FACTORS EFFECTING CUSTOMER SATISFACTION TOWARD FAST FOOD IN CAMBODIA

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Abstract

With the changing society, growing number of expats and change in local tradition, the growing number of family's that eat out has created many opportunities for fast food restaurants in Cambodia. This research is interested in exploring factors effecting customer satisfaction toward fast food restaurant in Cambodia.

The study is a survey research using a quota sampling and questionnaire to collect data from 100 Cambodian consumers. The study hypotheses are H1: demographic profile has effect on customer satisfaction towards fast food restaurants in Cambodia, and H2: service marketing mix (7P's) has effect on customer satisfaction toward fast food restaurant in Cambodia. The respondents are even amount numbers of male and female who are mostly aged between 21 – 31 years old, student who graduated with bachelor's degree with the income of $100 – $499 monthly.

These results will benefit to students who would like to expand their knowledge; as well as entrepreneurs and business owners who would like to take chances in investing and expanding business ideas further in fast food industry in Cambodia.

Keywords: Fast food, fast food restaurant

Introduction

Competition is heating up in Cambodia's growing fast-food sector, with international chains Pizza Hut and Burger King set to go head-to-head in the Kingdom. However, the industry's rapid expansion is a cause for concern among street vendors and local restaurateurs, some of whom are feeling the pinch from increasing competition and changing customer expectations. The market for fast food in Phnom Penh is estimated to be worth US$40 million a year, which accounts for 5.3 percent of the capital's $744 million annual food expenditure, according to Tep Virak, general manager of Express Food Group – which runs Pizza Company and Swensen's franchises in the Kingdom. But while fast food still has a relatively small market share, competition within the sector has increased significantly in the past five years. (Mattew & Sen, 2010)

Based on The Gross Domestic Product (GDP), Cambodia expanded 6.90% (Cambodia National Institute of Statistics, 2018) in 2016 from the previous year. GDP Annual Growth Rate in Cambodia Averaged 7.61% (Cambodia National Institute of Statistics, 2018) from 1994 until 2016, reaching an all times high of 13.30% (Cambodia National Institute of Statistics, 2018) in 2005 and a low of 0.10% (Cambodia National Institute of Statistics, 2018) in 2009. Moreover, according to the forecasts in the Asian Development Bank's Asian Development Out 2016, after decades of conflict and poverty that captured the world's attention, Cambodia has enjoyed five years of high economic growth that is moving it toward becoming one of the new tiger economic in Asia. However, it is not factories alone that are driving the booming economy of Cambodia.

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Services, the second biggest contributor to growth, grew by an estimate 7.1% (Asian Development Bank, 2016). The Finance, transport and communication sectors all grew by about 8% (Asian Development Bank, 2016), and tourist arrivals rose by 6.1% (Asian Development Bank, 2016) in 2015. Agriculture has shown minimal growth, largely due to drought caused by the El Nino weather phenomenon, bit it is projected to grow by 1.6% (Asian Development Bank, 2016).

In addition, according to Foreign Direct Investment (FDI), China was China was Cambodia's largest foreign direct investor, with investment capital of 5.3 billion, or about $1 billion annually (Kimsay, 2018), in five straight years, from 2013 to 2017.

The deputy secretary general of the Cambodia Investment Board at the Council for the Development of Cambodia (CDC) added that "Chinese's investment has been growing and will continue to growth in Cambodia in many sectors such as banking, industry and infrastructure". In 2016, China surpassed itself to become the largest source of investment capital in the Kingdom, according to figures from the CDC. According to these evidences, it shows us of how big the Chinese Investment is to Cambodia, and it also give a lot of benefits to the country. There more Chines tourists come to visit, and more Chinese immigrants who come live and work in Cambodia which create more jobs for Cambodian people. And once they have jobs, people tend to have more desire in life. It's like that they have more money to spends on their daily life and it lead to the kind of food that they like consume. Cambodian people look for more varieties of food, like something new. So, to see how fast food restaurant satisfied to Cambodian consumers is important (United Nations Industrial Development Organization, 2018). With the changing society, growing number of expats and change in local tradition, the growing number of family's that eat out has created many opportunities for fast food restaurants in Cambodia.
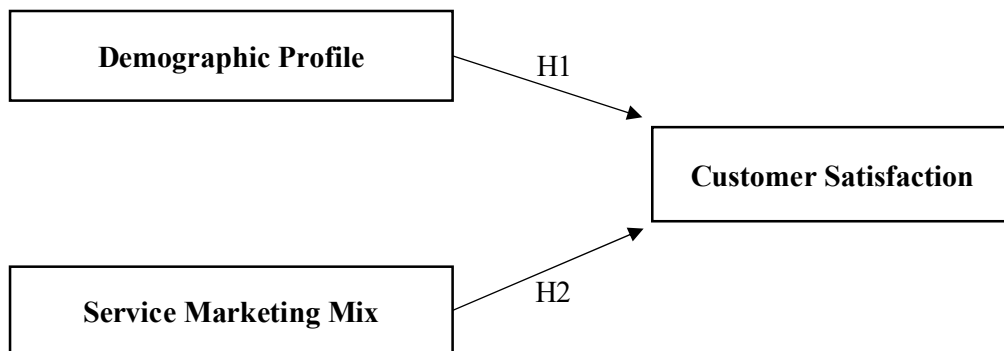

Figure 1: Conceptual framework of the study

This study aims to test whether there is relationship between demographic profile, service marketing mix (7Ps) and customer satisfaction toward fast food restaurant in Cambodia. Therefore, this study proposed two hypotheses as follow:

H1: Demographic profile has effect on customer satisfaction towards fast food restaurants in Cambodia.

H2: Service marketing mix (7P's) has effect on customer satisfaction toward fast food restaurant in Cambodia.

Investigating Constructs

This study addresses the customer satisfaction toward fast food restaurant in Cambodia. The proposed factors of demographic profiles and service marketing mix (7Ps) were used to examine the relationship with customer satisfaction toward fast food restaurant in Cambodia. The definitions of key terms in this study are described as follows:

- **Fast Food** – food that is prepared and served quickly. Fast food refers to food that is cooked in bulk in advance and kept hot, finished and packaged to order at the restaurant. It is also available for take and online order such as hamburgers, fries' chicken and French fries (Jakle, A, & Sculle, 1999).

- **Fast Food Restaurant** – refer to a quick service restaurant (QSR) with the industry, is a specific type of restaurant that serves fast food cuisine. The food served in the fast food restaurant is typically part of a "meat-sweet diet", offered from limited menu (Jack in the Box, 2018). In this study, fast food restaurant chains mean Burger King, KFC, Lotteria, Carl's Jr. and Lucky Burger (local brand).

To further understand the relationship between demographic profiles, service marketing mix (7Ps) and customer satisfaction toward fast food restaurant in Cambodia, the following relevant studies have been reviewed. A study of Hallowell Roger (1996) have explored the relationship between demographic profile and customer satisfaction. In any business-to customer type environment, customer satisfaction becomes an ultimate goal and objective (Munusamy et al., 2010). Anita (2007) have explored that most of the young Indian consumer visits fast food outlets for change and fun. Solimun and Fernandes Adji Achmad Rinaldo (2018) presented a model that explain the relationship between service marketing mix and customer satisfaction. Anita (2007) have explored that the majority of the consumers believe that fast food has inadequate nutritional value. Also, food taste and quality have highest importance in the mind of fast food consumers (Anita, 2007).

Methodology

The research is a survey research design that uses a self-administrative questionnaire to collect data from respondents. The research adopted convenience sampling method by distributing questionnaire to fast food customers in Phnom Penh and Siem Reap, Cambodia from 9 April – 20 May 2018. Due to the number of population is unknown, the researcher used Taro Yamane table to calculate by the approximately sample size for this study (Poldongnok .(2009The 384 samples at %5 sampling error is suggested according to Taro Yamane (1967), however this study collected data from 100 samples due to a limited research operation period. This is also one of the limitations in this study which can be rectified by conducting with larger sample size

Data has performed normal distribution with -1<Skewness<1 and -2<Kurtosis<2 (Tabachnick & Fidell, 2007). Data was analyzed using descriptive statistic and Pearson's Chi-Square (X-^{2}test) was used to test the relationship between demographic profiles, service marketing mix (7Ps) and customer satisfaction toward fast food restaurant in Cambodia at the confidence level of %95 or α< .0.05

Results and Discussion

This study collected data from 2 specific cities in Cambodia such as Phnom Penh and Siem Reap from 9 April – 20 May 2018. All the respondent is Khmer citizen. Questionnaires were distributed to 200 respondents and 150 responds were received and all were used in data analysis (although 150 respondents are allowed), resulting the response rate of 75% were achieved.

The respondents are customer in Phnom Penh and Siem Reap, Cambodia. **Gender** – the respondents are equal between male (50%) and female (50%). **Age** – the majorities of respondents were aged between 21-31 years old (41.3%). **Education level** – the majorities of respondents were bachelor's degree (49.3%). **Income (monthly)** – the majorities of respondents were $100-$499 (37.3%). **Occupation** – the majorities of the respondents were student (48%). **How often do you consume fast food in a week?** – the majorities of the respondents were 1-2 times (74%). **Which is your favorite fast food restaurant?** – the majorities of the respondents were Lucky Burger (34.7%) followed by Burger King (24.7%), KFC (18.7%), Carl's Jr. (10%), Lotteria (10%), and other (2%). **How much do you spend for yourself each time you go to fast food restaurant?** – the majorities of the respondents were $3-$5 (38%).

The results of hypothesis testing can be discussed as follows:

H1: Demographic profile has effect on customer satisfaction towards fast food restaurants in Cambodia.

Table 1: Result of H1: relationship between demographic profile and customer satisfaction

Items	Overall satisfaction	Future return	Recommend to others	Happy with decision
1. Gender	**.042***	.107	.507	.630
2. Age	.842	.666	.620	.799
3. Education level	.861	.465	.534	.805
4. Income (monthly)	.092	.868	.652	.488
5. Occupation	.527	.977	.377	.683

*Note: $P < 0.05$

According to table 1, the results showed that gender was found having a significant relationship with "overall satisfaction of fast food experience" ($P < 0.05$). On the other hand, gender was found having no relationship with "future of returning to fast food restaurant", "recommending fast food restaurant to others", and "happy with decision of choosing fast food restaurant" ($P > 0.05$). Moreover, age was found having no relationship with "overall satisfaction of fast food experience", "future of returning to fast food restaurant", "recommending fast food restaurant to others", and "happy with decision of choosing fast food restaurant" ($P > 0.05$). Education level was found having no relationship with "overall satisfaction of fast food experience", "future of returning to fast food restaurant", "recommending fast food restaurant to others", and "happy with decision of choosing fast food restaurant" ($P > 0.05$). Income (monthly) was found having no relationship with "overall satisfaction of fast food experience", "future of returning to fast food restaurant", "recommending fast food restaurant to others", and "happy with decision of choosing fast food restaurant" ($P > 0.05$). Occupation was found having no relationship with "overall satisfaction of fast food experience", "future of returning to fast food restaurant", "recommending fast food restaurant to others", and "happy with decision of choosing fast food restaurant" ($P > 0.05$).

H2: Service marketing mix (7P's) has effect on customer satisfaction toward fast food restaurant in Cambodia.

Table 2: Result of H2: relationship between service marketing mix (7P's) and customer satisfaction

Service marketing mix (7Ps) & customer satisfaction	Sig.
Product 1 & customer satisfaction	**.000***
Product 2 & customer satisfaction	**.001***
Product 3 & customer satisfaction	**.003***
Product 4 & customer satisfaction	**.027***
Product 5 & customer satisfaction	.100
Total	**.026***
Price 1 & customer satisfaction	.492
Price 2 & customer satisfaction	.713
Price 3 & customer satisfaction	**.046***
Price 4 & customer satisfaction	.364
Total	.403
Place 1 & customer satisfaction	.151
Place 2 & customer satisfaction	.329
Place 3 & customer satisfaction	.427
Place 4 & customer satisfaction	.232
Total	.284
Promotion 1 & customer satisfaction	.352
Promotion 2 & customer satisfaction	.474
Promotion 3 & customer satisfaction	**.021***
Promotion 4 & customer satisfaction	.122
Total	.242
People 1 & customer satisfaction	**.023***
People 2 & customer satisfaction	**.002***
People 3 & customer satisfaction	**.010***
People 4 & customer satisfaction	**.000***
People 5 & customer satisfaction	**.047***
Total	**.016***
Process 1 & customer satisfaction	**.003***
Process 2 & customer satisfaction	**.007***
Process 3 & customer satisfaction	.316
Process 4 & customer satisfaction	**.000***
Process 5 & customer satisfaction	**.034***
Total	.072
Physical evidence 1 & customer satisfaction	**.009***
Physical evidence 2 & customer satisfaction	**.000***
Physical evidence 3 & customer satisfaction	**.045***
Physical evidence 4 & customer satisfaction	.086
Physical evidence 5 & customer satisfaction	**.002***
Total	**.028***

*Note: $P < 0.05$

According to table 2, the result showed that product found to be significant from the finding of the study correspond with finding study of Mohamad (2015), Mammon (2012) and Addo & Kwarteng (2012). These scholars in their various studies found that product significantly affect customer satisfaction. With regards to hypothesis 2, the study revealed that there is a partial relationship between service marketing mix (7Ps) and customer satisfaction. The result showed that product, people, and physical evidence were found significant relationship with the customer satisfaction, in contrast price, place, promotion and process were not found significant relationship with customer satisfaction.

Implications of the study
1. Based on the study, the majority of the respondents were aged between 21 – 31 years old, student who graduated with bachelor's degree with the income of $100 – $499 monthly. This results showed that fast food customer in Cambodia are young mid age population with bachelor's degree and medium income. Thus, to gain more customer satisfaction in Cambodia is target young and mid age population student with graduated with bachelor's degree.

2. The result of this research study will give opportunities in terms education purpose to Cambodian and other countries to understand the fast food chain in Cambodia. For example, students can learn from this in order to gain new knowledge to another of understanding the market of fast food industry within the country and how it effects customer satisfaction as well. For teachers, it can also use as example in lecture to students which show in actual knowledge in Cambodia market.

3. For entrepreneurs and business owner, this research study will give them chances in investing or expanding their business ideas in fast food industry where the knowledge is lacked. This will also help to guide them to understand their customer better and to develop this knowledge to reality.

4. This research study will give opportunities to government in order to keep the resources that will be used in future to develop the within the country for example, FDI from other countries.

Limitations and Recommendation for Future Study
There are several limitation in which the researcher encountered throughout the processes of research conduction. The limitation of the study still leave room for future study in the following areas:

1. This study collected data from 150 respondents in only 2 cities in Cambodia including Phnom Penh and Siem Reap city. In order to have better and more reliable result, the data collection for future studies should cover more cities since there are 24 cities in Cambodia and with larger sample size from each city.

2. Future studies may identify more population nationalities in Cambodia. There are also other nationalities like foreigners who live and work as expat in Cambodia. This can be also the group type of customer as well.

3. Future studies may explore other factors influencing customer satisfaction in Cambodia such as service quality, customer loyalty, and customer behavior so that the finding of future research can be uses as resource or guidelines for many sectors in the fast food industry.

4. Future study could explore outside of Cambodia. 10 ASEAN countries are becoming closer and closer, so that the finding research can help to analysis different data among the region of 10 countries such as Cambodia, Thailand, Laos, Vietnam, Malaysia, Singapore, Indonesia, Brunei, Philippines, and Myanmar.

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