

# A New Service-Quality Model to Enhance Customer Retention in the Hong Kong Fast-Food Restaurant Industry



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## Introduction

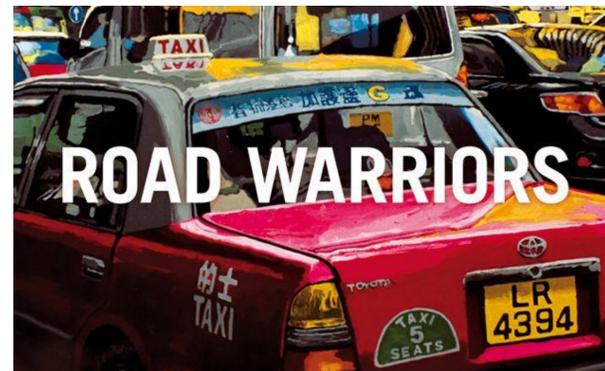
- The Hong Kong, fast-food-restaurant (HK FFR) sector is very competitive
- Customer acquisition is costly
- HK FFRs could use a new service-quality (SQ) model to enhance customer retention (Law *et al*, 2004)

## Objective: Explore A New FFR SQ Model

- To explore the potential effectiveness of a new SQ model for HK FFRs
- Aim: improve the FFR satisfaction-retention linkage (Patterson, 2004)
- Focus is on personalised service
- Involves employees focused on Service, Knowledge, Information, Process (SKIP; Buttle *et al*, 2002)

## Methodology

- A qualitative, phenomenological approach was used featuring semi-structured interviews (Schembri & Sandberg, 2002)
- A purposeful sample of 30 HK taxi drivers was selected due to their frequency of eating at FFRs (three times per week)
- The drivers' FFR experiences assisted in understanding the phenomenological nature of the HK FFR context (Limberg, 2000)



## Findings: An Emergent Model

- An Employee-Centric SKIP-based SQ model emerged from the data (see figure)
- The model offers an alternative and pragmatic way of examining HK FFR SQ relationships compared to other SQ models (Grönroos, 1984; Parasuraman *et al*, 1985)

## Propositions to Guide Future Research

Based on the study's findings, seven research propositions are presented to guide future research:

- P1 The SQ elements (dimensions) of Service, Knowledge, Information, Process underpin the SKIP-based SQ model for HK FFRs
- P2 The SKIP-based SQ model will have a positive influence on FFR (a) customer trust, (b) commitment, (c) satisfaction and perceived value
- P3 FFR employees—through their positive soft attitudes and behaviours, performance and efforts—will have a moderation effect on the relationships of SKIP that resulting in a positive influence on (a) customer trust, (b) commitment, (c) satisfaction and perceived value
- P4 Trust will have a positive influence on commitment
- P5 Commitment will have a positive influence on satisfaction
- P6 Perceived value will have a positive influence on customer satisfaction
- P7 Customer satisfaction will have a positive influence on customer retention

