COMPARISON OF QUALITY PERCEPTION: AN ANALYSIS OF LOCAL TRADITIONAL SNACK FOOD IN PENANG, PERLIS AND KEDAH

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PERBANDINGAN BAGI ANALISIS PERSEPSI KUALITI MAKANAN SEGERA TRADISIONAL DI PULAU PINANG, PERLIS DAN KEDAH.

ABSTRAK

Kajian ini bertujuan membandingkan persepsi kualiti di antara Perusahaan Mikro Kecil dan Sederhana (Micro-Small and Medium Enterprises/MSMEs) yang merupakan pengeluar kuih bahulu tempatan serta pengguna mereka dalam konteks kualiti objektif (dimensi sensori, fungsian dan simbolik) dan kualiti ditanggap (atribut intrinsik and ekstrinsik). Kajian selanjutnya tentang pengaruh kualiti objektif terhadap kualiti ditanggap bagi MSME dan pengguna. Data diperoleh daripada 58 buah MSME tempatan dan 671 orang pengguna merangkumi negari-negari di utara Malaysia iaitu Pulau Pinang, Perlis dan Kedah. Kajian menunjukkan terdapatnya jurang yang signifikan di antara MSME dan pengguna dalam kualiti objektif kuih bahulu dalam konteks dimensi sensori dan simbolik kecuali bagi dimensi fungsian, yang menunjukkan tiada jurang yang signifikan di antara kedua-dua kumpulan berkenaan. Di samping itu, kajian ini menunjukkan terdapatnya suatu jurang yang signifikan dalam atribut intrinsik, juga ekstrinsik daripada kualiti ditanggap kuih bahulu oleh MSME dan pengguna. Keputusan menunjukkan bahawa bagi MSME, hanya satu (daripada tiga) dimensi kualiti objektif, iaitu dimensi sensori yang mempengaruhi kualiti ditanggap MSME bahulu dari segi atribut intrinsik dan ekstrinsik. Bagi pengguna pula, tiga dimensi kualiti objektif iaitu sensori, fungsian, dan simbol mempengaruhi kualiti ditanggap mereka dari segi atribut intrinsik dan ekstrinsik. Kajian ini menjelaskan suatu ketidaksesuaian dalam persepsi kualiti kuih bahulu di antara MSME dan pengguna. Jurang ditanggap boleh digunakan oleh MSME untuk meningkatkan kualiti kuih bahulu yang mereka tawarkan untuk kepuasan pengguna dan untuk bersaing dalam pasaran. .

COMPARISON OF QUALITY PERCEPTION: AN ANALYSIS OF LOCAL TRADITIONAL SNACK FOOD IN PENANG, PERLIS AND KEDAH

ABSTRACT

This study seeks to compare the quality perception between MSMEs (Micro-Small and Medium Enterprises) which are local bahulu food producers and their consumers in terms of objective quality (sensory, functional and symbolic dimensions) and perceived quality (intrinsic and extrinsic attributes). It further studies whether/how objective quality has influence over perceived quality of bahulu for both MSMEs and consumers. Data were obtained from 58 local MSMEs and 671 consumers surveyed in the Northern states of Malaysia covering Penang, Perlis and Kedah. The study reveals that there is a significant gap between MSMEs and consumers in objective quality of bahulu in terms of sensory and symbolic dimensions except for functional dimension which reveals no significant gap between the two groups. Besides, the study shows a significant gap in intrinsic as well as extrinsic attributes of perceived quality of bahulu by MSMEs and consumers. The results indicate that for MSMEs, only sensory, out of three dimensions of objective quality, influences MSMEs' perceived quality of bahulu in terms of intrinsic and extrinsic attributes. As for consumers, three dimensions of objective quality, namely sensory, functional, and symbolic, of the consumers influence their perceived quality in terms of intrinsic and extrinsic attributes. This study implies a mismatch in quality perception of bahulu between MSMEs and consumers. The gaps perceived can be used by MSMEs to improve on their bahulu quality offer to satisfy consumers and gain competitive edge in the marketplace.

CHAPTER 1

INTRODUCTION

1.1 Background of the Study

Small and Medium Enterprises (SMEs) play a vital role in the Malaysian economy and are considered as key economic indicators, in contributing to the country's output as well as add value to the industrial development of the country. The SMEs employ over 5.6 million workers, contributing to 32% of the GDP, 56.4% in the employment and also19% of the total export in the Malaysian economy (National SME Development Council, 2007; Normah, 2007).

Hafsah Hashim, Malaysia's Chief Executive Officer for SMEs, states the importance of SMEs in their continual contribution to the Malaysian GDP.

> "...it will carry on its efforts to promote small and medium enterprises (SME) which should, as per government estimates, contribute 37 per cent in the gross domestic product (GDP) of Malaysia by 2010…" (Top News Singapore, 2009)

SMEs in Malaysia are defined as companies with annual sales turnover not exceeding RM 25 million and also consisting of full-time employees not exceeding 150 (National SMEs Development Council, 2005). SMEs can be categorized into three sectors namely: Primary Agriculture, Services (including Information and Communication Technology), and Manufacturing (including agro-based) and Manufacturing-Related Services (MRS) (National SMEs Development Council, 2005). However, those three sectors can be further categorized with specific definition of SMEs as micro, small and medium enterprises (National SMEs Development Council, 2007). According to Bank Negara Malaysia (2006) based on these categories, more than three quarters of the SMEs (433,517 or about 80%) are actually micro establishments. In line with this finding, in this study the SMEs would be more suitably defined as Micro- Small and Medium Enterprises (MSMEs).

Data from the National SME Development Council (2007) indicates that the agriculture sector contributes significantly to the national revenue and employment sector, both accord 7.7 % of the GDP and 12.1 % respectively to the total employment. Furthermore, this sector generates export earnings of RM 82 billion and has recorded a productivity growth of 2.8%. The service sector contributes 53 % to the GDP and it registers a productivity growth of 5%, which amounts to RM 54, 229. As for the manufacturing sector, 96% of the establishments in this sector are MSMEs, contributing to 30.7% of the total amount of the manufacturing output and 26.3% of the total value added. In addition to that, it is found that there are more than 400,000 or 31.6% of the total workforce in Malaysia is employed in this sector.

The output from the food and beverage products made the largest contribution among the MSMEs in the manufacturing sector, accounting for 32.3% in the total output. This is followed by chemicals and chemicals products (16.5%), rubber and plastic products (10.2 %) and furniture (4.1%). These manufacturing industries accord to 63%, which are valued at RM 59.5 million, of the total output contributed by the MSMEs (National SME Development Council, 2007).

As mentioned earlier, the MSMEs in Malaysia is one of the backbones of the Malaysian economy (Bank Negara Malaysia, 2006; National SME Development Council, 2007; Normah, 2007). As the MSMEs are characterized by their limitations in capital ability, especially in terms of resources such as in the human and financial aspects, it is quite common to find many MSMEs struggling to survive in a competitive market.

Ting (2004) reveals many challenges that the Malaysian MSMEs faces, for instance, the lack of the access in finances, human resource constraints, limited or inability to adopt technology, the lack of information on potential markets and customers and also global competition.

According to the SMI development plan in year 2001-2005, the report in SMIDEC, (2002) highlights many challenges the MSMEs in Malaysia faces, domestically as well as globally, and as a result, may reduce the success of the MSMEs. These challenges include: intensified global competition for example MSMEs will have to achieve the economies of scale by focusing on supplying to international markets; new emerging technologies; limited capabilities in meeting the challenges of market liberalization and globalization; limited capacitates in technology management and knowledge acquisition; low productivity and quality output; shortage of skills for the new business environment; limited access to finance and capital and the infancy of venture funds in initial or mezzanine financing; high cost of infrastructure; lack of knowledge and information. This study focuses and addresses the issue of the quality issue rather than other marketing issues because it is an obstacle for food products especially local traditional snack food to compete with other well known products in the market place.

> "The Federal Agricultural Marketing Authority (FAMA) Sabah branch denied that the organisation was only focusing on promoting Peninsular Malaysian food-based products in Sabah, and not doing enough to promote Sabah products in the peninsula."
>
> "Its Director, Hj Razali Muid said FAMA had been trying to promote Sabah's traditional snacks such as keropok amplang (fish crackers) and kuih cincin (ring snack) in the peninsula since the 1990s."
>
> "However, these snacks cannot compete with similar products in the peninsula (examples, jackfruit, banana and tapioca chips, and other snacks) because their quality is not up to the required standard, while their packaging and labeling are also not attractive to consumers."

> "The Director stressed that entrepreneurs must understand the importance of branding, packaging and labeling to improve the quality and presentation of their products."
>
> "You need to value-add by including content and nutritional information, the expiry date and the Halal chop, among other aspects." (Daily Express, 2005).

In addition, the MSMEs lack the ability to penetrate the market with the huge impact compared to the other existing and well known brands like Nestle which are produced by big companies (Euromonitor International, 2007). The MSMEs always find themselves stuck with the product quality issue which resulted in them not having the edge to compete with bigger competitors in the marketplace. This also resulted in the difficulty for the MSMEs to secure a selling contract with hypermarkets alike. For example, FAMA Penang reports the inconsistency in sales volume of bahulu in the state from January – June 2009, with the first month recording a sales of RM 10,286.70 followed by the fluctuation in amount in the following month, RM 916.70, RM1,355.30, RM 948.70, RM 2,006.11, and RM 1,890.40 respectively (FAMA 2009d).

> "Malaysian rural business such as producing kerepek (chips), kuih bahulu (mini sponge cake), and keropok (crackers) are valuable products but are still being produced using traditional methods in terms of branding or packaging. These products cannot be sold at international markets because the packaging does not fulfill the international requirements and regulations." (Daimin & Abd Rahim, 2009, p 8).

In other words, Malaysia's local traditional snack food faces a problem in terms of product quality and it can be considered as the main issue of concern for the consumers in terms of selecting products that catch their interest in the market place.

One of the many reasons behind the product quality problem of the Malaysian MSMEs is the low quality output. This may be due to few investments being made by the MSMEs into the Research and Development (R&D), probably because the MSMEs perceive that the R&D is not part of their business. Thus, improvements made on their products are based only on the MSMEs experiences through trial and error, rather than relying on the consumers' demands. It may also be because the MSMEs lack financial strength to carry out R&D projects.

The food industry boasts the majority of MSMEs to be the micro entrepreneurs in particular within the local traditional snack food sector (FAMA, 2009b). It is found that the same issue on the product quality is also experienced by the micro entrepreneurs.

Local traditional snack food refers to the local traditional foods that are treated and consumed as snack foods by consumers (A personal discussion with FAMA Northern state; FAMA, 2009e). Bahulu, kerepek, karipap, sagun, and otak-otak are amongst the examples of such food. Many of those traditional snack foods are now be found to be mass produced by micro and small entrepreneurs to be sold either by the entrepreneurs themselves or sold to local wholesalers and retailers (Abdul Wahid, 2009). The Federal Agriculture Marketing Authority (FAMA) has predicted that the potential market for local food products in Malaysia will increase by 2010 based on the volume in domestic distributions. For example, revenue from livestock is predicted at 41.21 percent, fishing at 31.70 percent, agriculture at 11.81 percent, food processing at 11.53 percent and the rest is at 3.75 percent. Thus, this prediction indicates that Malaysia will export more food products in the coming future (Daimin & Abd Rahim, 2009). Thus, resulting in higher demand for local traditional snack food is part and parcel of the export business. Bahulu Warisan, for instance, is one very good example of how the micro entrepreneurs 'make it big' in the country as the bahulu brand is now well known in all over Malaysia (Abdul

Wahid, 2009) and is exported in some countries like Singapore, while having their own franchise kiosks selling it (Halal Expo, 2009) Although the bahulu's sales figure is not given, Abdul Wahid (2009) and Abdul Wahid, Mudor, Haron, Shafie and Ismail (2009) stated that in the Northern states of Malaysia, the bahulu has been identified by FAMA as one of the top ten traditional snack food sold. A personal discussion with FAMA Northern states when this study was undertaken confirmed this statement.

In general, bahulu can be described as one of the many traditional Malay cakes ('kuih') with a soft and slightly dry texture; golden yellow in colour, which is made out of three main ingredients; wheat flour, eggs and sugar. It comes in many different shapes although bahulu 'cermai' (button) and bahulu 'ikan' (goldfish) are the popular ones. It is normal to serve the bahulu as a form of a snack food especially during the festive seasons in the country. Abdul Wahid (2009) notes the importance of bahulu as one of Malaysian heritage food (alongside nasi lemak, Penang char kuey teow, ketupat, kuih bulan amongst others) to be "preserved" and "cared for" and of its potential to be promoted as heritage food tourism product. However, she argues that to achieve this status, many strategic factors need to be considered; on which product quality is one of them.

The above information explains the importance of the bahulu is in the Northern states of Malaysia although its sales may not be a very significant contributor to the Malaysian food industry as a whole. The fact that including the bahulu as the top ten traditional snack food sold in the Northern region where this study is focusing on, implies its importance to be selected as a product to be investigated.

1.1.1 Understanding Product Quality Issue for MSMEs

The delivery of product quality is an evitable business strategy that is related to two main different perspectives namely objective quality and perceived quality of the product (Brunso, Bredahl, Grunert & Scholderer, 2005). In research, an objective quality refers to the technical, measurable and verifiable nature of the product, processes and quality controls (Espejel, Fandos, & Flavian, 2007). It involves an objective aspect or feature of the thing or event (Garvin, 1983), and refers to the actual technical excellence of the product that can be verified and measured (Monroe & Krishman, 1985). Perceived product quality is the perception of the consumers, and it is used interchangeably with consumers' perception on product quality (Mitra & Golder, 2006).

Moreover, the perception on quality can be generated from the consumer and the producer. Objective quality can be evaluated using sensory, functional and symbolic dimensions (Wierenga, 1983 & Steenkamp, 1993) whereas perceived product quality can be measured through intrinsic and extrinsic attributes (Espejel, Fandos & Flavian, 2007).

The consumer uses objective quality to set a list of characteristics on what they wish to obtain from the product whereas the producer utilizes the quality perception in order to set their objectives quality of the product.

The objective quality of a product is said to be an important factor that is able to affect the sales and revenue of the producers. As stated by Feigenbaum (1999, p. 376)

> "The key is transforming quality from the past emphasis upon the reduction of things gone wrong for the consumer, to emphasis upon the increase in things gone right for the consumer, with the consequent improvement in sales and revenue growth".

Based on Feigenbaum's (1999) statement, producers may need to improve and enhance their product qualities that are based on their consumers' satisfaction. In addition, Tolosana, Whebi, and Persiva (2005) argue that dissatisfaction may also influence the objective quality of the products. For instance, if consumers have a negative perception on a product, this will contribute to the consumers' lack of confidence in purchasing a product. Thus, the producer need to be concerned to find ways to improve the objective quality of their products in order to get higher acceptance rate from the customers or get a similarity in objective quality set by consumers.

The understanding of quality perception does not depend only on the objective characteristics of a product, but it is also derived from the perceived product quality. From the perspectives of a producer and a consumer, Brunso, et al. (2005) explain, although the producer may perceive their product as good; however in the consumers' eyes, the product may be inferior when compared to other similar products in the market. This is because consumers use the perceived product quality as a means to evaluate the product (Espejel, Fandos & Flavian, 2007) and then make their decision to purchase (Krutulyte, Costa & Grunert, 2006).

One important thing to note is that the quality perception through the objective quality and perceived product quality between producers and consumers may not be the same. One concept that is applicable to such situation is the "Gap Model". In this model explains the difference between what is, in fact, delivered and what consumers perceive is a gap that can be a major hurdle in attempting the quality of product (Parasuraman, Zeithaml & Berry, 1985).

Within the food industry, like the ones that the MSMEs are involved in, the discrepancy in the perception of quality in food products between the producer and the consumer may exist and this may create a perception gap between them. A high perception gap indicates a high difference in perception between the producer and the consumer. If this happens, it will lead to dissatisfaction especially when the difference between perceived product quality and expectation gives a negative sign. (Walker,1995).

In this context, there is a need to understand why quality perception gap is extremely crucial for food producers such as MSMEs is obtained. Negative quality perception gap may occur between the producer and the consumer when the producer's product does not fulfill what the consumer's wants or needs. As a result, the consumer feels dissatisfied. A high negative perception gap may create dissatisfaction for the consumer and may then have a negative effect on producer's sales in the long run.

1.1.2 Quality Perception Gap on Local Traditional Snack Foods in Malaysia

The challenge for local traditional snack food producers in Malaysia is to minimize and close the mismatch between the expectations and the perceived quality between the producers and consumers. For instance, local traditional snack foods that are being compared with the existing snacks in the market from foreign countries in terms of sensory, functional and symbolic dimensions (Wierenga, 1983; Steenkamp, 1993) find it less in product quality. As a result, the consumers will prefer it less and will be less satisfied with the local traditional snack foods when compared to snack foods from foreign countries such as Maggi and Nestlé (Euromonitor Inernational, 2007). The local study focuses on finding the objective quality gap of bahulu found that the bahulu's quality perception by the Penang MSMEs in general is slightly different from their consumers in terms of sensory, functional and symbolic dimension. In their study, consumers place more importance on the bahulu's attributes such as colour, sweetness, and sponginess (sensory dimension); the bahulu's size, healthy food, calories, sugar and preservative contents (functional dimension); and environmentally friendly packaging, expiry date label, ingredients label, nutrients label, manufacturing date and halal label (symbolic dimension) compared to the Penang MSMEs (Abdul Wahid et al., 2009).

Abdul Wahid et al's (2009) local findings indicate that there exist perception mismatch between food producers and consumers on what constitute product quality exist in the marketplace.

One reason for why this may happen is that local traditional snack food makers like bahulu producers/MSMEs produce only what they know best, which generally follows strictly on tips and advices from their ancestors, in which they inherited their traditional bahulu recipes and businesses from. As such, they will concentrate only on certain aspects of the product quality (usually in terms of the making of or the production of the product) however, there are many other aspects of product quality that are not known to them (such as those perceived by the bahulu consumers in the marketplace). This situation is unfortunate as this means that they will not be able to take any corrective action to improve on the perceived 'faults' of their bahulu food products. This may affect the sale volumes of the MSMEs and their survival in the marketplace.

1.2 Problem Statement

The problem described earlier that the MSMEs face on the product quality aspect i.e. objective and perceived quality may be due to the inflexibility of the MSMEs in defining what a product offer should be, as they usually rely upon their own set of definitions which is guided by their technical expertise. Unfortunately, the technical expertise that makes up the objective quality component of the product by the MSMEs may not necessarily matched the marketplace consumer's own objective quality in the same product. It is common to find objective quality in the industry (MSMEs) to be based upon three aspects –sensory dimension (e.g. appearance, smell, colour, flavour and texture), functional dimension (e.g. health-related and convenience) and symbolic dimension (e.g. price, packaging and brand). The objective quality usually will become the basis of what an end product should consist of and what should be offered in the marketplace (MSMEs perceived product quality). Similarly, consumers have their own objective quality of a certain product. The objective quality may or may not be similar to what their preference or perceived product quality is when they actually buy the product. It means that there is a tendency for the industry (MSMEs) to use their own evaluation in their products rather than trying to match the perception, preference or expectations of the marketplace i.e. consumers at large (consumer perceived product quality). However, as stated in relation to the MSMEs or producers setting their own objective quality, it may not be the same with the objective quality based on consumers' point of view due to the difference in their perceptions. Besides that, with the consumers setting their own expectations and preferences as to what they need and want in the products offered either through intrinsic or extrinsic attributes. As a result, a perception gap exists between the MSMEs and their consumers. This gap if not closed, may constitute the downfall of the MSMEs in the marketplace. This shows a need for the study on importance of perception gap analysis between the MSMEs and their consumers study to be conducted.

The current problem of product quality perception mismatch between the MSMEs and their customers can be experienced in many products, including the local traditional snack foods, i.e. bahulu which is also a popular heritage food in Malaysia (Abdul Wahid, 2009). According to FAMA (2009 a), bahulu is popularly produced and sold especially in the Northern states of Malaysia like Penang, Perlis and Kedah. FAMA (2009 b) identifies fifty-eight MSMEs to be actively in the production of bahulu in three states. Bahulu is identified as a snack product with a high potential growth. It is on a par with other traditional snacks like rempeyek, cakar ayam, tebalol, buhulu, rice based snack, keropok (FAMA, 2009 a). However, for this study, bahulu has been chosen to be further researched on because the attributes of each product is different from one another and it would be tedious to study the whole range of traditional snacks. In the Internet, it is found that the word bahulu clinches 231,000 in Google search (http://www. google.co.th, 22 April 2010). It shows information on bahulu including recipe, method in making the bahulu, and images of the bahulu. Besides that, there are also bahulu advertisements and fantastic pictures of the popular variety of local foods, found stories relating to the bahulu shared through the Internet (Abdul Wahid, 2009, p.204). Abdul Wahid (2009) stresses that bahulu as the food is a perennial favourite for most Malaysians. She further mentions the importance of bahulu as a traditional heritage food and it has been acknowledged by the hotel industry where today we can find hotels serving the bahulu (traditional and/or modern) in their food and beverage menus (p. 205). As a result, bahulu may have potential to expand and capture a new market. Thus, this study attempts to investigate: (i) whether perception gap exists between MSMEs and their customers, and (ii) whether sensory, functional and symbolic dimensions influence the perceived product quality. Hence, the gap analysis model and attribution theory found in the literature serve as the basis of this study. Unless the perception gap between the two parties is resolved, the MSMEs may constantly face trouble to match up their own definition of product quality with that of their consumers. If this happens, it is difficult for the MSMEs to convince their consumers to buy their products or even to stay loyal and repeat their purchases.

Therefore, the outcome of the findings may be the identification of important product attributes that could reduce the perception gap between two parties and in the meantime provide higher acceptance rate of bahulu in the marketplace.

1.3 Research Objectives

In line with the background of the study, and problem statement, the proposed study attempts to achieve the following objectives:

1. To find out whether objective quality of the MSMEs differs from objective quality of the consumers.
2. To find out whether perceived quality of the MSMEs differs from perceived quality of the consumers.
3. To find out whether objective quality of bahulu (sensory, functional and symbolic dimensions) influences on perceived quality (intrinsic and extrinsic attributes) of the MSMEs.
4. To find out whether objective quality of bahulu (sensory, functional and symbolic dimensions) influences on perceived quality (intrinsic and extrinsic attributes) of the consumers.

1.4 Research Questions

The research questions of this study are summarized as follows:

1. Does objective quality of the MSMEs differ from objective quality of the consumers?
2. Does perceived quality of the MSMEs differ from perceived quality of the consumers?
3. Does objective quality of bahulu (sensory, functional and symbolic dimensions) influence on perceived quality (intrinsic and extrinsic attributes) of MSMEs?
4. Does objective quality of bahulu (sensory, functional and symbolic dimensions) influence on perceived quality (intrinsic and extrinsic attributes) of consumers?

1.5 Significance of the Study

Food products are the main contributors to the global economy; therefore, the countries that possess the potential to compete with other countries will achieve the competitive advantages in the market world. The MSME is one of the factors that could contribute huge amounts of income to these countries (OSMEP, 2005).

This study is important to the MSMEs as it enables them to improve the precision of objective in terms of sensory, functional and symbolic dimensions and the perceived quality in intrinsic and extrinsic attributes in the local traditional snack foods such as the bahulu. Furthermore, the different perception or the perception gap that exists between the MSMEs and the consumers in objective and perceived quality will help to identify what is the crucial attribute in which the MSMEs need to act upon. MSMEs may take this chance to minimize the gap in order to garner higher acceptance and return in the market. As a result, the consumers may gain benefits of receiving high quality of bahulus in return.

Furthermore, the findings of this study will be beneficial and useful to government organizations such as the Federal Agricultural Marketing Authority (FAMA) and Muda Agricultural Development Authority (MADA) in assisting the MSMEs especially in Northern Malaysia. If the MSMEs work alone, they may take a long time to develop and improve their products and some of them are not capable in terms of financial funding, knowledge and knowhow to facilitate a Research and Development (R&D) programme. These government organizations may make use of the results of this research in order to provide the necessary support in areas that needs to be improved on. In addition to that, government organizations can provide essential information by holding workshops and trainings sessions for the MSMEs. As a result, the bahulu may have the potential to expand in new markets and at the same time enhancing the reputation of Malaysia's traditional snack food.

1.6 Description and Definition of Key Terms

To better understanding in the further discussions, it is important to know and understand the key terms and their definitions clearly. This would assist in the sharing of the common understanding of some concepts such as perception, preference, snack foods, traditional snack foods and local traditional snack foods.

1.6.1 Perception

Perception is a particular way of understanding or thinking about something or the ability to notice something by seeing, hearing, smelling etc.: visual perception (Macmillan dictionary 2006, p. 1051).

1.6.2 Preference

Preference is defined as the act of preferring, or the state of being preferred; the setting of one thing before another; precedence; higher estimation; predilection; choice; also, the power or the opportunity of choosing; as, to give him his preference (Collaborative International Dictionary of English, 1913).

1.6.3 Snack Foods

Ayala (2008) mentioned that 'Snack' does not have a unique definition. One definition centers on when and how the food is eaten, i.e., if it is eaten in between meals, it is a snack, or if it is eaten quickly, it is a snack. The other definition centers on what you eat: A snack is a small portion, and can be of high quality (apple) or low quality (chips).

1.6.4 Traditional Snack Foods

Traditionally, snacks are prepared from ingredients commonly available at the home, often leftovers, sandwiches made from cold cuts, nuts, fruit and the like (FAMA, 2009 c).

1.6.5 Local Traditional Snack Foods

Local traditional snack food is prepared from the ingredients that are obtainable only in the specific areas or places. The local traditional snack foods are different in nature; different places would provide several products with unique attributes (FAMA, 2009 c).

1.6.6 Bahulu

Bahulu is a type of cake consisting of wheat flour, eggs and sugar. Normally, the bahulu is small in size and is unique because it has a golden yellow colour.

1.6.7 Malaysian Flower Bahulu

Flower bahulu or also known as bahulu pecah lapan, is shaped similar to a flower with eight radical and flat smooth. The bigger sized of flower bahulu is called Kemboja bahulu. . The sizes depend on the production process of producing and the demand of the consumers.

1.6.8 Malaysian Star Bahulu

Star bahulu is called as bahulu cermai in Bahasa Malaysia. It is a miniature of bahulu and its appearance is similar to the star with semicircle shape.

1.6.9 Malaysian Roll Bahulu

Roll bahulu is another shape of bahulu which is shaped to something as similar to roll cake. The major ingredients consist of wheat flour, eggs and sugar. This type of bahulu is known as “bahulu gulung” in the Malay Language.

1.6.10 Malaysian Layer Bahulu

Known as bahulu lapis in the Malay Language, layered bahulu is large size compared to the other kinds of bahulu shapes. Its appearance looks like a normal cake with layers inside. However, each layer may have different colours.

1.6.11 Malaysian Fish Bahulu

Fish bahulu or known as bahulu ikan in Malay Language, is designed to resemble a fish's shape and are various in sizes. It is normally consumed during wedding ceremonies and celebrations such as Hari Raya.

1.6.12 Malaysian Cup Bahulu

Cup bahulu is similar to muffins, the shape in which depends on the cup or containers usually round in shape in normal cases. There may be various toppings such as raisins or other kinds of dried fruits on top of the bahulu.

1.7 Organization of the Study

In the next chapter, the review of the attribution theory relating to perception and preference will be highlighted, followed by the understanding of the concept of satisfaction as a consequence of overall preference (Dopico, 2003), the perception and expectation of customers. Furthermore, a review of the expectancy-disconfirmation model together with the reviews relating to the model i.e. gap model will be discussed. Thereafter, the literature review regarding perceived quality and the objective quality will be discussed, followed by the customer's perception and preference pertaining to snack foods. The last part of the chapter will conceptualize the theoretical framework and development of hypotheses together with the relevant underlying theory.

Chapter 3 discusses the data and methodology that are used in this study. This chapter is the combination of research design variables, population and sample questionnaires.

The estimation and analysis of this study will be explained further in chapter 4. In this chapter, a description of the result from the findings will be revealed. In the final chapter, the summary and conclusion of the whole study will be given.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This chapter begins with an explanation of the attribution theory relating to the perception and preference and the relationship between satisfaction with the perception and expectation of customers, followed by the expectancy-disconfirmation model and the gap model. It then touches on the basic concepts of the perceived quality and the objective quality. Then it elaborates on the consumer perception and preference pertaining to snack foods, followed by the theoretical framework and the relevant underlying theory. At the end of this chapter, the development of hypotheses to be used in this study will be given.

2.2 Attribution Theory to Perception and Preference

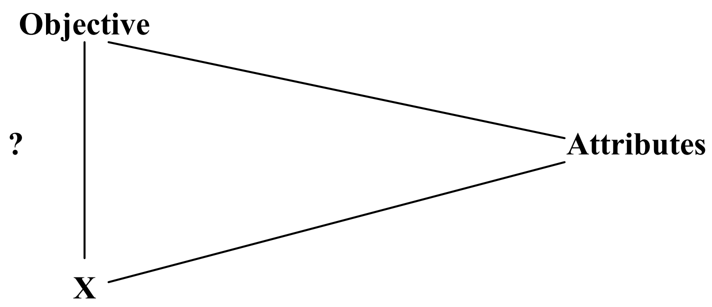
The attribution theory by Fritz Heider (1958) is a theory that can be used to evaluate how people perceive the behaviour of themselves and other people. In other words, this theory explains about how people make causal explanations, and this can be seen in previous studies of Harvey, Martinko, and Borkowski (2008), Mela and Roger (1993), and Pate (1987).

> “Attributions are common sense explanations which can function to explain and perhaps excuse personal behavior to one’s self and others’ (Mela & Roger, 1993).

> “Attributions are the causal perceptions that individuals form when trying to explain these outcomes and behaviors…. By helping individuals understand the causes of positive and negative events, attributions allow people to encourage the former while avoiding the latter” (Harvey, Martinko, & Borkowski, 2008).

> "Attribution theory states that it is the attributes we connect with objects that determine our attitudes for or against those objects; that one person likes and another dislikes an object not so much as a result of the object itself, but because of the things that object represents to the person. Further, attribution theory states that we have learned to associate cause and effect relationships — to believe that one thing causes another, whether or not it actually does cause the other every time or not" (Pate 1987, p 61).

Fritz Heider's version of attribution theory, often called the balance theory provides a useful means of diagramming the attribution relationship as seen below:



Pate (1987) provides some examples to explain the figure above, X (you) evaluates an objective (e.g. your job) by evaluating the attributes of the job (e.g. pay, working conditions). If you like an attribute positively associated with the object, you will like the object. On the other hand, if you dislike the attribute associated with the objective, you will dislike the objective. For this diagram to work effectively, he suggests that two principles need to be hold; firstly, if any two of the associated are the same, the third will be positive; secondly, if any two of the associated are not the same, the third will be negative. To evaluate the results is not simply to say there are five plus and one minus, so the result should be plus, in contrast, that even one minus might be weighted far more heavily that any of the pluses, thus the result is a negative attribution towards the objective.

This theory is based on the notion that individuals have an innate desire to understand the causes of outcomes and behaviours that are relevant to their lives (Heider, 1958). In his book “The Psychology of Interpersonal Relations”, it is explained that all behaviours are determined by either the external or internal factors, such as; external attribution, the causality is assigned to an outside factor, agent or force. The persons perceive that they have no choice; their behaviour is influenced, limited or even completely determined by influences outside personal control. For example, the attribution of an addiction in relation to eating chocolates implies that this is outside the individual’s control (Mela & Roger, 1993). The external attribution is also called situational attribution. The internal attribution, on the other hand, the causality is assigned to an inside factor, agent or force. Inside factors fall inside personal control. The person can choose to either behave in a particular way or not. Thus, the person’s behaviour is not influenced, limited or even completely determined by influences outside a person control. Therefore, the person feels responsible; and this internal attribution is also called dispositional attribution.

Attribution theory is seen as relevant to the study of a person’s perception, event perception, attitude change, the acquisition of self-knowledge, therapeutic interventions, and much more (Ross & Fletcher, 1985).

Sogn-Grundvag and Ostli (2009) examine how consumers evaluate unbranded and unlabelled food products and to what extent they are able to choose the products with highest potential, to meet their expectations in regards to the quality. The sample of this study is on Portuguese consumers who purchase bacalhua i.e. salted and dried cod which is unpacked, unbranded and unlabelled in supermarkets. The study employs the attribution theory in such a way as to explain how consumers develop an understanding of what they believe is a good product.

The findings show that the shoppers use multiple criteria to assess the quality of bacalhua, for example, appearance and dryness of the product. This study further explains two main characteristics that are used to evaluate the quality of product; firstly, by search characteristics; which are quality attributes that consumers can assess prior to purchase, such as price, appearance, size, thickness and colour. Secondly, by experience characteristics; which are quality dimensions that can only be evaluated after purchasing or experiences, such as flavour and texture. However, some of consumers are curious, so the quality criteria are not related to the objective quality of the product i.e. when consumers touch the dried and salted cod trying to feel the quality is common. In addition, this study reveals that there is a mismatch between how the same products are assessed before and after consumption.

Lammers (1991) examines the effect of free samples of chocolate in immediate consumer purchase. The attribution theory clarifies a free chocolate sample may heighten the cues associated with the consumption of the chocolate, such as the taste and the order. If these sampling cues are positive, consumers should be more likely to purchase the products. Consequently, the results show that the free sample of chocolate has a positive impact on the immediate sales of chocolate. In other words, free sample chocolate generates the increase in chocolate sales; however this effect was restricted to small purchases (up to 5 U.S. dollar).

Mattsson and Helmersson (2007) reveal the new method to cluster consumer's attribute preferences and to transform spontaneously written text by consumers about a certain favourite food product (hamburger) into distinct preference cluster of attribution. This method is developed by means of a new text analytical approach (Pertex) and a multi-step two-side cluster analysis procedure to explain how consumer-led food product development can be supported by qualitative consumer input for different product dimension. The spontaneously written texts by the consumers about some certain product dimension (e.g. university students) is asked to write about their favourite hamburger pertaining to different food product dimension, (for example taste and ingredients), can indicate the preference derive cluster from the way respondents are related to their individual expression of a certain attribute or preference. The causal perceptions that individuals form when trying to explain this outcome and behaviour, which is termed as attributions help individuals understand the causes of positive and negative events or attributions (Harvey, Martinko, & Borkowski, 2008).

2.3 Relationships between Satisfaction with Perception and Expectation of Consumer

How is the customer satisfaction related to the current study? In fact, customer satisfaction is the consequence of overall preference (Dopico, 2003). Therefore, it is crucial to understand the concept and derivatives of customer satisfaction.

The concept of customer satisfaction is receiving more attention in both private and public sectors. An analyst and researcher at the same time attempts to operationalise the concept of customer satisfaction in order to measure it. A widely accepted definition would be as follows:

> "Satisfaction is the consumer's fulfillment response. It is a judgment that a product or service feature, or the product of service itself, provided (or is providing) a pleasure level of consumption-related fulfillment, including levels of under-or over-fulfillment…" (Oliver,1997).

Thus, the satisfaction in this sense stresses the fulfillment which consumers gain from products and services.