MJBEM 2 (2) 89-93

MJBEM

Malaysian Journal of Business, Economics and Management

journal homepage: https://mjbem.com.my/

The Influence of Product Quality and Service Quality on Brand Leadership: An Empirical Study of Fast-Food Industry Consumers

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KEYWORDS

Product Quality
Service Quality
Brand Leadership
Fast-Food Industry
Malaysia

ARTICLE HISTORY

Received 4 November 2023
Received in revised form 18 November 2023
Accepted 2 December 2023
Available online 17 December 2023

ABSTRACT

This study examined the influence of product quality and service quality on brand leadership among fast-food industry consumers in Malaysia. Guided by Aaker's brand equity framework and adopting the conceptual model of Hanaysha and Ghani (2013), the study proposed that product quality and service quality positively influenced brand leadership, and it tested two hypotheses using a quantitative, hypothetico-deductive design. Data were collected through an online questionnaire distributed to fast-food consumers using a convenience sampling technique, yielding 107 usable responses. The measurement scales for product quality, service quality and brand leadership each demonstrated excellent internal consistency, with Cronbach's alpha values of .849, .856 and .861 respectively. Multiple regression analysis showed that product quality and service quality jointly explained 33.5 percent of the variance in brand leadership (Adjusted R squared = .335, F(2,103) = 27.506, p < .001). Service quality emerged as the stronger predictor (Beta = .435, p < .001) compared with product quality (Beta = .203, p = .059). Pearson correlation analysis confirmed significant, moderate positive relationships between product quality and brand leadership (r = .492, p < .001) and between service quality and brand leadership (r = .570, p < .001), supporting both hypotheses. The findings suggest that fast-food operators seeking to build brand leadership should prioritise service quality while continuing to safeguard product quality, and the study offers practical implications for brand management in the Malaysian fast-food sector.

1. INTRODUCTION

Fast food is widely characterised as accessible, quick, tasty, reasonably priced and convenient, and it has become one of the fastest-growing food categories in the world (Aaker, 1996; AC Nielsen, 2005). Survey evidence from the region indicates that more than 30 percent of South East Asian consumers eat at fast-food outlets at least weekly, and about 35 percent do so at least three times a week. In Malaysia, this demand is served by an extensive network of outlets, including more than 700 Kentucky Fried Chicken (KFC) restaurants, over 320 McDonald's restaurants, 197 Marry Brown outlets, 120 Burger King outlets, 53 A&W outlets and more than 50 Texas Chicken outlets nationwide.

The performance of the wider services sector underscores this growth: figures from the Department of Statistics, Malaysia show that revenue from wholesale and retail trade, food and beverages, and accommodation rose from 9.2 percent in the first quarter of 2022 to 26.1 percent in the second quarter of 2022. Data on weekly fast-food consumption between 2016 and 2018 similarly show a rising trend, with the proportion of consumers eating fast food one to three times a week increasing from 36.05 percent in 2016 to 38.95 percent in 2018, while the proportion who did not eat fast food at all fell from 1.68 percent to 0.75 percent over the same period.

As competition among fast-food brands intensifies, brand leadership, a concept introduced by Aaker (1996) as a dimension of brand equity, has become an important construct for understanding how consumers evaluate and select among competing brands. Consumers who perceive a brand as a market leader tend to prefer it not only for its functional quality but also because the brand reinforces their self-image. Despite the practical importance of brand leadership, empirical research linking it to concrete drivers such as product quality and service quality remains limited, particularly within the fast-food context.

This study therefore examined the influence of product quality and service quality on brand leadership among fast-

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https://doi.org/10.56532/mjbem.v2i2.256
2948-4928/

food consumers in Malaysia. Two research questions were addressed: whether product quality and service quality influence brand leadership, and whether a positive relationship exists between these constructs. Correspondingly, the study aimed to (1) analyse the influence of product quality and service quality on brand leadership, and (2) analyse the positive relationship between product quality, service quality and brand leadership. The findings are expected to provide fast-food operators with empirical guidance on which quality dimension more strongly drives brand leadership, informing more effective brand management strategies.

The rise in the number of fast-food restaurants nationwide has been accompanied by a corresponding rise in the number of consumers of food and beverages in Malaysia, making it important to analyse how product quality and service quality shape brand leadership in order to understand the significant impact on fast-food brands. Although both the quality of the product and the quality of the service are widely assumed to be essential for a brand to grow and to secure a significant market impact, the relative importance of each in building brand leadership specifically, as distinct from more general outcomes such as satisfaction or purchase intention, has received comparatively little research attention within the fast-food business. This study addresses that gap by providing empirical evidence, drawn directly from fast-food consumers, of how these two quality dimensions interrelate with brand leadership, and by doing so it offers insight of practical value to brand managers and researchers alike.

2. Literature Review

Brand management plays a central role in shaping favourable consumer attitudes toward a firm, and a strong brand communicates a distinct personality that positions the firm favourably in customers' minds. Brand equity, defined as the set of brand assets and liabilities that add to or subtract from the value a product or service provides (Shocker & Aaker, 1993), has been most influentially modelled by Aaker (1991) and Keller (1993). Aaker's (1991) model identifies four dimensions of brand equity: brand awareness (the ability of consumers to recognise and recall a brand), perceived quality, brand associations, and brand loyalty, the last of which reflects a consumer's likelihood of switching away from the brand and has also been described as a deeply held commitment to repurchase despite situational influences (Oliver, 1997). Keller's (1993, 2001) customer-based brand equity model complements this view, proposing that strong brands are built sequentially through brand identity, brand meaning, brand response and, ultimately, brand relationships, the last of which encompasses behavioural loyalty, attitudinal attachment, sense of community and active engagement.

Brand leadership, introduced by Aaker (1996) as an evolution of brand equity, describes the point at which brand management is elevated to a leadership position within a category. Consumers often integrate the symbolic meaning of a leading brand into their own self-identity, and leading brands are able to influence purchase decisions through differentiated value that is difficult for competitors to replicate. Building and sustaining a leadership position requires attention to organisational structure, brand-building programmes, brand architecture, and brand identity and positioning, with product and service quality widely regarded as central inputs to each of these areas.

Beyond the core equity dimensions, the literature identifies a set of organisational challenges that firms must address to move from ordinary brand management toward genuine brand leadership. These include building an organisational structure and set of processes dedicated to brand strategy, since a strong brand is increasingly recognised as a durable source of competitive advantage; investing in brand-building programmes, including staff training, so that employees are equipped and motivated to deliver on the brand promise communicated through advertising and other promotional activity; managing brand architecture, that is, the relationships among a brand's various sub-brands; and clarifying brand identity and position so that brand associations can differentiate the firm's offerings from those of competitors. Product quality and service quality intersect with each of these challenges, because they form the substantive basis of the brand promise that organisational structures, training programmes and positioning strategies are ultimately designed to deliver.

Product quality, operationalised in the fast-food context as food quality, is generally understood as an aggregate of characteristics such as taste, variety, value for money and presentation, and is considered a significant driver of purchase intention. A good product quality provides a strong basis for a favourable brand image (Baltas & Argouslidis, 2007), and product quality has been identified as a key strategic lever that global brands use to build competitive advantage and enhance brand equity (Hilman, 2009; Eze, Tan & Yeo, 2012). Service quality, meanwhile, has been shown to positively influence customer loyalty and purchase intention (Choudhury, 2013; Iqbal, Ahmad & Nasim, 2016), and enhanced service quality has been found to attract customers and encourage repurchase (Boulding, Kalra, Staelin & Zeithaml, 1993). Most existing service-quality research has concentrated on sectors such as telecommunications, education and banking, leaving its relationship with brand equity comparatively under-examined; where it has been studied, offering superior service quality has been identified as a key driver of brand leadership (Varghese, 2010).

Product quality and service quality have both been identified as important predictors of purchase decisions for leading brands, with empirical evidence from the Malaysian automobile sector showing that both constructs have strong relevance to brand leadership (Hanaysha & Ghani, 2013). Building on this evidence, the present study adopted the conceptual framework of Hanaysha and Ghani (2013), positioning product quality and service quality as independent variables predicting brand leadership as the dependent variable. The framework reflects the view that leading brands sustain their position by consistently outperforming competitors on the tangible and intangible dimensions of quality that consumers directly experience at the point of purchase and consumption. On this basis, two hypotheses were formulated: H1, there is a significant relationship between product quality and brand leadership; and H2, there is a significant relationship between service quality and brand leadership.

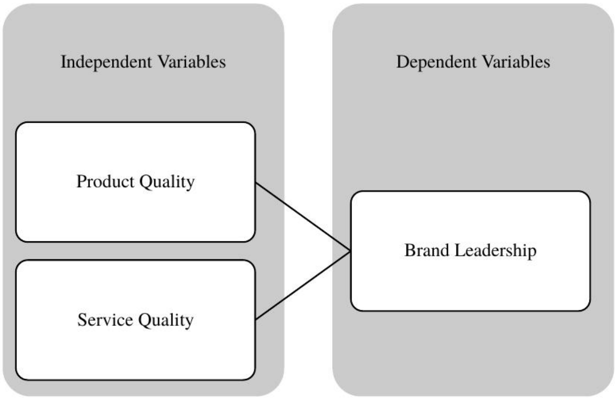

Fig. 1. Conceptual framework of the study

3. METHODOLOGY

This study adopted a quantitative, hypothetico-deductive research design, in which hypotheses derived from theory were tested against empirically collected data (Reynolds, 1979). The unit of analysis was the individual fast-food consumer in Malaysia, and data were collected through a structured, self-administered online questionnaire, a method well suited to gathering primary data efficiently for hypothesis testing (Burton, 2000).

The population comprised fast-food consumers nationwide. Given the absence of a single agreed rule for minimum sample size, the study followed the guidance of Hair, Black, Babin and Anderson (2010), who recommend a minimum of 100 respondents for models with five or fewer constructs and item communalities of 0.6 or higher, together with the general convention that samples of at least 30 are required to approximate a normal distribution. A non-probability convenience sampling technique was used (McCombes, 2019), and 107 usable responses were obtained from fast-food consumers who frequented a range of brands operating in Malaysia.

The questionnaire comprised five sections covering demographic profile, purchasing profile, and the three constructs of product quality, service quality and brand leadership, each measured with six items on a five-point Likert scale ranging from strongly disagree to strongly agree (Munshi, 2014). Item wording was adapted, with minor modification, from established scales used in prior brand-equity and service-quality research, and the conceptual framework and brand-leadership items followed Hanaysha and Ghani (2013). Content validity was established by ensuring that item selection reflected both theoretical and practical considerations (Bell & Bryman, 2007; Hair et al., 2010).

The dependent variable, brand leadership, was operationalised through six items capturing perceptions of category leadership, the influence of advertising, growth in popularity, advances in product and service delivery, and brand loyalty rooted in reputation. Product quality was operationalised through six items addressing overall food quality, menu variety, value for money, taste, temperature at service, and nutritional transparency, while service quality was operationalised through six items addressing speed of service, ease of payment, value from card or e-wallet promotions, quality of staff interaction, fairness of complaint handling, and the influence of the restaurant environment on purchasing.

Internal consistency reliability was assessed using Cronbach's alpha, with a threshold of .70 considered acceptable (Cavana, 2001). Data were analysed using SPSS through descriptive analysis (frequencies, means and standard deviations for demographic and purchasing profile variables) and inferential analysis, comprising normality testing based on skewness and kurtosis, multiple regression analysis, analysis of variance (ANOVA), and Pearson correlation analysis, interpreted against Guilford's rule of thumb for correlation strength, to test the direction and significance of the two hypotheses.

4. RESULTS AND DISCUSSION

Of the 107 respondents, 69 (64.5%) were female and 38 (35.5%) were male (M = 1.6449, SD = .48081). The majority were aged between 21 and 30 years (76 respondents, 71.0%), followed by 31 to 40 years (20, 18.7%), 41 to 50 years (7, 6.5%), 51 to 60 years (2, 1.9%), and one respondent each in the below-21 and above-60 categories (0.9% each). Malay respondents predominated (95, 88.8%), followed by other ethnicities (6, 5.6%), Chinese (3, 2.8%) and Indian (3, 2.8%). Most respondents were single (62, 57.9%) or married (43, 40.2%), with one divorced and one widowed respondent. Gross monthly household income was most commonly between RM4,001 and RM6,000 (28, 26.2%), followed by RM2,001 to RM4,000 (25, 23.4%), RM6,001 to RM8,000 and above RM10,001 (18 respondents each, 16.8%), and less than RM2,000 (8, 7.5%). Most respondents held a bachelor's degree (68, 63.6%) or a master's degree (23, 21.5%), and worked in the private sector (59, 55.1%) or the government sector (27, 25.2%). All 107 respondents (100%) were Malaysian citizens.

Table 1. Correlation and Regression Results (Product and Service Quality on Brand Leadership)

Predictor	r	B	Beta	t	p
Product Quality	.492**	.203	.203	1.911	.059
Service Quality	.570**	.417	.435	4.092	<.001

Note. **$p < .001$. Model: $R = .590$, Adjusted $R^2 = .335$, $F(2, 103) = 27.506$, $p < .001$.

For the purchasing profile, 106 respondents (99.1%) confirmed that they consumed fast food. Monthly consumption frequency was concentrated at one to two times a month (49, 45.8%) and three to four times a month (32, 29.9%), with fewer respondents consuming fast food five to six times (13, 12.1%) or seven or more times (9, 8.4%) a month. When asked to select the one fast-food brand they frequented most, 73 respondents (68.2%) chose McDonald's, 23 (21.5%) chose KFC, 6 (5.6%) chose Burger King, 3 (2.8%) chose A&W, and one respondent each (0.9%) chose Marry Brown and Texas Chicken, indicating a strong preference for the two largest international brands among the sample.

Normality was assessed via skewness and kurtosis. Skewness values ranged from -.588 to -.492 and kurtosis values ranged from .182 to .479 across the three variables (product quality, service quality and brand leadership), all well within the +/-2 threshold, confirming that the data could be treated as normally distributed for parametric analysis. Reliability analysis produced Cronbach's alpha values of .849 for product quality, .856 for service quality and .861 for brand leadership, all of which were classified as excellent, confirming that the measurement scales were suitable for further analysis.

Multiple regression analysis was conducted to test the joint influence of product quality and service quality on brand leadership. The model produced $R = .590$ and an Adjusted R squared of .335, indicating that product quality and service quality together explained 33.5 percent of the variance in brand leadership, with the remaining 66.5 percent attributable to other factors not captured in the model. The ANOVA results confirmed that the regression model was highly significant ($F(2, 103) = 27.506$, $p < .001$), indicating that product quality and service quality, taken together, significantly influenced brand leadership.

Examination of the standardised regression coefficients showed that service quality was the stronger and statistically significant predictor of brand leadership ($B = .417$, Beta = .435, $t = 4.092$, $p < .001$), while product quality showed a smaller, marginally non-significant effect at the conventional .05 threshold ($B = .203$, Beta = .203, $t = 1.911$, $p = .059$) once the shared variance between the two predictors was accounted for. The regression constant was significant ($B = 1.509$, $t = 4.733$, $p < .001$). This indicates that, when both predictors are considered simultaneously, service quality made the larger unique contribution to explaining brand leadership.

Pearson correlation analysis, interpreted using Guilford's rule of thumb, showed that product quality was significantly and positively correlated with brand leadership ($r = .492$, $p < .001$), a moderate relationship indicating that as product quality improved, brand leadership perceptions also improved. Service quality was likewise significantly and positively correlated with brand leadership ($r = .570$, $p < .001$), also a moderate relationship and the stronger of the two bivariate correlations. On the strength of these correlation results, both hypotheses were supported: H1 (product quality and brand leadership) and H2 (service quality and brand leadership) were both accepted.

Taken together, the regression and correlation results present a consistent picture in which both product quality and service quality are positively associated with brand leadership, but service quality exerts the more decisive influence once both predictors are modelled jointly. This is consistent with the view that, in a heavily standardised industry such as fast food, where food formulation and preparation are relatively uniform within a brand, differentiation in the customer experience delivered through service becomes the more powerful lever for building a leadership position. It is also worth noting that product quality remained a significant correlate of brand leadership at the bivariate level even though its unique regression contribution narrowly missed conventional significance, suggesting that part of its influence operates through, or overlaps with, the service experience that accompanies it. The findings are consistent with Hanaysha and Ghani (2013), who similarly reported a significant positive relationship between product quality, service quality and brand leadership, and with Aaker (1991), who identified quality as a critical dimension underpinning brand success. The pronounced preference for McDonald's and KFC observed in the purchasing profile further suggests that, in a mature and saturated fast-food market, it is the perceived consistency of the overall experience, food and service combined, rather than either dimension in isolation, that ultimately sustains a brand's leadership position among consumers.

5. CONCLUSION

This study set out to examine the influence of product quality and service quality on brand leadership among fast-food consumers in Malaysia, and to establish whether a positive relationship existed between these constructs. Both objectives were met: multiple regression analysis confirmed that product quality and service quality jointly and significantly influenced brand leadership, explaining 33.5 percent of its variance, and correlation analysis confirmed significant, positive, moderate relationships between each predictor and brand leadership. Both hypotheses were therefore accepted, with service quality identified as the more influential of the two predictors.

The findings carry practical implications for fast-food operators. Because service quality demonstrated the stronger unique effect on brand leadership, management attention and resources devoted to staff training, efficient and fair complaint handling, ease of payment, and the overall in-store or delivery experience are likely to yield disproportionate returns in terms of brand leadership positioning. At the same time, product quality remained significantly correlated with brand leadership, so continued investment in food quality, taste, value and presentation cannot be neglected even as service becomes the sharper point of differentiation. Theoretically, the study extends the brand equity literature by validating brand leadership as a measurable dimension of brand equity and by providing empirical evidence, specific to the Malaysian fast-food context, that complements earlier automobile-sector findings (Hanaysha & Ghani, 2013).

The study is subject to several limitations. The sample was restricted to consumers based in Malaysia and was gathered through convenience sampling, which may limit the generalisability of the findings to the wider population of fast-food consumers nationwide. Although the questionnaire referenced the major fast-food brands operating in Malaysia, not every brand in the market was represented, and the study examined only the quality-related antecedents of brand leadership, leaving other potentially important factors, such as brand awareness, brand loyalty and price, unexamined. The cross-sectional design also means that the relationships observed cannot be interpreted as establishing causal direction, and the modest sample size, while adequate for the regression model estimated, constrains the extent to which more complex or moderated relationships could be tested.

Future research could extend the current model to other Southeast Asian countries to capture the influence of differing cultural and economic contexts on the relationship between product quality, service quality and brand leadership. Incorporating qualitative approaches alongside the quantitative design may also provide richer insight into the factors that consumers consider essential to a brand's leadership position, beyond product and service quality alone, while future studies could usefully add brand awareness, brand loyalty and pricing as additional predictors to build a more complete model of brand leadership. In sum, this study contributes empirical evidence that both product quality and, especially, service quality are significant drivers of brand leadership in the fast-food industry, offering fast-food businesses a clearer basis for prioritising investment in building and sustaining a leading brand position.

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