An analytical study to understand impact of Consumer Satisfaction and Quality of Service on Consumer Loyalty in Fast Food Restaurants

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Abstract

The research identified the impact of Service Quality and Customer Satisfaction on Customer Loyalty in fast food restaurants. Customer satisfaction is an ultimate goal for any business; they can only become profitable and successful, if the customers are satisfied with it. This research study helps in understanding that in what ways Service Quality, Price, Ambience, Quality of Food, Food Presentation, Menu variety, Price Factor, Service and Employee Friendliness and cleanliness are responsible for customer satisfaction on Customer Loyalty in Fast Food Restaurant and what customers are thinking about the chosen the Fast Food Restaurant. The research approach was Quantitative and both primary and secondary methods were used to collect and analyze the data. The sample size was 80 for the questionnaire, whereas collecting the responses from Customers, who visit in Fast Food Restaurant. The research hypothesis suggested that all the projected variables had positive association with customer satisfaction, i.e.., with presence of these factors, Occupation and Pricing Factor, Gender and visit in Fast Food Restaurant in each month and Wi-Fi Facilities and Gender and hypothesis were accepted after analyzing the data.

Keywords: Service Quality, Customer Satisfaction, Customer Loyalty, Fast Food Restaurant

1.Introduction

In today's highly competitive environment the Fast Food Restaurant is a fast growing industry in every country of the globe. So, in order to provide the best food and best quality service the Fast Food Restaurant should make efforts to make the service quality a benchmark for every customer to gain the competitive advantage in the restaurant market. So these studies are purely based on the service quality measures and techniques to make customers happy and retain the customer to maximize the profitability.
The concepts of service quality and customer satisfaction are very crucial for Fast Food Restaurant in India.
●To examine the various factors influencing the service quality and customer satisfaction.
●To study the impact of customer satisfaction on customer loyalty.
●To investigate the role of service quality to improve customer satisfaction and customer loyalty.
●Empirically, investigates the role of customer satisfaction for enhancing customer loyalty.

Customer Satisfaction:-

Achieving customer satisfaction is the primary goal for most of the service firms (Jones and Sasser 1995). Customer satisfaction is the heart of marketing, thereby greater the degree to which a customer is satisfied; greater will be the probability that the customer will revisit that particular Fast Food Restaurant (Burns and Neisner 2006).

Service Quality:-

Service quality is a critical success factor of Fast Food Restaurant. Fast Food restaurant managers need to measure and improve the service quality of their restaurant continuously. The way a customerperceives the quality of service depends on the type of service and the context where the service is provided.Service quality is customer evaluation of the superiority of service performance provided by a service company. Service quality consists of five dimensions, namely tangibles, reliability, assurance, empathy and responsiveness. According to Tan et. al. (2014), proposed fast food service quality model. In that they had to mention five dimensions such as Assurance and empathy, Food cleanliness, Responsiveness, Reliability and tangibles.Fast Food Restaurant service by involving service quality dimensions that represents the performance of service companies in satisfying customer needs.

Customer Loyalty:-

Customer Loyalty is critical to the conduct of business in today's competitive marketplace. Developing and maintaining customer loyalty is important particularly in the service sector, because loyalty results in increased profits. Customer Loyalty not only creates tremendous competitive advantage, but also boosts employee morale and productivity according to Lee and Cunningham (2001). Hume and Mort (2010) revealed that repurchase intentions

are largely based on satisfaction, but did not explore other dimensions of customer loyalty, viz., word-of-mouth, recommendation and complaining behavior.Akbar and Parvez (2009) investigated the effects of customer's perceived service quality, trust and customer satisfaction on customer loyalty, but overlooked other dimensions, viz., price perception and image, which greatly influence customer loyalty.

Literature Review:

SeyedAliakbaret. al. (2016), investigated the determinants of customer satisfaction using durable and non-durable goods. In finding, they conclude that non-durable goods, the relationships are as typically hypothesized.

John T. Bowen et. al. (2001), developed and implemented a method to define attributes that will increase customer loyalty. They had taken samples for both focus groups and a mail survey to know the relationship between customer loyalty and customer satisfaction. He conceded that the relationship between customer satisfaction and customer loyalty was non-linear.

Qin Hong et. al. (2009), explored the service quality and food quality were two main determinants of customer satisfaction. In findings, resultsindicated five dimensions like Tangibles, Reliability, Recovery, Assurance and empathy.

NaminAidin (2017), investigated factors impacting on revisiting customer's perception and satisfaction, as well as dimensions of service quality. In finding, they noted that customer satisfaction can be improved through service quality, food quality.

Voon Boo Ho (2012), examined the importance of service environment, food quality, and pricing factor [Especially for youth]. Youth get some fine dining, Delicious dishes of fast food. Data collected [407 questionnaire] from various fast food restaurants. At last, stated that services cape on customer satisfaction and customer loyalty was relatively smaller, except for fast food restaurants.

Bujisic Milos et. al. (2014), identified the relationship between restaurant quality attributes and customer behavioral intentions. They have to suggest that management of quick service and upscale restaurants should focus on food quality.

2.Research Methodology:

The conceptual model of the study to develop based on Customer Satisfaction and Customer Loyalty to Service Quality: it examines the influences of service quality on customer satisfaction and loyalty and the influence of customer satisfaction and customer loyalty. The conceptual framework presumes that there are relationships between the independent constructs, service quality [SQ] and Food Quality [FQ], the mediating construct, customer satisfaction [CS], and the dependent variable, customer loyalty [CL] or Customer Retention [CR].

3.Objective of the study:

- To examine the relationship between the service quality and customer loyalty towards Fast – Food Restaurant in India.
- To analyze the relationship between customer satisfaction and customer loyalty towards Fast – Food Restaurant in India.
- To investigate the relationships between service quality, food quality, customer satisfaction and customer loyalty in Fast Food Restaurant.
- To understand the expectations and requirements of customers in Fast Food Restaurant in India.

Hypothesis:

H1:- There is a significant difference between Occupation & Monthly Income.
H2:- There is a significant difference between Occupation & Price Factor.
H3:- There is a significant difference between Gender & Visit in FFR in each month.
H4:- There is a significant difference between Wi-Fi Facilities & Gender.
H5:- There is a significant difference between serving food on time & visiting FFR in each month.

4. Significance of the Study

The purpose of this research is used to provide awareness and solutions to the Fast – Food Restaurant, so that they can make some improvements. Besides that, it also used to remind the Fast – Food Restaurant about the factors which will lead customer loyalty towards them neither short – term nor long – term period.

Through this study, Fast – Food Restaurant can more understand the demand from their customer. Improvement from different aspect such as fairness of pricing, service quality, Food quality, customer satisfaction, customer preferences are able to achieve by applied the strategies which match with it and it will give a hand to the Fast – Food Restaurant that involve in an extremely competitive business environment.

Sample Size: An aggregate of 80 questionnaires were distributed among consumers.
Statistical Tool & Technique:
Tool: SPSS
Technique: Chi – Square Analysis

5. Data Analysis

1. Demographic Information

Table 1: Demographic Information of Respondents			
	Categories	Frequency	Percentage
Gender	Male	42	52.50%
	Female	38	47.50%
Age (In Years)	Less than 20	7	8.75%
	21-26	40	50%
	27-32	12	15%
	33-38	15	18.75%
	More than 38	6	7.50%
Occupation	Student	35	43.80%
	Salaried Person	22	27.50%
	Self - Employed	23	28.70%
Monthly Income	Below 10,000	19	23.80%
	11,000 to 20,000	12	15%
	21,000 to 30,000	18	22.50%
	More than 30,000	31	38.70%

Table 2.1 Occupation * Monthly Income Cross Tabulation						
		Monthly Income				Total
		0-1000	1000-2000	2000-3000	more than 3000	
Occupation	Student	19	6	3	7	35
	Salaried person	0	4	11	7	22
	Self-employed	0	2	4	17	23
Total		19	12	18	31	80

| Table 2.2 Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	46.760ᵃ	6	.000
Likelihood Ratio	52.027	6	.000
Linear-by-Linear Association	29.661	1	.000
N of Valid Cases	80		

Hypothesis:-

H0:- There is no significant difference between Occupation & Monthly Income.

H1:- There is a significant difference between Occupation & Monthly Income.

From the chi-square test p value is = 0.000 so, it's less than 0.005. So, I can say that the null hypothesis is rejected. And the relation between occupation & monthly income is 100%.

3. Occupation v/s Pricing Factor
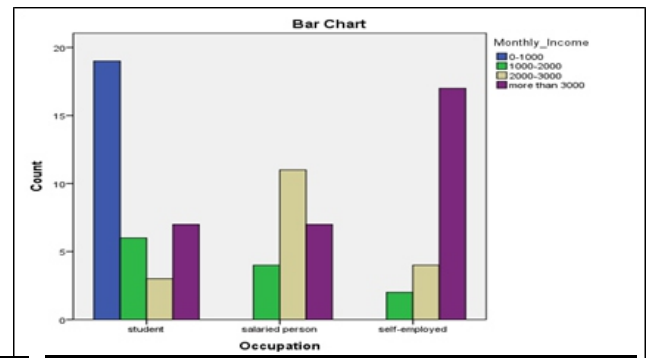
Table 3.1 Occupation * Pricing Factor Cross Tabulation					
		Price Factor			Total
		Important	Somewhat important	not important	
Occupation	Student	20	11	4	35
	Salaried person	7	11	4	22
	Self-employed	6	10	7	23
Total		33	32	15	80

| Table 3.2 Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	7.841ᵃ	4	.098
Likelihood Ratio	7.749	4	.101
Linear-by-Linear Association	6.540	1	.011
N of Valid Cases	80		

Hypothesis:-

Ho:- There is no significant difference between Occupation & Price Factor.

H1:- There is a significant difference between Occupation & Price Factor.

From the chi-square test p value is = 0.098 so, it's Greater than 0.05 So, I can say that the null hypothesis is not rejected and the relation between occupation & monthly income is 9% only.

4. Gender v/s Visit in Fast Food Restaurant in Each Month
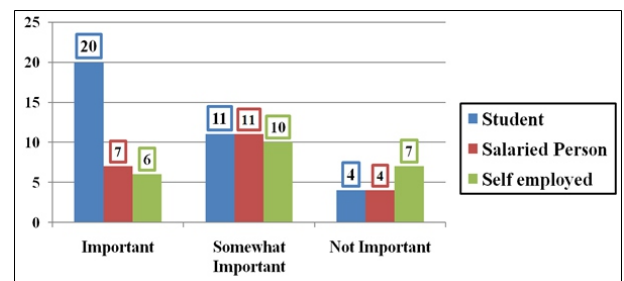
Table 4.1 Gender* Visit in Fast Food Restaurant in Each Month Cross Tabulation						
		Visit in FFR Each Month				Total
		Rarely	sometimes	Fairly occasionally	Very occasionally	
Gender	Male	3	16	17	6	42
	Female	9	13	10	6	38
Total		12	29	27	12	80

Table 4.2 Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	4.938ᵃ	3	0.176
Likelihood Ratio	5.086	3	0.166
Linear-by-Linear Association	1.778	1	0.182
N of Valid Cases	80		

Hypothesis:-

Ho:- There is no significant difference between Gender & Visit in FFR in each month.

H1:- There is a significant difference between Gender & Visit in FFR in each month.

From the chi-square test p value is = 0.176 so, it's greater than 0.05. So, I can say that the null hypothesis is not rejected.
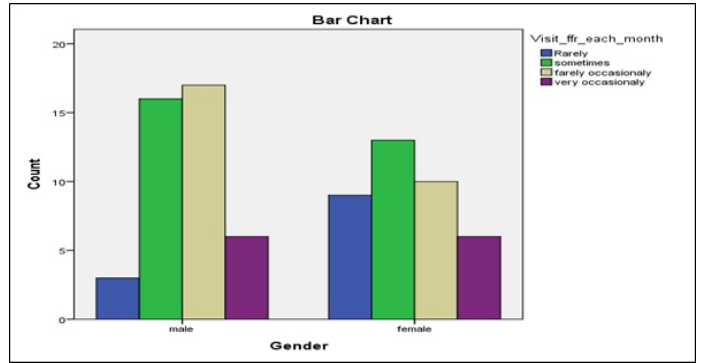
5. Wifi Facilities v/s Gender

Table 5.1 Wifi Facilities * Gender Cross Tabulation				
		Gender		Total
		Male	Female	
Wifi Facilities	Strongly Agree	24	22	46
	Agree	15	13	28
	Neutral	3	2	5
	Disagree	0	1	1
Total		42	38	80

Table 5.2 Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1.233^a	3	0.745
Likelihood Ratio	1.618	3	0.655
Linear-by-Linear Association	.030	1	0.862
N of Valid Cases	80		

Hypothesis:-

Ho:- There is no significant difference between Wifi Facilities & Gender.

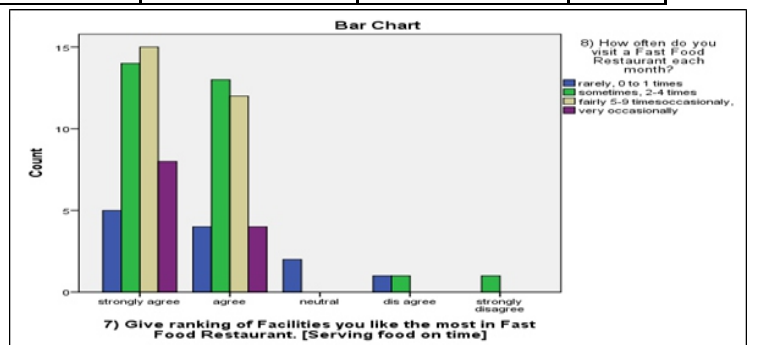H1:- There is a significant difference between Wifi Facilities & Gender.

From the chi-square test p value is = 0.745 so, it's Greater than 0.05 So, I can say that the null hypothesis is not rejected.
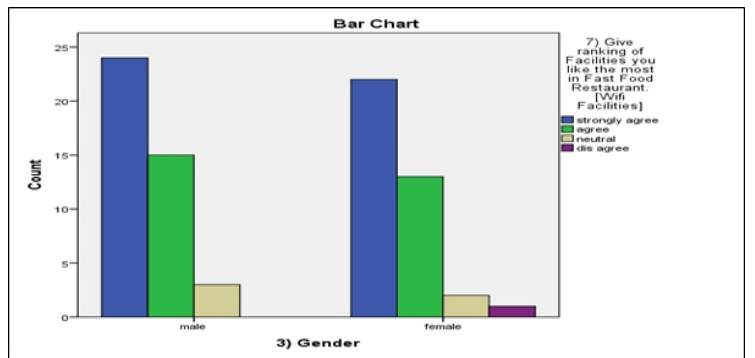
6. Serving Food on time v/s Visit Fast Food Restaurant

Table 6.1 Serving Food on time * Visit Fast Food Restaurant in Each Month						
		Visit Fast Food Restaurant Each Month				Total
		Rarely	Sometimes	Fairly occasionally	Very occasionally	
Serving food On time	S.A	5	14	15	8	42
	Agree	4	13	12	4	33
	Neutral	2	0	0	0	2
	Disagree	1	1	0	0	2
	S disagree	0	1	0	0	1
Total		12	29	27	12	80

Table 6.2 Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	17.200^a	12	0.142
Likelihood Ratio	14.072	12	0.296
Linear-by-Linear Association	4.746	1	0.029
N of Valid Cases	80		

Hypothesis:-

Ho:-

There is no significant difference between serving food on time & visiting FFR in each month.

H1:- There is a significant difference between serving food on time & visiting FFR in each month.

From the chi-square test p value is = 0.142 so, it's greater than 0.05. So, I can say that the null hypothesis is not rejected.

Summary:

Hypothesis	P - Value	Result
H0:- There is no significant difference between Occupation & Monthly Income. **H1:-** There is a significant difference between Occupation & Monthly Income.	0.000	Rejected
Ho: - There is no significant difference between Occupation & Price Factor. **H1:-** There is a significant difference between Occupation & Price Factor.	0.098	Not Rejected
Ho: - There is no signific ant difference between Gender & Visit in FFR in each month. **H1:-** There is a significant difference between Gender & Visit in FFR in each month.	0.176	Not Rejected
Ho: - There is no significant difference between Wi -Fi Facilities & Gender. **H1:-** There is a significant difference between Wi -Fi Facilities & Gender.	0.745	Not Rejected
Ho: - There is no significant difference between serving food on time & visiting FFR in each month. **H1:-** There is a significant difference between serving food on time &visiting FFR in each month.	0.142	Not Rejected

6.Findings:

- From the research, we can find that – Male people [52.5] go in Fast Food Restaurant than a female [47.5].
- 43.8% [35 students] prefer to go to the Fast Food Restaurant. And 28.7 [23 Self – employed] Prefer the Fast Food Restaurant.
- Majority 38.8% [31 respondents] having monthly income more than 30,000.
- 29 respondents [36.3%] People visit a Fast Food Restaurant Sometimes.
- Majority of respondents spend money in Fast Food Restaurants are 1000 – 2000.
- Only 5 respondents [6.3%] visit alone at Fast Food Restaurants
- 32 respondents [40%] having a somewhat important price and 15 respondents [18.8%] do notcare about price.
- 57.5% [46% respondents] strongly agree that cleanliness is important in Fast Food Restaurant.
- Majority 39 respondents [48.8%] are givenanswers in "Yes", special offers on meal and price attract customers.
- 43 respondents [53.8] strongly agree that service & employee friendliness is required in Fast Food Restaurant.

7. Conclusion

Above analysis shows that Price, Food quality, Service quality and ambiance are the most important factors, which some restaurants offer and ultimately affects the overall customer satisfaction. In our research study, the hypothesis is the difference between occupation & pricing factor. Gender & visit the restaurant in each month & Cross tabulation between the Wi-Fi facilities and gender. All above hypotheses are not rejected. That's why customers strongly agree with service quality, serving food on time, food presentation, Wi-Fi facilities, Music & sound facilities, and having a clean working environment.

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