YANGON UNIVERSITY OF ECONOMICS

DEPARTMENT OF MANAGEMENT STUDIES

MBA PROGRAMME

FACTORS INFLUENCING CUSTOMER SATISFACTION OF THE SPICY HOUSE RESTAURANT IN YANGON

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MBA II-12

MBA 23rd BATCH

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ACCEPTANCE

This is to certify that the thesis entitled **"Factors Influencing Customer Satisfaction of The Spicy House Restaurant in Yangon"** has been accepted by the Examination Board for awarding Master of Business Administration (MBA) degree.

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December, 2019

ABSTRACT

This study focuses on the factors influencing customer satisfaction and customer loyalty of The Spicy House restaurant in Yangon. The data are collected from 400 respondents who have dining experience at the restaurant. According to the result, food quality, perceived price and atmosphere have significant effect on customer satisfaction. It is also that customer satisfaction has effect on customer loyalty of The Spicy House restaurant in Yangon. Therefore, the study recommended that the restaurant owner needs to emphasize food quality, customer service, perceived price and atmosphere in order to gain customer satisfaction and loyal customers for their long term business success and profit.

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CHAPTER 1

INTRODUCTION

Consumer loyalty includes a beneficial outcome on association's benefit. Each business association's prosperity relies upon the fulfillment of the clients. At whatever point a business is preparing to start, clients consistently come "first" and afterward the benefit. Consumer loyalty is a pivotal piece of a business and fulfilled client by and large remains faithful longer. Reliability building requires the organization to center the estimation of its item and administrations and to show that it is intrigued to satisfy the longing or assemble the association with clients (Griffin, 2002). Client faithfulness is the quality of the association between person's relative point of view and re-support.. Consumer loyalty and client dedication are two columns for long haul accomplishment of each association.

These days, individuals are battling for their activity, training and get-togethers and would prefer not to give a lot of time to plan for their feast. They like to attempt new taste and availability without investing a lot of energy. Feasting out propensity is famous among individuals because of evolving way of life. In this way café industry is blasting and aggressive drastically. Seeing how to accomplish consumer loyalty and faithful clients is crucial part of getting long haul accomplishment for eatery proprietors. In this investigation, it is accepted that nourishment and drink quality, nourishment and refreshment assortment, client support, saw cost and air of the café are the free factors that influence consumer loyalty and afterward examinations the connection between consumer loyalty and client faithfulness. Besides, consumer loyalty and client faithfulness is imperative for long haul achievement of each business. Along these lines, this investigation centers around factors affecting the consumer loyalty and client dedication of The Spicy House café in Yangon.

1.1 Rationale of the Study

Consumer loyalty and reliability are fundamental for cutting edge business for two primary reasons. To begin with, purchaser is significant asset and holding old client is simpler than pulling in new client. Second, consumer loyalty and devotion affect the gainfulness incomes of each business (Rosenberg & Czepiel, 2017). Each entrepreneur is

keen on consumer loyalty numbers since analysts have demonstrated that fulfillment impacts unwaveringness and that a 5 percent expansion in client can deliver a benefit increment of 25 to 85 percent (Reichheld and Sasser, 1990). Fulfillment is fantastic factors in guaging the client intension to return to the restaurant (Choi and Chu, 2001). The higher the fulfillment is, the higher the possibility of client to return to. In the event that a consumer loyalty's is earned, at that point it is certain that client dedication will join it.

In Myanmar, the restaurant business has low obstructions to passage and appealing new business alternative. There is an unsaturated market in this industry as the interest at the present is persistently developing. Eateries become place in the business, social, scholarly and imaginative existence of a flourishing society. This industry size is at a tremendous pace and the fundamental issues in eateries are the manner by which to guarantee consumer loyalty so as to stay in presence and to keep on advancing. In addition, the need to make and hold client dedication has additionally been perceived as the most notable prerequisite for authoritative achievement in this focused market.

Industry patterns show that as present day living style makes more requests, individuals will be constrained to consume more suppers from home because of a bustling way of life. With changing business sector patterns, clients are presently getting progressively modern and requesting. Client directs showcase patterns and heading. Advertisers and proprietors need to burn through the entirety of their assets and endeavors to comprehend their clients better and give them the most ideal items and administrations. It is significant for restaurant proprietors to manufacture consumer loyalty and deciding the variables that influence consumer loyalty. In this way, this examination proposed what are the elements that impact consumer loyalty that prompts client unwaveringness of The Hot House restaurant in Yangon,

1.2 Objectives of the Study

There are two main objectives of the study. They are;

(1) To examine factors affecting on customer satisfaction of The Spicy House restaurant in Yangon.

(2) To analyze the effect of customer satisfaction on customer loyalty of The Spicy House restaurant in Yangon.

1.3 Scope and Method of the Study

This study focuses on factors affecting customer satisfaction of The Spicy House restaurant in Yangon. In this study, descriptive and regression analysis methods are used. Sampling method is simple random sampling and both primary and secondary data are used in this study. Primary data is collected from 400 respondents from Yangon area who have dining experiences from 7 branches of The Spicy House restaurant in Yangon by using structured questionnaire. However, only 380 questions are completed. Secondary data is obtained from the international research papers, journals, articles and reference text books.

1.4 Organization of the Study

This study is organized into five chapters. Chapter (1) is the introduction chapter which includes introduction of the paper, rationale of the study, objectives of the study, scope and method of the study and the organization of the study. Chapter (2) illustrates the theoretical background regarding to customer satisfaction, factors affecting customer satisfaction and customer loyalty. Chapter (3) consists of profile and services of The Spicy House in Yangon. In chapter (4), analysis on customer satisfaction and customer loyalty of The Spicy House in Yangon is included. Chapter (5) is the conclusion chapter which consists of findings and discussions, suggestions and recommendations and needs for further research of this study.

CHAPTER 2

THEORETICAL BACKGROUND

This chapter mainly presents about theoretical background of this study. In this chapter, theories and definitions of customer satisfaction, customer loyalty, factors affecting customer satisfaction and relationship between customer satisfaction and customer loyalty are included. Then, it is followed by the conceptual framework of the study.

2.1 Customer Satisfaction

Consumer satisfaction is the appraisal of clients towards the items or administrations of a brand and their enthusiastic responses with respect to the capacity of that brand in satisfying a portion of their needs and wants (Hansemark and Albinsson, 2004). Consumer satisfaction likewise joins learning the desire for the client on how the merchandise and enterprises are being encouraged by the associations. It is in general examination of the experience of the general buy and utilization with the great or administration after some time (Fornell, 1996). Kristensen et al. (2000) expressed consumer satisfaction is an evaluative reaction of the item buy and utilization experience coming about because of an examination of what we expected and what we got.

It might be an assessment either for the procedure of utilization or the aftereffect of the utilization. Consumer satisfaction is the outflow of in general point of view after the utilization conduct. Consumer satisfaction is delineated by one creator as the buyer's reaction to the investigation of the apparent inconsistency between past desires and genuine execution of item or administration (Tse & Peter, 1988), in this way considering fulfillment as the entire post-buy examination by the shopper (Fornell, 1992). A few creators said that there are no particular meaning of the fulfillment of buyer, and after their investigations of a few definitions they characterized consumer satisfaction as consumer satisfaction is distinguished by a reaction (psychological or full of feeling) that relates to a particular center (for example feeling while at the same time buying or

potentially the related item) and happens at post-buy and post-utilization (Giese and Cote, 2000).

Consumer satisfaction is a client input as assessment in the wake of buying a few products or administrations contrasted and client desires. Desires impact buyer fulfillment and the outcome be sure, negative or non-existent. Consumer satisfaction is a general assessment for the utilization experience of the client, each and every detail during the utilization procedure could cause fulfilled or disappointed inclination. Kotler (2000) expressed about fulfillment as individuals feel satisfied or frustrated an item's apparent exhibition (or result) in connection to their desires.

Perreault and McCarthy (2002) saw consumer satisfaction as the degree to which an organization satisfies the necessities, wants and desires for clients. (Rahman et al., 2012) characterized that buyer fulfillment depends on the feelings of joy, acknowledgment, help, joy, and joy. Clients will be fulfilled if the item or administration is above requests or desire. Then again, if the item or administration is beneath requests or desire, client will be disappointed (Schmitt, 2003). Consumer satisfaction works in a solitary way whereby a client contrasts your item and those of contenders to arrive at a choice.

Consumer satisfaction comprises of a few pointers, to be specific reliability, fulfillment; repurchase intrigue, little want to submit a question, the eagerness to prescribe the item and the notoriety of the organization (Kotler & Keller, 2012) what's more, (Nguyen and LeBlanc, 1998). Anderson (1994) contemplated that there is a positive connection between consumer loyalty and financial benefit for the organization. Fulfilled clients generally bounce back and purchase more. Other than purchasing more, they additionally fill in as another approach to arrive at other potential clients by sharing encounters (Hague & Hague, 2016).

Consumer loyalty is one of the most significant apparatuses for a long haul business. To hold great and since quite a while ago run client relations, the origination of consumer loyalty comes to help organizations since clients are probably going to change to different brands in a similar market when they are unsatisfied (Hussain, 2013). The essential point of each business is to oversee and expand the degree of the fulfillment of client in this period of focused business industry. In this competitive era, achieving customer satisfaction is a key strategic issue for organizations. According to Sabir et al.

(2014), client fulfills has become the most critical viewpoint in the field of business, on the grounds that fulfilled clients have noteworthy effect on the benefits of business. Gregory et al. (1997) communicated that living up to clients' desires strengthens restaurant's upper hand while contending with rivals. Purchaser fulfillment is the pointer of an association's presentation and long haul responsibility. Higher level of fulfillment can bring about financial returns, for example, rate of return, benefit, and piece of the overall industry (Anderson, 1994).

2.2 Factors Affecting Customer Satisfaction

Fulfillment is a disposition as a sort of consistency assessment between earlier desire and saw execution (Chen and Wang, 2009). Consumer loyalty is significant for each association to build client steadfastness and make a superior business accomplishment. The client's choice to pick restaurant depends on the capacity of that eatery the amount they convey a lovely consumer loyalty. The central thought of consumer loyalty is pointer of client's future buy goals.

There are various kinds of recognitions and desires for clients when they pick eatery to eat out. A few people who are procuring less will pick restaurants which offer reasonable nourishment quality with moderate cost be that as it may, for the individuals who are at more elevated level position or who gain appealing pay will consider client care and climate as a reality. This investigation just spotlights on elements, for example, food quality, customer service, perceived price and atmosphere.

2.2.1 Food Quality

The most basic piece of the whole restaurant condition is nourishment (Sulek & Hensley, 2004). There is a significant understanding among various researchers that nourishment quality assumes a significant job in deciding consumer satisfacton and faithfulness. Essentially, predominant nourishment quality as an advancing device that might be utilized to fulfill and hold clients and assurance their positive buy conduct. As per Ryu and Han (2010), nourishment quality was the most significant trait of generally speaking restaurant and is relied upon to have a positive association with consumer loyalty and dedication. Qin and Prybutok (2009) exhibited that there is an immediate and positive effect of nourishment quality on customer fulfillment..

Nature of nourishment like how it tastes, smell, freshness, appearance, size, shape, shading, shine, consistency, and surface assume a higher job in achieving or outperforming consumer loyalty and desire to return (Dollah et al, 2012). Ko and Su (2015) recognized security, cleanliness, culinary expressions and item character as nourishment quality. Ryu and Han (2010) found that clients saw nature of nourishment, for example, tasty, nutritious, and outwardly engaging, might be a significant indicator of purchaser fulfillment. Moreover, Lim and Fujimaru (2010), Shrewd (2013) and Liu and Jang (2009) uncovered that nourishment properties: nourishment taste, nourishment introduction, nourishment temperature and nourishment freshness were fundamentally related with clients' fulfillment.

Kivela (1999) saw that the introduction of nourishment might be a key nourishment trait in fulfillment and return to goal. Introduction, according to Namkung and Jang (2007) is a procedure to plate nourishment, enliven alluringly to accomplish engaging consideration of the purchaser to fulfill customer's impression of value. In nourishment administration organizations, the nourishment picked for show and deal by cooks is picked for shading and physical appearance qualities. These credits encourage to draw client consideration and later effect the decision on whether to buy or not. Visual offered nourishment produces clients' underlying impression of a nourishment administration business.

In addition, freshness, as per Shaharudin et al. (2011) has become one significant component of client acquiring expectations. It is on the grounds that the pattern is set nowadays that customer's search for new nourishments or food sources served in a new way which they find sterile. Essentially, Kivela et al. (2000) underlined the significance of giving sound food sources in restaurants and recommend that supporting nourishment is one of the fundamental angles for building purchaser fulfillment Nourishment quality is an indispensable one for any eatery, and thusly, it impacts consumer loyalty and future buy aim(Namkung & Jang, 2007).

Besides, Peri (2006) portrayed that nourishment quality is an indispensable fixing given by restaurants in order to satisfy the prerequisite and fulfillment of purchasers. Nourishment quality has expected as an important factor for the achievement of each eatery (Liu & Jang, 2009). Susskind & Chan (2000) found that nourishment quality was one among the various determinants of clients' assessments toward eating place.

Nourishment quality has been typically acknowledged as a primary factor impacting shopper fulfillment.

In investigations of both quick dinner eateries and Chinese restaurants, feast quality was positioned as one of the most significant determinants of a client's choice to come back to a given eatery (Pettijohn et al, 1997 and Qu, 1997). Pettijohn et al (1997) found that nourishment quality was the principal important measurement in essential fulfillment. Soriano's investigation (2002) referenced that nature of nourishment and freshness of fixings was the reason why clients return to restaurant.

2.2.2 Customer Service

Restaurants center nourishment as the primary item, yet in addition sell the administration conveyance of the representatives too (Canny, 2014). In the investigation of client desire factors, Soriano (2002) found that after nature of nourishment, nature of administration was positioned as the second most significant factor. Nature of administration has been indicated like one of the center properties that outcomes in shopper fulfillment. For example, Canny (2013) expressed that administration quality has completely effect on shopper fulfillment. Administration quality and shopper fulfillment is resolute factor especially in restaurant industry. Inkumsah (2011) included that nature of administration essentially influences buyer fulfillment. As such, administration quality can be resolved.

Administration quality relies upon two factors: the shopper's desires for the specific result and buyer's view of a definitive outcomes. Administration quality is delegate for the distinction between clients' evaluation of genuine help and their ideal assistance. Administration quality is considered as a multi-property build being the result of the examination between the client desires and their impression of the organization's activities (Parasuraman, et al.,1985). Components of administration quality are communication quality, physical condition quality, and result quality. These components are thus assessed dependent on explicit help quality measurements called SERVQUAL.

The SERVQUAL by Parasuraman, et al. (1988) measures administration quality gave to clients. SERVQUAL comprises of 5 help measurements: physical assets, dependableness, responsiveness, affirmation and compassion. These measurements are initially characterized by Parasuraman et al (1988).Gronroos (1984) also classified

service quality into technical quality (what the client is delivered) and functional quality which is concerned with psychological and behavioral aspects and the approach during which the service is delivered to the consumer through interaction and atmosphere. In all, service is outlined as intangible supply by one party to a different in exchange of cash for pleasure. The aim of providing services is to satisfy customers. Measuring service quality could dictate whether the services are convenient or not and the consumers met his expectation or not.

Service quality is vital for business and it has been the foremost effective means that of building a competitive position and increasing organizational performance. Also, Ryu & Han (2010) found that quality of service will increase customers' satisfaction level. Even products have some flaws, excellent service quality can often overshadow a negative experience with the product itself.

2.2.3 Perceived Price

Paying represents value for money (Yi, 1990). Price is significantly crucial factor for consumer satisfaction since customer will estimate the good or service and decides for any his purchase through charges. In term of consumer view, price is actually used as a signal in order to evaluate their experiences with the performance of goods or services.

In the selection of a product, price plays an important role. Price could be a worth or reward provided in exchange for satisfaction to the organization. Price and perceived consumer wants should be compatible. According to Zeithaml (1988), from the customer view, price is what is given up or sacrificed to obtain a product or service". Bei & Chiao (2001) indicated that the price is defined as what is given up or sacrificed to acquire a service or product. Price also determines a customer to decide on a purchase or not (Khan, 2011).

Price is crucial for consumer satisfaction because the price is the most prominent factor to help customer to estimate the good or service value. From consumer's viewpoint, price is an indicator to determine consumer experience with goods or price as a concept relates to customer satisfaction, which can be explained as "assessment of the outcomes compared to the fees paid by the consumers". Pricing is also a major strategic perceived price as indicators, such as the affordable price, the fair price, discounted price, competitor price, and price suitability.

As a rule, when the client buy an item or administrations, the principal thing they consider is the value, regardless of whether it is sufficiently modest or the value is fit with the estimation of the item from that the client will be fulfilled or not. In the other hand, cost have been known one of the most significant elements that create the relative preferences among firm and friends, it implies that when a particular item have lower cost and produce the equivalent or nearly a similar worth or quality to client, clients are bound to buy the less expensive one.

Moreover evaluating influences benefit, volume and portion of the market and customer discernments. Cost is the measure of money that a client is happy to trade for a help or item (Kotler & Amstrong, 2010). Clients, in this manner, are progressively disposed to put together their buy choice with respect to value factor than on whatever else (Khan, 2011). As per Skindaras (2009), as proposed by Saad Andaleeb and Conway (2006), the style of the restaurant additionally impacts the expense or cost related with the eatery. Astounding assistance and product quality causes clients enough to realize cost related with the restaurant evaluations of whether the offered cost of an item or administration of a dealer is extremely sensible, can be acknowledged or legitimized.

Especially, clients are probably going to depend on different reference sources to improve decisions, for example, cost of merchandise sold, past costs, and opponents costs when assessing value reasonableness so as to frame correlations (Bolton et al, 2003). For example, clients do benchmarks or reference costs from multiple points of view: reviewing past exchanges, viewing at contenders costs, merchandiser costs, or through insightful the costs paid by different clients (Briesch et al, 1997). As per Anderson et al (1994), the expenses of an item or administration will affect the level of fulfillment among clients. Cost could be a significant issue behind fulfillment and item reliability in light of the fact that a client cautiously sees on the off chance that he is getting the most profit by the item against his spending on item or administration.

Value impacts extensively on client's goal to buy and decides to repurchase an item (Kotler et al., 2008). The choice of valuing an item relies upon purcahsing intensity of client, cost of item and cost of item conveyance (Parasuraman and Grewal, 2000). In this manner, specialist organization must focus on value charges that will impact the buy goal of the reasonableness of the cost will impact the view of the clients and it at last will impact their readiness to become a customer. Price fairness also has a significant positive effect on customer satisfaction.

2.2.4 Atmosphere

Other than the quality if nourishment and administration, air additionally impacts the fulfillment of shopper. The significance of physical environment impact customer conduct is particularly appropriate (Ryu & Jang, 2008). The present world, the facts confirm that people like to have suppers outside more much of the time. A lot of studies have recommended that it is important to make the mood progressively lovely and inventive to guarantee the accomplishment of an organization. A lovely setting assumes a significant job in persuading the clients to buy and it likewise gets extra benefits (Ryu and Jang 2006). The suitable environment will make the nourishment, administration quality and whole eating experience have all the earmarks of being better (Raman and Chinniah, 2011).

With the exceptional change in the eating out pattern clients search for more than the nature of nourishment in an eatery. They anticipate that restaurants should give them the atmosphere of solace, quality and exclusive expectation (Horng et al., 2013). It the shopper doesn't comfort at eating in the eatery then they won't return to, the staff needs to make an assistance that fulfills the enthusiastic, mental and intellectual needs of the clients (Lin 2010).

The climate factor of an eatery incorporates the encompassing prompts, meaningful gestures and configuration signs (Baker, 1987). The surrounding signs include the whole mood that the restaurant have, the plan signals comprises of the stylistic layout and inside structure of an eatery and the meaningful gestures incorporates appearance of the eatery staff, adding more to the restaurant's quality and status. For the exploration, the emphasis was principally on the components which make up the surrounding signal which are tidiness of the eatery and the fragrance that waits out of sight and gives a positive mood to the buyer (Bohl, 2012).

An investigation directed by Ha and Jang (2010) finished up the outcomes that when clients see a restaurant to be of top notch, they are having a tendency to be progressively fulfilled by their administration and have more odds of returning to the spot. The climate inside a restaurant has an immediate association with the manner in which a client sees an eatery. Spatial format of an eatery is a significant factor to consider by the restaurant business. The way in which the furniture of the restaurant is

orchestrated, their separation and their sizes all goes under the classification of spatial format.

The eating out pattern have affected restaurateur to place extraordinary accentuation in their inside and make an all the more relieving condition for clients Atmosphere is another angle where a restaurant can manufacture its upper hand. Ryu and Han (2010) found that environment including appealing inside plan, charming music, air and lighting is a critical indicator of consumer loyalty. Air comprises of agreeable inside style, wonderful music, lighting, cleanness of feasting territory and office design and these are indicators of consumer loyalty.

The plan of the feasting setting, complex format, shading plan, surfaces additionally produce the air. Choi and Chu (2001) featured that the components of air incorporate feel, the environment, usefulness, and comfort. In this way, climate impacts on keeping up existing clients and drawing in new ones. Besides, a well-planned physical setting is considered to be essential for affecting customers pre-buy choices and their post-buy conduct (Bitner M. J., 1992).

2.3 Customer Loyalty

Client steadfastness is a client's commitment with an association and want to keep working with an association (Zineldin, 2006). Fulfillment is an underlying stage in the client's reaction to an organization's offering while reliability is the accompanying stage in such a reaction (Torres-Moraga et al, 2008). Client unwaveringness is the client's certain inclination and positive practices toward an organization or brand (Hayes, 2013).

Client reliability is that customers keep on picking the item well beyond than the rivals in the commercial center, which end up in rehash buy (Szymigin and Carrigan, 2001). Unwaveringness implies that a purchaser wants to purchase an item or administration contrast and its rival. Client unwaveringness isn't just a continuing buying conduct, yet in addition a high caliber of tendency. It is a blend of tendency and continuing purchasing conduct. It shows very trust to the item or administration, likewise the conviction for the undertaking and its item or administration.

Client reliability is worked after some time over various exchanges. Generally in writing, unwaveringness is seen as a different develop comprising of three measurements which measure client steadfastness: conduct dedication, attitudinal reliability, and psychological faithfulness. Conduct reliability is deciphered as the kind of client conduct, for example, rehash or consistent acquiring from a similar provider or the demonstration of proposal (Yi, 1990). Attitudinal steadfastness is expressed by Fournier and Yao (1997) as emotions that make a general connection to an item, administration, or association. Gremler and Brown (1996) expressed that attitudinal devotion is accomplished when the client is profoundly perceived and fulfilled for the conviction, conduct and vision impression of the venture. It incorporates goals for re-buy and the spreading of positive informal exchange about an item or administration so the client may enable the organization to promote its item or administration decidedly. Subjective element of dependability can be characterized as the "primary decision" of a client among choices or as the principal brand, store or provider that surfaces to client's mind when they settle on a buy choice (Ostrowski et al., 1993).

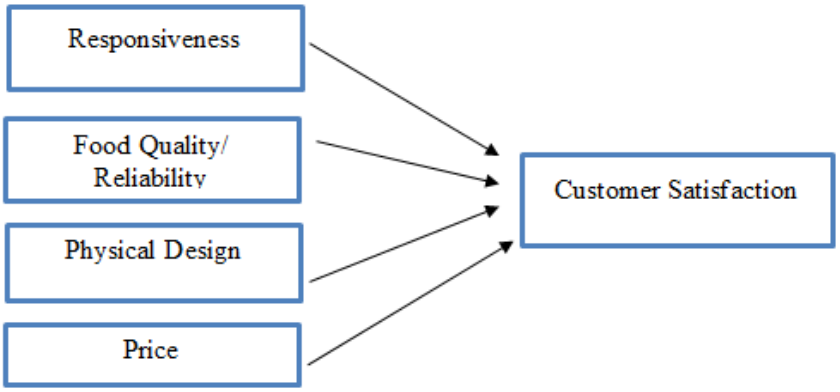
Speculation to faithful clients carries points of interest to the business, for example, developing viability and benefit of the business the costs to increase another client is substantially more than holding existing one. In this way, keeping a devoted base of clients is a lot of beneficial for an organization than pulling in new clients. (Thomas & Tobe, 2013) underlined that "dedication is progressively gainful." Loyal clients will likewise help advance the brand. (Raman, 1999) expressed steadfast clients fill in as an incredible showcasing power by giving proposals and spreading positive informal; those organization like exercises are the best accessible promoting an organization can get.

The advantages of dedication include: cost investment funds, referrals, grumble as opposed to desert, channel movement, independent mindfulness and more noteworthy attention to mark resources. Client steadfastness alludes to the impacts of value, value, administration and numerous important elements, these components can make force sentiments on certain item or administration with the goal that the item or administration become inclination. Steadfast clients are the most upper hand of an undertaking.

2.4 Empirical Studies

This study mainly based on two previous research papers. The first previous paper is researched by Saad Andaleeb & Conway (2006). This paper is about customer satisfaction in the restaurant industry. In the previous research framework, the independent variables are responsiveness, food quality/reliability, physical design and price then dependent variable is customer satisfaction. The conceptual model of this previous research paper was illustrated in Figure (2.1).

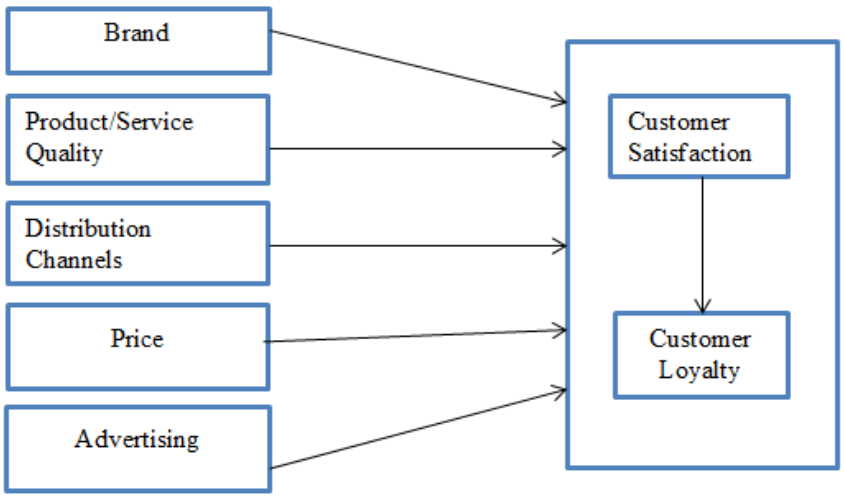
Figure 2.1 Conceptual Framework by Saad Andaleeb & Conway



Source: Saad Andaleeb & Conway (2006)

The result of this previous research revealed that this modified model explains customer satisfaction in the restaurant industry reasonably well. There is no significant impact on physical design towards customer satisfaction. Other factors such as responsiveness, food quality (or reliability) and price have significantly relationship with customer satisfaction. Responsiveness has the greatest impact on customer satisfaction. Price and food quality (or reliability) is significant, having an effect on the satisfaction of the consumer.

Figure (2.2) Conceptual Framework by Nuseir & Madanat



Source: Nuseir & Madanat (2015)

The conceptual model of second research paper was developed by Nuseir & Madanat (2015). The research was conducted on an empirical study of marketing mix strategy on customer satisfaction and loyalty. In the research framework, the independent variables are brand, product or service quality, distribution channels, price and advertising then mediating variable is customer satisfaction and dependent variable is customer loyalty. The conceptual model of this previous research paper was illustrated in Figure (2.2).

The result of this previous paper shows that brand, product or service quality, distribution channels, price and advertising have positive significant relationship with the customer satisfaction and loyalty. Moreover, the customer satisfaction has positive significant relationship with customer loyalty.

2.5 Conceptual Framework of the Study

After the overview of the factors that effects customer satisfaction, the conceptual framework is developed. The conceptual framework of the study is shown in Figure (2.3).

Figure 2.3 Conceptual Framework of the Study

The conceptual framework demonstrates how the study is performed to evaluate the effect of customer satisfaction on customer loyalty of The Spicy House restaurant in Yangon.

In this conceptual framework, factors affecting customer satisfaction of The Spicy House – in terms of food quality, customer service, perceived price and atmosphere – are the key factors that create customer satisfaction towards customer loyalty. Factors such as food quality, customer service, perceived price and atmosphere are the main independent variable to study. Dependent variable to study is customer satisfaction. Therefore, this study investigates whether customer satisfaction is associated with customer loyalty of The Spicy House restaurant in Yangon.

CHAPTER 3

PROFILE AND SERVICES OF THE SPICY HOUSE RESTAURANT IN YANGON

This chapter is arranged into three sections. The first part introduces about Profile of The Spicy House restaurant and services provided by that restaurant. In second section, research design and reliability analysis are presented. The third one examines the demographic factors of respondents and is showed with number of respondents and percentage.

3.1 Profile of The Spicy House Restaurant

The Spicy House is the mala fragrance pot and Chinese dining restaurant. It introduced Mala Xian Guao taste to Yangon citizens and it is still popular among people in Yangon. Their main menu is Mala Xian Guao and other Chinese cuisine is also available. Mala Xian Guao is a stir-fried Sichuan hotpot of multiple ingredients cooked twice with strong complex mala flavors. The Spicy House restaurant has many branches than other mala fragrance pot and Chinese dining restaurant in Yangon.

The first restaurant of The Spicy House is established at Hledan Centre in Yangon in 2016. Then, two branches are also opened in Junction Mawtin and Matketplace by City Mart (6.5 miles) in 2016. Junction Square Secret Garden and St.John City Mall branches are opened in 2017. The sixth branch of that restaurant is opened at food city in Myanmar Plaza in 2017. Latest new outlet of that restaurant is opened in Myay Ni Gone City Mart in 2018. Currently, there are seven outlets and all are located in shopping malls, supermarket and popular places in Yangon.

3.2 Services Provided by The Spicy House Restaurant

The Spicy House restaurant can be assumed as market leader of the mala fragrance pot and Chinese dining restaurant in Yangon. The restaurant becomes famous among Yangon people. Whenever new outlet is launching, there is always successful. In

restaurant industry, food quality, customer service, perceived price and atmosphere are important.

Food Quality

Food quality is important element for the restaurant as one of the reasons why people eat out is to have delicious food. The Spicy House restaurant offers different taste of serving style: dry and soup based, level of spiciness such as non-spicy, mild, medium and high. The end result is a blend of numbing, spicy and wet/dry fragrant tastes in one plate-pleasing shot. They store meat, seafood, vegetables and other ingredients according to their different required temperature. In order to be fresh and delicious, immediate cooked food and meal with appropriate temperature are always served to customers.

Customer Service

When customers need help with choice of menu items and taste, the restaurant staffs who have good knowledge about food explain customers well. The restaurant staffs handle customers' complaints and inconvenient matters in effective and efficient way. They perform right service with individual attention to customers: restaurant staffs serve food exactly as customers order, waiting time is reasonable and providing quick and prompt service. There are not only one time use chopsticks and clean and hygienic dining accessories also clean dining area and restrooms

Perceived Price

The Spicy House restaurant offers set menu with fixed price and a la carte menu for Mala Xian Guao. In set menu, charges are different according to food items such as chicken, pork and seafood. For a la carte menu, the recipe has several options based on customers' preferences. Customers can choose ingredients as they prefer but it is not a buffet system. The cost depends on the weight of the food according to customer choice. They defined the price in gram for each type of thing. They measure the total weight you take and they will charge. Moreover, There is opening discount for new launch, seasonal promotion, membership cards and discount for anniversary for customers.

Atmosphere

Since all outlets of The Spicy House restaurant is located in shopping malls and supermarkets, there is enough parking spaces. Those places are near bus stop so customer can easily get there. The ambience of the restaurant reflects Chinese heritage and culture.

The lighting and music are enjoyable and are adjusted to appropriate level. Air quality and the scent of the restaurant make customers comfortable. Spatial layout between each dining table is proper and convenient for customers. There is separate kitchen in the restaurant so customers cannot hear some background noises form kitchen.

3.3 Research Design

This study aims to examine influencing factors on customer satisfaction and to analyze the effect of customer satisfaction on customer loyalty of The Spicy House restaurant in Yangon. To achieve these objectives, both primary and secondary data are used in this study. To get the primary data, Raosoft sample size calculation method is used to determine to get the sample size. As a result, 400 respondents from Yangon area who have dining experiences from 7 branches of The Spicy House restaurant in Yangon by using structured questionnaire. However, only 380 questions are completed. The respondents are chosen by simple random sampling method. Secondary data is obtained from the international research papers, journals, articles and reference text books.

After the survey data were collected, these results will be entered in SPSS to analyze the results and test the reliability analysis. Descriptive research method and regression analysis were also used to analyze the data. Descriptive research method is aim to describe characteristics of consumers, to estimate a percentage in a specific population that has a certain form of behavior, and to count frequency in consumer behavior.

A structured questionnaire set is developed by combining instruments of the different variables. The questionnaires were divided into three parts. The first part of the questionnaire was measured the demographic factors of the respondents. The second part was measured factor influencing customer satisfaction. The third part was measured the effect of customer satisfaction on customer loyalty of The Spicy House restaurant in Yangon.

3.4 Reliability Analysis

Reliability was undertaken in order to test the internal consistency of the variables in the questionnaire. Cronbach's alpha is a measure of internal reliability of the questionnaire. Cronbach's alpha was selected to conduct the reliability test, as it is the

most common tool for internal consistency reliability coefficient in particular psychometric measurement. The reliability test is a process of measuring the consistency or repeatability of the scale. Cronbach's alpha test to see if multiple question Likert scale surveys are reliable. These questions measure latent variables – hidden or unobservablevariables like: a person's conscientiousness, or openness. Cronbach's alpha will test if the test is accurately measuring the variable of interest.

Table (3.1) Reliability Analysis

Category	Cronbach's Alpha	Number of Items
Food Quality	0.810	7
Customer Service	0.847	8
Perceived Price	0.875	6
Atmosphere	0.870	7
Customer Satisfaction	0.930	7
Customer Loyalty	0.948	7

Cronbach's Alpha is very important and the range of Cronbach's Alpha should become from 0.1 to 10, but for research purpose, some researcher suggested that the minimum standard for reliability should be 0.7 or higher. Table (3.1) showed that the Cronbach's Alpha of all the factors more than 0.7. Therefore, it can be interpreted that overall items of questionnaires have accomplished with consistency and stability.

3.5 Demographic Factors of Respondents

According to the survey data, the respondent's personal (demographic) factors are classified into five categories such as gender, age, education, occupation and income level. All of these items are discussed in the table as follow. The data are presented in form of number and percentages of respondents as below.

Table (3.2) Demographic Factors of Respondents

No	Demographic Factors	Description	No. of Respondent	Percentage (%)
1.	Gender	Male	65	17.11
		Female	315	82.89
2.	Age (Years)	Under 21	25	6.58
		21 - 30	309	81.32
		31 - 40	36	9.47
		41 and above	11	2.89
3.	Level of Education	Under Graduate	46	12.11
		Bachelor Degree	215	56.58
		Master Degree	83	21.84
		Others	36	9.47
4.	Occupation	Student	64	16.84
		Dependent	19	5.00
		Public Sector	25	6.58
		Private Sector	221	58.16
		Own Business	51	13.42
5.	Income	Under 200,000 Kyats	45	11.84
		200,000 – 399,999 Kyats	102	26.84
		400,000 – 599,999 Kyats	87	22.89
		600,000 Kyats and Above	146	38.42
Total			380	100.00

According to the Table (3.2), there are 380 respondents and the majority of respondents are female. Each branch of The Spicy House restaurant is located in shopping center or super market and most of the female like to go shopping and visit to shopping center or super market than male. For that reason, participation of female was higher than the participation of male in this survey. Among them, the age group of 21 – 30 is mostly participated. Therefore, it can be verified that most people of that enjoy eating out The Spicy House restaurant.

With relation to the level of education, more than half of the respondents are bachelor degree holder. The minority consumers' education levels are Ph.D., diploma and certificate. For the occupation information, the majority respondents are salaried workers from private sector. It can be assumed that most of the respondents are bachelor degree holder who earns attractive salaries than other respondents. Moreover, the respondents who earn 600,000 kyats and above are the highest group in this survey so it is said that they spend money to eat out at the restaurant than other respondents.

CHAPTER 4

ANALYSIS ON CUSTOMER SATISFACTION AND CUSTOMER LOYALTY OF THE SPICY HOUSE RESTAURANT

In this chapter, the analysis on factors affecting customer satisfaction and the relationship between customer satisfaction and customer loyalty of The Spicy House restaurant in Yangon is described. The first section analyzes the factors that affect the customer satisfaction and is presented with mean scores and standard deviation is presented based on findings. Multiple regression analysis was conducted and the results are conducted.

4.1 Customer Perception on Services Provided by The Spicy House Restaurant

For this section, the customer satisfaction is used to identify by four different factors; food quality, customer service, perceived price and atmosphere. The results are shown in the following tables including the mean and standard deviation scores.

4.1.1 Food Quality

The following Table (4.1) shows the mean value and standard deviation of perception of respondents towards food quality of The Spicy House restaurant. In food quality category, there are seven questions to analyze. The mean values and standard deviation of each and overall mean are shown as follow.

Table (4.1) Food Quality

Sr.No	Items	Mean	Standard Deviation
1.	Taste of food	3.98	0.72
2.	Freshness of food	3.89	0.75
3.	Presentation of food	3.65	0.92
4.	Odor of food	3.80	0.74
5.	Temperature of food	3.69	0.52
6.	Variety of menu	3.60	0.73
7.	Portion of food	3.51	0.92
	Overall Mean	3.73	

By this Table, most customers like the taste of food provided by The Spicy House restaurant. Whenever eating out, customers want to eat food which is tasty and worth to spend money and time. Customers are also careful about freshness of food since they have health conscious nowadays. Odour of food can attract customers as it persuades their appetites. It should suit with food name and make customer feel fresh and tasty.

Customers prefer food which has suitable temperature. Some food items should be immediate cooked after they are ordered so that customers can have fresh and delicious food. Sometimes, customers' first impression comes from how food is presented. It should be visually appealing and well prepared. However, varieties of menu item and food portion are not attracted to customers like other factors.

4.1.2 Customer Service

Table (4.2) presents respondents' perceptions towards customer service of The Spicy House restaurant. In customer service category, eight questionnaires are included. The results are shown as below.

Table (4.2) Customer Service

Sr.No	Items	Mean	Standard Deviation
1.	Willingness to help customer	3.27	0.80
2.	Individual attention to customers	3.92	0.78
3.	Correct and complete food order	3.59	0.83
4.	Friendly and polite staff	3.35	0.74
5.	Staff who has food knowledge	3.30	0.76
6.	Sympathetic handling of complaints	3.28	0.77
7.	Quick and prompt service	3.51	0.83
8.	Nice and clean dining accessories and area	3.64	0.83
	Overall Mean	3.40	

According to this Table, customers are delighted when they are paid individual attention. Such behavior of staff makes customers feel as if they are important visitors of this restaurant and can get customers' good impressions. Customers prefer to have food at neat and tidy dining area and to use good quality dining accessories. That fact proves that this restaurant pays attention to create hygienic area for their customers and willing them to use good quality of dining accessories

Customers feel satisfy about getting exactly what they order it may be taste, items of ingredients, portion and etc. Customers can be disappointed having food which is not the same as they order. Moreover, customers want quick and prompt service. Since nobody likes to wait to be served, that kind of service is one of the most important in restaurant industry. Other factors are not much important for customers of The Spicy House restaurant.

4.1.3 Perceived Price

Table (4.3) describes perception of respondents towards perceived price of The Spicy House restaurant. In this table, there are six questions and the results are shown as below.

Table (4.3) Perceived Price

Sr.No	Items	Mean	Standard Deviation
1.	Offering best possible price plan	3.27	0.80
2.	Meeting price value with food	3.92	0.78
3.	Economical price	3.28	0.77
4.	Offering superior pricing options	3.38	0.74
5.	Costs which seem appropriate for what I get	3.34	0.76
6.	Reasonable price	3.63	0.83
	Overall Mean	3.47	

As shown in Table (4.3), the respondents agree with all of the statements of price and all of the mean value is more than 3. The highest mean value is about price value with food quality which indicates that consumers assume that food quality meets the price value. Reasonable price has the second largest mean score. It can be said that the price of food provided by The Spicy House restaurant is reasonable for their customers.

The third largest score comes from offering superior pricing options. Consumers like to choose suitable meal among options according to charges of food, portion and items of ingredients. Food and service which they are served match with price is also important for consumers. However, customers are less interest on other factors. The possible reason is that whenever price value meets food, consumes can revisit the restaurant.

4.1.4 Atmosphere

To analyze the atmosphere of The Spicy House restaurant, respondents are addressed survey with six different questions. The results are calculated in following Table (4.4).

Table (4.4) Atmosphere

Sr.No	Items	Mean	Standard Deviation
1.	Relaxed atmosphere	3.46	0.76
2.	The appearance of restaurant	3.43	0.77
3.	The appearance of restaurant's staff	3.41	0.85
4.	Air quality of restaurant	3.69	0.76
5.	Lighting and music	3.32	0.84
6.	Interior design and decoration	3.58	0.85
7.	Seating arrangement	3.37	0.89
	Overall Mean	3.45	

According to Table (4.4), customers enjoy air quality of The Spicy House restaurant. Customers pay attention to air conditioning and ventilation system of the restaurant. Good air conditioning system can purify the air inside the restaurant. It is also one of the reasons to create the restaurant as a pleasant surrounding for customers. Good ventilation system can prevent too much smell of food and others may be from other people and surroundings.

According to second largest mean value of interior design and decoration, consumers are more concerned about improving their life quality and enjoy having meal at restaurant which has attractive interior design and well decorated one. Customers are willing to have meal at comfortable and relaxed environment as they want pleasant environment whenever having meal in the restaurant. Some other factors like the appearances of restaurant and staff, lighting and music and seating are moderately important for customers.

4.1.5 Customer Satisfaction

Five survey questions are used to analyze how respondents perceive toward customer satisfaction of The Spicy House restaurant. The results from analysis on customer satisfaction are shown in Table (4.5).

Table (4.5) Customer Satisfaction

Sr.No	Items	Mean	Standard Deviation
1.	Meeting with expectation	3.43	0.72
2.	Good decision to eat out at this restaurant	3.69	0.94
3.	Enjoying myself at this restaurant	3.26	0.83
4.	Nice place to have meal	3.34	0.95
5.	Feeling pleased to visit this restaurant	3.23	0.84
6.	Providing good value	3.54	0.89
7.	Engaging continuous improvement	3.52	0.74
	Overall Mean	3.43	

The result of largest mean value shows that in terms of customer satisfaction, respondents felt choosing to eat out at The Spicy House restaurant was a good decision for them since they definitely got pleasant experience from that. According to second largest mean value, customers assumed the restaurant provided good value of food, customer service, price or environment to customers while they are visiting there.

Then, customers feel satisfy about engaging continuous improvement since it makes customer feels current dining experience at the restaurant is better than last dining experience. It can be assumed that restaurant providers are focusing improvement progress to achieve customer satisfaction. By looking the result of the mean value which indicates whether customers met with expectation, customers realized that restaurant performance always meet their expectation.

4.1.6 Customer Loyalty

This section describes customer loyalty of respondents were surveyed by asking the following questions which are described by the Table (4.6).

Table (4.6) Customer Loyalty

Sr.No	Items	Mean	Standard Deviation
1.	Positive word of mouth	3.57	0.83
2.	Willingness to recommend	3.51	0.81
3.	Willingness to visit in the future	3.35	0.84
4.	Preference of this restaurant than others	3.64	0.98
5.	First choice to eat out	3.39	0.88
6.	Willingness to encourage family and friends to visit	3.37	0.86
7.	Positive feeling about this restaurant	3.49	0.87
	Overall Mean	3.47	

According to largest mean value, customers prefer The Spicy House restaurant to other restaurants. Although there are so many choices for them, they will not switch to other brands and still visit this restaurant. The second largest mean value of positive word of mouth means that consumers spread only good things about the restaurant. Even it may have some kinds of flaws; they could neglect or did not recognize them.

The mean value of willingness to recommend to others indicates that whenever customers satisfy about the restaurant, they want to share that kind of dining experience and recommend to others who seek their opinions and advice. The mean score of customer's positive feeling about the restaurant can be said that every time they visit the restaurant, they get positive feeling on dining experience.

4.2 Analysis on Affecting Factors on Customer Satisfaction

In this study, Linear Regression Model is applied to analyze the effect of influencing factors on customer satisfaction. The results from generating this model are shown in Table (4.7).

Table (4.7) Affecting Factors on Customer Satisfaction

Independent Variables	Unstandardized		Standardized	t	Sig.	VIF
	B	Std.	(Beta)			
(constant)	0.292	0.287		1.016	0.311	
Food Quality	0.219***	0.061	0.203	3.600	0.000	1.248
Customer Service	0.168*	0.091	0.121	1.843	0.067	1.706
Perceived Price	0.444***	0.057	0.443	7.836	0.000	1.257
Atmosphere	0.260***	0.075	0.208	3.460	0.001	1.420
R	0.710					
R Square	0.504					
Adjusted R Square	0.494					
Durbin-Watson	1.654					
F	49.516***					

According to the results shown in the Table (4.7), the results indicate that food quality of The Spicy House restaurant has positively significant relationship with customer satisfaction. There is different taste of serving styles such as dry or soup based and level of spiciness so customers can have different taste of food as they prefer. Ingredients of food are kept at required different temperature in order to have fresh and hygienic. The food is immediate cooked once customer orders are received so fresh food can be served at appropriate temperature to customers. There is variety of items: meat, seafood, vegetables, other cuisines, side dish and drinks so consumers can choose ingredients and food items as they wish.

The results also indicate that customer service of The Spicy House restaurant has positively significant effect on customer satisfaction. The staffs treat customers with friendly and polite behavior. Whenever the customers want to know about menu or ask to recommend some kind of food, they can explain customers about menu items with good knowledge about food. They are always ready to serve customers and give customers individual attention. If there is some kind of complaints from customers they can handle it with sympathy. They are always careful about customer orders to be correct and

complete. Restaurant staffs always concern about dining area and utensils so customers can have meal at clean and nice dining area.

Perceived price of The Spicy House restaurant has positively significant effect on customer satisfaction. Customers are provided superior pricing options compared to other restaurant. The restaurant offers set menu and a la carte menu which cost is upon the weight of the ingredient items of food. Charges of ingredients are classified by items such as meat, seafood, vegetables and side dish. So customers can choose food according to their preferences and budget. Reasonable price and price value which meets food value can draw customer attention and can increase customer satisfaction.

Atmosphere of The Spicy House restaurant has positively significant effect on customer satisfaction. Customers like good dining space and it has positive effect on customer satisfaction. Every branch of The Spicy House restaurant is located at convenient locations like shopping center or supermarket so customers can get there easily. Moreover, there are enough parking spaces. There is relaxed and comfortable environment for customers as room temperature is set at appropriate temperature according to weather and population inside the restaurant. Seating arrangement is comfortable for every customer to dine in this restaurant. Lighting and music are enjoyable and are adjusted to appropriate level.

Moreover, the level of affecting factors such as food quality, customer service, perceived price and atmosphere reported by respondents and the level of customer satisfaction are correlated. The specified model could explain very well about the variation of customer satisfaction of the respondents.

4.3 Analysis on Effect of Customer Satisfaction on Their Loyalty of The Spicy House Restaurant

In order to find out the effect of customer satisfaction on customer loyalty, linear regression model is used to analyze the findings of survey collected from the respondents. The result for the effect of customer satisfaction on customer loyalty is shown in the Table (4.8).

Table (4.8) Effect of Customer Satisfaction on Their Loyalty

Independent Variables	Unstandardized		Standardized	t	Sig.	VIF
	B	Std.	(Beta)			
(constant)	0.52	0.161		0.325	0.746	
Customer satisfaction	0.973***	0.048	0.824	20.457	0.000	1.000
R	0.824					
R Square	0.679					
Adjusted R Square	0.677					
Durbin-Watson	1.833					
F	418.497***					

According to the results shown in the Table (4.8), the result indicates that customer satisfaction has positively significant effect on customer loyalty of The Spicy House restaurant in Yangon. Customers always meet their expectation when they eat out at this restaurant. Whenever they are having meal at this restaurant, they feel as if their decision of choosing The Spicy House restaurant is always a good decision for them. Then, they really enjoy themselves while having meal at The Spicy House restaurant and like to visit this restaurant. Customers have certain feelings that this restaurant provides them good value of food, service, money and environment. Moreover, customers always believe that their present dining experience is better than previous one.

The results show that customer satisfaction significantly affects customer loyalty. The increase in customer satisfaction will lead to customer loyalty. According to the result, customer satisfaction is significant. From the survey findings, customer satisfaction could significantly raise the customer loyalty of the The Spicy House restaurant in Yangon. Moreover, the level of customer satisfaction of The Spicy House restaurant and their loyalty are correlated. The specified model could explain very well about the variation of customer loyalty of the respondents.

CHAPTER 5

CONCLUSION

This study focuses the affecting factors of customer satisfaction of The Spicy House restaurant and analyzes the effect of customer satisfaction on customer loyalty of The Spicy House restaurant in Yangon. This chapter discusses the conclusion of findings and discussions, suggestions and recommendations for the future improvements and needs for further research.

5.1 Findings and Discussions

According to the survey data result, the majority of the customers of The Spicy House restaurant in Yangon are female. Middle aged people are the most consume population from The Spicy House restaurant in Yangon. Then, Bachelor degree holders whose occupation are salaried workers with attractive salaries and customers who have highest income level are the majority population of the consumers of The Spicy House restaurant in Yangon.

According to survey data result of food quality, tasty food and containing fresh ingredients of the meal are the most affecting factors to attain customer satisfaction and loyalty. One of the reasons why people eat out is to try delicious food outside. When offering food is delicious, customers think that it is worth to spend their time and money on that kind of food. Then, freshness of ingredients of food can increase customer satisfaction and loyalty since people prefer to have hygienic food which can help to improve their health.

As per result of service quality, the most important factors to get customer satisfaction are staff's individual attention to each customer, good quality of dining accessories and clean dining area and quick and prompt service. When people are served promised service with attentive care by restaurant staff at perfect dining room with good quality of dining facilities. It is sure that customers will be definitely pleased. In fact that, increasing that kind of service factors can lead to customer satisfaction and loyalty.

The research findings indicates that the value for money when it has to pay for food make customer satisfaction. As per data result, most of the customers satisfy when

they get food quality that is worth to pay their value of money. The more amount of money they spend, the better food quality they are willing to get as a return. Reasonable price and having choices for price options are also important factors for customer satisfaction.

In the result of atmosphere of restaurant, the most affecting factor for customer satisfaction is air quality of the restaurant. Good air conditioning and ventilation condition makes customer comfortable and relaxed while having meal at restaurant. Enjoyable interior design and decoration, neat and tidy appearance of restaurant and staff can make customers satisfied. It can give customer different dining experience at different dining area.

According to the regression analysis, the most affecting factors on customers satisfaction are food quality and perceived price Then, atmosphere as second and customer service is least influencing factors on customer satisfaction of The Spicy House restaurant in Yangon. Customers feel satisfy that choosing this restaurant to eat out is a good decision for them, restaurant provide good value to them. Moreover, respondents prefer The Spicy House restaurant compared to other similar restaurants and spread positive things about that restaurant. To be concluded that there is effect of customer satisfaction on customer loyalty of The Spicy House restaurant in Yangon according to this study.

5.2 Suggestions and Recommendations

According to the analysis, it can be assumed that food quality and perceived price have high significant impact on customer satisfaction and loyalty of The Spicy House restaurant in Yangon. So the restaurant manager should focuses on food quality especially taste of food, freshness ingredients of food, how food is well prepared and decorated, odor of food which stimulates our appetite, serving temperature of food, variety of menu items and portion of food.

The manager should manage to get consistent or better taste of food, fresh ingredients for meal with affordable price and they have to be real one. He should know how to decorate food in attractive and creative way and to have good smell of food. Then, he should notice the serving temperature of food as some food should be immediate

cooked just before to send to customer's dining table. Alternate menu items and portion size of food are also noticeable for restaurant manager.

As for perceived price, it should be remembered that price is important to achieve customer satisfaction. The restaurant manager should set price value which is worth to pay for the food which he serves. Price value should meet with quality of food, provided service or restaurant environment. He should notice whether his offering price is possible for customers or not. He also knows that the restaurant's pricing options is superior to others or not. Besides, he manages that cost and price should be reasonable for customers.

This research indicates that customer service has also positive effect on customer satisfaction and loyalty of The Spicy House restaurant. The restaurant staff should give customers individual attention, deal with customers in a caring style, and understand what customer needs. The restaurant manager should arrange convenient operation hours, visually appealing facilities and materials associated with the service for customers.

The manager should manage whether staffs wear neat and tidy uniform or clothes, and perform their duties well or not. Besides, the staff should provide correct and complete food order and perform services right at the first time. The restaurant staff should provide quick and prompt service, be always ready to respond to customer's request and have willingness to help customer. Moreover, the staff should have food knowledge about their restaurant and solve customers' complaints in effective and efficient way. If necessary, there should be training program about customer service for the restaurant staff.

As data analysis, atmosphere of the restaurant positively effect on customer satisfaction and loyalty of The Spicy House restaurant in Yangon. The restaurant manager should create relaxed and comfortable dining area. He should always check air quality of the restaurant; whether air conditioning and ventilation system works well or not. The staff should pay attention to the condition of lighting and music and they should be adjusted to appropriate level for customers. Seating arrangement should be comfortable for customers. The distance between each dining table should be convenient to sit for every customer.

5.3 Needs for Further Research

This study is carried out only for academic purpose and it only focuses on the factors that affect customer satisfaction and customer loyalty of The Spicy House restaurant in Yangon due to limited sample, time and resources. Survey questionnaires were collected from 380 people who have dining experience from The Spicy House restaurant in Yangon. Therefore, this survey does not cover all the consumers who have dining experience from The Spicy House restaurant in Yangon.

Hence, all consumers who have dining experience from The Spicy House restaurant in Yangon should be studied to cover the customer satisfaction and customer loyalty as for further study. A large and more diversified sample should be obtained for the further study. Then, the further study should conduct on other affecting factors such as promotion, brand image and social factors.

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APPENDIX A

QUESTIONNAIRE

Factors Influencing Customer Satisfaction of The Spicy House Restaurant in Yangon

Dear Participants,

I am a student from MBA programme at Yangon University of Economics carrying out a thesis on "Factors Influencing Customer Satisfaction of The Spicy House Restaurant in Yangon**".** If you have experienced in dining at The Spicy House Restaurant, I would like to request you to fill up this questionnaire. All answers will be treated anonymously and this survey will be used only for academic purposes. Thank you for your participation.

1. Have you eaten at The Spicy House restaurant?
    - Yes
    - No

Section A: Demographic Factors

2. Gender
    - Male
    - Female

3. Age
    - Under 21
    - 21 – 30
    - 31 - 40
    - 41 - 50
    - Above 50

4. Level of Education
    - Under Graduate
    - Bachelor Degree
    - Master Degree
    - Ph.D
    - Others ……

5. Occupation
    - Student
    - Unemployed
    - Public Sector
    - Private Sector
    - Own Business

6. Income
    - Under 200,000 Kyats
    - 200,000 – 399,999 Kyats
    - 400,000 – 599,999 Kyats
    - 600,000 – 799,999 Kyats
    - 800,000 Kyats and above

Section B : Factors Influencing Customer Satisfaction

Please tick (√) to indicate your perception in the box with the following statements.

1 = Strongly Disagree

2 = Disagree

3 = Neutral

4 = Agree

5 = Strongly Agree

Food Quality

No.	**Food Quality**	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	The food is tasty and flavorful.					
2	The food is served fresh.					
3	The food presentation is visually appealing.					
4	The odor of the food that stimulates my appetite.					
5	The food is immediate cooked.					
6	The restaurant offers a variety of menu items.					
7	I consider that the food has a good portion.					

Customer Service

No.	Customer Service	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	The restaurant staff is always willing to help me.					
2	I perceive the restaurant staff gives customers individual attention.					
3	My food order was correct and complete.					
4	Staff provides quick and prompt service.					
5	Staff has good knowledge about food.					
6	Staff handles my complaints well.					
7	Staff is friendly and polite.					
8	The restaurant has nice and clean dining accessories and area.					

Perceived Price

No.	Perceived Price	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	This restaurant offers best possible price plan that meets my needs.					
2	I perceive the food meets the price value.					
3	The food in this restaurant is economical compared to other restaurants.					
4	I perceive this restaurant provides superior pricing option compared to other Mala fragrant pot and Chinese restaurants.					
5	The costs in this restaurant seem appropriate for what I get.					
6	The food price charged by this restaurant is reasonable for me.					

Atmosphere

No.	**Atmosphere**	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	I perceive this restaurant creates relaxed atmosphere for customer.					
2	The appearance of this restaurant is visually appealing.					
3	The staff members have neat, appropriate dress and appearance.					
4	Air conditioning and ventilation system of this restaurant creates comfortable environment for me.					
5	The lighting and music are enjoyable and adjusted to appropriate levels.					
6	Interior design and decoration of this restaurant is attractive.					
7	The seating arrangements in this restaurant are comfortable and give me enough space.					

Customer Satisfaction

No.	Customer Satisfaction	Strong Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Considering all my experiences with thus restaurant, I feel that it comes up to my expectations.					
2	Choosing this restaurant has been a good decision for me.					
3	I really enjoyed myself at this restaurant.					
4	This restaurant is a nice place for me to eat out.					
5	I am pleased that I have visited this restaurant.					
6	The brand of this restaurant provides good value to me.					
7	I perceive this restaurant engages in a continuous improvement for customers.					

Customer Loyalty

No.	Customer Loyalty	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	I will say positive things about this restaurant to others.					
2	I will recommend this restaurant to someone who seeks my advice.					
3	I will continue to visit this restaurant in the future.					
4	It makes sense to choose this restaurant instead of any other restaurant, even if they are the same.					
5	I consider this restaurant as the first choice to eat out.					
6	I will encourage my family and friends to visit this restaurant.					
7	I have positive feelings about this restaurant.					

Thanks for your cooperation & precious time!!!

APPENDIX B

Regression Analysis Results for the Effect of Food Quality, Customer Service, Perceived Price and Atmosphere on Customer Satisfaction

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.710[a]	0.504	0.494	0.54693	1.654

a.Predictors: (Constant), Atmosphere Mean, Perceived Price Mean, Food Quality Mean, Customer Service Mean
b.Dependent Variable: Customer Satisfaction Mean

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	59.248	4	14.812	49.516	.000[b]
	Residual	58.332	195	0.299		
	Total	117.58	199			

a. Dependent Variable: Customer Satisfaction Mean
b. Predictors: (Constant), Atmosphere Mean, Perceived Price Mean, Food Quality Mean, Customer Service Mean

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.292	.287		1.016	.311		
	FOOD QUALITY MEAN	.219	.061	.203	3.600	.000	.801	1.248
	CUSTOMER SERVICE MEAN	.168	.091	.121	1.843	.067	.586	1.706
	PERCEIVED PRICE MEAN	.444	.057	.443	7.836	.000	.795	1.257
	ATMOSPHERE MEAN	.260	.075	.208	3.460	.001	.704	1.420

a. Dependent Variable: CUSTOMER SATISFACTION MEAN

Regression Analysis Results for the Effect of Customer Satisfaction on Customer Loyalty

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.824[a]	0.679	0.677	0.51590	1.833

a.Predictors: (Constant), Customer Satisfaction Mean
b.Dependent Variable: Customer Loyalty Mean

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	111.384	1	111.384	418.497	.000[b]
	Residual	52.698	198	.266		
	Total	164.082	199			

a. Dependent Variable: Customer Loyalty Mean
b. Predictors: (Constant), Customer Satisfaction Mean

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.292	.287		1.016	.311		
	Customer Satisfaction Mean	.219	.061	.203	3.600	.000	.801	1.248

a. Dependent Variable: Customer Satisfaction Mean