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Understanding Service Quality through Customer Expectation and Experience: An Analysis of the Interaction in Gauteng's Fast-food Franchise Industry

Louis Jacobus van Staden¹, Alfred Henrico², Chane Naude³

^{1,2,3}Northwest University, South Africa

ABSTRACT

South Africa's fast-food franchise industry is experiencing a rapid escalation in customer demand for superior service quality. Globally, service quality is recognized as a critical determinant of increasing industry competitiveness, with evidence suggesting that failure to maintain service quality could result in over 65 percent of customers not returning to fast-food franchises. Understanding customer expectations and their service experiences is, therefore, essential for formulating and implementing effective service quality strategies, which are instrumental in fostering sustainable industry development. This study examined data from 315 Gauteng-based franchise customers using principal component analysis (PCA) and hierarchical multiple regression analysis to identify the underlying dimensions of service quality. The researchers used PCA to assess whether tangibles, reliability, responsiveness, assurance, and empathy characterize customer expectations and experiences. Thereafter, the hierarchical multiple regression was employed to determine whether the addition of a specific customer expectation variable improved the prediction of a specific customer experience variable over and above other customer expectation variables. The findings indicate that tangibles, reliability, responsiveness, assurance, and empathy define both customer expectations and experiences. Furthermore, the results reveal the extent to which customer expectations influence customer experience in Gauteng's fast-food franchise industry. These findings highlight the strategic imperative for fast-food franchises to accurately interpret customer needs and implement targeted service delivery strategies that close the expectation–experience gap, thereby enhancing long-term industry competitiveness.

Keywords: customer demands, customer needs, School of thoughts, service quality strategies, SERVQUAL