CUSTOMER SATISFACTION IN FAST FOOD INDUSTRY: A CASE STUDY OF MYSORE

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ABSTRACT

This research is focused to find what are the key success factors for fast food industry in region of Mysore District. Customer satisfaction plays a pivotal role in success of every business organization whether it is meant for a product or a service. Every business needs not only to retain its current customers but also to expand customer’s base significantly and it is possible only when target customer is fully satisfied from company on some parameters. Fast food concepts developed very rapidly in last few years in Mysore District. The objective of the study is to find out the essential factors or determinants of customers’ satisfaction in the restaurant industry of Mysore District. There are two variables discussed in this study, i.e. independent and dependent variables. Customer satisfaction in fast food industry showing dependency on service quality, Product Quality, Physical Design, Price, Customer satisfaction, Physical Environment, Taste and Promotion. The various statistical tools used to analyze the primary data were Correlation coefficients, multiple linear regressions, ANOVA, and Regression Co-efficient. Findings of the study show that service quality and physical design are the key factors for satisfaction in fast food industry in Mysore District.

Keywords: Customer satisfaction, Fastfood, service quality.

INTRODUCTION

Indian consumers’ lifestyle has immensely helped the fast food industry to mature and expand over the last few years. Other reasons like rising number of nuclear families, exposure to western cuisine and global media, growing number of working women - have had a substantial impact on the eating out trends and growth of the fast food industry. The industry experts consider that the middle class young population, with high disposable income, will spend more on eating out at chained fast food outlets. The demand for ready-to-eat packaged food is also expected to record strong growth in the country. In today’s competitive world, Service Quality has become one of the most strategic tools for measuring customer satisfaction. Customer satisfaction is actually how customer evaluates the ongoing performance (Gustafsson, Johnson and Roos, 2005). Customer satisfaction is very important in today’s business world as the ability of a service provider to create high degree of
satisfaction is crucial for product differentiation and developing a strong relationship with customers (Deng et al., 2009). Because of the above reasons the companies consider customer satisfaction as very important element while devising their core strategies. Moreover, the concept of customer satisfaction gained so much importance that American Customer Satisfaction Index (ACSI) was developed.

Qualities of brand characteristics that are offered by company determine the level of customer satisfaction. (Khan & Afshen, 2012). Customer satisfaction can be defined in terms of meeting the expectations of the customers in terms of parameters associated with satisfaction (Malik & Ghaffor, 2012).

Thorsten and Alexander (1997) found Customer satisfaction with the product and services of company as the strategic factor for competitive advantage. In the context of relationship marketing, customer satisfaction is the way that leads to long term customer retention because unsatisfied customers have very high switching rate (Lin & Wu, 2011).

“Satisfaction can be regarded as a broad principle; support good quality is a component of satisfaction” (Zeithaml and Bitner, 2003). Client satisfaction is usually defined through Oliver’s (1997) conditions: that it’s this consumer’s fulfilment result. It’s a ruling that a products or services feature, or this products or services per se, comes with a pleasurable level of intake linked fulfilment. In other words, it does not take total level of well-being that has a service /product knowledge.

Lim (2010) Customer’s ultimate satisfaction may have significant affect of atmosphere. Physical surroundings are helpful to create image in the mind of customer and to influence their behavior. Physical atmosphere of the restaurants have the significant impacts on the customers satisfaction.

Lightning, furnishing, sent, music and different other atmospheric factors among them influence on customer satisfaction.

**LITERATURE REVIEW**

**Customer Satisfaction**

According to Zairi (2000) the feeling of pleasure and expectation fulfillment is known as Satisfaction. If the product will not satisfied customer feelings they will be dissatisfied, and if product satisfied them after the use customer will be satisfied and become loyal to that product or brand. In other words customer satisfaction is goods or services which fulfill the customer expectation in terms of quality and service for which he paid. If Customer satisfaction develops they will become loyal to that product or brand and their loyalty will be good for the company in sense as a Profit. Customer satisfaction is the part of marketing and play important role in the market. In any organization satisfaction of customer is more important, because if your customer is satisfied with your services or products, your position will be good in the market. Oliver (1981) describe in his study that customer satisfaction is the part of marketing and play important role in the market. In any organization satisfaction of customer is more important, because if your customer is satisfied with your services or products, your position will be good in the market. In old times customer satisfaction was not too much important and people were not focused on quality. But now a day"s
competition is taught and customer is aware of all the products and companies due to education and learning environment and this is the reason that every business is concern to fulfill properly customers need and wants.

Huang (2011) promotions is different form of activities for attracting and getting attention of customer to purchase the product or service through personal selling, public relations, sales promotions and advertising. According to Kurniawan (2010) promotion of product or service helps in the best way to builds relationship with customers, because everyone is looking for the best suitable deal for them.

Zeithaml (1985) it is a scale with multiple items good validity and reliability, many researchers use this instrument to understand and find the service expectation and consumer’s perception for improving the service quality. The expectation of a customer is an important factor. The more service quality is near to customer expectation more satisfaction and vise versa Ayse Ozfer Ozcelik (1988).

Kurniawan (2010) branding is one of the factors which has been identified repeatedly customer choice in the selected product. Branding has impact on purchase decision of consumers. The more a brand is succeeded in their earlier period the more value for its brand can be generated.

Lim (2010) Customer's ultimate satisfaction may have significant affect of atmosphere. Physical surroundings are helpful to create image in the mind of customer and to influence their behavior. Physical atmosphere of the restaurants have the significant impacts on the customers satisfaction. Lightning, furnishing, sent, music and different other atmospheric factors among them influence on customer satisfaction.

Lim (2010) for the customer it is not necessary that a better quality can be a better taste, if customer like the taste of food he/she will be willing to pay for the it. Based on previous researches, in customer satisfaction and taste, there is a significant correlation found between them. Researchers found that Good taste of food has positive influence on customer’s satisfaction and it also increase the customer’s retention rate which is also depends upon customer’s satisfaction. Therefore, restaurants focus is on taste of the food and services that has influence on customer’s satisfaction

OBJECTIVE

The objective of the study is to find out the essential factors or determinants of customers’ satisfaction in the restaurant industry of Mysore.

HYPOTHESES OF THE STUDY

H1: Service quality is positively related with customer satisfaction.

H2: Product Quality is positively related with customer satisfaction.

H3: Physical Design is positively related with customer satisfaction.
H4: Price is positively related with customer satisfaction.

H5: Physical Environment is positively related with customer satisfaction.

H6: Taste is positively related with customer satisfaction.

H7: Promotion is positively related with customer satisfaction.

**METHODOLOGY**

The data required for the study was conducted from both primary and secondary source. The primary data was collected from the respondent using structured questionnaire. The secondary data was collected from the published journals, books, and various websites. The samples were selected by administering convenience sampling technique.

There are two variables discussed in this study, i.e. independent and dependent variables. Customer satisfaction in fast food industry showing dependency on service quality, Product Quality, Physical Design, Price, Customer satisfaction, Physical Environment, Taste, Promotion.

The Likert scale questionnaire was designed for collecting of data from the mention respondents in above mentioned Fast food restaurants. The number of respondents who were contacted was 100.

The various statistical tools used to analyze the primary data were Correlation coefficients, multiple linear regressions, ANOVA, and Regression Co-efficient.

<table>
<thead>
<tr>
<th>Table 1: Correlation coefficients</th>
</tr>
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<tbody>
<tr>
<td>S.No</td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
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<td>3</td>
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<td>6</td>
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<td>7</td>
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<tr>
<td>8</td>
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</tbody>
</table>
The above table shows the reliability of the data collected from respondents. The following scales show that the data collected from the is reliable and respondents answered accurately. Because the variables are exceeding from 70% which is the standard of acceptance for reliability.

Table 2: The following results were obtained after fitting the multiple linear regressions.

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.770</td>
<td>.585</td>
<td>.528</td>
<td>.22587</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), service quality, Product Quality, Physical Design, Price, Customer satisfaction, Physical Environment, Taste, Promotion

The adjusted R-square in the table shows that the dependent variable, (Customer Satisfaction) is affected by 52.80% by independent variables (service quality, Product Quality, Physical Design, Price, Customer satisfaction, Physical Environment, Taste, Promotion). It shows that service quality, Product Quality, Physical Design, Price, Customer satisfaction, Physical Environment, Taste, Promotion factors are responsible for customers satisfaction. The overall model was also significant, tested with the help of ANOVA. The results are given in the following table.

Table 3: ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>9.285</td>
<td>1.330</td>
<td>20.185</td>
<td>.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>5.048</td>
<td>0.58</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>14.333</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Customer satisfaction
b. (Constant), service quality, Product Quality, Physical Design, Price, Physical Environment, Taste, Promotion

ANOVA table is showing the level of significance. Through the table it is clear that all sub factors service quality, Product Quality, Physical Design, Price, Customer satisfaction, Physical Environment, Taste, Promotion are related to satisfaction and that the relationship between them is significant as compared to alpha value=0.05.
Table 4: Regression Co-efficient

<table>
<thead>
<tr>
<th></th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>1.128</td>
<td>.272</td>
<td>4.380</td>
<td>.000</td>
</tr>
<tr>
<td>Service Quality</td>
<td>.220</td>
<td>.072</td>
<td>.280</td>
<td>2.485</td>
</tr>
<tr>
<td>Product Quality</td>
<td>.148</td>
<td>.067</td>
<td>.189</td>
<td>2.280</td>
</tr>
<tr>
<td>Physical Design</td>
<td>.197</td>
<td>.077</td>
<td>.083</td>
<td>1.987</td>
</tr>
<tr>
<td>Price</td>
<td>.197</td>
<td>.077</td>
<td>.230</td>
<td>2.484</td>
</tr>
<tr>
<td>Physical Environment</td>
<td>.178</td>
<td>.078</td>
<td>.266</td>
<td>2.230</td>
</tr>
<tr>
<td>Taste</td>
<td>.105</td>
<td>.066</td>
<td>.220</td>
<td>1.580</td>
</tr>
<tr>
<td>Promotion</td>
<td>.147</td>
<td>.056</td>
<td>.180</td>
<td>1.640</td>
</tr>
</tbody>
</table>

As it clear from the table, each and every factor is significantly related to Customer satisfaction. Under the standardized coefficients it is evident that Service Quality and Physical design are the two majors and most important factor causing customer satisfaction in fast food restaurants customers of Mysore district with a standardize coefficient of 0.280 and second important variable is Price with a standardize coefficient of 0.230. The third important variable is Physical environment with a standardize coefficient of 0.266. Hence there are three main factors that are responsible in order for customer satisfaction in fast food restaurants in region of Mysore District. Other factors of the study has weak impact on customer satisfaction like promotion (b = 0.147), taste (b = 0.105). As the table shows positive values and sub factors are significant at value=0.05 it is concluded that the entire list of hypothesis is endorsed.

CONCLUSION

This study tested the model of customer satisfaction in full service restaurant industry. We can conclude that service quality, Product Quality, Physical Design, Price, Customer satisfaction, Physical Environment, Taste, and Promotion are the main factors influencing the behavior of consumers towards condescending the fast food restaurants in Mysore District. Finally we could conclude that, there is a significant positive relationship between the service quality, Product Quality, Physical Design, Price, Physical Environment, Taste, and Promotion will lead to customer satisfaction.

REFERENCES


Kandampully, K. (2002). Electronic retailing and distribution service; cyber intermediaries that serve customers and service provider.


