**ARE YOU LOYAL IF SATISFIED WITH MEAL OUTSIDE ? : A RELATION BETWEEN
CUSTOMER SATISFACTION AND LOYALTY IN RESTAURANTS.****Dr. J. M. Badiyani****Abstract**

The restaurants business is growing at its own pace in the world as well as in India. This paper examines the relationship of customer satisfaction and customer loyalty among customers of restaurants in Gujarat state of India. Various factors are used to measure customer satisfaction and customer loyalty among customers of restaurants via a structured questionnaire. A sample of 381 respondents using convenience sampling was surveyed. The analysis is done using descriptive analysis, Pearson correlation coefficient, linear regression analysis, t test and ANOVA test. The positive correlation is found between customer satisfaction and customer loyalty and thus, coefficients of regression and adjusted R^2 are calculated. Among demographics, gender, age and income groups have shown a significant difference of customer satisfaction and customer loyalty while education groups didn't show a significant difference of customer satisfaction and customer loyalty. Females are more satisfied and loyal compared to males while less than 25 years of age group is the most satisfied and loyal among all age groups. As income increases the satisfaction and loyalty decreases up to the yearly income of Rs. 12,00,000. For formulating marketing strategies, further research is required but, the research has thrown light on relationship and demographic group comparisons and may be helpful for marketers and further researchers.

Key words : restaurants, customer satisfaction, customer loyalty, demographic groups, regression, model.

1. Introduction.

A restaurant is a business that prepares and serves food and drinks to customers (Wikipedia.org, 2020). The restaurants can be vegetarian or non vegetarian. The restaurant can be classified by cuisine too like Indian, Japanese, Italian, American etc.. The restaurants can be very expensive ones which may be attached to luxury hotels or very inexpensive street food servings. A wide variety of food in restaurants throughout the country is available in India. The restaurant business in the world

was \$ 3.4 trillion in 2018 and is expected to reach \$ 4.2 trillion by 2024 (prnewswire.com, 2020). In 2016, the restaurant industry's market size in U. S. was \$ 782 billion. India was on 4th position with market size of \$ 148 billion (statistica.com, 2020). Restaurant business in India is the largest service sector in India after retail and insurance and is 20 times of the film industry, 4.7 times of hotels and 1.5 times of the pharmaceutical sector (limetray.com, 2020). The ever growing restaurant field faces competition and competition generated the need for loyalty for restaurants. The customer satisfaction and customer loyalty are related with each other rather, customer satisfaction can bring customer loyalty.

2. Review of literature.

The fulfilment of expectations and level of joy is termed as satisfacton in a study (Zairi, 2000). The consumer satisfaction and loyalty will come after the choice of the restaurants. In a study, (Lewis, 1981) found out 3 types of restaurants i. e. Family, atmosphere and gourmet for choice decisiosn. The choice factors included (Auty, 1992) celebrations, social occations, convenience or quick dines and business dines. Various factors affecting consumer choice and satisfaction are impacting them include quality of food (Knutson and Patton, 1993, Soriano, 2002), price (Voss, Parasuraman and Grewal, 1998), ingredients and preparation including nutritional values (Bailey and Tian, 2002, Mill 2007), menu style and newness (Hensley and Sulek, 2004, Jang and Namkung, 2007), expensiveness i. e. more expensive more quality (Muller and Woods, 1994), ambience, facilities and comfort (Kivela, 1997, Wakefield and Blodgett, 1994), brand credibility (O'Shaughnessy, 1971, Sweeney and Swait, 2008), "green" restaurants (Hu, 2012, Hu, Parsa and Self, 2010), staff consumer relations and relationship quality (Jones and Merricks, 1996, Jin et. al., 2013) etc..

Loyalty of consumers is a commitment to a brand, a store, a style, a pattern etc. which repeats. Loyalty depends on the psychological construct of the person (Olson and Jacoby, 1971). There are various studies on relationships of loyalty in restaurants with consumer satisfaction (Cengiz et. al., 2007, Eakuru and Mat, 2008, Han and Ryu, 2009), which indicated repurchase and price tolerance (Fornell and Larcker, 1996). Consumer satisfaction leads to revisit of the restaurant. (Gupta, McLaughlin and Gomez, 2007, Sulek and Hensley, 2004; Soderlund and Ohman, 2005, Cheng, 2005). Fornell et al. (1996) indicated that enhancing satisfaction level contributed to building customer loyalty in regards to the repurchase likelihood and price tolerance given repurchase. In addition, Han and Ryu (2009) found that that the direct effect of customer satisfaction on customer

loyalty was statistically significant. Repurchase is easier than first time in imagination of ambience and food (Petrick, 2004). In addition to service orientation and service quality, customer satisfaction is playing a vital role in customer loyalty (Kim, 2011). The relationship of customer satisfaction and customer loyalty can become a research gap for Gujarat, India as upto the best of the knowledge of the researcher, the customer satisfaction and customer loyalty in Gujarat state of India is less studied.

3. Objectives and methods.

The research gap of observing the relationship between customer satisfaction and customer loyalty of customers of restaurants in Gujarat are studied and following objectives are formed out of the study.

1. To identify factors affecting customer satisfaction and customer loyalty among customers of restaurants.
2. To observe customer satisfaction and customer loyalty among customers of restaurants.
3. To study relationship between customer satisfaction and customer loyalty among customers of restaurants.
4. To compare customer satisfaction and customer loyalty among customers of restaurants for various demographic groups like gender, age, education and income.

Here, the consumer satisfaction is measured through a set of 18 factors classified in 6 categories (Badiyani, 2018). For measuring loyalty, a scale comprising of 3 factors of loyalty was used (Sapic et. al., 2018). The factors for measuring customer satisfaction includes taste of the food, variety of food, new menu items, craveability, cleanliness, healthy food, freshness of food, music, decoration and overall environment, larger area for kids and others, price, proximity of the restaurant, offers by restaurants, prestige of the restaurant in the area, choice or opinion of reference group, personal choice and other factors, service and behaviour of the staff. The factors for measuring loyalty includes re visiting the restaurants, telling others about the restaurants and paying a bit premium for the loyalty.

A structured questionnaire is used for the measurement which comprised of 21 questions related to customer satisfaction and loyalty and rest are based on the demographic profile of the customers. Out of total 500 questionnaires sent, 381 returned and found valid for analysis. Data were collected

from Gujarat region with convenience sampling technique in the last months of 2019. The responses were recorded on 5 point likert scale.

The collected data were analysed through M. S. Excel and S. P. S. S.. The methods adopted for analysis are descriptive analysis, correlation analysis, regression analysis, t test and ANOVA test.

4. Data Analysis and Discussion.

Different techniques for analysis of data are adopted as described below.

4.1.Descriptive analysis.

For determining reliability of the data, the Chronbach's Alpha is measured which is 0.791 for all factors. The value shows that the data are reliable (Sun and Zang, 2006). The overall skewness calculated is -0.203 with 0.125 as standard error and kurtosis calculated is -0.270 with 0.249 as standard error. The significance for Shapiro - Wilk test resulted as 0.116 which shows the normal distribution of data.

The consumer profile is shown in table I.

Table I.

Demographic profile of consumers.

Gender groups.		Education groups.	
Male.	203	Less than graduate.	65
Female.	178	Graduate.	255
Age groups. (years).		Post graduate and higher.	45
		Professional.	16
Less than 25.	82	Income groups. (p. a.).	
25 - 45.	187		
46 - 65.	96	Less than 4,00,000.	17
Above 65.	16	4,00,001 – 8,00,000.	160
		8,00,001 – 12,00,000.	174

12,00,001 - 16,00,000.	21
Above 16,00,000.	09

4.2. Correlation and regression analysis.

First, the pearson correlation analysis is done for relating customer satisfaction and customer loyalty among customers of restaurants which is shown in table II..

Table II. Pearson correlation analysis for customer satisfaction and customer loyalty among customers of restaurants.

Correlations		customersati sfaction	loyalty
customersatisfac tion	Pearson Correlation	1	.770**
	Sig. (2-tailed)		.000
	N	381	381
loyalty	Pearson Correlation	.770**	1
	Sig. (2-tailed)	.000	
	N	381	381

** . Correlation is significant at the 0.01 level (2-tailed).

It is observed from table II that customer satisfaction and customer loyalty for customers of restaurants are related with each other. Regression analysis is done as shown in table III, IV and V.

Table III. Regression analysis for Customer Satisfaction and Customer Loyalty among customers of restaurants.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
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1	.770 ^a	.592	.591	1.48320
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a. Predictors: (Constant), customersatisfaction

Table IV. ANOVA for Regression analysis for customer satisfaction and customer loyalty among customers of restaurants.

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	1210.492	1	1210.492	550.250	.000 ^b
Residual	833.760	379	2.200		
Total	2044.252	380			

a. Dependent Variable: loyalty

b. Predictors: (Constant), customersatisfaction

Table V. Coefficients for Regression analysis for customer satisfaction and customer loyalty among online banking customers.

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-3.552	.559		-6.349	.000
1 customersatisfaction	.230	.010	.770	23.457	.000

a. Dependent Variable: loyalty

As F calculated is 550.250 which confirms that customer satisfaction is positively related to customer loyalty). The adjusted R^2 is 0.591 which shows the customer loyalty as dependent variable on customer satisfaction, but also implies the existence of other factors. The table V shows the coefficients for the regression.

4.3. Analysis of demographic groups.

The t – test for gender wise comparison and one way ANOVA test for age, education and income wise comparison are calculated which are shown in table VI.

Table VI.

t test and ANOVA test results for differences in demographic factors among customers of restaurants.

Factors	Gender (t test)	Age (ANOVA)	Education (ANOVA)	Income (ANOVA)
Customer satisfaction.	-8.414*	15.799*	0.860	78.887*
Customer loyalty.	-7.328*	12.023*	0.770	56.459*

* = significant at 0.05 significance level.

The t test results for customer satisfaction and customer loyalty show a significant difference between male and female. Observing means, it can be interpreted that females are more satisfied and loyal compared to males.

The ANOVA test results for customer satisfaction and customer loyalty for customers of restaurants show a significant difference among age groups. To know the specific groups differences of customer satisfaction and customer loyalty among different age groups, post Hoc Tuckey test is done which is shown in table VII.

Table VII.

Multiple comparison for customer satisfaction and customer loyalty. : tuckey HSD for age groups in customers of restaurants.

Dependent Variable	(I) age (years).	(J) age (years).	Mean Difference (I- J)	Std. Error	Sig.
customersat isfaction	Less than 25.	25 - 45.	5.98767*	.97167	.000
		46 - 65.	6.74263*	1.10316	.000
		Above 65.	6.37805*	2.00501	.009
		Less than 25.	-5.98767*	.97167	.000
	25 - 45.	46 - 65.	.75496	.92110	.845
		Above 65.	.39037	1.91090	.997
		Less than 25.	-6.74263*	1.10316	.000
		25 - 45.	-.75496	.92110	.845
	46 - 65.	Above 65.	-.36458	1.98100	.998
		Less than 25.	-6.37805*	2.00501	.009
		25 - 45.	-.39037	1.91090	.997
		46 - 65.	.36458	1.98100	.998

loyalty	Less than 25.	25 - 45.	1.55439*	.29369	.000
		46 - 65.	1.86204*	.33343	.000
		Above 65.	2.08079*	.60602	.004
	25 - 45.	Less than 25.	-1.55439*	.29369	.000
		46 - 65.	.30765	.27841	.687
		Above 65.	.52640	.57758	.799
	46 - 65.	Less than 25.	-1.86204*	.33343	.000
		25 - 45.	-.30765	.27841	.687
		Above 65.	.21875	.59876	.983
	Above 65.	Less than 25.	-2.08079*	.60602	.004
		25 - 45.	-.52640	.57758	.799
		46 - 65.	-.21875	.59876	.983

* = significant at 0.05 significance level.

Above table shows the significant difference of customer satisfaction and customer loyalty in customers of restaurants among age group less than 25 years with all other groups. Observing means, it can be interpreted that age group less than 25 years is the most satisfied and loyal group. For education groups, the ANOVA tests shows that there are no significant difference found for customer satisfaction and customer loyalty in customers of restaurants for all education groups.

The ANOVA test results for customer satisfaction and customer loyalty for customers of restaurants show a significant difference among income groups. To know the specific groups differences of customer satisfaction and customer loyalty among different income groups, post Hoc Tuckey test is done which is shown in table VIII.

Table VIII.

Multiple comparison for customer satisfaction and customer loyalty. : tuckey HSD for income groups in customers of restaurants.

Dependent Variable	(I) income	(J) income	Mean Difference (I-J)	Std. Error	Sig.
customer satisfaction	Less than 4,00,000	4,00,001 – 8,00,000.	5.94485*	1.46605	.001
		8,00,001 – 12,00,000.	13.67546*	1.46037	.000
		12,00,001 - 16,00,000.	20.31092*	1.87501	.000
		Above 16,00,000.	23.21569*	2.36912	.000
	4,00,001	Less than 4,00,000.	-5.94485*	1.46605	.001

loyalty	—	8,00,001 – 12,00,000.	7.73060*	.62948	.000
	8,00,000	12,00,001 - 16,00,000.	14.36607*	1.33388	.000
	.	Above 16,00,000.	17.27083*	1.96883	.000
	8,00,001	Less than 4,00,000.	-13.67546*	1.46037	.000
	—	4,00,001 – 8,00,000.	-7.73060*	.62948	.000
	12,00,00	12,00,001 - 16,00,000.	6.63547*	1.32764	.000
	0.	Above 16,00,000.	9.54023*	1.96461	.000
	12,00,00	Less than 4,00,000.	-20.31092*	1.87501	.000
	1 -	4,00,001 – 8,00,000.	-14.36607*	1.33388	.000
	16,00,00	8,00,001 – 12,00,000.	-6.63547*	1.32764	.000
	0.	Above 16,00,000.	2.90476	2.28969	.711
		Less than 4,00,000.	-23.21569*	2.36912	.000
	Above	4,00,001 – 8,00,000.	-17.27083*	1.96883	.000
	16,00,00	8,00,001 – 12,00,000.	-9.54023*	1.96461	.000
	0.	12,00,001 - 16,00,000.	-2.90476	2.28969	.711
	Less	4,00,001 – 8,00,000.	1.95074*	.47014	.000
	than	8,00,001 – 12,00,000.	4.08249*	.46832	.000
	4,00,000	12,00,001 - 16,00,000.	5.44538*	.60129	.000
	.	Above 16,00,000.	6.58824*	.75975	.000
	4,00,001	Less than 4,00,000.	-1.95074*	.47014	.000
	—	8,00,001 – 12,00,000.	2.13175*	.20187	.000
	8,00,000	12,00,001 - 16,00,000.	3.49464*	.42776	.000
	.	Above 16,00,000.	4.63750*	.63138	.000
	8,00,001	Less than 4,00,000.	-4.08249*	.46832	.000
	—	4,00,001 – 8,00,000.	-2.13175*	.20187	.000
	12,00,00	12,00,001 - 16,00,000.	1.36289*	.42576	.013
	0.	Above 16,00,000.	2.50575*	.63003	.001
	12,00,00	Less than 4,00,000.	-5.44538*	.60129	.000
	1 -	4,00,001 – 8,00,000.	-3.49464*	.42776	.000
	16,00,00	8,00,001 – 12,00,000.	-1.36289*	.42576	.013
	0.	Above 16,00,000.	1.14286	.73427	.526
		Less than 4,00,000.	-6.58824*	.75975	.000
	Above	4,00,001 – 8,00,000.	-4.63750*	.63138	.000
	16,00,00	8,00,001 – 12,00,000.	-2.50575*	.63003	.001
	0.	12,00,001 - 16,00,000.	-1.14286	.73427	.526

* = significant at 0.05 significance level.

Above table shows the significant difference of customer satisfaction and customer loyalty in customers of restaurants among all income groups except the group 12,00,001 - 16,00,000 and

above 16,00,000. Observing means, it can be interpreted that as income increases, the customer satisfaction and customer loyalty in customers of restaurants decreases but, above rs. 12,00,000 income, there are no significant differences of customer satisfaction and customer loyalty in customers of restaurants.

5. Conclusion.

The business of restaurants is growing at its own pace. With growth, competition and levels of competition, there is a need to develop loyalty of which, one important factor is customer satisfaction. The model of customer satisfaction and customer loyalty may provide a hint to marketers to understand and implement and importance of customer satisfaction. The demographic differences may provide a hint to marketers to focus on some demographic groups. The further researchers may get a help and develop the further specific group or specific region or other forms of study. For different types of restaurants or taking other variables further research is possible and may lead to framing strategies for marketers.

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