Volume : 4 | Issue : 9 | Sept 2015 ISSN - 2250-1991

Research Paper Commerce

The Impact of Customer Expectation and Satisfaction on Repeat Patronage in Nigerian Fast Food Restaurants

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ABSTRACT

The aim of the study was to critically evaluate the impact of customer expectations and customer satisfaction on repeat patronage in Nigerian fast food restaurant. The relative importance of customer expectations was identified using DINESERV attributes. Bivariate analysis was used to produce cross tabulation results of the questionnaires and the interviews were interpreted. Both results were used to determine what customer expectations are and the significance of the relationship between customer expectations and customer satisfaction as well as their impact on repeat patronage. Findings from the study showed that all the DINESERV attributes had a relatively positive effect on customer satisfaction and repeat patronage which implied that focus on DINESERV attributes (customers' expectations) is likely to improve customer satisfaction, which may also likely improve repeat patronage.

KEYWORDS Customer expectations; Customer Satisfaction; Repeat Patronage

Introduction

Over the years, the subject about determining the factors affecting repeat patronage has been a concern for businesses because it affects sales, profit and eventually the success of the business (Barber, 2011). Every industry has specific characteristic factors for business success and these are related to customer satisfaction which causes repeat patronage, loyalty and positive word of mouth. Therefore businesses should seek to know the elements of the goods or the service within their industry which relates to repeat patronage in order to meet or exceed customer expectations (Coye, 2004).

Research Aim and Objectives:

The aim of this study is to critically evaluate the impact of customer expectations and customer satisfaction on repeat patronage in the context of Nigerian fast food restaurants and this will be achieved by the following objectives:

1. To critically review relevant literature, on the nature of and the relationship between customer expectation, customer satisfaction and repeat patronage in fast food restaurants;
2. To gain insight into customer expectations and customer satisfaction for fast food restaurants in Nigeria through the use of survey questionnaires and interviews;
3. To determine the nature of the relationship between customer expectations and customer satisfaction and its impact on repeat patronage in Nigerian fast food restaurants through survey questionnaires and interviews.

Theoretical framework

By exploring previous literature on the research subject, it is envisaged a critical understanding of the relationship between customer expectation, customer satisfaction and repeat patronage which will give a clear focus and justification for empirical research

There has been a variety of definitions for customer expectations in the service management literature. Expectations can be described as variable standards which are formed based on factors such as needs, objectives, past personal or indirect experiences with an organisation, as well as the substitutes available (Pizam, 1999).

SERVQUAL is a tool used for measuring the gap between customer expectations and the service experience. This model was introduced by Parasuramen in 1988 as a generic measure of service quality by utilizing the importance of service attributes. The model consists of 5 dimensions that seem to apply to virtually all service businesses and they include: tangibles (physical goods, facilities, equipment, and appearance of personnel), reliability (ability to keep the service promise), responsiveness (quick service and willingness to help), assurance (knowledge and courtesy of employees which inspires trust and confidence), and empathy (care and individualized attention provided to customers (Barber, 2011). DINESERV is an adaptation from the SERVQUAL model which is proposed as a reliable, relatively simple tool for measuring customer expectations for service quality in restaurants and some of these attributes include: service, food quality, price, value, environment ambience and convenience. By administering a DINESERV questionnaire to customers, a restaurant operator can identify customer expectations, and know customers perception of the restaurant's service quality which helps to identify underperformances for improvements (Kim, 2009). Previous studies on customer expectations in the food-service industry has identified some essential attributes (expectations) required by customers which include: low price and value for money, service, food quality and taste, location, brand image and name (Chow et all., 2007). It is however critical to note that SERVQUAL, has also been seriously criticized; firstly in relation to the application of expectations and the gap scoring; Secondly, the concept of expectation as a comparison standard is cumbersome to quantify so if the expectation variables are difficult to quantify then it implies that the gap score becomes quite unreliable as a measurement; Thirdly, some issues were raised about the methodology and there were also doubts about the universal quality of the dimensions. (Yi, 2004);

A customer is considered satisfied when he compares his expectations with his weighted sum total of experiences and he gets a feeling of fulfilment or pleasure. On the other hand, dissatisfaction occurs when expectation comparison does not give a feeling of fulfilment or pleasure (Ryu, 2011). Yi (2004) defines repeat patronage as a customer's judgment about the intention to buy again a product or service from the same company, while considering his or her current situation and previous conditions.

Kim (2009) notes that managing customer expectation facilitates customer satisfaction, so expectations serve as a major determinant of a customer's service assessments and satisfaction; thus firms that focus on customer expectations have a more satisfied customer base which influence repurchase intentions and leads to profit (Han and Back 2006).

Yi (2004) draw attention to a further challenge associated with changing expectations, arguing that exceeding customer's expectations may heighten repurchase expectations and then make it more difficult to satisfy the customer in the future. This is because the customer's expectation may be adjusted after a visit and may affect customer satisfaction at the next visit and this may negatively affect repeat patronage.

Methodology

This research typifies an explanatory research, following an interpretivism philosophies which is used in this research with the inductive approach because it seeks to make observations from human participations. The Chosen Strategy for this study is a combination of Case study and survey. A cross sectional time horizon was chosen for this research because of the limited time frame available (Easterby-Smith et al, 2008).

The questionnaires and interviews were structured based on the attributes for customer expectations were selected based on the DINESERV attributes as seen in the literature review, for the research, content analysis method was adopted and the questionnaires were analysed using SPSS; a cross tabulation was also used to get relationships between customer expectations, customer satisfaction and repeat patronage. (Bryman and Bell, 2011).

The sample for this research comprises customers and staff of Mr Biggs restaurant at one of the Franchise outlets in Nigeria. The interview respondents included 1 male and 1 female customer; 1 management staff and 1 frontline staff of the restaurant. Of the 100 questionnaires distributed, 88 were returned and 66 met the screening requirements and were therefore useful for the study. The 66 respondents consisted of: 72% males and 28% females; 43% were of the age group 26-35; 55% were single; 65% had no children; 34% had income of above 100,000.00 and 35% were professionals. A non-probability sampling technique was employed as it is often associated with case study research which focuses on small samples with the intention of examining a real life phenomenon (Saunders et al., 2012)

Results and Conclusion

The first objective, the literature review clearly established that customer expectations which are customer requirements are very important for businesses including fast food restaurants and they can determine customer satisfaction which leads to repeat patronage.

On that note, this objective was achieved moderately because it was more generalised in the global perspective but not specific to the Nigerian context due to limited study in that area.

The second objective, the results showed that a high percentage of the participants preferred all the attributes in the study which were food quality, taste and variety, affordable price, convenient location, hygienic and comfortable environment, quick service, friendly and courteous staff and child friendly environment; however from more critical review it was resolved that staff attitude, quick service, comfort, food variety and quality were very important attributes. It should be noted that a moderate number of participants were concerned with the cost and child friendly environment and this may have been due to the fact that a small percentage of participants had children and earned a low salary, so a more evenly distributed demographic statistics may have helped to give a more definite result. It was also observed that customer expectations are quite related because customers who had their expectations met were likely to be satisfied and vice versa only but for a few exceptions. Therefore it can be said that this objective was considerably achieved.

The third objective, it was established that there is a relationship between customer expectations and customer satisfaction; On the basis of this, it was also observed that there exists a positive relationship between customer satisfaction and repeat patronage which can be depicted in form of a ripple effect (Customer expectations affects customer satisfaction and customer satisfaction affects repeat patronage). It is also notable that there were a few exemptions where satisfied customers were not likely to return and vice versa; and this was attributed to the proximity of the restaurant as satisfied customers were likely to return because of the location of the restaurant which showed the significance of a convenient location. Also dissatisfied customers in one attribute (food variety) agreed that they were likely to come again because of another attribute (staff friendliness). In summary it was noted that met or exceeded customer expectations led to customer satisfaction and also led to repeat patronage but for a few exceptions. Therefore, the third objective was also achieved.

The achievement of these three objectives helped to give insight into the significance of the relationship between customer expectations and customer satisfaction and their impact on repeat patronage. Therefore, the overall aim of this research was achieved to a significant degree and the results have led to some recommendations to be discussed hereunder.

Limitations of this research

It is critical to note that the findings have some limitations and may not be generalizable to a wider population due to the fact that for reason of time constraint, a convenience sampling was used in only one restaurant and because of issues with practicability, the interviews were structured and done via telephone hence the respondents could not be critically observed and issues could not be addressed thoroughly. It was also observed that the spread of participants were not representative of all socio-economic groups and this may have hampered on the findings to a certain degree.

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