

IMPACT OF CUSTOMER SATISFACTION ON CUSTOMER LOYALTY TO A LEADING FAST FOOD RESTAURANT IN TAGUIG CITY

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Flow of Presentation (22 slides)

- 1. Introduction** – *Background, research problem, conceptual framework, review of related literature, hypothesis testing*
- 2. Methodology** – *Research design, sampling procedure, methods of data collection, analytical procedures*
- 3. Results and Discussion** – *Profile of respondents, level of customer satisfaction, relationship between CS dimensions and customer satisfaction, influence of CS factors to customer satisfaction, customer satisfaction regression model (DO NOT INCLUDE!)*
- 4. Conclusions and Recommendations** – *Summary of main findings, implications and contributions of work, direction for future research (DO NOT INCLUDE!)*

1. INTRODUCTION

Background of the Study:

- Fierce competition – globalization, ASEAN Community
- Customer satisfaction is important to business survival and profitability.
- As such, it is important to *identify the factors that influence customer satisfaction.*
- Fast food industry – largest and fastest-growing subsector of food service industry in the Philippines (Euromonitor International, 2014)
- The leading fast food store – largest fast food chain in the country; 96 of 2,150 stores are located outside the country; has acquired several companies in the country

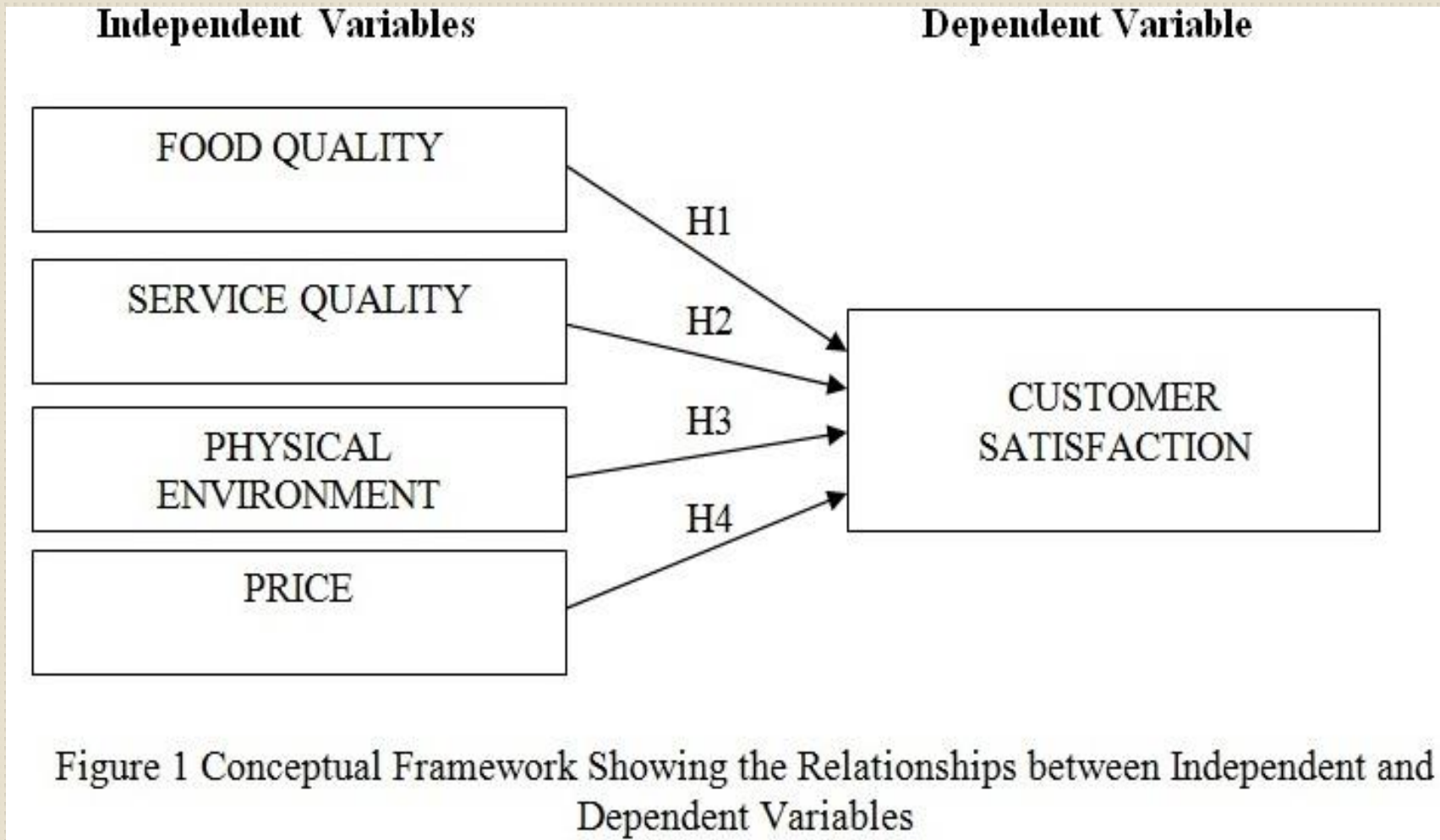
Research Problem:

General Problem: Explore the factors that affect customer satisfaction in the leading fast food restaurant

Specific Problems:

1. Determine the level of customer satisfaction in terms of food quality, service quality, physical environment, and price;
2. Explore the relationships of these dimensions to customer satisfaction; and
3. Examine the combined effects of food quality, service quality, physical environment, and price to customer satisfaction

Conceptual Framework:



Hypotheses & Literature Review:

H 1: Food quality has a significant influence to customer satisfaction.

Shaharudin, Mansor & Elias (2011); Namkung & Jang (2007); Sulek & Hensley (2004); Mattila (2001)

H2: Service quality has a significant influence to customer satisfaction.

Hyun (2010); Qin & Prybutok (2009); Voon (2001)

H3: Physical environment has a significant influence to customer satisfaction.

Ryu and Han (2010); Han et al. (2010); Han and Ryu (2009); Meng et al (2008); Kim (2008); Wall & Berry (2007)

H4: Price has a significant influence to customer satisfaction.

Sahari, Basir, & Jangga (2012); Voon (2011); Quin & Prybutok (2008); Andaleeb & Conway (2006)

2. RESEARCH METHODOLOGY

Research Design – Quantitative/descriptive method

Sampling Procedure – Random sampling; N=740 (average number of customers who actually eat per day); sample size determined by using Slovin's formula with a margin of error of .05.

Methods of Data Collection – Survey method; diners who were inside the fast food store at the time of distribution of questionnaires and have finished eating their meals; 260 distributed questionnaires – 10 questionnaires were discarded due to incomplete responses, 96% response rate

Analytical Procedures

- **SPSS software:** for construction of data set and statistical analyses
- **Internal consistency of constructs:** Cronbach's alpha (minimum of 0.70 is acceptable; higher value means higher reliability or consistency of questions)
- **Profile of respondents:** Frequency and percentage distributions
- **Level of satisfaction:** Means, standard deviations, and ranks
- **Relationships between CS dimensions and customer satisfaction:** Pearson correlation coefficient at .05 level of significance
- **Effects of CS factors to customer satisfaction:** Multivariate regression at .05 level of significance

Table 1 Range of Means and Verbal Interpretation

Weight	Range of Means	Verbal Interpretation
4	3.25 – 4.00	Strongly Agree
3	2.50 – 3.24	Agree
2	1.75 – 2.49	Disagree
1	1.00 – 1.74	Strongly Disagree

Table 2 Cronbach's Alpha Reliability Statistics

Dimensions of Customer Satisfaction	Cronbach's Alpha	Number of Items
Food Quality	.840	5
Service Quality	.857	5
Physical Environment	.788	5
Price	.841	5