



Proceeding – ICAMEB

International Conference on Accounting, Management, Entrepreneurship and Business (ICAMEB)

Customer Satisfaction in Fast-Food Restaurants: A Study of Generation Y in Melaka, Malaysia

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Abstract –

This study examines the factors that influence customer satisfaction among Generation Y in the fast-food industry in Melaka, Malaysia. Customer satisfaction plays a vital role in the sustainability and competitiveness of food service businesses. The research focuses on key dimensions, including food quality, service quality, price fairness, and restaurant ambience. A quantitative method was employed using a structured questionnaire distributed to 200 respondents from Generation Y. The data were analysed using SPSS to identify correlations and significant predictors of customer satisfaction. Findings revealed that food and service quality have the most substantial impact on satisfaction, followed by price fairness and ambience. The study emphasises the importance of maintaining consistent product and service standards to foster customer loyalty and enhance brand reputation. The results contribute to managerial strategies in the fast-food sector and extend the understanding of satisfaction drivers among Malaysian Generation Y consumers.

Keywords – *Customer Satisfaction; Generation Y; Fast Food Industry; Service Quality; Food Quality*

I. INTRODUCTION

Customer satisfaction is a fundamental element that influences business performance, customer loyalty, and long-term profitability, particularly within the highly competitive fast-food industry. In a market where many brands compete for customer attention, satisfaction serves as a vital factor that differentiates successful companies from their competitors (Le et al., 2023). The fast-food sector is built on principles of convenience, consistency, and efficiency. However, these attributes alone are not sufficient to ensure sustained customer loyalty (Chowdhury et al.,

2023). A deeper understanding of both tangible and intangible aspects that shape satisfaction is essential for managers to develop effective strategies for retaining customers and enhancing brand reputation.

In Malaysia, Generation Y represents one of the most influential consumer segments in the current market. This generation, often referred to as millennials, is characterised by advanced technological skills, global awareness, and a strong preference for digital interaction in their purchasing experiences (Zakaria et al., 2020). These consumers place high value on quality, brand image, and social engagement when choosing fast-food outlets. They expect not only good food and fair pricing but also a pleasant dining atmosphere and attentive service (Ahmed et al., 2022). Their expectations encourage fast-food operators to constantly innovate, maintain consistent quality, and improve customer experiences to meet the evolving demands of modern consumers.

Previous studies have highlighted the significance of several determinants of customer satisfaction, particularly food quality, service quality, and pricing (Crisolo & Manalo, 2025). The SERVQUAL model, developed by Parasuraman and colleagues, provides a framework for evaluating service quality through five dimensions: reliability, responsiveness, assurance, empathy, and tangibles (Parasuraman et al., 1988). Researchers have widely applied this model in hospitality and restaurant studies, emphasising that satisfaction occurs when customer perceptions align with or exceed expectations. Nonetheless, differences in cultural background, lifestyle, and local market conditions may influence how these factors affect satisfaction levels, suggesting the need for contextualised research.

Although numerous studies have explored customer satisfaction in various settings, limited research has examined this concept within the fast-food industry in Melaka. The state of Melaka is recognised for its historical heritage, growing tourism activities, and youthful demographic composition, all of which contribute to unique consumer behaviour patterns. These distinct characteristics create a valuable context for understanding how Generation Y consumers perceive and evaluate their dining experiences. Therefore, this study aims to investigate the relationships between food quality, service quality, price fairness, and restaurant ambience with customer satisfaction among Generation Y consumers in Melaka. The findings are expected to contribute to the academic understanding of customer behaviour and provide practical guidance for improving satisfaction within Malaysia's fast-food sector.

This study introduces the conceptual framework presented in Figure 1 below, which illustrates the relationship between independent and dependent variables.

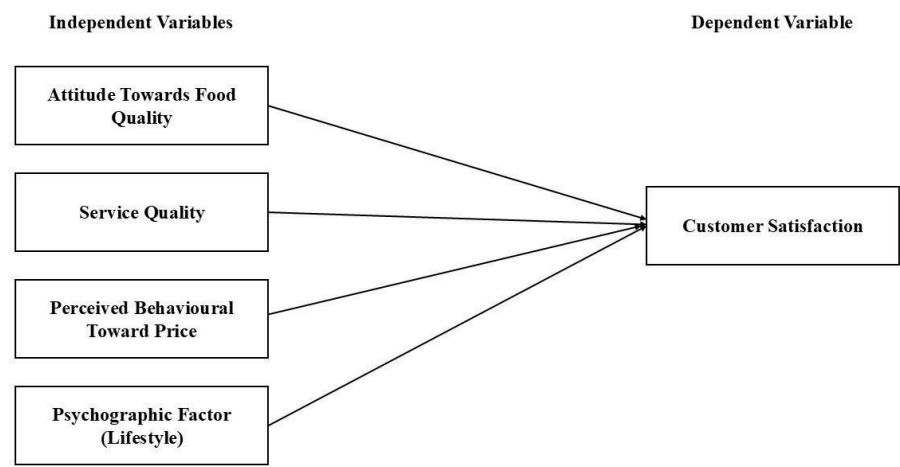


Figure 1: Conceptual Framework

II. METHOD

This study adopted a quantitative research design using a descriptive approach. The target population consisted of Generation Y consumers aged 25–40 years who frequently visited fast-food restaurants in Melaka. A convenience sampling technique was applied, and a total of 200 valid responses were collected through an online questionnaire. The instrument included Likert-scale items adapted from established studies that measured food quality, service quality, price fairness, and ambience. Data were analysed using SPSS software, employing descriptive statistics, correlation, and multiple regression analyses to determine significant factors influencing customer satisfaction.

III. RESULTS AND DISCUSSION

The analysis of survey data revealed that respondents generally held a positive perception of fast-food restaurants in Melaka. The mean score for overall satisfaction exceeded 3.5 on a five-point Likert scale, indicating that Generation Y consumers were satisfied with the products and services they received. Descriptive results also revealed that food quality obtained the highest mean score, followed by service quality, price fairness, and ambience. These findings suggest that tangible aspects, particularly food quality, remain the most significant factor influencing customer satisfaction in the fast-food industry.

The regression model explained 68% of the variance in customer satisfaction, confirming its strong predictive power. Food quality and service quality emerged as the most influential predictors, followed by price fairness and ambience. The significant contribution of food quality supports the idea that the core product remains central to customer satisfaction. In fast-food contexts, product consistency, freshness, taste, and hygiene are crucial elements that directly influence customers' evaluations of value and experience. These results align with the findings of Han and Ryu (2009), who emphasised that food quality is the most significant determinant of satisfaction and loyalty in restaurant settings.

Service quality also demonstrated a significant relationship with customer satisfaction. Respondents emphasised efficiency, courteous staff, and prompt service as key elements influencing their dining experience. This finding aligns with the SERVQUAL framework proposed by Parasuraman et al. (1985), which posits that dimensions such as reliability, responsiveness, and assurance influence consumer perceptions of service excellence. Generation Y consumers, in particular, tend to value seamless and friendly interactions that make their visits both convenient and enjoyable. Fast-food operators should therefore ensure staff are well-trained and motivated to deliver consistent service standards.

Price fairness was also found to play an important role in determining satisfaction levels. Although fast-food restaurants generally offer affordable pricing, consumers still assess whether the perceived value matches what they pay. The positive relationship between price fairness and satisfaction indicates that customers appreciate reasonable pricing when accompanied by satisfactory food and service quality. Ambience, while having a comparatively minor effect, was still statistically significant (Singh et al., 2021). Factors such as cleanliness, interior layout, lighting, and seating comfort contribute to a pleasant dining environment, enhancing overall satisfaction. This result supports Im & Seo (2023), who argued that physical surroundings contribute to emotional satisfaction and behavioural intentions.

In summary, the findings suggest that Generation Y consumers in Melaka evaluate fast-food experiences holistically, considering both tangible and intangible factors. They value high-quality food, responsive service, reasonable pricing, and a clean, comfortable environment. These insights suggest that fast-food managers should focus not only on product quality but also on service delivery and environmental aesthetics to enhance customer satisfaction and loyalty. The study also reinforces the relevance of the SERVQUAL model. It confirms that Generation Y consumers in Malaysia share similar satisfaction drivers found in other cultural contexts, although local preferences and expectations remain influential in shaping their overall experience.

IV. CONCLUSIONS

This research concludes that food quality and service quality are the two most influential factors determining customer satisfaction among Generation Y consumers in Melaka's fast-food industry. These findings reaffirm that delivering fresh, tasty, and hygienic food, combined with efficient and courteous service, is fundamental to ensuring positive dining experiences. Price fairness and ambience also play significant roles, although their effects are relatively weaker. Nonetheless, they contribute to the overall perception of value and comfort that shapes the customer's final satisfaction level.

The results of this study emphasise that fast-food operators should maintain a consistent standard of product and service quality through proper quality control measures, adequate staff training, and customer-focused management practices. Managers should also adopt pricing strategies that reflect fairness and transparency to build trust and encourage repeat patronage. Furthermore, maintaining a pleasant dining environment—through cleanliness, attractive design, and comfortable seating—can enhance the overall dining experience and promote customer loyalty.

Beyond operational improvements, the findings carry broader implications for understanding Generation Y consumer behaviour in Malaysia. This generation values efficiency, personalisation, and convenience, which means that traditional service attributes must be complemented by technology-driven engagement. Fast-food businesses can therefore benefit from integrating digital service tools, such as mobile ordering, online feedback systems, and social media interactions, to strengthen customer relationships and enhance their brand image.

Future research could expand on this study by including other demographic groups or comparing results across different Malaysian regions. Investigating the role of digital experiences, sustainability practices, or emotional engagement in shaping satisfaction would also provide deeper insights into evolving consumer preferences. Overall, this study contributes to both academic understanding and practical knowledge on how fast-food operators can effectively meet the expectations of modern, experience-oriented Generation Y consumers.

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