

**YANGON UNIVERSITY OF ECONOMICS  
DEPARTMENT OF MANAGEMENT STUDIES  
MASTER OF BUSINESS ADMINISTRATION PROGRAMME**

**THE EFFECT OF DINING EXPERIENCES ON  
CUSTOMER SATISFACTION AND LOYALTY TOWARDS  
SKY RESTAURANT**

**HTET THUYA PE@NAY HTET  
OEMBA II - 15  
EMBA 19<sup>th</sup> BATCH (ONLINE)**

**MARCH, 2024**

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This thesis is submitted as a partial fulfillment of the requirements for the  
Executive Master Degree of Business Administration (EMBA)

**Supervised By**

Dr. Than Thu Zar  
Professor  
Department of Management Studies  
Yangon University of Economics

**Submitted By**

Htetthuyape@Nay Htet  
OEMBA II - 15  
EMBA - 19<sup>th</sup> Batch (Online)

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## ACCEPTANCE

This is to certify that the thesis entitled “**The Effect of Dining Experiences on Customer Satisfaction and Loyalty Towards SKY 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)**

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**(Examiner)**

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**(Examiner)**

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**(Examiner)**

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## **ABSTRACT**

This study investigates the dining experiences offered by SKY Restaurant to enhance customer satisfaction and customer loyalty. This study uses both primary and secondary data. There are 322 loyal customers who used member cards of SKY Restaurant. By using Raosoft Sample Size Calculator, there are 176 respondents as the sample size for the study. Respondents are selected by using simple random sampling method. Primary data are collected by using google form through online. Secondary data are gathered from text books, internet websites and previous research papers. Descriptive statistics and regression analysis are used to analyze the data. According to multiple regression, cleanliness and hygiene, flavor of food and drink, service quality, reasonable price are positive and significant effect on customer satisfaction. Restaurant atmosphere does not significant effect on customer satisfaction. The study also found that customer satisfaction is positive and significant effect on customer loyalty. Customers who are satisfied with their dining experience at SKY Restaurant are more likely to return and recommend the restaurant to others. This study suggests that restaurant should collect regularly and analyze customer feedback which can provide valuable insights to identify areas for improvement and tailor offerings to evolving customer preferences.

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# CHAPTER I

## INTRODUCTION

The restaurant industry in Myanmar is growing rapidly, fueled by a growing middle class and changing life style (World Bank's Myanmar Economic Monitor, 2023). This expansion has given rise to a diverse culinary panorama, encompassing both traditional Myanmar cuisine and international fare. Myanmar rich culinary heritage, distinguished by use of fresh ingredients and bold flavors, contributes to the success of restaurant industry. Yangon, largest city of Myanmar, boasts a vibrant culinary scene by featuring a diverse array of restaurant which catering to a variety of tastes and preferences. In this dynamic culinary landscape, comprehending and enhancing customer satisfaction and customer loyalty remain paramount for restaurants to achieve sustainable success (National Restaurant Association, 2022).

Dining experiences have a substantial impact on customer satisfaction and customer loyalty. Positive dining experiences can lead to increased customer satisfaction, which in turn can lead to increased customer loyalty (Bitner & Brown, 1995). There are a number of factors enhancing dining experiences such as flavor of food and drink, service quality, restaurant atmosphere, reasonable price and cleanliness and hygiene. By understanding how these factors interact and influence customer satisfaction, restaurant can identify areas for improvement and implement strategies to enhance customer satisfaction and thus foster customer loyalty (Bowen & Schneider, 1985).

Flavor of food and drink is the heart and soul of the restaurant (Kotter, 2018). It is the explosion of taste and aroma that excites senses, the perfect blend of ingredients and skillful preparation that leaves customer wanting more. Service quality is the invisible dance behind the curtain, ensuring experience is seamless and enjoyable (National Restaurant Association, 2022). Attentive staff anticipating customer needs, prompt attention to requests, and a genuine desire to make meal a delight (Hegde, 2019). It's not just about speed, but also about warmth, professionalism, and making feel welcome and valued. Restaurant atmosphere is the stage where the dining drama unfolds. It's the ambiance that sets the mood and transports to another world (Hegde, 2019). Reasonable price is the sweet spot where deliciousness meets affordability. It is not about the cheapest meal, but rather the feeling that the quality of the experience

justifies the cost (Smith, 2020). Cleanliness and hygiene are the unsung heroes, silently ensuring customer safety and well-being. It's the invisible shield that protects customers from unwanted germs and ensures a healthy dining experience (FDA, 2023).

Customer satisfaction is a measure of how well a company's products or services meet or exceed customer expectations (Anderson, Fornell, & Lehmann, 1994). It is a crucial metric for businesses, as it has a direct impact on customer loyalty, retention, and profitability (Zeithaml, Berry, & Parasuraman, 1996). For restaurant business, customer satisfaction is a measure of a diner's overall contentment with their dining experience. It is also a crucial determinant of customer loyalty. When customers are satisfied with the food, service, ambiance, price, cleanliness, hygiene and overall value proposition of a restaurant, they are more likely to return for repeat visits and recommend the establishment to others (Oliver, 1997).

Customer loyalty represents a deeper commitment to a particular restaurant, characterized by repeat visits, positive recommendations, and a willingness to overlook occasional shortcomings (Zeithaml & Bitner, 2003). Loyal customers are the lifeblood of any restaurant, providing a stable revenue stream and contributing to the establishment's reputation and brand image (Reichheld, 1996). Customer loyalty is a measure of how committed a customer is to a particular restaurant. Building customer loyalty is essential for the success of any restaurant.

By creating positive dining experiences, restaurants can increase customer satisfaction and customer loyalty, which can lead to increased profitability (Anderson & Sullivan, 1993). Customer satisfaction and customer loyalty are two important concepts for restaurants to understand and manage (Reichheld, 1996). By creating positive dining experiences that lead to increased customer satisfaction, restaurants can build a loyal customer base that will generate long-term profitability (Zeithaml & Bitner, 2003).

SKY Restaurant is Shan-style traditional dining establishment in Yangon. It serves a variety of regional specialties from across Shan state. Restaurant is located at No 26, Nawaday Street in Dagon Township in Yangon. The study explores the multifaceted aspects of the dining experiences that contribute to customer satisfaction and customer loyalty. This study can provide valuable insights to SKY restaurant owner, management, and employees, enabling them to enhance customer satisfaction

and foster customer loyalty. This, in turn, can lead to improve business performance, and overall contribution to the economic development of the region.

## **1.1 Rationale of the Study**

Despite the growing recognition of customer satisfaction and customer loyalty as critical factors in the restaurant industry's success, research specifically investigating these concepts in the context of restaurants remains scarce (Yeboah et al., 2023). The restaurant industry in Yangon is a dynamic and diverse sector that encompasses a wide range of dining establishments, from fast-food chains to fine-dining restaurants. In recent years, the industry has significant growth, driven by changing consumer lifestyles, and a growing preference for dining out. With an abundance of dining options available to consumers, restaurants face intense competition for market share and customer retain.

Customers are essential to the success of any business. It is important to work closely with customers to understand their needs and expectations loyalty (Bitner & Brown, 1995). Customer satisfaction is a measure of how pleased a customer is with a product or service (Brown et al., 2014; Caruana,2003). When customers are satisfied with their dining experiences, they are more likely to return to the restaurant, increase positive word-of-mouth and recommend it to others. A positive dining experience leads to increased customer satisfaction, which in turn leads to increased customer loyalty (Bitner & Brown, 1995; Oliver, 1997). Restaurants can create positive dining experiences, customer satisfaction, and customer loyalty by focusing on the factors such as flavor of food and drinks, service quality, restaurant atmosphere, reasonable price and cleanliness and hygiene.

Restaurants in Yangon are struggled to consistently provide dining experiences that foster customer satisfaction and cultivate customer loyalty (Myanmar Traveler Guide Book, 2023). This research aims to address this gap by identifying and analyzing the key determinants of customer satisfaction and customer loyalty towards SKY restaurant. In the competitive and dynamic culinary landscape of Yangon, restaurants face the constant challenge of attracting, retaining, and satisfying their customers. Achieving success in this industry hinges on the ability to consistently deliver a dining experience that resonates with fostering customer satisfaction and cultivating customer loyalty (Kim et al., 2018; Park & Kim, 2012). These two factors

are inextricably linked to the long-term sustainability and growth of restaurant (Reichheld, 1996).

Understanding the factors that contribute to customer satisfaction and customer loyalty is essential for restaurants to effectively manage their customer relationships and achieve their business objectives. Therefore, this study aims to examine the dining experiences, customer satisfaction and customer loyalty of SKY Restaurant.

## **1.2 Objectives of the Study**

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

1. To analyze the effect of dining experiences on customer satisfaction towards SKY Restaurant.
2. To analyze the effect of customer satisfaction on customer loyalty towards SKY Restaurant.

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

This study investigates the effects of dining experiences on customer satisfaction and loyalty towards SKY Restaurant. There are 322 loyal customers who used member cards of SKY Restaurant. By using Raosoft sample size calculator, there are 176 respondents as the sample size for the study. The study adopts a simple random sampling method. Primary data are gathered by using structured questionnaires with five-point Likert scales through online survey method. Secondary data are collected from research papers, relevant textbooks, related websites and relevant information sources from the restaurant. For data analysis, descriptive statistics and regression methods are utilized. Data collection period was December 2023.

## **1.4 Organization of the Study**

This study is structured into five chapters to analyze effect of dining experiences on customer satisfaction and customer loyalty towards SKY Restaurant. Chapter one provides an introduction including rationale, objectives, scope and method for the study and organization of the study. Chapter two includes the theoretical background, encompassing the factors of dining experiences, customer satisfaction and customer loyalty, previous studies and conceptual framework of the

study. Chapter three presents a profile and the dining experiences activities implementing at SKY Restaurant, reliability test and demographic profile of the respondents. Chapter four examines the analysis of dining experiences on customer satisfaction and customer loyalty. Chapter five discusses about conclusion, summarizing the findings and discussions, offering suggestions and recommendations, and highlighting the need for further research on the topic.

## **CHAPTER II**

### **THEORITICAL BACKGROUND**

This chapter includes the concepts of this study. It encompasses a comprehensive exploration of theories and definitions pertaining to factors influencing dining experiences, customer satisfaction and customer loyalty, previous studies, and the conceptual framework guiding this study.

#### **2.1 Dining Service Quality Model**

In the realm of hospitality, ensuring a positive dining experience goes beyond just culinary delights (Adesina et al., 2022). The Dining Service Quality model transcends the limitations of generic service quality assessments by offering a restaurant-specific framework. Building upon the Service Quality model, Dining Service Quality tailors its focus to five key dimensions crucial for customer satisfaction. These dimensions encompass the tangible aspects like restaurant aesthetics and cleanliness, the reliability of order accuracy and service consistency, the responsiveness of staff to guest requests, the assurance of hygiene and staff knowledge, and, importantly, the emotional connection fostered through personalized attention and understanding of customer needs (Tran, 2023). By conducting surveys that measure these dimensions, restaurants gain valuable customer insights. This data empowers them to not only identify areas where they excel but also pinpoint aspects requiring improvement (Parasuraman et al., 1988).

Dining Service Quality model leverages the power of customer perception to guide restaurants in refining their service delivery, ensuring a more positive dining experience and fostering long-term customer loyalty (Kim et al., 2009a). Dining Service Quality was drafted to fit in the restaurant industry. The goal of Dining Service Quality is to give restaurant operators and owners a way to measure and acquire an overview of the dining experiences of their eating establishments as well as be ready to take the necessary actions so that the gaps can be solved or adjusted to the customers' needs and wants (Victor, 2014). Dining Service Quality (Stevens et al., 1995) is proposed as a reliable, relatively simple tool for determining how consumers view a dining experience. Moreover, it also provides restaurateurs with a quantified measure of what consumers expect in a restaurant since their expectations are

essential because unfulfilled expectations drive customers away. Furthermore, dining service quality directly impacts various key performance indicators for restaurants, including customer retention rates, average spending per customer, and overall profitability (Chun & Nyam-Ochir, 2020).

Positive dining experiences foster a sense of connection and affinity between customers and the establishment, fostering repeat visits and positive word-of-mouth recommendations (Canny, 2014). Dining experiences can significantly shape the perception of a restaurant in the eyes of potential patrons (Chun & Nyam-Ochir, 2020). A single negative experience resulting from subpar service can tarnish a restaurant's reputation and deter prospective customers.

Dining service quality represents a cornerstone of success for restaurant, where the fusion of culinary excellence and exceptional service creates a memorable and immersive experience for customers. Beyond the quality of food itself, patrons value a positive and seamless dining experience. This experience encompasses various service-related factors that contribute to overall customer satisfaction and loyalty (Tran, 2023). The Dining Service Quality model provides a valuable tool for restaurants within the competitive hospitality industry. It offers a framework for assessing service quality based on the five core dimensions most relevant to customer satisfaction in a restaurant setting.

## **2.2 Dining Experiences**

In the captivating realm of hospitality, the dining experience stands as the pivotal intersection where customer satisfaction and customer loyalty converge (Andreassen & Lindh, 2018; Bitner & Brown, 1995). It encompasses the symphony of culinary delights, attentive service, and a welcoming atmosphere that orchestrates a memorable and enjoyable encounter for patrons (Brown et al., 2014; Caruana, 2003). The intricate interplay of these elements forms the foundation of a successful restaurant, fostering repeat visits, positive word-of-mouth recommendations, and an enduring bond between the establishment and its patrons (Oliver, 1997; Park & Kim, 2012).

The dining experiences serve as the canvas upon which customer satisfaction is painted. Each element of the experiences, from the initial greeting to the lingering taste of the last bite, plays a role in shaping the patron's perception and overall satisfaction. Culinary excellence, characterized by fresh ingredients, skillful



preparation, and harmonious flavor profiles, stands as the cornerstone of a satisfying dining experience (Bélanger & Pinsonneault, 1996; Caruana, 2003). Attentive service, delivered with genuine care and professionalism, further enhances the experience, fostering a sense of being valued and appreciated. A welcoming atmosphere, characterized by pleasant decoration, appropriate lighting, and a comfortable ambiance, sets the stage for a memorable and enjoyable dining occasion (Bélanger & Pinsonneault, 1996; Caruana, 2003). Dining experiences includes the factors such as flavor of food and drink, service quality, restaurant atmosphere, reasonable price, cleanliness and hygiene.

### **2.2.1 Flavor of Food and Drink**

Flavor, an intricate symphony of taste, aroma, and mouthfeel, stands as the cornerstone of the dining experience, captivating the palate and evoking a myriad of emotions (Caruana, 2003; Lawless & Heydt, 2010). Culinary artists, with their mastery of flavor, transform mere sustenance into a journey of culinary exploration, a dance of taste and texture that lingers long after the last bite (Bélanger & Pinsonneault, 1996; Brown et al., 2014). The delicate balance of flavors, characterized by complexity and harmony, elevates the dining experience to new heights, eliciting delight, surprise, and a sense of fulfillment (Caruana, 2003; Lawless & Heydt, 2010). Flavor serves as a compass, guiding diners through the vast landscape of culinary traditions and cuisines, fostering understanding and appreciation of diverse culinary expressions (Caruana, 2003; Lawless & Heydt, 2010).

In a competitive culinary landscape, distinctive flavor profiles can serve as a key differentiator, attracting customers and fostering loyalty. By creating unique and memorable flavor experiences, restaurants and food establishments can gain a competitive edge and establish a strong reputation for culinary excellence (Brown et al., 2014; Caruana, 2003). Culinary innovation, including the exploration of new ingredients, cooking techniques, and flavor combinations, can keep customers engaged and excited (Smith, 2023). By introducing novel flavor experiences, restaurants and food establishments can maintain a sense of freshness, excitement, and customer satisfaction. Understanding and catering to diverse flavor preferences and cultural sensitivities is crucial for attracting and satisfying a global customer base. Culinary professionals should be mindful of regional and cultural nuances, adapting flavor profiles to resonate with specific customer segments while maintaining their

overall culinary identity (Singh et al., 2020). Clear and accurate communication of flavor profiles, through menu descriptions, verbal presentations, and visual cues, can help manage customer expectations and enhance satisfaction (Caruana, 2003; Lawless & Heydt, 2010). By providing accurate information about ingredients, cooking methods, and flavor intensities, restaurants can set realistic expectations and prevent disappointments.

Consistent delivery of flavor profiles across dishes and over time is essential for building customer satisfaction and loyalty (Anderson & Sullivan, 1993). When customers can rely on a restaurant or food establishment to provide consistently satisfying flavor experiences, they are more likely to become repeat patrons and recommend the establishment to others. By understanding the complex interplay between flavor and customer satisfaction, culinary professionals can create dishes and beverages that not only taste exceptional but also evoke positive emotions, foster lasting memories, and contribute to the long-term success of their establishments (Bowen & Schneider, 1985). A well-crafted flavor profile can attract new customers, encourage repeat patronage, and generate positive word-of-mouth recommendations, propelling the restaurant to culinary prominence. As culinary artists continue to push the boundaries of flavor innovation, the dining experience remains a source of endless fascination and pleasure, a testament to the enduring allure of flavor (Chang, 2017).

### **2.2.2 Service Quality**

Service quality is the degree to which a service meets or exceeds customer expectations. It's not just about delivering the promised service, but creating a positive and memorable experience for the customer throughout their interaction with business (Park & Kim, 2012). Service quality is the lifeblood of every service industry, and in the restaurant industry, it directly impacts the survival and growth of establishments. Service quality constitutes an integral aspect of the restaurant dining experience and plays a pivotal role in shaping customers perceptions of their dining experience (Bitner & Brown, 1995; Park & Kim, 2012). Service quality in restaurants has a direct bearing on consumer satisfaction and loyalty. Therefore, service quality plays a crucial role in the success of restaurant businesses as it influences consumer behavior.

In a competitive market, restaurants must prioritize service quality as a differentiator, as it is recognized as one of the key factors consumers evaluate when selecting and revisiting restaurants (Park & Kim, 2012). Service quality has been

demonstrated to be a significant factor in business success. For improving service quality, restaurant focuses on these factors such as asking customers feedback on service regularly, training employees knowledgeable about products and services for effective communication with customers to resolve problems, establishing clear standards for service quality and making sure all employees are aware of them, tracking service quality metrics and make adjustments as needed (Andreassen & Lindh, 2018).

Today's discerning restaurant guests expect high-quality service as an integral part of their dining experience, which in turn influences their satisfaction (Zeithaml & Bitner, 2003). While numerous factors contribute to the overall valence of a restaurant service encounter, customers are willing to pay more for higher quality service. Investing in service quality is an investment in business's success. When restaurant provides excellent service, customers are more likely to return, recommend business to others, and pay more for products or services.

### **2.2.3 Restaurant Atmosphere**

Restaurant atmosphere stands as a critical aspect of the dining experience, influencing customer perception, satisfaction, and ultimately, business success (Bitner, 1992; Caruana, 2003). A well-crafted atmosphere can transform an ordinary meal into an unforgettable culinary journey, while a poorly conceived one can leave a lasting negative impression (Bélanger & Pinsonneault, 1996). Restaurant atmosphere encompasses the tangible and intangible elements that shape the overall ambiance of the dining establishment. It is a harmonious blend of visual, auditory, olfactory, tactile, and gustatory stimuli that collectively create a distinct sensory experience for patrons (Bélanger & Pinsonneault, 1996; Caruana, 2003). Visual elements play a dominant role in shaping the restaurant atmosphere. The decoration, including the color scheme, furniture, lighting, and artwork, sets the initial tone and establishes the restaurant's identity. A warm and inviting color palette, comfortable seating, and soft, ambient lighting can create a welcoming and relaxing atmosphere, while a modern, minimalist decoration with bright lighting may evoke a more energetic and vibrant ambiance.

Moreover, the soundscape of a restaurant can significantly influence the dining experience. Background music, whether soft and soothing or lively and upbeat, can set the mood and enhance the overall ambiance (Bélanger & Pinsonneault, 1996).

The level of noise, however, is carefully managed to avoid disrupting conversations and creating an unpleasant dining environment (Leong et al., 2017). The sense of smell is often overlooked yet plays a crucial role in restaurant atmosphere. Pleasant aromas, such as freshly baked bread or fragrant spices, can evoke feelings of warmth and anticipation, while unpleasant odors can quickly turn off diners (Hirsch, 1999). Proper ventilation and attention to kitchen hygiene are essential to ensure a welcoming olfactory experience (Mizobuchi & Takeuchi, 2019).

The tactile elements of a restaurant, such as the texture of the seating, the weight of the cutlery, and the temperature of the dishes, can subtly influence the dining experience. Comfortable seating, smooth cutlery, and appropriately tempered food can enhance the sense of refinement and enjoyment. While taste is primarily associated with the food itself, it also plays a role in shaping the overall restaurant atmosphere (Gronroos, 2011; Bowen & Schneider, 1985). The presentation of the dishes, the combination of flavors, and the overall dining experience can create a lasting gustatory memory that contributes to the restaurant's identity. A well-crafted restaurant atmosphere can positively impact various aspects of the dining experience. It can enhance customer satisfaction, increase the likelihood of repeat visits, and even influence customer spending behavior. A welcoming ambiance can make customers feel at ease, encouraging them to linger longer and enjoy a more fulfilling dining experience. Each restaurant should strive to create a unique and memorable atmosphere that aligns with its brand identity and target clientele. Whether it's a casual, family-friendly establishment or a sophisticated fine-dining venue, the atmosphere should complement the overall dining experience (Caruana, 2003).

Restaurant atmosphere is a multifaceted dimension of the dining experience that can make or break a restaurant's success. By carefully considering the visual, auditory, olfactory, tactile, and gustatory elements, restaurants can create a unique and memorable ambiance that attracts customers, enhances their satisfaction, and contributes to long-term business growth (Bitner, 1992; Caruana, 2003).

#### **2.2.4 Reasonable Price**

Price is the monetary value that consumers must pay to acquire products or services. Maintaining stable price levels is crucial for enhancing consumer satisfaction. Price is a key determinant of sales volume, encompassing factors such as pricing objectives and strategies, price setting, discount policies, and credit policies

(Monroe, 1973; Smith & Guiltinan, 1998). Price is one of the most influential elements in the marketing mix, impacting customer purchasing decisions. Price exerts a significant influence on customer purchase intentions, particularly reference prices, which have an especially strong impact when consumers are unable to readily compare prices across brands (Monroe, 1973; Tsaur & Wu, 2002).

Determining a reasonable price for a restaurant is crucial for profitability, customer satisfaction, and overall success (Tsaur & Wu, 2002). It involves balancing cost recovery, market competitiveness, and value perception. Restaurant accurately calculates direct and indirect costs, establish a realistic target profit margin, assess competitor pricing, and ensure a high-value dining experience. By carefully evaluating these factors, restaurants can establish effective pricing strategies that align with their business goals and contribute to long-term sustainability (Smith & Guiltinan, 1998).

### **2.2.5 Cleanliness and Hygiene**

Cleanliness refers to the state of being free from dirt, grime, and unwanted materials. It's the sparkling kitchen countertop, the freshly laundered shirt, the dust-free living room. It's a visible absence of the things that make spaces appear messy or unkempt. Hygiene focuses on practices and behaviors that promote health and prevent the spread of disease. It's the ritual of handwashing before meals, the mindful covering of coughs, handling of food properly (Caruana, 2003). It's about proactive measures aimed at minimizing exposure to invisible threats like bacteria and viruses. In the realm of hospitality, cleanliness and hygiene is paramount pillars of culinary excellence, ensuring not only the safety and well-being of patrons but also upholding the integrity and reputation of the establishment (Jones, 2012; Pan & Chu, 2018). A spotless and hygienic environment fosters customer confidence, enhances the overall dining experience, and contributes to the long-term success of a restaurant.

Restaurant cleanliness encompasses a multifaceted spectrum, extending beyond the visible surfaces that meet the eye. It encompasses a meticulous attention to detail across all aspects of the restaurant's operations, from the kitchen and storage areas to the dining area and restrooms (National Restaurant Association, 2001). Cleanliness and hygiene have a profound impact on customer perception and behavior. A clean and well-maintained restaurant instills confidence in patrons, assuring them that their health and well-being are prioritized (Jones, 2012; Pan &

Chu, 2018). Customers are more likely to linger longer, enjoy their meals, and return for future visits in a clean and hygienic environment. Conversely, a poorly maintained establishment, with visible signs of uncleanness, can evoke feelings of disgust, concern, and even fear, leading to negative customer reviews and reluctance to return. A study by the United States National Restaurant Association found that 63% of customers would not return to a restaurant with visible signs of uncleanness. Restaurant owners and managers recognize the strategic importance of cleanliness and hygiene in achieving long-term success. A reputation for cleanliness can attract new customers, foster customer loyalty, and enhance the overall brand image of the establishment. Cleanliness can also serve as a differentiator in a competitive market, attracting customers who prioritize hygiene and safety (Pan & Chu, 2018).

Creating and maintaining a culture of cleanliness requires a concerted effort from all levels of the restaurant staff. Regular training sessions on proper cleaning and sanitization procedures, clear communication of hygiene protocols, and ongoing monitoring and feedback are essential to ensure that cleanliness remains a top priority. Staff must be encouraged to report any sanitation concerns promptly, and management should take immediate action to address them (Jones, 2012). Technology advancements have introduced innovative tools and techniques that can enhance cleanliness and hygiene practices in restaurant. By prioritizing cleanliness across all aspects of operations, restaurants can create a safe, inviting, and enjoyable dining experience, fostering customer satisfaction, loyalty, and long-term prosperity (Jones, 2012; Pan & Chu, 2018). A clean and hygienic environment not only protects the health and well-being of patrons but also upholds the integrity of the culinary experience.

### **2.3 Customer Satisfaction**

Customer satisfaction is the degree to which a customer's expectations are met or exceeded by a product or service. It is not just about whether they liked the product or service. In the vibrant tapestry of the hospitality industry, customer satisfaction stands as a cornerstone of success, shaping the perception of an establishment and influencing its long-term viability (Bitner & Brown, 1995; Taylor & Baker, 1994). It encompasses the complex interplay of customer expectations, experiences, and emotions, culminating in an overall assessment of the dining experience. When a restaurant consistently meets or exceeds customer expectations, satisfaction blossoms.

This entails providing a dining experience that aligns with preconceived notions of the customer, catering to their preferences, and delivering on perceived quality and value. Customer satisfaction is closely intertwined with value perception. Customers assess the value they receive in exchange for their patronage, considering factors such as flavor, services, price, atmosphere, cleanliness and hygiene (Monroe, 1973; Zeithaml, 2000).

Customer satisfaction is a crucial determinant of restaurant success. A high level of satisfaction leads to positive word-of-mouth recommendations, repeat patronage, and increased profitability (Anderson & Sullivan, 1993; Reichheld, 1996). Conversely, dissatisfaction can lead to negative reviews, a decline in customer loyalty, and potential reputational damage. Restaurants can implement various strategies to enhance customer satisfaction. Regularly solicit feedback from customers through surveys, comment cards, or informal interactions to gain insights into their expectations, experiences, and areas for improvement. Empowering staff can make decisions and addressing customer concerns promptly, fostering a sense of ownership and commitment to customer satisfaction (Bowen & Schneider, 1985; Heskett et al., 1994).

Customer satisfaction is not a destination but an ongoing journey that requires constant attention and refinement. By understanding the multifaceted dimensions of customer satisfaction, implementing effective strategies, and embracing a customer-centric culture, restaurants can cultivate a loyal clientele, achieve sustainable growth, and establish a reputation for culinary excellence (Anderson & Sullivan, 1993; Heskett et al., 1994).

## **2.4 Customer Loyalty**

Customer loyalty goes beyond mere satisfaction. It's the deep dedication and consistent preference a customer holds for a specific brand or business. It's not just about repeat purchases, but about emotional attachment, advocacy, and trust. In the dynamic landscape of the hospitality industry, customer loyalty is as a beacon of success, fostering enduring relationships and propelling establishments towards long-term prosperity. It encompasses the unwavering commitment of patrons to a particular restaurant, driven by a deep-rooted sense of satisfaction, trust, and emotional connection (Gronroos, 2011; Bowen & Schneider, 1985). It is a bond forged through

exceptional experiences, positive reinforcement, and a shared appreciation for culinary excellence (Reichheld, 1996; Heskett et al., 1994).

The heart of customer loyalty is the ability to consistently exceed customer expectations. This entails creating a dining experience that not only meets but surpasses the patron's preconceived notions, leaving them with a sense of delight, surprise, and a desire to return (Bowen & Schneider, 1985; Oliver, 1997). Restaurants that consistently deliver an exceptional dining experience, characterized by culinary excellence, impeccable service, and a welcoming atmosphere, earn the trust and loyalty of their patrons. Customer loyalty is a multifaceted concept, encompassing various dimensions that contribute to the enduring bond between a restaurant and its patrons. A key indicator of customer loyalty is repeat patronage. When customers consistently return to a particular restaurant, it signifies a strong sense of satisfaction and a desire to continue enjoying the establishment's offerings (Anderson & Sullivan, 1993; Zeithaml, 2000).

Loyal customers often become brand ambassadors, enthusiastically recommending the restaurant to their friends, family, and colleagues (Gronroos, 2011; Anderson & Sullivan, 1993). These positive recommendations serve as powerful marketing tools, attracting new customers and expanding the restaurant's reach. Customer loyalty often extends beyond mere satisfaction, evolving into an emotional connection with the restaurant. Patrons may feel a sense of belonging, familiarity, and appreciation for the establishment's unique identity and culinary offerings. Loyal customers are more forgiving of occasional missteps or service issues. Their trust in the restaurant allows them to view these incidents as exceptions rather than reflections of the establishment's overall standards (Gronroos, 2011; Oliver, 1997). Loyal customers become advocates for the restaurant, defending its reputation and promoting its offerings in various social and professional settings. Their positive influence can significantly impact the restaurant's brand perception and attract new clientele.

Customer loyalty is a crucial determinant of restaurant success. It directly contributes to increased revenue, reduced marketing costs, and a stronger brand reputation. Loyal customers are less price-sensitive, tend to spend more per visit, and are more likely to try new menu items. Implement loyalty programs that reward repeat patronage, offering discounts, special privileges, or exclusive experiences (Heskett et al., 1994). It can create a warm and inviting atmosphere that encourages patrons to

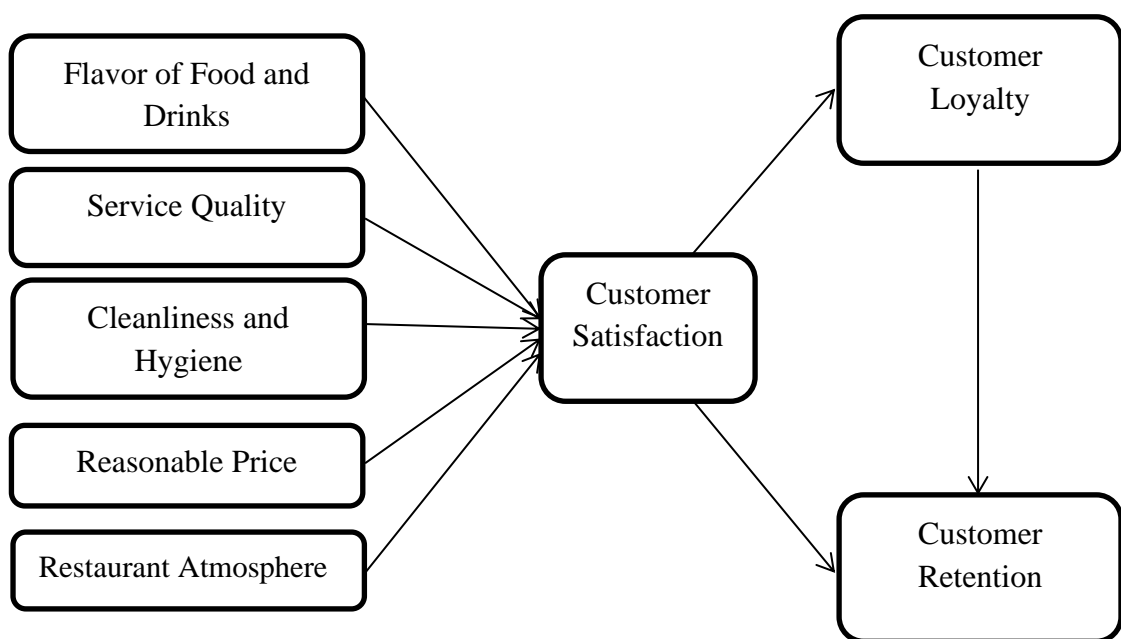


feel comfortable, valued, and connected to the establishment. Restaurants that prioritize customer satisfaction and cultivate customer loyalty are well-positioned for long-term success. By consistently delivering exceptional dining experiences, embracing customer feedback, and fostering a customer-centric culture, restaurants can transform fleeting encounters into enduring relationships, ensuring their continued relevance and prosperity in the competitive culinary landscape (Reichheld, 1996; Heskett et al., 1994).

## 2.5 Previous Studies

This research study builds upon the finding of previous research papers. The previous study investigated by Tran. (2023) is the factors Influencing tourist satisfaction in the Restaurant Industry in Can Tho City, Vietnam after COVID-19 pandemic. This study surveyed 286 Vietnamese domestic tourists and international tourists at medium-sized restaurants by using convenience sampling method. This study is about the factors influencing customer satisfaction, loyalty, and retention in the Can Tho City restaurant industry following the COVID-19 pandemic. The conceptual framework of Tran (2023) is shown in the following Figure (2.1).

**Figure (2.1) Conceptual Framework of Tran**

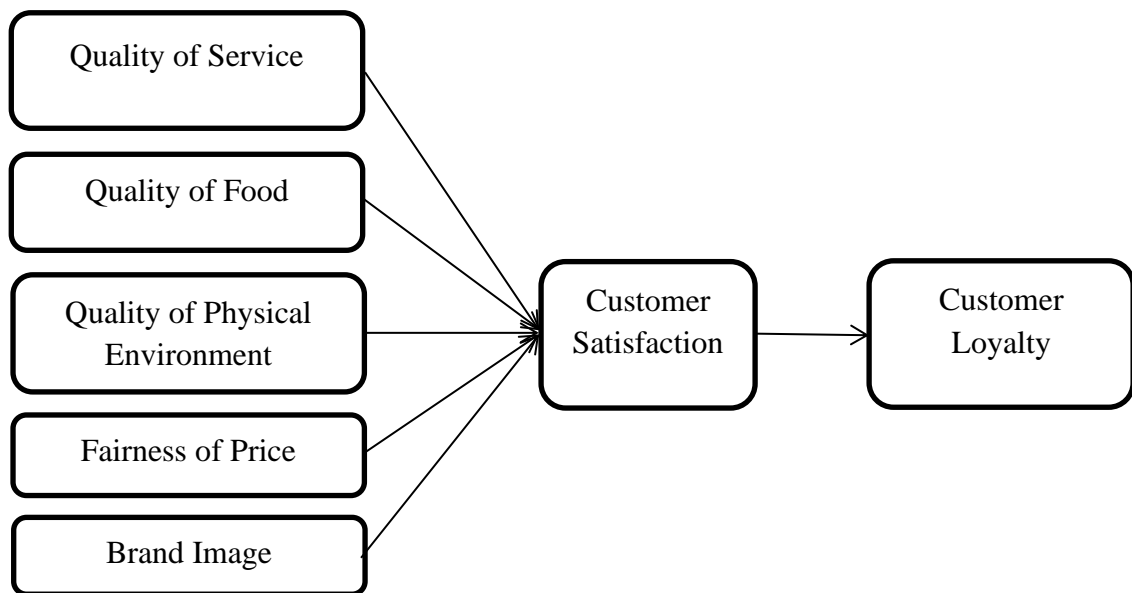


Source: Tran (2023)

The findings of Tran (2023) revealed that food and drink flavor, reasonable pricing, cleanliness, service quality, and restaurant ambiance were the most significant factors affecting customer satisfaction. Customer satisfaction was found to have a positive impact on both customer loyalty and retention. The study provides valuable insights for restaurant operators and policymakers to enhance customer satisfaction, loyalty, and retention in the post-pandemic context.

Sochenda (2021) studied the research titled modeling of customer satisfaction and customer loyalty in fast food industry of Phnom Penh, Cambodia. This research examined 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. To collect the data, 480 questionnaires were delivered to the customers of six brand fast-food restaurants by using convenient sampling method. Figure (2.2) presents the conceptual framework of Sochenda (2021).

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



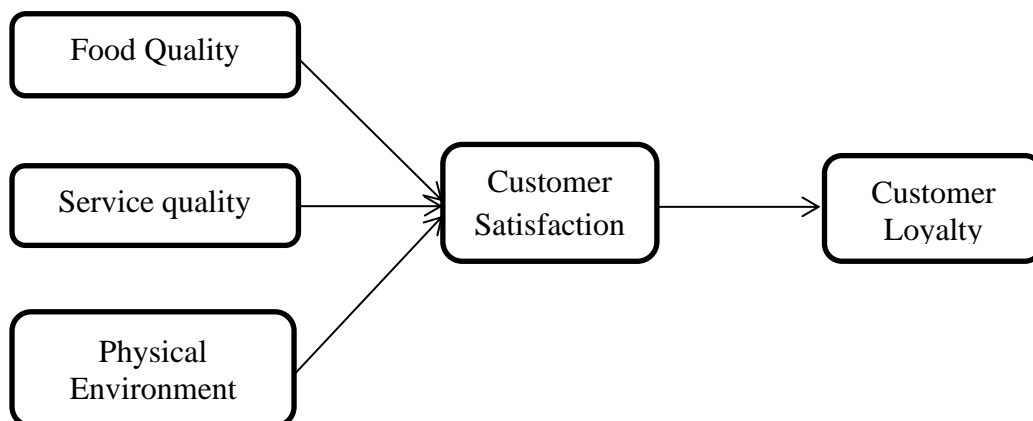
Source: Sochenda (2021)

Sochenda (2021) 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.

Another study investigated by Adesina (2022) is the influence of dining experiences on customer satisfaction and loyalty in fine dining restaurants in Abeokuta, Ogun State, Nigeria. This study analyzed the influence of dining experiences on customers' satisfaction and loyalty in fine dining restaurants. Total of 10 restaurants were purposively selected based on their kind of service delivery and location within Abeokuta, Ogun State, Nigeria. Figure (2.3) presents the conceptual framework of Adesina (2022).

**Figure (2.3) Conceptual Framework of Adesina**



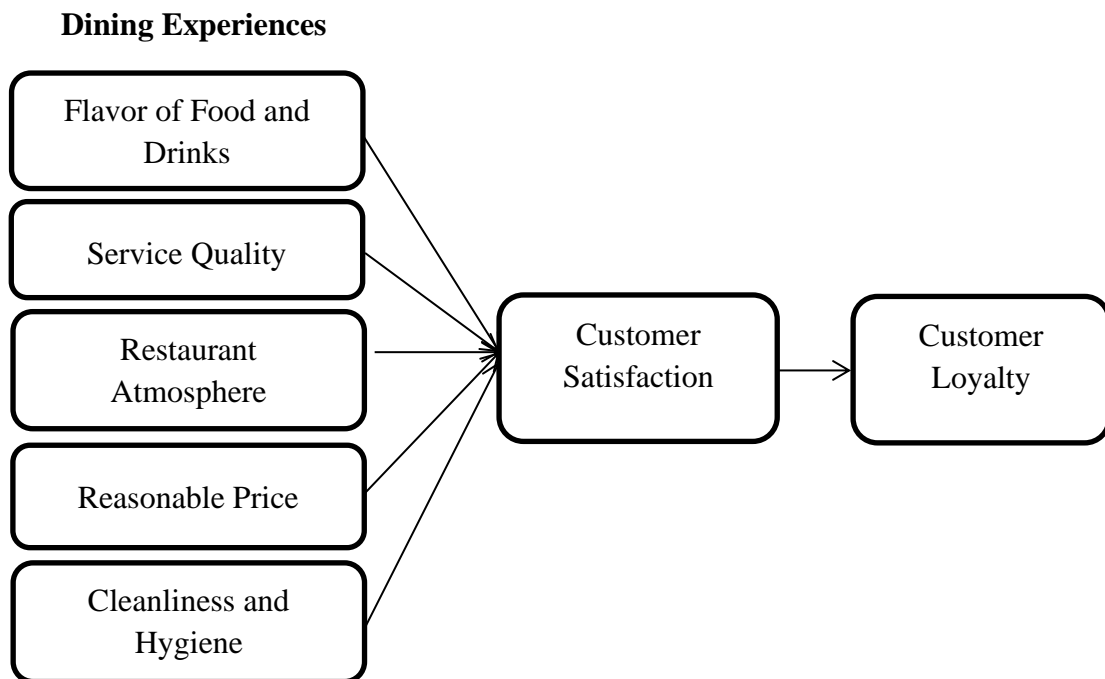
Source: Adesina (2022)

Findings revealed that food quality and service quality have a significant influence on level of patronage at fine dining restaurant. It was discovered that there is no significant relationship between and physical environment and level of patronage at fine dining restaurant. The study concluded that, in fine dining restaurants the quality of food offered, and service rendered are significant determinants of customers' satisfaction and predictor of customers' loyalty. Adesina (2022) suggested that restaurateurs should focus more on maintaining and/or improving food and service quality. However, physical environment should not be neglected because it also critical to fine dining experience.

## 2.6 Conceptual Framework of the Study

The conceptual framework of this study presented in Figure (2.4) demonstrates how the study is performed to evaluate the effect of dining experiences on customer satisfaction and customer loyalty at SKY Restaurant. The framework identifies the key variables that influence customer satisfaction and customer loyalty, and shows how they are interrelated.

**Figure (2.4) Conceptual Framework of the Study**



Source: Own Compilation (2023)

According to conceptual framework, the independent variables encompass all aspects of the dining experiences, including flavor of food and drink, service quality, restaurant atmosphere, reasonable price, cleanliness and hygiene. These variables measure how satisfied customers are with their dining experiences at SKY Restaurant. These variables measure how likely customers are to return to SKY Restaurant in the future and to recommend it to others.

In the first part, dining experiences are independent variables and customer satisfaction is dependent variables based on Tran (2023). In the second part, customer satisfaction independent variable and customer loyalty is dependent variable based on Sochenda (2021) and Adesina (2022). The framework proposes that dining

experiences have an effect on customer satisfaction, which in turn influences customer loyalty. It also suggests that other factors, such as customer demographics, the relationship between dining experiences, customer satisfaction, and customer loyalty.

## **CHAPTER III**

### **PROFILE AND DINING EXPERIENCES OFFERED BY SKY RESTAURANT**

In this chapter, the profile and organization structure of SKY Restaurant is presented. Then, the dining experiences activities offered by SKY Restaurant are presented. Finally, the reliability test for variables and the demographic profile of the respondents are discussed.

#### **3.1 Profile of SKY Restaurant**

SKY Restaurant is a traditional Shan restaurant with a wooden house with more than 20 years of history near downtown. It was established in 2003 with a private company that is structured as a limited liability company (LLC). The inside of the shop has resort-like atmosphere, private rooms are also fully equipped with 2 stories. The staff is wearing a uniform which made Shan tribal traditional costume motif, then they are also very friendly and gently talking to us many times, so the service is well-crafted. SKY Restaurant is a high-class restaurant that No.1 or No.2 among Shan restaurants in Yangon. It aims to bring valued customers on a food expedition to Shan State right from the doorstep. SKY Restaurant opens from 6:00 AM to 11:00 PM serving breakfast, lunch, dinner and drinks Monday through Sunday.

Culinary offering includes unique dishes from different parts of the Shan State to enjoy the best Shan experience in town. Facilities in SKY Restaurant are a bar-counter with a variety of beverages, meeting rooms that can cater to different group sizes, spacious parking lots, two-storied kitchen that is always working to deliver quality food as fast as possible. Besides catering to walk-in customers, services are also available for corporate functions such as business lunch, product launch, press conference, private events such as birthday, gathering, tour groups such as specially – crafted Shan set meals and delivery option to corporate offices nearby.

SKY Restaurant aspires to be a culinary ambassador for Shan cuisine and culture, establishing itself as a premier destination for authentic Shan dining experiences in Yangon. Objectives of SKY Restaurant are preserving and promoting Shan culinary heritage by showcasing the time-honored recipes and cooking

techniques that define Shan cuisine, introducing Shan cuisine to a wider audience by fostering a deeper appreciation for its unique flavors and cultural significance, providing authentic Shan dining experiences by sourcing fresh, local ingredients and employing traditional cooking methods, catering to diverse clientele by offering a variety of dishes to suit all palates and preferences.

In addition, SKY Restaurant is also creating a welcoming and culturally immersive atmosphere that reflects the hospitality of Shan culture to uphold high standards of quality and service in all aspects of operations, from food preparation to presentation towards customer service, contributing to the local community by supporting local businesses, employing Shan people, and promoting Shan culture through culinary experiences, incorporating sustainable practices into operations to minimize our environmental impact and support local farmers and producers, continuously improving offerings by seeking feedback from guests and refining services to provide an exceptional Shan dining experience.

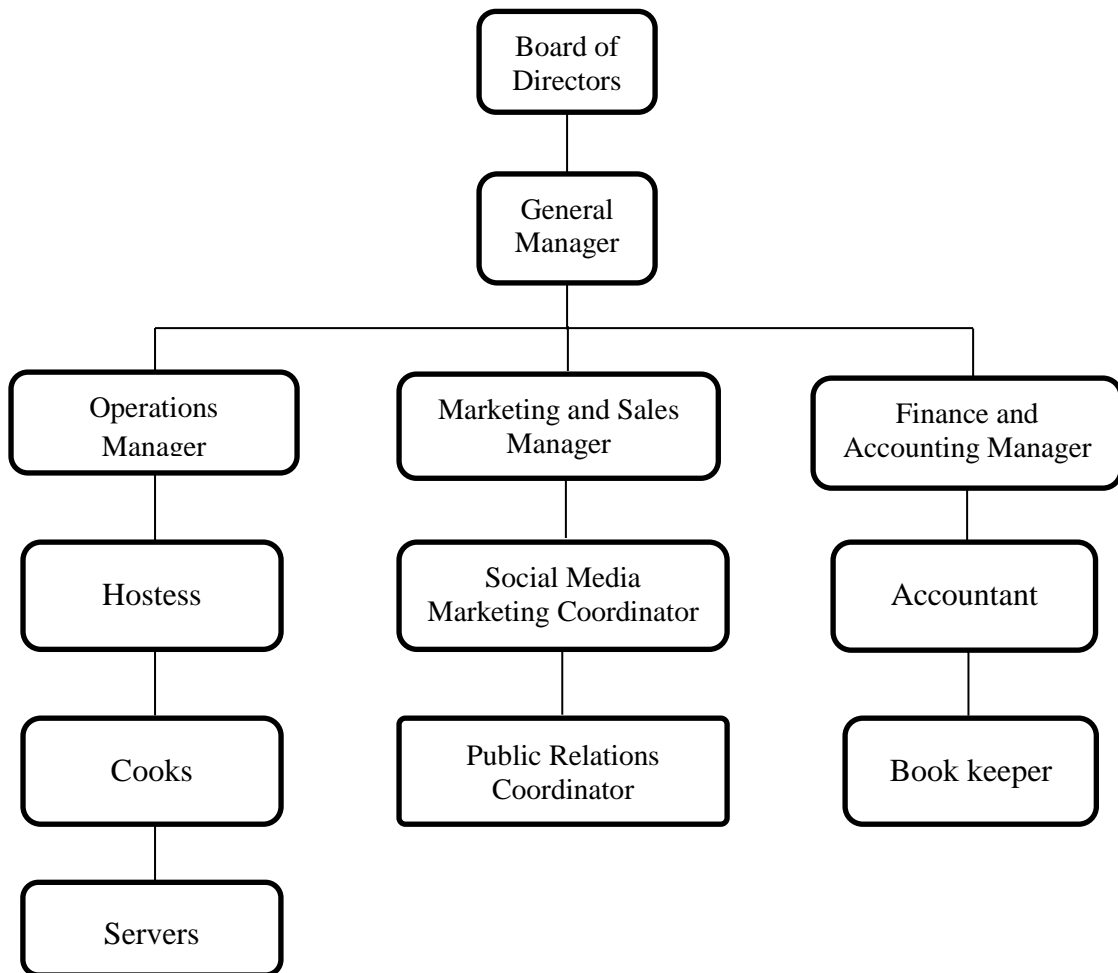
SKY Restaurant plays a vital role in preserving and promoting Shan culinary heritage while also introducing it to a wider audience. Restaurant commits to providing guests with an authentic and memorable Shan dining experience.

### **3.2 Organization Structure of SKY Restaurant**

SKY restaurant is a customer-oriented restaurant that is committed to providing its customers with an exceptional dining experience. The company is governed by a board of directors, which is responsible for making major decisions about the company's operations and strategy. The company's organizational structure is relatively simple, with a small number of departments and employees.

According to organization structure of SKY restaurant as below, it has a relatively flat organizational structure, with few layers of management. This is a common structure for businesses, as it allows for quick decision-making and communication. Restaurant operates with three main departments such as operation department, marketing and sales department and finance and accounting department.

**Figure (3.1) Organization Structure of SKY Restaurant**



Source: SKY Restaurant (2024)

### **3.2.1 Operations Department**

The operations department at SKY restaurant serves as the engine that drives the day-to-day functioning of the establishment, overseeing critical aspects of the dining experience. In order to the seamless coordination of various operational facets, this department plays a central role in ensuring the restaurant runs efficiently and delivers a high-quality service to patrons. The heart of the operations department is the supervision of food preparation in the kitchen. This involves working closely with the culinary team to guarantee the consistent quality and presentation of dishes. From sourcing ingredients to managing inventory, the department ensures that the kitchen operates smoothly, adhering to the restaurant's culinary standards.

Front-of-House operations fall under the purview of the operations department as well. This includes the management of hosting, wait staff, and bartenders, who



collectively create the overall dining experience for customers. The department is responsible for overseeing customer relations, addressing concerns, and maintaining a welcoming atmosphere. Table turnover, reservation management, and the overall flow of service are also key considerations for the Operations team. They collaborate with other departments, such as marketing and sales, to implement strategies that enhance customer satisfaction and attract repeat business. Additionally, the operations department is instrumental in maintaining health and safety standards. From kitchen hygiene to dining area cleanliness, the team ensures compliance with regulations, contributing to a safe and sanitary environment for both customers and staff.

Flexibility and adaptability are crucial attributes of the operations department. Staffing, training, and scheduling are carefully managed to meet the demands of varying business volumes and ensure optimal performance during peak hours. The operations department at SKY restaurant is the orchestrator of the restaurant's daily activities, working diligently to create a positive and memorable dining experience for patrons while upholding operational excellence.

### **3.2.2 Marketing and Sales Department**

The marketing and sales department at SKY restaurant plays a pivotal role in shaping the establishment's public image and driving customer engagement. The department focuses on promoting the restaurant's brand, events, and unique offerings through various channels. This includes managing the restaurant's online presence, ensuring an up-to-date and visually appealing website, and leveraging social media platforms for effective customer engagement. The team cultivates positive relationships to secure press coverage and enhance the restaurant's reputation by collaborating with local media outlets.

Additionally, the department explores collaborations and partnerships with local businesses, influencers, and organizations to expand the restaurant's reach. Through customer loyalty programs, sales strategies, and market research, the team aims to increase revenue, understand customer preferences, and stay competitive in the dynamic restaurant industry. Special events, promotions, and themed nights are carefully planned and executed to attract new customers and retain the loyalty of existing ones. The marketing and sales department also actively monitors online reviews and customer feedback by implementing strategies to address concerns and enhance the overall reputation of SKY restaurant. Ultimately, the success of the

department is measured by tangible outcomes such as increased foot traffic, revenue growth, and the establishment of a robust and recognizable brand identity, reflecting the collective efforts to create a positive and enduring connection with the restaurant's audience.

### **3.2.3 Finance and Accounting Department**

The finance and accounting department at SKY restaurant serves as the financial backbone of the establishment, handling a range of responsibilities vital to the restaurant's fiscal health. This department is charged with the meticulous management of the company's financial resources and maintaining accurate accounting records. Key function for this department is budgeting, where financial experts forecast and allocate resources to various departments, ensuring efficient and effective operations. Moreover, the finance and accounting team is tasked with tracking revenue and expenses, preparing financial statements, and generating reports that offer insights into the restaurant's financial performance. These reports aid in decision-making processes, allowing the management to assess profitability, identify areas for cost optimization, and make informed strategic choices.

The department also plays a critical role in payroll management, ensuring timely and accurate compensation for all staff members. Tax compliance is another essential aspect, with the team responsible for fulfilling all legal and regulatory financial obligations. Financial planning and forecasting are continuous activities in the finance and accounting department, helping the restaurant to adapt to changing economic conditions and market trends. Furthermore, this department often collaborates with external auditors to guarantee the accuracy and transparency of financial records. The finance and accounting department at Sky restaurant is fundamental to the restaurant's stability and growth, providing financial insights, managing resources effectively, and ensuring adherence to legal and regulatory financial requirements.

### **3.3 Dining Experiences Activities Offered by SKY Restaurant**

SKY Restaurant is a renowned establishment that offers a delectable array of traditional Shan cuisine. The restaurant provides an exceptional dining experience to loyal customers by consistently delivering authentic flavors. To achieve this success,

SKY Restaurant meticulously implements dining experiences activities, ensuring that every aspect of the customer journey aligns with its brand identity and values.

### **3.3.1 Flavor of Food and Drink**

SKY Restaurant is a culinary gem, renowned for its authentic Shan cuisine and tantalizing flavors. The restaurant offer diners to the heart of Shan State, offering an immersive gastronomic experience that showcases the region's rich culinary heritage. From the moment of step into SKY Restaurant, customers are enveloped in a symphony of aromas that awaken senses of customers. The air is delicately perfumed with the enticing fragrance of spices, herbs, and fresh ingredients, hinting at the culinary delights that a wait.

The food is typically served family-style, and customers are encouraged to try a variety of dishes that are made with fresh, local ingredients, and traditional cooking methods. SKY Restaurant offers a wide variety of dishes, including Shan noodle is a popular dish made with thin rice noodles, served with a variety of toppings. Shan curries are known for their unique flavor profile, often using tamarind, turmeric, and chilies. Shan salads are typically made with fresh vegetables, herbs, and a light dressing. Shan fritters are a popular snack or appetizer, made with a variety of ingredients. Customers praise SKY Restaurant for its delicious food, friendly service, and authentic atmosphere. Beyond the food, SKY Restaurant offers a curated selection of traditional Shan liquors, boasting unique and medicinal properties. These beverages come in a variety of flavors, from the original rice liquor steeped in tradition to the refreshing citrus and robust tea and cinnamon options.

To complement the savory dishes, SKY Restaurant also offers a refreshing selection of drinks. The fresh juices, made with locally sourced fruits and vegetables, provide a burst of vitamins and a delightful contrast in flavors. The smoothies, packed with nutritious ingredients, offer a boost of energy and a refreshing touch to the meal. The coffee, brewed using traditional methods, provides a rich and aromatic experience. Whether customers are a local seeking an authentic culinary adventure, SKY Restaurant is a must-visit destination. The dedication of restaurant using fresh, high-quality ingredients which combined with its culinary expertise elevates Shan cuisine to new heights. Each dish is a testament to the rich culinary heritage of region, offering a symphony of flavors that will tantalize taste buds and create lasting memories.

### **3.3.2 Service Quality**

SKY Restaurant recognizes its staff as integral to its success and invests heavily in training and development. The team of restaurant comprises experienced and friendly individuals who are passionate about Shan cuisine and committed to providing exceptional customer service. Every interaction with SKY Restaurant's staff leaves a positive impression, reinforcing the restaurant's reputation for hospitality and warmth. The knowledge of staff about the menu and their ability to make personalized recommendations enhance the dining experience and encourage repeat visits.

SKY Restaurant's service culture is deeply rooted in respect and consideration for its guests. Staff members treat every guest with courtesy and professionalism, creating a welcoming and inclusive atmosphere. They understand that dining is an experience, and they go the extra mile to make every guest feel special and valued. Staff members are equally attentive and helpful in the restrooms, ensuring that guests' overall experience is seamless and enjoyable. They take pride in maintaining a clean and welcoming environment, reflecting the restaurant's dedication to excellence in every aspect of its operations.

SKY Restaurant streamlines its ordering and payment processes to ensure a smooth and efficient dining experience for its customers. The restaurant offers both online and in-person ordering options, catering to the preferences of its diverse clientele. To expedite the payment process, SKY Restaurant accepts a variety of payment methods, including cash, credit cards, and mobile payments. This flexibility ensures that customers can settle their bills conveniently, without experiencing any delays or inconveniences. SKY Restaurant's service quality is not just about following procedures, it's about creating a memorable dining experience that leaves a lasting impression. The restaurant's team of dedicated staff members embodies the true spirit of hospitality, transforming each meal into a celebration of Shan cuisine and genuine service excellence.

### **3.3.3 Restaurant Atmosphere**

SKY Restaurant strategically locates its establishment in a central area of Yangon, making it easily accessible to customers. The restaurant's prominent location, coupled with its attractive signage and ambiance, ensures that it captures the attention of potential customers. The restaurant's interior is carefully designed, reflecting the

rich cultural heritage of Shan cuisine. The decoration is designed traditional Shan motifs and artifacts, creating an inviting and authentic atmosphere that immerses diners in the culinary traditions of the region.

Traditional Shan textiles adorn the walls, showcasing intricate handwoven designs and vibrant patterns, while wooden accents add a touch of rustic charm. Warm, soft lighting casts a gentle glow over the dining area, creating an intimate atmosphere. And the gentle melodies of traditional Shan music, played on instruments, fill the air with serenity. This harmonious blend of tradition and modernity sets the stage for an unforgettable culinary journey. The restaurant's ambiance complements the delectable flavors of Shan cuisine, creating an immersive experience that lingers long after the last bite.

### **3.3.4 Reasonable Price**

SKY restaurant strategically positions itself as a mid-priced establishment, striking a balance between affordability and quality. The food's prices are slightly reliable than some of its competitors, reflecting the premium ingredients and meticulous preparation that go into each dish. However, SKY Restaurant consistently delivers an exceptional dining experience that justifies its pricing practices. The restaurant achieves this by implementing various cost-effective practices. The restaurant focuses on sourcing ingredients locally for maintaining reasonable prices. By establishing strong relationships with local farmers and producers, SKY Restaurant can secure fresh, high-quality ingredients at competitive prices.

In the kitchen, efficient food preparation practices play a crucial role in minimizing waste and controlling costs. Standardized recipes ensure consistent quality and portion control, while optimized cooking processes reduce energy consumption and waste. Effective inventory management is another cornerstone of SKY Restaurant's reasonable pricing policy. Effective inventory control systems ensure optimal stock levels, minimizing waste and overstocking. Regular inventory monitoring helps identify and address potential issues before they lead to losses. The restaurant also adheres to the first-in, first-out method, ensuring that older ingredients are used before they expire.

SKY Restaurant also employs strategic pricing strategies to remain competitive. Regular analysis of competitor pricing ensures that the restaurant's prices remain in line with the market. The restaurant also offers value-added combos and

promotions to attract customers and increase order volume. Through these various cost-effective practices and strategies, SKY Restaurant is able to maintain reasonable prices while delivering delicious and authentic Shan cuisine to its customers. Sky Restaurant also implements a variety of promotional strategies, such as happy hour discounts, loyalty programs, and special offers during festivals and events. These initiatives attract new customers and encourage repeat visits, ensuring that the restaurant remains a popular dining destination. Table (3.1) shows the available menu with prices in SKY Restaurant.

**Table (3.1) Menu of SKY Restaurant**

<b>Sr. No.</b>	<b>Category</b>	<b>Menu</b>	<b>Price</b>
1	Noodle	1) Shan Noodle	3500
		2) Steamed Chicken Garlic Oil	4000
		3) Steamed Chicken Noodle Soup	4000
		4) Sticky Shan Noodle	3500
		5) Bamaw Style Flag Rice Noodle	4000
2	Appetizers	1) Deep Fried Cakes	5000
		2) Deep Fried Tofu	4500
		3) Inlay Style Fried Bean	5000
		4) Spring Rolls	4500
		5) Fish Fingers	6000
3	Main menu	1) Mala Curry	6000
		2) Fried Vermicelli	5000
		3) Steamed Rice	5000
		4) Garlic Oil With Pork Ribs	5500
		5) Rice With Fish	5500
		6) Chicken Fried Sweet and Sour	6000
		7) Fried Kung Pao	6000
		8) Pickled Mustard Fried Green Stir	6000
		9) Mustard Green Stir Fried	6000
		10) Pashu Fried Rice	4000

**Table (3.1) Menu of SKY Restaurant (Continued)**

<b>Sr. No.</b>	<b>Category</b>	<b>Menu</b>	<b>Price</b>
4	Salads	1) Pork Salad	5000
		2) Century Egg Salad	4000
		3) Beef Salad	5000
		4) Chicken Salad	5000
		5) Pork Head Salad	5000
		6) Tofu Salad	3000
		7) Mi Shay Salad	3500
		8) Sticky Shan Noodle Salad	3500
		9) Sticky Shan Noodle Salad (Tofu)	3500
		10) Papaya Salad	3500
5	Soups	1) Steamed Chicken Soup	5500
		2) Fish Rice Soup	5000
		3) Chicken Feet Soup	4500
		4) Pork Hand Soup	5000
		5) Dumpling Soup	5000
		6) Clay Pot Soup	6000
		7) Son Tang Egg Soup	4500
6	Desserts	1) Banana pudding	5000
		2) Corn Desserts	4500
		3) Seasonal Fruits	4000
7	Drinks	1) Tropical Lipton	4500
		2) Shan Sangria	5000
		3) Yoghurt with Raspberry	6000

Source: SKY Restaurant (2024)

According to the Table (3.1), there are 7 categories in menu. Customers can choose variety of noodle, appetizers, soups, main menu, salads, desserts and drink. SKY Restaurant always tries to offer creating new menus for its customers to increase business sustainability.

### **3.3.5 Cleanliness and Hygiene**

At SKY Restaurant, cleanliness and hygiene are not just afterthoughts. SKY Restaurant keeps its excellence by focusing on cleanliness and hygiene. From the bustling kitchen to the welcoming dining areas and restrooms, every aspect of the restaurant is meticulously maintained to ensure a safe and sanitary dining experience.

In the kitchen, strict handwashing protocols are the cornerstone of hygiene practices, ensuring that harmful bacteria are eliminated before they can reach the food. Food preparation surfaces are regularly sanitized, and utensils and equipment are meticulously cleaned to prevent cross-contamination. Cooking temperatures are carefully monitored to eliminate any lingering bacteria, ensuring that every dish is prepared to the highest standards of food safety. Beyond the kitchen, the dining area and restrooms are immaculate, reflecting the restaurant's dedication to cleanliness throughout its operations. Tables, chairs, and floors are regularly cleaned and sanitized, while restrooms are stocked with fresh towels and soap and impeccably maintained throughout the day.

SKY Restaurant's commitment to cleanliness extends to its staff members, who undergo comprehensive training on proper hygiene practices and are encouraged to notify management immediately if they are feeling ill. This proactive approach further safeguards the health of both staff and guests. Regular inspections by qualified food safety professionals ensure that SKY Restaurant consistently maintains its high standards of cleanliness and hygiene. These inspections, coupled with ongoing monitoring of staff practices, demonstrate the restaurant's unwavering commitment to providing a safe and enjoyable dining experience. SKY Restaurant's dedication to cleanliness and hygiene is not only about compliance but also providing its patrons with the peace of mind that comes with knowing their food is prepared in a safe and sanitary environment.

### **3.4 Reliability Test**

According to Cronbach (1951), the consistency and accuracy of the measurement scales are verified using a reliability test. Cronbach's alpha reliability test is used to ensure reliability. Alpha values between 0.60 and 0.80 are generally regarded as acceptable and good, whereas values close to 1.0 indicate great internal consistency reliability. Alpha values below 0.60 are considered to be poor. Table (3.2) describes the reliabilities (alpha values) of the variables.



**Table (3.2) Reliability Test of the Variables**

<b>Sr. No.</b>	<b>Particulars</b>	<b>No. of Items</b>	<b>Cronbach's Alpha</b>
1.	Flavor of Food and Drink	6	0.821
2.	Service Quality	6	0.803
3.	Restaurant Atmosphere	6	0.874
4.	Reasonable Price	6	0.706
5.	Cleanliness and Hygiene	6	0.750
6.	Customer Satisfaction	5	0.749
7.	Customer Loyalty	6	0.757

Source: Survey Data (2023)

According to the Table (3.2), the Cronbach's alpha values of all variables are above 0.7 which indicates that the internal consistencies for the questionnaires are good and acceptable. It is satisfactory for each variable, indicating that the scale items on the questionnaires are considered to be reliable for the study. As a result, it is possible to assume that the internal consistency of the measure used in this study explains why it can be expected that the results of the various constructs is the same in different contexts and the reason that the data is considered valid and reliable.

### **3.5 Profile of Respondents**

The demographic characteristics of respondents are discussed in this section. Table (3.3) provides a detailed illustration of demographic characteristics including gender, age, education level, occupation, monthly income, marital status and family size.

**Table (3.3) Demographic Profile of Respondents**

<b>Sr. No.</b>	<b>Particular</b>	<b>No. of Respondents</b>	<b>Percentage</b>
	Total	176	100
1.	<b>Gender</b>		
	Male	85	48.3
	Female	91	51.7
2.	<b>Age (Years)</b>		
	18 – 25	20	11.4
	26-35	54	30.7
	36-45	56	31.8
	46 – 55	37	21.0
	Above 55	9	5.1
3.	<b>Education</b>		
	Graduate	88	50
	Post Graduate	69	39.2
	High School	19	10.8
4.	<b>Occupation</b>		
	Government Staff	34	19.3
	Company Staff	55	31.2
	Self-employed	67	38.1
	Unemployed	20	11.4
5.	<b>Monthly Income Level (Kyats)</b>		
	300,001 – 600,000	26	14.8
	600,001 – 900,000	68	38.6
	Above 900,000	82	46.6
6.	<b>Family Size (No.)</b>		
	Below 2	32	18.2
	3 - 4	54	30.7
	5 – 6	46	26.1
	7 - 8	27	15.3
	9 – 10	17	9.7
	Above 10		

Source: Survey Data (2023)

According to Table (3.3), the female respondents are more than male respondents. This indicates the restaurant's marketing resonates more with women or that women are more likely to have foods with their family. Respondents are mostly between 26 to 45 years of age. According to changing lifestyle, the majority of responses are company staff and self-employed. It indicates that customers are young professionals and they want to entertain and make social networking at SKY Restaurant.

About 50% of responders are graduates and above, and they make an average monthly income of more over 600,000 MMK. It shows that SKY Restaurant appears to target customers with higher education who have medium income. Respondents who have family sizes between 3 to 6 Numbers mostly come to SKY restaurant. It shows that SKY Restaurant is a great place for relaxing family eating out.

## **CHAPTER IV**

# **ANALYSIS OF THE EFFECT OF DINING EXPERIENCES ON CUSTOMER SATISFACTION AND LOYALTY TOWARDS SKY RESTAURANT**

This chapter analyses the effect of dining experiences on customer satisfaction and customer loyalty depending on flavor of food and drink, service quality, restaurant atmosphere, reasonable price and cleanliness and hygiene of SKY restaurant. The analysis is carried out by distributing structured questionnaires with five-point Likert scales to 176 respondents. The responses are interpreted in line with Best (1977) as follows: The range of numbers between 1.00 and 1.80 is considered to be strongly disagree, 1.81-2.60 is considered to be disagree, 2.61-3.40 is considered to be neither agree nor disagree, 3.41-4.20 is considered to be agree, and 4.21–5.00 is considered to be strongly agree.

### **4.1 Perception of Dining Experiences, Customer Satisfaction and Customer Loyalty**

Regarding with the perception of dining experiences, customer satisfaction and loyalty, this study measures with mean, overall mean and standard deviation of variables.

#### **4.1.1 Dining Experiences**

Flavor of food and drink, service quality, restaurant atmosphere, reasonable price and cleanliness and hygiene are measured for dining experiences in this section. Each element of the experience, from the initial greeting to the taste of the last bite, plays a role in shaping the patron's perception and overall satisfaction.

#### **1. Flavor of Food and Drink of SKY Restaurant**

Structured surveys are used to find out the flavor of food and drink to SKY restaurant. Based on the findings, the study presents the mean, overall mean and standard deviation for the flavor of food and drink.

**Table (4.1) Flavor of Food and Drinks of SKY Restaurant**

<b>No.</b>	<b>Description</b>	<b>Mean</b>	<b>Std. Deviation</b>
1	Offering variety of delicious menu items	3.55	0.86
2	Being virtually attractive of food presentation	3.51	0.94
3	Offering diverse flavors and caters to different customer preferences.	3.50	0.93
4	Serving attractive and tempting food.	3.60	0.89
5	Serving food at appropriate temperature.	3.31	0.99
6	Offering unique food that unable to prepare at home.	3.38	1.00
	<b>Overall Mean</b>	<b>3.47</b>	

Source: Survey Data (2023)

According to the Table (4.1), serving attractive and tempting food has the highest mean value of 3.60 which is the agree level. It means that restaurant focuses on quality ingredients, creative menu development, and appealing presentation. Serving food at appropriate temperature has the lowest mean value of 3.31 which is the neutral level. It shows that customers are neither agree nor disagree about serving food at appropriate temperature and they just think about it in normal for the current situation of electricity. The overall mean score is 3.47, which indicates that respondents are agreed with flavor of food and drink of SKY restaurant. It means that restaurant focuses on flavor of food and drink for its customers.

## **2. Service Quality of SKY Restaurant**

Structured surveys are used to find out the service quality to SKY restaurant. Based on the findings, the study presents the mean, overall mean and standard deviation for the service quality.

**Table (4.2) Service Quality of SKY Restaurant**

No.	Description	Mean	Std. Deviation
1	Feeling safe in transactions with the restaurant's employee	3.69	0.99
2	Being knowledgeable of employees about food and drink menu items	3.56	0.85
3	Being opened at convenient hours	3.73	0.87
4	Receiving prompt service from the restaurant's employees	3.52	0.90
5	Providing food orders correctly	3.64	0.94
6	Being computed the bills correctly and accurately	3.82	0.91
	<b>Overall Mean</b>	<b>3.66</b>	

Source: Survey Data (2023)

According to the Table (4.2), it can be found that being computed the bills correctly and accurately has the highest mean score of 3.82 which is the agree level. It indicates that restaurant ensures accurate billing by handling special requests accurately, verifying payments, and offering responsive customer service. Receiving prompt service from the restaurant's employees has the lowest mean score of 3.52 which is the agree level. It means that restaurant ensures prompt service by maintaining appropriate staffing levels, training employees effectively, streamlining processes, fostering clear communication. The overall mean score is 3.66, which indicates that respondents are agreed with pay attention of service quality at SKY restaurant.

### **3. Restaurant Atmosphere of SKY Restaurant**

Structured questionnaires are used to find out the aspect of restaurant atmosphere of SKY restaurant. The mean, overall mean and standard deviation for the restaurant atmosphere are shown based on the findings.

**Table (4.3) Restaurant Atmosphere of SKY Restaurant**

No.	Description	Mean	Std. Deviation
1	Using colors to create a pleasant ambience	3.47	0.82
2	Being comfortable of seating arrangement	3.81	1.00
3	Being positively influenced mood of customer with the level of brightness and the color temperature of the lighting in the restaurant	3.95	1.00
4	Being enhanced customers' perceptions of food quality and atmosphere with the presence and intensity of pleasant aromas in the restaurant	3.89	0.97
5	Making layout for customers to move easily around within the restaurant	3.80	1.00
6	Providing adequate parking spaces	3.83	0.95
	<b>Overall Mean</b>		<b>3.67</b>

Source: Survey Data (2023)

According to Table (4.3), being positively influenced mood of customer with the level of brightness and the color temperature of the lighting in the restaurant has the highest mean score is 3.95 which is the agree level. It indicates that restaurant uses professional lighting design with adjustable brightness and color temperature to create a welcoming atmosphere and strategically places warm and cool lighting by using dimmer controls, accent lighting, and integrate natural light. Using colors to create a pleasant ambience is the lowest mean of 3.47 which is the agree level. It shows that restaurant uses color psychology and carefully select color schemes for walls, decor, furniture, and table settings to create a pleasant ambience. Since the overall mean score is 3.67, respondents are agreed with atmosphere of SKY restaurant. It means that restaurant focuses on creating, comfortable and pleasant atmosphere for its customers.

#### 4. Reasonable Price of SKY Restaurant

Structured questionnaires are used to find out the aspect of reasonable price of SKY restaurant. The mean, average mean, and standard deviation for the reasonable price are shown based on the findings.

**Table (4.4) Reasonable Price of SKY Restaurant**

No.	Description	Mean	Std. Deviation
1	Offering superior pricing options	3.53	0.80
2	Offering best possible price plan	3.38	0.89
3	Offering feeling value for the money paid	3.51	0.93
4	Providing menu including price of each item	3.57	0.91
5	Providing appropriate costs for what the customer gets	3.64	0.96
6	Providing good foods for the price paid	3.41	0.87
	<b>Overall Mean</b>	<b>3.51</b>	

Source: Survey Data (2023)

According to the Table (4.4), providing appropriate costs for customers has the highest mean value of 3.64 which is the agree level. It shows that restaurant is very careful about price setting and thus it creates appropriate pricing policy for its customers. Offering best possible price plan has the lowest mean value of 3.38 which is the neutral level. It indicates that customers are neither agree nor disagree about offering best possible price plan. The overall mean score is 3.51, which indicates that respondents are agreed with reasonable price of SKY restaurant. It means that restaurant offers food with reasonable price for its customers.



## 5. Cleanliness and Hygiene of SKY Restaurant

Structured questionnaires are used to find out the aspect of cleanliness and hygiene of SKY restaurant. The mean, the overall mean, standard deviation for the cleanliness and hygiene are shown based on the findings.

**Table (4.5) Cleanliness and Hygiene of SKY Restaurant**

No	Description	Mean	Std. Deviation
1	Using attractive table accessories and neat table linen	3.66	0.92
2	Maintaining cleanliness of kitchen area and proper food handling practices	3.69	0.83
3	Maintaining clean and well rest rooms	3.67	0.81
4	Wearing clean and neat uniforms of service employees	3.81	0.87
5	Maintaining cleanliness of floors, tables, chairs and other dining surfaces	3.55	0.83
6	Maintaining cleanliness of plates, glasses, cutlery and other utensils	3.93	0.80
	<b>Overall Mean</b>		<b>3.72</b>

Source: Survey Data (2023)

According to the Table (4.5), maintaining cleanliness of plates, glasses, cutlery and other utensils is the highest score of 3.93 which is the agree level. It means that restaurant regularly maintains cleanliness of table accessories to meet hygiene standard for its customers. Maintaining cleanliness of floors, tables, chairs and other dining surfaces is the lowest score of 3.55 which is the agree level. It means that restaurant keeps cleanliness and hygiene of these areas by using appropriate cleaning agents and methods. The overall mean score is 3.72, which indicates that respondents are agreed with cleanliness and hygiene of SKY restaurant. It means that restaurant focuses on regular maintaining of cleanliness and hygiene standard for its customers.

## 6. Customer Satisfaction of SKY Restaurant

Structured questionnaires are used to find out the aspect of customer satisfaction of SKY restaurant. The mean, overall mean and standard deviation for the customer satisfaction are shown based on the findings.

**Table (4.6) Customer Satisfaction of SKY Restaurant**

No.	Description	Mean	Std. Deviation
1	Being satisfied with taste, presentation, variety and freshness in this restaurant	3.64	0.91
2	Being satisfied with the seating arrangement, lighting, music and interior decoration and design	3.65	0.91
3	Being satisfied with the workers' attitude in this restaurant	3.41	0.95
4	Being valuable for the money spent in this restaurant	3.50	1.00
5	Being satisfied with cleanliness and hygiene of restaurant environment, tableware and staff uniforms	4.00	0.01
	<b>Overall Mean</b>	<b>3.81</b>	

Source: Survey Data (2023)

According to the Table (4.6), being satisfied with cleanliness and hygiene of restaurant environment, tableware and staff uniforms is the highest score of 4.00 which is the agree level. It means that restaurant maintains these as the most fundamental aspects for impression of restaurant. Being satisfied with the workers' attitude in this restaurant is the lowest score of 3.41 which is the agree level. It indicates that restaurant strives to ensure that their staff exhibit a positive attitude by providing comprehensive training, fostering a culture of hospitality, and recognition for excellent service. The overall mean score is 3.81, which indicates that respondents are agreed with customer satisfaction of SKY restaurant. It means that restaurant focuses on customer satisfaction by enhancing dining experiences.

## 7. Customer Loyalty of SKY Restaurant

Structured questionnaires are used to find out the aspect of customer loyalty of SKY restaurant. The mean, overall mean and standard deviation for the customer loyalty are shown based on the findings.

**Table (4.7) Customer Loyalty of SKY Restaurant**

No.	Description	Mean	Std. Deviation
1	Saying positive things about SKY restaurant to other people	3.70	0.97
2	Recommending SKY restaurant to anyone who seeks advice on restaurant	3.64	0.91
3	Encouraging friend and relative to patronize SKY restaurant	3.65	0.91
4	Considering SKY restaurant as first choice for dining experience	3.41	0.95
5	Patronizing SKY restaurant even if there is increase in price	3.50	1.00
6	Remaining loyal to SKY restaurant for its services.	4.00	0.01
	<b>Overall Mean</b>		<b>3.65</b>

Source: Survey Data (2023)

According to the Table (4.7), remaining loyal to SKY restaurant for its services is the highest score of 4.00 which is the agree level. It means that SKY restaurant fosters customer loyalty by consistently providing excellent service. Considering SKY restaurant as first choice for dining experience is the lowest score of 3.41 which is the agree level. It indicates that SKY restaurant has the potential to be the preferred option among customers when they decide where to dine. The overall mean score is 3.65, which indicates that respondents are agreed with customer loyalty of SKY restaurant. It means that restaurant focuses on maintaining customer loyalty.

## 4.2 Analysis on Effect of Dining Experiences on Customer Satisfaction

The Effect of Dining Experiences on Customer Satisfaction towards SKY Restaurant can be seen in below Table (4.8).

**Table (4.8) Effect of Dining Experiences on Customer Satisfaction**

Dependent Variable	Unstandardized Coefficient		Beta	t	Sig	VIF
	B	Standard Error				
Constant	1.880	0.269		6.980	0.000	
Flavor of Food and Drinks	0.124**	0.057	0.185	2.189	0.030	1.803
Service Quality	0.128**	0.064	0.163	1.988	0.048	1.889
Restaurant Atmosphere	0.003	0.040	0.005	0.071	0.943	1.014
Reasonable Price	0.128*	0.066	0.175	1.935	0.055	2.056
Cleanliness and Hygiene	0.156***	0.049	0.226	3.164	0.002	1.281
R <sup>2</sup>	0.325					
Adjusted R <sup>2</sup>	0.305					
F Value	16.358***					
Durbin-Watson	1.697					

Source: Survey Data (2023)

Note: \*\*\*significance at 1% level, \*\*significance at 5% level, \*significance at 10% level

According to Table (4.8), it indicates the value of Adjusted R<sup>2</sup> is 0.305, then target variable effects 30.5 percent of variability. The value of the F test, which represents the overall significance of the show, is extremely important at the 1% level. This indicated demonstrate is significant. Furthermore, the Durbin-Watson value is 1.697, which is the worthy reference level between 1.5 and 2.5.

Flavor of food and drink, service quality, reasonable price and cleanliness and hygiene have the positive and significant effect on customer satisfaction. Flavor of food and drink is significant and positive effect on consumer satisfaction at 5% level.

It shows that providing good flavor of food and drink in SKY restaurant lead to more customer satisfaction. It also means that high-quality and delicious food and drinks are crucial for customer satisfaction at SKY Restaurant.

Service quality has positive and significant effect on consumer satisfaction at 5% level. Employees are professional to catering service and have full knowledge on various menus. They are also helpful and friendly when catering their customers. Opening and Closing time are convenient for the lifestyle of their customers. The ordering and service process is fast and it doesn't take long time to get the dish. It is convenient to order from home because delivery is available. The service is consistently prompt for every customer. It indicates that professional, knowledgeable, helpful staff, convenient opening hours, fast service, and delivery options all contribute to a positive customer experience.

Reasonable price is also positive and significant effect on consumer satisfaction at 10% level. SKY restaurant offers menu that suit the budget for events such as birthday party, wedding and etc. The price is worth enough to food and drink and is not expensive to compare with another popular restaurant. SKY restaurant create menus that are cheap and reasonable for all customers. It indicates that SKY Restaurant caters to diverse budgets with affordable breakfast and menu sets, while remaining competitive compared to peers.

Cleanliness and Hygiene has also significantly and positively effect on consumer satisfaction at 1 % level in SKY Restaurant. Restaurant keeps maintaining its cleanliness and hygiene regularly. It means that maintaining cleanliness and hygiene is the most fundamental and essential for its customers.

However, restaurant atmosphere has no significant effect on customer satisfaction at SKY restaurant. It indicates that SKY Restaurant creates comfortable and pleasant atmosphere and its atmosphere seems sufficient for customer satisfaction. Customers are generally accepted the restaurant atmosphere as the fundamental aspect in restaurants and there is no a lot of expectation on it.

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

The Effect of Customer Satisfaction on Customer Loyalty towards SKY Restaurant can be seen in below Table (4.9).

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

Dependent Variable	Unstandardized Coefficient		Beta	t	Sig	VIF
	B	Standard Error				
Constant	0.249	0.224		1.109	0.269	
Customer Satisfaction	1.021***	0.058	0.799	17.506	0.000	1.000
R <sup>2</sup>	0.638					
Adjusted R <sup>2</sup>	0.636					
F Value	306.440***					
Durbin-Watson	1.711					

Source: Survey Data (2023)

Note: \*\*\*significance at 1% level, \*\*significance at 5% level, \*significance at 10% level

According to Table (4.9), it indicates that the value of Adjusted R<sup>2</sup> is 0.638, then target variable effects 63.8 percent of variability. Customer satisfaction is a strong predictor of customer loyalty at SKY Restaurant. Based on result, the value of the F test measures the model's overall significance. The model is extremely significant at 1% level. The specified model can be said valid and tangible evidence that have the anticipated favorable indication and a highly substantial effect on the customer loyalty.

As a restaurant consistently delivers exceptional dining experiences, customer satisfaction seamlessly transforms into unwavering customer loyalty. This transformation occurs when patrons develop a deep-rooted sense of trust, appreciation, and emotional connection with the establishment. They become repeat customers, enthusiastically recommending the restaurant to others, and serving as brand ambassadors who amplify the restaurant's positive reputation. This unwavering

loyalty provides restaurants with a stable and predictable customer base, contributing to long-term sustainability and growth.

According to Table (4.9), customer satisfaction variable has the positive sign and a notable coefficient value at the 1% level. The positive relation indicates that an increase in customer satisfaction completely influences on customer loyalty. As SKY Restaurant strives to deliver consistently exceptional dining experiences, increased customer satisfaction translates directly into stronger customer loyalty. By fostering high customer satisfaction, SKY Restaurant can build a loyal customer base that ensures its future sustainability and growth.

## **CHAPTER V**

### **CONCLUSION**

This study investigates the dining experience offered by SKY Restaurant to enhance customer satisfaction and customer loyalty. Through questionnaires, the research explores how various aspects of the restaurant, such as flavor of food and drinks, service quality, restaurant atmosphere, reasonable price, cleanliness and hygiene, contribute to overall customer satisfaction and loyalty. In this chapter, the summary of findings and discussions from the previous chapters, suggestions and recommendations to these findings are presented and needs for further studies are described.

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

This study aims to explore the effect of dining experience on customer satisfaction and customer loyalty towards SKY restaurant. It also examines the effect of dining experience on customer satisfaction towards SKY restaurant and analyzes the effect of customer satisfaction on customer loyalty towards SKY restaurant. Individual factor analysis in this study includes the demographic profile of respondents, frequency, and features of different kinds of factors. According to survey data and demographic profiles, female respondents are more than male respondents. Respondents are mostly middle age. Responders are graduates with moderate income. The majority of customer are company staff and self-employed. Respondents mostly come to SKY restaurant with friends, relatives and small group.

According to the perception of dining experiences, all the independent variables of dining experience have agreement level of respondents. It means all the variables are important for success of SKY restaurant. Hence, Sky restaurant emphasis on all aspects of dining experience for long term profit and restaurant growth. SKY Restaurant successfully creates a positive dining experience through its meticulous attention to detail in each of the examined areas. The restaurant's commitment to using fresh, local ingredients and traditional cooking methods translates into authentic and flavorful Shan cuisine that resonates with customers. Additionally, the attentive and friendly service, coupled with a clean and hygienic



environment, further enhances the dining experience and fosters loyalty among customers.

Furthermore, the study reveals that SKY Restaurant balances affordability with quality, making its offerings accessible to a wider audience while maintaining high standards. The restaurant's welcoming atmosphere and cultural immersion contribute to an overall positive dining experience, leading to increased customer satisfaction and loyalty.

Flavor of food and drink, service quality, reasonable price and cleanliness and hygiene are positively significant effect on customer satisfaction while restaurant atmosphere does not significantly effect on customer satisfaction. According to the data, cleanliness and hygiene is the most significant in SKY restaurant. It indicates that regular maintaining of cleanliness and hygiene of SKY restaurant enhances the dining experience of SKY restaurant for customer satisfaction. Flavor of food and drink and service quality are the second and third significant factors respectively, good service quality leads to more customer satisfaction for SKY restaurant. Since SKY restaurant offers variety of food items and full range of drinks, the restaurant prepares foods according to the taste and preference of its customers. Hence, customers are satisfied with the flavor of food and drink of SKY restaurant.

Reasonable price is the fourth effecting factor of dining experience to enhance the customer satisfaction in SKY restaurant. The prices of menu items are not much expensive in compare with those of other restaurants. SKY restaurant shows the price of each item in the menu clearly so that customers can look the price before taking the order. Hence, customers are satisfied with the clear pricing policy of SKY restaurant. Regression result shows that there is no significant of restaurant atmosphere in SKY restaurant. There is enough preparation with restaurant atmosphere for customer satisfaction in SKY restaurant. SKY restaurant maintains pleasant aroma in the restaurant. It also arranges relevant music, lighting level, artwork, adequate parking spaces combined to create welcoming, comfort, intimacy and even romance.

Customer satisfaction has a completely positively significant effect on customer loyalty. Since customers are satisfied with the flavor of food and drink, service quality, restaurant atmosphere, cleanliness and hygiene, they intend to revisit SKY restaurant again and they recommend others to SKY restaurant. Moreover, they do not want to go other restaurants even offering with promotions and discounts. Hence, it is found that majority of customers are loyal towards SKY restaurant.

The importance of flavor of food and drink, service quality, restaurant atmosphere, reasonable price and cleanliness and hygiene in influencing customer satisfaction is well-established. However, this study further highlights the unique role of authenticity and cultural immersion in enhancing dining experiences and fostering loyalty, particularly in restaurants offering specific regional cuisines. It is noteworthy that SKY Restaurant's commitment to using local ingredients and traditional cooking methods contributes not only to flavor but also to sustainability and community support. This aligns with a growing trend among discerning diners who seek ethical and eco-conscious dining options.

## **5.2 Suggestions and Recommendations**

Based on the findings, the following suggestions and recommendations are proposed to further enhance SKY Restaurant's success. Regarding with flavor of food and drink, the authenticity and quality of SKY Restaurant's Shan cuisine, along with its refreshing drink, are essential for its customers and significantly contribute to their satisfaction. Restaurant should maintain the focus on authenticity of cuisine by utilizing fresh, local ingredients which remains crucial to preserving its unique appeal for customer satisfaction. Restaurant should strengthen relationship with suppliers and producers to ensure continued access to fresh, high-quality ingredients and support the local community.

Regarding with service quality, the professional, friendly, and knowledgeable service provided by the SKY restaurant's staff positively influence on customer satisfaction and encourage repeat visits. Sky restaurant should provide ongoing training programs for staff which can further refine their service skills, knowledge of the menu, and understanding of customer needs. Integrating online ordering and reservation systems can also offer convenience to customers and streamline operations of SKY restaurant.

Regarding with cleanliness and hygiene, the restaurant's meticulous approach to maintaining cleanliness and hygiene in all areas reassure customers and enhance their dining experience. Restaurant should expand the use of sustainable practices, such as implementing energy-efficient measures enhancing the restaurant's eco-friendly image and attracting environmentally conscious customers.

Regarding with reasonable price, SKY Restaurant's strategic pricing, balancing affordability with quality, made its offerings accessible to a broader

customer base while ensuring profitability. SKY restaurant should analyze a deeper view of the restaurant's pricing policy on regular basis and observe their effectiveness in attracting different customer segments. It can also make detailed customer segmentation analysis to understand the preferences and needs of different customer groups and tailor offerings accordingly.

Regarding with restaurant atmosphere, the warm, inviting, and culturally immersive atmosphere creates by SKY Restaurant contributes to a positive dining experience and customer satisfaction. The restaurant should maintain ambiance, blending traditional Shan motifs with modern elements, created a unique and inviting atmosphere. The restaurant pay attention to detail in the decoration, music, and lighting contributed to the immersive dining experience, further solidifying SKY Restaurant's brand identity.

### **5.3 Needs for Further Research**

This study provides valuable insights into the relationship between dining experiences and customer satisfaction and loyalty towards SKY Restaurant. However, further research could explore certain aspects in greater depth. It can be investigated the effectiveness of using services capes on customer satisfaction and loyalty towards SKY Restaurant. It can be also conducted employees satisfaction and loyalty by using HR Theory. Further research in the areas mentioned above can provide valuable insights and contribute to the ongoing development and success of SKY Restaurant.

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**APPENDIX I**  
**QUESTIONNAIRES FOR THE STUDY OF THE TOPIC:**  
**THE EFFECT OF DINING EXPERIENCES ON CUSTOMER**  
**SATISFACTION AND LOYALTY TOWARDS SKY RESTAURANT**

Dear respondent,

This questionnaire is aimed at understanding about the effect of dining experiences on customer satisfaction and loyalty towards SKY restaurant. It will be used only for academic purpose. Thank you for spending your valuable time to fill this questionnaire.

**Section (A) Demographic Factors of Respondents**

1. Gender

Male                       Female

2. Age

Age 18 to 25 Years                       26 to 35 Years   
36 to 45 Years                       46 to 55 Years   
Above 55 Years

3. Education Level

High School                       Graduate   
Post Graduate                       Others

4. Occupation

Unemployed                       Business Owner/Self-employ   
Company Staff                       Government Employee   
Others

5. Monthly Income (Kyats)

Under 300,000                       200,00 300,001 to 600,000   
600,001 to 900,000                       900,001 to 1,500,000   
Above 1,500,000



6. Marital Status

Single

Married

7. Family Size (Nos)

< 2

3-4

5-6

7-8

9-10

Above 10

## Section (B) Dining Experiences

Please choose on one answer.

Strongly Disagree, 2.Disagree, 3.Neutral, 4.Agree, 5.Strongly Agree

### 1. Flavor of Food and Drinks

No.	Factors	1	2	3	4	5
1	Restaurant offers variety of delicious menu items.					
2	Food presentation of restaurant is virtually attractive.					
3	Restaurant offers diverse flavors and caters to different customer preferences.					
4	Restaurant serves attractive and tempting food.					
5	Restaurant serves food at appropriate temperature.					
6	Restaurant offers unique food that unable to prepare at home.					

### 2. Service quality

No.	Factor	1	2	3	4	5
1	Customer feels safe in transactions with the restaurant's employee.					
2	Employees are knowledgeable about food and beverage menu items.					
3	The restaurant is opened at convenient hours.					
4	Customer receives prompt service from the restaurant's employees.					
5	Restaurant provides food orders correctly.					
6	The bills are computed correctly and accurately.					

### 3. Restaurant atmosphere

No.	Factor	1	2	3	4	5
1	The restaurant uses colors to create a pleasant ambience.					
2	Restaurant's seating arrangement makes customer feel comfortable.					
3	The level of brightness and the color temperature of the lighting in the restaurant positively influence my mood.					
4	The presence and intensity of pleasant aromas in the restaurant enhances customers' perceptions of food quality and atmosphere.					
5	Layout makes it easy for customer to move around within the restaurant.					
6	Restaurant provides adequate parking spaces.					

### 4. Reasonable Price

No.	Factor	1	2	3	4	5
1	Restaurant offers superior pricing options.					
2	Restaurant offers best possible price plan.					
3	Restaurant offers feeling value for the money paid.					
4	Restaurant provides menu including price of each item.					
5	Restaurant provides appropriate costs for what the customer gets.					
6	Restaurant provides good foods for the price paid.					

## 5. Cleanliness and Hygiene

No.	Factor	1	2	3	4	5
1	Restaurant uses attractive table accessories and neat table linen.					
2	Restaurant maintains cleanliness of kitchen area and proper food handling practices.					
3	Restaurant maintains clean and well rest rooms.					
4	The employees wear clean and neat uniforms.					
5	Restaurant maintains cleanliness of floors, tables, chairs and other dining surfaces.					
6	Restaurant maintains cleanliness of plates, glasses, cutlery and other utensils.					

## Section (C) Customer Satisfaction and Customer Loyalty

**Please choose on one answer.**

Strongly Disagree, 2.Disagree, 3.Neutral, 4.Agree, 5.Strongly Agree

### 1. Customer satisfaction

No.	Factor	1	2	3	4	5
1	Being satisfied with taste, presentation, variety and freshness in this restaurant					
2	Being satisfied with the seating arrangement, lighting, music and interior decoration and design					
3	Being satisfied with the workers' attitude in this restaurant					
4	Being valuable for the money spent in this restaurant					
5	Being satisfied with cleanliness and hygiene of restaurant environment, tableware and staff uniforms					

## 2. Customer loyalty

No.	Factor	1	2	3	4	5
1	Customer says positive things about SKY restaurant to other people.					
2	Customer recommends SKY restaurant to anyone who seeks advice on restaurant.					
3	Customer encourages friend and relative to patronize this restaurant.					
4	Customer considers SKY restaurant as 1st choice for dining experience.					
5	Customer patronizes SKY restaurant even if there is increase in price.					
6	Customer remains loyal to SKY restaurant for its services.					

## APPENDIX II

### SPSS OUTPUT

#### Regression

##### Descriptive Statistics

	Mean	Std. Deviation	N
SATM	3.8182	.45783	176
FFDM	3.4734	.68561	176
SQM	3.6618	.58412	176
RAM	3.6667	.73365	176
PRM	3.5135	.62369	176
CHM	3.7181	.66232	176

##### Correlations

		SATM	FFDM	SQM	RAM	PRM	CHM
Pearson Correlation	SATM	1.000	.428	.449	-.030	.473	.398
	FFDM	.428	1.000	.517	-.003	.633	.211
	SQM	.449	.517	1.000	-.008	.570	.402
	RAM	-.030	-.003	-.008	1.000	-.054	-.102
	PRM	.473	.633	.570	-.054	1.000	.393
	CHM	.398	.211	.402	-.102	.393	1.000
Sig. (1-tailed)	SATM	.	.000	.000	.347	.000	.000
	FFDM	.000	.	.000	.485	.000	.002
	SQM	.000	.000	.	.456	.000	.000
	RAM	.347	.485	.456	.	.240	.088
	PRM	.000	.000	.000	.240	.	.000
	CHM	.000	.002	.000	.088	.000	.
N	SATM	176	176	176	176	176	176
	FFDM	176	176	176	176	176	176
	SQM	176	176	176	176	176	176
	RAM	176	176	176	176	176	176
	PRM	176	176	176	176	176	176
	CHM	176	176	176	176	176	176

##### Variables Entered/Removed<sup>a</sup>

Model	Variables Entered	Variables Removed	Method
1	CHM, RAM, FFDM, SQM, PRM <sup>b</sup>	.	Enter

a. Dependent Variable: SATM

b. All requested variables entered.

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics		
					R Square Change	F Change	df1
1	.570 <sup>a</sup>	.325	.305	.38169	.325	16.358	5

**Model Summary<sup>b</sup>**

Model	Change Statistics		
	df2	Sig. F Change	
1	170	.000	1.697

a. Predictors: (Constant), CHM, RAM, FFDM, SQM, PRM

b. Dependent Variable: SATM

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11.915	5	2.383	16.358	.000 <sup>b</sup>
	Residual	24.767	170	.146		
	Total	36.682	175			

a. Dependent Variable: SATM

b. Predictors: (Constant), CHM, RAM, FFDM, SQM, PRM



**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B
		B	Std. Error	Beta			Lower Bound
		1	(Constant)	1.880			.269
	FFDM	.124	.057	.185	2.189	.030	.012
	SQM	.128	.064	.163	1.988	.048	.001
	RAM	.003	.040	.005	.071	.943	-.075
	PRM	.128	.066	.175	1.935	.055	-.003
	CHM	.156	.049	.226	3.164	.002	.059

**Coefficients<sup>a</sup>**

Model		95.0% Confidence Interval for B		Correlations			Collinearity Statistics	
		Upper Bound		Zero-order	Partial	Part	Tolerance	VIF
		1	(Constant)	2.411				
	FFDM	.235		.428	.166	.138	.555	1.803
	SQM	.254		.449	.151	.125	.592	1.689
	RAM	.081		-.030	.005	.005	.986	1.014
	PRM	.259		.473	.147	.122	.486	2.056
	CHM	.253		.398	.236	.199	.781	1.281

a. Dependent Variable: SATM

**Collinearity Diagnostics<sup>a</sup>**

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions			
				(Constant)	FFDM	SQM	RAM
1	1	5.891	1.000	.00	.00	.00	.00
	2	.049	10.999	.01	.04	.01	.55
	3	.028	14.528	.01	.27	.00	.02
	4	.012	21.963	.01	.26	.83	.02
	5	.011	23.212	.04	.41	.04	.04
	6	.009	25.522	.95	.03	.12	.36

**Collinearity Diagnostics<sup>a</sup>**

Model	Dimension	Variance Proportions	
		PRM	CHM
1	1	.00	.00
	2	.03	.02
	3	.02	.49
	4	.01	.26
	5	.94	.03
	6	.01	.19

a. Dependent Variable: SATM

**Casewise Diagnostics<sup>a</sup>**

Case Number	Std. Residual	SATM	Predicted Value	Residual
162	-3.184	2.50	3.7152	-1.21517

a. Dependent Variable: SATM



**Residuals Statistics<sup>a</sup>**

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	3.1002	4.4901	3.8182	.26094	176
Residual	-1.21517	.79581	.00000	.37620	176
Std. Predicted Value	-2.752	2.575	.000	1.000	176
Std. Residual	-3.184	2.085	.000	.986	176

a. Dependent Variable: SATM

**Regression**

**Descriptive Statistics**

	Mean	Std. Deviation	N
LOYM	3.6493	.58524	176
SATM	3.8182	.45783	176

**Correlations**

		LOYM	SATM
Pearson Correlation	LOYM	1.000	.799
	SATM	.799	1.000
Sig. (1-tailed)	LOYM	.	.000
	SATM	.000	.
N	LOYM	176	176
	SATM	176	176

**Variables Entered/Removed<sup>a</sup>**

Model	Variables Entered	Variables Removed	Method
1	SATM <sup>b</sup>	.	Enter

a. Dependent Variable: LOYM

b. All requested variables entered.

**Model Summary<sup>b</sup>**

Model	Change Statistics		
	df2	Sig. F Change	
1	174	.000	1.711

a. Predictors: (Constant), SATM

b. Dependent Variable: LOYM

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	38.231	1	38.231	306.440	.000 <sup>b</sup>
	Residual	21.708	174	.125		
	Total	59.938	175			

a. Dependent Variable: LOYM

b. Predictors: (Constant), SATM

☒

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized	t	Sig.	95.0% Confidence Interval for B
		B	Std. Error	Beta			Lower Bound
							Upper Bound
1	(Constant)	-.249	.224		-1.109	.269	-.691
	SATM	1.021	.058	.799	17.505	.000	.906

**Coefficients<sup>a</sup>**

Model		95.0% Confidence Interval for B	Correlations			Collinearity Statistics	
		Upper Bound	Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	.194					
	SATM	1.136	.799	.799	.799	1.000	1.000

a. Dependent Variable: LOYM

**Coefficient Correlations<sup>a</sup>**

Model		SATM
1	Correlations	1.000
	Covariances	.003

a. Dependent Variable: LOYM

**Collinearity Diagnostics<sup>a</sup>**

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions	
				(Constant)	SATM
1	1	1.993	1.000	.00	.00
	2	.007	16.787	1.00	1.00

a. Dependent Variable: LOYM

**Residuals Statistics<sup>a</sup>**

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	2.3036	4.3454	3.6493	.46740	176
Residual	-1.01538	.84551	.00000	.35220	176
Std. Predicted Value	-2.879	1.489	.000	1.000	176
Std. Residual	-2.875	2.394	.000	.997	176

a. Dependent Variable: LOYM