



ITHJ

International Tourism and Hospitality Journal
Journal Homepage: <https://rpajournals.com/ithj>

A Review on Full Service Restaurants in Malaysia

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Abstract

This paper reviews extant literature pertaining to full service restaurant in Malaysia. Moreover, this paper seeks to provide in-depth understanding on the concept and trend of full service restaurant in Malaysia. Despite voluminous research efforts on food service industry, a dearth of literature was found to provide clear understanding on the current scenario of full service restaurant particularly in Malaysia. Due to this notion, this paper offers explanation on the background of Malaysian's restaurant industry, followed by discussion on the concept, current trend, reasons for patronizing, level of service quality, and issues related to full service restaurant in Malaysia. Researchers and restaurateurs are expected to benefit from this paper as it sheds further light pertaining to the current state of Malaysian's restaurant industry.

Keywords: Full service, Restaurant, Malaysia, Hospitality, Literature Review

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Introduction

Restaurant industry is among one of the leading industries that contribute considerably to Malaysia's economic growth. Malaysia is a multicultural country with various food heritage has been described as a food heaven for local and international tourist (Salim, Rahmat, Chinna, & Kumar, 2009). This is demonstrated by the rapid establishment of restaurant brands across the country. Zulhan, Mohd Salehuddin, and Salleh (2013) and Noraziah and Mohd Azlan (2012) claimed that restaurant industry in Malaysia has experienced a tremendous change with the establishment of various types of restaurants including fine dining, fast food, casual, theme, and ethnic restaurants over the past ten years. The presence of three major races in Malaysia which includes Malay, Chinese, and Indian is a unique blend of cultures that have contributed to the development of restaurant industry in Malaysia. The mushrooming of restaurants in Malaysia is also contributed by the rising income and the widespread habit of eating out among working Malaysians. Previous studies indicated that only 36% of Malaysians dine at home, while 64% of Malaysians dine out at least once a day and 12.5% have at least purchased one meal outside from home (Tan, 2014). Meanwhile, in a research performed by Khazanah Research Institute, it was evidenced that the trend of dining out amongst Malaysians had almost doubled in the last three decades (Post, 2015). Such trend demonstrates the importance to understand the unique characteristics of restaurant industry particularly from the full-service category as it requires more interaction between the customer and service provider in contrast to other types of restaurant.

The Concept of Full Service Restaurant

A full-service restaurant can be referred as a restaurant that offers full dining experience with complete table service (Chan, Hsiao, & Lee, 2016; Washington & Miller, 2013; Aldaihani & Ali, 2018) at moderate prices (Hwang & Ok, 2013). Similarly, Salim et al. (2009) defined full-service restaurant as food service premises that offer table service and accommodate customers for dining service with various options of foods and beverages. According to North American Industry (2012), full - service restaurant is a premise that offer food services to their customers who are attended while being seated and customers make the payment before they leave. In some premises, bar service, alcoholic beverages, and entertainment are also offered to add value to the existing services. Consistent with the previous description of full-service restaurant, Parpal (2013) considered a full - service restaurant as the traditional way of having meals outside home. The servers will invite and bring customers to the table once they arrived. Consequently, the servers will take their order and bring the meals to the table once it is ready. Besides, full-service restaurant can be categorized into fine dining or casual diners. The following Table 1.1 further describes the concept of full-service casual restaurant according to Parpal (2013):

Table 1: Descriptions of full-service restaurant

	Element	Description
1.	Pricing	Casual restaurant normally offers moderate price for the meals depending on the geographical area. The price may be lower in sub-urban areas compared to urban areas.
2.	Service approach	The service approach for casual restaurant is usually informal and servers will act more casually compared to fine dining restaurant. The customers will be welcomed by the servers and they will be brought to table. Then, the servers will take their orders and the meals will be served once it is ready.
3.	Environment	The environment of casual restaurant is usually family-friendly. It is suitable for parents with kids due to its casual / informal nature of service. The decorations of the restaurant may not be formal as fine dining restaurant, however some casual restaurants have decorations / colourful paintings on the wall, pictures, and photos based on the restaurant theme. The selection of foods in casual restaurant may be specific to certain regional cuisines or a combination of dishes.
4.	Advantage	Casual restaurant has an advantage compared to fine dining restaurant. The casual atmosphere of the restaurant may attract customers with small kids to dine in the premises.

Current Trend

Delivering high quality of service is vital to service business. Similar to restaurant industry, it cannot be exempted due to the strong competition among restaurants' brands and the increasing expectations of customers (Salleh, Rosdi, Othman, & Radzi, 2015; Chan et al., 2016; Aldaihani & Ali, 2018). Thus, a clear understanding of restaurant industry is essential as Yap and Kew (2007) stated that the same scenario relates to Malaysian context which can be seen from the rapid development of this industry over the years and the increasing number of restaurant brands throughout Malaysia. This is demonstrated by the growing numbers of full-service restaurant (including kopitiam and mamak restaurant) located in the hypermarkets (such as Giant, Tesco, and AEON Big) and shopping malls (Rezai, Mohamed, Shamsudin, & Kit Teng, 2013; Salleh et al., 2015). This fact is supported by Euromonitor International (2013) denoting that Malaysia is acknowledged as a shopping heaven for local and international visitors due to the numerous establishment of shopping complexes particularly in the urban areas of Kuala Lumpur, Selangor, Johor, and Penang.

On the other hand, it was reported that the number of shopping complexes in Malaysia were nearly 300 as of 2012 and it is still increasing until today. Such transformation occurred to cater the growing needs of Malaysians who prefers to spend their free time (especially weekend) in the shopping complexes. Hence, this will benefit the restaurant owners as they need to open up more premises to accommodate the increasing number of customers in the shopping complexes. Interestingly, Kuala Lumpur was recognized as the second best shopping location for the Asia Pacific region in 2014 by the Economist Intelligence Unit (2014). The first place goes to Hong Kong and cities such as Singapore, Beijing, and Shanghai were placed below Kuala Lumpur.

Reasons for Patronizing Full Service Restaurant

The nature of consumption behaviour has changed due to the growth of socio-demographic and economic aspects of Malaysian citizens. In other words, Malaysian citizens are becoming more educated, earning more income, and the changes in household size have affected their food consumption behaviour, which contradicts to the previous tradition where people preferred to enjoy home-cooked meals. As noted by Rezai et al. (2013), the approximate monthly earnings for Malaysians had increased to RM4,025 from RM3,249 between 2004 to 2009. This demonstrate that people have more purchasing power that motivates them to dine out more frequently.

Other possible reason is due to the change in customers' lifestyles. Malaysians prefer to eat out regularly due to the modern lifestyle (Faridah, Hazrina, & Mohiddin, 2015; Majid, Samsudin, Noorkhizan, Zaki, & Bakar, 2018), vast selection of foods offered by the restaurant (Noraziah & Mohd Azlan, 2012), and demand for both husband and wife to work (Rezai et al., 2013) as the cost of living are getting higher especially for those living in the urban areas. Thus, time constraint limits their ability to prepare home-cooked meals. Consistent with Nayga and Capps (1994), working individuals are more inclined to dine out compared to those who are not working. Same opinion was expressed by Andaleeb and Conway (2006) describing that most people nowadays prefer to dine out as they have no time to cook. Similar to a report produced by Euromonitor International (2013), there is an increasing number of Malaysians who prefer to eat out and enjoy their free time with families and friends. As a result, the sales performance of the restaurant brand is anticipated to be increased and this can be seen from the establishment of numerous restaurant brand (local and international) with vast selection of foods and beverages.

Additionally, the trend of online coupon deals (such as Groupon) has been reported as one of the factors that influence customers' consumption behaviour (Euromonitor International 2013). The purchase of online coupon allows the customers to dine in the participating restaurant brand with discounted price. Despite the reduction of price that caused value growth to decrease, however it may encourage customers to patronize the participating restaurant brand. Moreover, the role of advertisements (online and offline) were claimed to influence customers' intention to patronize full-service restaurants (Rezai et al., 2013). The use of TV/radio commercial and online social media (such as Facebook, Twitter, Instagram, and blogs) to promote restaurant brand seems effective to influence customers' purchase intentions. On the other hand, restaurant may offer vouchers or discounts to lift customers' burdens (Rezai et al., 2013). As a result, it can increase customers' intention to revisit the same restaurant brand in the future.

Service Quality of Full Service Restaurant

Providing satisfying experiences to customer is critical to sustain restaurant's business. According to Yap and Kew (2007), measuring the level of service quality is challenging in restaurant industry until the customers patronize the restaurant. This is due to the notion that customers may experience different level of treatment each time they patronize the restaurant, which may subsequently affect their judgement of satisfaction towards the restaurant brand. There are several critical factors that lead to the realization of successful restaurant brand. In a study among full-service restaurants in Malaysia, Rezai et al. (2013) stated that the level of service quality, physical environment of the restaurant (such as clean, comfortable and relaxing atmosphere), and the ingredients used in preparing the meals play a significant role in attracting and satisfying the customers. Thus, this will

influence them to consume at the same restaurant brand in the future. Susskind (2002) indicated that the quality of food and service are two important elements that should be considered to succeed in sustaining restaurant brand. Consistent with Hwang and Ok (2013), the quality of food is absolutely essential to any restaurant brand. It should be served with a satisfactory portions, fresh, and stored at appropriate temperatures. Hwang (2011) summarized that physical environment, communication process, and the final output are the major components of service quality after reviewing several scales that have been used by previous researchers.

On the contrary, Marinkovic, Senic, Ivkov, Dimitrovski, and Bjelic (2014) claimed that the key indicators to service quality in restaurant business depends on the tangible and intangible components, especially on the interactions between the customers and the restaurant's employees. This demonstrates that the communication process is vital in providing a superior service in the restaurant context. Marinkovic et al. (2014) further claimed that the attitude of the restaurant employees is essential to satisfy the customers. Restaurant employees who are responsible and attentive can minimize the likelihood of service failure. In fact, nowadays, restaurant cannot solely depends on the quality of food to sustain their brand, however it must come together with a nice and comfortable environment as customers are being more particular as the cost of living (including food price) is getting higher (Marinkovic et al., 2014).

Issues Related to Full Service Restaurant

The nature of full-service casual restaurant that requires employees to have face-to-face interaction with the customers make it susceptible to human mistakes. Factors such as unprofessional employees' attitudes and unavailability of selected foods may lead to service problem in restaurant (Zulhan et al., 2013). On the other hand, the quality of foods and physical environment may also contributes to dissatisfying experience if it is not appropriately taken care of. As the restaurant industry has gone through challenging time in the last twenty years (Ashton, Scott, Solnet, & Breakey, 2010), it is crucial for the restaurateurs to avoid service breakdown as it can tarnish their restaurant's reputation especially if effective problem resolution is not in place. According to Susskind and Viccari (2011), effective problem resolution is crucial in restaurant industry to ensure that customers can be returned to the state of satisfaction after the problem.

In Malaysian context, Zulhan et al. (2013) indicated that a number of restaurants are facing with difficult time to attract customers. One of the contributing factors is due to service problems, specifically pertaining to customers' waiting times for meals to be served (Zulhan, Mohd Salehuddin, Rahmat, & Shahariah, 2009). Moreover, Fraser, Mohd Salehuddin, and Zulhan (2008) claimed that the low quality of service and ineffective communication with customers were also the reasons for service problems in some Malaysian restaurants. Despite only focusing on profit generation, Malaysian's full service restaurants are suggested to pay attention to verbal cues (communication aspect) and satisfactory compensation strategies to promote re-patronage intentions among customers (Zulhan et al., 2013).

Research Limitations and Future Direction

Despite the extensive literature review on full service restaurant covered in this paper, it is not without limitations. Similar to other conceptual paper, the current paper could be suffering from the limitations which may be overcome by future researchers. Firstly, this paper is only focusing on one particular type of restaurant which is full-service restaurant. Although full-service restaurant is regarded as one of the most popular choices among Malaysians, there is an urgent need to also review extant literature pertaining to other type of dining options such as fast food restaurant, fine dining restaurant, or ethnic-based restaurant (e.g. Malay, Chinese, or Indian restaurant).

Secondly, this paper is limited to one geographical area which is Malaysia. Despite the notion that Malaysia is a multicultural nation, a thorough review of available literature may lead to more substantial findings. Additionally, comparison of restaurant industry between countries could also be conducted as each country may have different ways in serving customer due to cultural differences. Thirdly, this paper only reviews literature from previous studies without empirical findings.

Nonetheless, the discussion of past studies included in this paper is still beneficial and relevant to researchers in the field of hospitality and marketing. Future researchers are suggested to extend the current paper by proposing a conceptual framework by integrating relevant variables / theories from other studies. Thus, further analysis could be performed to obtain empirical findings and may extend the body of knowledge in the field of hospitality.

Conclusions

In a nutshell, the above discussion demonstrates the need to understand the current scenario of full service restaurant in Malaysia. A review of extant literature shows a great potential for full service restaurant in Malaysia. Despite the establishment of various type of restaurants (such as fast food restaurant, fine dining restaurant, and ethnic restaurant), full service restaurant remains as one of the most popular dining options among Malaysians. The busier lifestyle has contributed to the habit of dining out at full service restaurant. The demand of full service restaurant among working people are increasing day by day and therefore, the number of full service restaurant is also growing in Malaysia. This positive trend will benefit the restaurateurs as they may use such opportunities to continue delivering the best service to the customers. As a result, restaurateurs will be able to sustain their business and this will perhaps encourage other people to venture into full service restaurant. Consequently, this will contribute to the expansion and enhancement of the Malaysian food industry.

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