

The Influence of Food Truck Service Quality Perceptions on Word of Mouth and Customer Loyalty among Malaysian Food Truck Customers

Vijayakumaran Kathiarayan

International Institute of Applied Science, Swiss School of Management, Bellinzona, Switzerland

Email: vijay9625@gmail.com

How to cite this paper: Kathiarayan, V. (2023). The Influence of Food Truck Service Quality Perceptions on Word of Mouth and Customer Loyalty among Malaysian Food Truck Customers. *Technology and Investment*, 14, 256-266.

<https://doi.org/10.4236/ti.2023.144015>

Received: July 16, 2023

Accepted: September 25, 2023

Published: September 28, 2023

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Abstract

Malaysia's food truck industry has experienced remarkable growth, marked by creative culinary concepts and evolving business strategies. However, a noticeable gap exists in academic research exploring this emerging industry's intricacies. This study aims to address this void, examining the relationship between perceived service quality in the food truck realm and its impact on customer loyalty, along with the potential for word-of-mouth marketing in the Malaysian setting. Service quality is undeniably crucial in today's business landscape, impacting both service and product-oriented ventures. Food trucks, while primarily food-focused, also encompass service elements, particularly in customer interactions. Aspects like prompt service delivery can markedly shape customer experiences, influencing their decision to return or recommend the business. Though the hotel industry has seen significant research on service quality, smaller ventures such as street food outlets and food trucks are often overlooked. Yet, with the mounting competition in the food truck arena, there's a pressing demand for these enterprises to enhance customer services for a strategic advantage. In essence, this research endeavors to deepen our understanding of how Malaysian consumers' perceptions of food truck service quality influence their loyalty and propensity for word-of-mouth endorsements. The study casts light on the intricate ties between service quality perception, word-of-mouth referrals, and customer allegiance. Employing a quantitative method, data was collected from 500 regular food truck visitors in Kuala Lumpur. Initial results highlight a significant link between customers' perceived service quality and their sustained loyalty. Intriguingly, word-of-mouth recommendations appear to moderate this connection.

Keywords

Food Trucks, Service Quality Perceptions, Customer Loyalty, Word of Mouth Marketing, Malaysia

1. Introduction

In recent years, the food truck industry has emerged as a global phenomenon, transforming the culinary landscape and challenging traditional brick-and-mortar restaurants. Malaysia, with its vibrant street food culture and dynamic food industry, has witnessed a surge in food truck businesses. These mobile eateries offer an array of cuisines, innovative dining experiences, and affordable options, catering to the evolving preferences of Malaysian consumers. Despite their growing popularity, food truck businesses in Malaysia encounter a range of challenges, including fierce competition, profitability concerns, weather dependencies, and regulatory obstacles. Understanding and addressing these issues are crucial to ensure the sustained growth and success of food truck businesses in the country. This article aims to explore the background of food trucks in Malaysia, examine contemporary challenges faced by food truck operators, and highlight the significance of conducting research in this field. By shedding light on these aspects, this study contributes to the existing knowledge and provides insights into the unique context of food truck businesses in Malaysia, enabling stakeholders to make informed decisions and strategies for the future (Sobaihi, 2020; Choi et al., 2020; Mohd Johan et al., 2021).

2. The Structure of This Paper

The foundation for this study is anchored in an exhaustive review of existing literature that examines service quality in the wider food sector, the influential role of word-of-mouth in the realm of food and beverage marketing, the nuances defining customer loyalty, and past scholarly endeavors specific to the Malaysian food truck arena. The methodological blueprint encapsulates a detailed design rationale, sampling methodology that zeroes in on Kuala Lumpur's regular food truck consumers, the tools and instruments used for data collection, as well as the analytical processes to decode this data. Results gleaned from the study not only shed light on the demographics of the survey participants but also paint a vivid picture of service quality perceptions. There's an evident association between perceived service quality and the loyalty patrons exhibit towards the food truck, with word-of-mouth acting as a nuanced intermediary in this dynamic.

Interpreting these results, the research juxtaposes the findings with extant literature to decipher broader implications for the Malaysian food truck industry. There's a clear affirmation of the intertwined relationship between service quality, word of mouth recommendations, and customer loyalty. The study culminates with an incisive conclusion that encapsulates key takeaways, coupled with

pragmatic guidance for Malaysia's food truck entrepreneurs. Further, the research beckons to several promising avenues for future scholarly exploration.

3. Literature Review

The literature review conducted for this article encompasses various aspects related to the study's topic, aiming to provide a comprehensive understanding of the research area. The review begins by emphasizing the significance of a literature review as a critical element in contemporary research, highlighting its role in summarizing, contextualizing, and demonstrating an understanding of existing literature (Paul & Criado, 2020). It further establishes the key functions of a literature review, including providing theoretical context, identifying research gaps, and enhancing the reader's and researcher's comprehension of the subject.

Underpinning the theoretical framework of the study, the Expectancy-Disconfirmation Theory (Nuradiana & Sobari, 2021) is introduced as the most suitable theory for explaining customer satisfaction and loyalty in the context of food truck businesses. The theory posits that customer satisfaction is derived from the comparison between received services and predetermined standards, with positive and zero disconfirmation resulting in satisfaction, and negative disconfirmation leading to dissatisfaction. This theory forms the basis for understanding the relationship between service quality perceptions, customer satisfaction, and loyalty.

The concept of word of mouth marketing is discussed, emphasizing its significance as a powerful marketing tool driven by interpersonal communication and customer recommendations (Tavukçuoğlu, 2018). The literature reveals that customers tend to trust word of mouth recommendations from friends and acquaintances more than traditional media sources (Chen & Yuan, 2020), making it a valuable avenue for businesses to build their customer base. The rise of electronic word of mouth marketing (eWOM) in the digital age is also acknowledged, highlighting the influence of social media posts and product reviews on consumer behavior (Hu et al., 2019).

Customer loyalty, defined as consumers' commitment to continue doing business with a brand or company (Karunaratna & Kumara, 2018), is explored in detail. The literature highlights that customer loyalty goes beyond basic transactions and is influenced by various factors, including customer perceptions, attitudes, and behavioral outcomes (Kegoro & Justus, 2020). The protective aspect of customer loyalty against competitors is discussed, along with its contribution to brand equity and positive word of mouth marketing (Arora & Narula, 2018; Saleem et al., 2018).

Service quality, a crucial component in customer satisfaction and loyalty, is examined based on the SERVQUAL model (Parasuraman et al., 1988). The model's five dimensions—tangibility, reliability, responsiveness, assurance, and empathy—are explained in detail, emphasizing their importance in shaping cus-

tomers' perceptions of service quality. Tangibility relates to physical aspects, reliability focuses on dependability, responsiveness measures promptness, assurance encompasses knowledge and courtesy of employees, and empathy pertains to individualized and caring attention (Yuan & Gao, 2019).

Empirical research findings are presented to support the hypotheses developed for the study. Previous studies demonstrate a positive correlation between service quality perceptions and customer loyalty, both in general and within the food truck industry (Poku et al., 2013; Yeong et al., 2022; Boon et al., 2018). Similarly, the influence of service quality perceptions on word of mouth marketing propensity is supported by empirical evidence from various contexts (Mohtasham et al., 2017; Bilgin, 2017; Suryani & Hendryadi, 2015). The mediation role of customer loyalty between service quality perceptions and word of mouth marketing is suggested based on relevant studies (Li, 2013; Yildiz, 2017).

4. Literature Gap

While various studies have delved into concepts pivotal to this research, especially regarding food truck businesses, a distinct gap persists in the existing literature. For instance, Boon et al. (2018) and Lim et al. (2019) acknowledged the importance of word-of-mouth marketing spurred by customer loyalty as a result of high service quality within food truck ventures. Yet, their explorations did not empirically validate this relationship. Strikingly, there's a scarcity of research investigating the connection between perceptions of service quality and the propensity for word-of-mouth marketing among food truck clientele, more so within the Malaysian context. Furthermore, despite sparse studies touching on the correlation between perceived service quality and customer loyalty concerning food truck businesses, their findings offer limited clarity. A case in point is Boon et al. (2018), which posited that reliability doesn't significantly influence customer loyalty. This result is perplexing, given that numerous research in diverse settings indicate otherwise. Such an anomaly necessitates further investigation, particularly since only one study has reported this observation. In essence, there remains an uncharted domain regarding the potential mediating role of customer loyalty between service quality perceptions and word-of-mouth marketing, specifically for food truck consumers. While certain researchers, including Boon et al. (2018), have hinted at this relationship, tangible empirical evidence remains elusive.

5. Method

The method section of a research article plays a crucial role in providing a comprehensive understanding of the research design and procedures employed. In this study, a quantitative research method was chosen to examine the relationships between service quality perceptions, customer loyalty, and word-of-mouth marketing in the context of food truck businesses in Malaysia. The positivist paradigm was adopted, emphasizing the use of quantifiable and objective evidence.

The deductive approach was employed, building upon prior literature to develop theoretical premises and hypotheses. Data was collected using a survey approach, which allowed for the efficient collection of information from a large number of respondents. Convenience sampling was employed to select participants from the target population of Malaysian customers of food truck services. Research necessitates that a sample—a subset of the larger population—is chosen to provide insights about the entire group's characteristics (Acharya et al., 2013). To ensure that the sample size is both adequate and relevant, certain methodologies, including the Cochran formula, are often employed. This formula provides a more structured means to estimate the required sample size, particularly for large populations, to get representative and statistically significant results. A sample size of 250 participants was determined based on the general guideline of including at least 30 participants for each independent variable in regression analysis. Data analysis was conducted using SPSS software, and descriptive statistics, normality analysis, correlation analysis, and regression analysis were performed to examine the relationships between variables.

6. Instrument Refinement through Pilot Testing

The preliminary study spanned from January 1 to January 30, 2023, with an augmented questionnaire. Participants from this phase were excluded from the main study to maintain the authenticity of the final dataset. The average completion time for the questionnaire ranged between 15 - 18 minutes. Feedback from this phase indicated occasional unfamiliarity with certain terms, prompting revisions in the questionnaire's wording. To assess the instrument's consistency, a reliability test using Cronbach's α was applied, setting a benchmark at 0.70 as advocated by Nunnally (1978). Results demonstrated that the tool maintained commendable internal reliability. Feedback gathered from this initial phase instigated pivotal alterations in the research design and the survey tool, optimizing the subsequent data acquisition process. Before the main survey dissemination, a pilot involving approximately 20 individuals was conducted. In research, an instrument's reliability is its hallmark of consistency, while its validity is a testament to its precision in gauging intended metrics (Mark, 2004). The findings of the normality analysis, assessing the distribution of the data, were reported to ensure the appropriateness of subsequent inferential analysis.

7. Data Collection and Analysis

The research involved the distribution of survey questionnaires to a total of 270 potential respondents. Following the completion of the data collection phase, a thorough examination of the responses was conducted to ensure data quality. Out of the received surveys, 250 were identified as qualified and complete, thereby warranting inclusion in the data analysis phase. It's noteworthy to mention that the study achieved a high-quality response rate, with no instances of missing or incomplete answers among the qualified surveys.

8. Result and Findings

The study involved 250 participants, predominantly female, aged between 26 to 35 years, holding bachelor's degrees, having 1 to 3 years of work experience in food trucks, and belonging to the Malay ethnicity. The reliability and normality analysis confirmed the questionnaire's reliability and the normal distribution of the collected data. All hypotheses tested in the study were supported by the findings. The correlation coefficient analysis demonstrated that perceived tangibility, reliability, responsiveness, assurance, and empathy significantly influenced food truck customers' loyalty and word-of-mouth marketing propensity. The regression analysis further supported these findings, with all five factors showing significant p -values and accounting for approximately 69.5% of the variance in the proposed model.

9. Participant Demographics

The demographics of our survey respondents are delineated below. The data portrays a diverse array of respondents in aspects like gender, age bracket, educational background, ethnicity, and the duration of their interaction with food truck services.

The data in **Table 1** reveals that females represented 58% of the sample while males constituted the remaining 42%. The age segment of 26 to 35 years dominated the sample, encompassing 68.8% of respondents. On the education front, the majority (65.2%) held undergraduate degrees. Ethnically, a significant majority of the respondents identified as Malay, making up 80.4% of the sample. Regarding the usage of food truck services, most participants (64.8%) have been patrons for a duration of 1 to 3 years.

10. Normality Analysis

A normality examination was conducted using skewness and kurtosis measurements.

As indicated by the values in **Table 2**, the dataset demonstrates a good degree of normality. Both the skewness and kurtosis metrics for all variables are within the accepted range of -2 to $+2$, indicating a generally normal distribution.

11. Result and Findings

The study aimed to fill a gap in the literature by examining the impact of the SERVQUAL model factors on customer loyalty and word-of-mouth marketing propensity among food truck customers in Malaysia. The findings revealed a significant positive effect of these factors on both outcomes. The importance of the SERVQUAL model factors, which explained about 70% of the variance in word-of-mouth propensity and customer loyalty, aligns with previous literature. The model's accuracy in measuring and conceptualizing service quality perception and its strong predictive power for customer satisfaction have contributed to its influence in service industries.

Table 1. Participant demographics.

Feature	Category	Count	Percentage
Gender	Female	145	58%
	Male	105	42%
Age	18 - 25	66	26.4%
	26 - 35	172	68.8%
	35 and above	12	4.8%
Education	Degree	163	65.2%
	Diploma	40	16%
	Masters and higher	5	2%
	Other tertiary	42	16.8%
Ethnicity	Chinese	24	9.6%
	Indian	17	6.8%
	Malay	201	80.4%
	Other ethnic groups	8	3.2%
Service Use Duration	1 - 3 years	162	64.8%
	Under 1 year	24	9.6%
	Over 3 years	64	25.6%

Table 2. Test for normality.

Variable	Count	Skewness	Std. Error (Skew)	Kurtosis	Std. Error (Kurt)
Perceived tangibility	250	-0.324	0.154	0.034	0.307
Perceived reliability	250	0.019	0.154	-0.071	0.307
Perceived responsiveness	250	-0.939	0.154	10.469	0.307
Perceived assurance	250	-0.819	0.154	0.104	0.307
Perceived empathy	250	-0.152	0.154	-0.390	0.307
Consumer word of mouth marketing	250	-0.302	0.154	0.140	0.307
Customer loyalty	250	-0.284	0.154	-0.007	0.307

This **Table 3** summarizes the relationships between five perceived factors (tangibility, reliability, responsiveness, assurance, and empathy) and two outcome factors (customer loyalty and word-of-mouth marketing) in the Malaysian food truck industry.

Table 4 presented that 69.5% of the variability in word-of-mouth marketing can be attributed to the factors studied, leaving 30.5% of the variability explained by other aspects not covered in this research. The regression analysis illustrates

the relative impact of each factor on word-of-mouth marketing for food trucks in Malaysia. Tangibility, reliability, responsiveness, and assurance have a significant positive influence ($p < 0.05$) on word-of-mouth marketing. However, empathy and customer loyalty don't significantly contribute to word-of-mouth marketing based on their high p -values (above 0.05). The total model explains 69.5% of the variance in word-of-mouth marketing.

Customer satisfaction, as a mediating factor, plays a critical role in linking service quality to other customer-related outcomes. The Expectancy-Disconfirmation Theory provides a suitable framework for understanding this relationship, where customer satisfaction results from the comparison between customers' expectations and the services provided. The findings of this study align with this theory, highlighting the importance of addressing the SERVQUAL model factors to meet customer expectations and enhance satisfaction, loyalty, and word-of-mouth marketing.

The findings are consistent with empirical research, including studies in the food truck industry. However, the lack of significance for perceived reliability in this study contradicts findings in related businesses such as hotels, where reliability is a crucial consideration for customers. Further research is needed to explore the specific dynamics of perceived reliability in the food truck context. Regarding word-of-mouth marketing propensity, limited evidence exists, making the novel findings of this study significant.

Table 3. Simplified correlation analysis for food truck industry in Malaysia.

Factors	Customer Loyalty Correlation (r)	Word-of-Mouth Marketing Correlation (r)
Tangibility	0.699	0.788
Reliability	0.538	0.615
Responsiveness	0.536	0.663
Assurance	0.271	0.436
Empathy	0.906	0.514

Note: All correlations are significant with $p < 0.001$.

Table 4. Simplified regression analysis for word-of-mouth marketing in food truck.

Factors	Coefficient (B)	Significance (p -value)
Tangibility	0.507	0.000
Reliability	0.250	0.000
Responsiveness	0.129	0.018
Assurance	0.135	0.000
Empathy	-0.035	0.712
Customer Loyalty	0.007	0.946

R-squared: 69.5%.

In conclusion, the research demonstrates that food truck service quality perceptions significantly impact customer loyalty and word-of-mouth marketing. Higher levels of service quality lead to increased customer loyalty and positive word-of-mouth recommendations, ultimately contributing to the success and revenue of food truck businesses. It is crucial for food truck owners to prioritize delivering high-quality service to maintain a positive reputation, encourage repeat business, and attract new customers. By continually improving service quality based on customer feedback, food truck owners can create a positive cycle of customer satisfaction, loyalty, and word-of-mouth marketing, fostering long-term success for their businesses.

12. Conclusion

This study aimed to address the challenges faced by food truck businesses, including rising competition and high failure rates, by investigating the impact of service quality perceptions on customer loyalty and word of mouth marketing propensity. The findings revealed significant and positive effects of perceived tangibility, reliability, responsiveness, assurance, and empathy on both customer loyalty and word of mouth marketing propensity among food truck customers.

The study's conclusions have important implications for food truck businesses in Malaysia. Traditionally, these businesses have focused primarily on offering low-cost options to customers. However, this study highlights the importance of service quality in fostering customer loyalty. Food truck owners and operators should prioritize enhancing service quality, taking into account the SERVQUAL model as a framework. Given the limited resources for extensive marketing campaigns, the findings emphasize the significance of word of mouth marketing and the pivotal role of service quality in driving positive customer recommendations.

The study's implications also extend to future research. It is recommended that researchers further investigate the relationship between service quality and customer loyalty, particularly regarding the discrepancy found in the significance of perceived reliability as highlighted in comparison to previous research. Additionally, more research is needed to explore how the SERVQUAL model factors influence word of mouth marketing propensity in the context of food truck businesses. Qualitative studies focusing on the perspectives of both customers and operators would provide valuable insights and expand the knowledge base in this area.

Conflicts of Interest

The author declares no conflicts of interest regarding the publication of this paper.

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