The impact of service quality on customer satisfaction among generation Y: The case of fast food restaurants in Hanoi

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ABSTRACT
Nowadays, the growth of the service sector has played an essential role in the world's economy. As a result of increasing income in developing countries, the "hollowing out effect" emphasizes economic activities converting from the agriculture and manufacturing sectors to service. Cooking a meal at home has become harder than planning an eating-out activity. In this busy modern world, customers tend to choose "eating out" when they do not have time to prepare a meal. Hence, the restaurant industry is thriving. As a result, better knowledge of perceived customer satisfaction with service quality in the region will bring various potential benefits for both markets and managers. This study aims to explore the impact of service quality on customer satisfaction among Generation Fast Foods in Hanoi. The study was carried out by surveying 181 individual customers who are Gen Y and have been using fast food services at fast food stores in Hanoi and using the SERVQUAL model with 5 independent variables: Tangibility, Responsiveness, Assurance, Reliability, and Empathy. The results of testing the hypotheses and models show that the relationship between the factors influencing the perception of service quality at the store is empathy, assurance, and reliability. Based on the research results obtained, several recommendations are made to help improve service quality, thereby attracting customers to use the service at the store.

Keywords: service quality, customer satisfaction, generation Y, fast food

1. INTRODUCTION
Vietnam is a rising Asian country with a diversified culture. According to Euromonitor [1], Vietnam has witnessed an impressive change in the Food & Beverage industry with the growth of 20% compared to the last years, especially in the context of restaurants remarkably invested by local and international organizations. In 2019, more than 300,000 fast-food restaurants opened, and transaction volume rose by 4%. Fast-food restaurants have the fastest market value growth. Fast-food restaurants will grow in the near future.

Due to the rapid rise of fast-food restaurants, clients may now choose from many local and international brands for all their restaurant needs. Thus, people may ignore the brand. When choosing a restaurant for dinner, guests can easily swap brands and choose a competitor. Restaurants must boost brand image and customer happiness to increase customer loyalty. This underlines the urgency of identifying service quality factors that affect customer satisfaction to boost brand loyalty and satisfaction. Researchers [2] and [3] have studied "restaurant customer satisfaction."

Service quality is correlated with customer satisfaction [4]. Customer happiness is linked to service quality, underscoring its value [5]. Fast-food restaurants must prioritize client pleasure and service. Thus, they gain a competitive edge and grow. Businesses may satisfy customer expectations and influence decisions by improving service quality. Young people are restaurants’ most important demographic, even though dining out has increased [6]. The Vietnamese consumer market, especially in Hanoi, may be immature. Hanoi’s young population and rising living standards make it one of Vietnam’s fastest-growing markets. Most people are under 25. Its convenience, time-saving, and comfort make it a

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key part of adolescent fashion. According to academic research [7], Generation Y is an important market segment for the food and beverage industry due to market size, lifestyle, and consumption behaviors. Younger clients also dine out more and demand a secure service environment.

Thus, investigating Hanoi's fast-food restaurants' service quality-customer satisfaction relationship is beneficial. There is little empirical study on Hanoi fast food consumers' perceived service quality. Hanoi has not studied how service quality affects Generation Y consumer satisfaction. This indicates a vacancy. Therefore, this study can contribute to filling this gap by analyzing the impact of service quality determinants on customer satisfaction, especially focus on generation Y.

2. LITERATURE REVIEW
2.1. Generation Y
As mentioned above, the target population of this research is Generation Y, also known as "millennials", a group of people born between 1980 and 2000. Even though the population is rapidly aging in Vietnam, this country still has a critical proportion of younger consumers. In 2017, half of the population was under the age of 30. From 2012 to 2017, the average gross income of those aged 20 to 29 years old increased by 22.3% [1]. Besides, it also witnesses an outstanding rise in consumer spending because of the large cohort of young, tech-savvy, and educated workers living and working in the urban area, and they are expected to continue their spending in the future. Therefore, it can be concluded that young consumers are driving spending growth [1]. They are attracted to social media and go for good deals: high quality at a low price. They are the consumer finance industry's fastest-growing market segment". This highlights the relevance and the need for further research to understand how this generation perceives service quality from the provider and, therefore, how it can make them satisfied and willing to choose the business again.

2.2. Service quality
2.2.1. Quality concept
This study examines restaurant quality in terms of service and product. Service and manufacturing share quality. Its intangible components make it hard to measure quality, so additional methods must be devised to assess it. "Quality can be viewed as a peculiar, contributing entity, an essential characteristic of a product or person, a level of excellence, and a social ranking; therefore, to manage and enhance its dimensions, we, first of all, need to identify and evaluate it" [8].

The meaning of quality concepts is stated in all the definitions above. With these definitions, we can conclude that quality has several meanings. In this research, quality is considered in both the fields of service quality and product quality. Some meanings target the improvement of a set of quality items in multiple ways. Garvin [9] decided to clarify them into five categories: (1) transcendent; (2) product-based; (3) user-based; (4) value-based; (5) manufacturing-based.

- Transcendent: These definitions are subjective and individual. They are everlasting, yet they go beyond estimation and coherent portrayal. They are identified with ideas, for example, magnificence and love.
- Product-based: differences in quality reflect differences in the quantity of some ingredient or attribute possessed by a product.
- User-based: The quality of a firm is excellent if a customer feels satisfied.
- Manufacturing-based: Quality here is considered to combine with specifications and demand.
- Value-based: Quality is considered to provide a good value, which relates to cost. According to firm managers, unless the power of quality is high, it is unable to assure high profits in business. Hence, in every aspect, such as manufacturing or providing service, a firm should try to understand how to keep quality at a high level. Therefore, we can see that product-based, manufacturing-based, or user-based have been used as the most common concepts in the research.

In the case of McDonald's restaurants, the user-based approach is utilized to evaluate service quality from the customer’s perspective. Importantly, it will be necessary to identify the aspects of service quality in McDonald's restaurants that ensure customer satisfaction. Additionally, we will determine how consumers perceive service quality. According to the preceding discussion, there are two aspects of quality to evaluate: product quality and service
quality. These facets will be introduced explicitly so that their distinctions can be better understood.

**2.2.2. Definition and dimensions of service quality**

There are several service quality definitions and approaches, yet many argue against a single definition. However, scholarly works generally examine service quality from two perspectives: the customer's opinion of the service [10] and the evaluation of contributors to the overall performance [11]. For the first aspect, according to Parasuraman, service quality is often viewed as the customers' evaluation towards the overall performance of the service provided. Correspondingly, in the later study, Eshghi and Ganguli define “service quality is a general judgment through customer service” [12]. Other experts say service quality is the difference between actual performance and client expectations. The firm’s entire performance is compared to the customer’s expectation of service quality to define service quality [13]. After investigating dining satisfaction and future behavior [14], service quality may affect client satisfaction through positive and negative sensations. Service quality can become an aggressive sales approach, especially for experimental or healthy food customers [15]. Thus, this study will examine consumer perceptions of service quality.

Service quality dimensions are mostly based on the SERVQUAL model to measure the quality of service provided to customers. The SERVQUAL instrument was developed in the context of marketing and also received support from the Marketing Science Institute [11]. It proposes the following 10 dimensions that attribute to service quality: Access, Communication, Competence, Courtesy, Credibility, Reliability, Responsiveness, Security, Tangibles, and Understanding the customer. However, until 2001 reduced 10 determinants to 5 five elements. Those elements were applied to measure customer perceptions of service quality [11]:

- **Tangibility**: the external or physical appearance of the service facility. It includes tools, staff, and materials.
- **Reliability**: the service supplier's ability to accurately perform the promised service.
- **Responsiveness**: the service supplier's support to be helpful and to provide service for customers.
- **Assurance**: the information or knowledge of workers and their ability to create reliability and confidence.
- **Empathy**: The client desires understanding and individualized attention from the service company.

![SERVQUAL model](image)
2.3. CUSTOMER SATISFACTION

Customer satisfaction is regarded as a crucial factor in a company's long-term success [16]. A satisfied or happy consumer is likely to become a loyal customer, and more importantly, they can generate widespread positive word-of-mouth; therefore, it is dynamic to provide customer satisfaction [17]. As a result, when customers are content, their expectations increase, requiring service providers to do their utmost to make them feel delighted [2]. In contrast, dissatisfied consumers are the source of negative word-of-mouth. This could have a negative impact on prospective clients and drive them away from suppliers [18]. However, according to [19], it may at times be challenging for many researchers to measure customer satisfaction. It may be because quantifying customer satisfaction is akin to measuring human emotions [19]. Importantly, measuring customer satisfaction can reveal how a business performs or provides its product or service [20]. By implementing the SERVQUAL model in the McDonald's establishment, the primary issues of this study will be resolved, namely service quality and customer satisfaction. The dimensions of service quality are derived from the customer’s experience by evaluating their expectations and perceptions of service quality. Hence, the question in this research, "Do customers feel satisfied with the service quality of fast-food restaurants?" will be answered.

The author also found out the hypothesis to test the regression between customer satisfaction and service quality, thereby improving and enhancing customer delight.

Hypothesis: Each of the service quality dimensions has a positive influence on customer satisfaction in generation Y.

The research model analyzed in this study is shown in the figure below:

![Figure 2. The proposed research model](image)

3. METHODOLOGY

3.1. Data collection

In this study, self-completed questionnaires are used to gather data. The SERVQUAL 5 dimensions (tangibles, reliability, responsiveness, assurance, and empathy), which are subdivided into 22 statements to measure the service quality in McDonald’s Thai Ha, were used in the questionnaire. It is based on the research of Cronin Taylor (1992) [21].

We determined the research objectives and information needed to collect data. The questionnaires for the survey will have 22 questions, seeking to measure customers’ perceptions. The questions are based on SERVQUAL. The first part is aimed at the demographic of customers who seek general information. The second part is a description of particular services, food, and staff contributing to McDonald's Thai Ha.

3.2. Choice of respondents

As mentioned before, this study focuses on customers of McDonald's restaurants. The chosen
restaurant to collect data is McDonald’s on Thai Ha Street. The customer supporters at McDonald’s Hanoi were requested to assist me in inviting customers to complete the survey questionnaire after eating at McDonald’s Thai Ha. While waiting for the food, customers were asked to fill out the survey, which contained 22 questions. As it only took one to two minutes to complete the survey, customers did not have to spend too much time or feel uncomfortable doing it.

3.3. Sample size
This study was conducted at McDonald's Thai Ha. We will determine how consumers perceive and evaluate the quality of service at this fast-food restaurant. As shown in the data below, with the assistance of McDonald's customer support representatives, I was able to calculate the total number of customers who visited McDonald’s Thai Ha from April 26, 2023, to May 16, 2023:

As seen, the average number of consumers dining at McDonald’s Thai Ha during the three-week period beginning on April 26, 2023, and ending on May 16, 2023, was 340. According to a study by Krejcie and Morgan [22], which examines the relationship between the number of populations and the sample size for a customer satisfaction survey, the sample size for this study would be 181 customers.

3.4. Demographic
As the survey was conducted at McDonald’s Thai Ha, each customer was given a print copy of the survey designed for this study and then returned the completed survey to customer supporters after completing it voluntarily. I received 260 responses from a total of 400 printed survey forms sent out.

- Gender: According to the survey, 44% of respondents were male and 56% were female. This indicates that female consumers prefer McDonald’s Thai Ha.

- Age: According to the survey, consumers aged 23 to 25 comprised a significant portion of the total of 39.7%. People of this age are more likely to select fast food for their meals. In addition, they can afford to dine at a fast-food restaurant with superior service. In contrast, consumers aged 21 to 23 represented the smallest proportion at 27.7%. Lastly, consumers between the ages of 25 and 30 ranked second with a percentage of 32.6%. As individuals of this age tend to be more health-conscious, they may wish to choose nutritious foods for their meals.

- Income: As McDonald’s Thai Ha is a high-quality fast food restaurant, consumers with incomes between 4,000,000 VND and 8,000,000 VND made up 42.4% of the total. Meanwhile, consumers with revenues of less than 4,000,000 VND comprised a modest 23.4% of the market. This could be because these individuals prefer to dine at a less expensive restaurant. Customers with incomes greater than 8,000,000 VND tend to dine at more costly restaurants; this may explain why they account for 34.2% of the market.

4. RESULT AND DISCUSSION
4.1. Descriptive statistics
The descriptive statistics of the study variables are presented in Table 2. Customer satisfaction was significantly associated with four dimensions: Responsiveness ($r = .271$, p.01), Empathy ($r = .443$, p.01), Assurance ($r = .01$), and Reliability ($r = .272$, p.01). However, there was no substantial correlation between Gender or Tangible.

Table 1. Customers going to McDonald’s Thai Hai from April 18, 2023 to May 18, 2023

<table>
<thead>
<tr>
<th>Week</th>
<th>Week 1 (Apr 26, 2023 to May 2, 2023)</th>
<th>Week 2 (May 3, 2023 to May 9, 2023)</th>
<th>Week 3 (May 10, 2023 to May 16, 2023)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total customer</td>
<td>508</td>
<td>324</td>
<td>188</td>
</tr>
</tbody>
</table>

Table 2. Descriptive statistics of the study variables

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Gender</td>
<td>1.552</td>
<td>0.499</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Tangible</td>
<td>3.812</td>
<td>1.094</td>
<td>-0.114</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Responsiveness</td>
<td>3.011</td>
<td>0.960</td>
<td>-0.175*</td>
<td>-0.003</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
4.2. Hypothesis testing results

4.2.1. Model Summary

The R-squared coefficient used to evaluate the fit of the multivariable regression model is 0.431, as shown in Table 3 below. Thus, six independent factors explain 43.1% of the variation in SATISFIED, the dependent variable. This indicates that this linear regression model fits the sample data set by 43.1%, that is, the independent variables account for 43.1% of the variance in the dependent variable SATISFACTION.

Table 3. Model summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Change Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>R Square Change</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>F Change</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>df1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>df2</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Sig. F Change</td>
</tr>
<tr>
<td>1</td>
<td>.656a</td>
<td>0.431</td>
<td>0.411</td>
<td>0.689</td>
<td>0.431</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>21.948</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>6</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>174</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0</td>
</tr>
</tbody>
</table>


4.2.2. Test of variance ANOVA

Hypothesis testing about the overall fit of the model, value F = 21.948 with sig. = 0.000 < 5%. Prove that the R squared of the population is not 0. It means that the built linear regression model is suitable for the population. The result as below:

Table 4. Result Test of Variance ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>6</td>
<td>10.426</td>
<td>21.948</td>
<td>.000a</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>174</td>
<td>0.475</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>180</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

b. Dependent Variable: 7. Satisfaction

4.2.3. Hypothesis testing result

The model with hypothesis testing results 1 was presented in Table 5:

Table 5. Results from testing Hypothesis

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
<th>95% Confidence Interval for B</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
<td>Lower Bound</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Upper Bound</td>
</tr>
</tbody>
</table>
| 1     | (Constant)                  | -1.015                    | 0.485   | -2.094 | 0.038            | -1.971 | -0.058 
|       | 1. Gender                   | 0.005                     | 0.106   | 0.003 | 0.042            | 0.966 | -0.205 | 0.214 |
|       | 2. Tangible                 | 0.109                     | 0.047   | 0.133 | 2.311            | 0.022 | 0.016 | 0.203 |
|       | 3. Responsiveness           | 0.213                     | 0.055   | 0.227 | 3.891            | 0     | 0.105 | 0.32  |
|       | 4. Empathy                  | 0.372                     | 0.059   | 0.369 | 6.332            | 0     | 0.256 | 0.488 |
|       | 5. Assurance                | 0.315                     | 0.059   | 0.313 | 5.352            | 0     | 0.199 | 0.431 |
|       | 6. Reliability              | 0.268                     | 0.057   | 0.269 | 4.679            | 0     | 0.155 | 0.381 |

a. Dependent Variable: 7. Satisfaction
The results of the hypothesis testing demonstrated that Service quality dimensions have an effect on customer satisfaction. First, the relationship between Responsiveness and Empathy and Customer Satisfaction was significant, as were the regressions from Responsiveness and Empathy to Customer Satisfaction. The coefficient for Tangible was .109 (p<0.05), the coefficient for Responsiveness was .213 (p<0.05), and the estimated coefficient for Empathy was .372 (p<0.05). Secondly, the Assurance to Customer Satisfaction coefficient was significant at .315 (p<0.05). The coefficient from Reliability to Customer Satisfaction was .268 (p<0.05) and the regressions from Reliability to Customer Satisfaction were significant. However, the correlation between Gender and Customer Satisfaction was not statistically significant.

5. CONCLUSION
Using a Binary Logistic regression model, this study examines the factors affecting consumer satisfaction in terms of service quality at a McDonald's location in Hanoi that has been significantly impacted by Generation Y. The results indicate that the Empathy factor has the greatest influence (37.72%), followed by the Assurance factor (31.15%), the Reliability factor (26.8%), the Responsiveness factor (21.3%), and the Tangibility factor (10.99%). In addition to the second factor, research indicates that the expectation of customers in general and Gen Y, in particular, is Empathy, which is defined as caring for or paying attention to each customer. The most intriguing aspect of Assurance is the courtesy of employees and their ability to instill confidence and trust in customers, which is demonstrated through a courteous, welcoming, or professional manner and high-quality food. Based on the research findings, the author suggests that a store's food quality should be impeccable, as the manner of customer service has the greatest influence on Generation Y's choice of store.

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Tác động của chất lượng dịch vụ đến sự hài lòng của khách hàng trong thế hệ Y: Trường hợp nhà hàng thức ăn nhanh tại Hà Nội

Trương Thành Tâm và Nguyễn Thủy Tiên

Tóm tắt

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