The Role of Fast-Food Websites in Managing Customer Relationships

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Abstract—**Website is not just a vital tool to provide information to the fast-food customers but it could also manages transactions and customer relationship that lead to enhancing customer lifetime value. This paper disclosed the current adoption level of fast food operators in Malaysia in using websites to manage their customer relationship. Primary data collected through survey questionnaires were presented. Recommendations were made to the fast food operators in Malaysia in improving their websites' features in order to effectively manage their customers' expectations and relationship. Limitations and future directions of research are also highlighted.**

Index Terms—**Customer expectations and relationships, fast food operators, relationship marketing, retention.**

I. INTRODUCTION

The fast-food industry has been established in Malaysia since the 1970's. It is still growing and posses potential to grow further in the future. This lies on their willingness and ability in adopting changes in the Information and Communication technologies (ICTs), marketing and operations. The industry players are to adopt and adapt changes to ensure sustainability and profitability.

Competition in the fast food industry is very severe and switching cost for consumers is relatively low and sometimes it is almost zero. This is because product and pricing standards are quiet similar and identical among each others. This indicates that to maintain and attract new customers in the business and industry, application of differentiation and effective customer relationship management are crucial towards the success of the fast-food business.

In the fast-food industry, technology applied in the supply chain management, marketing, operation and administration are advancing, and so does customer relationship management needs further improvement in the industry. The successful implementations of a system in managing their customer expectations and relationships will definitely leading the fast-food operators to gain competitive advantages against their rivals such as increase in customer loyalty, superior service, superior information gathering and knowledge sharing and organizational learning[1].

Electronic Customer Relationship Management (E-CRM) is evolving from the traditional CRM concept in customer selection, acquisition, retention, and extension [2] by applying CRM with the use of Internet and the Web; and delivers them electronically to the customers [3], [4].

E-CRM is an integrated approach of managing customer relationship through the component of people, technology and process in which the matching of the front-end interface with the back-end support is really crucial. An effective web site should cover 3 main E-CRM features namely informational, transactional, and relational [5]-[8].

Customer management with well defined segmentation will lead to cost effective marketing efforts and increase profits. The enabling technology such as Internet and the Web is a vital tool in identifying the differences in customer behavior and preferences in browsing the websites as well as their attitudes towards a company's products [9].

II. FAST FOOD OPERATORS IN MALAYSIA

Fast-food industry has developed in the Western countries since the early 1970's. The concept of developing fast-food is to provide portable and instant meals that can be served to customers without spending much time in waiting the food to be served and consumed. It was developed in the urban areas to target to the working parents, workers with tight schedules, rush-hour people and those who are indulge with dry meals to avoid interruption in their works.

The earliest food service establishments in the United States began as public houses in the 17th century of colonial America [10]. It highlights the availability of meals that suffice the need to eat amidst tight work schedules. The franchise operations have provided a great opportunity to globalize the industry. Fast-food restaurants offer standardized meals and price them to the customers around the world, which characterizes the menu to local culture and delights. Fast-food restaurants offer variety of choices to different customers; there are burgers, pizza, sandwiches and fried chicken with accompaniments like coleslaw, French fries, baked potatoes, snacks and etc, which become attractive to young adults and also children.

Consumers today are more concern about their health and take considerations on their diets too. This has leaded the fast food operators to initiate the effort to provide essential information about nutritional contents that has become important reference of the fast-food consumers. The Malaysian consumers, particularly those who are ranges from 20 to 24 years old, who can afford and are willing to pay for the price for convenience, prefer semi-prepared foods and/or takeaway meals. The operations had developed from in-house dining and take away to provide delivery services with toll call, now it operates at convenience location and stores, operating 24-hours and provide drive-thru services to

make it more convenient. With new services and operation in the industry, it improves their competitiveness in the industry.

Malaysia as a country that had been colonized by the British is strongly influenced by Western culture in food sector and consumers habit. The emerging of dual-income family and working women, dinning outside from home is being commonly practiced by the society, as people are busy with tight schedules, the culture or practice of dining and cooking at home is reducing over the years. It is expected that the fast-food industry will experience the fastest growth of from 20% to 30% annually [11]. Although Malaysia is a relatively small country with about 23 millions population, but it is one the fastest growing economies in Asia. Hence, the market potential has lead to more outlets and branches to be opened up to serve the fast food market demands.

Mc Donalds, KFC, Burger King, Manhattan Fish Market, Dunkin' Donuts and Wendy's are among the fast-food operators in Malaysia. Also, there are A&W, 1901, Marrybrown, and Popeye's that are scattered all over the country. All these restaurants are offering burger and fries and many other related food and beverages that are "instant and fast" in nature which also complies with the "Halal" (the Islamic/Muslims food compliance) food requirements.

Knowing the restaurant business requires total customer centricity, the fast food operators in Malaysia should strategize their customer relationship management (CRM) effort wisely particularly via their respective websites [12].

III. RESEARCH METHODS AND DESIGN

This aims of this study are to explore the preferences and habits of consumers towards the web sites features of the fast-food operators in Malaysia leading to effective customer relationship management. Using a convenience sampling, self-administered questionnaires were distributed to the respondents in January 2011. These respondents were drawn from the consumers in Kuala Lumpur which is the capital of Malaysia with huge number of Internet users and technology savvy populace. The total number of 120 questionnaires was given to the respondents in which 60 sets were distributed electronically via email and 60 sets were distributed to respondent physically at public places like private higher educational institutions, fast-food outlets and cafés.

We designed the questionnaire used in this study based on the research aims discussed. Questionnaire was designed with simple English and narratives are included to clarify the E-CRM terminologies and features in order to ensure that the respondents have better understanding on the essence and objectives of the study. The questionnaire consisted of two parts namely Section A and B. The first part, Section A, contained demographic information i.e. age, gender, marital status, and occupations. Section B consists of consumers' opinion about their preferences in browsing the fast-food operators' websites and their expected features of the E-CRM platforms.

TABLE I and II show respectively the demographic profiles and summary result of the questionnaire taken from the respondents:

TABLE I: RESPONDENTS' PROFILE

Demographic profiles	Sub-profiles	Percentages (n=120)
Age	Below 18 years	0%
	18 to 25 years	37%
	26 to 33 years	34%
	34 to 41 years	19%
	42 years and above	10%
Gender	Male	58%
	Female	42%
Marital Status	Single	66%
	Married	33%
	Others	1%
Occupation	Student	62%
	Non-executive	22%
	Executive	16%

Most the respondents are online users that have experienced and knowledge in using Internet and the web. The analysis shows that more than half of the respondents have experienced the current fast-food website performance, as they have visited fast-food website before. Respondents are ready and have strong acceptance towards the membership debit card and E-CRM platform, as they would like to see further improvement on the service enhancement in the customer relationship management.

However, most of the respondents are reluctant to pay extra charges in order to use the new E-CRM systems. Respondents supported the new E-CRM platform and believe that it will be able to enhance the brand image of the fast-food operators.

Respondents have different perceptions and satisfaction levels towards the current fast-food industry in their pricing; promotion; customer service; variety of meals; and overall performance. Respondents have responded that they would prefer formal and official appearance in terms of website design. The analysis shows that more than half of the respondents prefer to use online order placement system rather than call-in delivery.

Respondents emphasized that complaint and enquiry services must be provided through the E-CRM platform. Several entertainment features such as games, music, instant message service and video are likeable and strongly required by the respondents to be included into the new platform. Respondents are also expecting that the implementation of the new systems will not cause any major problems with the current advancement of technology.

TABLE II: SUMMARY OF RESPONSES

Questions	Responses	Percentages (n=120)
Are you an online user?	Yes	95%
	No	5%
Have you visited any fast-food operator's website	Yes	68%
	No	32%

before?		
If the Fast-food operators launch a membership debit card, which means you will deposit certain amount of money into the card; and making payment with the membership debit card and collect points electronically for rewards redemption, would you like to apply?	Yes	96%
	No	4%
Traditional CRM is the customer relationship management that is using mostly offline services such as letters, coupon and etc., which you are enjoying currently. If Internet and the Web will add-value to this service, making customer relationship going online (E-CRM) such as email updates, e-vouchers and etc., would you prefer the traditional CRM or E-CRM?	Traditional CRM	12%
	E-CRM platform	88%
Are you willing to pay extra charges in order to use the E-CRM features on the website as well as the membership loyalty debit card?	Yes, even it is above MYR20 annually.	2%
	Yes, only if it is between MYR5 to MYR20	22%
	No, not at any price	76%
Do you think applying E-CRM platform in fast-food industry will be able to enhance the fast-food operators' brand image?	Yes	65%
	No	35%
Indicate your level of satisfaction in the fast-food operators' pricing	Very dissatisfy	5%
	Dissatisfy	9%
	Neutral	59&
	Satisfy	19%
	Very satisfy	8%
Indicate your level of satisfaction in the fast-food operators' promotion	Very dissatisfy	11%
	Dissatisfy	19%
	Neutral	46%
	Satisfy	22%
	Very satisfy	2%
Indicate your level of satisfaction in the fast-food operators' current Customer Relationship Management	Very dissatisfy	22%
	Dissatisfy	29%
	Neutral	30%
	Satisfy	15%
	Very satisfy	4%

Indicate your level of satisfaction in the fast-food operators' variety of meals offered	Very dissatisfy	10%
	Dissatisfy	17%
	Neutral	55%
	Satisfy	14%
	Very satisfy	4%
Indicate your level of satisfaction in the fast-food operators' overall service	Very dissatisfy	16%
	Dissatisfy	32%
	Neutral	29%
	Satisfy	19%
	Very satisfy	4%
What type of website appearance in an E-CRM platform that you would prefer?	Formal/Official	38%
	Light Graphic & Simple	30%
	Flash/Animation	20%
	Colorful/Stinking	12%
You would prefer call center or online order for placing order of the fast foods?	Call Centre	24%
	Online Order	76%
What do you expect from an E-CRM platform? [Respondents are allowed to select more than one option]	Complain	100%
	Feedback	100%
	Enquiry	78%
	Survey	32%
What entertainment features you would like to have in the E-CRM website? [Respondents are allowed to select more than one option]	Game	76%
	Video	61%
	Music	74%
	Chat room	49%
	Instant Message	65%
What are the possible limitation(s) do you think that E-CRM could affect you? [Respondents are allowed to select more than one option]	Prefer face-to-face contact	25%
	Difficult to develop	20%
	Technology limitation	20%
	None	45%
	Others	0%

IV. DISCUSSION AND RECOMMENDATIONS

In order to be effective in engaging online relationship with customers, an online platform via the membership registration to collect the essential data on customer profile and qualified lead [2][13]. An effective process of building relationship through the online E-CRM platform is described as Fig. 1 below (adopted from [2]) :
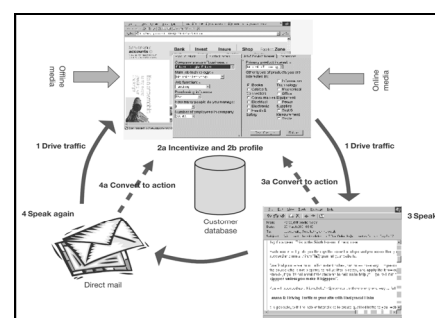

Fig. 1. A summary of an effective process of online relationship building [2].

Based on the data collected and surface analysis done, the authors are to recommend that the fast-food operators to enhance the E-CRM platform as summarized in TABLE III:

TABLE III: RECOMMENDATIONS TO THE FAST-FOOD OPERATORS

Features	Narratives
Members Login	This customized page will have records about the transaction history in which customers are able to review their loyalty points collected and make use of it for gift exchange or redeem coupons. Login members are allowed to enter the entertainment zone, which will provide games, music, video, community chat and creative contents. With these features, customers are more "connected" to the fast-food operators; the E-CRM system will collect customer online behavior data for further analysis to meet their expectation and demands.
Online Order	Online order will allow customer to select meals, drinks and provide remarks on any specific requests. Customers are allowed to make payment via credit-card, membership debit card or opt for cash on delivery. In addition, customers are able to collect loyalty points which are captured through online membership accounts. Reduce errors in teleconversation that used to occur during the call-in delivery.
Membership loyalty cards	It is a kind of membership debit card that allows customers to reload credit into the card. Then customers could make use the cards for transaction and to speed up the order placement and purchase process. This benefits online drive-thru orders, as they only need to wave their membership cards at the selected machines to make payment. This will bring the true meaning of "FAST" and to improve fast-food service in a much better and creative way.
Customer Feedback, Complaint, Compliment and Enquiry	The system adds values for better relationship building and communication with the customers enable the customers to make complaint, suggestion and enquiry with the system anytime anywhere. With the database captured, relationship management executives can revert to the customer feedback and make improvement on the necessary areas. Further data mining meant for analytical E-CRM is also possible with this system.

The fast-food operators need to understand the practical aspects of acquiring customers in an online context which are two facets. First, generating new qualified leads with the web E-CRM features [2], [5]- [8] and second, encouraging the existing customers to migrate to the online platform [2].

Although Internet and the web is a powerful technology, it is too simplistic to only focus on this technology alone as the sole determinant to be successful in managing customer relationships [2]. Well blending of Internet and the Web technology with other elements such as getting the right people and process [14] as well as market orientation, Information Technology (IT) investment, and mass customization [15]

V. CONCLUSION

It is important to note that this study is subjected to a few limitations. Firstly, due to time constraints, the respondents are drawn from the metropolitan setting. To be more representative, further research should consider also cover respondents from rural, sub-urban and urban areas. Secondly, only web-based CRM is covered in this study. However, the technology-based CRM (also known as E-CRM) should cover the various applications of Internet which also include the use of electronic mails (e-mails) as other vital tools to personalize and customize messages to different target customers. The use mobile devices and smart phones are also part of the possible platform to development and maintaining customers' relationship.

Development and implementation of an effective customer relationship via the right technological platform such as the Internet and the Web may lead to the increase of customers' satisfaction, loyalty and retention. Indeed, technology-based CRM has been regarded as one of the most crucial concept in modern marketing [16]. The successful implementations of the Web-based CRM system among the fast-food operators require the right selection of people, process, and technology [5]-[9]. With the advancement of Web 2.0, managing customer relationship requires the fast-food operators to collaborate and engage with their customers through purposeful use of the technology, such as the social media [17].

Since there any many variations of young adults preferences [18] in making use of E-CRM, hence research on the areas to understand young adults' behavior and adoption of E-CRM with the influence of social media and social CRM strategy [2] [17] particularly in the service industries are worthwhile for further research.

DISCLAIMERS

All the fast-food operators' names and trademarks mentioned in this study are the properties of the respective trademark owners. The authors have neither direct nor indirect relationship with them.

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