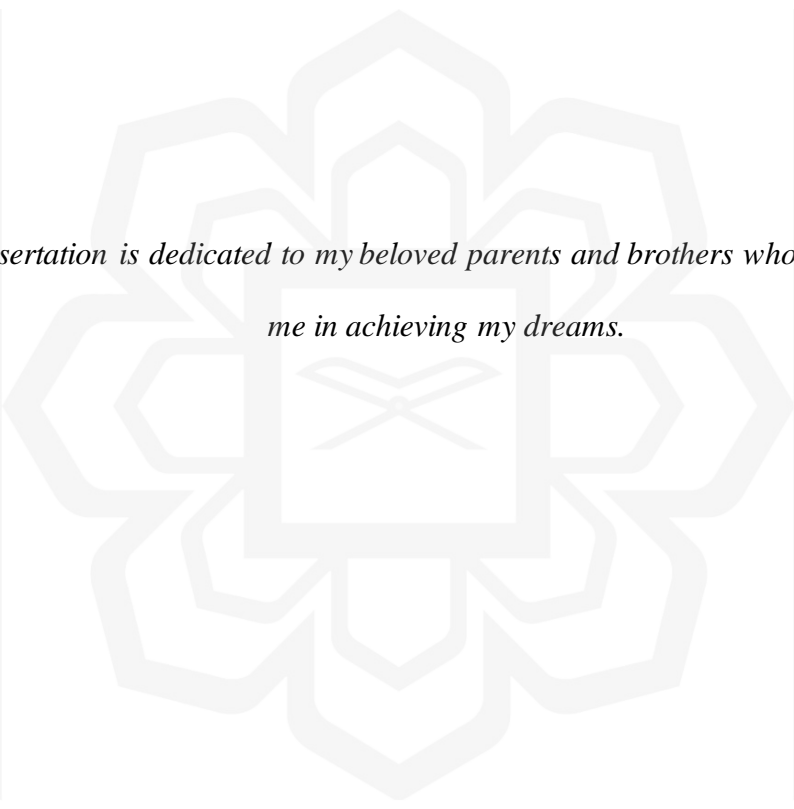
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This dissertation is dedicated to my beloved parents and brothers who always support me in achieving my dreams.

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Firstly, it is my utmost pleasure to dedicate this work to my dear parents, En. Omar Mohaideen and Puan Rahmah Ayob, who granted me the gift of their unwavering belief in my ability to accomplish this goal; thank you for your support and patience.

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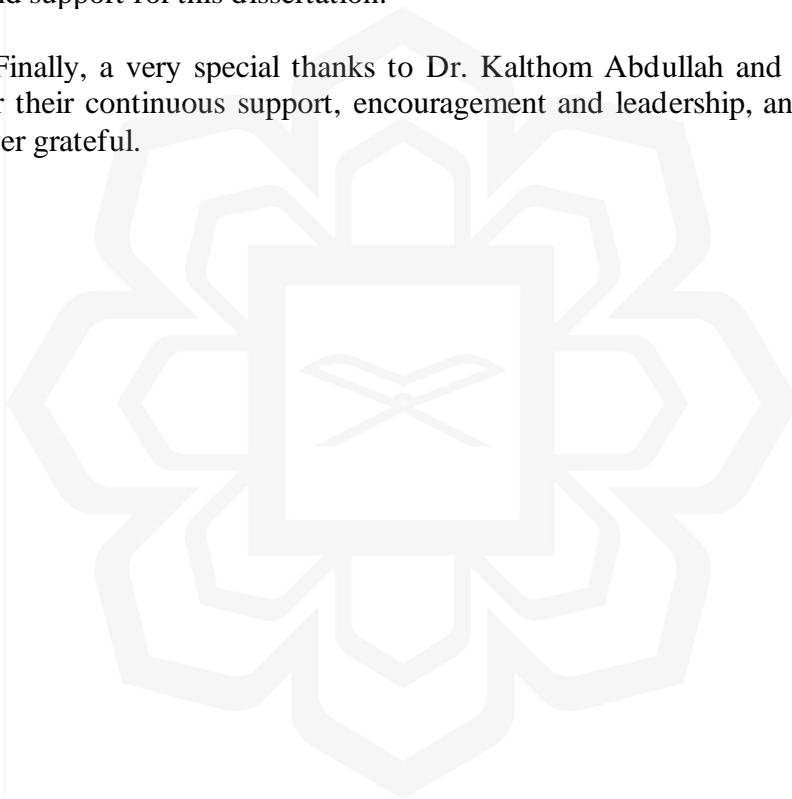


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CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

The urbanization of Malaysians has affected many aspects of their lives, especially the eating behaviour, more specifically food preferences. Due to this urbanization, Malaysians are facing one of the impacts, which is time constraint. Thus, Malaysians are prefer to buy their food rather than preparing it at home. This is because they believe that the time used to prepare the food at home is quite long and better to use in finishing other tasks. According to Noraziah & Mohd Azlan (2012), some factors such as commuting between workplace and home, working mothers, and varieties of food served in restaurants have encouraged the behaviour of eating outside among Malaysians, and with, it has turned into a culture. Due to this 'eating-outside' behaviour, Malaysian is getting used to the culture and the taste of the outside food. Then, because of this change in lifestyle, they even hired a caterer for any events, especially wedding reception.

Furthermore, focusing on the wedding reception, in the past, Malaysians preferred to have a 'cook-together' or '*rewang*' (in Malay) culture where the relatives and neighbours were gathered and cooked the food together. The food they cooked was then served to the guests. However, as time passed by, the culture has gradually faded away in the urban areas. Nowadays, Malaysians choose to hire wedding caterers to manage their wedding reception. Due to this shift, there has been an increasing establishment of wedding catering service providers in Malaysia. The number of

wedding caterers continued to rise, and currently, the total number of registered caterers is 3000 companies (Yee, 2019).

In justifying clearly, the 3000 registered wedding caterers are only focused on the Klang Valley area (Yee, 2019). This often happens because the entrepreneurs always choose Klang Valley area as a suitable start-up area for their businesses, and because it is considered to be the trading area in Malaysia. Besides, Klang Valley is also one of the tourists' favourite places even the centre of attraction in Malaysia because it has many exciting places such as Kuala Lumpur Twin Tower, Pasar Seni and many more. Furthermore, the public transport service in the Klang Valley is very convenient, and it does make it easier for the people to stay (Raine & Horne International Zaki+ Partners Sdn. Bhd., 2014).

Also, Klang Valley is a sub-group of Kuala Lumpur, Selangor and Putrajaya. Even though it is just a small land compared to the entire Malaysia as whole, this area is the leader for various aspects within Malaysia such as productivity, healthcare, population size, concentration, urbanization, job opportunities, income and property market (Raine & Horne International Zaki+ Partners Sdn. Bhd., 2014). These are the reasons for people in the rural area to migrate to Klang Valley looking for better lifestyles (The Edge Markets, 2017).

The explanation of wedding catering service is mainly related to the food and beverages industry were delivering the best customer services, which is beyond the customers' expectation also improving continuously on the service quality is essential (Markovic et al., 2010). This is because of the huge number of wedding caterers in the market results in more intense competition thus, lowering their chance of being selected by customers. Thus, developing loyalty programs for the customers is vital to

ensure the increase of revenue for the company (Aftab & Sarwar, 2016). Typically, more customers will generate more profit for the company. Besides, the company has to find initiatives to satisfy its customers to encourage them to repeat purchase and spread positive word-of-mouth to the other prospects.

The satisfaction of the customers is subjective and hard to explain. This is because, satisfaction is related to the customers' expectation towards services or products (Aftab & Sarwar, 2016). Then, satisfaction or dissatisfaction results from the customers' experience in using any products or services. Hence, the wedding caterers have to find out the details of the customers' needs and wants to satisfy them.

Therefore, wedding caterers have to find a solution to this issue. So, they can focus on these four factors in improving their services while satisfying their customers based on the evaluation of customers' experience. Hence, this study will assist wedding caterers to better understand customers' expectations that lead to their satisfaction and indirectly improve caterers' profit generation.

1.2 ON-PREMISE WEDDING CATERING SERVICE

On-premise catering means the event is organized at the places owned by the caterers (Shock & Stefanelli, 2001) where the kitchen is attached to the banquet hall (Davis, 2005). It means that the food is cooked or prepared is served at the caterers' premises (St. Louis, 2018).

On-premise wedding catering services are highly demanded in Malaysia, especially in the Klang Valley area (Bode, 2003). This is because of the increasing number of service providers in this industry. Previously, most of the on-premise wedding catering services are offered by the hotels and the luxury cafes and

restaurants (Bode, 2003). However, today, it is provided by the privately owned companies of on-premise wedding catering services where the place, the tools and equipment and the food for the wedding are setting up at the owner's places, and the place is prepared only for the wedding reception.

In conclusion, the demand and supply of on-premise wedding catering services in Klang Valley area are continuously increasing. Thus, the service providers have to prepare the best strategy in providing the best services to their customers.

1.3 STATEMENT OF THE PROBLEM

The number of on-premise wedding catering service providers are increasing in the market. According to the Ministry of Tourism (2019), 2030 hotels provide wedding catering service and there are 36 number of caterers that provide on-premise wedding catering service in Klang valley (Yee, 2019). Thus, it illustrates a stiff competition in the industry. Rationally, the customers tend to do a research before deciding a caterer that can fulfil their requests and give the ultimate satisfaction in terms of menu, service package, and budget. Thus, the wedding caterers should identify a way to ensure they are offering packages that are really satisfying the customers. This is very important to be in the evoked set of the customers. According to Uncles et al., (2002), most of the marketers think that customer loyalty is related to the attitude-based which can be influenced by the Customer Relationship Management initiatives such as loyalty and infinity programs; however, it is more about the passive acceptance of the brands. Also, the caterers need to gather a lot of information about the market in order to be creative and innovative to ensure their companies are surviving in this industry. Due to this requirement, the caterers must offer something unique to compete with

their competitors. Thus, the uniqueness will be the competitive advantage to the companies.

Furthermore, there are many negative news reported in the newspaper about the wedding catering service providers. This kind of situation might fear the prospects because there is a possibility for them to be in that situation. For examples, there is a case of the wedding caterers failed to provide services as promised (Zamzurina, 2018) and a caterer cheated thousands amount of money from the customers (Shahrinnahar, 2018 & Bernama, 2018). From this news, it can be seen that the caterers failed to satisfy their customers in terms of quality and service factors.

Moreover, there are many aspects to focus on when arranging a wedding reception. For examples are the wedding hall, the menu or food to serve, the suitable price to offer and many more. Thus, the caterers have a lot of things to plan and organize to ensure that the wedding are running smoothly and worth to the customers. However, the caterers do not really sure which part of the wedding reception that is affecting the satisfaction of their customers. Based on the previous research showed that various factors that affect the satisfaction of the customers are service quality, perceived value, trust (Al-Maamari & Abdulrab, 2017), price (Ngoc Duy & Hoang, 2017), and brand reputation (Zaw & Chaipoopirutana, 2014). So, the information is very important for the caterers to create the best strategy in pleasing the customers.

Therefore, the caterers should know the factors that are affecting the satisfaction of their customers. This is important to get the trust of the customers (Bode, 2003). Besides, it is also vital in providing the service that will achieve the expectation of the customers. Thus, it is better if the caterers can provide the service that is beyond the customers' expectation positively (Aftab & Sarwar, 2016).-

1.4 RESEARCH OBJECTIVES

1.4.1 General objective

This research seeks to identify the influence of the independent variables (facility and atmosphere, quality, price and service) on the dependant variable (customers' satisfaction) towards On-premise wedding catering service in Klang Valley.

1.4.2 Specific objective

The study aims to achieve the following objectives:

1. To examine the influence of facility and atmosphere on customers' satisfaction of on-premise wedding catering services in Klang Valley.
2. To determine the influence of quality on customers' satisfaction of on-premise wedding catering services in Klang Valley.
3. To investigate the influence of price on customers' satisfaction of on-premise wedding catering services in Klang Valley.
4. To evaluate the influence of service on customers' satisfaction of on-premise wedding catering services in Klang Valley.

1.5 RESEARCH QUESTIONS

1. Do the facility and atmosphere affect customers' satisfaction of on-premise wedding catering services in Klang Valley?
2. Does quality affect customers' satisfaction of on-premise wedding catering services in Klang valley?
3. Does price affect customers' satisfaction of on-premise wedding catering services in Klang Valley?

4. Does service affect customers' satisfaction of on-premise wedding catering services in Klang valley?

1.6 SIGNIFICANCE OF THE STUDY

There are many wedding catering service providers in the market either the on-premise or off-premise catering service. Therefore, the competition in this industry is quite stiff. Due to this situation, the caterers should offer something unique in their service as it might be the comparative advantage for the organization to survive in the market also to attract more prospects while having more satisfied customers.

Besides, this research is also proof that the customers' satisfaction of on-premise wedding catering service can be measured using these four important factors. So, the caterers may know that among these four factors, those are facility and atmosphere, quality, price and service, which dimension affects customers' satisfaction most. It may help caterers to plan for their business wisely.

In addition, this research also can illustrate the level of customers' satisfaction towards current on-premise wedding catering services which are operating in the market. It communicates the opinion of the customers after using the services.

In conclusion, the on-premise wedding catering service providers have to know the criteria or the customers' dream towards their wedding reception. From here, the company would be able to plan the wedding reception that can satisfy the customers.

1.7 DEFINITIONS OF TERMS

Customers' satisfaction

Customer satisfaction is considered to be the distinction between customers' expectation about a product or service and the actual performance (Wantara, 2015). This clearly explains that customers have their own standards before using any products or services. These standards then serve as a benchmark for deciding either the experienced products or services achieved those standards or not.

Importance Performance Analysis (IPA)

This is one of the satisfaction theories and has been introduced by Martilla & James (1977). This theory measures the important attributes in the service industry that can affect the level of satisfaction of its customers (Martilla & James, 1977).

Catering

“Catering is a multifaceted segment of the food service industry” (Shiring, 2012). Catering services cook and serve food based on customers' request. The service providers in this industry are known as caterers.

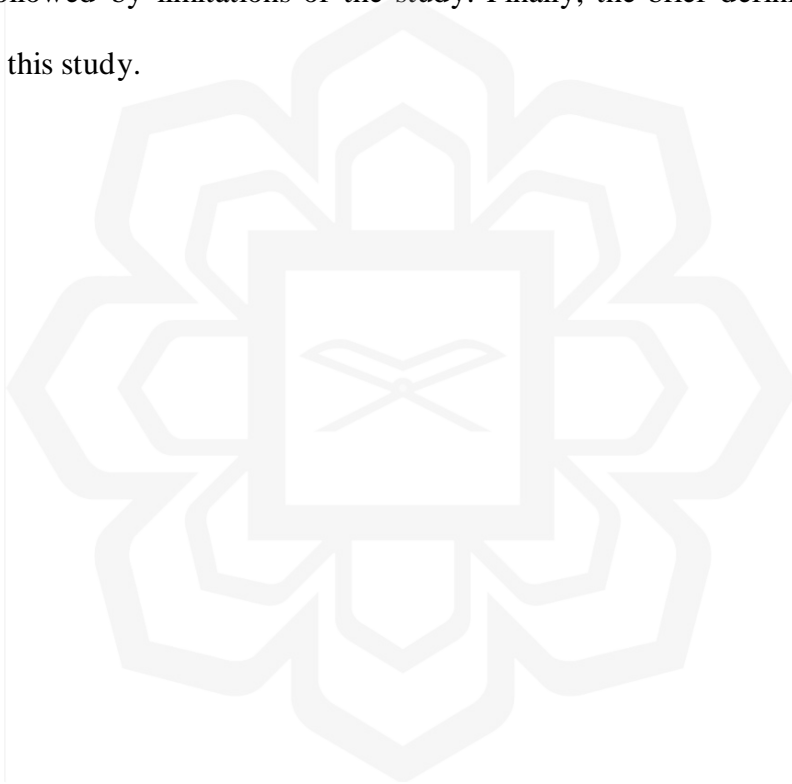
On-premise catering

On-premise catering means the event is organized at the places owned by the caterers (Shock & Stefanelli, 2001). The food is cooked and served at the same place that is owned by the service provider.

1.8 CHAPTER SUMMARY

This chapter has presented and discussed the background of the study. It explained the eating-outside culture has resulted in the increment number of wedding caterers in

Malaysia, definitions of concepts were also explained. Additionally, the statement of the problem was discussed, as this study set to discover the factors affecting customers' satisfaction towards on-premise wedding catering services. This was followed by the body of literature which is the theoretical framework of this study on the four independent variables which are facility and atmosphere, quality, price and service on the dependant variable which is customers' satisfaction. This chapter also presented the research questions, hypotheses and objectives. The significance of the study followed by limitations of the study. Finally, the brief definitions of the key terms in this study.



CHAPTER TWO

LITERATURE REVIEW

PART ONE: THEORETICAL REVIEW

2.1 INTRODUCTION

Since the study aims to identify the factors affecting customers' satisfaction towards on-premise wedding catering services in Klang Valley in terms of the influence of the proposed variables (facility and atmosphere, quality, price, service) on the dependent variable (customers' satisfaction). Furthermore, the key contents of this chapter are to review the theories and empirical studies related to the dependent variable which is customers' satisfaction. The following section provides a review of past researches of the four independent variables of the study (facilities and atmosphere, quality, price and service). From all of these reviews, the framework and hypotheses of the study are drawn.

2.2 SATISFACTION

There are several meanings of satisfaction. According to Howard & Sheth (1969), satisfaction is "*the buyer's cognitive state of being adequately or inadequately rewarded for the sacrifice he has undergone*". Besides, satisfaction also is defined as "*an evaluation (cognitive) that the chosen alternative is consistent with prior beliefs concerning that alternative*" (Engel & Blackwell, 1982). While based on Kotler & Keller, 2000; Oliver, 1980; Solomon, 2014; Wantara, 2015, satisfaction is "*a person's feelings of pleasure or disappointment resulting from comparing a product's perceived performance (or outcome) concerning his or her expectations*".

Table 2.1: Selected Definitions of Customer Satisfaction

Definition	Author
The buyer's cognitive state of being adequately or inadequately rewarded for the sacrifice he has undergone.	(Howard & Sheth, 1969)
The result of the gap between expected and perceived performance. The customers evaluate the purchase experience, whether the product or service was able or unable to meet their expectations.	(Oliver, 1980)
An evaluation (cognitive) that the chosen alternative is consistent with prior beliefs concerning that alternative.	(Engel & Blackwell, 1982)
A person's feelings of pleasure or disappointment resulting from comparing a product's perceived performance (or outcome) concerning his or her expectations.	(Kotler & Keller, 2000)
The consumer satisfaction/dissatisfaction is the overall attitude a person has about a product after it has been purchased.	(Solomon, 2014)