

**YANGON UNIVERSITY OF ECONOMICS**  
**DEPARTMENT OF MANAGEMENT STUDIES**  
**MBA PROGRAMME**

**FACTORS AFFECTING CUSTOMER SATISFACTION**  
**AND CUSTOMER LOYALTY TOWARDS DIVINE**  
**RESTAURANT**

**HTET AUNG WINT**

**EMBA II - 84**

**EMBA 18<sup>th</sup> BATCH**

**DECEMBER, 2022**

**YANGON UNIVERSITY OF ECONOMICS**  
**DEPARTMENT OF MANAGEMENT STUDIES**  
**MBA PROGRAMME**

**FACTORS AFFECTING CUSTOMER SATISFACTION**  
**AND CUSTOMER LOYALTY TOWARDS DIVINE**  
**RESTAURANT**

**Supervised By:**



Dr. Myo Thanda Htun

Professor

Department of Economics

Lashio University

**Submitted By:**

Htet Aung Wint

EMBA II - 84

EMBA 18<sup>th</sup> Batch

2019-2022

**YANGON UNIVERSITY OF ECONOMICS**  
**DEPARTMENT OF MANAGEMENT STUDIES**  
**MBA PROGRAMME**

**FACTORS AFFECTING CUSTOMER SATISFACTION**  
**AND CUSTOMER LOYALTY TOWARDS DIVINE**  
**RESTAURANT**

A thesis submitted to the Board of Examiners in partial fulfillment of the requirements for the degree of Master of Business Administration (MBA)

**Supervised By:**



Dr. Myo Thanda Htun

Professor

Department of Economics

Lashio University

**Submitted By:**

Htet Aung Wint

EMBA II - 84

EMBA 18<sup>th</sup> Batch

2019-2022

## ACCEPTANCE

This is to certify that the thesis entitled “**Factors Affecting Customer Satisfaction And Customer Loyalty Towards Divine Restaurant**” has been accepted by the Examination Board for awarding Master of Business Administration (MBA) degree.

### Board of Examiners

-----  
**(Chairman)**

Dr. Tin Tin Htwe  
Rector  
Yangon University of Economics

-----  
**(Supervisor)**

-----  
**(Examiner)**

-----  
**(Examiner)**

-----  
**(Examiner)**

**December, 2022**

## **ABSTRACT**

The main purposes of this study include exploring the influencing factors on customer satisfaction towards Divine restaurant. It also examines the effect of customer satisfaction on customer loyalty towards Divine restaurant. Structured questionnaires are distributed to collect data from 121 customers who visit to Divine restaurant. Systematic random sampling method is used to collect data. Among five influencing factors (food quality, price, service quality, restaurant location and restaurant atmosphere), four factors (food quality, price, service quality and restaurant atmosphere) have a positive significant effect on customer satisfaction while restaurant location does not have a significant effect on customer satisfaction. Among four significant factors, price is the most effective factor of the customer satisfaction. Findings indicate that customer satisfaction has a positive significant effect on customer loyalty. Divine restaurant should calculate the exact cost of each food and make the competitive prices by adding desired profit. Divine restaurant should always create new menus and tastes of foods by taking survey from the customers. Divine restaurant should systematically record the customer names and arrange for customers who want to sing with live music band. Divine restaurant should continue using low, soft-lit lighting to create an intimate upscale experience.

## ACKNOWLEDGEMENTS

First and foremost, I would respectfully express my thanks and gratitude to Prof. Dr. Tin Tin Htwe, Rector of Yangon University of Economics for her kind permission for the opportunity to undertake the study as a partial fulfillment towards the Master Degree of Business Administration.

My deepest thanks to Professor Dr. Myint Myint Kyi, Head of Department of Management Studies for her extensive and constructive suggestions, her supporting excellence guidance, kind supports and comments to complete the thesis.

I would like to express my special gratitude and thanks to my supervisor, Professor Dr. Myo Thanda Htun, Department of Economics, Lashio University for her guidance and providing necessary information regarding this thesis.

In addition, I would like to express my sincere appreciation to all the professors, associate professor, lecturers, my family members and friends for their kind supports and encouragement.

I would also like to express my special thanks to my classmates and family members who support during my study. Finally, I appreciate and thank officials from Divine restaurant in Yangon for answering the survey form.

Htet Aung Wint

EMBA II – 84

EMBA 18<sup>th</sup> Batch

## **TABLE OF CONTENTS**

|  | <b>Page</b> |
|--|-------------|
| <b>ABSTRACT</b>  | i           |
| <b>ACKNOWLEDGEMENTS</b>                                    | ii          |
| <b>TABLE OF CONTENTS</b>                                   | iii         |
| <b>LIST OF TABLES</b>                                      | iv          |
| <b>LIST OF FIGURES</b>                                     | vi          |
| <br>   |             |
| <b>CHAPTER 1 INTRODUCTION</b>                              | <b>1</b>    |
| 1.1 Rationale of the Study                                 | 2           |
| 1.2 Objectives of the Study                                | 3           |
| 1.3 Scope and Method of the Study                          | 3           |
| 1.4 Organization of the Study                              | 4           |
| <br>   |             |
| <b>CHAPTER 2 THEORETICAL BACKGROUND</b>                    | <b>5</b>    |
| 2.1 Service Marketing Mix                                  | 5           |
| 2.2 Influencing Factors of Customer Satisfaction           | 6           |
| 2.3 Customer Satisfaction                                  | 13          |
| 2.4 Customer Loyalty                                       | 14          |
| 2.5 Previous Studies                                       | 16          |
| 2.6 Conceptual Framework of the Study                      | 18          |
| <br>   |             |
| <b>CHAPTER 3 PROFILE AND SERVICES OF DIVINE RESTAURANT</b> | <b>20</b>   |
| 3.1 Profile of Divine Restaurant                           | 20          |
| 3.2 Service Marketing Practices of Divine Restaurant       | 21          |
| 3.3 Profile of Respondents                                 | 23          |

|     |                  |    |
|-----|------------------|----|
| 3.4 | Reliability Test | 25 |
|-----|------------------|----|

**CHAPTER 4 THE ANALYSIS ON THE INFLUENCING FACTORS ON  
CUSTOMER SATISFACTION AND CUSTOMER  
LOYALTY 26**

|     |   |    |
|-----|---|----|
| 4.1 | Factors Which can Influence Customer Satisfaction | 26 |
|-----|---|----|

|     |   |    |
|-----|---|----|
| 4.2 | Analysis on the Influencing Factors on Customer<br>Satisfaction | 30 |
|-----|---|----|

|     |  |    |
|-----|--|----|
| 4.3 | The Effect of Customer Satisfaction on<br>Customer Loyalty | 33 |
|-----|--|----|

**CHAPTER 5 CONCLUSION 35**

|     |                          |    |
|-----|--------------------------|----|
| 5.1 | Findings and Discussions | 35 |
|-----|--------------------------|----|

|     |                                 |    |
|-----|---------------------------------|----|
| 5.2 | Suggestions and Recommendations | 36 |
|-----|---------------------------------|----|

|     |  |    |
|-----|--|----|
| 5.3 | Limitations and Need for Further Study | 37 |
|-----|--|----|

**REFERENCES**

**APPENDIX A**

**APPENDIX B**



## LIST OF TABLES

| <b>Table</b> |   | <b>Page</b> |
|--------------|---|-------------|
| Table 3.1    | Profile of Respondents                              | 24          |
| Table 3.2    | Reliability Test                                    | 25          |
| Table 4.1    | Food Quality  | 27          |
| Table 4.2    | Price   | 27          |
| Table 4.3    | Service Quality                                     | 28          |
| Table 4.4    | Restaurant Location                                 | 29          |
| Table 4.5    | Restaurant Atmosphere                               | 30          |
| Table 4.6    | Customer Satisfaction                               | 31          |
| Table 4.7    | Influencing Factors on Customer Satisfaction        | 32          |
| Table 4.8    | Customer Loyalty                                    | 33          |
| Table 4.9    | Effect of Customer Satisfaction on Customer Loyalty | 34          |

## LIST OF FIGURES

| <b>Figure</b> |   | <b>Page</b> |
|---------------|---|-------------|
| Figure 2.1    | Conceptual Framework of Chun and Park             | 17          |
| Figure 2.2    | Conceptual Framework of Sochenda                  | 18          |
| Figure 2.5    | Conceptual Framework of the Study                 | 19          |
| Figure 3.1    | Organizational Structure of the Divine Restaurant | 20          |

# CHAPTER 1

## INTRODUCTION

The restaurant market is a globally competitive marketplace which pushes food and drink outlets to offer quality products or services, maintain productivity and consistency, and ensure customer satisfaction in order to remain in existence and to continue to progress. As the lifestyle changed during the past years, people started visiting entertainment and nightlife venues more frequently in their leisure time. Brown (1992) considered that customers are the most important people for any organization.

Food quality is important for customers as customers want good foods. The key features of food quality may include freshness, wholesomeness, texture, colour, nutritional value, flavour, and fragrance (Huda et al., 2008). Price fairness refers to an overall judgment of price created by the customer and relied mainly on the comparison of the actual price to satisfactory price assigned by both self-interest (level of adaptation) and social standards (reference price). Quality is usually a conditional, perceptual, and somewhat subjective characteristic, and may be seen diversely by distinctive individuals. Buyers may concentrate on the required quality of a product and service, or how it may compare to rivals in the market.

Oliver (1997) defined that customer satisfaction is the customers' joyful or fulfillment reaction and also the customer satisfaction is a judgment about pleasurable degree of consumption related fulfillment which is derived either from the features of product or service, or from the product or service itself. Customer satisfaction can be defined as an overall assessment of a product or service based on the experience of purchasing and consuming it over time. Customers usually look at a number of factors that can satisfy the customers. Rahnama (2012) focused on how customer satisfaction and loyalty are shaped by food quality, fair price, service quality, location, and atmosphere of the restaurant.

Customer loyalty refers to an attitude that is displayed between the relationship of the customer and the business or firm in question (Olive, 1997). Customer loyalty today has become one of the most important strategic objectives in the service industry. A high level of customer satisfaction leads to an increase in repeat patronage, brand loyalty, as

well as recruiting new customers by enhancing an organization's reputation (Wang, 2006). Building the strong customer loyalty and trying to maintain the customer loyalty is even more difficult task for all businesses.

Alma (2011) stated that a location is a place where companies operate or where companies carry out activities to produce goods and services that are concerned with economic segregation. Location's selection is a competitive factor that is important in attracting consumers or customers (Tresnanda et al., 2014). The restaurant atmosphere is usually a customer first perceives when enters a restaurant before any services are delivered. Ariffin et al. (2010) explained that pleasant odor, pleasurable music, comfortable climate or temperature, low level of noise and proper lighting, taken together with other factors in a restaurant, may lead customers to evaluate their experiences more positively and having more favorable perceptions of the restaurant.

The restaurant industry in Myanmar has been somewhat stagnant until recent years due to a lack of competition since most popular restaurants (and a few at that) were all locally owned businesses. However, the restaurant industry today resembles nothing to that of the last decade. As new restaurants start to pop up everywhere around major cities like Yangon, Nay Pyi Daw and Mandalay, the general public finally has a large selection of choice.

## **1.1 Rationale of the Study**

These days, a steadily increasing number of people choose to dine out rather than to cook. People are dining out more often, but they increasingly put a premium on saving time and eating healthy in better eating environments. Similarly, the restaurant industry in Myanmar has had a significant change over the last decade.

The growing consumer class of Myanmar has become an attractive developing market for restaurants. For restaurant owners, it is important to understand specific decision-making criteria customers use for restaurant selection in order to be able to affect customers' selection decisions.

By understanding these factors, it is possible to satisfy customers' expectations and prevent their defection, leading to plentiful profits for the restaurant. If the customers are not satisfied with the services of the restaurant, they will not visit that restaurant again.

Customer loyalty is the key and important competitive advantage in current market situations. Loyal customers can achieve enormous benefits to a business (Wang, 2006). The number of restaurants has greatly increased in Myanmar over the past few years and there is high competition in the industry. With increasing competition between restaurants, attracting new customers can no longer guarantee profits and success, but retaining existing customers is of more importance.

People now have the choice to pick from a long list of selection of restaurants. This is where ‘customer loyalty’ comes into play. As consumers acquire more and more decision-making power (choices) due to an increasing number of restaurants, business owners have started to focus more on factors that influence customer loyalty such as customer satisfaction, quality of service, physical environment, and perceived value.

As one of the top restaurants in Yangon, Divine restaurant faces high competition in the market. This study focuses on the influencing factors on customer satisfaction and loyalty towards Divine restaurant. The findings of this study provides the concept for the restaurants to realize more about consumer satisfaction and loyalty among Myanmar people.

## **1.2 Objectives of the Study**

The main objectives of the study are:

- 1) To explore the influencing factors on customer satisfaction towards Divine restaurant
- 2) To analyze the effect of customer satisfaction on customer loyalty towards Divine restaurant

## **1.3 Scope and Method of the Study**

This study mainly focuses on the influencing factors on customer satisfaction and loyalty towards Divine restaurant. Analytical and descriptive research methods are used to achieve the above objectives. Both primary data and secondary data are used in this study.

The study uses the systematic random sampling method and data collection period is (2 days: Friday and Saturday) during 1<sup>st</sup> November, 2022 and 14<sup>th</sup> November, 2022.

Structured questionnaires are used, and collected data from every 3<sup>rd</sup> customer coming to the restaurant. Secondary data are referred from the previous research paper, text-books, websites and other related information resources from Divine restaurant. Linear regression method is used for analyzing the data.

#### **1.4 Organization of the Study**

This study is composed of five different chapters. Chapter one presents introduction of the study, and it includes rationale of the study, objectives of the study, scope and method of the study and organization of the paper. Chapter two presents about literature reviews including theoretical concepts and the results of empirical studies on influencing factors, customer satisfaction and customer loyalty. Chapter three presents the profile and services of Divine Restaurant. Chapter four presents the analysis on the influencing factors on customer satisfaction and customer loyalty. Finally, chapter five describes the findings and discussions, suggestions, recommendations, and the needs for future study.

## **CHAPTER 2**

### **THEORETICAL BACKGROUND**

This chapter presents the theoretical background for this study. First, it presents the service marketing mix. Then it contains the literature reviews of influencing factors. Additionally, it describes the previous studies with conceptual frameworks. Finally, it presents the conceptual framework of the study based on the previous literature reviews.

#### **2.1 Service Marketing Mix**

Marketing is a process in which a company creates value for its customers and builds strong customer relationships, in return for obtaining the correlating value from its consumers (Kotler & Armstrong, 2010). Marketing mix is defined as a unique combination of factors that are able to meet and provide customer needs. In other words, the marketing mix can be said to be a set of tools used by a company to achieve marketing goals in a target market (Kotler, 1997).

The traditional manufacturing-oriented marketing mix consists of the marketing strategies in four main areas: product, price, location, and promotion. In the early days, it was argued that the marketing mix, which was a strategy devised for the manufacturing industry, was not suitable for service marketing. This was because the service marketing had its own unique characteristics. Based on this, scholars have since improved the existing marketing mix to derive a new service marketing mix element to match the service company and its needs. But, the service marketing mix is limited to the traditional marketing mix, so an extended form of the service marketing mix (7Ps) was proposed as an extension of the existing 4Ps (Lovelock & Wirtz, 2007).

Service companies such as the food service industry are in great need to utilize various and intensive service marketing mixes because they have to use controllable resources while at the same time being able to appropriately adapt to a difficult corporate environment to satisfy the needs of the target market. The components of the service marketing mix are described by many researchers as mainly consisting of product, price, location, promotion, employees, physical evidence, and service delivery processes, that is, the 7Ps (Zeithaml & Bitner, 2003).

Yoon (2010) conducted a study on the service marketing mix and customer value of family restaurants, and studied the marketing mix by suggesting seven elements such as food, price, location, promotion, process, physical evidence, and employees. Han and Lee (2012) conducted a study on the service marketing mix for the service system of coffee specialty stores. Shin et al., (2014) conducted a study utilizing service marketing mix as an influencing factor of wine bar images, and presented the marketing mix elements as seven factors including product, price, promotion, place, staff, physical environment, and processes. Kim and Lee (2017) conducted a study on hotel package products using the Kano model, and studied the marketing mix by presenting seven elements: product, price, route, promotion, people, physical evidence, and processes.

## **2.2 Influencing Factors of Customer Satisfaction**

Researchers were utilizing service marketing mix as influencing factors on customer satisfaction and loyalty. Those influencing factors are based on the service marketing mix namely food quality, price, service quality, location, and restaurant atmosphere.

### **(a) Food Quality**

The definition of food quality may be different due to the food type and the food preference of an individual. The key features of food quality include freshness, wholesomeness, texture, colour, nutritional value, flavor, and fragrance (Huda et al., 2008). Although a customer evaluates multiple attributes when determining food quality, he or she is really judging three general food characteristics - namely safety, appeal, and dietary acceptability (Peri, 2006).

Namkung and Jang (2007) investigated the matter of food quality and its effect on guest fulfillment and behavioral intentions in restaurants had employed six food quality attributes including presentation, variety, healthy options, taste, freshness, and temperature. Their study found that taste and presentation were the two most significant contributors to guest fulfillment and behavioral intentions. They also suggested that restaurant managers have to focus on these major food quality attributes that create guest delights and improve repeated visits to the restaurant. Kivela et al. (1999) also appreciated food presentation as a fundamental food attribute towards modeling dining



satisfaction. Clark and Wood (1996) studied five of the factors, which were range of food, quality of food, price of food, atmosphere, and speed of service.

The most basic piece of the whole restaurant condition was nourishment (Sulek & Hensley, 2004). 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. According to Jin et al. (2012), food quality entails food taste, presentation, temperature, freshness, nutrition, and menu variety. Nonetheless, customers foresee taste before consumption through price, quality, food labels, and brand name. Taste of food is important to accomplish customer satisfaction.

Presentation of food enhances dining customer satisfaction. Customer's concerns of healthy food substantially affect customer's expectations and choice of a restaurant. Freshness is assessed with the aroma, juiciness, crispness, and fresh posture of the food. Food quality enhances customer satisfaction. Food quality influences customers' decisions to revisit the restaurant (Ryu & Han, 2010).

## **(b) Price**

From the consumer's perspective, price is what the customer pays or gives for obtaining the product or service. Fairness of price is a psychological factor that plays an important role in the customer's reaction to the paid price (Kim et al., 2006).

The majorities of customers tend to visit restaurants not only because of good food, quality service and a pleasant service environment, but also because they feel the price they are paying represents value for money (Yuksel & Yuksel, 2002). Value may have a different meaning to different individuals. It might be considered as low price, or whatever the consumer wants in a product, or the quality the consumer gets for the price and/or value is what the consumer gets for what they give (Yuksel & Yuksel, 2002).

Zeithaml (1987) argued that price is irrelevant to service quality and therefore not a quality attribute. However, according to Johns and Howard (1998), customers definitely regarded price and value considerations as part of the "service bundle." Price is significantly crucial factor for consumer satisfaction since customer 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 (Yi, 1990).

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 and Chiao (2001) indicated that the price is defined as what is given up or sacrificed to acquire a service or product. Price also determined 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 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.

Price has been considered as one of the foremost important factors that influence the behaviour of both firms and customers. As firms put high efforts to enhance their profits typically based on the price of their products or services, consumers tend to search for the best priced goods and services that offer them maximum benefits. Anderson et al. (1994) stressed on price as a key factor for affecting customer satisfaction, because customers usually think of the price whenever they assess the value of an acquired product or service. Past literature reported that consumers' perceived fairness of price has a main effect on their purchasing choices (Sinha & Batra, 1999). According to Xia et al. (2004), price fairness referred to the assessments of consumers of whether the prices for the products or services of a specific brand are reasonable, satisfactory or justifiable. Xia and Monroe (2010) further indicated that price fairness evaluations encompass a comparison of the price with a certain standard, reference, or norm. As the evaluations of a price are based on a comparison with the products or service of other competitors, the perceptions of price fairness are aroused by price comparisons.

Consumers tend to rely on some sort of reference price to assess whether a price is fair or not before making any purchase decision. That is, consumers are likely to form

benchmarks or depend on reference prices in several ways such as recalling earlier transactions, detecting competitor prices, understanding the costs of seller, or by noticing the prices paid by other customers (Briesch et al., 1997). Overall, consumers tend to rely on several reference points before making decision to purchase, and this includes past prices, competitor prices, and cost of goods sold when assuming price fairness to make comparisons between different brands (Bolton et al., 2003). According to Campbell (1999), price fairness is a very important factor to be considered, because it can affect brand image, and thus, perceived price unfairness resulted in negative consequences such as consumers' switching to other competitors and negative word of mouth.

Similarly, Anderson et al. (1994) regarded price as an important factor for building satisfaction, and confirmed that consumers tend to evaluate the value of a product or service based on the actual price. Empirical researches also revealed that perceived price fairness directly affects customers' overall satisfaction and post-purchase behavior (Wang et al., 2015). Therefore, providing a quality offering at reasonable price can help a brand to enhance its equity and obtain competitive advantages over other rivals. This offering will be a reason for consumers to select a certain brand over another.

### **(c) Service Quality**

Parasuraman et al. (1985) stated that the scale of service quality is measured by the degree of the differences between the services customers expected from providers and the customers' feeling about the real perceived value from the providers. According to Grönroos (1984), service quality is the result of an evaluation process where the customers assess the service received from provider and compare it with their expected service. As indicated by Zeithaml et al. (1990), perceived service quality is the extent to which a firm successfully serves the purpose of customers.

According to the Ryu and Jang (2008), service quality is begun from the employee customer interaction through restaurant's ability to serve the guaranteed benefit reliably and precisely, employees' caring and thoughtfulness regarding each customer, employee's knowledge, obligingness and capacity to rouse trust and confidence and additionally employee's professional appearance were exactly huge on create customers satisfaction. Bolton and Drew (1994) presented that customer satisfaction relies on pre-existing or contemporaneous attitudes about service quality.

Service is any task performed for another or the provision of any facility, product or activity for another's use but not ownership, which arises from the exchange transaction. It is intangible and incapable of accompanying a product. (Uhl & Upaj, 1983). Parasuraman et al. (1988) stated that service quality as the differences between customers' expectation of service provider's performance and customers' evaluation of the services they experienced.

Then, Parasuraman et al. (1988) found out ten common dimensions such as tangible, reliability, responsiveness, competence, courtesy, credibility, security, access, communication along with understanding. After the investigations by the same group of researches, the researchers concluded that some of the ten dimensions were correlated. Therefore, the previous ten common dimensions were made up into the refinements of five higher-level dimensions which took the previous ten included. They summarized into five higher-level dimensions. These five higher-level dimensions were tangibles, reliability, assurance, responsiveness and empathy (Parasuraman et al., 1988).

Many studies have quoted the importance of service quality in determining customer satisfaction with a service encounter (Pettijohn et al., 1997). In restaurant settings, service quality has been found to be important in determining customer satisfaction and return intention as well. Qu (1997)'s survey of Chinese restaurant patrons found that the service and courtesy dimension was second only to the food and environment dimension in determining customer probability of returning to a given restaurant. In addition, the results of a study of ambient restaurant patrons in Hong Kong, confirmed that the service quality dimension contributed strongly to customer intent to return to a given restaurant (Kivela et al., 2000).

In the study of customer expectation factors, Soriano (2002) found that after quality of food, quality of service was ranked the second most important factor in determining the customer's decision to return to the restaurant. Yuksel (2002) proved that service quality had the most significant effect on dining satisfaction at the aggregate market level.

#### **(d) Restaurant Location**

Restaurant location is an important feature of the restaurant that affects customer behavior and satisfaction (Hyun, 2010). Gone are the days when food quality was a prime

focus of restaurateurs; nowadays customer put their attention to other factors too like atmosphere, variety of food and location (Annamdevula, & Bellamkonda, 2016).

According to Mattila (2001), customers prefer to visit the restaurant which is located at a convenient place. Moreover, Kivela et al. (2000) based on restaurants themes the author put the parking area under the category of convenience. The result indicated that a parking area really matters for the customers of the restaurant. Lewis and Shoemaker (1997) stated that short walking distance got importance among the clientele of restaurants, and a convenient location is related with customer satisfaction, purchasing intention and ultimately brand loyalty (Dhisasmito & Kumar, 2020). If restaurateurs like to get clientele satisfaction, they should make sure that there is easy accessibility as well as a convenient location.

According to Hassan et al. (2013), urban life-style imposes time constraints, so customer seeks convenience and wants to satisfy their hunger with minimum hassle. Customers of restaurants always suppose a fine location of restaurant where they can easily park their car. Car parking facility has a substantial impact on creating brand loyalty, consequently. Restaurants try to provide free parking for customers that facilitate them (Hassan et al., 2013).

Parsa et al. (2010) illustrated that the choice of location is a very important factor that can affect the success or failure of a restaurant. They added that the success of a location is revealed through the physical site and its demographic surroundings. In other words, a good location is one that takes into consideration the geographic, demographic, and psychographic factors, and any changes in these factors could have significant influence on the degree of location attractiveness. Melia (2010) also demonstrated that location infrastructure quality can be benchmarked and measured against key competitors in order to obtain sustainable competitive advantage and enhance brand performance. For instance, a good location of a restaurant which provided several services to customers such as sufficient parking, eases of access, or situated near to city provides its brand with competitive advantage over those which their locations cannot provide such services.

The location in which a company operates its business is a key determinant of future success. For instance, a strategic location of a restaurant and its ability to distinguish itself from its competitors can enable it to ensure long-term survival (Parsa et al., 2005). While a restaurant can take advantage of close proximity to rivalry and restaurants are often

situated in clusters to attract more customers, as in a “restaurant row,” an operation might find itself in a group of restaurants within which it face intense competition. According to Love (1972), location is one of the main factors behind successful fast food operations. The authors added that without having a good location, expert management and food quality may not be able to overcome the challenges of operation. Additionally, site location has become very important as markets reached a level of saturation. For this reason, it is a risk if restaurant management over-stress the significance of location in the operations of fast food industry. Some of the key characteristics of a good location of fast food restaurant such as: site accessibility, size, population in the area, degree of competition, and economic condition.

Wang et al. (2014) found that restaurant's location has positive effect on brand loyalty; considered a dimension of brand equity. Azim et al. (2014) also established that location plays an important role in customers’ preferences while selecting a restaurant.

**(e) Restaurant Atmosphere**

In service settings such as restaurants and hotels, the atmosphere in which the service takes place may be crucial in determining the customer’s perception and satisfaction with the service encounter (Bitner, 1992). Soriano (2002) mentioned that the importance of a comfortable atmosphere will continue to increase with time. Therefore, the most important thing is design and concept.

The ambience of the facility, which decorated with upscale furniture, colors, and finishes, is the major factor that keeps students coming back to the dining facility (FoodService Director, 2005). The University of Tampa, Florida reported that their customer counts went up to 85% after the renovation of one residence dining hall (FoodService Director, 2003). Yuksel and Yuksel’s (2002) stated that “service environment holds a central role in shaping the nature of customers’ behavior, their reactions to places and their social interactions. Customers are likely to spend their time and money in an establishment where the service environment prompts a feeling of pleasure.

Auty (1992) concluded that food type, quality, and price, atmosphere becomes the main factors in making a distinction between alternatives. Thus, literature on atmosphere attributes provides a clear reasoning into why this attributes is a part of the study. 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 make the nourishment, administration quality and whole eating experience have all the earmarks of being better (Raman & 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). If 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 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.

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. In restaurants industry, atmosphere is perceived as a crucial element (Isa et al., 2020). This is because it influences a customer's emotions and expectations as well as dining experience (Dutta et al. 2014).

According to Zeithaml et al. 1993, customers initially look upon the atmosphere to take any services; the build-up perception about the service scape affect the customer's reaction to the services delivered in restaurants (Guillet et al., 2019). The perceived atmosphere draws cognitive responses, which further influences the patron beliefs about a place, services, staff and products. Moreover, if a customer has a high perception about the restaurant atmosphere, then customers' expectations for service could also be high. The perception about the restaurant services scape directly influences customer satisfaction.

### **2.3 Customer Satisfaction**

Customer satisfaction is defined as the perception of a person which can be satisfied or dissatisfied about the result from comparing perceived performance with his or her desire of a product (Kotler, 1988). According to Yi (1990), customer satisfaction is a judgment based on a series of customer interactions. Thus, firms understand customer satisfaction to

be an important determinant of the level of loyalty exhibited by their customers toward their employees and toward the firm (Reynolds & Arnold, 2000). According to the Churchill and Surprenant (1982), customer satisfaction is the customer's overall response of desire toward a product or service utilization based on his or her perception, assessment and psychological response.

Customer satisfied if the performance of a product or service is equal to their desire (Bowden & Dagger, 2011). Consumer satisfaction is vital to existence of any business. Consumer satisfaction is regarded as determinant of post-buy attitude and reflects as a constructive or contrary result, which is received from buyer individual encounters. In advanced, consumer satisfaction was additionally found as the best frame to lead behavioral expectations, which noted as the best method for firm's advertisement (Zeithaml et al., 1996).

There are two important concepts correlated to customer satisfaction: a transaction specific concept and cumulative concept. A transaction specific concept is the judgment customers made after purchasing certain goods or experiencing services. The second concept is called cumulative concept in which customer give a rating to the brand or service which they had encounter a couple time in their life (Boulding et al.,1993).

According to the Mattila (2001), customer satisfaction additionally shows linkage between present and future behavioural intentions. If a customer satisfied with the service or product that they received, it is clear that they will purchase repetitively. Because of cost of satisfying existing customer is less than attraction of new customers, customer satisfaction is very effective for firms (Moorman, 1993). Moreover, today's competitive business world, customer satisfaction is the key factor to drive the restaurant's success (Chow et al., 2007).

Satisfaction as total perfect customer attitude towards a service provider. Brown (1992) stated that customer satisfaction as the state in which customer needs, wants and expectations through the product or service's life are met or exceeded resulting in repurchase, loyalty and positive word-of mouth.

## **2.4 Customer Loyalty**

Loyalty has been defined in a several different ways alternately from the probability of frequent purchase to proportion of purchase by (Dick & Basu, 1994). According to



Oliver (1999), customer loyalty is defined as a profoundly held commitment to repeated purchase or patronizes a preferred product or service in the future. Moreover, customer loyalty is an attitude that displays the relationship between the customer and the business or firm. As indicated by Zeithaml et al. (1996), customer loyalty can be defined as expressing a preference for a firm over others by continuing to purchase from it or by increasing business with it in the future.

Moreover, Bowen and Chen (2001) stated that customer loyalty as a customer's commitment to repurchase the product or service in the future toward the product and somehow the customer will recommend the same product to others. Customer loyalty can be divided into two main approaches: behavioral approach and attitudinal approach. Behavioral approach is a behavior of the customers which is demonstrated by purchasing the same brand repetitively and recommending this brand to others. Attitudinal approach is an attitude of the customers, which is the internal affect and a perception component of customer loyalty. The customer may exhibit repurchase behavior due to limited choice available or inertia (Bloemer and Kasper, 1995). Lovelock (2011) presented his idea on customer loyalty as willingness of customers to shop from the same firm repetitively and recommend it to other friends and family members.

Additionally, Bloemer and Kasper (1995) customer loyalty is considered to be the most important in the success and strong survival of firms. Customer loyalty brings a lot of benefits to the firm which improves the profit levels of the firm by a reduction in the total cost of targeting new customers (Reicheld & Sasser, 1990).

Customer loyalty is defined through repeated purchasing from the same company (Tellis, 1988). It is desirable for every business to have satisfied customers who are willing to repurchase a product or service (Jani & Han, 2011). The connection between satisfaction and loyalty is in repeated satisfaction episodes. Frequent or cumulative satisfaction has been argued to cause loyalty. Based on this framework, loyalty is defined as a deeply held commitment to re-buy or re-patronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior (Oliver, 1997).

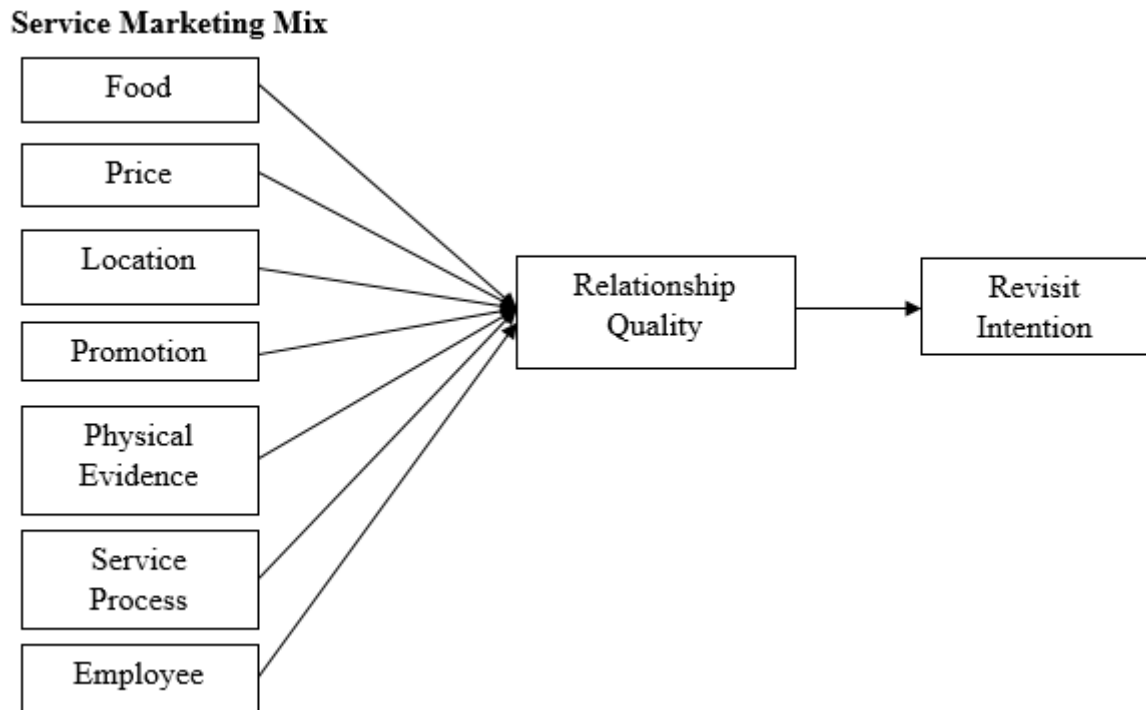
Loyalty is a phenomenon that received a great deal of interest among marketers, (Reddy et al., 2011) though recent years have shown a growing interest in customer loyalty

Kuusik (2007) even during the 1980s customer loyalty was on most marketers' minds and numerous companies spent millions on customer relationship management programs with the goal of building customer loyalty (Pitta et al., 2006). Over the past few years, loyalty has become important because of increased competition within respective industries. Companies infer loyalty to have a similar meaning and have developed strategic marketing and advertising efforts around creating a connection between the company and its customers (Liang, 2008). Generally speaking, customer loyalty means the intention of repurchasing products and services, and this is the goal of industry (Pi, & Huang 2011). Similarly Musriha (2012) also asserted that customer loyalty is the commitment held by customers to repurchase or subscribe to a product or service in the future. Krumay and Brandtweiner (2010) expressed that customer loyalty is seen as one of the key factors of a company's success and a necessary premise among others to gain customer loyalty is how the customers perceive the customer service.

## **2.5 Previous Studies**

Previous studies are vital in order to the ideas for conceptual framework of the study. In this study, two conceptual frameworks of the previous studies are referred. Chun and Park (2021) did the research named the effect of service marketing mix on relationship quality and revisit intentions for Korean restaurants in Vietnam. They intended to find out how service marketing mix affects relationship quality and revisit intention. Additionally, they wanted to examine whether there was a moderating effect according to the country of origin among constructs. Figure (2.1) presents the conceptual framework of (Chun & Park, 2021).

**Figure (2.1) Conceptual Framework of Chun and Park**



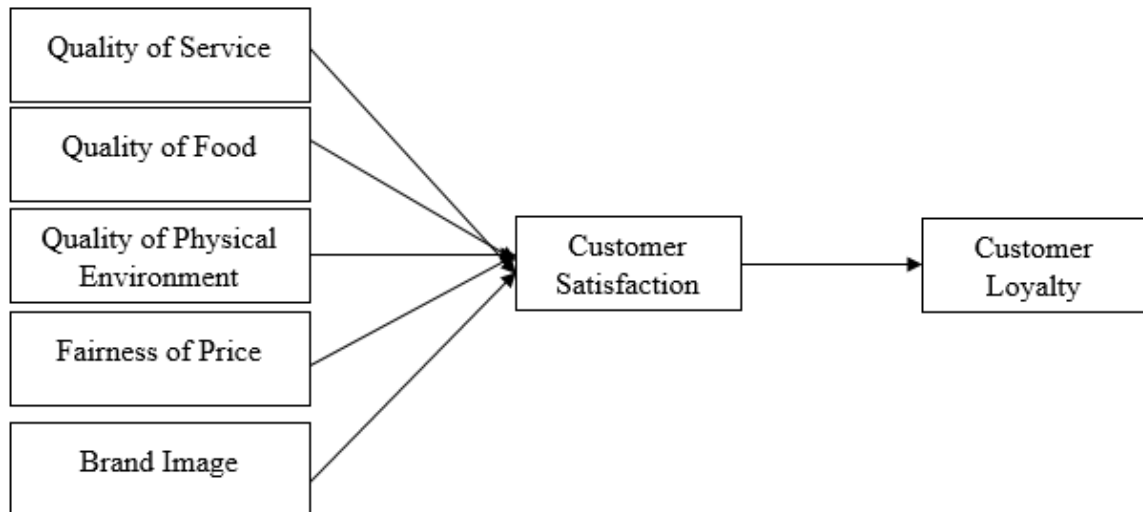
Source: Chun & Park, 2021

In order to measure the service marketing mix, seven factors were considered such as food, price, location, promotion, physical evidence, service process, and employees. For empirical analysis, data was collected by utilizing surveys of Korean and Vietnamese 200 consumers who frequented Korean restaurants in Hanoi, Vietnam. The results of the empirical analysis showed that, first, the factors of service marketing mix such as food, price, location, physical evidence, and service process had a significant positive effect on relationship quality. Second, relationship quality had a significant positive effect on revisit intention. It could be observed that food, location, and promotion had a significantly effect depending on the nationality of consumers.

Sochenda (2021) studied the research titled modeling of Customer Satisfaction and Customer Loyalty in fast food industry. The main objectives of Sochenda (2021) paper were to examine the antecedent factors (i.e., quality of service, quality of food, quality of physical environment, fairness of price and brand image) that influenced customer satisfaction, and then assess the causal relationships between customer satisfaction and customer loyalty in the fast-food restaurant segment. By a convenience sampling approach and self-administered questionnaire method, the questionnaires of 480 were distributed

to customers of 6 brand fast-food restaurants in Phnom Penh, Cambodia. Figure (2.2) presents the conceptual framework of (Sochenda, 2021).

**Figure (2.2) Conceptual Framework of Sochenda**



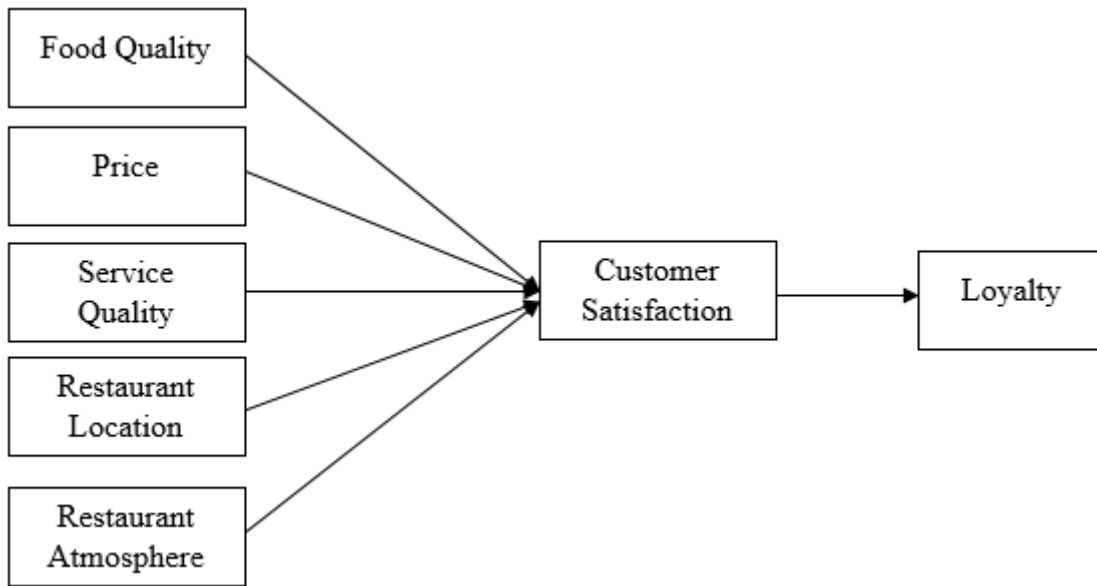
Source: Sochenda, 2021

In compliance with the Structural Equation Modeling (SEM) techniques, the collected data were analyzed with the statistical software SPSS 22. This study found that brand image was the most significant positive predictor to stimulate customer satisfaction, followed by quality of food and fairness of price, except the quality of service and quality of physical environment. The level of customer loyalty, in turn, was influenced by customer satisfaction. The findings truly provided the requisite contributions to the existing theories and managerial implications particularly relevant to determining the success factors within the fast-food restaurant context.

## **2.6 Conceptual Framework of the Study**

Based on the above theoretical background, literature review and previous conceptual frameworks, conceptual framework of the study is developed. The conceptual framework of the study was presented in Figure (2.3).

**Figure (2.3) Conceptual Framework of the Study**



Source: Own Compilation (2022) adapted from Chun and Park (2021) and Sochenda (2021)

As shown in Figure (2.3), there are five influencing factors such as food quality, price, service quality, restaurant location, and restaurant atmosphere. Service quality is a measure of how an organization delivers its services compared to the expectations of its customers. Service quality includes availability of foods, waiters near tables, live band etc. Food quality, price, and restaurant location are referred from the study of Chun and Park (2021) while service quality, and restaurant atmosphere are referred from the study of Sochenda (2021). This study finds out which influencing factors affect on customer satisfaction. In addition, it analyses whether customer satisfaction affect on customer loyalty in Divine Restaurant by referring the study of Sochenda (2021).

## CHAPTER 3

### PROFILE AND SERVICES OF DIVINE RESTAURANT

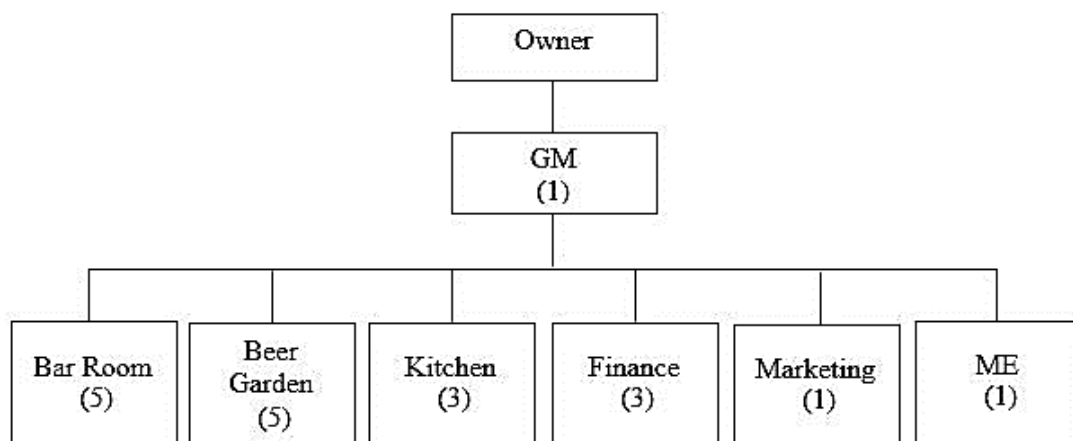
This chapter presents profile and service marketing practices of Divine restaurant in Yangon. Service marketing mix consists of food quality, price, service quality, restaurant location, and restaurant atmosphere.

#### 3.1 Profile of Divine Restaurant

Divine is a restaurant that has live DJ music and unplugged band. People can walk in and enjoy at restaurant anytime between 3:00 PM to 11:00 PM. It has signature cocktails and variety of choices of beverages and also delicious food menu with fair price.

The vision statement of Divine restaurant is “To be number one restaurant in Yangon among customers.” The mission statement is “To open 3 more restaurants in the next year.” It has opened officially since 2021. Divine restaurant is located at No. 1/5 A, Sayarsan Road, Bahan Yangon, Myanmar. Currently, it appoints 19 people who are skilful and experience in service industry. Figure (3.1) presents the organizational structure of Divine restaurant.

**Figure (3.1) Organizational Structure of the Divine Restaurant**



Source: Divine Restaurant, 2022

According to the Figure (3.1), there are six main sections at the Divine restaurant. Those sections include bar room, beer garden, kitchen, finance, marketing, and mechanical engineering.

### **3.2 Service Marketing Practices of Divine Restaurant**

Divine restaurant offers quality products and services to achieve high customer satisfaction and loyalty. It mainly focuses food quality, price, service quality, restaurant location, and restaurant atmosphere.

#### **3.2.1 Food Quality**

Divine restaurant has main menu that includes 17 kinds of food. In addition, there are 12 kinds of BBQs, 6 kinds of fried rice, 3 kinds of Noodle, 6 kinds of soup, 20 kinds of salad etc. The restaurant's signature dish is grilled pork and fried sweet potato leaves. It hires a griller from Mandalay and arrange to get the real Mandalay taste. A whole Burmese chicken is specially cooked to be healthy. It also prepares wild chicken and pepper in earthenware pot. This dish can be eaten by at least 5 people.

The restaurant cares the food quality by paying attention to hygiene factors and fresh ingredients are used in preparing the food. It does not use food ingredients such as Ajinomoto to offer healthy foods. It serves the foods that are still in hot and fresh. In addition, it serves the taste of the foods according to the customers' requests. It has different kinds of soft drinks and liquors.

#### **3.2.2 Price**

The price is reasonable and not as expensive as other restaurants. Sometimes the restaurant gives regular customers a coupon card. If customers spend 50,000 MMK, they get 1 point on the card. If they get 10 marks, they get 1 time free. For the convenient of the customers, Divine restaurant shows the price of each item, which is shown in the menu. It used to monitor the prices of nearby competitors with similar concepts and menus.

Divine restaurant applies a hybrid strategy for pricing to obtain maximum value for its products. By using premium pricing for some of its product ranges, it encourages

favorable brand and product perceptions in target consumer groups. Premium pricing for products also encourages a favorable quality perception amongst consumers. Premium prices add a touch of privilege and high value in products and services.

Since Divine has a number of different product ranges and product groups, the use of psychological pricing has been applied. With the use of psychological pricing, it also successfully adds more value to its products from the point of view of customers. In addition, for some product ranges, Divine uses bundle pricing strategy during sales to attract new and existing customers.

### **3.2.3 Service Quality**

Divine restaurant is offering quality foods and service with qualified and skillful staffs and chefs. It arranges enough waiters and waitresses to serve customers quickly and efficiently. It sets at least one waiter stand by near 2 tables so that customers do not have to wait the waiters to order.

The staff are neatly dressed in uniform and serve customers with smiles. When ordering food, waiters have enough knowledge about recipe and can give recommendation for foods based on customers' wants. They can also calculate how many people can eat in the promotion set. Divine always sets the kitchen clean to cook healthy and delicious foods quickly. If customers forget things, staffs keeps those items or check CCTV if necessary. In the bar room, the security is carefully guarded. Divine is completely safe for all customers especially ladies. In addition, it appoints enough cleaners for all areas including rest rooms. It sets the standard waiting time not later than 15 minutes for foods. It also arranges open mic so that customers can sign with live band.

### **3.2.4 Restaurant Location**

Divine is located on Sayar San Road where there are a lot of bars, restaurants and KTVs. It is a famous area among people who used to go for night out. In addition, it is easy to get to commute by taxi, own cars, or buses. Among the many bars along Sayar San Road, Divine has a large car parking lot around its yard. In addition, Divine is located on the main road and people can easily find it.



Divine restaurant has its own marketing team to get the customer's awareness and improve sales. It used to promote its products via its Facebook page named "Divine restaurant" accessible at <https://www.facebook.com/DIVINEYGN>.

### **3.2.5 Restaurant Atmosphere**

Divine restaurant carefully pay attentions to factors such as music, lighting, artwork and spacing combine to create comfort, intimacy and even romance. Divine restaurant uses only the best lighting, sound system, and decorations. Hence, the sound system is good and customers can take the beautiful for their wonderful time.

The Beer Garden is beautifully decorated with plants and lighting. Because of the bamboo roof, there is no direct sun light in the afternoons, and people can feel natural air. Inside the restaurant, aircon and ventilation hoods are used to make fresh air and remove odours. Not only teenagers but also 20s and 30s are having fun with DJs. Divine restaurant arranges birthdays and weddings. It has unplugged at the Beer Garden where customers of different ages can come and eat in peace. During the football season, football games are shown live with a projector.

### **3.3 Profile of Respondents**

This section presents the profiles of 121 customers who come to Divine restaurant based on the survey data. Profile of the respondents is described by frequency and percentage in Table (3.1).

**Table (3.1) Profile of Respondents**

| <b>Sr. No.</b> | <b>Particular</b>           | <b>Frequency</b> | <b>Percentage</b> |
|----------------|-----------------------------|------------------|-------------------|
|                | <b>Total</b>                | <b>121</b>       | <b>100.00</b>     |
| <b>1</b>       | <b>Gender</b>               |                  |                   |
|                | Male                        | 93               | 76.86             |
|                | Female                      | 28               | 23.14             |
| <b>2</b>       | <b>Age (Years)</b>          |                  |                   |
|                | ≤ 25 years                  | 78               | 64.46             |
|                | 26 ~ 35 years               | 24               | 19.83             |
|                | 36 ~ 45 years               | 17               | 14.05             |
|                | Over 45 years               | 2                | 1.65              |
| <b>3</b>       | <b>Education Level</b>      |                  |                   |
|                | Undergraduate               | 14               | 11.57             |
|                | Graduate                    | 93               | 76.86             |
|                | Post Graduate               | 12               | 9.92              |
|                | Doctorate                   | 2                | 1.65              |
| <b>4</b>       | <b>Position</b>             |                  |                   |
|                | Company employee            | 91               | 75.21             |
|                | Government officer          | 8                | 6.61              |
|                | Owner                       | 19               | 15.70             |
|                | Retired                     | 3                | 2.48              |
| <b>5</b>       | <b>Monthly Salary (MMK)</b> |                  |                   |
|                | 300,001 ~ 500,000           | 6                | 4.96              |
|                | 500,001 ~ 800,000           | 73               | 60.33             |
|                | 800,001 ~ 1,000,000         | 13               | 10.74             |
|                | 1,000,001 ~ 1,500,000       | 12               | 9.92              |
|                | Above 1,500,000             | 17               | 14.05             |

Source: Survey Data (2022)

According to Table (3.1), the majority of the respondents are males while females represent minority as more boys used to do night out. Most of the respondents are less than or equal to 25 years old followed by the group that include from 26 to 35 years old. It is found that majority of the customers who visit to Divine restaurant are graduate followed by undergraduate and post graduate people. Most of the customers are working as company employees while second largest group includes business owners. Most respondents earn between 500,001 Kyats and 800,000 Kyats per month while second largest group contains people who earn above 1,500,000 Kyats per month.

### 3.4 Reliability Test

Reliability is a measure of the stability or consistency of the variables in the structured questionnaire. Questions are developed by using 5-point Likert scale. The result of the reliability test by Cronbach's Alpha is presented in Table (3.2).

**Table (3.2) Reliability Test**

| <b>Sr. No.</b> | <b>Variable</b>       | <b>No. of Items</b> | <b>Cronbach's Alpha</b> | <b>Reliability Level</b> |
|----------------|-----------------------|---------------------|-------------------------|--------------------------|
| 1              | Food Quality          | 5                   | .766                    | Reliable                 |
| 2              | Restaurant Atmosphere | 5                   | .709                    | Reliable                 |
| 3              | Restaurant Location   | 5                   | .765                    | Reliable                 |
| 4              | Service Quality       | 5                   | .741                    | Reliable                 |
| 5              | Price                 | 5                   | .780                    | Reliable                 |
| 6              | Customer Satisfaction | 5                   | .742                    | Reliable                 |
| 7              | Loyalty               | 7                   | .727                    | Reliable                 |

Source: Survey Data (2022)

According to Table (3.2), all the variables are reliable. Hence, this study can be regarded valid.

## CHAPTER 4

### THE ANALYSIS ON THE INFLUENCING FACTORS ON CUSTOMER SATISFACTION AND CUSTOMER LOYALTY

This chapter presents the influencing factors based on customer response. In addition, it analyses the effect of influencing factors on customer satisfaction by multiple regression. Finally, it describes the effect of customer satisfaction on customer loyalty towards Divine restaurant.

#### 4.1 Factors Which can Influence Customer Satisfaction

The influencing factors can affect the satisfaction of the customers who are coming to the Divine Restaurant. In this study, influencing factors include food quality, price, service quality, restaurant location and restaurant atmosphere.

##### (a) Food Quality

Food quality represents the sum of all properties and attributes of a food item that are acceptable to the customer. Customer perceptions towards the food quality of Divine restaurant are presented in Table (4.1).

**Table (4.1) Food Quality**

| <b>Sr. No.</b> | <b>Description</b>                                | <b>Mean Score</b> | <b>Std. Dev.</b> |
|----------------|---|-------------------|------------------|
| 1.             | Hot and fresh foods served                        | 3.95              | 0.81             |
| 2.             | Pleasant taste of the meals                       | 3.85              | 0.83             |
| 3.             | Attractive visual presentation of the food        | 3.91              | 0.75             |
| 4.             | Tasty and rich in flavour of foods                | 3.96              | 0.82             |
| 5.             | Able to request the taste according to the desire | 3.98              | 0.65             |
|                | <b>Overall Mean</b>                               | <b>3.93</b>       |                  |

Source: Survey Data (2022)

According to Table (4.1), respondents agree that they are able to request the taste of foods according to their preference as Divine restaurant always revises the taste of the foods according to the customers' requests. Moreover, respondents agree that they experience the pleasant taste of the meals because Divine restaurant always cares the food quality by paying attention to hygiene factors and uses only fresh ingredients while preparing the food. According to the overall mean score 3.93, respondents agree that Divine restaurant offers good food quality.

**(b) Price**

Price represents the amount that consumers are charged for food at the restaurant. Customer perceptions towards the price of foods at Divine restaurant are presented in Table (4.2).

**Table (4.2) Price**

| <b>Sr. No.</b> | <b>Description</b>                           | <b>Mean Score</b> | <b>Std. Dev.</b> |
|----------------|--|-------------------|------------------|
| 1.             | Reasonable price                             | 3.97              | 0.84             |
| 2.             | Good foods for the price paid                | 3.87              | 0.85             |
| 3.             | Appropriate costs for what the customer gets | 3.98              | 0.77             |
| 4.             | Menu including price of each item            | 3.93              | 0.87             |
| 5.             | Feeling value for the money paid             | 3.99              | 0.65             |
|                | <b>Overall Mean</b>                          | <b>3.95</b>       |                  |

Source: Survey Data (2022)

According to Table (4.2), respondents agree that they feel the value of the products and services for the money they paid because Divine restaurant applies a hybrid strategy for pricing to obtain maximum value for its products. Furthermore, most of the respondents agree that they get the good foods for the price. Divine restaurant uses psychological pricing, and it successfully adds more value to its products from the point of view of customers. According to the overall mean score 3.93, respondents agree that Divine restaurant sets the reasonable price for the foods.

**(c) Service Quality**

In restaurants, service quality tends to focus on timely service (not too rushed or too slow), server attentiveness, and friendliness. Customer perceptions towards the service quality of Divine restaurant are presented in Table (4.3).

**Table (4.3) Service Quality**

| <b>Sr. No.</b> | <b>Description</b>                                   | <b>Mean Score</b> | <b>Std. Dev.</b> |
|----------------|--|-------------------|------------------|
| 1.             | The menu including a good variety of items           | 4.27              | 2.81             |
| 2.             | Availability of sauces, utensils, napkins, etc.      | 4.02              | 0.60             |
| 3.             | Staffs always standing by near the tables            | 4.06              | 0.45             |
| 4.             | Customers able to sing with live band free of charge | 3.94              | 0.71             |
| 5.             | Ordered foods served quickly                         | 4.10              | 0.37             |
|                | <b>Overall Mean</b>                                  | <b>4.08</b>       |                  |

Source: Survey Data (2022)

According to Table (4.3), respondents strongly agree that menu includes many items including Thai food and Mandalay BBQ so that customers can choose what they like. In addition, customers agree that they can sing with the live band free of charge since Divine restaurant welcomes customers who want to sing with its unplugged band at outdoor area. According to the overall mean score 4.08, respondents agree that Divine restaurant has good service quality for customers.

**(d) Restaurant Location**

The site of a restaurant is need to be accessible to the public and easy to find. Customer perceptions towards the service quality of Divine restaurant are presented in Table (4.4).

**Table (4.4) Restaurant Location**

| <b>Sr. No.</b> | <b>Description</b>   | <b>Mean Score</b> | <b>Std. Dev.</b> |
|----------------|--|-------------------|------------------|
| 1.             | Divine located in the downtown area                                    | 3.95              | 0.76             |
| 2.             | Divine situated in famous place where KTVs, bars and restaurants exist | 3.94              | 0.73             |
| 3.             | Divine located in a visible place making it easy for others to see it  | 4.08              | 0.53             |
| 4.             | Available adequate parking spaces                                      | 3.93              | 0.73             |
| 5.             | A good place to go by various means                                    | 4.10              | 0.44             |
|                | <b>Overall Mean</b>  | <b>4.00</b>       |                  |

Source: Survey Data (2022)

According to Table (4.4), respondents agree that Divine restaurant is situated in a good place to go by various means because customer can easily go to Divine restaurant by taxi, own cars, or buses. In addition, customers agree that there are adequate parking spaces at the restaurant and customers can easily find the free space to park their cars. According to the overall mean score 4.00, respondents agree that Divine restaurant is situated in a good location to commute.

**(e) Restaurant Atmosphere**

Creating the right restaurant atmosphere means paying close attention to what the guests see, hear, and feel. Customer perceptions towards the restaurant atmosphere of Divine restaurant are presented in Table (4.5).

**Table (4.5) Restaurant Atmosphere**

| <b>Sr. No.</b> | <b>Description</b>   | <b>Mean Score</b> | <b>Std. Dev.</b> |
|----------------|--|-------------------|------------------|
| 1.             | A good atmosphere created with pleasant lightings                                      | 4.06              | 0.65             |
| 2.             | The background music offering relaxing and pleasant atmosphere                         | 4.02              | 0.64             |
| 3.             | Nice and pleasant smell in the restaurant  | 4.08              | 0.51             |
| 4.             | Intimate and relaxing atmosphere   | 3.94              | 0.72             |
| 5.             | The materials (menu, uniforms, signage etc.) visually appealing and attention catching | 4.07              | 0.43             |
|                | <b>Overall Mean</b>  | <b>4.04</b>       |                  |

Source: Survey Data (2022)

According to Table (4.5), respondents agree that there is a nice and pleasant smell in the Divine restaurant because Divine restaurant is equipped with aircon and ventilation hoods are used to make fresh air and remove odours. In addition, customers agree that they get intimate and relaxing atmosphere since Divine restaurant carefully pays attentions to factors such as music, lighting, artwork and spacing combine to create comfort, intimacy and even romance. According to the overall mean score 4.04, respondents agree that Divine restaurant has favourable restaurant atmosphere.

## **4.2 Analysis on the Influencing Factors on Customer Satisfaction**

This section presents the customer satisfaction based on influencing factors such as Food Quality, price, service quality, location, and restaurant atmosphere. In order to find out the customer satisfaction, structured questionnaires are collected from 121 customers who visit to Divine restaurant.

### **(a) Customer Satisfaction**

Customer satisfaction depends on price, friendliness, cleanliness, care, diversity, speed of service, and food consistency according to menu. Customer satisfaction level towards Divine restaurant is presented in Table (4.6).



**Table (4.6) Customer Satisfaction**

| <b>Sr. No.</b> | <b>Description</b>                             | <b>Mean Score</b> | <b>Std. Dev.</b> |
|----------------|--|-------------------|------------------|
| 1.             | Happy to go to Divine Restaurant               | 4.07              | 0.71             |
| 2.             | Feeling safe at Devine Restaurant              | 4.01              | 0.71             |
| 3.             | Feeling reducing stress                        | 4.04              | 0.68             |
| 4.             | Receiving pleasant feeling                     | 4.05              | 0.74             |
| 5.             | Able to remove bad feeling and reduce pressure | 4.03              | 0.58             |
|                | <b>Overall Mean</b>                            | <b>4.04</b>       |                  |

Source: Survey Data (2022)

According to Table (4.6), respondents agree that they are happy to go to the Divine restaurant since Divine employs chefs according to the food types and those chefs always revise the taste of the foods according to the customers' requests. Moreover, customers feel safe since Divine restaurant has own parking space, CCTVs and enough security staff. According to the overall mean score 4.04, respondents agree that they are satisfied with the overall foods and service of Divine restaurant.

**(b) Analysis on Factors Influencing Customer Satisfaction**

This section analyses the effect of influencing factor on customer satisfaction on the Divine Restaurant. In order to analyse the relationship, linear regression is applied and the result is presented in Table (4.7).

**Table (4.7) Influencing Factors on Customer Satisfaction**

| Variable              | Unstandardized Coefficients |           | Standardized Coefficients (Beta) | t     | Sig  |
|-----------------------|-----------------------------|-----------|----------------------------------|-------|------|
|                       | B                           | Std Error |                                  |       |      |
| (Constant)            | .366                        | .257      |                                  | 1.421 | .158 |
| Food Quality          | .160**                      | .064      | .181                             | 2.513 | .013 |
| Price                 | .486***                     | .060      | .591                             | 8.152 | .000 |
| Service Quality       | .055*                       | .029      | .089                             | 1.887 | .062 |
| Restaurant Location   | .054                        | .070      | .048                             | .777  | .439 |
| Restaurant Atmosphere | .172**                      | .080      | .137                             | 2.135 | .035 |
| R Square              | .775                        |           |                                  |       |      |
| Adjusted R Square     | .765                        |           |                                  |       |      |
| F Value               | 79.155***                   |           |                                  |       |      |

Source: Survey Data (2022)

\*\*\* Significant at 1% level, \*\* Significant at 5% level, \* Significant at 10% level

Food quality has the expected positive sign, and the coefficient of the variable is significant with customer satisfaction towards Divine Restaurant at 5 percent level. The positive effect means that the better food quality leads to more customer satisfaction. As customer gets the good foods adjusted according to their taste preference, they are satisfied with the food quality of Divine restaurant.

Price has the expected positive sign, and the coefficient of the variable is significant with customer satisfaction towards Divine Restaurant at 1 percent level. The positive effect means that the more reasonable price leads to more customer satisfaction. Customers used to evaluate value for money while having foods at the restaurant. Since Divine restaurant sets the reasonable price for each food, customers feel that they get good foods for the price and they are satisfied.

Service quality has the expected positive sign, and the coefficient of the variable is significant with customer satisfaction towards Divine Restaurant at 10 percent level. The positive effect means that the better service quality leads to more customer satisfaction. Divine restaurant offers many food items, arranges customers who want to sing with live music band, and places waiters standing by near tables. Hence, customers are satisfied with the service quality of Divine restaurant.

Restaurant atmosphere has the expected positive sign, and the coefficient of the variable is significant with customer satisfaction of the Divine Restaurant at 5 percent level. The positive effect means that the better restaurant atmosphere leads to more customer satisfaction. Divine restaurant carefully arranges to have nice and pleasant smells in the restaurant. In addition, it carefully pays attentions to factors such as music, lighting, artwork and spacing combine to create comfort, intimacy and even romance.

According to Standardized coefficient (Beta) score, price is the most effective factor on customer satisfaction since customers used to find the restaurants that offer good value of products and services for the price they pay.

### 4.3 The Effect of Customer Satisfaction on Customer Loyalty

This section presents the customer loyalty towards Divine restaurant. In order to find out the customer loyalty, structured questionnaires are collected from 121 customers who visit to Divine restaurant.

#### (a) Customer Loyalty

Customer loyalty is an ongoing positive relationship between a customer and a business. Survey result indicating the customer loyalty towards Divine restaurant is presented in Table (4.8).

**Table (4.8) Customer Loyalty**

| <b>Sr. No</b> | <b>Description</b>   | <b>Mean Score</b> | <b>Std. Dev.</b> |
|---------------|--|-------------------|------------------|
| 1.            | Going to visit Divine restaurant again                             | 4.01              | 0.61             |
| 2.            | Having intention to come to Divine restaurant frequently           | 3.99              | 0.09             |
| 3.            | Divine restaurant becoming the first choice                        | 3.96              | 0.83             |
| 4.            | Encouraging friends and relatives to visit Divine restaurant       | 3.86              | 0.84             |
| 5.            | Attracted to come back to Divine restaurant in the future          | 3.98              | 0.77             |
| 6.            | Intending to keep dining out at Divine restaurant                  | 3.93              | 0.87             |
| 7.            | Not going to other restaurants that offer promotions and discounts | 4.02              | 0.63             |
|               | <b>Overall Mean</b>  | <b>3.96</b>       |                  |

Source: Survey Data (2022)

According to Table (4.8), respondents agree that they do not have intention to go to other restaurants that offer promotions and discounts since customer are satisfied with the foods that are prepared according to their desire. Moreover, customers used to encourage friends and relatives to visit Divine restaurant because they have good experience at the Divine restaurant. According to the overall mean score 3.96, respondents agree that they have some degree of loyalty towards Divine restaurant.

**(b) Effect of Customer Satisfaction on Customer Loyalty**

This section analyses the effect of customer satisfaction on customer loyalty towards Divine restaurant. In order to analyse the relationship, linear regression is applied and the result is presented in Table (4.9).

**Table (4.9) Effect of Customer Satisfaction on Customer Loyalty**

| Variable              | Unstandardized Coefficients |           | Standardized Coefficients (Beta) | t      | Sig  |
|-----------------------|-----------------------------|-----------|----------------------------------|--------|------|
|                       | B                           | Std Error |                                  |        |      |
| (Constant)            | .661                        | .184      |                                  | 3.587  | .000 |
| Customer Satisfaction | .817***                     | .045      | .855                             | 18.005 | .000 |
| R Square              | .731                        |           |                                  |        |      |
| Adjusted R Square     | .729                        |           |                                  |        |      |
| F Value               | 324.167***                  |           |                                  |        |      |

Source: Survey Data (2022)

\*\*\* Significant at 1% level, \*\* Significant at 5% level, \* Significant at 10% level

The variable of customer satisfaction has the expected positive sign, and the coefficient of the variable is strongly significant with customer loyalty at 1 percent level. The positive effect means that the increase in customer satisfaction leads to more customer loyalty. If the customers enjoy the foods and services of the restaurant, customers will come to that restaurant again and recommend others to visit that restaurant. Moreover, those satisfied customers will not consider going to other restaurants even if other restaurants offer promotions.

## **CHAPTER 5**

### **CONCLUSION**

This chapter is composed of three sections. Firstly, it presents the findings and discussions. Secondly, it describes the suggestions and recommendations to improve the foods and services of Divine restaurant. Finally, it presents the limitation and need for further research.

#### **5.1 Findings and Discussions**

This study aims to explore the influencing factors on customer satisfaction towards Divine restaurant. It also examines the relationship between influencing factors and customer satisfaction towards Divine restaurant and analyzes the effect of customer satisfaction on customer loyalty towards Divine restaurant.

Majority of the respondents are male customers. Most of the customers are less than or equal to 25 years old. Most of the customers who visit to Divine restaurant are graduate people. They are working as company employees while second largest group includes business owners. Most respondents earn from 500,001 Kyats to 800,000 Kyats monthly.

According to the findings, among five influencing factors (food quality, price, service quality, restaurant location and restaurant atmosphere), four factors (food quality, price, service quality and restaurant atmosphere) have a positive significant effect on customer satisfaction while restaurant location does not have a significant effect on customer satisfaction.

According to regression result, increase in food quality leads to more customer satisfaction towards Divine restaurant. Divine restaurant has many kinds of menu items and full range of drinks by qualified people. In addition, the restaurant prepares foods according to the taste preference of customers. Hence, customer are satisfied with the food quality of Divine restaurant.

Finding shows that price is the most effective factor of the customer satisfaction. Regression result also shows that more reasonable price of foods leads to more customer satisfaction towards Divine restaurant. The prices of menu items are not as expensive as

those of other restaurants. Divine restaurant shows the price of each item in the menu so that customers can look at the price before the order. Hence, customers are satisfied with the pricing policy of Divine restaurant.

The better service quality leads to more customer satisfaction towards Divine restaurant. Since Divine restaurant offers many food items and full range of drinks. In addition, it places waiters standing by near tables. Customers are able to sing with live music band. Hence, customers are satisfied with the service quality of Divine restaurant.

Regression result also shows that better restaurant atmosphere leads to more customer satisfaction towards Divine restaurant. Divine restaurant maintains good and pleasant smell in the restaurant. It also arranges relevant music, lighting, artwork and spacing combined to create comfort, intimacy and even romance.

According to the regression result, customer satisfaction has a positive significant effect on customer loyalty. Since customers are satisfied with the foods, customer services, and ambient conditions of the resultants, they intend to revisit Divine restaurant again and they used to recommend others to Divine restaurant. Moreover, they do not want to go other restaurants that offers promotions and discounts. Hence, it is found that majority of customers are loyal towards Divine restaurant.

## **5.2 Suggestions and Recommendations**

Divine restaurant should pay the first priority to pricing strategy since price is the most effective factor of the customer satisfaction. Divine restaurant should keep describing the prices on menus because it gives customers the opportunity to decide before they place an order. In addition, it should monitor the prices of foods at other restaurants and update the price of foods so that customers will feel the value of money for the foods. Divine restaurant should calculate the exact cost of each food so that the restaurant can make the competitive prices by adding desired profit. In addition, Divine should set special prices for events such as staff party, and birthday etc. Hence, customers will be more satisfied with the prices offered by Divine restaurant.

For food quality, Divine restaurant should always create new menus and tastes of foods by taking survey from the customers. In addition, the restaurant should set standard recipes and a high standard for its food quality. In addition, it should ensure that guests receive the same quality with every meal. It should also use high-quality ingredients and

hire an experienced cook to serve good foods consistently. Then, customers will be more satisfied with the quality of foods offered by Divine restaurant.

To improve service quality, Divine restaurant should systematically record the customer names and arrange for customers who want to sing with live music band. The band should also find the notes of the songs and play the songs that the customer want to sign so that customers will be more satisfied.

To improve restaurant atmosphere, Divine restaurant should continue using low, soft-lit lighting. Then, restaurant can create an intimate, upscale experience making this type of ambient lighting perfect for a restaurant's bar or lounge area. In addition, the restaurant should place cordless table lamps so that customers can clearly see the items on the tables. Moreover, the band should select the relevant songs according to the types of customers. By doing above suggestions, it will ensure that guests enjoy more than just good food, but they will have a great experience overall.

### **5.3 Limitation and Need for Further Study**

This study only focuses on the influencing factors on customer satisfaction and loyalty towards Divine restaurant. It only focuses only five influencing factors namely food quality, price, service quality, restaurant location and restaurant atmosphere. There could be many factors that can affect on the customer satisfaction. Thus, further study should focus the other factors that may affect on satisfaction. There are many factors that can affect on the customer loyalty rather than customer satisfaction. Hence, demographic factors such as gender, age, and income should also be studied as the moderating variables between customer satisfaction and customer loyalty. In addition, it does not cover all restaurants in Myanmar. Therefore, further study should pay attention to other restaurants in Myanmar so that it will cover the whole restaurant industry in Myanmar.

## REFERENCES

- Alma, B. (2011). *Marketing Management and Service Marketing, Purchase Order*. Bandung: Alfabeth.
- Anderson, E. W., Fornell, C., & Lehmann, R. R. (1994). Customer satisfaction, market share, and profitability: findings from Sweden. *Journal of Marketing*, 58, 53-66.
- Annamdevula, S., & Bellamkonda, R. S. (2016). Effect of Student Perceived Service Quality on Student Satisfaction, Loyalty and Motivation in Indian University. *Journal of Service Management*, 11(2), 488–517.
- Ariffin, H. F., Bibon, M. F., & Abdullah, R. P. (2010). *Restaurant's Atmospheric Elements: What The Customer Wants Asia Pacific Conference on Environment-Behaviour Studies*. Malaysia: Elsevier Ltd.
- Auty, S. (1992). Consumer choice and segmentation in the restaurant industry. *The Service Industries Journal*, 12(3), 324-339.
- Azim, A., Shah, N. A., Mehmood, Z., Mehmood, S., & Bagram, M. M. (2014). Factors Effecting the Customers Selection of Restaurants in Pakistan. *International Review of Management and Business Research*, 32, 1003.
- Bei, L. T., & Chiao, Y. C. (2001). An Integrated Model for The Effects of Perceived Product, Perceived Service Quality, and Perceived Price Fairness on Consumer Satisfaction and Loyalty. *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 14, 125-140.
- Bitner, M. J. (1992). Servicescapes: the impact of physical surroundings on customers and employees. *Journal of Marketing*, 56(4), 57-71.
- Bloemer, J. M., & Kasper, H. D. (1995). The complex relationship between consumer satisfaction and brand loyalty. *Journal of economic psychology*, 16(2), 311-329.
- Bolton, L. E., Warlop, L., & Alba, J. W. (2003). Explorations in Price (Un)Fairness. *Journal of Consumer Research*, 29(4), 474–491.



- Bolton, R. N., & Drew, J. H. (1995). *Linking customer satisfaction to services operations and outcomes service quality: new directions in theory and practice*. New York: Sage Publications.
- Boulding, W., Kalra, A., Staelin, R., & Zeithaml, V. A. (1993). A dynamic process model of service quality: from expectations to behavioral intentions. *Journal of marketing research*, 30(1), 1-7.
- Bowden, J. L., & Dagger, T. S. (2011). To delight or not to delight? An investigation of loyalty formation in the restaurant industry. *Journal of Hospitality Marketing and Management*, 20(5), 501-524.
- Bowen, J. T., & Chen, S. L. (2001). The relationship between customer loyalty and customer satisfaction. *International journal of contemporary hospitality management*, 13(5), 213-217.
- Briesch, R., Krishnamurthi, L., Mazumdar, T., & Raj, S. P. (1997). A Comparative Analysis of Reference Price Models. *Journal of Consumer Research*, 24(2), 202–214.
- Brown, A. L. (1992). Design experiments: Theoretical and methodological challenges in creating complex interventions in classroom settings. *Journal of the Learning Sciences*, 2, 141-178.
- Campbell, M. (1999). Perceptions of Price Unfairness: Antecedents and Consequences. *Journal of Marketing Research*, 36(2), 187–199.
- Chow, I. H., Lau, V. P., Lo, T. W., Sha, Z., & Yun, H. (2007). Service quality in restaurant operations in China: Decision-and experiential-oriented perspectives. *International Journal of Hospitality Management*, 26(3), 698-710.
- Chun, T. Y., & Park, N. H. (2021). The Effect of Service Marketing Mix on Relationship Quality and Revisit Intentions for Korean Restaurants in Vietnam. *Journal of Asian Finance, Economics and Business*, 8(6), 1001–1012.
- Churchill, G. A., & Surprenant, C. (1982). An Investigation Into the Determinants of Consumer Satisfaction. *Journal of Marketing Research*, 19(11), 491-504.
- Clark, M. A., & Wood, R. C. (1996). Consumer loyalty in the restaurant industry: A preliminary exploration of the issues. *British Food Journal*, 101(4), 317-327.

- Dhisasmito, P. P., & Kumar, S. (2020). Understanding customer loyalty in the coffee shop industry. *British Food Journal*, 122(7), 2253–2271.
- Dick, A. S., & Basu, K. (1994). Customer loyalty: toward an integrated conceptual framework. *Journal of the academy of marketing science*, 22(2), 99-113.
- Dutta, K., Parsa, H. G., Parsa, R. A., & Bujisic, M. (2014). Change in Consumer Patronage and Willingness to Pay at Different Levels of Service Attributes in Restaurants: A Study in India. *Journal of Quality Assurance in Hospitality & Tourism*, 15(2), 149.
- Grönroos, C. (1984). A Service Quality Model and its Marketing Implications. *European Journal of Marketing*, 18(4), 36-44.
- Guillet, B. D., Kozak, M., & Kucukusta, D. (2019). *International Journal of Hospitality & Tourism Administration*, 20(1), 1–14.
- Han, S. J., & Lee, H. J. (2012). A Study on New Service Blueprint Using Service Marketing Mix Elements: Focusing on Service Systems of Coffee Shops. *Design Convergence Study*, 11(3), 186–197.
- Hassan, H., Sade, A. B., & Rahman, M. S. (2013). Malaysian hyper-market retailing development and expansion. *International Journal of Retail & Distribution Management*, 41(8), 584–595.
- Hong, J. S., Chou, S. F., Liu, C. H., & Tsai, C. Y. (2013). Creativity, aesthetics and eco-friendliness: A physical dining environment design synthetic assessment model of innovative restaurants. *Tourism Management*, 22(7), 15-25.
- Huda, S. M., Muzaffar, A. T., & Ahmed, J. U. (2008). The Perception on Food Quality among Urban People. *AIUB Business & Economics Working Paper Series*, AIUB-BUS-ECON-2008-17.
- Hyun, S. S. (2010). Predictors of relationship quality and loyalty in the chain restaurant industry. *Cornell Hospitality Quarterly*, 51(2), 251-267.
- Isa, S. M., Ariyanto, H. H., & Kiumarsi, S. (2020). The effect of place attachment on visitors' revisit intentions: Evidence from Batam. *Tourism Geographies: An International Journal of Tourism Place, Space and the Environment*, 22(1), 51–82.

- Jani, D., & Han, H. (2011). Investigating the key factors affecting behavioral intentions: Evidence from a full-service restaurant setting. *International Journal of Contemporary Hospitality Management*, 23(7), 1000–1018.
- Jin, N., Lee, S., & Huffman, L. (2012). Impact of restaurant experience on brand image and customer loyalty: moderating role of dining motivation. *Journal of Travel and Tourism Marketing*, 29(6), 532–551.
- Johns, N., & Howard, A. (1998). Customer expectations versus perceptions of service performance in the foodservice industry. *International Journal of Service Industry Management*, 9(3), 248-256.
- Khan, M. S. (2011). *Stock Price Puzzle*. Germany: Lambert Academic Publishing.
- Kim, B. H., Lee, D., & Lee, J. (2006). Local volatility function approximation using reconstructed radial basis function networks. *In International Symposium on Neural Networks*, 524–530.
- Kim, Y. K., & Lee, H. R. (2017). A Study on the Marketing Mix of Hotel Package Using Kano Model. *Korean Journal of Tourism Research*, 32(4), 1–22.
- Kivela, J., Inbakaran, R., & Reece, J. (1999). Consumer research in the restaurant environment: A conceptual model of dining satisfaction and return patronage. *International Journal of Contemporary Hospitality Management*, 12(1), 13-30.
- Kotler, P. (1988). *Marketing Management* (6<sup>th</sup> ed.). Englewood Cliffs: Prentice Hall.
- Krumay, B., & Roman, B. (2010). Are Customer Service Offerings Influencing E-Loyalty? - A Graphical Chain Model Approach in the Austrian Mobile Phone Service Provider Industry. *23rd Bled, e-Conference e-Trust: Implications for the Individual, Enterprises and Society*, 20 - 23.
- Kuusik, A. (2007). *Affecting Customer Loyalty: Do Different Factors Have Various Influences in Different Loyalty Levels*. Estonia: Tartu University Press.
- Lewis, R., & Shoemaker, S. (1997). Price-Sensitivity Measurement. *Cornell Hotel and Restaurant Administration Quarterly*, 38, 44-54.
- Liang, D. D. (2008). The Determining Factors of Customer Loyalty for Luxury Hotels in US. *the Journal of International Management Studies*, 3(2), 167-175.

- Lin, H. (2010). *Understanding American Customer Perceptions on Japanese Food and Services In The U.S.* Las Vegas: University of Nevada.
- Love, H. G. (1972). Fast food store location factors: A comparison with grocery store location factors. *Journal of Food Distribution Research*, 3(1), 40-43.
- Lovelock, C. (2011). *Services Marketing* (7<sup>th</sup> ed.). India: Pearson Education India.
- Mattila, A. S. (2001). Emotional bonding and restaurant loyalty. *Cornell Hotel and Restaurant Administration Quarterly*, 46(2), 73.
- Mattila, A. S. (2001). Emotional bonding and restaurant loyalty. *Cornell Hospitality Quarterly*, 42(6), 73.
- Melia, D. (2010). *Critical Success Factors and Performance Management and Measurement: a Hospitality Context*. Retrieved from: <http://arrow.dit.ie/tfschmtcon/43/>
- Moorman, C., Deshpande, R., & Zaltman, G. (1993). Factors affecting trust in market research relationships. *The Journal of Marketing*, 81-101.
- Musriha, D. (2012). Effect of Servicescape and Employee Communication Quality on Customer Loyalty of Mandiri Bank in Surabaya. *Academic Research International*, 2(1), 229-240.
- Namkung, Y., & Jang, S. (2007). Does Food Quality Really Matter in Restaurants? Its Impact On Customer Satisfaction and Behavioral Intentions. *Journal of Hospitality & Tourism Research*, 31(3), 387-409.
- Oliver, R. L. (1999). Whence consumer loyalty? *The Journal of Marketing*, 33-44.
- Oliver, R. L., & Rust, R. T. (1997). Customer Delight: Foundations, Findings, and Managerial Insight. *Journal of Retailing*, Fall97, 73(3), 311-336.
- Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (1985). A conceptual model of service quality and its implications for future research. *Journal of Marketing*, 49, 41-50.
- Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (1988). SERVQUAL: a multiple-item scale for measuring consumer perceptions of service quality. *Journal of Retailing*, 64(1), 12-40.

- Parsa, H. G., Gregory, A., & Gregory, M. (2010). Why do restaurants fail? Part III: An analysis of macro and micro factors. *Emerging Aspects Redefining Tourism and Hospitality*, 1(1), 16-25.
- Parsa, H. G., Self, J. T., Njite, D., & King, T. (2005). Why restaurants fail. *Cornell Hotel and Restaurant Administration Quarterly*, 304-322.
- Peri, C. (2006). The universe of food quality. *Food Quality and Preference*, 17(1), 3–8.
- Pettijohn, L. S., Pettijohn, C. E., & Luke, R. H. (1997). An evaluation of fast food restaurant satisfaction: Determinants, competitive comparisons, and impact on future patronage. *Journal of Restaurant and Foodservice Marketing*, 23, 3-20.
- Pi, W. P., & Huang, H. (2011). Effects of promotion on relationship quality and customer loyalty in the airline industry: The relationship marketing approach African. *Journal of Business Management*, 5(11), 4403-4414.
- Pitta, D., Franzak, F., & Fowler, D. (2006). A strategic approach to building online customer loyalty: integrating customer profitability tiers. *Journal of Consumer Marketing*, 23(7), 421 – 429.
- Qu, H. (1997). Determinant factors and choice intention for Chinese restaurant dining: A multivariate approach. *Journal of Restaurant and Foodservice Marketing*, 2(2), 35-49.
- Rahnama, A. (2012). Evaluation of factors affecting customer loyalty in the restaurant industry. *African Journal of Business Management*, 6(14), 5039–5046.
- Raman, S., & Chinniah, S. (2011). An investigation on higher learning student's satisfaction on food services at the university cafeteria. *Journal of Research in Commerce, IT & Management*, 1(2), 12-16.
- Reddy, N. R., Ramana, V., Reddy, T. N., & Abdul, A. B. (2011). Influence of Store Satisfaction, Merchandise Quality, and Service Quality on Store Loyalty. *International Journal of Trade, Economics and Finance*, 2(5), 11-20.
- Reichheld, F. F., & Sasser, W. E. (1990). *Zero Defections: Quality Comes To Services*. Retrieved from <https://hbr.org/1990/09/zero-defections-quality-comes-to-services>

- Reynolds, K., & Arnold, M. (2000). Customer Loyalty to the Salesperson and the Store: Examining Relationships in an Upscale Retail Context. *Journal of Personal Selling & Sales Management*, 20(2), 89-98.
- Ryu, K., & Han, H. (2010). Influence of the quality of food, service, and physical environment on customer satisfaction and behavioral intention in quick-casual restaurants: moderating role of perceived price. *Journal of Hospitality and Tourism Research*, 34(3), 310–329.
- Ryu, K., & Jang, S. (2008). Influence of restaurants' physical environments on emotion and behavioral intention. *The Service Industries Journal*, 28(8), 1151-1165.
- Shin, J. I., Kim, B. N., & Chung, K. K. (2014). A Study on the Relationship among Service Marketing Mix, Wine Bar Image, Customer Satisfaction, and Customer Loyalty. *Journal of Foodservice Management Society of Korea*, 17(3), 175–197.
- Sinha, I., & Batra, R. (1999). The effect of consumer price consciousness on private label. *International Journal of Research in Marketing*, 16(3), 237–251.
- Sochenda, S. (2021). Modeling of Customer Satisfaction and Customer Loyalty in Fast Food Industry. *International Journal of Economics, Business and Accounting Research*, 5(4), 409-433.
- Soriano, D. R. (2002). Customers' Expectations Factors in Restaurants: The Situation in Spain. *International Journal of Quality and Reliability Management*, 19, 1055-1067.
- Sulek, J. M., & Hensley, R. L. (2004). The relative importance of food, atmosphere, and fairness of wait. *Cornell Hotel and Restaurant Administration Quarterly*, 45(3), 235-247.
- Tellis, G. J. (1988). Advertising Exposure, Loyalty, and Brand Purchase: A Two-Stage Model of Choice. *Journal of Marketing Research*, 25(5), 134–144.
- Tresnanda, D. A. (2014). Pengaruh Bauran Pemasaran Terhadap Keputusan Pembelian Rumah (Survei Pada Konsumen Perumahan Blukid Residence Sidoarjo). *Journal Administrasi Bisnis*, 8(1), 56-69.
- Uhl, K. P., & Upaj, A. (1983). Brand Identification and Perception. *Journal of Marketing Research*, 1(8), 80-85.

- Wang, L. W., Tran, T. T., & Nguyen, N. T. (2014). Analyzing factors to improve service quality of local specialties restaurants: A Comparison with fast food restaurants in Southern Vietnam. *Asian Economic and Financial Review*, 4(11), 1592-1606.
- Wang, Y. S. (2006). An Examination of the Determinants of Customer Loyalty in Mobile Commerce Contexts. *Information & Management*, 43, 271-282.
- Wang, Y., Potoglou, D., Orford, S., & Gong, Y. (2015). Bus stop, property price and land value tax: A multilevel hedonic analysis with quantile calibration. *Land Use Policy*, 42, 381-391.
- Xia, L., & Monroe, K. (2010). Is a good deal always fair? Examining the concepts of transaction value and price fairness. *Journal of Economic Psychology*, 31(6), 884–894.
- Xia, L., Monroe, K., & Cox, J. (2004). The price is unfair! A conceptual framework of price fairness perceptions. *Journal of Marketing*, 68, 1-15.
- Yi, Y. (1990). A Critical Review of Consumer Satisfaction. In V. A. Zeithaml, *Review of Marketing*. Chicago: American Marketing Association.
- Yi, Y. (1990). A Critical Review of Consumer Satisfaction. In V. A. Zeithaml, *Review of Marketing*. Chicago: American Marketing Association.
- Yoon, T. H. (2010). Influence of Service Marketing-Mix (7Ps) on Consumers` risk Perception of Eating at Family Restaurants in Seoul. *Korean Journal of Food and Cookery Science*, 26(5), 511–520.
- Yuksel, A., & Yuksel, F. (2002). Measurement of tourist satisfaction with restaurant services: a segment-based approach. *Journal of Vacation Marketing*, 9(1), 52-68.
- Zeithaml, V. (1987). Defining and Relating Price, Perceived Quality, and Perceived Value. *Marketing Science Institute*, 87-101.
- Zeithaml, V. A. (1988). Consumer Perceptions of Price, Quality, and Value: A Means-End Model and Synthesis of Evidence. *Journal of Marketing*, 52, 2-22.
- Zeithaml, V. A., & Bitner, M. J. (2003). *Services Marketing*. New York: McGraw-Hill/Irwin.

Zeithaml, V. A., Berry, L. L., & Parasuraman, A. (1993). *Journal of the Academy of Marketing Science*, 21, 1-12.

Zeithaml, V. A., Berry, L. L., & Parasuraman, A. (1996). The behavioral consequences of service quality. *Journal of Marketing*, 60(4), 31-46.

Zeithaml, V. A., Parasuraman, A., & Berry, L. L. (1990). *Delivering Quality Service: Balancing Customer Perceptions and Expectations*. New York: The Free Press.



## APPENDIX A

### Structured Questionnaire

Dear Respondent,

I am a student from Yangon University of Economics. I am conducting a quantitative study regarding the assessment of factors affecting customer satisfaction and customer loyalty towards Divine restaurant. I would like to request you to choose your help this questionnaire at your valuable time. Surveys will be anonymous, and all the collected information will be stored in the secure place and access only by researcher. And the gathered data will be used for educational purpose only without any bias or dissemination. Please kindly answer the following questions.

Thank to share your valuable time in this survey.

#### Part (A) Demographic Data

##### 1. Gender:

- Male  Female

##### 2. Age:

- ≤ 25 years  36 ~ 45 years  
 26 ~ 35 years  Over 45 years

##### 3. Education Level:

- Undergraduate  Doctorate  
 Graduate  Other.....  
 Post Graduate

##### 4. Your Position:

- Company Employee  Retired  
 Government Officer  Other.....  
 Owner

##### 5. Monthly Salary (MMK)

- Below 300,000  800,001 ~ 1,000,000  
 300,001 ~ 500,000  1,000,001 ~ 1,500,000  
 500,001 ~ 800,000  Above 1,500,000

## Part (B) INFLUENCING FACTORS

**Instruction:** Please choose one of the following numbers on each line according to the index.

**Index:** 1 = Strongly disagreed

2 = Disagreed

3 = Neutral

4 = Agreed

5 = Strongly agreed

**Please rate your influencing rate over the following buying decision items.**

| No. | Food Quality  | 1 | 2 | 3 | 4 | 5 |
|-----|---|---|---|---|---|---|
| 1   | The Food is served hot and fresh.   |   |   |   |   |   |
| 2   | The taste of the meals was pleasant.  |   |   |   |   |   |
| 3   | The visual presentation of the food was attractive.   |   |   |   |   |   |
| 4   | The food is tasty and rich in flavour   |   |   |   |   |   |
| 5   | I can request the taste according to my desire.   |   |   |   |   |   |
|     | <b>Price</b>  |   |   |   |   |   |
| 1   | The price was reasonable.   |   |   |   |   |   |
| 2   | The product and service were good for the price paid.   |   |   |   |   |   |
| 3   | The costs in this restaurant seem appropriate for what I get.                                       |   |   |   |   |   |
| 4   | The price of each item is shown in the menu.  |   |   |   |   |   |
| 5   | I felt value for the money I paid.  |   |   |   |   |   |
|     | <b>Service Quality</b>  |   |   |   |   |   |
| 1   | The menu has a good variety of items.   |   |   |   |   |   |
| 2   | Availability of sauces, utensils, napkins, etc. is good.  |   |   |   |   |   |
| 3   | Staffs are always stand by near the tables.   |   |   |   |   |   |
| 4   | Customers can sing with live band free of charge.   |   |   |   |   |   |
| 5   | Ordered foods are served quickly.   |   |   |   |   |   |
|     | <b>Restaurant Location</b>  |   |   |   |   |   |
| 1   | This restaurant is located in the downtown area.  |   |   |   |   |   |
| 2   | The location of this restaurant is situated in famous place where KTVs, bars and restaurants exist. |   |   |   |   |   |

|                              |  |  |  |  |  |  |
|------------------------------|--|--|--|--|--|--|
| 3                            | The restaurant is located in a visible place making it easy for others to see it.                                      |  |  |  |  |  |
| 4                            | Restaurant has adequate parking spaces.  |  |  |  |  |  |
| 5                            | It is a good place to go by various means.   |  |  |  |  |  |
| <b>Restaurant Atmosphere</b> |  |  |  |  |  |  |
| 1                            | The lightings are pleasant and created a good atmosphere.  |  |  |  |  |  |
| 2                            | The background music offered relaxing and pleasant atmosphere.   |  |  |  |  |  |
| 3                            | There is nice and pleasant smell in the restaurant.  |  |  |  |  |  |
| 4                            | The restaurant has intimate and relaxing atmosphere.   |  |  |  |  |  |
| 5                            | The material associated with the service (menu, uniforms, signage etc.) are visually appealing and attention catching. |  |  |  |  |  |

**Part (C) CUSTOMER SATISFACTION**

**Instruction: Please choose one of the following numbers on each line according to the index.**

**Index: 1 = Strongly disagreed**

**2 = Disagreed**

**3 = Neutral**

**4 = Agreed**

**5 = Strongly agreed**

**Please rate your influencing rate over the following buying decision items.**

| No. | Customer Satisfaction                         | 1 | 2 | 3 | 4 | 5 |
|-----|---|---|---|---|---|---|
| 1   | I am happy to go to Divine Restaurant.        |   |   |   |   |   |
| 2   | I feel safe at Devine Restaurant.             |   |   |   |   |   |
| 3   | I feel reducing stress.                       |   |   |   |   |   |
| 4   | I receive pleasant feeling.                   |   |   |   |   |   |
| 5   | I can remove bad feeling and reduce pressure. |   |   |   |   |   |

**Part (D) CUSTOMER LOYALTY**

**Instruction: Please choose one of the following numbers on each line according to the index.**

**Index: 1 = Strongly disagreed**

**2 = Disagreed**

**3 = Neutral**

**4 = Agreed**

**5 = Strongly agreed**

**Please rate your influencing rate over the following buying decision items.**

| No. | Customer Loyalty  | 1 | 2 | 3 | 4 | 5 |
|-----|---|---|---|---|---|---|
| 1   | I will visit Divine restaurant again.                                   |   |   |   |   |   |
| 2   | I intend to come to this restaurant frequently.                         |   |   |   |   |   |
| 3   | This restaurant will become my first choice.                            |   |   |   |   |   |
| 4   | I will encourage friends and relatives to visit the restaurant          |   |   |   |   |   |
| 5   | I would like to come back to this restaurant in the future.             |   |   |   |   |   |
| 6   | I intend to keep dining out at this restaurant.                         |   |   |   |   |   |
| 7   | I will not go to other restaurants that offer promotions and discounts. |   |   |   |   |   |

## APPENDIX B

### Effect of Influencing Factor on Customer Satisfaction

#### Model Summary

| Model | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1     | .880 <sup>a</sup> | .775     | .765              | .18475                     |

a. Predictors: (Constant), Restaurant Atmosphere Mean, Service Quality Mean, Food Quality Mean, Restaurant Location Mean, Price Mean

#### ANOVA<sup>a</sup>

| Model |            | Sum of Squares | df  | Mean Square | F      | Sig.              |
|-------|------------|----------------|-----|-------------|--------|-------------------|
| 1     | Regression | 13.508         | 5   | 2.702       | 79.155 | .000 <sup>b</sup> |
|       | Residual   | 3.925          | 115 | .034        |        |                   |
|       | Total      | 17.433         | 120 |             |        |                   |

a. Dependent Variable: Customer Satisfaction Mean

b. Predictors: (Constant), Restaurant Atmosphere Mean, Service Quality Mean, Food Quality Mean, Restaurant Location Mean, Price Mean

#### Coefficients<sup>a</sup>

| Model |                            | Unstandardized Coefficients |            | Standardized Coefficients | t     | Sig. |
|-------|----------------------------|-----------------------------|------------|---------------------------|-------|------|
|       |                            | B                           | Std. Error | Beta                      |       |      |
| 1     | (Constant)                 | .366                        | .257       |                           | 1.421 | .158 |
|       | Food Quality Mean          | .160                        | .064       | .181                      | 2.513 | .013 |
|       | Price Mean                 | .486                        | .060       | .591                      | 8.152 | .000 |
|       | Service Quality Mean       | .055                        | .029       | .089                      | 1.887 | .062 |
|       | Restaurant Location Mean   | .054                        | .070       | .048                      | .777  | .439 |
|       | Restaurant Atmosphere Mean | .172                        | .080       | .137                      | 2.135 | .035 |

a. Dependent Variable: Customer Satisfaction Mean

## Effect of Customer Satisfaction on Customer Loyalty

### Model Summary

| Model | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1     | .855 <sup>a</sup> | .731     | .729              | .18945                     |

a. Predictors: (Constant), Customer Satisfaction Mean

### ANOVA<sup>a</sup>

| Model |            | Sum of Squares | df  | Mean Square | F       | Sig.              |
|-------|------------|----------------|-----|-------------|---------|-------------------|
| 1     | Regression | 11.634         | 1   | 11.634      | 324.167 | .000 <sup>b</sup> |
|       | Residual   | 4.271          | 119 | .036        |         |                   |
|       | Total      | 15.905         | 120 |             |         |                   |

a. Dependent Variable: Customer Loyalty Mean

b. Predictors: (Constant), Customer Satisfaction Mean

### Coefficients<sup>a</sup>

| Model |                            | Unstandardized Coefficients |            | Standardized Coefficients Beta | t      | Sig. |
|-------|----------------------------|-----------------------------|------------|--------------------------------|--------|------|
|       |                            | B                           | Std. Error |                                |        |      |
| 1     | (Constant)                 | .661                        | .184       |                                | 3.587  | .000 |
|       | Customer Satisfaction Mean | .817                        | .045       | .855                           | 18.005 | .000 |

a. Dependent Variable: Customer Loyalty Mean