Perceived Value of Food Services through the Prism of Reliability, Tangibles, and Responsiveness

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Abstract

This study determined the influence of reliability, tangibles and responsiveness on perceived value in chain fast food companies in South East Nigeria. It was a survey and three research hypotheses guided the study. Customers of chain fast food companies in the study area formed the population while the sample size was 323. The research instrument used for data collection was a 17-item questionnaire on a 4-point scale which was subjected to a reliability test that produced a co-efficient of 0.79 proving the usability of the instrument. Accessibility sampling technique was used in the administration of the instrument. Descriptive and inferential statistics on SPSS version 23 were used to analyze the data generated. Findings revealed that reliability has a positive/significant relationship with perceived value (R = 0.267); responsiveness has a positive/significant relationship with perceived value (R = 0.315) while tangibles have a positive but insignificant relationship with perceived value (R =0.016). On the strength of the findings, the study concluded that reliability and responsiveness have positively significant relationships with perceived value while the relationship between tangibles and perceived value is not positively significant. Given the findings, it is recommended that managers of these establishments must ensure that service offerings delightfully meet customer expectations, customer service must be made a top priority, effective feedback framework must be developed to regularly track the customer satisfaction index to avert avoidance tendency and finally, human capital training must be made a policy thrust for competitiveness.

Keywords: Service quality, Perceived value, Reliability, Responsiveness, Tangibles, and Fast food

Introduction

Delivering high-quality services is a good strategy and it is regarded as a fundamental strategy for long-term success in highly competitive markets such as in food service operations. Service quality offers customers a better value and creates a strong justification for selecting a certain brand over another. The search for value in business transactions is, without doubt, the most important consumer trend of the new era since consumers are now becoming more sophisticated and demanding higher quality in products and services than ever before. The quality or otherwise of any service defines its goodness, fitness, conformity, and standard and is therefore value-related. Quality in service delivery has become a measure of the extent to which the service provided meets consumer expectations in terms of value addition. Value addition has been recognized as a strategic tool for attaining efficiency and business performance. Fierce and intensifying competition coupled with the rapid deregulation of many economies of the world has made many

businesses, particularly in the service industry, seek profitable ways and become competitive. The value of products/services can be considered as the tradeoff between what the product/service can provide to the customer and what the customer has to pay to buy the products (Sweeney & Soutar, 2001). The concept of perceived value is longstanding and endemic to consumer behaviour and has since been recognized as one of the most important management factors for attracting consumers (Cengiz & Kirkbir, 2007). Though there might be minor disagreements on the definition of perceived value, however, researchers generally present it as an individual's overall assessment of both monetary and non-monetary considerations about the product or service, based on a tradeoff between the relative benefits and the sacrifices required to obtain such benefits (Oh, 2000; Yang and Peterson, 2004). A common ground of a variety of researchers' definitions of perceived value is that the relationships between perceived quality and product value for a customer have relevance to his or her knowledge of a product.

Therefore, perceived value is seen as the consumers' overall assessment of the utility of a product/service based on perceptions of what is received and what is given. Advocates of equity theory argue that a customer assesses right, reasonable, or deserved values for the perceived cost of the offering, including pecuniary payments and non-pecuniary sacrifices, such as time consumption, energy consumption, and stress suffered by a customer (Yang & Peterson, 2004).

Perceived value has been conceptualized as a decisive construct for building long-lasting relationships with customers (Parasuraman & Grewal, 2000) and its importance has grown into a popular subject to marketers, managers, and researchers as one of the most effective measurement methods of customer satisfaction and loyalty (Eggert & Ulaga, 2002). Yang & Peterson, (2004); and Kim & Han, (2008) posited that maximizing a customer's perceived value is a successful strategy for a company in terms of long-term business success. In a highly competitive foodservice market, perceived service value provides the brand with differentiation and competitiveness among rival brands (Malik, Naeem, & Nasir, 2011; Moghaddam, 2014). Investment in service quality is believed to improve the perception of customers towards the quality of service and boost their experience with that brand (He & Li, 2011; Moghaddam, 2014). Food service operations are said to have their benefits and are the primary reasons behind patronage which their customers perceive (Liu and Jang, 2008), and thus can be used as effective barometers in segmenting the markets. Research findings indicate that factors vastly found to influence consumer avoidance tendency in most consumer markets include the physical surroundings, service quality, food quality, atmospheric quality, product price, brand image, perceived value, customer satisfaction, and brand trust among others (Nezakati, Kuan & Asgari 2011; Ahmad, Ghazali and Othman 2013; Sefian, Jaini, Sharudin & Abdullah 2013; Ergin & Akbay 2015). Most researchers agree that when customers have a positive perceptive value, they are motivated to make well-disposed decisions for a company (Yang & Peterson, 2004; Kim, Ma, & Kim, 2006); Kim & Han, 2008). This follows that customer perceived value of services can be evaluated using different criteria.

However, this present study evaluated perceived value using service quality dimensions; reliability, responsiveness, and tangibles. The delivery of food services (functional and technical) raises the perceptions of its reliability in consumers' minds and this influences brand trust (Parasuraman et al, 1988). Service providers' competencies are reflected not merely through their anticipation of consumer needs but also through the service providers' care about consumer satisfaction and happiness. Additionally, customers appraise food service value in the light of how responsive the service delivery is towards meeting customer-specific needs and this contributes to shaping customer attitude towards the brand and influences brand perception (Kumar and George 2007). Furthermore, tangibles of food service quality relate to the physical appearance of facilities, personnel, and materials, as well as comfort and cleanliness (Taleghani, Largani, & Mousavian, 2011). Tangibles link customer perceptions to the service providers' professionalism, features of the service environment (e.g. safety, pollution-free, smoke-free) and high quality of customer care. Therefore the perceived value of elements of tangibles might influence brand perception and patronage. Study results indicate that a firm that seeks to obtain competitive advantage invests significantly in improving the quality of its offerings and this in turn impacts perceived value in the long run (Qin, & Prybutok, 2009; Torres & Tribo, 2011; Taleghani, et al., 2011; Jang 2015).

Customers of food service establishments have become seemingly choosy in the choice of food service offerings including aesthetics received on account of the growing health consciousness of customers (Nezakati, et al, 2011; Tabassum & Rahman, 2012), and the perceived value of the services delivered which has been heightened by the level of competition among food service establishments such that companies tend to do everything to woo customers to their brands. Perceived value has been found to play an important role in creating competitive advantage as customers are only going to patronize a brand whose products and services are valued (Yang & Peterson, 2004; Kim & Han, 2008), thus maximizing a customer's perceived value can be a successful strategy for a company's long term success. Although perceived value has become researchers' area of interest to predict consumer purchase behaviour for some time now however not much has been done empirically on this subject matter to determine how food service quality might influence the perceived value of customers in the study area. This area of research endeavour is seemingly under-researched particularly in food service operations as a dearth of empirical evidence suggests. Thus the motivation for this present study. The main objective of this study is to determine to what extent reliability, responsiveness, and tangibles dimensions can influence the perceived value of food service quality in the study area. The specific objectives sought to determine the influence of:

1. Reliability dimension of food service quality on perceived value in the study area.
2. Tangibles dimension of food service quality on perceived value in the study area.
3. Responsiveness dimension of food service quality on perceived value in the study area.

Hypotheses of the Study
$H0_1$: The reliability dimension of food service quality has no positive and significant relationship with perceived value.
$H0_2$: The Tangibles dimension of food service quality has no positive and significant relationship with perceived value.

H0₃: The responsiveness dimension of food service quality has no positive and significant relationship with perceived value.

Methodology
Research Design
This study was a descriptive survey and it was considered appropriate on account of having been used successfully in previous studies: He and Li (2011); Sadia (2013); Hirut (2015); and Fayez and Noor (2017). These anterior studies adopted this design and were able to achieve the specified objectives of the study.

Area of Study
The study covered consumers of food service products and services in South-East Nigeria. South-East Nigeria consists of five states namely: Abia, Anambra, Ebonyi, Enugu and Imo. Umuahia is the capital of Abia State, Awka is the capital of Anambra State, Abakaliki is the capital of Ebonyi State, Enugu is the capital of Enugu State, and Owerri is the capital of Imo State. Anambra state and Abia state have the largest markets in the entire region that attract many international businessmen to South-Eastern Nigeria (Ugoani, 2011). Concerning food service business operations, South East Nigeria has its fair share when compared with other geo-political zones in Nigeria. Notable food service brands and chains operate in South East Nigeria such as Sweet Sensation, Crunchies, Mr. Biggs, Kilimanjaro, Chicken Republic, and De Choice among others. However, this study centred on the consumers of products/services of the food service companies operating in the state capitals across South East Nigeria.

Population for the Study
Consumers of food service establishments in South East Nigeria formed the study population and such study population is infinite. The target population in this study included both male and female consumers of the food products/services of these establishments in the study area.

Sample, Sampling Technique, and Data Collection
The population for this study is infinite. To estimate the sample size, the formula for estimating sample size for an infinite population by Cochran (1977) was used and it gave a sample size of $n_0 = 323$. The breakdown of the establishments and the copies of the research instrument administered were determined using the seating capacity of each of the food service companies selected and are presented as follows; Abakaliki (Crunchies -33, Mr Bigg's - 16), Awka (Chicken Republic - 29, Crunchies - 20), Enugu (Chicken Republic - 26, Crunchies – 26, Klimanjaro - 23), Owerri (Mr Bigg's – 16, Crunchies – 31, Kilimanjaro - 28) and Umuahia (Mr Bigg's – 15, Crunchies – 30, Kilimanjaro -30). Convenience (accessibility) sampling technique was used, thus only accessible respondents were used for the study and this was achieved through the help of three research assistants (RAs). These RAs were trained on how to collect the data. All the copies of the instrument administered were retrieved on the spot. The instrument for data collection was a 17-item questionnaire which had two sections. Section A sought to collect the bio-data of the respondents, while section B contained measurements of the variables of the study. The researchers adapted the instrument from the studies of Hirut (2015); and Fayez and Noor (2016). Reliability had 5 items while tangibles and responsiveness had 4 items each and were used to predict perceived value that had 4 items. On each of the items, the respondents were requested to indicate their opinion on a four-point scale of Strongly Agree (4 points), Agree (3 points), Disagree (2 points), and Strongly Disagree (1 point). The instrument was subjected to the Crombach Alpha reliability test and a reliability coefficient of 0.79 was obtained confirming the internal consistency of the instrument.

Data Presentation, Analysis, and Discussion
Data generated for this study was analyzed using descriptive and inferential statistics. The descriptive analysis is featured as a way of describing the properties of the data to show the variations in responses and opinions using frequencies and percentage denotations as well as other descriptive items. The parametric inferential analysis was done with the use of regression analysis on SPSS version 23 to determine the relationship between the independent variables and the dependent variable as can be seen in the hypotheses formulated for the study. Out of the 323 copies of the questionnaire administered to the respondents, only 305 copies representing 94.43% were used for the study.

Results and Discussion
Inferential Statistics and Test of Hypotheses
H₀1: The reliability dimension of food service quality has no significant relationship with perceived value
From Table 1 above, the coefficient of reliability dimension of fast food service quality is 0.267, meaning that there is a positive relationship between the reliability dimension of food service quality and perceived value. This implies that an increase in the reliability dimension of food service quality will lead to about a 0.267 increase in fast food perceived value. The t-statistic value of 8.139 with sig. a probability value of 0.000 indicates that the positive relationship between the reliability dimension of food service quality and perceived value in the study area is statistically significant at a 5% significance level, as the probability value is less than 0.05. Thus, the null hypothesis was rejected and the alternative hypothesis which states that the reliability dimension of food service quality has a significant relationship with fast food perceived value was accepted. This finding is in line with the findings of He and Li (2011); Sadia (2013); Hirut (2015); and Fayez and Noor (2017). The reliability dimension of service quality is seen as the outcome dimension through which guests' expectations are met, and any unreliable service impinges on value perception and such can trigger off avoidance tendency in the minds of the consumers. Consumers expect their choice brands to deliver on service promises made, handle consumer

service problems, perform service right the first time, and provide accurate billing among others. The aforementioned issues and others are in the domain of reliability dimension and are referred to as performance factors (Matzler & Sauerwein, 2002), and can trigger consumer switching behaviour when poorly executed.

H_o2: The Tangibles dimension of food service quality has no significant relationship with perceived value

Findings from Table 1, also revealed that the coefficient of tangibles dimension is 0.016. This indicates that there is a positive relationship between the tangibles dimension of food service quality and perceived value in the study area. This means that a unit increase in the tangibles dimension of food service quality will lead to about a 0.016 proportional increase in perceived quality. In other words, the appearance of physical facilities, equipment, and personnel of food service establishments have a positive link with the perceived quality. Considering the t-statistic and the sig. probability of 0.533 and 0.594 respectively, the study concludes that the relationship between the tangibles dimension of food service quality and perceived value is not statistically significant at a 5% significance level, as the probability value is greater than 0.05. Thus, the result suggests that though there is a positive relationship between the tangibles dimension of food service quality and perceived quality/value in the study area the relationship is not statistically significant at a 5% level. Therefore, the study accepted the null hypothesis and rejected the alternative which states that the tangible dimension of food service quality has a significant relationship with perceived value. This finding is contrary to results obtained by Hirut (2015); Esmailpour *et al* (2016) in which the tangible dimension was found to have a positive and significant relationship with perceived quality/value. This finding is equally supported by Matzler & Sauerwein (2002) who proposed that determinants associated with dissatisfaction are significantly different from those that create satisfaction. This means that the provision of modern facilities, furniture, equipment, décor, and the appearance of service providers though may have a positive relationship with perceived quality/value, but will not count when consumers assess the quality of services received. This is so because the provision of tangibles is seen as a basic factor (Matzler & Sauerwein, 2002), which provision may not increase consumer satisfaction but may cause dissatisfaction when not provided. Tangibles are fundamental to operating a food service company but may not influence perceived quality/value significantly.

H_o 3: The responsiveness dimension of food service quality has no significant relationship with perceived value

Lastly from Table 1, the coefficient of responsiveness dimension is shown as 0.315. This implies that the responsiveness dimension of food service quality has a positive relationship with perceived quality/value. This means that an increase in the responsiveness dimension of food service quality will lead to about a 0.315 proportional increase in perceived quality/value. The t-statistic value of 6.406 at a sig. probability of 0.000 indicates that the positive relationship between the responsiveness dimension of food service quality and perceived value is statistically significant at a 5% level, as the sig. the probability value is less than 0.05. This implies that the responsiveness dimension of food service quality has a significant positive relationship with perceived value in the study area. Thus, the study rejected the null hypothesis and accepted the alternative which states that the responsiveness dimension of food service quality has a significant relationship with perceived value. This finding correlates with the results obtained by Hirut (2015); Feyez & Noor (2017); Anyanwu (2019). Categorically, this study has established that food service quality indeed has a positive/significant influence on customer perceived value, suggesting that the extent of service quality rendered by food service companies to their customers will to a large magnitude influence customer perception of service as reflected on customer brand association, advocacy, and commitment towards such brands. Customers are believed to act as they perceive. Simply put the willingness of food service companies to provide want-satisfying and prompt services has a substantial positive link with customer perceived quality/value and place attachment.

One implication of this study is that operators of food service companies must realize that customers are influenced by what they perceive and that they act as they perceive, having varied needs and expectations. Therefore, it has become imperative that operators of food service companies should see service quality as a veritable tool for competing for the minds, hearts and pockets of the customers by consistently satisfying them through improved service delivery. This present study has some limitations. Despite the findings of this study, many operators of food service companies and even researchers might argue that the influence of the predictors under study on perceived quality/value might not be significant holding other predictors of perceived quality/value constant. Certainly, other service quality dimensions; assurance and empathy were not considered in this present study and therefore might affect the generalization of the findings. Furthermore, geographical and environmental features certainly might influence research findings and this present study is not an exemption. Future studies should endeavour to examine these limitations.

Conclusion
Based on the findings of this study, it is concluded that reliability and responsiveness have significant positive relationships with perceived value while tangibles have a positive but insignificant relationship with perceived value in fast food operations in the study area. The study also revealed that customers of food service establishments in the study area tend to display avoidance tendency more towards a food service establishment whose services are perceived to be of lower quality and that customers are more likely to

patronize newer food service brands perceived to offer better value on account of their being new. Given the findings, it is recommended that managers of these establishments ensure that service offerings delightfully meet customer expectations, customer service must be made a top priority, and an effective feedback framework must be developed to regularly track the customer satisfaction index to avert avoidance tendencies and finally, human capital training must be made a policy thrust for competitiveness.

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Table 1. Multiple regression estimates for the influence of reliability, tangibles and responsiveness on perceived value

Source	B	Std. Error	Beta	T	Sig.
Reliability Dimension	0.267	0.033	0.451	8.139	0.000
Tangibles Dimension	0.016	0.031	0.021	0.533	0.594
Responsiveness Dimension	0.315	0.049	0.357	6.406	0.000
(Constant)	2.901	0.436		6.649	0.000
R-Square	0.575				
Adjusted R-Square	0.570				
F-Statistic	135.538				
Sig.	0.000				

Source: Formatted from SPSS 23 Regression Result