



UNDERSTANDING AND RESPONDING TO CONSUMERS IN FOODSERVICE INDUSTRY

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ABOUT ME

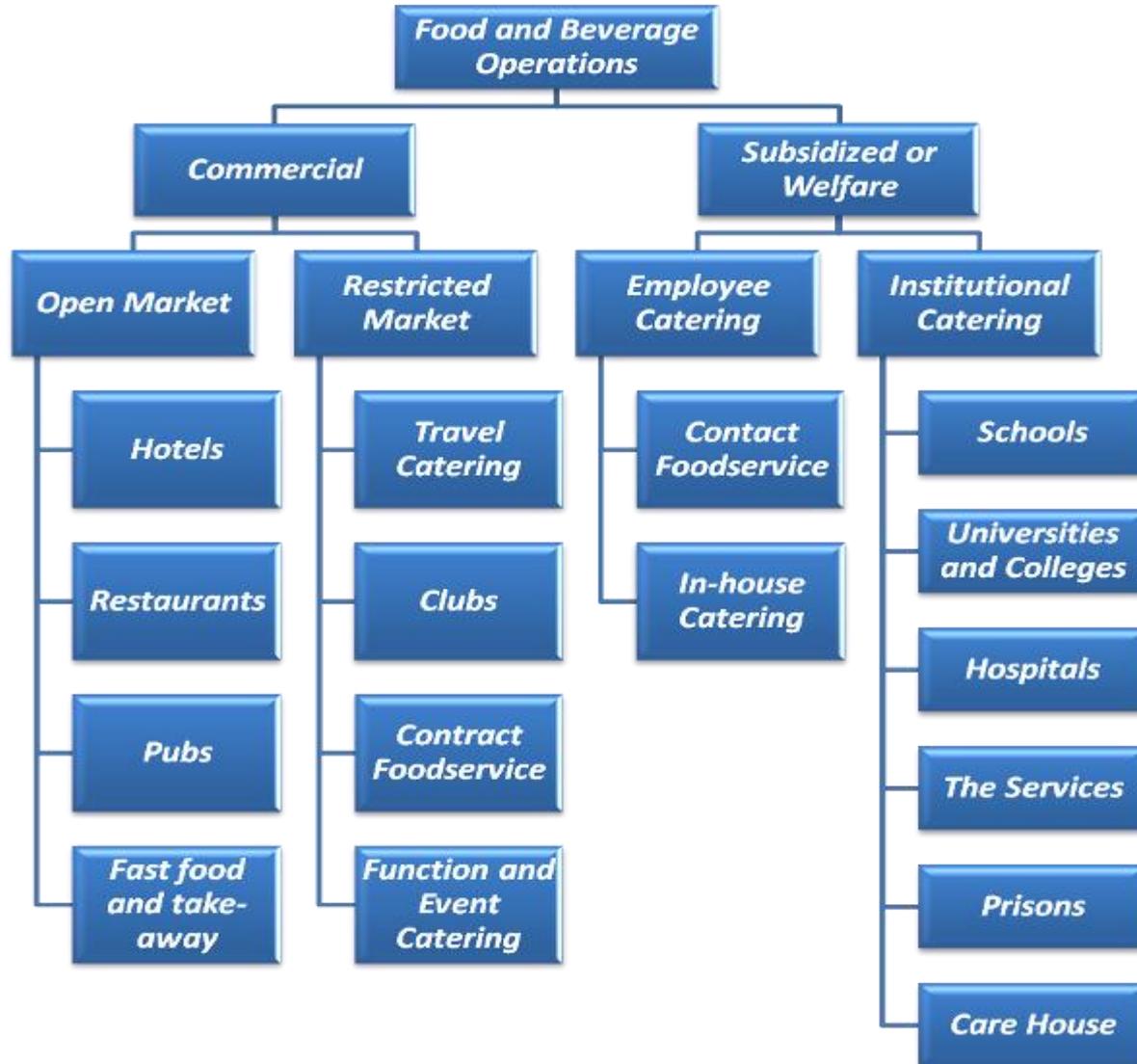


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CONTENT OF PRESENTATION

1. Introduction to foodservice industry.
2. Understanding consumers.
3. Responding to consumers.
4. Consumer behavioural changes during Pandemic Covid 19.

FOODSERVICE INDUSTRY



SECTORS OF THE FOODSERVICE INDUSTRY – HK TERMINOLOGY

Industry sector	Purpose of the foodservice operation	Historical Summary
Hotel, motel and other tourist accommodation	Provision of food and drink together with accommodation service	Supported by developments in transport and business and leisure-related tourism
Restaurants including conventional and specialist operations	Provision of food and drink, generally at high price with high levels of service	Grew out of hotel restaurants (which were originally highly formal) through chefs wishing to start their own business
Popular catering including cafés, pizza, grills and steak house	Provision of food and drink generally at low/medium price with limited levels of service and often high customer throughput	Has gone through various phases.

SECTORS OF THE FOODSERVICE INDUSTRY – HK TERMINOLOGY

Industry sector	Purpose of the foodservice operation	Historical Summary
Fast food including McDonalds and Burger King, KFC etc.	Provision of food and drink in highly specialized environment, characterized by high investment, high labor costs and vast customer throughput	Heavily influenced by USA concepts; highly sophisticated meal packaging and marketing
Takeaway including ethnic, snacks, fish and chips, sandwich bars	Fast provision of food and drink	Developed from a variety of concepts.
Outdoor catering (ODC) (or 'off-premises catering' or 'event catering')	Provision of food and drink away from home base; suppliers usually associated with a major event	Developed through the need to provide services at special events. The term ODC is misleading as little of this catering actually takes place outside

SECTORS OF THE FOODSERVICE INDUSTRY – HK TERMINOLOGY

Industry sector	Purpose of the foodservice operation	Historical Summary
Retail stores	Fast provision of food and drink	Developed originally from prestigious stores wishing to provide food and drink as part of the retailing experience
Events/ banqueting/ conferencing/ exhibitions	Provision of large scale food and drink for events	Originally associated with hotels but has now become major sector in its own right
Leisure attractions such as theme park, museums, galleries, cinemas and theatres	Provision of food and drink to people engaged in another pursuit	Increase in leisure have made profit from food and drink

SECTORS OF THE FOODSERVICE INDUSTRY – HK TERMINOLOGY

Industry sector	Purpose of the foodservice operation	Historical Summary
Industrial catering either in-house operations or through catering/ foodservice contractors	Provision of food and drink to people at work	Developed out of recognition that better fed workers work better.
stations	drink, together with petrol and other retail services, often in isolated locations	of motorway building.
Transport catering including railways, airline and marine	Provision of food and drink to people on the move	Grew out of the need to meet the demands of the travelling public. Originally service were of high levels, reflecting the type of traveler. Eventually changed to meet the needs of a wide range of traveler.

SECTORS OF THE FOODSERVICE INDUSTRY – HK TERMINOLOGY

Industry sector – HK terminology	Purpose of the foodservice operation	Historical Summary
Welfare catering or Social caterer/ foodservice (student, healthcare, Institutional and military)	Provision of food and drink to people in colleges, universities, the armed forces and to people through established social need	Highly regulated and maintained
Licensed trade including wine bars, licensed clubs and member' club	Provision of food and drink in an environment dominated by licensing requirements	Developed from bars and other drinking places with increased regulation and liquor licensing requirements

CONSUMER MARKET

General market

- *Non-captive: customer have a full choice.*

Restricted market

- *Captive: customers have no choice, for example, welfare.*
- *Semi-captive: customer have no choice before entering for example, marine, airline, trains, some hotels and some leisure activities. The customers chosen alternatives to these but, once chosen, have little choice of food and beverage.*

CUSTOMER

VERSUS

CONSUMER

COMPARING THE 2 TYPES OF USERS



A Customer is the one who purchases the product.



A Consumer may or may not purchase, but is the end-user.

A Customer can resell the product for getting profit.

A Consumer cannot resell the product for profits.

A Customer could be anybody - individual, company or mass.

A Consumer is a single entity or company as a whole.

A monetary transaction is a must to buy the product.

A monetary transaction is optional.

TYPE OF CONSUMERS

- Look for branded items and strive to become a loyal ones.
- Convert to only high quality products and services.

Extrovert

- Normally comes from low-income status.
- Purchase only products that are needed for survival.

Inferior Goods

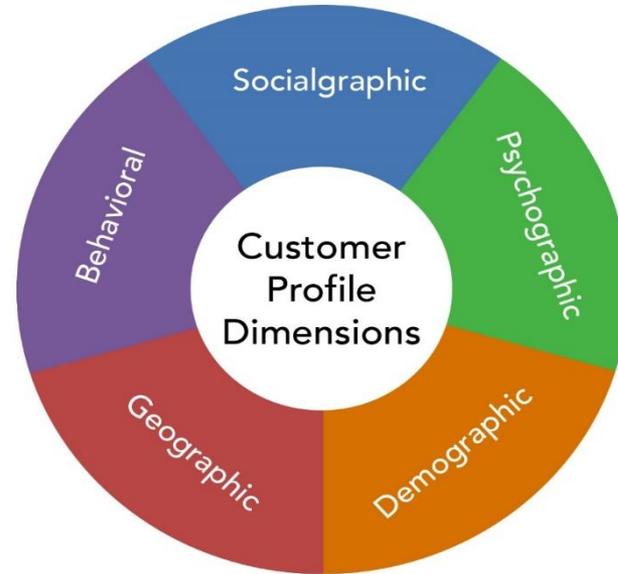
- No matter their actual requirement of purchasing items, this category of consumers will buy goods and products in a bulk.
- This may or may not be used for commercial purposes.

Commercial

- Opt for a discrete mode of buying habits.
- Consider spending a handsome amount on some of the specific items only, say, cosmetics, jewelry, or apparel.
- Mostly steer away from thrifting on the other categories.

Discrete

COMMON MARKET SEGMENTATION APPROACHES



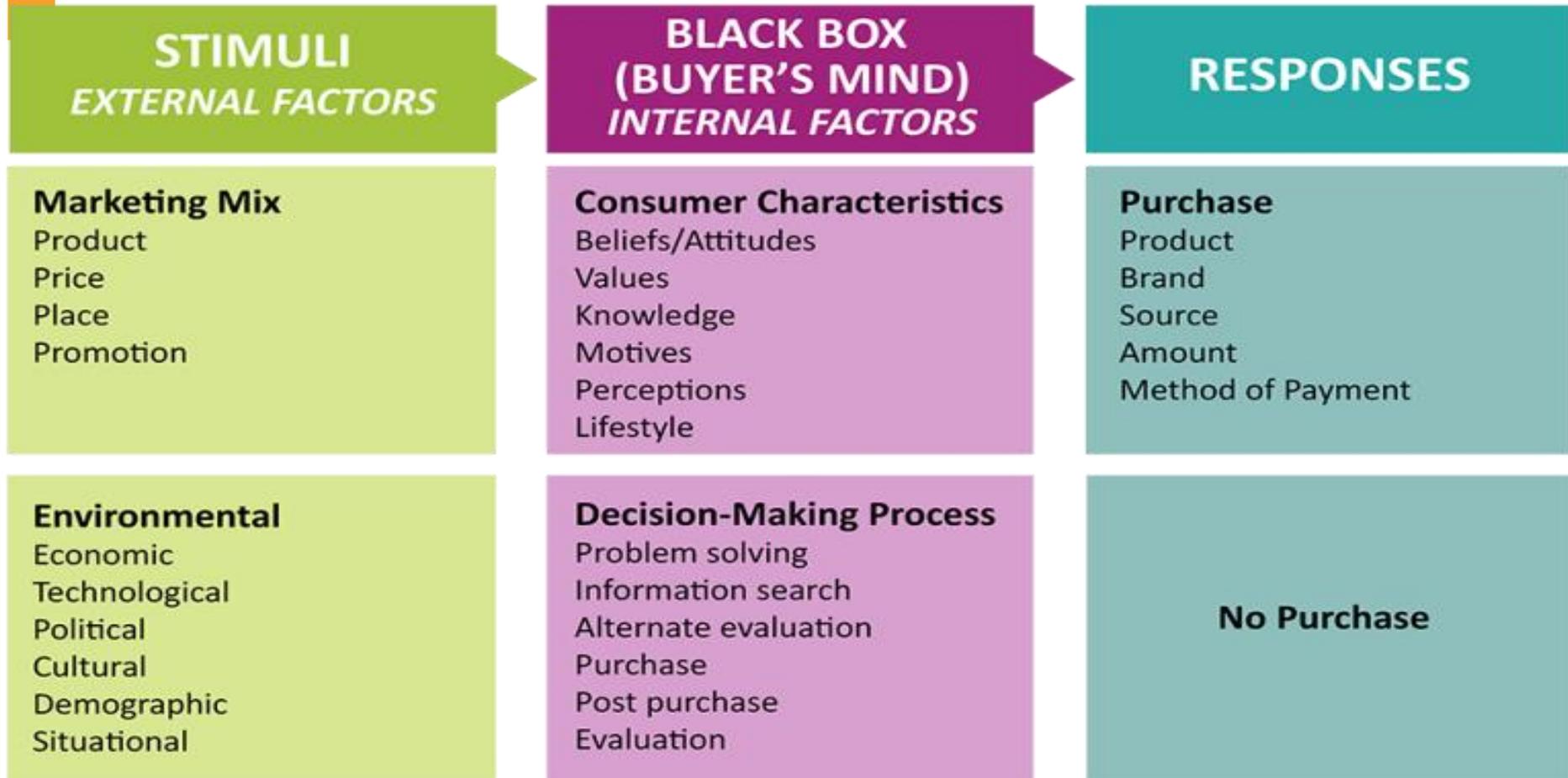
Type of Approach	Segmentation Criteria
Geographic	nations, states, regions, cities, neighborhoods, zip codes, etc.
Demographic	age, gender, family size, income, occupation, education, religion, ethnicity, and nationality
Psychographic	lifestyle, personality, attitudes, and social class
Behavioral	user status, purchase occasion, loyalty, readiness to buy
Decision maker	decision-making role (purchaser, influencer, etc.)

UNDERSTANDING CONSUMER BEHAVIOUR

- The study of how **individuals, groups and organizations** select, buy, use and dispose of **goods, services, ideas, or experiences** to **satisfy their needs and wants** (Kotler and Keller, 2006).
- Studying consumers provides clues for:
 - improving or introducing products or services,
 - setting prices,
 - devising channels,
 - crafting messages,
 - developing other marketing activities(Kotler and Amstrong., 2008).



CONSUMER BEHAVIOUR MODEL



STUDY OF CONSUMER BEHAVIOUR



Surveys can be conducted on the phone, internet or in-person. Surveys should avoid the open-ended question and should include multiple-choice questions so that answers are given easily.



Hosting a group of different type of customers to discuss over a product type and to understand the reasons why customers will buy certain brands. This should include open-ended questions and allow participants to try a new brand and write down their views about it.



Obtaining statistics from stores or corporate headquarters. Companies should focus upon a particular type of product and determine whether the product is purchased more than often in a certain time period in comparison to other time periods.



Go to www.menti.com and use the code **4128 3763**

Indonesian McDonald's outlets closed BTS meal orders lead to restaurants overrun amid coronavirus fears

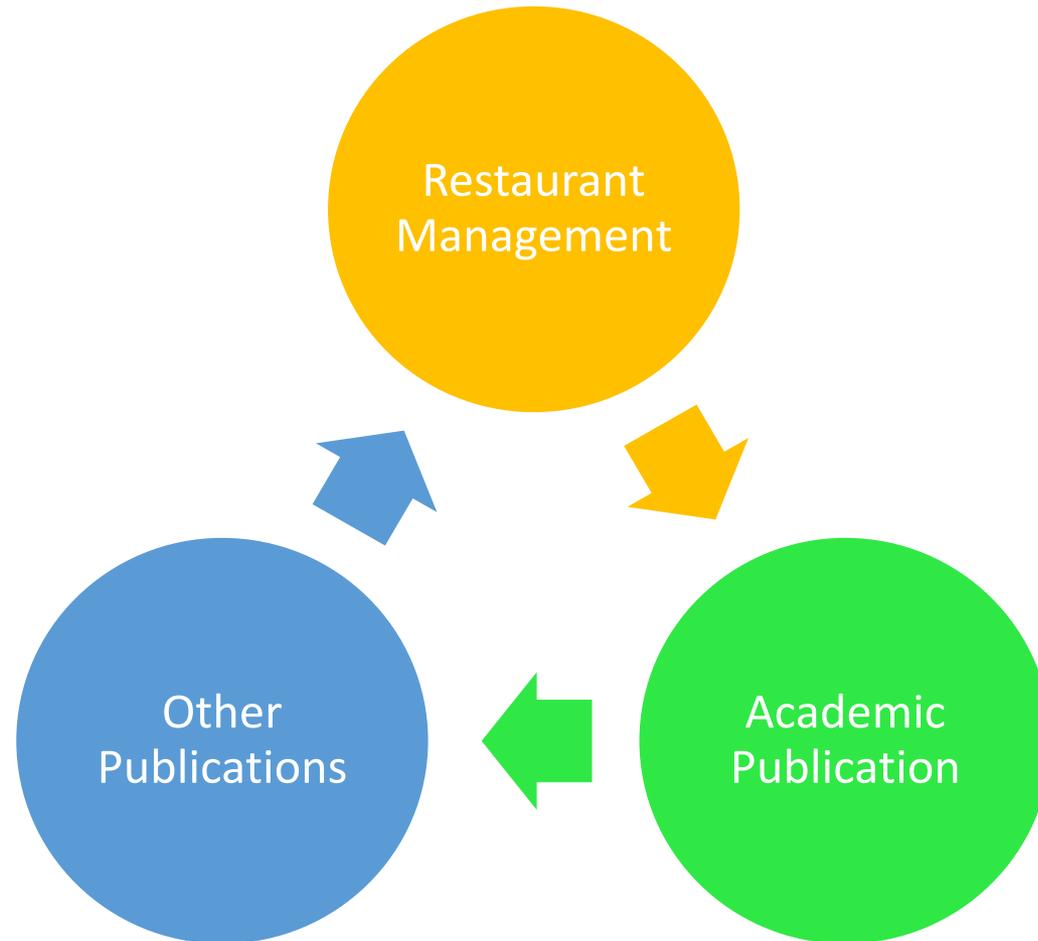
The brand hopes to tap into BTS's "**incredibly passionate and loyal fanbase**" with the deal. As such, it's likely that this partnership will be a huge financial success for McDonald's—and for BTS. According to *The Korea Times*, the group is set to receive a whopping ₩10.0 billion KRW (**about \$8.98 million USD**) for participating in the "BTS Meal" promotion.

Source: Koreboo.com



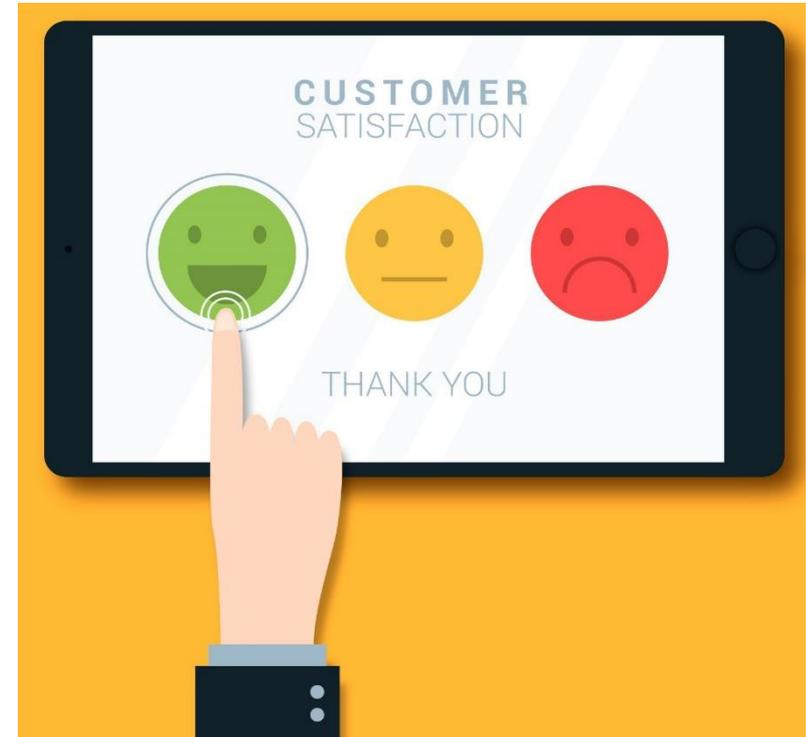
AFP, 9/6/2021

RESPONDING TO CONSUMERS



RESTAURANT MANAGEMENT

	Fantastic	Very Good	Good	OK	Dissappointing	Poor
How would you rate our service today?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
How would you rate our food today?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
How would you rate the atmosphere?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Was there any particular member of staff you found went that extra mile?	<i>All good thanks.</i>					
Is there any dish or food you would like to see on the menu?	<i>Sunday Roast as special</i>					
Would you visit us again?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>				
How could we improve?	<i>I think a sweet trolley would be good. Too full for sweet but could be tempted.</i>					



RESTAURANT MANAGEMENT

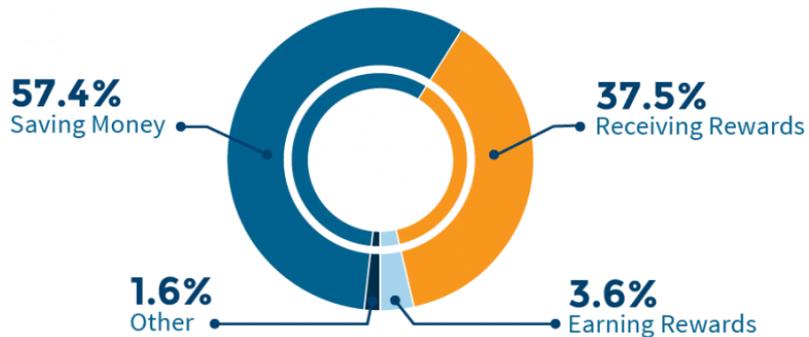


Process of engaging existing customers to continue buying products or services from your business.

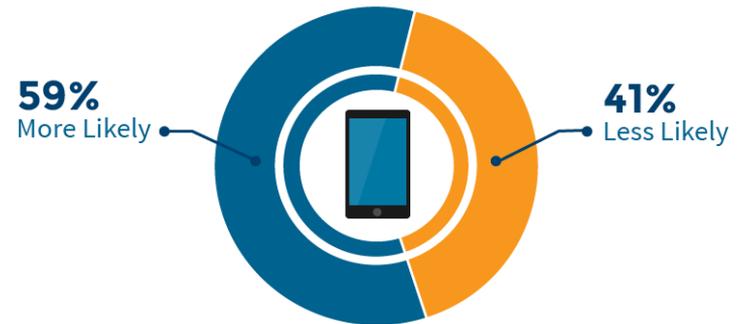


RESPONDING TO CONSUMERS

Why Customers Participate in Loyalty Programs



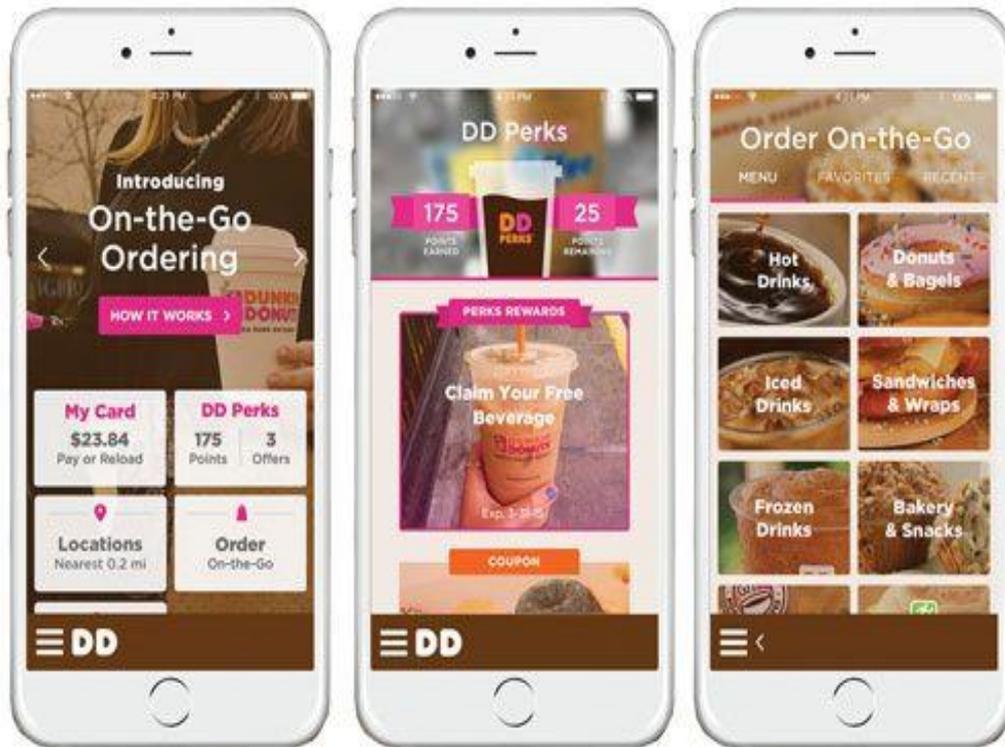
Influence of Apps on Likelihood of Joining



Increased Likelihood of Shopping at Stores with Loyalty Programs



RESTAURANT MANAGEMENT



INFLUENCE OF LOYALTY

Say
72%



I am more likely to recommend Brands with good Loyalty Programs.

Stay
78%



Programs make me more likely to continue doing business with Brands.

Spend
64%



I modify amount spent to maximize points.

The State of Loyalty report by Bond Brand Loyalty Inc.

CONSUMER BEHAVIOUR STUDY : ACADEMICIAN

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<http://pczjwww.emerald.com/insight/1759-0833.htm>

JIMA
12:2

302

Received 15 October 2018
Revised 15 September 2019
23 October 2019
21 November 2019
Accepted 27 January 2020

Perceived quality association as determinant to re-patronise Shariah-compliant brand restaurants

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Abstract

Purpose – The purpose of this paper is to investigate the relationship between perceived quality association and purchase intention to re-patronise Shariah-compliant brand restaurants among Muslims in Malaysia, particularly in the Klang Valley.

Design/methodology/approach – By purposive sampling, the researcher focused on particular characteristics of a population that are of interest that are best to answer the questionnaires and have a specific type of people who can provide the coveted information. By using a self-reporting questionnaire, data from 533 respondents were obtained and analysed using structural equation modelling-partial least squares.

Findings – The results showed that perceived quality association has significant and positive influences on intention to re-patronise Shariah-compliant brand restaurants. Atmospheric ambience, food taste, value for money and service personnel were indicators of perceived quality rather than characterising the content of perceived quality. Amongst the four indicators, service personnel were the most important elements for the perceived quality association and were followed by food taste. Delicious food at a reasonable price was the third criterion that is prioritised by consumers in choosing restaurants. Moreover, the atmospheric factor loading showed the lowest among the three dimensions because atmospheric ambience was the last choice when consumers re-patronise Shariah-compliant brand restaurants. Therefore, it is important for Shariah-compliant brand restaurants to concentrate on service personnel aspect and food taste in formulating their marketing strategies to sustain their competitive advantage. These insights could be used to overcome the challenges of purchase intention of Shariah-compliant brand restaurants.

Research limitations/implications – The first limitation is that the data for this paper were gathered from casual dining sit-down restaurants in Malaysia, especially in the Klang Valley. Thus, the findings may not be generalised to other types of restaurants. There are various types of restaurants in Malaysia; thus, the outcomes might be not similar to this research. Second, it was found that several respondents asserted that the topic of this paper is sensitive in nature, even for Muslim consumers. Thus, the researcher had to clarify the reasoning of the paper and the definition of Shariah-compliant brand restaurants despite the definition has been written on the first page of the questionnaire.

Originality/value – Measuring service quality by making comparisons between the customers' expectations and the perceived performance has received much attention from both researchers and marketers. The importance of perceived quality originates from its beneficial impact on purchase intentions. This paper represents the perceived quality association as a second-order reflective model consisting of four dimensions: atmospheric ambience, food taste, value for money and service personnel, and these dimensions must be highly correlated. Buying patterns of food consumption vary between individuals, from culture to



To examine relationship between perceived quality and purchase intention to re-patronise Shariah-compliant brand restaurants



Perceived quality has significant and positive influences on intention to re-patronise Shariah-compliant brand restaurants.

Atmospheric ambience, food taste, value for money and service personnel were indicators of perceived quality.

Amongst the four indicators, service personnel were the most important elements for the perceived quality and were followed by food taste.



Concentrate on service personnel aspect and food taste in formulating marketing strategies to sustain competitive advantage.

CONSUMER BEHAVIOUR STUDY : ACADEMICIAN

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<https://www.emerald.com/insight/1759-0833.htm>

Is Islamic brand attitudes influence Thai Muslims' buying behavioural intentions: a quantitative analysis using smart-PLS

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Abstract

Purpose – In southeast Asia, international companies are growing to serve customers with multiple faiths. This study aims to focus on Thailand and it is one of Southeast Asia's nations and it has Muslim minority customers. To represent Thai Muslim companies, Thai Muslims are marketing their goods by bearing the tagline "we are Islamic". Scholars described it as "Islamic brands". This research describes the significant factors of Islamic brands between Thai Muslim people. It examines, which of the Islamic brand dimensions motivates Thai customers towards buying Islamic brands.

Design/methodology/approach – The current study's conceptual model was the theory of planned behaviour (TPB) and 281 Thai Muslims responded via a standardised survey. The data was collected from four southern Thailand provinces (Narathiwat, Pattani, Satun and Yala) and the statistical application Smartpartial least-squares 3 was used for data analysis.

Findings – The most significant factor motivating Thai Muslims towards purchasing Islamic brands is the customer's Islamic brand. The second factor was the Islamic brands by compliance and Islamic brands by country of origin.

Research limitations/implications – Three regions in Thailand have been researched, as well as the results concentrate only on three Islamic brand attitudes as independent variables and the development of behavioural expectations of TPB. This research also presents a model that could help understand the consumer perceptions about Islamic brands and established brands amongst various consumers.

Practical implications – The present research applies to small companies and multi-national businesses, as it illuminates and recognizes the image of Islamic brands and suggests the preferences of customers in selecting the brand of Islamic brand.

Originality/value – The current study aims to explain Thai Muslim customers' buying behavioural intentions while purchasing Islamic brands in Thailand.

Keywords Thailand, Multi-national corporations, Islamic brands, Muslim consumers'

Paper type Research paper

The authors would like to acknowledge the Prince of Songkla University, Hatyai.

Conflict of interest statement: On behalf of all authors, the corresponding author states that there is no conflict of interest.

Behavioural intentions

Received 19 August 2020
Revised 1 November 2020
9 March 2021
Accepted 23 April 2021



Journal of Islamic Marketing
© Emerald Group Publishing Limited
1759-0833
DOI: 10.1108/JISMA-04-2020-0010



To examine which of the **Islamic brand dimensions** motivates Thai customers towards **buying Islamic brands**

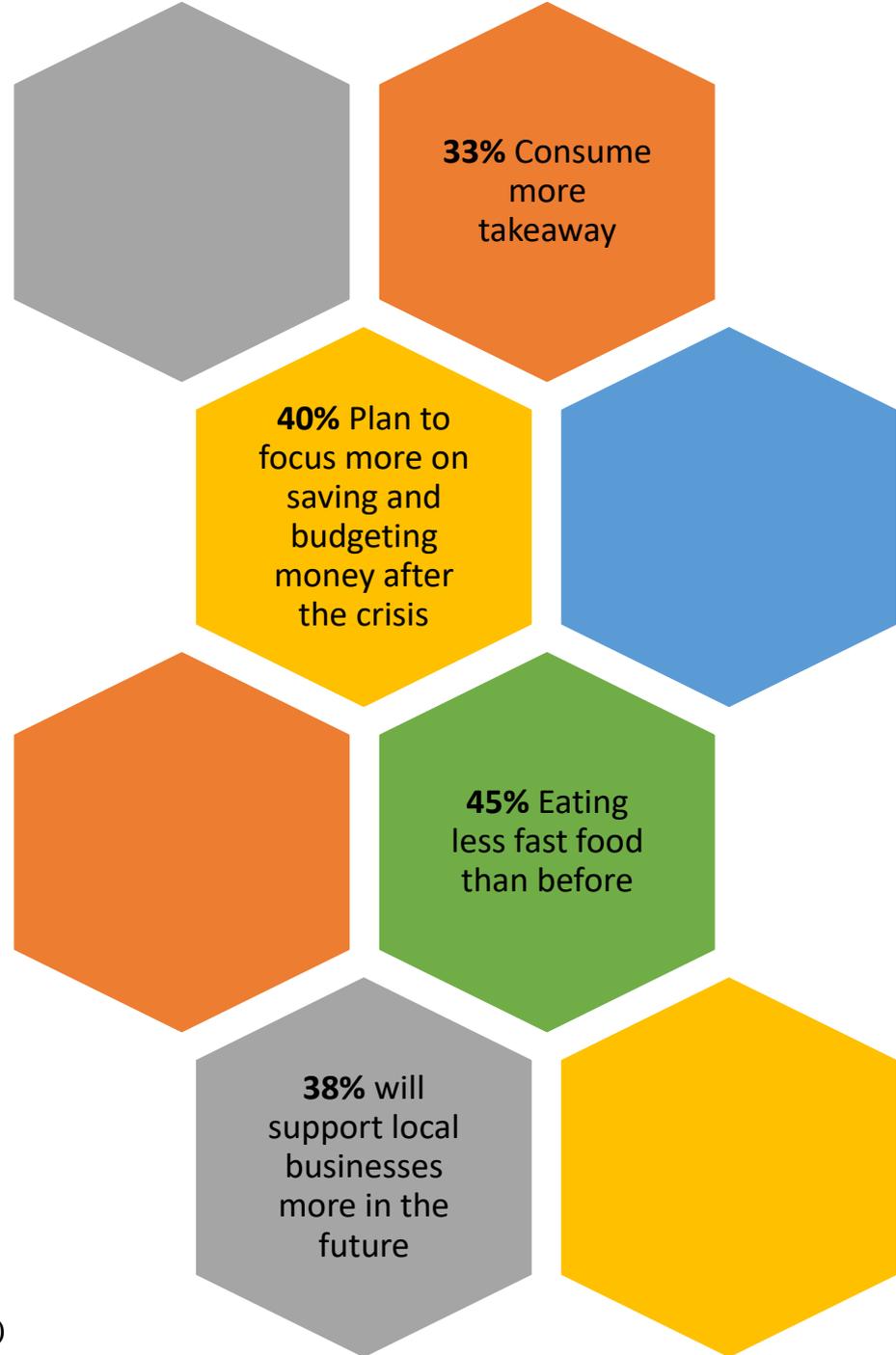


The most significant factor motivating Thai Muslims towards purchasing Islamic brands is the **customer's Islamic brand**. The second factor was the **Islamic brands by compliance** and **Islamic brands by country of origin**.



The present research applies to small companies and multi-national businesses, as it illuminates and recognizes the image of Islamic brands and suggests the preferences of customers in selecting the brand of Islamic brand.

CONSUMER BEHAVIOURAL CHANGES DURING COVID-19



CONSUMER BEHAVIOURAL CHANGES DURING COVID-19

35%

Save and stockpile

Not so concerned about the pandemic, but worried about their families. Pessimistic about the long-term effects.

27%

Cut deep

Hardest hit by the pandemic. Most pessimistic about the future. Spending less across all categories.

26%

Stay calm, carry on

Not changing their spending habits. Not directly impacted by the pandemic. Worried that others are stockpiling.

11%

Hibernate and spend

Most concerned about the pandemic, but best positioned to deal with it. Optimistic for the future. Spending more across the board.

New market segments evolved **during** Covid-19



New market segments evolved **after** Covid-19

31%

Get to normal

Spending largely unchanged. Daily lives were never really affected. Least concerned about the pandemic overall.

25%

Cautiously extravagant

Middle to high income. Very focused on health but relatively optimistic despite a strong belief that a global recession is coming. Will spend more in areas important to them.

13%

Keep cutting

Least educated. Least likely to be working. Making deep spending cuts. Changing what they buy and how. The pandemic was always a huge worry.

22%

Stay frugal

Spending slightly less, but some deep cuts. Trying to get back on their feet. Among the most pessimistic about the future.

9% Back with a bang

Younger and in work. Spending much more in all categories. Their daily lives were most disrupted. Now they're the most optimistic.



FOODSERVICE INDUSTRY IN MALAYSIA NOW

- Closure of **over 2,000** coffee shops and mamaks in the country since the implementation of the MCO in March 2020 (Ong, 2020).
- Sabah's one and only **Hard Rock Cafe** closed **down** for good on the 30th of April 2020. The cafe opened its doors in Kota Kinabalu on the 1st of April 2015 and played an important role in the city's dining culture. (Lee, 2020)
- *The Malaysian Insight* reported that the **Coliseum Café & Grill Room** last served customers on March 18, 2020. It was first opened in 1921, and is going to closed down in June 2021 (Choong, 2021).

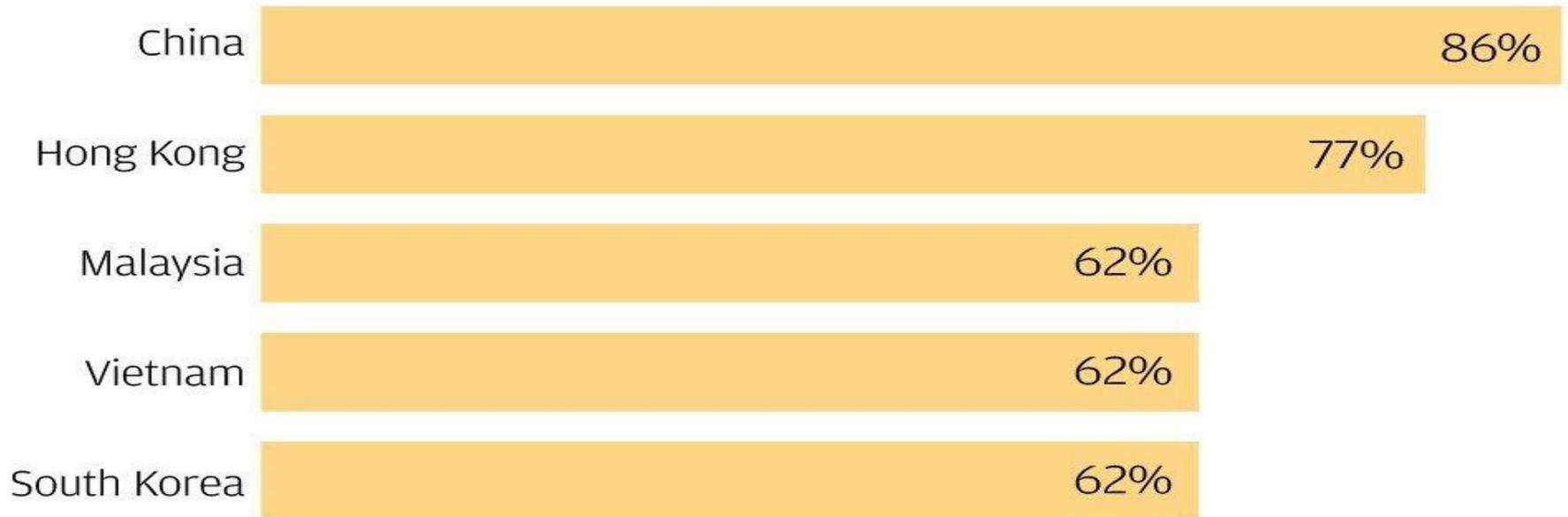




RECENT SCENARIO IN FOODSERVICE INDUSTRY IN MALAYSIA

Top Asian markets re-prioritising eating at home

% of respondents who said they would eat at home more post-pandemic



Source: Nielsen "COVID-19 Where consumers are heading?" Study March 2020

SCMP

CONCLUSION

1. Understanding consumers is complex but engaging closely to them will help the foodservice operators to cater their needs and wants.
2. Keeping the management up to date with recent strategic marketing is vital to effectively responding to consumers.
3. Knowing consumer behavioural changes during Pandemic Covid 19 could help foodservice operators to understand and respond to the consumers in order to sustain the business.

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