

# FACULTY OF EDUCATION AND BUSINESS STUDIES Department of Business and Economics Studies

# Factors Influencing Customers Satisfaction in Hospitality Industry: Fine Dining Restaurants

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#### **ABSTRACT**

**Title:** Factors Influencing Customers Satisfaction in Hospitality Industry: Fine Dining Restaurants.

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**Aim:** The aim of the study is to investigate the factors that influence customer satisfaction and loyalty of restaurant customers.

**Methodology**: This study was carried out through semi-structured interviews with a qualitative research method and an inductive approach. Primary data was collected from seven respondents in two countries, Sweden and UK through voice call, emails and WhatsApp calls. Furthermore, the content analysis method was used for the analysis of data collated.

**Result & Conclusions:** Customer satisfaction is important because it is the way of getting feedback from the customers in a way that they can use it to manage and improve their business. Customer satisfaction is the best indicator of how the business would look like in the future. Customer satisfaction could help to develop restaurant business through Service Quality, Food Quality, Price, behaviour intention, location, atmosphere and environment in an advance and in a systematic way.

**Contribution of the study**: This study contributes to the body of knowledge about customer satisfaction and loyalty. Its highlighting these factors influencing customer satisfaction and loyalty in fine dining restaurant and particularly in Indian restaurant which was an underexplored area.

**Suggestions for future research:** The study is done on fine dining type restaurant, where targeted customers expect high quality service and food but number of restaurants that were used for interviewing to generalise the result. More research can be done in restaurants operating under other categories, such as pubs and restaurants or take-aways, etc. In addition, more factors, such as what else influences customer satisfaction and loyalty in hospitality, can be investigated.

**Key words:** Customer Satisfaction, Customer Loyalty, Hospitality Industry, Service Quality, Food Quality, Price, Restaurant.

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#### **Chapter 1. Introduction**

This chapter gives the portrayal view of the foundation of the research, customer satisfaction, customer loyalty, hospitality, and factors that influence customer satisfaction and loyalty. The chapter further shows a gap recognizable proof and the aim of the study that was developed based on the research gap and concludes with the research questions and the limitation of the research.

#### 1.1 Background

Customer plays the key role in any business; the success of the business cannot be imagined without the customer. It's important to work intimately with one's customer. Customer is an important part of the business and the market. To endure organizations, need to deliver items and administrations of generally excellent quality that yield exceptionally satisfied and loyal customers (Fecikova, 2004). For numerous years customer loyalty has been a significant objective of business organizations since it has been esteemed to influence customer maintenance and organizations' market share (Hansemark and Albinsson, 2004). On other hand satisfaction is an individual perception of pleasure or the disappointment. If people's desire level meets their degree of satisfaction additionally expands but if not in that point frustration comes. Customer satisfaction is significant for every organization, whether they are in service sector or in the privet sector. It's not possible to satisfy each and every customer. If the customer likes the item then they express satisfaction for the item after use (Yao et al., 2019).

#### 1.2 Customer satisfaction

Customer satisfaction is called customer feedback as assessment after buying goods or services compared as their expectations. According to Razak, Nirwanto & Triatmanto (2016), customer satisfaction is estimated by utilizing the customer expectations with the presentation of the goods or services that can address the needs and expectations of the Customer. A satisfied customer indicates that there is a similarity between the performance of the product and service with the expectation of the customer, where it will attract them to repurchase the items. Simultaneously, a disappointed customer would persuade different customers to not re-buy and subsequently they will move to another service providers. Initially, Customer satisfaction is a significant segment of a business procedure, just as customer maintenance and item repurchase. Customer satisfaction is an indicator that predicts the future customer loyalty (Hill, Roche and Allen 2007.)

Customer satisfaction has been one of the top apparatuses for an effective business. Customer satisfaction is defined as an overall evaluation focused on absolute acquisition and administration participation (Fornell, Johnson, Anderson, Cha and Bryant 1996). Customer satisfaction comes with marketing that demonstrates the customer's wish for the goodness of the product and service. (Oliver 1999.)

As per Kotler and Armstrong (2012), customer satisfaction is the degree to which an item's apparent exhibition coordinates a customer's expectations. Kotler and Keller, (2012) also stress that there are a few indicators of customer satisfaction, to be specific, repurchases story, small questions to put forward, readiness to prescribe the product and organizational awareness. Nonetheless, the most important subjects needed to reach or go beyond customer satisfaction are product and its features, functions, efficiency, distribution operation and customer support. Customers who are happy typically hop back and buy more. In addition to buying more, they are often used as a system by exchanging meetings to reach other potential customers (Hague and Hague 2016). Subsequently, when an organization wins a customer it should keep on working up a decent connection with the customer. In the twentieth century, the essence of goods and undertakings is not just to please consumers but also to retain a secure position. Indeed, the consumption of quality goods was very beneficial for customers (Rebekah & Sharyn 2004).

Explicit things or administrative highlights and value experiences impact customer satisfaction. Satisfaction is additionally affected by customer's enthusiastic reactions, their attributions under view of value (Zeithaml and Bitner 2003). Expanded customer satisfaction can give organization benefits like customer loyalty. It may cause consumers to buy regularly and propose goods and services to potential customers at the moment the consumer is satisfied with the organization's product or service. A business association cannot develop if the company ignores or disregards customers' necessities (Tao 2014.)

#### **1.3** Customer loyalty

It is important regardless of the scale of a customer loyalty business. First-time customers are harder to persuade because they don't have any experience of the products and services offered by the firm. As such, the brand needs an exhaustive marketing funnel to get them to purchase. However, Customer loyalty is portrayed as a customer's recurrent appearance or rehash purchase conduct while including the emotional commitment or articulation of a favorable attitude toward specialist organization (Petrick, 2004). In other

words, Customer loyalty is a customer's eagerness to purchase from or work with a brand over and over, and it's the consequence of positive customer experience, customer satisfaction, and the value of the products or administrations the customer gets from the exchange. Obviously, brands need to provide good customer service so that customers will keep buying in future again.

According to Reichheld (1993); Reichheld and Sasser, (1990) One of the most fundamental theories of loyalty marketing is that a little increment in loyal customers can bring a significant increment in profitability to a business. Reichheld and Sasser (1990) found that a 5% expansion in customer retention came about up to a 125% expansion in profits in their investigation in administration business.

#### 1.4 Hospitality industry

The hospitality industry is a vast sector, and many people think of the kind of organizations which consider hospitality brands, and a much more modest number can explain what is and is the company fairly and correctly. This implies the essence and style of the changes in the organization as do the kinds of food and celebrations and the levels of knowledge and expertise used at all levels of the company.

The hospitality industry refers to a variety of organizations and administrations connected to recreation and customer satisfaction. The characteristic aspect of hospitality industry was also pointed out by Hallak, Rob & Etal, (2019), which focuses instead of providing food for necessities and fundamental values on the thinking of luxury, pleasure, pleasure and experience. They also underlined three divisions of the hospitality industry, for example, Restaurants, Bars, and takeaways.

The restaurant industry is encountering solid revenue development around the world. The industry reported a compound annual sales growth (CAGR) rate of 4.4 percent in the (US) from 2009 to 2017. (Deloitte, 2019). In 2018, the increase in appreciation in Europe, Germany and Spain's restaurant industry relative to 2013 was 7.7 percent and 7.4 percent respectively (Euromonitor Universal, 2019c). A comparable pattern across Asia, Africa and South America is seen in 2018 relative to the 2013 trend of China, China, Nigeria at 28.9 percent, Nigeria at 10.7 percent, and Peru at 24.8 percent (Euromonitor Global, 2019b). From 2015 to 2018, the regular development of deals in New Zealand was 6.93% (Restaurant Link of New Zealand, 2018), while in Australia, home food accounted for 27% of weekly household food and beverage spending in Australia

(Australian Wellness Organization, 2012; Venn et al, 2018). At a worldwide level, it is evaluated that there are over USD 500 billion in foodservice industry exchanges in daily basis (Newson et al., 2015).

While focusing in restaurant business next most important thing is maintaining the quality of food to bring customer satisfaction. According to Bowman and Vinyard (2004), the quality of the food, which is offered to the customers, should be well considered by the restaurants. The food served by the restaurant should endeavor to address the issues just as the regularly changing desires of the customers (Buckley, Cowan, McCarthy & O'Sullivan, 2005). Part of the main technique that restaurants obtain to ensure that the recruiting of deeply professional chefs produces excellent food. Simultaneously, it includes ensuring that the remarks and proposals which are offered by the customers are taken into consideration. This is vital to ensure that top-of-the-line food is accessible to customers (Campos and Nobrega, 2009)

#### 1.5 Factors influencing customer satisfaction of restaurant customers

In the significantly engaged food industry like restaurant, satisfying customers should be the essential objective of organizations that may effort to develop new buys. As food is a crucial part of the restaurant's experience, food can definitely have a vital effect on customer loyalty and return support and will continue to do so. The imperative test for restaurants today is to deliver affordable food to consumers, which is also convincing for business enthusiasts. Quality food is outstanding among the other powerful approaches. Among the other effective methods, quality food is excellent. According to Rebekah (2017), while talking about factors that influence customer satisfaction in restaurant, we can focus on several factors as follows- Accessibility, Navigation, Language, Memory, Personalized, Convenience, Intuition, Real-Time, Simplicity, Logic, Deliverability, Choice, Community and Moment of Truth.

#### 1.6 Factors influencing customer loyalty among restaurant customers

As suggested by Kotler et al. (2011), clients are searching for "a lot of advantages" with different skills to suit their needs. For restaurants, often advertisers suggest merchandise bundles in which food and beverages are just a small piece of the set. If consumers still see restaurant facilities as a kit, they may consider different requirements for choosing restaurants (Sloan, 2004). In the restaurant industry, it is important to

consider what is in a restaurant for another festival and the choices made by customers (Soriano, 2002). According to Haghighi (2012), Some of the factors that influence customer loyalty in restaurant are as follows- food quality, service quality, price, restaurant environment, restaurant location, customer satisfaction and customer trust etc.

#### 1.7 Problem statement

Customer loyalty, which shows Customers' satisfaction response to service and products, can convert into organizations' future income by expanding customer dependability (Jin, Line, and Merkebu, 2016; Kim, Vogt, and Knutson, 2016). Itis generally recognized that satisfaction decidedly influences Customer's recurrent buy aim, positive WOM, and suggestions (Ladeira, Santini, Araujo, and Sampaio,2016; Qiu et al.,2015).

Josiam (2014) led an inquiry into understudy managed restaurants in the United States, which revealed that six restaurants ascribe rehash customers that deliver food quality, consistency, menu assortment, a desirable relationship of value esteem, environment, and neatness. They accept that the restaurant that canters around these characteristics can raise the degree of customer dependability and maintenance. Disregarding the way that there is no assurance that satisfied customers will return to the café, yet experience demonstrated that 90% of the disappointed customer won't return to the restaurant (Stevens et al., 1995). Chou, Wu, and Huang (2014) recommend that administration quality is seen as the most significant factor and directors of a restaurant should additionally comprehend customer conduct to improve service quality to make esteem and satisfy a customer.

According to Johnsson Kvist and Klefsjö (2006) and Chowdhary and Prakash (2007), there are three fundamental components adding to the general satisfaction of the customers inside the restaurants. They are great service, great food, just as a wonderful setting. Dinning out has commonly become a necessary segment of the lifestyle of the customers, in this way, some of the customers have raised their desires concerning great service, quality, well prepared food and clean interiors (Andaleeb and Conway, 2006). Many of them generally look for value for money.

While talking about relations between customer, cash flow and shareholder value there are lot of observational research demonstrating that by fulfilling customers, firms inspire attractive practices, for example, expanded devotion, more noteworthy receptivity to cross selling efforts, and positive word of mouth advertising (e.g., Fornell 1992; Fornell et al. 1996). Such practices convert into predominant execution as estimated by conventional measurements. The chain of impacts should be concluded by producing a connection between customer satisfaction and the qualities of future income that decide the estimation of the firm to investors (Rust et al. 2004).

Various examinations endeavored to distinguish the determinants of customer loyalty (Lee and Cunningham,2001; Yang and Peterson, 2004). Researchers may have distinctive thoughts in conceptualizing loyalty, in this way, bringing about various conversations in confirming the antecedents of loyalty. In any case, it has been proposed that customer loyalty might be cultivated with distinctive outcomes relying upon its variables and therefore, it ought to be managed and incorporated strategically (Shoemaker and Bowen, 1998)

#### 1.7.1 Research gap

The motivation behind hardly any research is to comprehend the interrelationships among representatives' satisfaction and customer loyalty and devotion in a family restaurant. These examinations found that workers' satisfaction had a beneficial outcome on customer loyalty. These discoveries uphold past work (Wangenheim et al., 2007; Chi and Gursoy, 2009) on representatives' satisfaction, which makes a customer' high satisfaction with the organization. Concerning the non-huge connection between workers' satisfaction and customer reliability, the outcomes ought to be deciphered with alert. Even though these discoveries didn't relate with those of past work, which distinguished the immediate impact of representatives' satisfaction on customer loyalty, these researchers found a circuitous impact through customer satisfaction or even loyalty.

Travel reason applies a critical impact on customer loyalty with lodging services. Business voyagers report fundamentally lower levels of satisfaction over all parts of lodging service, which is predictable with the discoveries of past examinations (Banerjee and Chua, 2016; Radojevic, Stanisic, and Stanic, 2015b). As respects, the moderately low appraisals for rooms, note that business researchers have various inclinations for inn credits (Dolnicar, 2002), which may impact their inn determination and therefore their satisfaction. In particular, business voyagers are keener on comfort than extravagance, by and large, "picking [a hotel] dependent on the fact that it is so near the air terminal or to the gathering place" (Jones, 2015), which might be at cost of service and room quality. Concerning the detailed degree of satisfaction with the nature of service, a reasonable

clarification is offered by movement industry experts (Jones, 2015), who recommend that business explorers "originate from a corporate social viewpoint that requires responsibility," and are, consequently, less open-minded as to nature of service.

Reuland et al. (1985) asserted that the hospitality industry is an agreeable mixture combining three factors: the material item, the conduct and attitude of service providers and the environment. Berry et al. (2002) additionally proposed that the service experience can be depicted from three ordered components: technical quality of service, the behaviour of employees and elements in the service environment. With specific reference to the setting of restaurants, Clark and Wood (1999) declared that "meal experience" was an all-encompassing reflection of various variables (food, cost, and environment) in customers' psyche. This view has been confirmed in several studies (e.g, Robledo, 2001), and the current investigation additionally adopts a comparable strategy, partitioning by and large assistance nature of a restaurant into food, service, ambiance, and price. The writing additionally calls for concentrating on uncommon properties of unique cases in assessing generally administration quality.

In luxury level of restaurants, Wu and Liang (2009) add to the luxury restaurant utilization inquire about by concentrating on service performance, improvements, and diners' additional impacts on apparent experiential worth and fulfilment. The outcomes show that restaurant staff, feasting condition, and different burger joints can influence customers' apparent experiential estimation of luxury restaurants and their fulfilment with their eating encounters. Moreover, Wu and Liang's (2009) research give an away from on the meaning of luxury restaurants. In the authors' study, four-and five-Star hotels' full-service restaurants are considered luxury restaurants because they are dependent upon severe assessment, high customer desires, and rivalry from close by restaurants. Even though Wu and Liang's (2009) research is noteworthy, it tends to be additionally evolved. Their examination inspects coffee shops' degrees of fulfilment however does not think about their loyalty toward luxury restaurants.

Much research has been conducted on the ground of customer satisfaction and customer loyalty in past as previously mentioned but not much research been done on basis of customer satisfaction and customer loyalty in fine dining restaurant business in recent years. Though it is a common ground of research, still exploring the ground may bring few more new ideas about key factors that influence customer satisfaction and loyalty and developing them in near future.

#### 1.8 Aim and research question

The aim of the study is to investigate the factors that influence customer satisfaction and loyalty of restaurant customers.

#### 1.8.1 Research question

Q.1. What are the key factors that ensure customer satisfaction and loyalty?

#### 1.9 Delimitation

This study focus on the factors that influence customer satisfaction and loyalty of restaurant customers. The current investigation is mainly focused on fine dining restaurant not including restaurant based on fast food services or take aways only. We choose particular restaurants such as Indian restaurant from two different countries Sweden and UK. We investigate on five restaurants where we took seven interviews, we would have preferred to be able to interview employees and managers from more restaurants in different countries but unfortunately that was impossible due to the effects of the Covid-19 global pandemic. We were unable to get constructive feedback from restaurants for cooperation because most employees were not available at work.

## 1.10 Disposition

The study is organized on following six chapter which are-



Figure 1. Disposition of paper (source: own)

#### Chapter 2. Literature Review

This chapter conveys more comprehension of the theoretical foundations of the research about the factors that influence customer satisfaction and loyalty. This is thus followed by theoretical framework of what are the factors to follow to guarantee customer satisfaction and loyalty. Here also, we present model that sum up these theories and describe them properly.

#### 2.1 Customer satisfaction

Customer satisfaction is characterized as an assessment of the apparent disparity between earlier desires and the genuine presentation of the item (Oliver 1999). Customer satisfaction with an organization's products and services is the most significant factor in reality and achievement (Hennig-Thurau and Klee, 1997). Customer loyalty is a customer that measures improvement (Gustafsson, Johnson, and Roos, 2005). As shown by Kim, Park, and Jeong (2004), the consumer reacts to satisfaction and satisfaction levels. The capacity of the specialist organization to produce a high degree of satisfaction is critical for the segregation of products and to establish solide ties with customers in the business environment of the present day as stated by Deng et al. (2009). Customer loyalty makes a specialist media delivery company loyal to its clients. Previous researchers have discovered that satisfaction of the customers can assist the brands with building long and associations with their customers (Eshghi, Haughton and Topi, 2007). Satisfaction is a dynamic, moving objective that may advance extra time, impacted by an assortment of components. Especially when product use or the service experience happens after some time, satisfaction might be exceptionally factor contingent upon which point in the utilization or experience cycle one is centering. (Lovelock, C and Wright, L.2007).

Customer satisfaction according to Abu-ELSamen, Akroush, Al-Khawaldeh, & Al-Shibly, (2011) is also a prerequisite for integrating the customer service skills into the marketing mix and for ensuring the organization satisfaction. It is a typical phenomenon that the quality of service, a brand offer and its value really decide on the degree of customer satisfaction at this stage (Turel et al. 2006). Customer's association is additionally significant as when the buyers consider the product's significance and contribute time to look for data then it eventually improves the satisfaction level (Russell-Bennett, McCollKennedy, and Coote, 2007). This fulfilment may impact the concerned

organization by repurchase, acquisition of more items, positive verbal exchange, and ability of the customer to pay more for the specific brand. Any company will most likely sacrifice some of the pastry, clients and speculators to avoid serving its clients as good and professional as its competitors do. (Anderson, Fornell, and Mazvancheryl, 2004).

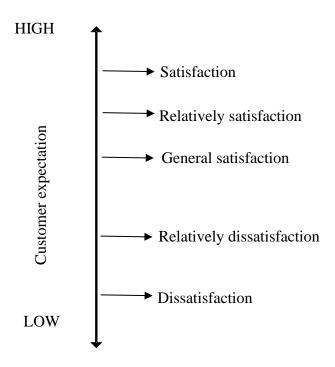


Figure 2 Customer satisfaction analysis model (source own)

The figure focused the customer experience and customer expectation. According to Tao (2014) customer satisfaction broken into five ranges such as very dissatisfied, relatively dissatisfied, general satisfaction, relatively satisfied and very satisfied. The satisfaction of customer has increased as consumers join essential criteria that meet consumer needs. On the other hand, the worst customer service leads to lower customer satisfaction compared with predictions. There are two approaches to corporate customer service enhancement. First, boosting consumer loyalty and, second, interviewing customer demand efficiently by increasing costs. With respect to restaurant industry, customer evaluation of a restaurant ultimately depends on its degree of satisfaction (Babin et al., 2005) in terms of its subjective and full feelings. When consumers measure the quality of food and administration against the cash they use, the intellectual components may be the most significant consideration, whereas the complete set of emotions are used

by customers when they determine the delight, fervour and sense of individual achievement. (Babin et al., 2005).

#### 2.2 Customer loyalty

According to Oliver (1999) the loyalty of the customer is called a close relationship between the subjective attitude and patronage of an individual. Although customer satisfaction is a vital element in a organization, loyalty alone cannot carry a business to a high level. In particular in daily transactions, customer satisfaction induces a favourable financial impact. Building loyalty allows a business to base its goods and services on their appeal and to demonstrate commitment in fulfilling the demand or developing customer partnership (Griffin 2002).

Thomas and Tobe (2013) underline: "Loyalty is more rentable." The benefits of attracting a new customer are far higher than retaining current ones. A relationship with a customer is equally important in customer loyalty and this requires that company work in a broader context that extends beyond itself, as no company can be world class at everything (McDonladnn & Keen 2000). Gremler and Brown (2009) split customer loyalty into three groups: loyalty to the conduct, intentional loyalty and emotional loyalty. Within the customer loyalty paradigm, customer loyalty requires knowing customer needs. In order to achieve customer satisfaction, the business has to take control of prices, discounts and quality of goods etc. It is therefore important that the customer and the organization build a pleasant atmosphere for investing in existing customers, offers company advantages, such as improved productivity and market competitiveness.

#### 2.3 Relation between customer satisfaction and loyalty

Satisfaction is an emotion, but loyalty is defined as behaviour. Chen and Wang (2009) suggest that customer satisfaction can be perceived as a form of quality evaluation between previous perceptions and service experience. There is also a major incentive to sustain a partnership with a company's business or goods through favourable appraisal of the product or service the customer acquires, and a vital cornerstone that upholds loyalty. Satisfied customers are also more inclined to purchase again, reduce their price aversion, and make positive words and faithful customers (Chen & Wang 2009).

Customer satisfaction and loyalty are vital factors to focus on to develop and gain benefit in the business. Satisfaction does not contribute to allegiance immediately and takes one step by step. Steps are defined as customers experiencing various phases such as consciousness, discovery, extension, dedication and dissolution (Arantola, 2000).

Customer loyalty can be viewed as a by-product of customer satisfaction. Customer satisfaction contributes to customer loyalty (Fornell 1992) as satisfaction is reached at a certain point and customer loyalty decreases immediately if the amount of satisfaction falls below a certain degree. In fact, extremely pleased customers appear to be more trustworthy than average customers. Generally, it is evident that the association between customer service and loyalty is strongly favourable. Customer satisfaction contributes to both revenue and earnings being improved (Chi 2005).

#### 2.4 Hospitality Industry

Conrad Lashley and Alison Morrison, (2000), start from the view that the comprehension of hospitality has been impeded by industrial myopia. They propose to improve the comprehension by; reflecting bits of knowledge into the investigation of hospitality that envelop the business arrangement of hospitality and the hospitality industry, yet simultaneously perceive that hospitality should be investigated in a private household setting and studies hospitality as a phenomenon creating connections between individuals.

Introduction of Lashley (2000), which sets out the social and private domains of hospitality. They are: Anthropology of Hospitality, by Tom Selwyn; Philosophy of Hospitality, by Elizabeth Telfer; Hospitality Trades: Social History, by John K. Walton.

#### 2.4.1 The social domain

As indicated by Lashley and Morrison, (2000:5), the consideration of the social space empowers the comprehension of; social settings in which demonstrations of hospitality and demonstrations of hospitaleness happen together with the effects of social powers on the creation and utilization of food/drink/and accommodation.

Social space will also revive the idea that in ancient subsistence societies, 'convictions about hospitality and commitments to others have been placed in perspectives and dreams about the idea of society and the common order of things' (Lashley and Morrison (eds.), 2000).

#### 2.4.2 The private domain

Lashley and Morrison, (2000:10) accepts that, 'to all the more likely comprehend hospitality exercises we have to comprehend the arrangement of food, drink, and accommodation in the family unit'. They additionally point out that, 'the arrangement of food, drink and accommodation speaks to a demonstration of friendship, it makes emblematic ties between individuals which build up bonds between those associated with

sharing hospitality' (Lashley and Morrison (eds.), 2000:11). At that point, all the more, for the most part, he presumes that 'hospitality is basically a relationship dependent on hosts and guests' (Lashley and Morrison (eds.), 2000:15).

#### 2.4.3 The commercial domain

There are two highlights of Lashley's understanding of the business area that make it unsuitable. To start with, it is deciphered in wording that are gotten from the social and private areas. He reports that, 'on getting certifiable hospitality, the individual feels truly needed and welcome.

This isn't a similar thing as being invited as a valued customer' (Lashley and Morrison (eds.), 2000:13). He further expresses that; now and again, [in the business domain] demonstrations of hospitality are engaged for calculative reasons: the business lunch or the workplace Christmas celebration is not basically redistributive or embraced for reasons which fundamentally price liberality and great conduct as a host (Lashley and Morrison (eds.), 2000:12).

#### 2.5 Restaurants as part of hospitality industry

Restaurants provide customers with food and beverage administrations, with the nourishment either being eaten in the foundation or establishment or taken away for consumption. This area of the hospitality industry incorporates high-end restaurants, takeaway restaurants, drive-through restaurants, and an assortment of other restaurant types (Slattery, 2002). To attract customers and develop in a maintainable way, the hospitality sector requires refreshed types of polished methodology, which the restaurant and hotel businesses, as well as their researchers, have known for quite a long time. As ahead of schedule as 1989, it has been discovered that commercial meal making, cooking, and serving in restaurants were the least professional parts of the hospitality industry (Wellton et al., 2018).

The restaurant's cooking facilities include lounge staff and service skills and hospitality knowledge. In respect to ordering, the process basically involves sending in food orders to chefs and pacing the delivery of courses through different drills in the lounge area (e.g. cleaning tables and serving wine), which originated in Whyte's (1948) great review and was later verified by Marshall (1986). During the 1970s and 1980s the professional status of servers decreased as their specialty information became excessive when gourmet experts had their spot in the lounge area (Lundqvist, 2006). In any event, the status of servers as restaurant professionals has recently been restored by acting as

sommeliers in the treatment of wine – an art of its own that cannot be co-selected in the kitchen by chefs (Jonsson, Ekström, and Nygren, 2008).

#### 2.6 Factors influencing customer satisfaction and loyalty

Food has significant effect on customer satisfaction and loyalty. As indicated by Sulek and Hensley (2004), rather than physical setting and service quality, food quality is one of the significant noteworthy indicators of customer loyalty and satisfaction even though recurrent expectation shows just 17%. This is expected that food gets one of the essential variables of the restaurant experience, and there is no waver that the food in any event majorly affects customer loyalty and satisfaction just as return support (Namkung and Jang, 2007). With that, restaurant enterprises today are confronting a basic test to give quality food which is not just charming the customers yet, in addition, can be more noteworthy to business contenders.

Customer discernment about the restaurant must know about the service dimension of food quality which has a causal relationship to customer loyalty and satisfaction. In a fancy restaurant, a significant level of service quality is one of the highlights that can make additional customer loyalty (Hanefors and Mossberg, 2003). To make rehash customers, customer loyalty is one of the business goals that ought to be fundamentally performing (Sulek and Hensley, 2004).

Customer loyalty is another significant factor in consumer loyalty. The effect of fulfilment on reliability has been the most well-known subject in the investigation of the advertising hypothesis. Along these lines, a few investigations have demonstrated that fulfilment and loyalty have an immediate association with each other. As fulfilled customers are faithful and disappointed customers are a seller (Heskett 2011.)

Finding a devoted customer is not available even the customers appear to be happy with the items and the administrations. Truth be told, the conduct and mentality of the customers towards the specific products and ventures matters the most. If the conduct of the customers is sure to the service holder, at that point those customers are said as a reliable customer (Abdullah 2012.) There are two kinds of customer loyalty dependent on social and passionate loyalty on merchandise and ventures. Social reliability alludes to visit shopping in a specific retailer and enthusiastic loyalty alludes to the customers' anxiety towards specific retailers based on past purchasing experience and demeanor. In this both conduct and enthusiastic reliability model, expanded fulfilment should build customer loyalty. At the point when customers are not fulfilled, customers have the alternative to communicate the grumblings setting off to the contender. In this way, there

ought to likewise be different factors other than fulfilment that certainly affect customer loyalty (Reichheld and Schefter, 2000.)

At the hour of 1980 item sturdiness and administration quality used to be assessed by customer devotion. Be that as it may, there has been an emotional change in late 1980 and in 1990, when the necessities and needs of the customers were recognized by the retailers in the market. These days, in this cutting-edge time, organizations have changed this idea towards the underlying objective purchasers by assembling customary item benefits so as to convince customers' fulfilment and loyalty (Abdullah 2012). Altogether, to create administration the executives it is imperative to comprehend what customers are truly searching for and what the customers assess. Customers anticipate the nature of administration through retailers, in this way, the administration advertisers need to evaluate how customers see the nature of the "administrations include" inferred by the apparent assistance quality structure.

Administration quality alludes to the consequence of the correlation that the customer makes their assumption regarding the administration and their view of the manner in which the administration has been performed (Grönroos, 2007). Initially, there was no model for quality estimation dependent on an assistance quality. The connection between consumer loyalty, customer faithfulness and administration quality is considered dependent on the grumblings from the disappointed customers. (Ziethaml and Bitner 2003)

Consequently, shopper objections are diagrammed through customers' desires, impression of the administration of merchandise. The apparent estimation of the buyers is subject to the desires and results of the assessment procedure of the customers. Further, administration quality has a critical relationship with the customers' fulfilment which straightforwardly influences the customers' loyalty. In this manner, the retailer should concentrate on these components to expand customer relationship with fulfilment and reliability in this serious retail advertise all inclusive.

Item quality is additionally another centre factor of consumer loyalty and faithfulness. Item quality is an assortment of highlights and sharp brand item attributes that have a commitment to the capacity to satisfy determined interest. Item characteristics additionally have various measurements, for example, highlights, execution, loyalty, toughness, functionality, and customer saw quality. Out of every one of these measurements, for the most part five components, item solidness, item assortment, item

newness, item allure and item value have been utilized to quantify the fulfilment and reliability of the customers.

For the restaurant business, it is essential to comprehend the properties which impact customers' choices to come back to a restaurant for another feast (Soriano, 2002). By understanding these variables, it is conceivable to fulfil customers' desires and forestall their deserting, prompting ample benefits for the restaurant.

#### 2.6.1 Service quality

As a result of a clash between reality and hope in a product and service, Kotler and Keller (2009) have described customer satisfaction as the degree of feeling. Service quality described by Parasuraman et al (1988) as an estimation by customers of the supremacy or advantage of the whole service product. According to Akbar and Parves (2009), customer satisfaction is an appraisal of the goods or services that meets the desires or aspirations of either the customer or the service provider.

Parasuraman and Berry (1988) have described service quality as a type of attitude similar but not equal to satisfaction, as a result of a comparison between expectations and performance. According to Vilkaite-Vaitone and Papsiene (2016), Law (2017), satisfaction is an immediate response to service consumption. Nevertheless, service efficiency is implied in the mind of customers in the food industry in a comprehensive picture of a business. The perceived interest and planned demand influence the standard of service. Parasuraman et al. (1985) emphasized that, if customers obtained their desired service level, they would be delighted, would be more satisfied if they provided what they anticipated and would consider the standard of service as outstanding. The price of the service is derived from the well-known idea that the happiness of consumers is a foundation of a prosperous future for the economy and a profitable sector. (Karamata et al., 2017).

#### 2.6.2 Food quality

In the analysis, three main administrative parts have been employed to measure restaurant service efficiency according to Dutta, Parsa and Bujisic (2014). These three parts are employed in employee service, climate and quality of food. Food quality, as per Ryu et al. (2012, 222), has been featured to measure customer's satisfaction in restaurant business and as a result of which Ryu et al. (2012, 219) adopted five dimensions of food quality. To be specific or namely: the smell of the food is luring, there is an assortment of menu things, the food is nutritious, the food is scrumptious, and the food is fresh. Qin

and Prybutok (2009), distinguished the connections between social aims, customer satisfaction or loyalty, perceived price, food quality and service quality in fast food restaurants and showed that there is an immediate and positive effect of food quality on customer satisfaction or loyalty. The most basic piece of the whole restaurant environment is food (Hensley 2004).

Presentation, according to Namkung and Jang (2007), is a strategy to plate food, improving decoration to accomplish engaging consideration of the customer to fulfill a customer's view of price. The positive relation between consumer loyalty and food quality continues, as was recommended by Ha and Jang (2010). Lim (2010) incorporates this discovering; a point of view of customers and customer satisfaction or loyalty on food performance are connected. Besides, freshness, as indicated by Shaharudin et al. (2011), has become one significant component of customer purchasing goals. Along these lines, to guarantee freshness, maintaining food and serving in such manner should be following some compulsory statistic. In the event that customers get satisfaction and accomplish great experience, they will ceaselessly spread the positive and great informal exchange to other potential customers to stimulate their intent to the foodservice providers.

The meaning of good quality might be diverse to various customers. Along these lines, it is beyond the realm of imagination to expect to satisfy customer impression of quality on the grounds that their perspectives are conflicting and differed from different viewpoints (Shaharudin et al., 2011, 201).

Ko and Su (2015), who distinguished two classes of measurements with regard to customers and products, concentrated the essential elements of food services quality. The class of goods contributes to safety, hygiene, and the cooking arts. Customer category included quality of service, marketing, development, and environment.

The impact of food quality on customer purchasing conduct has been researched by Ryu, Lee and Kim (2012), They have discovered that customer's perceived prices rely upon performance of serving food with quality and maintaining proper hygiene. The two factors remain in direct connection to one another.

#### 2.6.3 Price

One of the biggest roles is played to bring customer satisfaction is price. Customer can ignore lot other issues if price is according to their budget and it meets the quality they look for. Law, et al. (2008) clarified that price is one of the ascribes that can affect customer's way of thinking. Maintaining proper price according to the quality of the food is a major factor to bring customer satisfaction. Also, Jin, et al. (2012)

demonstrated that the impression of price decency can bring customer satisfaction and loyalty.

Price additionally decides, for a customer, to settle on to purchase or not (Khan 2011). From customer's perspective, price works as a pointer to decide customer involvement in merchandise or administration (Mattila and O'Neill, 2003, 324). Customers, in this manner, are progressively disposed to put together their purchase choice with respect to price factor than on other things (Khan 2011). In Marketing, the price has a significant influence in actualizing marketing procedure (Kottler and Armstrong 2012).

Moreover, the prices are connected to restaurant services, as indicated by (Andaleeb and Conway, 2006), Potential consumers embrace it as an inside reference point under which precise price levels can be distinguished. Besides, as recommended by Andaleeb and Conway (2006), the style of the restaurant additionally impacts the price or price-related to the restaurant. Service excellency and product quality encourage customers enough to realize price related to the restaurant.

#### 2.6.4 Behavioural intention

Behavioural intention (BI) is characterized as an individual's apparent probability or emotional likelihood that the person in question will take part in a given conduct (Medicine, 2002).

An inquiry into the social objective of extravagance drive-through joints was performed by Mosavi and Ghaedi (2013) in Shiraz, Iran. Using delineated arbitrary analysis, Mosavi and Ghaedi (2013) investigated how the influence of item quality and social objectives intervenes with positive feeling. Likewise, Jani and Heesup (2011) conducted a study that included both emotional and subjective supporters of consumer loyalty and quality of relationships in clarifying the objectives of customer behaviour. Affect is considered to play a crucial role in pleasing both consumers and behaviour. Satisfaction with customers is a clear history of trust but an indirect antecedent. It should be remembered that quality and efficiency have a significant effect on customer satisfaction. While these authors have studied clients 'positive emotions and have also considered the affective and cognitive factors, the authors do not appear to be in line with the current field of research which focuses specifically on clients' behavioural intentions.

As Wang and Chen (2012) in Taiwan pointed out, in their expectations of potential buying back goals they addressed the relation between restaurant characteristics (e.g. scape management, supporting comprehension, food quality) and appraisal variables

(e.g., quality and appreciation of general support). In order to accomplish great goals, the full-service restaurant managers were formed by offering improved assistance, knowledge and food quality and thereby expanding the vision of their customers of generally high quality and administration value.

In the United States, however, using the two-advance approach of Anderson and Gerbing, Namkung and Jang (2010) investigated the interrelationships between reasonableness, emotions and social objectives of administration in a restaurant environment. Therefore, setting reasonable costs and offering appropriate types of assistance in a convenient way was seen as a way to invalidate negative feelings.

Moreover, another examination was led by Eliwa and Ali (2006) in Stillwater, Oklahoma utilizing self-directed shut finished surveys. This examination concentrated on researching customers' observation on the eateries' picture, customers' fulfilment and restaurant dedication. The outcomes demonstrated that these characteristics decided the extent of their relative significance to a particular market by connecting customer conduct to restaurant reliability. This accentuates the demonstration of making and keeping up a predictable picture within general fulfilment of a practical objective market is pivotal and this is progressively pertinent for the upscale market portion. The administrators ought to in this way place accentuation in growing high caliber of food and administration and ought to likewise prepare their workers to give steady cordial, mindful help customers.

#### 2.6.5 Restaurant location and atmosphere

Location is another factor that is normally used to gain customer satisfaction and loyalty. Soriano (2002) clarified that customers who felt satisfied, mostly expects that the location of the restaurant would be in comfortable area to reach. Heung (2002) likewise expressed that location of a restaurant can play a vital role to compete in this line of business. So it is to believe that, the area of a restaurant has a considerable impact on its financial achievement. The accompanying business outlook has an immediate impact on the area of choice (Hsu, 2009): rent or home costs, number of potential customers, access streets, parking, restaurant visibility, traffic conditions, neighbourhood, growth potential, proximity of competitors, safety and security.

The appealing presence of service limit measurements, in particular inside schedule, feel, spatial format and human dimension, has a strong impact on the quality of administration (Wang and Chen, 2012). The structure of the outside of the structure just as inside, explicitly the lounge area, impacts coffee shops' quality observations. Furniture structure and format impact a coffee shops' feeling of security (Ryu, Lee and Kim, 2012).

The accompanying items are added to the restaurant quality measurement plan (Ryu and Jang, 2008): aesthetics, ambience, lighting, layout, table setting.

An investigation by Veljko et. al. (2014) in Kragujevac, Serbia was completed utilizing Confirmatory Factor Analysis (CFA) and Structural Equation Modelling (SEM). The exploration was directed to recognize the predecessors of satisfaction and return to expectations for full-administration eateries. The outcomes affirmed the critical effect of air and nature of collaboration on visitor satisfaction. satisfaction alongside environment and saw cost developed as a huge trigger of return to aims.

Atmosphere or environment is another factor to be considered while deciding customer satisfaction. Han and Ryu (2009) explored the impact of actual environmental factors, for example, layout and comforts towards customer satisfaction and loyalty, and found that environments a factor that demonstrated to have a huge impact. Wu and Liang (2009) discover that the nature of service experience, which incorporates atmosphere and environment is a critical indicator of customer satisfaction and loyalty. Different investigations additionally presumed that environment is one of the factors that highly affects customer satisfaction (Haghighi, 2012; Canny, 2014).

Table 1 summarize studies centered around customer satisfaction and retention in the restaurant industry.

Table 1 Previous variables investigation and theoretical links (source own)

Study	Variables investigated
Namkung and Jang (2007)	Satisfaction, food quality and behavioural
	intentions
Kim and Han (2008)	Perceived quality, perceived value,
	customer satisfaction, trust and loyalty
	intentions
Han et al. (2009)	Excitement, comfort, annoyance,
	romance, customer satisfaction and revisit
	intention
Han and Ryu (2009)	Decor and artifacts, spatial layout, ambient
	conditions, price perception, customer
	satisfaction and customer loyalty
Kim and Moon (2009)	Ambient condition, facility aesthetics,
	layout, electronic equipment, seating
	comfort, pleasure-feeling, perceived
	service quality and revisit intention
Kim et al. (2009)	Food quality, service quality, price and
	value, atmosphere, convenience, customer
	satisfaction, word-of-mouth and return
	intention.

#### 2.7 Theoretical framework

In 1985 The World Tourism Organization elucidated that customer satisfaction is nothing but a psychological perception. It basically involves one kind of feelings and happiness that ultimately comes from the hopes and expectations from products and services. A current study shows that brand image is one of the independent variables that depicts as the psychological feeling the customer holds from various sources, for example, word of mouth (WOM), commercial advertisements, public relations and so on (Wu & Liang, 2009). According to Elbakoush & Yan (2015), state that it is very much tough to assess the customer satisfaction evaluation especially in the service industry. Behavioural intent reflects the intentions of repurchase, word of mouth, behaviour complaining about loyalty, and price sensitivity (Zeithaml et al. 1996). In order to evaluate behavioural intentions, constructive words of mind, ability to suggest and re-buy

intentions are used (Ozdemira and Hewett, 2010). A study done by Barsky & Labagh (1992) stated that customer satisfaction especially in hotel and tourism sector are most challenging business in the decades of 1990. They also pointed out that it is a crucial issue because customer perception, attitude, taste, lifestyles, personality are varying from one person to another. As a result, people recognize the same service in various ways. To boost up the performance of the hospitality industry, it should provide high quality service and improving the customer satisfaction (Barsky & Labagh, 1992); whereby who gives high quality service ultimately improving the profitability (Oh & Parks, 1997). Another study done by Wuest, Tas & Emenheiser (1996) mentioned, for achieving customer satisfaction different facilities and attributes are necessary. Such types of attributes are location, personal service, cleanliness, relaxation opportunities, service standard, physical appearance and interior are very much important (Ananth, Demicco, Moreo & Howey, 1992). Another study done by Choi & Chu (2001) said that quality of staff, room quality and money value for the most widespread factors. Additionally, according to Mattila & O'Neill (2003) stated, price also plays a vital role in hospitality sector. It said that High price brings high service quality for the customer. As a result, lots of hotels increasing their investment to improve quality of service and perceived value for customers and ultimately cultivate a healthier relationship with each customer achieving higher customer satisfaction which ultimately leads to customer loyalty (Jones, Mak & Sim, 2007). Another study done by Lee, Lee & Feick, (2006), mentioned that positive word of mouth gives a very good impression to the other customer. So an impression coming from the satisfied customer gives a very good promotion without any cost involvement. The ultimate effect of word of mouth also enlarged by the intrinsic nature of the World Wide Web (Dominici, 2009) and it is important in hospitality and tourism sector. So, this sector has to take the opportunity from internet where actually customers publicly share their preferences, views, experiences with others via web services (Trusov, Bucklin & Pauwells, 2009).



Figure 3 Factors influencing customer satisfaction & customer loyalty (source own)

#### Chapter 3. Methodology

A general outline concerning how this research is directed is introduced in this chapter. It involves details of the worldview of research utilized for this study, including the research strategies. The premise of selecting methods and how the information has been gathered is clarified. Moreover, this chapter gives an outline of how empirical information is additionally examined and gives details of the trustworthiness, validity, and reliability of the data that is used.

#### 3.1 Steps of methodology

This chapter broadly defines the research methodology and also the research philosophy ascribed to by the researcher and how this philosophy has guided the research process. The methodology is important to the extreme level as it shows the recipe or plan one followed during the development of the research. Anything else could go wrong if an incorrect or poor methodology being used. The methodology section gives details information about the method used to gather information or data to develop the thesis. The steps that have been followed are given below in figure 4.

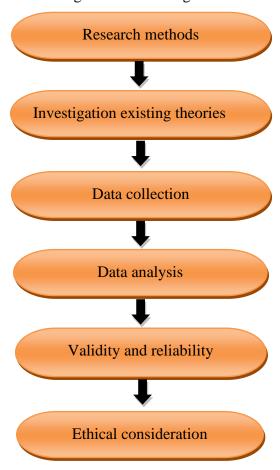


Figure 4 Steps of methodology (own source)

#### 3.2 Research context

This study aims to determine the impact of customer satisfaction and loyalty on the restaurant in dual country, Sweden and UK. Therefore, the primary context for this research investigation is the restaurant sector in Sweden and UK, with a focus on determine the impact of customer satisfaction and loyalty.

#### 3.3 Research philosophy

Research philosophy is concerned with the understanding of the various beliefs of philosophers (Bryman 2016). Researchers from various backgrounds who have promoted research ideologies have linked and demonstrated their observations and convictions into what has emerged and has been interpreted as a paradigm battle, even though their definitions of epistemology and ontology share themes of varying significance (Mkansi and Acheampong, 2012). Bryman (2012) determines to be motivated by metaphysical views surrounding ontology and epistemology in the quest for understanding the essence of truth and knowledge researchers.

#### 3.3.1 Ontology

The nature of reality is addressed by Ontology. It refers to the hypotheses of the nature of reality (Richards, 2003). It examines the beliefs of the researchers in relation to the nature of being and allows them to think about the nature of reality and what is known to them. According to Bleiker, et al., (2019) Ontology is a metaphysical point of view that attempts to explain the essence of truth. There are two aspects of objectivism and constructivism that can be viewed as an ontological component. A social phenomenon and its importance are seen by objectivists as possessing a life that is independent of the social agents they inhabit. Objectivism claims that social processes are an absolute reality and are beyond human influence or control.

Individuals are known to be actively communicating with their surroundings in order to create new realities (Bryman, 2012). In recognizing that ontological considerations are the driving force behind the research methodology, we have followed a constructivism approach in which we assume that truth is the product of social creation. In our qualitative study, we have applied this standing by focusing on the expertise and experience of the owners and managers of the restaurants we have explored as we feel they are active participants in making those realities.

#### 3.3.2 Epistemology

Epistemology refers to what is thought be sufficient knowledge in a particular field. It applies to how we come to know something or the facts or fact (Coosey and Mcdonald, 2011). Charlesworth and Foex (2016) identify two fundamental epistemological positions that include positivism and interpretivism. The position of positivism promotes the use of organized approaches to mix physical sciences with the analysis of the social reality of a person's actions in order to discover and assert universal rules to anticipate all types of human behaviours (Bryman, 2016). Positivist scholars, however, claim that a constructive approach is based on a quantitative methodology that have a practical focus and rely on the probability on an actual truth that can really be represented as it is (Slevitch, 2011).

In the other extreme, interpretivism supports views that the universe is evolving continually and that its definitions are unstable (Charlesworth and Foex, 2016). According to Giacobbi et al (2005), the author also discusses that interpretivism exposes the distinctions between person as social acting and objects as a philosophy of science which makes it possible for researchers to understand and to interpret the reality of a sample. Being an interpreter thus means seeing the universe from the perspective of human perceptions that are contextual and must be understood. As such, epistemology has made our analysis reliable since it offers adequate methods and frameworks for validating and explaining responses to our research questions.

#### 3.4 The Research Approach

The purpose of the study is to evaluate the approach to research being used (Yilmaz, 2013). The main objective of this analysis is to evaluate the effect of customer satisfaction and loyalty on the duel country restaurant in Sweden and the UK. This means that to answer the research questions, it is qualitative, using perspectives created from semi-structured interviews. In order to present the essential arguments that arise, qualitative data is typically examined thematically and narrated through a descriptive and exploratory approach (Vogt et al., 2014).

Quantitative analysis uses numerical evidence to define trends and create statistics and to test assumptions and hypotheses. Choy (2014) described the quantitative method as a methodology that typically samples to the collection of numerical data, and then transfers it in computer-readable formats, administering uniform questionnaires to

participants or householder groups to evaluate and correlated variables with results. Choy (2014)

Qualitative analysis offers an approach to the review and comprehension of the importance of a social or human question by persons or communities. Qualitative analysis uses word and sense to provide an insight into beliefs, perceptions and attitudes in detail (Saunders et al., 2012). For the analysis, the testing approach is qualitative. Qualitative analysis is directed at understanding people's perceptions, attitudes and motives and perspectives. In semi structured interviews or observations are used for qualitative research. It happens in natural surroundings, where participants can speak freely and can be conducted online or offline. A responsive and versatile process of data collection in the social sense is used in the qualitative approach to data collection. A qualitative approach is disadvantageous because small samples cannot represent the views or generalizability of the whole population of the study. As we use the interviews to gather our key data it would also be qualitative and not quantitative analysis. These data were gathered specifically for the purpose of this study.

The research is based on primary and secondary data using qualitative method. It can characterize as exploratory with the aim of collecting more information about factors those influence customer loyalty and satisfaction of restaurant customers. According to Babbie (2013) exploratory research are utilized by specialists to investigate a subject or an issue that is very new or is an interesting topic that they might want to research in more detail. Moreover, exploratory studies help researchers to satisfy their interest in a topic, to test the chances of directing a more extensive investigation and to create and design approaches for future research. Then again, Saunders et al. (2009) guarantee that an inductive methodology is utilized by scientists who expect to gather extra data and by doing as such to develop a hypothesis. Subsequently, the exploration setting is thought of and the increasingly adaptable structure of the examination is applied so as to allow elective clarifications and results.

In short being qualitative the study aims to explore factors influences customer loyalty and satisfaction of customer of restaurant business and the research is developed based on the theory built in literature review.

#### 3.5 Selection of Participants

The determination of participants in subjective study must be deliberate and the identification of appropriate participants is an important assignment in this evaluation plan. Participants were selected to have strong and better data for this analysis based on

individuals that are noticeable (Kuper and Levinson 2008). Accordingly, agent participants were considered by their jobs in the staff corresponding to this examination. The motivation behind choosing proper participants was to distinguish and satisfy the necessary reaction against the picked inquire about inquiries and holes. Determination of irregular member may give unimportant results that probably will not satisfy the fundamental motivation behind this investigation.

In this research, the restaurant managers and employees from Sweden and UK were interviewed with voice call, emails and WhatsApp calls. We choose 7 participants from two different countries where 2 female and 5 males.

Table 2. Details of Participants

Number of respondents	Location	Age	Gender	Position/	Interview date
				Experience	
P1	UK	45	Male	Manager/ 9 years	May 19, 2020
P2	UK	36	Female	Manager/ 3 years	May 20, 2020
P3	Sweden	40	Male	Owner/ 5 years	May 13, 2020
P4	Sweden	38	Male	Manager/ 2 years	May 15, 2020
P5	Sweden	34	Male	Owner/ 2 years	May 15, 2020
P6	Sweden	32	Male	Owner/ 4 years	May 16, 2020
P7	Sweden	34	female	Manager/ 5 years	May 17, 2020

Source: Own Construction

#### 3.6 Data collection

The data collection part is arranged in two principal parts: primary and secondary data. Essential information alludes to data that is assembled to accomplish the point of particular research or study by applying the most reasonable information assortment techniques for each exploration. Then again, optional information alludes to data openly accessible from past investigates and studies. This information has just been breaking

down and affirmed by other social researchers and is open for every single future researcher. (Babbie, 2013; Hox and Boeije, 2005; Yin, 2014).

There are various data collection systems that social researchers can apply to accumulate primary and secondary data. For example, Yin (2014, p.103) proposes that this information can be gotten from "documentation, authentic records, interviews, direct observation, participant observation, and physical artifacts". Different promoters guarantee that information can likewise be accumulated through calls, studies, polls, and messages (Gill, Stewart, Treasure and Chadwick, 2008).

In below table 4, Operationalization of interview questions and link with themes are shown.

<u>Table 3 - Operationalization of Interview Questions Link with Themes</u>

Section	Interview Questions	Themes	Theoretical reference	
Factors influencing customer satisfaction and loyalty	Do you think food quality influences customer satisfaction and loyalty? If so how do you manage this influence and if not why do you think so? Please explain.	Food quality	Namkung and Jang (2007), Kim et al. (2009),	
	Do you think price affect customer satisfaction and loyalty? If so how do you manage this influence and if not why do you think so? Please explain!	Price	Jin, et al. (2012), Vilkaite-Vaitone and Papsiene (2016),	
	Do you think service quality influences customer satisfaction and loyalty? If so how do you manage this influence and if not why do you think so? Please explain!	Service quality		
	Do you think restaurant atmosphere influences customer satisfaction? If so how do you manage this influence and if not why do you think so? Please explain.	Restaurant atmosphere and	Lim (2010), Hyun (2010), Wu & Liang (2009), Haghighi (2012), Canny (2014), Kim et al. (2009), Jani and Heesup (2011), Namkung and Jang (2007).	
	Do you think restaurant location influences customer satisfaction and loyalty? If so how do you manage this influence and if not why do you think so? Please explain.	location		
	Do you think customer satisfaction is influenced by consumer behaviour that is affected by culture and social behaviour? Explain	Customer		
	Do you think customer loyalty is influenced by consumer behaviour that is affected by culture and social behaviour? Explain	behaviour		
Importance of customer satisfaction and loyalty	How important is customer satisfaction? Explain How important is customer loyalty? Explain	No themes	Razak, Nirwanto & Triatmanto (2016), Petrick (2004), Thomas and Tobe (2013).	
Ensuring customer satisfaction and loyalty	customer satisfaction		Namkung and Jang (2007), Ryu et al. (2012), Kim et al. (2009), Law (2017), Haghighi (2012), Canny (2014), Jani and Heesup (2011)).	

Source: Own Construction

#### 3.6.1 Primary data

With regards to the social occasion of primary data, interviews have been applied because it permits the interviewees to communicate transparently their contemplations and assessments regarding the explored wonder, empowering the researchers to assemble progressively explicit and dependable data for research. (DiCicco-Bloom, and Crabtree, 2006; Louise-Barriball and keeping in mind that, 1994).

The interview techniques used in the current research are face to face and online call interviews. face to face interviews is led to make a closer connection between the questioners and the interviewees to trade valuable data, (Ritchie, Lewis, Nicholls and Ormston, 2013) to gather progressively explicit information and to encourage visual contacts with the responders (Stephens, 2007). Besides, telephone interviews have been applied so as to widen the chances to arrive at participants who are situated in various piece of Sweden when it was hard to lead eye to eye meets because of separation or potential travel costs (Saunders et al., 2009). The interview has taken through voice chronicles, flag-bearer and WhatsApp calls and gather information from questioners (see appendix 1). Normal interview would be led in Indian restaurants arranged in Sweden UK and furthermore in Bangladesh.

# 3.6.2 Secondary data

In order to build up the literature review area and to investigate various speculations, the utilization of secondary data has been considered in light of the fact that this is reliable data that has just been gathered, distributed and endorsed by past examines (Hox and Boeije, 2005). Along these lines, it permits the specialists to build up a significant base for the investigation and it diminishes expenses and time utilization on the exploration of various theories since it is data that as of now exists (Sorensen, Sabroe and Olsen, 1996) and is information that can be effectively gotten to through various scholarly sources (Hox and Boeije, 2005).

The new proposal procedure started by gaining an overview of the additional details so that restaurant customers can obtain a general understanding of the element 's effect. This examination also focused on the effect of consumer loyalty in the community business, customer-related association and delegate, consumer loyalty and customer loyalty. For example, related books from the library of Gävle Universities and intelligent articles from solid dailies were obtained from trustworthy and important texts. Various types of articles have been written on consumer loyalty, customer satisfaction, customer

reliability, Service quality, Customer Service, Perceived Service Quality, Word of Mouth and many others that use these words to collect administration information and customer loyalty data. Further valuable knowledge, such as Google Scholar, JSTOR, the Science Direct and Emerald, has been obtained from various academic research engines etc.

### 3.7 Data analysis

The information falls by the three classes of data coding; the entity and the respondent, the social effect and the method of the restaurant company to ensure customer loyalty and satisfaction. The empirical results are then related and contrasted, with the theory introduced in the analysis of literature. In theory recommendations and analytical outcomes, the key motive behind the transfer of the information analysis is the analysis of the coherence between the interviews and the theory tested for this examination (Yin, 2014).

All data were transcribed and read extensively following the conclusion of the interview. While defining keywords such as building trust, retaining trust, the effect of trust, interaction, contact, these transcriptions were coded. In addition, in groups, all marked words and phrases were then put, and themes were subsequently formed. All themes were named, and thorough analyses of those specified themes were carried out.

#### 3.8 Validity and reliability

As per Yin (2014), four tests are ordinarily utilized so as to quantify and test the nature of contextual analyses. He distinguishes the four tests as construct validity, internal validity, external validity and reliability.

We chose our participants according to their position and experience levels, which is assisted with gathering high-esteem information for the research question. interviews over internet calls, voice calls are considered to help us to get more of the chances to additionally clarify the inquiries, in this manner improving the lucidity of the questions posed, which increased the validity. Promoting straight forwardness across research will request that all the detailed information is used reliable. To improve the reliability of our research, the questionnaire was made and we were readied to pose similar questions to each participant and we produced straightforwardness and unwavering quality of the data gathered for this research.

### 3.8.1 Construct validity

Babbie (2013) depicts build legitimacy as the level to which the picked estimation apparatus corresponds to the normal just as startling factors of the hypothetical system.

So as to build develop legitimacy in the event that reviews, it is important to distinguish sufficient operational methods for estimation for the applied idea of the contemplated theme (Yin, 2014). To do as such, Yin (2014) proposes three strategies, which were applied on the current research: Firstly, it is informed to utilize various sources regarding proof when gathering information. Also, it is critical to represent a chain of proof inside the procedure of information assortment. Furthermore, in conclusion, Yin (2014) stresses that it builds the develop legitimacy if key sources audit the draft of the contextual investigation report before settling it.

# 3.8.2 Internal validity

Internal validity requires the foundation of causal connections and the awareness that specific conditions can bring about different conditions (Saunders et al., 2009; Yin, 2014). So as to build the inside legitimacy of the current examination and in understanding to Yin (2014), itemized consideration was given to the coordinating of examples and clarifications were created by additionally considering rival ends during the investigation procedure. Besides, a hypothetical model was created by consolidating two methodologies; the social showcasing process model of Andreasen and Kotler (2003) and the CVC structure of Austin and Seitanidi (2012a; 2012b; 2014).

# 3.8.3 External validity

So as to create external validity, it must be distinguished if the consequences of the current contextual investigation can be summed up to other applicable settings (Babbie, 2013; Saunders et al., 2009; Yin, 2014). Yin (2014) states that by building up a solid hypothetical structure as the base for the examination, the degree of outside legitimacy can be expanded. It is considered by the creators that the current research satisfies the qualities referenced above by introducing a solid structure and using a hypothetical model.

#### 3.8.4 Reliability

The reliability of an investigation is solid when it is guaranteed that if the examination is rehashed by different analysts who follow a similar procedure, they accomplish similar outcomes (Babbie, 2013; Yin, 2014). To expand the degree of dependably, it is proposed to record the examination strategy in detail and to build up a contextual analysis convention and a database (Yin, 2014).

### 3.9 Limitations of the methodology

The main drawback of our research was the minimal presence of respondents in general and restaurant owners and managers. We are conscious that it is not recommended to use data from 7 participants only to make qualitative judgments. This restriction, however, because of global pandemic that is infectious and spreads rapidly, requiring precautions for health, such as social distancing and remaining secluded.

#### 3.10 Ethical consideration

The nature of research additionally relies upon the researcher's thought and consistency of the moral norms, for example, the shirking of deception, the duty regarding one's work including the regard of grant and the default of plagiarism, untrue or control of information and data. Moreover, it is the obligation of the creators to secure and to guarantee the prosperity, protection, and secrecy of the participants of the investigation. (Babbie, 2013; Yin, 2014)

Regarding this, all participants were asked whether it was conceivable to distribute their own information, for example, their name and the association's name in this research. The chance to take an interest secretly was likewise given to the respondents. Besides, before each interview, all responders were inquired as to whether the interview could be recorded.

### **Chapter 4. Empirical Findings**

This chapter gives the data gathered from our interviews with owners and managers of restaurants, on basis of what I analysed all data in further steps. The study of the information gathered gave a review of the different dependable components that have risen during the meeting, satisfying the necessity of the exploration holes. By this, we accepted that research was led in a viable and productive way. Research that is done through interviews, needs uncommon thought to guarantee that all discoveries and understanding are dependable and sound (Rubin and Rubin 1995).

## 4.1 Service quality

Service quality in its contemporary conceptualization, is a correlation of saw desires for an assistance with saw execution, offering ascend to the condition. This conceptualization of administration quality has its beginnings in the expectance disconfirmation worldview. A business with administration quality will meet or surpass customer desires while remaining financially serious. Respondent imparted blended insight on administration quality one of the respondents expressed.

"...service quality influences customer satisfaction and loyalty. A good service quality is a key to build a successful restaurant. Good quality service make customer satisfy and loyal also help them choose to come again to your restaurant. So how we manage this influence we strongly focus on our service quality and try to give best service to our customers." (P1)

"service quality is a very crucial point for company's success as it has significant influence on customer's satisfaction and loyalty." (P3)

Primary focal point of the restaurant ventures must be to fulfill its customers. Consumer loyalty is characterized as an estimation that decides how upbeat customers are with an organization's item, administration and capacities. One of the respondents expressed.

"Definitely the customer satisfaction is depends on the whole service quality but there is some other things that we should focus to make customer more happy like- warm welcome, extra care to make them comfortable & look after during their whole service."

(P5)

Service quality has capacity to bring repeated customer. One of the participants mentioned.

"...when customer see the restaurant service quality is good then they come back again and again . If the service people are polite and more conscious about customer and food, customer feel very happy, secure and safe and think a positive vibe about restaurant .so it's important for custom satisfaction." (P6)

#### 4.2 Food quality

Food quality is the quality attributes of food that is satisfactory to buyer this incorporates outside elements as appearance, surface and flavour, for example, government grade gauges and inward. By and large nature of the food and refreshment, the taste, the newness, the nutritious perspective, and the bit size is arranged under food quality estimation. As a centre result of a food administration activity, food and drink quality has been given an incredible significance and has been checked for some angles, for example, temperature, surface, flavor, and smell. Food and refreshment quality are considered to affect the customers' aims to return again to a specific restaurant. One of the findings state below.

"In the food service industry, food quality is the most important to achieve loyal customer and repeat purchases customer satisfaction should be the important, so we maintain a good quality to satisfy our customers." (P1)

"Customers always search for quality food so yes, definitely food quality influences customer's satisfaction greatly. As loyalty comes after repeated purchasing, then if a customer cannot get quality food then there is no way he/she will make repeated purchase. Therefore to make a satisfied loyal customer we always try our best to provide high sustainable quality product in our restaurant." (P4)

Also, freshness is another significant component to influence customer's buying intention. It is on the grounds that the pattern is set nowadays that customers look for freshness and they expect to be served by maintaining proper hygienic rules. Consequently, to guarantee freshness, food must be served following bindings of time. On the off chance that customers get satisfaction and accomplish a decent encounter, they

will persistently spread positive and great verbal exchange to other possible customers to encourage them to try the food of the restaurant. One of our discoveries expressed:

"...menu may have the best flavour combination but how fresh are your ingredients is most important. A restaurant can stand out in a sea of competition simply by offering best quality dishes in town. So how we manage this influence, we make freshness a priority, eliminate artificial ingredients, limit the use of processed foods, use and promote branded ingredients, feature local and seasonal foods, focus on good-for- you ingredients, offer upscale ingredients and word on quality control, work on our preparation." (P1)

"we maintain a best food quality such as we always try to give fresh food... Always use best branded ingredients, we don't use artificial ingredients, use seasonal foods, always keep clean our kitchen to the food always be clean." (P2)

A high positive connection between buyer fulfilment with food and refreshment quality and their aim to keep eating in a specific café. Besides, working environment eating is often connected with low quality and terrible food decisions which have negative outcomes.

#### 4.3 Price

Estimating system is one of the most significant parts of a business. Somehow or another, we are normal with regards to settling on a buy choice. A low cost doesn't generally mean energetic customers. Purchasers are frequently normally distrustful of costs that are underneath the market normal, accepting that an arrangement that looks "unrealistic" typically it isn't. One of our findings says,

"Pricing can be an issue for any business. when it come to setting price for your menu its important to get it right because too far to neither end of the issue can leave your business hurting, so remind in your mind about satisfaction and loyalty of customers. Food price have been rising, it's been putting pressure on restaurant business. When the economy is struggling customer wants lower price and restaurant owner want high price." (P1)

"...definitely price plays an important role in generating customer satisfaction as customers always evaluate the value of a service by its price. Though the negative pricing can create dissatisfaction, the positive pricing has significant impact on brand value, brand image, consequence purchasing, good word of mouth, which finally leads to

loyalty. To manage price influence on customer's satisfaction we provide positive pricing to customers so that they can get most value out of it." (P3)

Besides, customers need to save money on more excellent items. In the event that customers get more excellent administrations with less instalment, the worth impression of the customers will likewise upgrade.

"...customer always think about food price and find some cheap price food in good quality. For example, McDonald provide to customer 1 chicken burger, hamburger and cheeseburger in 10 krona and test is amazing and many people buy it very happily .so price is affect customer satisfaction and loyalty." (P6)

"Customers want good quality products at affordable prices that they can buy easily and if there are companies that provide this to customers, it will build good long-term relationships with customers. That is why we are pricing our product reasonable according to our quality... So we can make some profit and customer can have food at lower price and its confirm customer's satisfaction and loyalty." (P7)

#### 4.4 Behavioural intentions

The setting of feasting administration to shopper fulfilment and to anticipate posteating conduct expectation, which recommends that whether customers will come back to the café is exceptionally identified with their fulfilment during their experience. There is an immediate and positive connection between consumer loyalty and aims. The backhanded impact of culture on social aims is more grounded than the immediate impact with regards to support division. The impact of culture on conduct aims is intervened by consumer loyalty. One of the findings mentioned below,

"when customer are satisfied, behaviour is also positive and he talk nicely every one....

Basically, culture is the part of every society and is the important cause of person wants and behaviour. The influence of culture on buying behaviour varies from country to country therefore marketers have to be very careful in analysing the culture of different groups, regions or even country." (P1)

"cultural and social behaviour is an individual hand which controls a customer's perception and consuming behaviour. It almost includes everything which influence not

only preference but also the way of people make decision. A totally new environment, new service, has less chances to satisfy a customer, unless it can create an extra ordinary value for money satisfaction for a customer who will make repeated consumption." (P3)

Customer devotion into two sections First part is shopper conduct and the subsequent part is purchaser mentality. The customer faithfulness might be a direct result of judicious or passionate variables. Sound components might be the attributes of the item and feelings are the inclination of a purchaser. However, in spite of the fact that discernment have progressively urgent influence in the reliability of a buyer. Buyer devotion is a conduct of a customer where they demonstrate ability to repurchase from an organization and proceed with associations with that organization in their future buys. Customer faithfulness is the key factor viable of every single firm. One of our findings point out that,

"Consumer have different roles in purchasing products and services. Here, a role is defined as the expected behaviour of an individual in a society. These roles can be as part of the consumer's family, employment, or social status, among other things. For example, the role of father can be different than the role of mother in purchasing consumer goods. Although there are many different roles that can influence how a consumer behaves, three in particular are presented here: influencers, prosumers, and personas."(P1)

"It's a little bit tricky to come to a conclusion for a consumer loyalty which is influenced by consumer behaviour which is affected by cultural and social behaviour because loyalty comes from repeated consumption. May be a customer take a service or food for two, three, four times but that may also lead to diminishing law of marginal utility like more you consume more you get less satisfaction! It only happens when a consumer tries something new and different from their usual cultural and social behaviour. So loyalty may not come even though a customer is satisfied because we have to think about multi diversified cultural customer living in this modern global village." (P5)

### 4.5 Restaurant location and atmosphere

The area of restaurant will affect its prosperity about as much as the menu. On the off chance that the café is in an inappropriate spot, restaurant won't draw in the quantity of customer. Café condition is a significant factor in purchaser fulfilment and conduct. In the restaurant condition, customer are straightforwardly in contact with restaurant

administrations. Restaurant area is a significant element of the café that influences client conduct and Satisfaction. One of our particiants says,

"Of course a great location is a positive strength of a restaurant profitability as well as it attracts more customer. A good location must have some attributes like less traffic, enough parking space close to highway and near other famous super shops which definitely reminds a customer about their happy memories which ultimately leads to their loyalty." (P3)

"location influence customer satisfaction and loyalty. Restaurant location should be picked strategically. A good location would be great for a restaurant... need good traffic, when a restaurant is visible it reminds potential customers that your restaurant exists. Location should be like close to highway, close to successful business and also parking facilities is very important." (P1)

Atmospherics is the push to configuration purchasing situations to create explicit passionate impacts in the purchaser that improve his buy likelihood. The fundamental tangible channels for climate are sight, sound, aroma and contact. One of respondent expressed that.

"The atmosphere and feel of a restaurant is part of the reason people go out to eat instead of cooking their own meal at home. Not only that, but getting your atmosphere right can actually increase your sales." (P7)

"...Its a very important matter which influence customer satisfaction. Restaurant atmosphere is another important thing to make a customer happy. Making a customer happy is key to restaurant success." (P1)

#### 4.6 Summary of empirical findings

The summary of empirical findings is presented according to the themes identified from collated data including, service quality, food quality, price, Behaviour intention, Restaurant location and atmosphere in table 3 below.

<u>Table 4. – Summary of Empirical Findings</u>

Empirical findings	Themes
- Good quality of service make customer satisfy and	
loyal.	
- Influences customer satisfaction and loyalty	Service quality
- Essential to every restaurant's success	
- Build better customer relationships and enhance the	
restaurant at the same time	
- Most important to achieve loyal customer and repeat	
purchases.	
- A restaurant can stand out in a sea of competition	Food quality
simply by offering best quality dishes in town.	
- Prime perimeters of a restaurant business	
- The most important part of a restaurant and it affect	
customer's satisfaction and loyalty.	
- It can be an issue for any business.	Price
- Reasonable price will build good long-term	
relationships with customers	
- Influence of culture on buying behaviour varies	
from country to country.	
- Cultural factors, social factors, personal factors	Behaviour intention
influence behaviour intention and behaviour	
intention influencing customer loyalty	
Location	
- Won't attract the amount of customers will needed	
in order to stay in business.	
- Desired location has easy accessibility and good	
visibility.	B
- Good location would be great for a restaurant	Restaurant location and
Atmosphere	atmosphere
- It's a very important matter influence customer	
satisfaction	
- The atmosphere and feel of a restaurant is part of the	
reason people go out to eat instead of cooking their	
own meal at home.	
- It is the atmosphere or ambiance that keeps a	
customer returning.	

Source: Own Construction

#### Chapter 5. Analysis and discussion

This section critically discusses and analyses empirical findings by comparing theoretical data and the empirical data. This section is analysed according to common themes and finalised with Comparison between theory, findings and analysis.

#### **5.1 Service Quality**

Service quality is considered as an important factor when it comes to deciding where to eat. During our interview, respondents were asked about their opinion on do service quality influence on customer satisfaction and loyalty or not. Most of our respondents stated that service quality is important part to make customer happy also bring customer back to the restaurant. They believe good service quality is key to build a successful restaurant business. According to (Luoh and Tsaur, 2007), 'The impression of service quality has been widely concentrated in the restaurant business, the meaning of service quality focus on addressing customers' needs and necessities.'

Service quality is measured with multiple dimensions and each dimension may influence the overall assessment of service quality from the customers' perspective. Customers expect a certain level of service before real interaction with the system. After having served, customers define service level according to the difference between the actual experience and the expectations with the system (Parasuraman et al. 1988). Parasuraman et al. (1988) divide service quality into five lower level dimensions: Tangible, reliable, responsive, reliable and empathetic, and develop elements to define dimensions. "Physical installations, devices and personnel appearance" is defined in tangibles; reliability is 'the ability to deliver the promised service in a reliable and accurate manner;' Responsibility is the willingness to support customers and offer prompt service;' assurance is "the ability of employees to inspire trust and confidence and to know and be courteous"; (Parasuraman et al. 1988). The service is expected to generate an emotional response, without which we can't completely grasp the customer loyalty process (Ladhari, Morales et al, 2005). However, the view of the consumer of service quality varies overtime, though, which is why our results rely always on enhancing service quality.

In the current study ensure that service quality would have a positive influence on customer satisfaction and loyalty which in turn would positively affect customer retention. it is expected that as the quality of services improves, there will be more satisfied customers.

#### **5.2 Food quality**

Collecting information from interviews and surveys of the customer satisfaction and reliability have been introduced, and we get the significant data from our respondents. As indicated by what we have in the exact part, we examine the food quality. Additionally, these food qualities have been available in hypothetical part. As per our respondents, food is the most significant piece of the general restaurant experience. Food quality is another factor which has impact on customer satisfaction or loyalty and dedication. As indicated by Peri (2006), food quality is a flat out prerequisite to fulfil the requirements and assumptions for eatery clients.

This study exactly analysed the factor, food quality impact consumer loyalty and devotion in eatery. The discoveries plainly uncovered and was discovered like the consequences of a travel industry concentrate by Baker and Crompton (2000), which is, food quality and fulfilment have a significant impact in deciding consumer loyalty toward restaurant business. Consequently, the significance of progress in food quality and satisfaction, which contribute straightforwardly to positive outcomes through revisit to the restaurant. From the investigations of various relapses, the overall significance of food credits uncovered that European buyers place moderately high significance on quality of food followed by an assortment of food. The outcome demonstrated the greater part of respondents concurs, offering new food is a vital characteristic. It is fascinating to take note of that these two ascribes diverge from Namkung and Jang (2007) results, which uncovered that presentation and quality of food and taste were the main benefactors. Notwithstanding, less significance is being put on introduction, sound choices and temperature that by implication might have been an insignificant impact on the customer satisfaction or loyalty in fine dining restaurant. Customers are searching for food that is served in a new way which they believe is gainful for their health. In other word, to make customers satisfied, it is essential to serve food with higher quality and to keep up it in the legitimate new way during utilization. Plus, to fabricate long term beneficial connection with the customers, restaurants ought to guarantee the customers that they generally produce a new item and use new and high-quality ingredients.

#### **5.3 Perceived value/ price**

There is a difference between the price of the food or service and the actual price customer wants to pay for the food or service. Guests of the luxury hotels perceive satisfaction as the value received for the price of lodging (Berchoux etal, 2015). According to one of our respondents, It is very important to have the balance of the price according to the quality of food and other factors of a restaurant to run successfully. As different categories of customer have different concept for the paying at the restaurant. Some might only be happy by looking at the low price of the food according to service and other facts, when other may compare the price with not only food and service but also with everything surrounded. For example, some customers are happy to pay high price for food if other factors like services, the quality of food, restaurant environment everything satisfies them, where to some it is only the price of the food that matters. But most likely customers are interested to pay less for higher quality food. If customers get higher quality services with less payment, the perception of price of the customers will be more comfortable and satisfying. The relation between the service quality and perceived value has been verified in several studies.

#### 5.4 Restaurant location and atmosphere

Location and atmosphere of a restaurant is an important factor to consider by the restaurant industry. Everything that is related to develop the inner look and location of the restaurant, comes under the category of spatial layout. Over the years, with the change of eating habits of people, it is now more preferred to eat out then eating at home. According to a study conducted by Ryu et al (2010, 312) customer pay a lot of attention to go out for than eating at home comparing to last decades. This trend has influenced restaurant owners to give great afford in their interior and develop the environment for customers.

By following up information we gathered through interviews, we can see that the restaurant business is established on basis of providing food of good quality and earn profit through doing it in a business manner. However, with the change of eating habits, customer not only expect to have good food but also, they look for comfort and high standard of the restaurant (Horng, Chou, Liu, & Tsai, 2013). One of our respondents thinks, when customer do not find comfort with the location or atmosphere of the

restaurant, most likely they do not return, not always the service can satisfy the customer emotionally or meet psychological and cognitive needs of the customer. So now to run a restaurant it is also important to keep in mind to give more attention to give to have better location and atmosphere to face competitors and gain success in restaurant business.

A study conducted by Ha and Jang (2010) shows that, when customers looking for high quality of restaurant are mostly looking forward to be more satisfied by the service, have more chances of revisiting the place. Our respondent thinks that, when the location or atmosphere of the restaurant is not as much expected then chances of revisiting of the customer is less than expected. Another respondent refers to a theory, the interior or location of a restaurant has a subconscious effect on consumers, either it makes them feel comfortable or discomfort them enough to never visit the dining place again (Nguyen & Leblanc, 2002, 245). It has a direct connection with how a customer would perceives a restaurant. The perception can either be positive or negative considering the atmosphere and can therefore shape the level of customer satisfaction (Lim, 2010). This includes not only furniture but also the background noise, lighting, style of serving food etc. The research conducted by Ariffin, Bibon and Raja Abdullah (2011), concluded that pleasant scent can either make or break a dining experience for customers. From the point of view if some restaurant owner or employee, it is now a very important factor to be considered to establish and run a successful restaurant business.

#### 5.5 Customer behaviour/ Behavioural intentions

Customer behaviour includes the selection of food, purchase, and consumption of goods and services for their basic and the fundamental needs. There are several factors that influences customer behaviour to visit any restaurant. Some of the factors are product quality, price, service, consumer emotion, personal factors, situational factors, perception of equity or fairness. On the other hand, several factors like mentioned in the figure influence the purchasing behaviour of the consumer (I research Service 2017). One of our respondents indicated that, culture is very important for the comprehension of a customer's necessities and conduct. The principal variables of qualities, insights, practices, and inclinations gained from individuals and from normal societies in the beginning phase of their adolescence. One owner of a restaurant we interviewed thinks, customer influencing factors is different according to the different culture, people are from. Customer's satisfaction can be ensured by keeping in mind that affecting factors

can be made favourable and comfortable according to culture the customer is from. Consumer purchasing behaviour studies are the path to market success. In general, the result demonstrates that the brand image and value, cost, health, and quality affects customer satisfaction. The learning standards and assumptions that portray the inclinations and activities of purchasers reflect social factors. Customers are first influenced by the gatherings to which they have a place, yet in addition by the gatherings to which they wish to have a place. Human beings have different views of purchasing food, affected by living in an environment that is surrounded by many people. Often small groups such as families, acquaintances and social networks around a individual have different purchasing habits. The behaviour of a person is affected by These groups form an environment in which a person develops and forms his or her personality.

From the point of view of some restaurant owner or employee, culture plays a very important role to run a restaurant business successfully. As it affects the way customer look forward to being satisfied in a restaurant. Not just service with good quality food is enough to gain customer satisfaction but also following customer's expectation to have the service is important. The differences of customer's need and expectation is also because of different culture they have.

There are other views from other researchers with different perspectives in areas like service quality, food quality, price, location and atmosphere and behavioural intentions etc. while this study is basically focused on accomplishing customer satisfaction and loyalty from company's point of view. As follows food quality, price etc. everywhere this study is focused on having customer satisfaction and loyalty, but other researchers developed theories not only focusing on customer satisfaction or loyalty but also thinking about development of restaurant business.

#### 5.6 Comparison between theory, findings and analysis

In below table 4, the comparison between theory, findings and analysis are shown.

<u>Table 5 – Comparing of Theory and Analysis Findings</u>

Themes	Theory	Author	Analysis finding
Service quality	<ul> <li>According to customer satisfaction is an appraisal of the goods or services that meets the desires or aspirations of either the customer or the service provider.</li> <li>Satisfaction is an immediate response to service consumption</li> </ul>	Akbar and Parves (2009), Vilkaite-Vaitone and Papsiene (2016), Law (2017),	- Good quality of service make customer satisfy and loyal - Influences customer satisfaction and loyalty - Essential to every restaurant's success - Build better customer relationships and enhance the restaurant at the same time
Food quality	<ul> <li>Food quality has been featured to measure customer's satisfaction in restaurant business.</li> <li>The most basic piece of the whole restaurant environment is food.</li> <li>Incorporates this discovering; a point of view of customers and customer satisfaction or loyalty on food performance are connected.</li> </ul>	Ryu et al. (2012), Hensley (2004), Lim (2010)	<ul> <li>Most important to achieve loyal customer and repeat purchases</li> <li>Food is the star of the restaurant</li> <li>A restaurant can stand out in a sea of competition simply by offering best quality dishes in town</li> <li>Prime perimeters of a restaurant business</li> </ul>
Price	<ul> <li>The prices are connected to restaurant services</li> <li>The price has a significant influence in actualizing marketing procedure</li> <li>Price one of the attributes that can change customer's attitude.</li> <li>Price fairness influenced customer satisfaction significantly.</li> </ul>	Andaleeb and Conway (2006), Kottler and Armstrong (2012). Law, et al. (2008), Jin, et al. (2012).	- The most important part of a restaurant and it affect customer's satisfaction and loyalty  - It can be an issue for any business  - Reasonable price will build good long-term relationships with customers
Behaviour intention	- Customer satisfaction and relationship quality in explaining customers' behavioural intentions.	Jani and Heesup (2011)	- Influence of culture on buying behaviour varies from country to country - Cultural factors, social factors, personal factors influence behaviour intention and behaviour intention influencing customer loyalty
Restaurant location and atmosphere	- Atmosphere of the restaurant does not comfort the customers and they do not return for another dining experience - The perception can either be positive or negative considering the atmosphere and can therefore shape the level of customer satisfaction - Restaurant location is an important feature of the restaurant that affects customer behaviour and satisfaction - atmosphere and environment is a significant predictor of restaurant customer satisfaction and experience environment is one of the factors that has a significant effect on customer satisfaction.	Lim (2010) Hyun (2010). Wu & Liang (2009), Haghighi (2012), Canny (2014).	Location  - Won't attract the amount of customers will needed in order to stay in business.  - Desired location has easy accessibility and good visibility  - Good location would be great for a restaurant  Atmosphere  - It's a very important matter influence customer satisfaction  - The atmosphere and feel of a restaurant is part of the reason people go out to eat instead of cooking their own meal at home.  - It is the atmosphere or ambiance that keeps a customer returning.

Source: Own Construction

#### **Chapter 6. Conclusion**

This part involves the findings to explore the research aim, research questions, and gap distinguished earlier. We added theoretical and managerial implications on reflections of research and suggestions for future research is added and discussed in this chapter.

#### 6.1 Answer to the research question

This study shows the key factors that play an important role to satisfy customers. This study additionally indicates that restaurants that are focused on food quality, suitable food price or cost, and mindful assistance have the best opportunity to expand customers' satisfaction and loyalty.

Customer satisfaction and loyalty is impacted by explicit product or service highlights and impression of value. Satisfaction is additionally affected by customer's passionate reactions, their attributions nether view of value (Zeithal and Bitner. 2003, 87-89). The key factors we found very important and affective to gain customer's satisfaction and loyalty are service quality, food quality, price, restaurant location and atmosphere and customer behaviour/ behavioural intentions. These factors play vital role to satisfy customers and achieve loyalty. These factors are followed properly, the more customer is satisfied.

Hence the aim of the employer or business owner should be always to give priority to these key factors to increase customer satisfaction and loyalty. To run a successful business, the owner must identify how to enhance these key factors to satisfy customer. Though the satisfaction and loyalty of customers differ from one to another. It is hence required to identify and follow individual factors to make them satisfied and loyal. At the point when the customer is satisfied with the product or service of the restaurant, it can cause the customer to buy as often as possible to and to prescribe items or services to potential customers. It is incomprehensible for a business association to develop up on the off chance that the organization overlooks or ignores the necessities of customers (Tao 2014.)

#### **6.2 Theoretical implication**

This research is about finding and discussing key factors that influence customer satisfaction and loyalty. We gathered theories of factors, which influence customer satisfaction and loyalty. Models were created depending on the information gathered and analysed.

Our study shows customers may not know how significant a specific element is in their choice until they really experience the factors. According to our studies we can see factors, like variation of food quality, price and other major factors are influence customers differently in depending on restaurant situation. We contribute that, with a research is comparing Indian restaurants located in two countries UK and Sweden and such research has not been done before.

#### 6.3 Managerial implication

We interviewed only restaurant managers or owners as our intention was to find the key factors to follow to get customer satisfaction from the point of view of the people who runs the business. More likely what are the factors the business should be focused on and follow to achieve success. It is important that managers to having investigation customers point of views to find out what are the key factors a business should follow to make customer satisfied.

#### 6.4 Limitation and suggestion for future research

Jaini et al. (2015) contemplated the connection between customer experience and nature of fine dining restaurant and discovered positive connections between service quality, food quality, and customer experience. Our study was developed to investigate the key factors that affects customer satisfaction. More studies should be conducted in same ground with variables like restaurants with fast food service, takeaways only or drive through restaurants. Even more studies over restaurants located in different countries, cultures and their strategy to run business accordingly, can contribute to other result.

The study is mainly focused on customer satisfaction and loyalty in food industry in restaurant, where we tried to point out key factors that are responsible to bring customer satisfaction and loyalty. The research is limited into point of view of the managers, and we suggest new research to point of view of customers. Moreover, this investigation is carried out through a qualitative approach using semi-structured interviews. However, the size of the sample is limited to the five Indian restaurants of Sweden and two in United Kingdom. More restaurants located in other countries could not be accessed mainly due to the limited time and the negative impacts of the corona virus. Our suggestion would be, to collect data from more restaurants situated in different countries. Another constraint is that the consequences of this study cannot be applied in other industry because the main

attention is on restaurant. Since the emphasis of our study is on high quality-service restaurants, we suggest new studies that investigates different categories of restaurants, for example, drive-thru restaurants or family restaurants with the same importance to get more results.

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**APPENDICES** 

Appendix 1 Introduction Letter

Gävle 15/04/2020

**Co-operation for Master Thesis** 

UNIVERSITY OF GÄVLE

To whom it may concern,

We are Shafait Jamel Mim and MD Monjurul Aziz Ferdous, Master students at the University of Gävle. Our thesis concerns Factors Influencing Customer's Satisfaction in Hospitality Industry.

We want to investigate by interviewing management teams within your organisation if possible, where the need arises, through online via Skype, voice call or email. We promise you anonymity and we will not publish the names of managers, employees, or company, and stakeholders if you want.

In June 2020, we will present the results of our study and you will receive two copies of the thesis. We need your help and are depended on your cooperation to write our thesis.

We believe our request will meet your kind consideration. Thanks for your cooperation.

Sincerely yours,

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# Appendix 2

# Table 6 - Interview Questions

S. N.	Questions
1	Do you think food quality influences customer satisfaction and loyalty? If so how do you manage this influence and if not why do you think so? Please explain.
2	Do you think price affect customer satisfaction and loyalty? If so how do you manage this influence and if not why do you think so? Please explain!
3	Do you think service quality influences customer satisfaction and loyalty? If so how do you manage this influence and if not why do you think so? Please explain!
4	Do you think restaurant atmosphere influences customer satisfaction? If so how do you manage this influence and if not why do you think so? Please explain.
5	Do you think restaurant location influences customer satisfaction and loyalty? If so how do you manage this influence and if not why do you think so? Please explain.
6	Do you think customer satisfaction is influenced by consumer behaviour that is affected by culture and social behaviour? Explain
7	Do you think customer loyalty is influenced by consumer behaviour that is affected by culture and social behaviour? Explain
8	How important is customer satisfaction? Explain
9	How important is customer loyalty? Explain
10	What do you do to provide satisfaction to your customers?
11	What do you do to ensure customer loyalty?

Source: Own Construction

### Appendix 3

# **Transcribed Example of Interview**

# Could you please introduce yourself?

My name is Ajay, I am a manager in Gaylord restaurant which is situated in central London. It is an Indian traditional restaurant. I am working here for 9 years.

# 1. Do you think food quality influences customer satisfaction and loyalty? If so how do you manage this influence and if not why do you think so? Please explain...

Yes i think food quality influences customer satisfaction and loyalty,

In the food service industry, food quality is the most important to achieve loyal customer and repeat purchases customer satisfaction should be the important, so we maintain a good quality to satisfy our customers. Your menu may have the best flavor combination but how fresh are your ingredients is most important. A restaurant can stand out in a sea of competition simply by offering best quality dishes in town. So how we manage this influence, we make freshness a priority, eliminate artificial ingredients, limit the use of processed foods, use and promote branded ingredients, feature local and seasonal foods, focus on good-for- you ingredients, offer upscale ingredients and word on quality control, work on our preparation.

# 2. Do you think price affect customer satisfaction and loyalty? If so how do you manage this influence and if not why do you think so? Please explain!

Yes price affect customer satisfaction and loyalty.

Pricing can be an issue for any business. when it comes to setting price for your menu its important to get it right because too far to neither end of the issue can leave your business hurting, so remind in your mind about satisfaction and loyalty of customers. Food price have been rising, its been putting pressure on restaurant business. When the economy is struggling customer wants lower price and restaurant owner want high price.

In order to stay in business, the restaurants need to do what it can to make most profit and also give food to customer as much as in lower price. So we do the pricing of our food same way, then customer would be satisfy and loyal and we can make some profit as well.

# 3. Do you think service quality influences customer satisfaction and loyalty? If so how do you manage this influence and if not why do you think so? Please explain!

Of course, service quality influences customer satisfaction and loyalty.

A good service quality is a key to build a successful restaurant. Good quality full service make customer satisfy and loyal also help them choose to come again to your restaurant. So how we manage this influence we strongly focus on our service quality and try to give best service to our customers. We greet them the minute they walk in the door. We use respectful titles like sir, madam and miss work well. We do not interrupt them, listen them intently and pay attention to what they want. We offer a table to sit. We thoroughly versed on our menu, ask question and repeat their orders to make sure get it right. We have well trained staff. We try to don't make them wait. We also maintain a customer card so then customers can make complain or give a review about our service, so we can control and give them a best quality full service.

# 4. Do you think restaurant atmosphere influences customer satisfaction? If so how do you manage this influence and if not why do you think so? Please explain.

Its a very important matter influence customer satisfaction. Restaurant atmosphere is another important thing to make a customer happy. Making a customer happy is key to restaurant success. Where customers choose to return to your establishments. So we are very serious about out restaurant atmosphere. We manage a beautiful atmosphere in our restaurant. We strongly reduce noise so customers can able to hold a conversation with the person sitting next to them. We placed our machinery and equipment's as far away from guests as possible. We use carpet near restrooms, near kitchen, near bar, near the Waiting room because its easy to clean and provide a sleek room for our restaurant. We have curtain on our windows so dust can't come inside. We put tablecloths on each table, keep always clean our restrooms. We installed a sound system, ambient music can help make a dining experience even better. We are adding celling tiles to help absorb noise, installed doors that separate the sounds of the kitchen with the rest of the restaurant.

# 5. Do you think restaurant location influences customer satisfaction and loyalty? If so how do you manage this influence and if not why do you think so? Please explain.

Another important thing influence customer satisfaction and loyalty. Restaurant location should be picked strategically. A good location would be great for a restaurant. You don't want to open your restaurant on the hope that someone will come. You need good traffic, when a restaurant is visible it reminds potential customers that your restaurant exists. People that are hungry on the way home from work may see your restaurant sign and stop

in to eat because its great visible. Location should be like close to highway, close to successful business and also should have parking facilities is very important. That's why we picked place for our restaurant near a good traffic and close to a successful business area.

# 6. Do you think customer satisfaction is influenced by consumer behaviour that is affected by culture, and social behaviour? Explain

Basically, culture is the part of every society and is the important cause of what a person wants and how he/she behave. The influence of culture on buying behaviour varies from country to country therefore marketers have to be very careful in analyzing the culture of different groups, regions or even country.

# 7. Do you think customer loyalty is influenced by consumer behaviour that is affected by culture and social behaviour? Explain

Customers have different roles in purchasing products and services. Here, a role is defined as the expected behaviour of an individual in a society. These roles can be as part of the consumer's family, employment, or social status, among other things. For example, the role of father can be different than the role of mother in purchasing consumer goods. Although there are many different roles that can influence how a consumer behaves, three in particular are presented here: influencers, prosumers, and personas.

#### 8. How important is customer satisfaction? Explain

If you want your restaurant to become highly profitable then it is very important that your customers are satisfied with your service.

To make your customers happy you have to do exactly what they want, have to fulfill their expectations. Then only they will return to your restaurant again. But if you don't fulfill your customers' expectations then at least you will know the areas to target to improve your services. According to the data of the National Restaurant Association, the majority of successful restaurants are successful due to their large loyal customer base. A restaurant consists of several groups of people who work as a team to fulfill a single objective i.e., to satisfy their customers.

If your services satisfy your customers, then it will increase your restaurant's profits. So, it becomes very much important for you to satisfy your customers by providing different rewards.

#### 9. How important is customer loyalty? Explain

Acquisition is top of mind for most businesses – most of their marketing budget is spent on advertising materials meant to drum up new visitors. Not to mention, new technologies such as group buying sites and consumer reviewing apps are emerging to help businesses expand their reach. However, many fail to put as much focus on customer loyalty programs.

Building and growing a restaurant or retail business is much more than just accumulating new customers — it's retaining recurring ones, too. Many businesses overlook the importance of customer retention and loyalty programs. They are able to bring increased sales, brand awareness and a sense of security during tough times. In fact, the Gartner Group reports that 20 percent of a business' existing customers generate 80 percent of its profits.

In order to bolster profitability, businesses must cultivate and care for their recurring customers, engaging them in customer loyalty programs and providing them with frequent incentives.

#### 10. What do you do to provide satisfaction to your customers?

Treat customers right, and they'll come back to your restaurant again and again.

As a restaurant manager, great customer service is essential to your success. While food quality is incredibly important, it is the experience diners have from the minute they walk in the door to the minute they exit that counts. Restaurants should remember to keep the customer's needs at the forefront of every dining experience. So, we provide a good greeting when they enter thr door. Serve and clear food from the diner's left. Serve, pour and refill drinks from the right. Never make diners feel like they want them to leave. The server's tip is not more important than the diners' comfort.

Never make our customers ask for the check. Clear plates bring the check and process it in a timely manner. Never make them wait. Fix problems immediately. Maintain a customer card. Finally give them a respectful greeting when they are leaving.

#### 11. What do you do to ensure customer loyalty?

More than 70% of customers visit a restaurant once and never go back. These one-time visitors aren't the bread and butter of successful restaurants. In fact, businesses with 40%

repeat customers generate almost 50% more revenue than competing companies with only 10% repeating customers.

Instead of relying on new guests, develop longstanding relationships with consistent clients who fill tables and help to broaden your customer base.

So we ensure give them a genuine smile, accommodate walk-ins, build a website, active on social media, supply free sparking water, give back to the community, buy local produce, keeping classic dishes alive, celebrate occasions, feature artists and musicians, adapting to allergies, adding more vegan and vegetarian option, host special events, offering takeout, maintain high quality food and tactfully respond to online complaints.