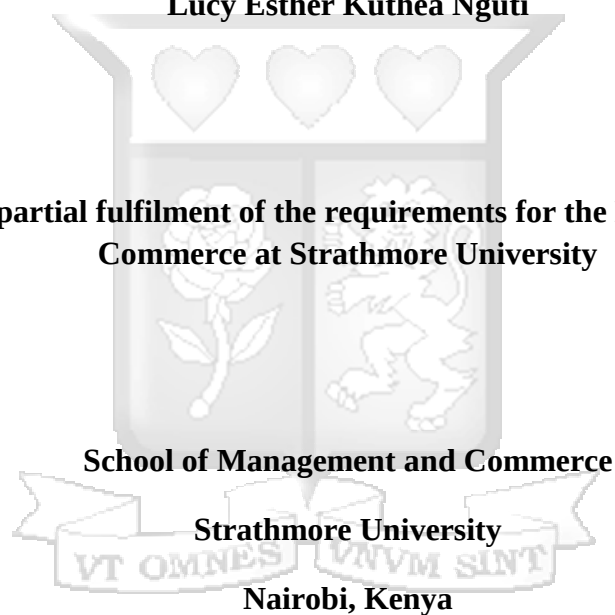


Customer Loyalty in Fast Food Foreign Franchises in Nairobi: Antecedents and Behavioural Consequences

By

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Submitted in partial fulfilment of the requirements for the Degree of Master of Commerce at Strathmore University



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Abstract

The aim of the study was to determine the levels of loyalty of the customers of the fast food foreign franchises, the factors that influence customer loyalty in fast food foreign franchises and the behavioural impact of customer loyalty in the fast food foreign franchises in Nairobi.

Using purposive sampling, data was collected from the 25th of March 2014 to the 1st of April 2014 from one hundred and fifty customers who had visited fast food franchises in Nairobi more than once. The data was analysed using descriptive statistics, linear regression analysis and correlation analysis. It was established that factors that influence customer satisfaction and trust, and by extension customer loyalty, in fast food foreign franchises in Nairobi are service quality, price, good environment, food quality and convenient location. Service quality, price fairness and good environment were critical in ensuring customer satisfaction and trust which lead to customer loyalty.

The study also established that the consequences of customer loyalty were willingness to pay more, interpersonal communication and repurchase behaviour. However, despite having a positive relationship with loyalty, the consequence of being willing to pay more only has a weak relationship with loyalty. This means that the customers may be loyal but they will still be price sensitive, thus when setting prices franchise holders will need to take that into consideration. The findings also indicated that only 40 percent of the consumers of fast food foreign franchises in Nairobi are truly loyal to their franchises of choice and were not likely to switch to other brands or establishments. However, 53 percent of the respondents exhibited spurious loyalty, which is a volatile type of loyalty. The franchise holders therefore need to handle their customers carefully since large proportions are liable to switch if dissatisfied.

Further research could focus on a comparative study in loyalty levels between local and foreign fast food franchises in Kenya since about sixty percent of the respondents indicated that they were not loyal to the foreign fast food franchises. Further research could also be conducted in other towns with foreign fast food franchises such as Mombasa.

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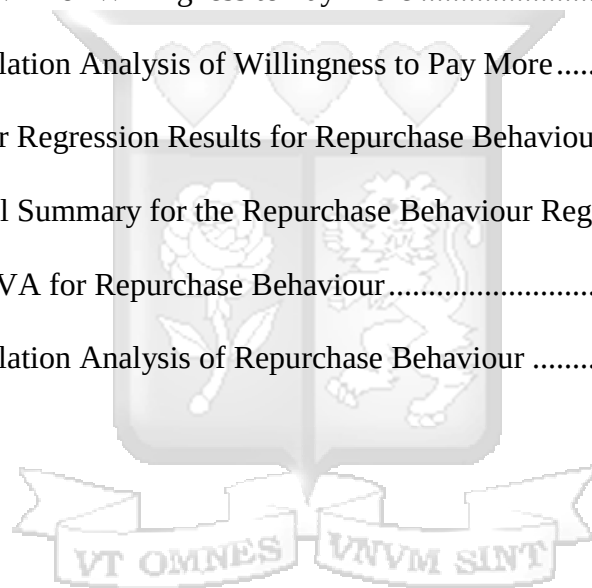
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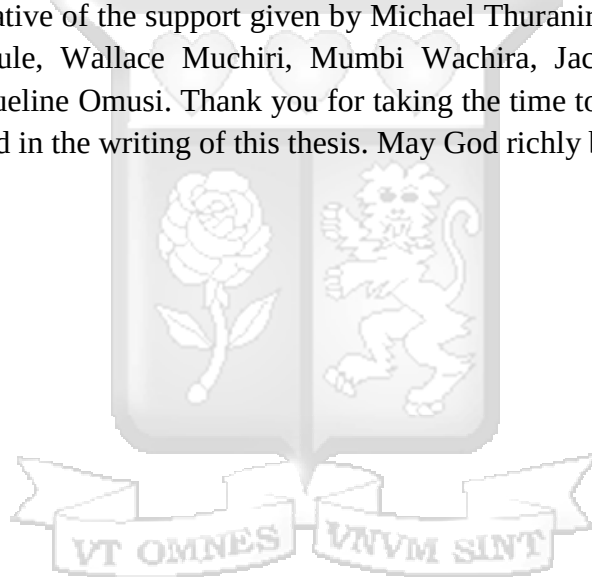
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Dedication

This thesis is dedicated to my parents, Benson and Valentine Nguti. I am so blessed to have you as my parents, mentors and friends. You have sacrificed and given so much of yourselves to raise us to be God fearing and responsible ladies. Thank you for all the support and encouragement offered all through my life and especially in these last two years. May God bless you exceedingly, abundantly and above all that you could ever ask, think or imagine.

I also dedicate this work to my sisters Mercy and Faith. I really thank God for you. You are the best sisters any person could wish for. Always Sisters, Always Friends.



CHAPTER ONE

INTRODUCTION

1.1 Background

An increase in customer awareness has been observed among many consumers in numerous markets across the globe due to the globalization of competition, saturation of markets, and development of information technology (Kumar & Ali, 2011; Olsen & Zhao, 2001). This has created a situation whereby success cannot be achieved any more via optimized product qualities and price. According to Tseng (2007), the main concern of sellers now is not only to provide quality products or services but to retain the customer for a long term and profitable relationship due to the increasingly competitive nature of the business environment. Most companies now build their success on long-term customer relationships which cannot exist without customer loyalty (Raza & Rehman, 2012).

Customer loyalty, which has been established in previous studies to be an important concept in both marketing and management activities has, been studied over the years by many people in various industries (Aksu, 2006; Haghighi, Dorosti, Rahnama, & Hoseinpour, 2012; Raza & Rehman, 2012; Reichheld & Teal, 1996). One major conclusion that has been arrived at is the positive relationship between customer loyalty and the profitability of a business (Aksu, 2006; Reichheld & Teal, 1996; Tseng, 2007).

Reichheld and Teal (1996) discussed the advantages of customer loyalty to the service provider in terms of continuous profit, reducing marketing cost, increasing per-customer revenue growth; and increasing referrals. Loyal consumers are also very important and valuable assets for a firm because there is a difference between the purchase rate of loyal and non-loyal customers (Bowen & Shoemaker, 2003). According to Aksu (2006), organizations and institutions that are successful in gaining customer loyalty have a major competitive advantage. Customer loyalty is therefore considered to be vital for the profitability, success and continuity of any establishment in the fast food industry.

1.1.1 Customer Loyalty and Fast Food Franchises

Churchill (2000) defines customer loyalty as the emotional attachment a customer feels for a company's people, products, and service. Additionally, Andreassen and Lindestad (1998) posited that customer loyalty is an intended behaviour related to the service or the company which includes the likelihood of future renewal of service contracts, the chances that the customer will change patronage, or even how probable the customer is to provide positive word- of-mouth communication. It could therefore be concluded that loyalty is comprised of both attitudinal and behavioural intentions.

Fast food establishments have begun to rely heavily on customer loyalty for survival due to the increase in competition in the market (Hyun, 2010; Olsen & Zhao, 2001; Parsa, Self, Njite, & King, 2005). Reichheld (1993) stated that power had shifted to consumers since a competitive industry provides alternatives for customers making it possible for them to select their preferred alternative from various options. Loyalty, as studies have shown, has therefore become very important because through the retention of existing consumers, it has provided a way for establishments to circumvent the never ending, difficult and expensive race of winning new consumers before the competitors do so as to survive (Aksu, 2006; Reichheld & Teal, 1996; Tseng, 2007).

A study conducted by Clark and Wood (1999) indicated that seventy one percent (71 %) of their respondents were loyal to a specific restaurant and this affected their decision on which restaurant to dine in. Nezakati, Kuan and Asgari (2011) also posited that the presence of customer loyalty plays an integral role in the survival of fast food establishments since patronage rates rise as customer loyalty increases in them. It is therefore necessary to understand the factors that influence consumer loyalty so as to be able to keep up with the competition.

Quite a number of studies have been conducted on customer loyalty in the fast food industry focusing on the different factors that influence customer loyalty such as food quality, service quality, convenient location, price fairness and good environment (Haghighi et al., 2012; Hyun, 2010; Ryu, Lee, & Kim, 2012; Soriano, 2002). Other studies focused on the measurement of loyalty and a number of studies classified their

customers into different loyalty levels (Mohammad, Barker, & Kandampully, 2005; Namkung & Jang, 2008; Skogland & Siguaw, 2004; Söderlund, 2006). The research carried out by Namkung, Jang and Choi (2011), is one of the few studies that were conducted in the fast food industry to specifically examine the consequences of customer loyalty. Most of the studies that have been conducted on the consequences of customer loyalty have been done in other industries such as the health, banking, retailing and telecommunication industries (Gremier & Brown, 1999; Kumar & Shah, 2004; Srinivasan, Anderson, & Ponnnavolu, 2002). Information on customer loyalty in the fast food industry is therefore not exhaustive.

1.1.2 Foreign Franchising in the Fast Food Industry Kenya

Kenya was listed by Siggel, Maisonneuve and Fortin (2011) as one of the eighteen countries in Africa that exhibited signs of the existence of franchising in Africa. The Kenyan franchising market is steadily growing as there are several foreign franchise companies that now exist within almost every industry in Kenya, with the majority of them being in the hospitality industry (Malinda, 2013). In the same study conducted by Malinda (2013) on behalf of the International Franchise Association, it was noted that most of the franchise outlets were in Nairobi City, however, given the establishment of the counties, it was posited that investment prospects outside Nairobi were likely to emerge in the coming years. The building of major shopping malls in leading towns in Kenya such as Mombasa, Eldoret, Kisumu, Machakos, Nyeri and Nakuru will also contribute towards the establishment of franchise outlets in those towns. This is because franchise businesses seem to have a pattern of establishing franchising outlets within major shopping malls (.ibid).

When ranked according to growth, numbers of branches and demand, the foreign franchises in the fast food industry in Kenya, are considered the most successful as compared to the other industries (Malinda, 2013). According to Gikonyo and Berndt (2011) the increase of the 'eating out trend' among the Kenyan urban population reinforces the growth in the hospitality franchise industry. The fast food restaurant industry in Kenya could also be experiencing tremendous growth due to the strong

growth of Kenya's middle class which translates to the increasing numbers of consumers and increased disposable incomes (USDA, 2012).

1.2 Problem Statement

The Kenyan franchise market has been growing since several foreign franchise companies exist within almost every industry in Kenya, with the majority being in the hospitality industry (Malinda, 2013). The growth in the hospitality franchise industry is highly supported by the increase of the 'eating out trend' among the Kenyan urban population that was reported by Gikonyo and Berndt (2011). According to Malinda (2013) the rise in foreign investment is also supported by the government of Kenya through the enactment of various regulatory reforms such as the creation of the forty seven counties.

However, the growth in the restaurant franchise industry is not sustainable since Gikonyo and Berndt (n.d.) noted that most international fast food franchises in Kenya have exited or closed down operations after being in the market for only a couple of years. Should this trend of failure in restaurant franchises in Kenya persist, then the growth being observed in the franchise industry will slow and eventually cease.

Failure in restaurants is mainly attributed to poor relationship marketing activities which consequently lead to low customer loyalty (Parsa, Self, Njite, & King, 2005). Customer loyalty is very important for the sustainability of businesses in competitive industries, and it is therefore very necessary for a business to not only understand and appreciate the impact of customer loyalty on the firm's profits or the consumer's behaviour but to also know the factors that influence customer loyalty (Kim and Chung, 2011).

Therefore, in a bid to ensure that the trend of failing restaurant franchises in Kenya is stopped or at the very least reduced, the study proposed to determine both the antecedents and the behavioural consequences or outcomes of customer loyalty as the knowledge would enable them to successfully create strategies on how to retain their customers and therefore become sustainable. Moreover, knowledge of the factors that influence customer loyalty would enable firms to build customer loyalty among their consumers,

while understanding of the consequences would enable the establishments to take maximum advantage of the benefits availed to them (Akhter, Abbasi, Ali, & Afzal, 2011; Churchill, 2000; Javalgi & Moberg, 1997; Reichheld & Teal, 1996).

1.3 Research Objectives

1. To determine the level of loyalty of customers in the fast food foreign franchises in Nairobi.
2. To examine the factors that influence customer loyalty in the fast food foreign franchises in Nairobi.
3. To examine the behavioural consequences of customer loyalty in the fast food foreign franchises in Nairobi.

1.4 Research Questions

1. What is the level of customer loyalty in fast food foreign franchises in Kenya?
2. What factors influence customer loyalty in the fast food foreign franchises in Nairobi?
3. What are the behavioural consequences of customer loyalty in fast food foreign franchises in Nairobi?

1.5 Scope of the Study

Gikonyo and Berndt (n.d.) and Malinda (2013) posited that the outlets for the foreign franchises have been opened in mostly two cities in Kenya; Nairobi and Mombasa. Nairobi city is said to have approximately ninety percent (90%) of the outlets. It was assumed that the number of outlets in a city was a reflection of the number of customers that the fast food foreign franchises in those cities had. The study therefore focused on the customers of fast food foreign franchises located in Nairobi.

1.6 Justification of the Study

The study benefits the owners of the fast food foreign franchise outlets operating in Kenya since the information gives them knowledge on the factors needed to build and strengthen customer loyalty among their patrons. Franchise holders will also know the benefits that are accrued due to customer loyalty. This understanding will enable them to

take deliberate advantage of these benefits to secure the position they wish to hold in the competitive market.

The study also provides potential investors with an understanding of the consumers' level of loyalty, the factors that influence their loyalty and the likely consequences of having loyal customers in the fast food foreign franchise industry in Kenya. This will enable them to choose the right strategy when penetrating and operating in the market thus ensuring their success.

The study is also contributing to the existing body of knowledge and providing further motivation for other academics and researchers to carry out research on franchises in the restaurant industry. More light will be shed on foreign franchising in the restaurant industry in Kenya and on customer loyalty in the fast food franchise industry.



CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews relevant literature. It is broadly divided into two sections, namely the theoretical review and the empirical review. Under the theoretical review the theories of reasoned action and socio-cultural theory are discussed. These theories form the foundation for this research. The empirical review covers previous studies on levels of customer loyalty, factors affecting customer loyalty, customer satisfaction, perceived quality and customer trust. The chapter concludes by developing a conceptual framework for the study and outlining the hypotheses to be tested.

2.2 Theoretical Review

A theoretical framework did not explicitly guide most previous research studies on customer loyalty. However, the researchers validated their findings using criteria established by previous studies. Reviewed literature showed that customer loyalty consists of both an attitudinal commitment to the relationship, such as price insensitivity, and other, more-overt loyalty behaviour, such as positive word of mouth and repeat patronage (Gremler & Brown, 1999; Haghighi et al., 2012; Kuusik & Ülikool, 2007; Srinivasan et al., 2002; Yin & Valerie, 2009).

Based on the findings that loyalty is made up of both attitude and behaviour, two theories regarding the relationship between attitude and behaviour and the behaviour of human beings were consequently identified as guiding this study. The two theories, the theory of reasoned action and the socio-cultural theory, are discussed below:

2.2.1 Theory of Reasoned Action

The theory of reasoned action was developed by Ajzen and Fishbein (1975). The theory of reasoned action is a theory on the relationship between attitude and behaviour and it holds the assumption that the best indicator of actual behaviour is behavioural intentions (BI), whose antecedents are the attitudes toward the behaviour (A) and social normative

perceptions (SN) regarding it. Social normative perceptions are defined as the social influences, such as the family members' expectations, on a person's behaviour (Ajzen, 1991). They are considered to be factors that may cause inconsistency in the relationship between behaviour and attitude if the consumer strongly considers the social normative perceptions. According to Albarracín, Johnson, Fishbein and Muellerleile (2001) social influences could discourage a consumer from purchasing a product despite him or her having a favourable attitude towards it.

Therefore, based on the theory of reasoned action, the behavioural intention of a person, which predicts his/her actual behaviour, depends on the attitudes of the person and his/her subjective norms (Fishbein & Ajzen, 1975). Miller (2002) further posited that the attitude of a person about a certain behaviour combined with the subjective norms about that behaviour, each with its own weight, will bring about a person's intention to practice, or not practice, the behaviour, which will then lead to the actual behaviour. This means that: $BI = A + SN$.

Ha (1998) conducted a study on the application of the theory of reasoned action to brand loyalty and posited that the stability and accuracy of the measurement and prediction of loyalty will increase over time if the antecedents are integrated as they are in the theory.

This study was based on this theory as one of the assumptions that was held was that the consequences of loyalty (the actual behaviour) was measured using the behavioural intentions of the respondents. Their attitudes towards behaviour depicting loyalty or lack of loyalty towards fast food foreign franchises lead us to a measure of the consequences of loyalty.

2.2.2 Socio-Cultural Theory

Veblen (1899) posited that a human being is primarily a social animal and his wants and behaviour are largely influenced by the group of which he is a member and the groups that he aspires to belong to. He argued that people have a tendency to fit in a society in spite of their personal likes and dislikes. Culture, sub culture, social classes, reference groups and family are the different factor groups that influence buyer behaviour.

The socio-cultural theory highly informs the concept of interpersonal or word of mouth communication among consumers. According to Churchill (2000), people are likely to try out the services of a firm and develop a greater affinity to the organization based on the recommendation of a friend rather than some form of advertising or promotion. The society therefore has great influence in the purchase behaviour of a consumer.

The measuring of loyalty in this study was also partly founded on this theory. Loyalty among the respondents was measured using three elements, one of which was the societal influence. This social cultural theory was therefore one of the theories that underpinned this study.

2.3 Empirical Review

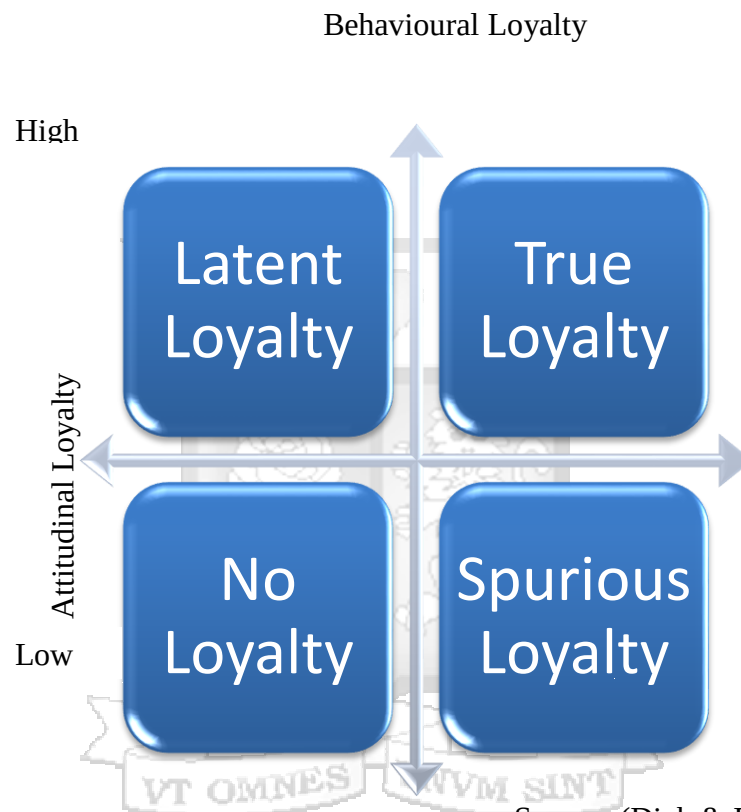
The fast food industry in particular is growing at an increasing rate due to changes in lifestyle and globalization (Kumar & Ali, 2011). This has consequently drawn very many investors to the industry and an upsurge in the number of restaurants has been noted all over the world (Nezakati et al., 2011). This makes it necessary for the executives running the various restaurants to re-evaluate their strategies and try to increase customer loyalty among their clientele so as to survive. According to Raza and Rehman (2012) when operating in a hyper competitive market and it is essential to have long term, profitable relationships with the customers and to ensure that the customers achieve the ultimate level of loyalty.

2.3.1 Levels of loyalty

Dick and Basu (1994) posited that there are two factors that make up customer loyalty, the attitudinal and the behavioural factors. The behavioural factors refer to the revealed behaviour of a consumer, while the attitudinal factors refer to strong attitudes or positive beliefs that lead to a relationship with the brand (Uncles, Dowling, & Hammond, 2003). The different factors enable one to categorise customers as either behaviourally or emotionally loyal. Behaviourally loyal customers typically act loyal but have no emotional bond with the brand or the supplier whereas emotionally loyal customers do (Kuusik & Ülikool, 2007).

The two loyalty factors can therefore be combined to form four levels of loyalty which are usually represented in a high-low matrix as suggested by Dick and Basu (1994).

Figure 2.1: Levels of Loyalty



Source: (Dick & Basu, 1994. p. 101).

True loyalty consists of both high levels of attitudinal and behavioural loyalty; it is the most preferred level of loyalty by firms. Baloglu (2002) stated that customers said to have high or true loyalty usually patronize a particular establishment or brand and are least vulnerable to competitive offerings. Latent loyalty on the other hand is comprised of high attitudinal loyalty and low behavioural loyalty. Their low purchase behaviour could be attributed to the consumers' inability to afford the company's product. It could also be due to inaccessibility of the product (Dick & Basu, 1994).

Spurious loyalty is comprised of low attitudinal loyalty and high behavioural loyalty. A consumer may exhibit repeat purchasing behaviour but is not emotionally attached to the brand. Convenience, habitual buying, lack of alternatives or even financial incentives could be the only reason for this. No loyalty, a state said to be unfavourable to firms, is made up of low attitudinal loyalty and low behavioural loyalty (Dick & Basu, 1994).

However, upon conducting a study on the application of the theory of reasoned action in the measurement of brand loyalty, Ha (1998) posited that to get a dependable and effective measure of loyalty, one needs to consider the subjective norm in addition to the attitudes and the purchasing behaviour portrayed by the consumers. When the three elements are integrated they form eight combinations that make it possible to quickly and easily determine those that are truly loyal, not loyal at all and those that are spuriously loyal. The three elements are said to form what is called a unit brand loyalty. This is because each of the elements influences the level of loyalty in a person. This can be illustrated by the case in which a consumer holds an unfavourable attitude towards the purchase of a product the consumer may still go ahead to purchase it. In this case, the attitude of the consumer is considered to be not loyal while the purchasing behaviour is loyal. It is therefore possible to determine the specific element that needs to be strengthened so as to increase loyalty (Ha, 1998). The eight combinations are represented in Table 2.1.



Table 2.1: Unit Brand Loyalty

Combinations	Attitude	Subjective Norms	Purchasing Behaviour
1	Loyal	Loyal	Loyal
2	Loyal	Loyal	Unloyal
3	Loyal	Unloyal	Loyal
4	Loyal	Unloyal	Unloyal
5	Unloyal	Loyal	Loyal
6	Unloyal	Loyal	Unloyal
7	Unloyal	Unloyal	Loyal
8	Unloyal	Unloyal	Unloyal

Source: (Ha, 1998. p. 54).

Ha (1998) noted that combination one (1) has the highest level of unit brand loyalty since loyalty is present in all three elements which are attitude, behaviour and social normative perceptions. Customers that will have loyalty that will be ranked at this level will be the most loyal and the least likely to switch brands.

Combination two and seven (2 & 7) are likely not to remain in that level for long. In combination two (2) the consumer will likely become loyal since he or she exhibits loyalty in both attitude and social normative perception. The two elements will strongly influence the consumer into loyal buying behaviour. However, a consumer exhibiting the unit brand loyalty of combination seven (7) will soon become unloyal due to the influence of the two elements; attitude and social normative perception (Ha, 1998).

Combination three, four, five and six (3,4,5 & 6) according to Ha (1998) reflect the conflict that exists, between the attitude of the buyer and the social influences they are subject to, and this will eventually result in either loyal or unloyal behaviour. These

combinations form highly volatile customer loyalty. This type of conflict significantly reduces the level of unit brand loyalty in consumers. Combination three and four (3 & 4) have a high level of attitudinal loyalty while the social normative perception is considered unloyal. This would mean that consumers that fall in this level are strongly discouraged by social influences such as their family and friends from being loyal. However in combination five and six (5 & 6) the social influences are encouraging the consumers at this level to be loyal to a product that they have a bad attitude towards (Ha, 1998).

Combination 8 has the lowest level of unit brand loyalty since loyalty is absent in all three elements. Ha (1998) noted that customers that have no loyalty will be classified at this level. They are the most likely to switch.

2.3.2 Customer Satisfaction

Customer satisfaction is considered to be one of the best ways in which a firm can gain competitive advantage in a market (Raza & Rehman, 2012). Parasuraman et al. (1988) posited that the common dimensions of satisfaction with a service include service quality, product quality, price, and convenient location. The scholars went on to posit that service quality is one of the most important factors used to determine the overall satisfaction of consumers and their repeat purchasing behaviour in service industries. In the restaurant industry, it has been stated by Hyun (2010) and Haghighi et al. (2012) that food quality, service quality, price, convenient location, and good environment are the factors that influence customer satisfaction the most.

Andaleeb and Conway (2006) also attempted to define and posited that it is a consumers' overall fulfillment with a product or service. Fulfillment or satisfaction is said to be highly dependent on the expectation levels of a consumer since it is only achieved when the consumers' expectations are met or surpassed by the service performance of the firm (Parasuraman, Berry, & Zeithaml, 1991). This makes it imperative for firms to understand the expectations of the consumers they target. Therefore, when measuring the overall satisfaction of a consumer some of the aspects that can be used is the meeting of all the expectations of the consumers, contentment of the consumer with the entire

service experience, the willingness of the consumer to conduct repeat purchases and to recommend the restaurant to others (Andaleeb & Conway, 2006; Skogland & Siguaw, 2004).

2.3.3 Relationship between Customer Satisfaction and Customer Loyalty

Skogland and Siguaw (2004) posited that satisfaction is a weak predictor of customer loyalty stating that, though it is true that loyal customers are often satisfied, not all satisfied customers are loyal. Bowen and Shoemaker (2003) upon conducting a study in the hotel industry also posited that satisfaction does not always translate into loyalty. Some of the reason for this could be totally unrelated to either satisfaction or loyalty. They went on to illustrate this by stating that tourists that do not regularly visit a place, cannot be loyal to a specific establishment simply because they never visit the area again.

Baumann, Elliott and Burton (2012) posited that despite there being a very strong relationship between customer satisfaction and the long term behavioural intentions of the customers in the retail banks, the relationship is non-linear. This is because there are high correlations at high satisfaction levels, but low correlations at low satisfaction levels. This means that customers who are very satisfied with the banking services have a very high level of intention to remain with their bank in the long run. However, customers who are very dissatisfied are nearly equally likely to defect. Complete satisfaction is said by Jones and Sasser (1995) to be key in securing customer loyalty, thus if customers are not completely satisfied there is a chance that they will defect. However, they went on to state that higher levels of customer satisfaction do not necessarily mean that there are consequently higher probabilities of repeat purchase of products or services.

However numerous researchers have found a strong relationship between satisfaction and loyalty (Andreassen & Lindestad, 1998; Hallowell, 1996; Kuusik & Ülikool, 2007; Olsen, 2002). Customer satisfaction is considered to be one of the most important results of marketing activities since it ensures that the company increases its market share and expands, it ensures that repeat and referral business is acquired (Kandampully & Suhartanto, 2000). A study conducted by Kabir, Alam and Alam (2009) in the Mobile Telecommunication Industry in Bangladesh indicated that customer satisfaction has

significant effect on the increase of market share and mobile telecommunication operation. Similarly, in the retail banking industry, Hallowell (1996) determined that customer satisfaction has significant positive influence on the increase in profits and on word of mouth communication. Therefore, it can be surmised that there is a very significant link between customer satisfaction and customer loyalty.

2.3.4 Customer Trust

Reichheld and Teal (1996) stated that repeat customers provide the firm with continuous profit thus long term relationships with them are key to the firm's long-term success and efforts should be made to create and maintain them. These relationships should be formed based on trust between a seller and its customers so as to ensure their longevity (Bowen & Shoemaker, 2003; Morgan & Hunt, 1994). Trust not only preserves the relationship between the buyer and the seller, but it also enables the consumers to resist short-term alternatives from competitors that seem very attractive in favour of the expected long-term benefits of staying with existing partners. Consumers could also become risk averse as they begin to view actions that could be very risky as being prudent because of the belief that the vendors will act in their favour and not opportunistically (Aydin & Özer, 2005).

Anderson and Weitz (1989) defined trust as a party's belief that its needs will be satisfied by the future actions of the other party. Trust is said to provide confidence in the reliability and integrity of a firm and therefore comfort to customers, consequently improving the efficiency and effectiveness of communication when relating to them (Anderson & Weitz, 1989; Ball, Coelho, & Machás, 2004; Morgan & Hunt, 1994).

Morgan and Hunt (1994) stated that trust plays an important role in influencing relationship commitment and therefore customer loyalty. Consequently, when customers trust a product or service, they are likely to form positive buying intentions towards the product or service since the likelihood of one party forming some type of positive behavioural aims towards another party is high if trust exists between them (Aydin & Özer, 2005).

2.3.5 Relationship between Customer Trust and Customer Loyalty

The importance of trust in explaining loyalty is supported by many researchers (Aksu, 2006; Namkung & Jang, 2008; Ryu et al., 2012; Wong & Sohal, 2003). Bowen and Shoemaker (2003) when conducting a study in the hotel industry noted that one of the major elements of loyalty is trust. Thus, for a consumer to be loyal, the hotel establishment should behave in a reliable fashion. Reliability was stated in the same study to be a key dimension of trust especially because it would not be easy for competitors to imitate it.

Hyun (2010) conducted a study on the predictors of customer loyalty in the chain restaurant industry and posited that trust is a key influencer to the formation of loyalty. This positive effect of trust on customer loyalty has been observed in other industries other than the hospitality. A study in Turkish mobile telecommunication industry by Aydin and Özer (2005) concluded that trust was the most important determinant of loyalty among their employees. Churchill (2000) also posited that trust is a key component of customer loyalty which, he states, needs to be earned. Edvardsson, Johnson, Gustafsson and Strandvik (2000) also stated that loyalty in the service industry needs to be earned, unlike in the product industry whereby the firm can simply lower its prices to retain its customers. Thus, when clients trust the employees handling them, they are more likely to come back.

2.3.6 Factors that influence customer loyalty

Very many studies have been conducted on customer loyalty in various industries and countries (Akhter et al., 2011; Aksu, 2006; Andreassen & Lindestad, 1998; Kabir et al., 2009; Stock & Zacharias, 2013; Wong & Sohal, 2003). Different authors have approached this concept from different perspectives. Some sought to simply determine the definition of the term ‘customer loyalty’ and to develop a conceptual framework for it (Dick & Basu, 1994; East, Gendall, Hammond, & Lomax, 2005). Others studied the influence of customer loyalty on the profits of a firm and its survival in a competitive market (Churchill, 2000; Liao & Chuang, 2004; Reichheld & Teal, 1996; Reinartz & Kumar, 2002).

Some researchers sought to understand the factors that influence consumer loyalty in various industries. For example, Baumann, Elliott and BurtoHn (2012) focused on one factor, customer satisfaction, and examined its association with customer loyalty in retail banking. Srinivasan, Anderson and Ponnaolu (2002) conducted a study of customer loyalty in e-commerce and were able to identify eight factors (the 8Cs—customization, contact interactivity, care, community, convenience, cultivation, choice, and character) that influence customer loyalty.

Another study was undertaken to study the influence of various factors on customer loyalty of the customers of Estonia's biggest telecommunication company. The results reveal that four analysed factors affecting customer loyalty (satisfaction, trustworthiness, image and importance of relationship) were playing different roles on the different levels of customer loyalty (Kuusik & Ülikool, 2007).

In the restaurant industry, studies have been conducted on the factors that affect customer loyalty and different factors were discussed by different researchers. Nezakati et al. (2011) conducted a study on factors that influence customer loyalty in fast food restaurants in Malaysia and determined that product quality, customer satisfaction and brand trust are the major factors that influence customer loyalty. The findings of a study that Clark and Wood (1999) carried out in the United Kingdom suggested that the quality and type of food are key determinants in consumer loyalty. Similarly, in another study carried out in Spain by Soriano (2002) quality of food was also ranked as the most important attribute.

Hyun (2010) in a study on the determinants of customer loyalty in the restaurant industry focused on five specific factors (food quality, service quality, price, convenient location, and good environment) since they were widely accepted (Haghighi et al., 2012; Soriano, 2002; Zeithaml, Berry, & Parasuraman, 1996). Consequently the factors that this study focused on to determine the underlying reasons of a customer revisiting a fast food establishment were food quality, service quality, price fairness, convenient location, and good environment of the restaurant.

Quality of Food

Customers need good reasons to return to an establishment and food quality has already been rated by some scholars as the most important attribute that influences customer loyalty in the restaurant industry (Clark & Wood, 1999; Haghighi et al., 2012; Namkung & Jang, 2008; Soriano, 2002). Hyun (2010) and Haghighi et al. (2012) are some of the scholars of restaurant marketing that have stated that food quality influences both customer satisfaction and customer trust and consequently customer loyalty. Taste, presentation, temperature and fresh ingredients have been suggested as aspects of food quality evaluations (Hyun, 2010; Namkung & Jang, 2008; Soriano, 2002).

Service Quality

Parasuraman, Zeithaml and Berry (1988) devised a multi-item scale called SERVQUAL that is made up of five dimensions, reliability, empathy, tangibles, responsiveness and assurance, for measuring of service quality. The researchers defined *reliability* as being capable to deliver the agreed upon services accurately and dependably. *Empathy* was defined as the giving of individual and caring attention to the consumers, while *responsiveness* was defined as the provision of prompt service and the willingness to help others. Additionally, assurance was defined as the degree of knowledge and courtesy that the employees possess as well as their ability to engender confidence in the customer.

In a study conducted by Namkung and Jang (2008) in the restaurant industry, the SERVQUAL tool was customized to suit the restaurant industry and the following aspects were used to measure service quality; willingness to help customers, having adequate knowledge to answer questions asked by customers, serving the meal at the promised time and having the customers' best interests at heart are aspects that were used to measure service quality in restaurants. These factors were therefore used in the assessment of service quality since they were specifically customized for the restaurant industry.

A number of researchers have claimed that service quality is a critical factor that influences consumers in the restaurant industry and it arises from the comparison that

customers make between their expectations and perceptions of the delivered performance (Haghighi et al., 2012; Soriano, 2002). Service quality has essentially been considered to be a key attribute that influences customer satisfaction and a key determinant of trust and consequently customer loyalty (Hessamaldin, 2008; Hu, Cheng, Chiu, & Hong, 2011; Oyewole, 1999; Zeithaml et al., 1996).

Price Fairness

Akbay, Tiryaki and Gul (2007) posited that price fairness significantly impacts the frequency of the consumption of fast food. Restaurants need to offer value in order to gain competitive advantage in the market since great food and service is not considered adequate to attract and retain customers (Soriano, 2002). Therefore, when measuring the fairness of price the two aspects that were considered were the fairness of the prices set when compared with the competitors and fairness of the prices based on the expectations of the market (Andaleeb & Conway, 2006; Hyun, 2010).

It has been posited by Andaleeb and Conway (2006) that pricing of restaurant services and items should vary according to the quality of food and service being offered. Thus, the restaurant needs to provide food and service of high quality to charge the consumers high prices, or else the consumers will feel defrauded. Customers are consequently going to be highly dissatisfied and they will not trust the restaurant if they believe that they have been overcharged (Hyun, 2010).

Good Environment

The environment is a factor that could positively influence customer satisfaction because while assessing the restaurant services, the physical place of delivery is likely to be one of the factors that will be considered (Andaleeb & Conway, 2006; Hyun, 2010). Upon analyzing the satisfaction levels of approximately 290 respondents, Namkung and Jang (2008) posited that environmental factors, specifically the aspects of attractive interior design, pleasant music and ample space positively influence customer satisfaction.

Convenient Location

Haghighi et al. (2012) posited that the convenience of the physical location of a restaurant has an impact on the satisfaction of the consumers. Restaurant patrons prefer to dine in restaurants that are accessible or conveniently located (Soriano, 2002). Thus when selecting the restaurant in which to dine in, consumers are said to place a lot of importance on the convenience of the location. When conducting a study on customer loyalty in the restaurant industry in the United Kingdom, Clark and Wood (1999) determined that the presence of parking facilities was an aspect that also contributed towards the selection of the restaurant.

2.3.7 Consequences of Customer Loyalty

Loyalty marketing has turned out to be a particularly important area for research and practice in services over the last few years (Edvardsson et al., 2000; Hu et al., 2011; Javalgi & Moberg, 1997). Reichheld (1993) posited that due to the overpopulation and hyper-competition in markets, service vendors have shifted the emphasis in their marketing strategies from customer attainment to customer retention, which is another term for loyalty, in many industries.

Customer loyalty has attracted research interest and researchers such as Baloglu (2002) and Dick and Basu (1994), have particularly examined theoretical and conceptual underpinnings of customer loyalty. There are also quite a number of scientific articles on potential antecedents of customer loyalty (Aydin & Özer, 2005; Haghighi et al., 2012; Hyun, 2010; Kabir et al., 2009; Srinivasan et al., 2002). In addition, much research has been conducted to investigate the various outcomes of customer loyalty. However so many of these studies have focused on the monetary benefits while few have discussed the behavioural outcomes of customer loyalty (Bowen & Shoemaker, 2003; Edvardsson et al., 2000; Kumar & Shah, 2004; Reichheld & Teal, 1996). Some of the key consequences of customer loyalty, however, have been word of mouth communication, repeat purchases, and willingness to pay more. These are discussed below:

Interpersonal Communication

Arndt (1967) being one of the first to conduct studies on Word of Mouth Communications defined it as inter-personal, oral communication concerning a product, service or brand between a perceived non-commercial speaker and a listener. However, with the advent of Social Media, interpersonal communication is now taking place within the online community despite the interaction not being face to face, and it is considered even more effective than offline interactions due to the ease with which more people can be reached via the internet (Brown, Broderick, & Lee, 2007). This type of communication was also defined by Westbrook (1987) as informal communication by a consumer to other consumers concerning the proprietorship, usage and attributes of specific goods, service and their retailers. It is considered a benefit by most establishments if the communication is of a positive nature since it reduces significantly on costs associated with client acquisitions, especially because it is done for free (Churchill, 2000).

Moreover, it was also established by Churchill (2000) that people are likely to try out the services of a firm based on the recommendation of a friend rather than some form of advertising or promotion. The customers are also very likely to develop a greater affinity to the organization if it was recommended to them, and this will ensure that they too will refer others, creating a continuous cycle of referrals and retention.

Dick and Basu (1994) stated that loyal customers are more likely to provide positive information about an establishment. They went on to state that there were few studies investigating the influence of loyalty on consumers' interpersonal communication. Almost two decades later there are still few studies which have specifically studied the unidirectional impact of loyalty on interpersonal communications between consumers (Carpenter & Fairhurst, 2005; Matos & Rossi, 2008; Wirtz & Chew, 2002).

Customer loyalty is considered to be one of the antecedents of interpersonal communications between customers since it is posited that when customers are loyal they are more likely to give positive recommendations of the company and its products to their

friends and relatives and strongly resist overtures by the company's competitors (Dick & Basu, 1994; Zeithaml et al., 1996).

Repeat Purchase Behaviour

Repeat purchasing behaviour is the consistent purchasing of a product or patronage of a service from a specific establishment. The willingness to continue to conduct business with a particular supplier is an outcome that is highly sought by most establishments since this eventually leads to sustained profits (Mulhern, 1999). Zeithaml et al. (1996) posited that more repeat purchase behaviour observed as the relationship between the customers and the establishment gets older. Consequently, the customers that remain with a firm for long do so because they are loyal and they are more likely to purchase additional services as compared to short-term customers.

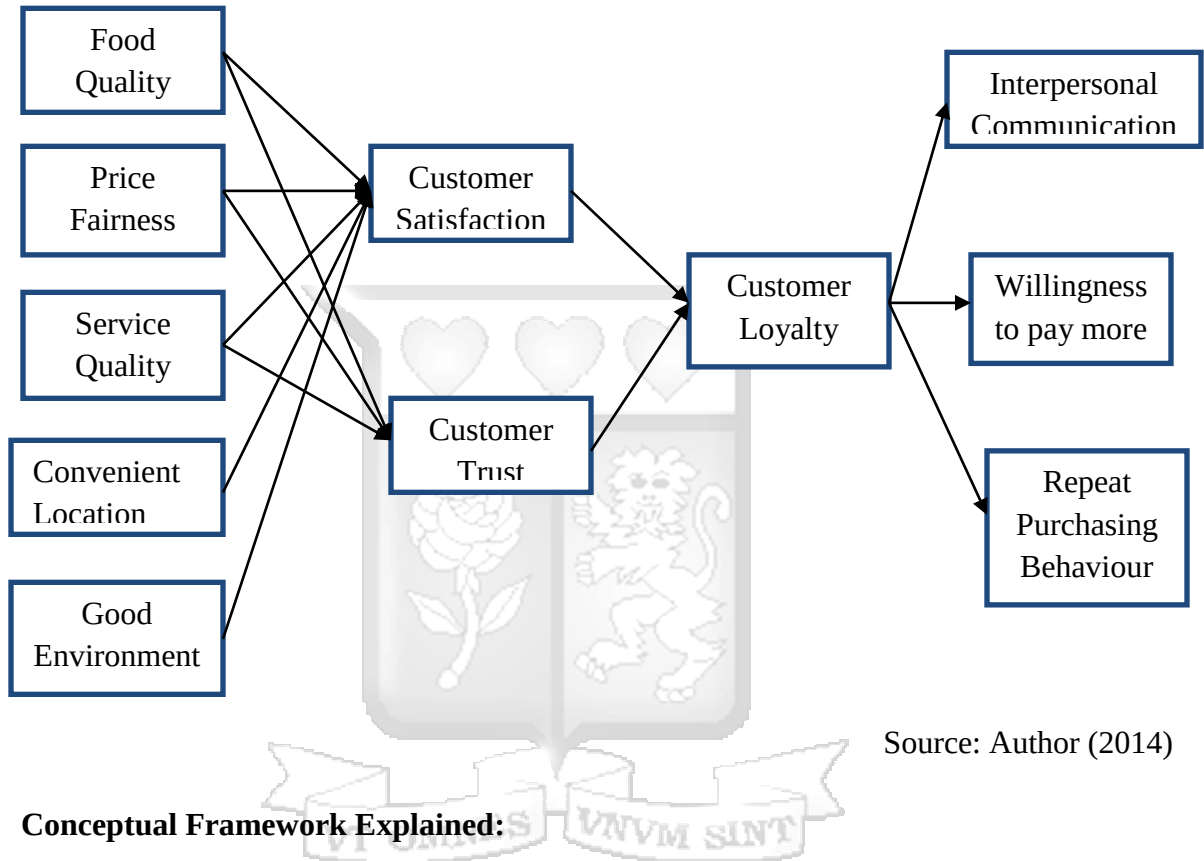
Willingness to pay more

The willingness to pay more refers to the amount of monetary value that a consumer assigns to a consumption or service (Homburg, Koschate, & Hoyer, 2005). It is therefore the maximum amount of money that a customer is willing to spend for a product or service. Zeithaml et al. (1996) posited that loyal customers value highly the relationship they have with the firm thus the establishment may charge more for their goods and services as compared to their competitors and still maintain their consumers. Thus loyal customers are said to purchase the same brands no matter what odds they face and no matter what they are charged. Thus, the more loyal a customer is, the more willing they will be to pay more as compared to a non-loyal customer.

2.4 Conceptual Framework

Figure 2.2 below illustrates the conceptual framework for this study, that was partially adapted from Hyun's (2010) model.

Figure 2.2: The Conceptual Framework



Conceptual Framework Explained:

The conceptual framework, Figure 2.2 above is based on the literature that has been reviewed. Food quality, service quality and price fairness have a positive relationship with both customer satisfaction and trust. Convenient location and good environment however, have a positive relationship with customer satisfaction only. Customer satisfaction and customer trust both have a positive influence on customer loyalty. Customer loyalty is said to have a positive relationship with the behavioural outcomes which are interpersonal communication (telling others about the experience), willingness to pay more and repeat purchase behaviour. These factors were measured in the following way:

Table 2.2: Measures for the variables

Factors that influence/Consequences of Loyalty	Measures used in the study	References
Food quality	The customers' perceptions on the taste, presentation, temperature and the extent of fresh ingredients used in preparing the food was measured using differential scale type questions.	Hyun (2010); Namkung and Jang (2008); Soriano (2002)
Service quality	Using differential type questions service quality was measured using the perception of the customers concerning the restaurants' employees' willingness to help customers, the restaurants' employees' knowledge, the serving of the meal at the promised time and the customers' perception that the restaurant has their best interests at heart.	Namkung and Jang (2008); Parasuraman et al. (1988)
Price Fairness	Fairness of the prices was measured using differential scale type questions that measured the perception of the customers concerning the fairness of prices charged when compared to competitors and also the customers' perception of price fairness when prices are compared with the services or products being sold.	Andaleeb and Conway (2006); Hyun (2010)

Good Environment	The goodness of the environment was measured using differential scale type questions that measured the customers' perception of attractive interior design , pleasant music and ample space of the fast food foreign franchise.	Namkung and Jang (2008)
Convenient Location	The convenience of the location was measured using differential scale type questions that measured the customers' perception of the availability of parking facilities and the convenience of the physical location of the restaurant.	Clark and Wood (1999); Soriano (2002)
Satisfaction	Satisfaction was measured using differential scale type questions that measured the willingness of the consumer to conduct repeat purchases, the perception of the consumers concerning the meeting of their expectations, the contentment of the consumer with the entire service experience and the willingness to recommend the restaurant to others.	Andaleeb and Conway (2006); Skogland and Siguaw (2004)
Trust	Trust was measured using the consumers perceptions concerning the employees willingness to put the interests of the customers' first, the honesty and reliability of the employees and the fair pricing of the products and services.	Hyun (2010); Morgan and Hunt (1994); Parasuraman et al. (1991)

Customer loyalty	Customer loyalty was measured using the attitudes of the consumer, the repeat purchasing behaviour intentions and the opinions of the customers' reference groups. Differential scale type questions were used.	Ha (1998); Kuusik and Ülikool (2007); Skogland and Siguaw (2004)
Interpersonal Communication	Interpersonal communication was measured by the consumers' willingness to make recommendations to friends and family and anyone who seeks their advice on which restaurant to try. Provision of encouragement by the customer to friends and relatives to dine at the restaurant, talking positively about the restaurant with other people and the putting up positive updates about the restaurant on the social networking sites (Facebook, Twitter, Myspace .etc) the customer is on. Differential scale type questions were used.	Brown et al. (2007); Churchill (2000); Zeithaml et al. (1996)
Willingness to pay more	Willingness to pay more was measured using the consumers' willingness to pay a higher price relative to the competitors' for the same set of benefits. Differential scale type questions were used.	Skogland and Siguaw (2004); Zeithaml et al. (1996).

Repeat purchase behaviour	Repeat purchase behaviour was measured using the customers' intention to purchase additional items in the future from the restaurant and the intention to continue purchasing food and using the services of the restaurant for a long time to come. Differential scale type questions were used.	Zeithaml et al. (1996)
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CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the methodology that was used in the research. The first section describes the research design that was used for this research. The second section discusses the target population and sampling procedure, while the third section explains how the data was collected and measured. The method of data analysis that was used is described in the fourth section. Research quality, which is reliability and validity of the study, is discussed in the next section. Ethical considerations taken are then presented and the last section discusses the limitations of the study.

3.2 Research Design

The research design that was used was descriptive research design. The researcher sought to confirm the relationship between customer loyalty and several other variables such as customer satisfaction and trust. The outcomes of customer loyalty such as repeat purchasing behaviour, price sensitivity and positive interpersonal communications regarding the restaurant were also measured and their relationship with customer loyalty was also determined. This was in line with Myers' (1997) posit that the nature of a research problem is expected to guide the type of methodology that is to be used. Previous research on customer loyalty was conducted using a descriptive research design (Hyun, 2010; Namkung & Jang, 2009; Soriano, 2002). This study was therefore descriptive in nature.

The study was also correlational in nature as it sought to determine the relationship between the variables and the direction and strength of that relationship.

3.3 Population and Sampling

The population of interest consisted of customers of the fast food foreign franchises in Nairobi. The unit of analysis was the customers of the fast food foreign franchise branches in Nairobi. Convenience and purposive sampling was used to select the sample as no sampling frame was available.

3.4 Data Collection

The main data collection tool for this study was a questionnaire, which was defined by Creswell (2002) as a set of questions, either closed-ended, open-ended or both, that could be distributed to respondents on paper or by using the internet.

The survey was conducted for seven days, during the weekdays and a weekend, to ensure that the sample was representative. Data was collected over a period of seven days. Questionnaires were administered by the researcher during the weekdays and the weekend, to ensure that the sample was representative. The customers were approached in areas that had branches of the fast food foreign franchise restaurants located within it. These areas were Westlands area, the Central Business District (CBD), along Mombasa Road, along Lang'ata road and along Thika Road. The questionnaire started with a screening question intended to determine if the respondent had eaten in a foreign fast food franchise. If they had not, they were excluded from the study. A sample size of one hundred and fifty customers was used.

The questionnaire was divided into four sections. Section A was designed to collect the demographic details of the respondents. Section B contained questions whose responses were used to determine the level of customer loyalty thus meet the first objective of the study. Section C contained statements that were analysed to determine the factors that affect loyalty which was the second objective of the study while Section D covered the third objective as it sought to determine the behavioural consequences to customers' loyalty. The questionnaire items for section B,C and D were adapted from previous studies (Haghighi et al., 2012; Hyun, 2010; Namkung & Jang, 2008; Zeithaml et al., 1996).

All items were assessed on a 7-point semantic differential-type scales that had two bipolar statements at each end. Due to the scale used the questionnaire was administered to the respondents by the researcher and two research assistants. The questionnaire found in Appendix B was accompanied by a cover letter (Appendix A). The respondents were approached in the selected geographical areas and requested to participate in the study.

3.5 Data Analysis

The data collected were initially checked for completeness and errors in the entries. It was then analysed using Statistical Program for Social Sciences. Responses to the demographic section of the questionnaire were analysed using descriptive statistics of mean and standard deviation.

The variables for objective one were first analysed using descriptive statistics of mean and standard deviation. Total weighted scores were then computed for attitude variables, purchase behaviour variables and subjective norm variables. Using Statistical Program for Social Sciences (SPSS) different combinations for the three variables (attitude variables, purchase behaviour variables and subjective norm variables) were selected, segregated and classified using formulae under the different combinations that were posited by Ha (1998). The cases that fit the different combinations were selected and segregated into different datasets in SPSS. For example, the formula that was used to segregate the cases that were to be classified under combination one was:

Attitude >0

&

Subjective Norm >0

&

Purchasing Behaviour >0

The variables for objectives two and three were first analysed using descriptive statistics of mean and standard deviation. Confirmatory statistical tests were then conducted by running linear regressions on the variables for objective two and Pearson correlation analyses on the variables for objective three. The results were presented in tables. The data that was analysed had the significance of the relationships among the variables also tested. Below are the regression models that were used:

a) Regression Model that has Satisfaction as the dependent variable.

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \varepsilon \quad \text{Where:}$$

Y = The dependent variable (Satisfaction)

α - Is a constant

$\beta_1 \beta_2 \beta_3 \beta_4 \beta_5$ - Are constant regression coefficients

X_1 = Food Quality

X_2 = Service Quality

X_3 = Price

X_4 = Good Environment

X_5 = Convenient Location

ε - (Extraneous) Error term

b) Regression Model that has Trust as the dependent variable.

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon \quad \text{Where:}$$

Y = the dependent variable (Trust)

α - Is a constant

$\beta_1 \beta_2 \beta_3$ - Are constant regression coefficients

X_6 = Food Quality

X_7 = Service Quality

X_8 = Price Fairness

ε - (Extraneous) Error term

c) Regression Model that has Loyalty as the dependent variable.

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \varepsilon \text{ Where:}$$

Y = the dependent variable (Loyalty)

α - Is a constant

$\beta_1 \beta_2$ - Are constant regression coefficients

X_9 = Satisfaction

X_{10} = Trust

ε - (Extraneous) Error term

3.6 Research Quality

The aspects of reliability and validity were considered while undertaking this study.

3.6.1 Reliability

Reliability as defined by Phelan and Wren (2005) is the extent to which a measurement tool provides consistent and stable outcomes. Gliem and Gliem (2003) posited that it is very important to calculate and consequently report the Cronbach's alpha, which normally ranges between zero and one, when using a questionnaire that is made up of Likert-type scales, or differential scales so as to ensure that there is reliability. The Cronbach's alpha reliability coefficient is based upon the formula: $rk/[1+(k-1)r]$ where k stand for the number of items that are being considered in the measurement of a variable and r is the mean of the correlations of the items (Cronbach, 1951).

Table 3.1: Reliability Statistics for the questionnaire

Cronbach's Alpha	N of Items
.930	47

The Cronbach's alpha was consequently estimated to assess the reliability of the measurement scales (Haghighi et al., 2012; Hyun, 2010). Based on the findings contained in table 3.1 the alpha values were 0.93 which was above the acceptable

threshold of 0.7. The measurement scales were therefore considered to be reliable (George & Mallery, 2003).

3.6.2 Validity of the Study

Validity was defined by Winter (2000) as the extent to which a variable measures what it is supposed to measure. Campbell (1986) posited that validity could be categorized into internal validity and external validity. The scholar went on to define internal validity as the extent to which a scholar can conclude that there is a causal relationship between two or more variables while external validity was defined as the degree to which the results of a study can be generalized to other people, situations and times.

Therefore to ensure both internal and external validity the study developed a questionnaire using previous research in the area of study such as those done by Hyun (2010), Soriano (2002) and Haghighi et al. (2012). To ensure generalizability, representative sampling of the population in question was done. Thus, data was collected from the areas where most of the branches for fast food foreign franchises were located. Data was collected for seven consecutive days and during different times of the day.

3.7 Research Ethics

The participation of the respondents was voluntary and anonymous, and the respondents were free to withdraw from participating in the study at any point. The cover letter (Appendix A) that was given to the respondents stated this freedom to the respondents clearly and the researcher ensured that the respondents were aware of it. The purpose of the study was made known to all the respondents so as to ensure that any consent given was informed. The data collected from this survey was used for education and research purposes only and the information was kept strictly confidential so as to ensure that the participants faced no personal risk upon participating in the study. Information collected from minor, under eighteen, was collected only upon receiving consent from their parents or guardians.

3.8 Limitations of the Study

Approaching respondents as they were rushing along the streets of Nairobi was quite challenging. Most of the people that were approached declined to participate in the study. Some of the respondents filled out the questionnaires hurriedly left some of the unanswered.

The initial intention was to collect data from inside the restaurants as respondents would have been easier to identify and access as they waited to be served. However, the restaurant managers denied the request made citing existing policies that prohibited the collection of data from their customers within their premises.

Also, due to time constraints data was not collected over a longer time, and during different times of the year such as during the Christmas holiday, public holidays and school holidays. The data would have made it possible for comparisons to be made on the level of loyalty exhibited by customers of the fast food foreign franchises during different times of the year. The fact that this could not be done in the study is a limitation since it cannot be definitely concluded that the levels of loyalty are consistent throughout the year. The quality of the study was however not undermined by this. Further research could be conducted to ensure that data is collected over a longer time and during different times of the year in order to compare and contrast the levels of loyalty among the consumers in different settings.

The study focused on Nairobi only and data collected may not necessarily be representative of all the other cities in Kenya. Mombasa, Nakuru, Kisumu and Eldoret are towns that also have foreign fast food franchises, albeit small in number. Further research could be conducted there as well and possibly compared to the findings on this study conducted in Nairobi.

CHAPTER FOUR

PRESENTATION OF RESEARCH FINDINGS

4.1 Introduction

In this chapter, the results of the study are presented. The first section describes the response rate for this research. The second section discusses the demographic details of the respondents, while the third section discusses the findings on the levels of loyalty of the respondents. The findings for the antecedent variables and their relationships with satisfaction, trust and loyalty were discussed in the fourth section. Regression and correlation analysis that were done are also discussed in this section. The consequences of loyalty, willingness to pay more, interpersonal behaviour and repurchase behaviour, and their relationship with loyalty are discussed in the last section.

4.2 Response Rate

One hundred and fifty questionnaires were distributed and one hundred and forty two (142) were returned, giving a response rate of 94.67%. However, seven of the questionnaires were not properly completed, thus only one hundred and thirty five (135) questionnaires (90% of questionnaires) were usable.

4.3 Demographics for the Respondents

In the questionnaires that were administered, the respondents were required to provide general information such as their marital status and their age. Tables 4.1 and 4.2 represent frequency distributions of the respondents' feedback to the aforementioned survey items.

4.3.1 Marital Status of the Respondents

Table 4.1 disaggregates the respondents by marital status.

Table 4.1: Marital Status of the Respondents

	Frequency	Percent	Cumulative Percent
1 Single	115	81.6	81.6
2 Married	23	16.3	97.9
3 Divorced	2	1.4	99.3
4 Widowed	1	.7	100.0
Total	141	100.0	

Majority of the respondents, as shown in Table 4.1 were single. Those that were married were 16.3%.

4.3.2 Age of the Respondents

The ages of the respondents are shown below on table 4.2.

Table 4.2: Age of the Respondents

	Frequency	Percent	Cumulative Percent
1. 25 years old and below	90	63.8	63.8
2. 26-50 years old	47	33.4	97.2
3. Above 50 years old	4	2.8	100.0
Total	141	100.0	

Table 4.2 shows that 63.8% of the respondents were below twenty five years old. Data for those below eighteen years old was collected upon acquiring the consent of their

parents and guardians. 33.4% of the respondents were between twenty six and fifty years old; while the remaining 2.8% were fifty years old and above.

4.4 Levels of Loyalty

The respondents were asked to rate their attitudes towards the fast food foreign franchises using a semantic differential scale. The semantic differential scale had a seven-point rating scale that had two bi-polar statements at each end. Upon coding, the point closest to the statements that portrayed negative attitudes that were unlikely to bring about loyalty, were rated as -3. The point closest to the statements that portrayed positive attitudes that were likely to lead to loyalty, were coded as 3. The mean and standard deviation for the attitude, behavioural intentions and Subjective Normative measures were then computed and the findings are presented in Table 4.3 in the next page.

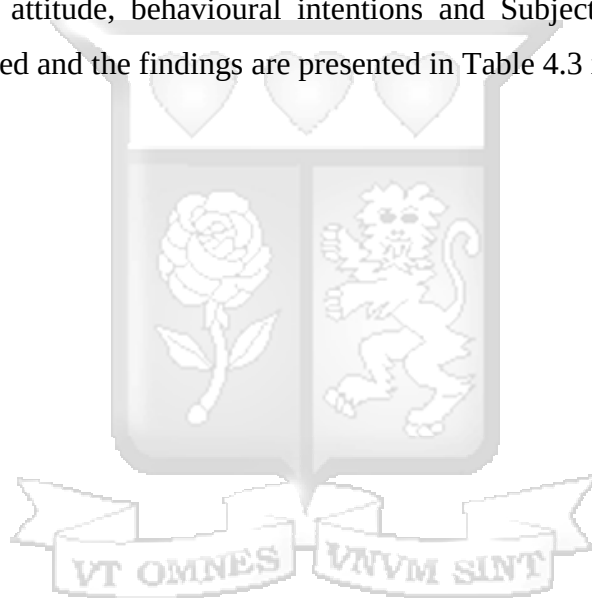


Table 4.3: Attitude of Respondents

	Mean	Std. Deviation
Willingness to buy food in the restaurant again	2.05	1.395
Commitment to the restaurant	.51	1.904
Switching behaviour in cases when there are problems with restaurant	-1.13	2.065
Trial of another restaurant if this restaurant closes	-1.64	1.696
Communication about the restaurant to other people	1.76	1.421
Emotional attachment to this restaurant	.80	1.439
Freedom to choose the restaurant	2.12	1.377
Uniqueness of the restaurant	1.22	1.819
Intention of making future purchases from the restaurant	2.18	1.354
Willingness to pay more	-.27	2.034
Opinion on loyalty	.42	1.806
Trial of a new product in another restaurant	-1.52	1.643

As reflected in table 4.3, the survey item that had the highest mean (Mean=2.18, SD=1.354) was that which indicated the intention to make future purchases at that particular franchise. This indicates that the respondents had intentions to make future purchases at the fast food franchises of their choice. It is also important to note that the respondents also stated that they chose to go to the fast food franchises out of their own free will (Mean=2.12, SD=1.377). The respondents considered the franchises that they preferred as moderately unique as compared to all other restaurants (Mean=1.22,

SD=1.819). They also stated that they spoke positively about the franchise to other people (Mean=1.76, SD=1.421).

However, despite the positive attitude revealed above, the respondents also indicated that they had very little commitment to the fast food franchises that they preferred (Mean=0.51, SD=1.904). The respondents also stated that they had little emotional attachment to the franchises (Mean=0.80, SD=1.439). It was therefore not surprising that the attitude items on switching behaviours indicated a strong willingness to switch in cases of problems at the preferred restaurant (Mean=-1.13, SD=2.065); closing of the preferred restaurant (Mean=-1.64, SD=1.696); and also when another restaurant introduces a new product (Mean=-1.52, SD=1.643).

The respondents also expressed unwillingness to pay more in order to eat at their preferred franchise (Mean=-0.27, SD=2.034). This is consistent with their non-committal attitude towards the franchises. When asked to give their opinion on their loyalty to their preferred franchise, they indicated that they had very little loyalty towards it (Mean=0.42, SD=1.806).

In Table 4.4 the effect of the opinions of family members with regard to the restaurants' the respondents patronised, is presented below.

Table 4.4: Subjective Normative Perceptions of the Respondents

	Mean	Std. Deviation
Attitude of family and friends towards patronage of the restaurant	.40	1.645
Influence of the opinions of family on choice of restaurant	.15	2.075
Attitude of family and friends about the restaurant	1.04	1.592

From the data in Table 4.4, the respondents stated that the opinions of their family members have very little effect on the restaurant they choose to go to (Mean=0.15, SD=2.075). According to the respondents, their family and friends seemed to have a generally positive attitude towards the restaurant franchise itself since they spoke positively to others about it (Mean=1.04, SN=1.592). However, the attitude of the respondents' friends and family concerning the patronage of the restaurant itself was not as positive as compared to their general attitude about it (Mean=0.40, SD=1.645).

Table 4.5: Levels of Loyalty

Combinations	Frequency	Percentages
1 (Att & SN & PB)	54	40.0
2 (Att & SN & no PB)	7	5.2
3 (Att & no SN & PB)	17	12.6
4 (Att & no SN & no PB)	2	1.5
5 (no Att & SN & PB)	23	17.0
6 (no Att & SN & no PB)	7	5.2
7 (no Att & no SN & PB)	15	11.1
8 (no Att & no SN & no PB)	10	7.4
	135	100

Key: Att = Positive Attitude; SN = Positive Subjective Norm; PB = Positive Purchasing Behaviour; no Att = negative Attitude; no SN = Negative Subjective Norm; no PB = Negative Purchasing Behaviour.

The cases that fit the different combination were selected and segregated into different datasets in SPSS by using different formulae. For example, the formula that was used to segregate the cases that were to be classified under combination one was:

Attitude >0 (Attitudes are positive since it is greater than zero which represents neutral attitudes).

&

Subjective Norm>0 (Subjective Norms are positive since it is greater than zero which represents neutral subjective norms).

&

Purchasing Behaviour>0 (Purchasing behaviour is positive since it is greater than zero which represents neutral purchasing behaviour)

Based on the data that was collected, 40% of the respondents, as shown on Table 4.5 below, were classified as combination one in the model. Thus, 40% of the respondents are considered to be truly loyal customers since they have positive attitudes, subjective norms and purchasing behaviours. Combination five, the level at which customers are exhibit positive subjective norms and purchasing behaviour, but negative attitudes, had the second highest number of respondents of 17%. The customers that had positive attitudes and purchasing behaviour, but negative subjective norms (combination three) had 12.6% of the respondents, while the customers that had positive purchasing behaviour despite having negative attitudes and subjective norms (combination seven) made up 11.1% of the respondents. Respondents that had positive attitudes and subjective norms, despite having negative purchasing behaviour (Combination two) and also those that had negative attitudes and purchasing behaviour, but had positive subjective norms (combination six) both had 5.2 % of respondents attributed to them. Those that had negative attitudes, subjective norms and purchasing behaviour (combination eight) made up 7.4% of the respondents. These respondents had no loyalty and were unlikely to change. Those that had positive attitudes but negative subjective norms and purchasing behaviour (combination four) had the least number of respondents who made up only 1.5% of the total respondents.

4.4 Antecedents of Loyalty

Table 4.6 displays the factors that influence loyalty. The respondents were asked to rate on a differential scale the extent to which they agreed with statements and adjectives that were measures of the said factors of loyalty. The rating scale ranged consistently from 3 (highest and most favourable rating) to -3 (lowest and least rating).

Table 4.6: Mean and Standard Deviation for Loyalty Antecedents

	Mean	Std. Deviation
Food quality	2.32	.846
Good Environment	1.39	1.262
Convenient Location	1.12	1.484
Service quality	1.76	1.081
Price Fairness	1.59	1.359
Satisfaction	1.87	1.115
Trust	1.33	1.191

Food quality was considered to be quite high by the respondents (Mean=2.32). The standard deviation for food quality is very small (SD=0.846) which means that the views of the respondents concerning food quality do not vary much from each other. Service quality in those fast food franchises that the respondents preferred was also considered to be very high by the respondents (Mean=1.76, SD=1.081). By looking at the standard deviation it is clear that there were varied views concerning the fairness of price (SD=1.359). However, the respondents considered price as being fair in the franchises they prefer (Mean=1.59). The goodness of the environment (Mean=1.39, SD=1.262) and the convenience of the location (Mean=1.12, SD=1.484) of the restaurant received lower ratings from the respondents and were considered to be slightly less positively as compared to the other factors. The respondents were satisfied with their preferred franchise (Mean=1.87, SD=1.115). However, data provided suggests that their level of

trust for the franchise was lower as compared to their level of satisfaction (Mean=1.33, SD=1.191).

Linear Regression Analysis

To analyse the relationships between loyalty, satisfaction, trust and the other antecedents multiple regression analysis was applied. This is because the form of analysis made it possible to study the relationship between a single dependent variable and several independent variables. The analysis was run using the SPSS software and the outputs generated are presented in the table below.

4.4.1 Linear Regression for Satisfaction as the dependent variable

The data analysis on satisfaction and its five proposed antecedent variables was done using the following regression model:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \varepsilon \quad \text{Where:}$$

Y=The dependent variable (Satisfaction)

α - Is a constant

$\beta_1 \beta_2 \beta_3 \beta_4 \beta_5$ - Are constant regression coefficients

X_1 = Food Quality

X_2 = Service Quality

X_3 = Price Fairness

X_4 = Good Environment

X_5 = Convenient Location

ε - (Extraneous) Error term

Table 4.7: Linear Regression Results for Satisfaction

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.186	.191		.977	.330
	Food quality	.153	.086	.116	1.771	.079
	Service quality	.481	.084	.463	5.710	.000
	Price Fairness	.176	.061	.213	2.887	.005
	Good Environment	.175	.068	.198	2.581	.011
	Convenient Location	-.044	.052	-.058	-.841	.402

Table 4.7 provides the estimated parameters of the model, the p values and the parameter correlations. The coefficients of the regression model are: 0.186, 0.116, 0.463, 0.213, 0.198 and -0.058. The linear regression model was therefore:

$$Y = 0.186 + 0.116X_1 + 0.463X_2 + 0.213X_3 + 0.198X_4 - 0.058X_5$$

The beta values usually give an indication on the relationship that exists between the dependent and the independent, also known as the predictor variables. When the value is positive, it is an indication that there is a positive relationship between the independent and the dependent variables. A negative coefficient on the other hand denotes a negative relationship. In the data contained in table 4.7, all the independent variables, except that of convenient location have positive β -values thus giving an indication of positive relationships.

There is a positive relationship between satisfaction and four of the variables: food quality, service quality, good environment and price fairness. The relationships between service quality ($p=0.000$), good environment ($p=0.011$), price fairness ($p=0.005$) and satisfaction were all significant at 95% confidence level. On the other hand, the

relationship between food quality ($p=0.079$) and satisfaction was significant at 90% confidence level. Consequently, when the perception of good service quality increases by one unit, when all other factors are held constant, then the level of satisfaction will increase by 0.463. When the perception of a good environment increases by one unit, when all other factors are held constant, the level of satisfaction is expected to increase by 0.198. Also, when the perception of pricing fairness increases by one unit, when all other factors are held constant, then the level of satisfaction will increase by 0.213. However, satisfaction will only increase by 0.116 when the perception of good food quality increases by one unit.

The negative coefficient for convenient location indicates a negative relationship between the convenience of the location and satisfaction. However, this relationship is considered insignificant at both 90% and 95% confidence levels ($p=0.402$).

Table 4.8: Model Summary for the Satisfaction Regression

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.778	.605	.590	.717	1.883

The data in table 4.8 indicate that the predictor variables account for 60.5% of the variation with an R^2 value of 0.605. The data also indicates that the model predicts the observed data quite well since there is a multiple R of 0.778.

Table 4.9: ANOVA for Satisfaction

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	100.835	5	20.167	39.258	.000
	Residual	65.755	128	.514		
	Total	166.590	133			

The model that has been developed is considered reliable to explain the observation in the study, with an F-statistic of 39.258 which is greater than 1 and highly significant with $p < 0.001$ (see Table 4.9). This means that the model has improved the ability to predict the dependent variable and since the F statistic is considered significant, it did not happen by chance.

4.4.2 Correlation Analysis for Satisfaction and other Antecedent Variables

A correlation analysis was carried out to determine the correlations between trust, satisfaction and loyalty and to also establish if there were any variables that were inter-related. The results generated are contained in table 4.10.

Table 4.10: Correlation Analysis of Satisfaction and other Antecedent Variables

		Satisfaction	Food quality	Service quality	Price	Good Environment	Convenient Location
Pearson Correlation	Satisfaction	1.000	.439	.730	.601	.554	.370
	Food quality	.439	1.000	.390	.321	.489	.380
	Service quality	.730	.390	1.000	.646	.546	.418
	Price Fairness	.601	.321	.646	1.000	.369	.375
	Good Environment	.554	.489	.546	.369	1.000	.559
	Convenient Location	.370	.380	.418	.375	.559	1.000
Sig. (1-tailed)	Satisfaction	.	.000	.000	.000	.000	.000
	Food quality	.000	.	.000	.000	.000	.000
	Service quality	.000	.000	.	.000	.000	.000
	Price Fairness	.000	.000	.000	.	.000	.000
	Good Environment	.000	.000	.000	.000	.	.000
	Convenient Location	.000	.000	.000	.000	.000	.

From the data within table 4.10, the correlation between service quality and satisfaction was the strongest ($r=0.730$, $p<0.001$), followed very closely by the correlation between price fairness and satisfaction ($r=0.601$, $p<0.001$), good environment and satisfaction ($r=0.554$, $p<0.001$), food quality and satisfaction ($r=0.439$, $p<0.001$), and Convenient Location and satisfaction ($r=0.370$, $p<0.001$).

4.4.3 Linear Regression for Trust as the dependent variable

The data analysis on trust and its three proposed antecedent variables were done using the following regression model:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon \quad \text{Where:}$$

Y = the dependent variable (Trust)

α - Is a constant

$\beta_1 \beta_2 \beta_3$ - Are constant regression coefficients

X_6 = Food Quality

X_7 = Service Quality

X_8 = Price Fairness

Table 4.11: Linear Regression Results for Trust

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.191	.224		.850	.397
	Food quality	-.089	.097	-.063	-.922	.358
	Service quality	.482	.094	.435	5.107	.000
	Price Fairness	.313	.073	.356	4.299	.000

The coefficients of the regression model are: 0.191, -0.063, 0.435, and 0.356. The linear regression model is therefore as follows::

$$Y = 0.191 - 0.063X_1 + 0.435X_2 + 0.356X_3$$

In table 4.11, all the independent variables, except that of food quality have positive β -values thus giving an indication of positive relationships. Thus as the perception of good service quality increases by one unit, and the perception of price fairness increases by one unit, trust increases by 0.435 and 0.356 units respectively. These two relationships are significant at 95% confidence level ($p = .000$).

The negative coefficient denotes a negative relationship between food quality and trust. This relationship is however insignificant at 95% confidence level ($p = 0.358$) and it is therefore not correct to conclude that there is a negative relationship between food quality and trust.

Table 4.12: Model Summary for the Trust Regression

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.696	.485	.473	.866	1.934

The data in table 4.12 indicate that the predictor variables account for 48.5% of the variation with an R^2 value of 0.485. The data also indicates that the model predicts the observed data quite well since there is a multiple R of 0.696.

Table 4.13: ANOVA for Trust

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	91.830	3	30.610	40.773	.000
	Residual	97.596	130	.751		
	Total	189.425	133			

The model that has been developed is considered reliable to explain the observation in the study, with an F-statistic of 40.773 which is greater than 1 and highly significant with $p < 0.001$ (see Table 4.13). This means that the model has improved the ability to predict the dependent variable and since the F statistic is considered significant, it did not happen by chance.

4.4.4 Correlation Analysis for Trust and other Antecedent Variables

A correlation analysis was carried out to determine the correlations between trust, satisfaction and loyalty and to also establish if there were any variables that were inter-related. The results are tabulated in Table 4.14.

Table 4.14: Correlation Analysis of Trust and other Antecedent Variables

		Trust	Food quality	Service quality	Price Fairness
Pearson Correlation	Trust	1.000	.221	.641	.617
	Food quality	.221	1.000	.390	.321
	Service quality	.641	.390	1.000	.646
	Price Fairness	.617	.321	.646	1.000
Sig. (1-tailed)	Trust	.	.005	.000	.000
	Food quality	.005	.	.000	.000
	Service quality	.000	.000	.	.000
	Price Fairness	.000	.000	.000	
N	Trust	134	134	134	134
	Food quality	134	134	134	134
	Service quality	134	134	134	134
	Price Fairness	134	134	134	134

The results, indicate that there were significantly strong positive correlations between Price Fairness and trust ($r=0.617$, $p<0.001$), and service quality and trust ($r=0.641$, $p<0.001$). There is however significantly moderate positive correlations between food quality and trust ($r=0.221$, $p=0.05$).

4.4.5 Linear Regression for Loyalty as the dependent variable

The data analysis on loyalty and its two proposed antecedent variables was done using the following regression model:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \varepsilon \text{ Where:}$$

Y=the dependent variable (Loyalty)

α - Is a constant

$\beta_1 \beta_2$ - Are constant regression coefficients

X_9 = Satisfaction

X_{10} = Trust

Table 4.15 provides the estimated parameters of the model, the p values and the parameter correlations.

Table 4.15: Linear Regression Results for Loyalty

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.203	.217		-.936	.351
	Trust	.105	.105	.085	.992	.323
	Satisfaction	.610	.113	.465	5.418	.000

The coefficients of the regression model are: -0.203, 0.085 and 0.465. The linear regression model was therefore:

$$Y = -0.203 + 0.085X_1 + 0.465X_2$$

In table 4.15, all the independent variables have positive β -values thus giving an indication of positive relationships. Thus as satisfaction and trust increase by one unit, while holding the other factor constant, loyalty will be expected to increase by 0.465 and 0.085 respectively. However, only satisfaction was statistically significant at 95%

confidence level ($p = .000$). At 95% confidence level trust was not significant ($p = 0.323$). This means that trust is not likely to have a positive relationship with loyalty.

Table 4.16 presents the model summary for the loyalty regression.

Table 4.16: Model Summary for the Loyalty Regression

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.512	.262	.251	1.266	1.885

The data in table 4.16 indicates that the predictor variables account for 26.2% of the variation with an R^2 value of 0.262. The data also indicates that the model predicts the observed data quite well since there is a multiple R of 0.512.

Table 4.17: ANOVA for Loyalty

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	75.252	2	37.626	23.460	.000
	Residual	211.703	132	1.604		
	Total	286.955	134			

The model that has been developed is considered reliable enough to explain the observation in the study, since the F-statistic is 23.460 which is greater than 1 and highly significant since the p value is less than 0.001 (see Table 4.17 above). This means that the model has improved the ability to predict the dependent variable and since the F statistic is considered significant, it did not happen by chance.

4.4.6 Correlation Analysis for Interpersonal Communication

A correlation analysis was carried out to determine the correlations between trust, satisfaction and loyalty and to also establish if there were any variables that were inter-related. The results are tabulated in Table 4.18.

Table 4.18: Correlation Analysis of Loyalty, Satisfaction and Trust Variables

		Loyalty of the respondents	Trust	Satisfaction
Pearson Correlation	Loyalty of the respondents	1.000	.313	.507
	Trust	.313	1.000	.491
	Satisfaction	.507	.491	1.000
Sig. (1-tailed)	Loyalty of the respondents	.	.000	.000
	Trust	.000	.	.000
	Satisfaction	.000	.000	.
N	Loyalty of the respondents	135	135	135
	Trust	135	135	135
	Satisfaction	135	135	135

The results in Table 4.18, indicate that there were significantly strong positive correlations between satisfaction and loyalty ($r=0.507$, $p<0.001$), and significantly moderate correlations between satisfaction and trust ($r=0.491$, $p<0.001$). There are weak correlations between trust and loyalty ($r=0.313$, $p<0.001$). The weak correlation between trust and loyalty could explain the insignificant low positive coefficient (insignificant at 95% confidence level) generated from the regression analysis that was run (Table 4.15).

4.5 Consequences of Loyalty

Table 4.19 displays the consequences of loyalty. The respondents were asked to rate on a differential scale the extent to which they agreed with statements and adjectives that were measures of the said consequences of loyalty. The rating scale ranged consistently from 3 (highest and most favourable rating) to -3 (lowest and least rating).

Table 4.19: Mean and Standard Deviation for Loyalty Consequences

	Mean	Std. Deviation
Interpersonal Communication	1.61	1.091
Willingness to pay more	-.60	1.630
Repurchase Behaviour	2.11	1.143

Repurchase behaviour was considered to be the most likely behavioural consequence of loyalty among the respondents (Mean=2.11, SD=1.143). The respondents therefore intended to purchase from the restaurant that they prefer in the near future. Interpersonal communication among the restaurant is the next most likely consequence of loyalty among the respondents (Mean=1.61, SD=1.091).

Willingness to pay more was not considered by the respondents as a behavioural consequence of loyalty since the mean was -0.60. However, the standard deviation (1.630) indicates that there were respondents that were biased to both extremes of the scale that was used.

Linear Regression Analysis

To analyse the relationships between loyalty, interpersonal communication, repurchase behaviour and the willingness to purchase more linear regression analysis was applied. The analysis was run using the SPSS software and the outputs generated are presented in the table below.

4.5.1 Linear Regression for Interpersonal Communication as the dependent variable

The data analysis on loyalty and the interpersonal communication variable was done using the following regression model:

$$Y = \alpha + \beta_1 X_1 + \varepsilon \text{ Where:}$$

Y = the dependent variable (Interpersonal Communication)

α - Constant

β_1 - Constant regression coefficient

X_{11} = Loyalty

Table 4.20 provides the estimated parameters of the model, the p values and the parameter correlations.

Table 4.20: Linear Regression Results for Interpersonal Communication

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.196	.101		11.890	.000
	Loyalty of the respondents	.383	.055	.514	6.914	.000

The coefficients of the regression model are: 1.196 and 0.514. The linear regression model is therefore:

$$Y = 1.196 + 0.514X_1$$

Based on the information in table 4.20, the β -value for loyalty was positive thus giving an indication of a positive relationship with interpersonal communication. If customer loyalty were to increase by a unit then interpersonal communication would increase by 0.514. Based on the p values, the interpersonal communication variable was statistically

significant at 95% confidence level since the p value was less than 0.05.

Table 4.21: Model Summary for the Interpersonal Communication Regression

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.514	.264	.259	.939	2.007

Table 4.21 has data that indicates that the predictor variables account for 26.4% with an R^2 value of 0.264. The data also indicates that the model predicts the observed data quite well since there is a multiple R of 0.514.

Table 4.22: ANOVA for Interpersonal Communication

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	42.191	1	42.191	47.803	.000
	Residual	117.385	133	.883		
	Total	159.576	134			

The model that has been developed is considered reliable to explain the observation in the study, since the F-statistic is 47.803 which is greater than 1 and highly significant since the $p < 0.001$ (see Table 4.22). This means that the model has improved the ability to predict the dependent variable and since the F statistic is considered significant, it did not happen by chance.

4.5.2 Correlation Analysis for Interpersonal Communication

A correlation analysis was carried out to determine the correlations between interpersonal communication and loyalty and to also establish if there were any variables that were inter-related. The results generated are contained in table 4.23

Table 4.23: Correlation Analysis of Interpersonal Communication

		Interpersonal Communication	Loyalty of the respondents
Pearson Correlation	Interpersonal Communication	1.000	.514
	Loyalty of the respondents	.514	1.000
Sig. (1-tailed)	Interpersonal Communication	.	.000
	Loyalty of the respondents	.000	.
N	Interpersonal Communication	135	135
	Loyalty of the respondents	135	135

The data indicates that there was significantly strong positive correlations between the interpersonal communication and loyalty ($r=0.514$, $p<0.05$). This means that any change in loyalty by one unit will result in a change in the respondents' willingness to pay more in the same direction by a magnitude that will be equal to that of the r-value which is 0.514.

4.5.3 Linear Regression for Willingness to Pay More (WTPM) as the dependent variable.

The data analysis on loyalty and the willingness to pay more variable was done using the following regression model:

$$Y = \alpha + \beta_1 X_1 + \varepsilon \text{ Where:}$$

Y = the dependent variable (Willingness to Pay More)

α - Constant

β_1 - Constant regression coefficient

X_{11} = Loyalty

Table 4.24 provides the estimated parameters of the model, the p values and the parameter correlations.

Table 4.24: Linear Regression Results for Willingness to Pay More

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1.018	.164		-6.190	.000
	Loyalty of the respondents	.383	.091	.344	4.222	.000

The coefficients of the regression model are: -1.018 and 0.344. The linear regression model is therefore:

$$Y = -1.018 + 0.344X_1$$

Based on the information in table 4.24, the β -value for loyalty was positive thus giving an indication of a positive relationship between loyalty and the willingness to pay more variable. Thus, as loyalty increases so does the level of willingness to pay more among the respondents. If customer loyalty were to increase by a unit then level of willingness to pay more would increase by 0.344. The p values give the indication that the willingness to pay more variable was statistically significant at 95% confidence level since $p < 0.05$.

Table 4.25: Model Summary for the Willingness to Pay More Regression

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.344	.118	.112	1.536	2.045

Based on the data in Table 4.25 the predictor variables account for 11.8% of the variation since the value of R^2 is 0.118. The data also indicates that the model predicts the observed data quite well since there is a multiple R of 0.344.

Table 4.26: ANOVA for Willingness to Pay More

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	42.049	1	42.049	17.824	.000
	Residual	313.769	133	2.359		
	Total	355.819	134			

The model that has been developed is considered reliable in explaining the observation in the study, since the F-statistic is 17.824 which is greater than 1 (see Table 4.26) and highly significant since the $p < 0.000$. This means that the model has improved the ability to predict the dependent variable and since the F statistic is considered significant, it did not happen by chance.

4.5.4 Correlation Analysis for Willingness to pay more

A correlation analysis was carried out to determine the correlations between the willingness of respondents to pay more and loyalty and to also establish if there were any variables that were inter-related. The results are tabulated in Table 4.27.

Table 4.27: Correlation Analysis of Willingness to Pay More

		Willingness To Pay More	Loyalty of the respondents
Pearson Correlation	Willingness To Pay More	1.000	.344
	Loyalty of the respondents	.344	1.000
Sig. (1-tailed)	Willingness To Pay More	.	.000
	Loyalty of the respondents	.000	.
N	Willingness To Pay More	135	135
	Loyalty of the respondents	135	135

The results in table 4.27, indicate that there was significantly moderate correlations between the willingness of respondents to pay more and loyalty ($r=0.344$, $p<0.001$). This means that any change in loyalty by one unit will result in a change in the respondents' willingness to pay more in the same direction by a magnitude that will be equal to that of the r-value which is 0.344.

4.5.5 Linear Regression for Repurchase Behaviour as the dependent variable

The data analysis on loyalty and the repurchase behaviour variable was done using the following regression model:

$$Y = \alpha + \beta_1 X_1 + \varepsilon \text{ Where:}$$

Y = the dependent variable (Repurchase Behaviour)

α - Constant

β_1 - Constant regression coefficient

X_{11} = Loyalty

Table 4.28 provides the estimated parameters of the model, the p values and the parameter correlations.

Table 4.28: Linear Regression Results for Repurchase Behaviour

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.780	.113		15.723	.000
	Loyalty of the respondents	.304	.062	.389	4.871	.000

The coefficients of the regression model are: 1.780 and 0.389. The linear regression model will therefore be:

$$Y=1.780 + 0.389X_1$$

Based on the information in table 4.28, the β -value for loyalty was positive thus giving an indication of a positive relationship with the repurchase behaviour variable. Thus, as loyalty increases so does the level of repurchase behaviour among the respondents. If customer loyalty were to increase by a unit then repurchase behaviour would increase by 0.389. The p-value gives the indication that the repurchase behaviour variable was statistically significant at 95% confidence level (p value < 0.05).

Table 4.29: Model Summary for the Repurchase Behaviour Regression

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.389	.151	.145	1.057	1.900

Table 4.29 has data that indicates that the predictor variables account for 15.1% of the variation since the value of R^2 is 0.151. The data also indicates that the model predicts the observed data quite well since there is a multiple R of 0.389.

Table 4.30: ANOVA for Repurchase Behaviour

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	26.522	1	26.522	23.726	.000
	Residual	148.671	133	1.118		
	Total	175.193	134			

The model that has been developed is considered reliable enough to explain the observation in the study, since the F-statistic in Table 4.30 is 23.726 which is greater than 1 and highly significant since $p < 0.001$. This means that the model has improved the ability to predict the dependent variable and since the F statistic is considered significant, it did not happen by chance.

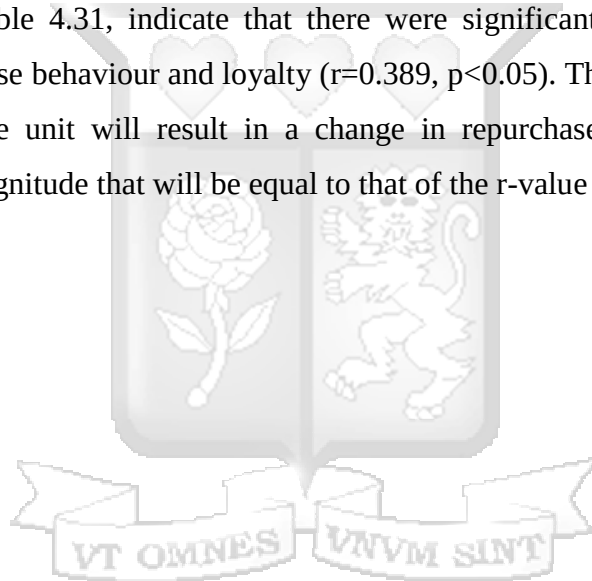
4.5.6 Correlation Analysis for Repurchase Behaviour

A correlation analysis was carried out to determine the correlations between repurchase behaviour and loyalty and to also establish if there were any variables that were inter-related. The results are tabulated in Table 4.31.

Table 4.31: Correlation Analysis of Repurchase Behaviour

		Repurchase behaviour	Loyalty of the respondents
Pearson Correlation	Repurchase behaviour	1.000	.389
	Loyalty of the respondents	.389	1.000
Sig. (1-tailed)	Repurchase behaviour	.	.000
	Loyalty of the respondents	.000	.

The results in table 4.31, indicate that there were significantly moderate correlations between repurchase behaviour and loyalty ($r=0.389$, $p<0.05$). This means that any change in loyalty by one unit will result in a change in repurchase behaviour in the same direction by a magnitude that will be equal to that of the r-value which is 0.389.



CHAPTER FIVE

DISCUSSION OF FINDINGS

5.1 Introduction

An analysis of the findings will be conducted in this chapter in light of the empirical findings that were in other related studies. The findings are presented in line with the objectives of the study.

5.2 Levels of Loyalty

A significant percentage (40%) of the consumers of fast food foreign franchises was found to belong to combination one of the model in use, which is the highest level of unit brand loyalty. This means that these consumers were truly loyal to their franchises of choice and they were the least likely to switch to other brands or establishments (Ha, 1998). According to Baloglu (2002) consumers that possess true loyalty exhibit both attitudinal and behavioural loyalty since they usually patron their establishment of choice or buy the brands they prefer and are the least tempted by competitive offerings.

Ha (1998) posited that to get a dependable and effective measure of loyalty, one needs to consider the subjective norm in addition to the attitudes and the purchasing behaviour portrayed by the consumers. When the three elements are integrated they form eight combinations that make it possible to quickly and easily determine those that are truly loyal, not loyal at all and those that are spuriously loyal. The three elements are said to form what is called a unit brand loyalty. This is because each of the elements influences the level of loyalty in a person.

Seven percent of customers of fast food foreign franchises were classified in combination eight and are therefore considered to be totally not loyal. According to Ha (1998) those with no loyalty have no attachment whatsoever to the firm and its products.

The consumers classified in combination two exhibited both positive attitudes towards the fast food franchise and positive social normative perceptions. Ha (1998) posited that due to the fact that those in combination two possess both positive attitudes towards the fast food franchise and positive social normative perceptions, they are more likely to

become truly loyal. Their spurious loyalty though could be caused by their inability to afford the restaurant's products. However, those that are in combination seven lack both positive attitudes towards the fast food franchise and positive social normative perceptions and are therefore likely to lose all loyalty.

The consumers classified in combination three and four were found to be discouraged by social influences from being loyal to the fast food foreign franchise. Combination five had the second highest number of people classified within it. The customers that have this level of loyalty and also those that are classified in combination six, were consumers that had a bad attitude towards the fast food foreign franchise but social normative influences encouraged them to be loyal to the fast food foreign franchises. Those in combination five actually responded positively to the influence and formed a habit of purchasing from the franchise. However, those in combination six did not respond to the pressure and did not form a habit of purchasing from the fast food foreign franchises. Ha (1998) stated that those in combination three, four, five and six possess loyalty that is highly volatile since there is conflict that exists between their attitude and the social influences that they are subject to.

5.3 Antecedents of Loyalty

Satisfaction had a strong positive relationship with loyalty and these findings were consistent with the arguments put forward by Jones and Sasser (1995) that state that satisfaction is key in securing customer loyalty. Findings in other studies conducted by Andreassen and Lindestad (1998), Hallowell (1996) and Kuusik & Ülikool (2007) also upheld the fact that there was a strong positive relationship between satisfaction and loyalty.

Trust had a weak positive relationship with loyalty. Despite the fact that the relationship was considered weak, the findings could be equated with Churchill's (2000), findings that trust was one of the key components of customer loyalty. Hyun (2010) also obtained findings in a study he had conducted that indicated that trust had a positive relationship with customer loyalty in the restaurant industry.

Customer satisfaction was positively influenced in a moderate way by food quality. Food quality also positively influenced trust in consumers albeit weakly. These findings were supported by the arguments put forth by both Hyun (2010) and Haghighi et.al (2012) that food quality influences both customer satisfaction and trust.

Customer satisfaction and trust among the customers was influenced strongly and positively by service quality. This supported the arguments that were put forth by Hessamaldin (2008), Hu, Cheng, Chiu and Hong (2011), Oyewole (1999) and Zeithaml et al. (1996) that service quality was a key attribute that influences both satisfaction and trust, and consequently loyalty.

Price fairness had a strong positive influence on the satisfaction and trust felt by the customers. This is consistent with what Hyun (2010) posited when he stated that customers feel highly dissatisfied and lack trust in a restaurant if they believe that the prices are not fair, that they have been over charged. These findings also correspond with the findings of a study conducted by Akbay, Tiriyaki and Gul (2007) that concluded that price fairness has a significant impact in the frequency of the consumption of fast food.

The good environment did have a strong positive influence on satisfaction among the customers. These findings are consistent with the arguments that were put forth by Andaleeb and Conway (2006) that the good environment could positively influence the satisfaction of customers since it is the physical place of delivery. The argument of Namkung and Jang (2008) that the environmental factors, specifically those of attractive interior design, pleasant music and ample space, positively influence satisfaction was supported by these findings.

A convenient location had a moderately positive influence on satisfaction among the customers. This is consistent with the findings of a study conducted by Soriano (2002) that indicated that restaurant patrons prefer to visit restaurants that are accessible and convenient.

Therefore, despite the differences in culture and geography, this study has given indications that the same factors, food quality, service quality, price, environment and

convenient location, that affect loyalty in Spain (Soriano, 2002), the United States of America (Namkung & Jang, 2008) and Iran (Haghighi et al., 2012) also affect loyalty in Kenya, a country located in East Africa.

However, the factor that had the greatest influence on satisfaction was service quality. This was closely followed by price fairness and good environment. Food quality was considered to also be influential but to a lesser extent when compared to the other three factors. Convenient Location was also considered to be influential but only to a very small extent. This was not consistent with the findings of the studies conducted by Clark and Wood (1999), Haghighi et al.(2012), Namkung and Jang (2009) and Soriano (2002) who contended that food quality is the most important factor that influences satisfaction in the restaurant industry. This could be due to the differences in culture among the respondents in the studies that have been conducted, since none of them were conducted in Africa.

5.4 Consequences of Loyalty

There was a very strong positive relationship between loyalty and interpersonal communication among the customers. This therefore means that interpersonal communication, which occurs when people talk about their experiences in the restaurant, is a very likely behaviour consequence of loyalty. This is in line with the arguments by Dick and Basu (1994) and Zeithaml et al. (1996) that posited that loyal customers are very likely to talk positively about an establishment and its services and products and give recommendations to their friends, family and even strangers.

Repurchase behaviour was the most likely behavioural consequence of loyalty among customers in fast food foreign franchises. This is because there was a strong positive relationship between loyalty and repurchase behaviour as a consequence. These findings confirm that loyal customers are likely to make repeat visits in the near future to the restaurants that they are loyal to. The contention by Zeithaml et al. (1996) that more repeat purchase behaviour is observed as the relationship between the customers and the establishment gets older is upheld since an older relationship implies customer loyalty.

There was a moderate positive relationship between loyalty and the willingness to pay more since the more loyal a customer; the more willing they were to pay more for the same benefits. These findings complemented the argument made by Zeithaml et al. (1996) that loyal customers value highly the relationship that they have with the firm so the firm may charge more for their goods and services as compared to their competitors and still maintain their customers.

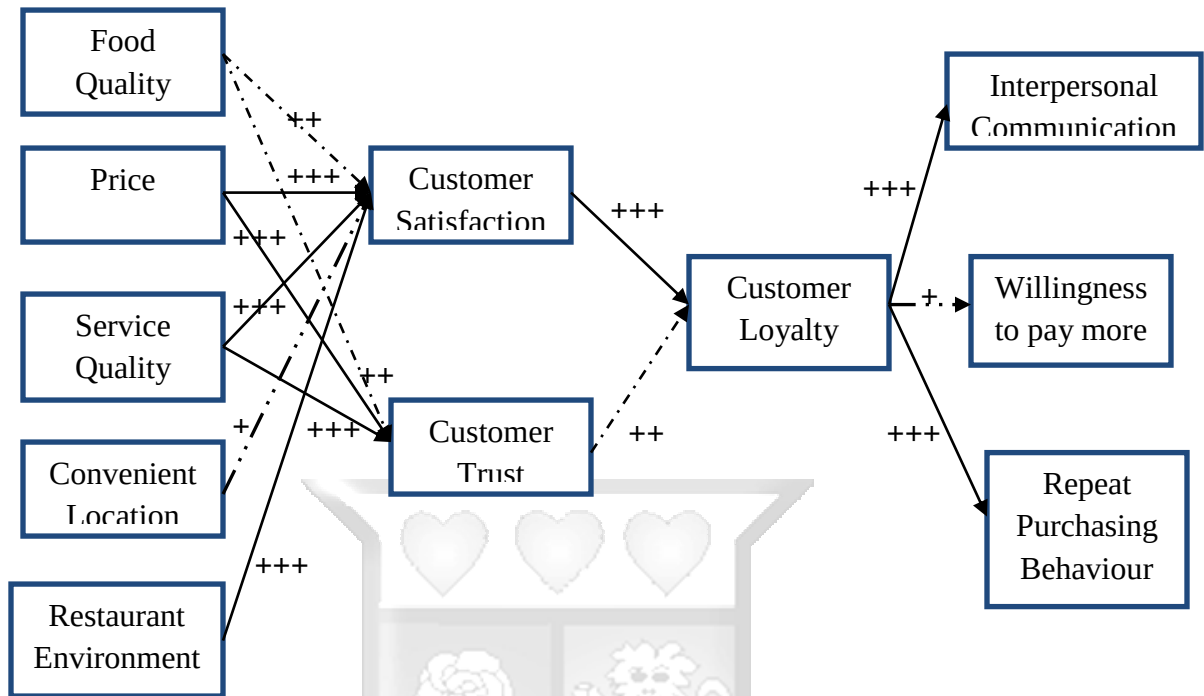
All three types of behaviour, willingness to pay more, interpersonal communication and repurchase behaviour, can therefore be surmised to be likely consequences of loyalty. It is important to note that interpersonal communication and repurchase behaviour seemed to have a stronger positive relationship with loyalty as compared with willingness to pay more.

5.5 Revisiting the theory

In the current study, food quality had a moderate relationship with satisfaction, and the customers considered service quality, price fairness and good environment to have a greater influence to their satisfaction as compared to food quality. This varied from previous studies in which food quality had a strong positive relationship with both satisfaction and trust (Haghighi et al., 2012; Hyun, 2010) and would be considered by the customers as the most influential factor in terms of their loyalty (Soriano, 2002).

The other relationships between the antecedents, satisfaction, trust and loyalty and the consequences and loyalty were consistent with the findings of the previous studies in the area (Haghighi et al., 2012; Hyun, 2010; Namkung & Jang, 2008; Soriano, 2002). Figure 5.1 below represent the relationships between the variables in the study.

Figure 5.1: The Revisted Framework



Source: Author (2014)

Key: The plus, minus signs and '0' signs show the relationships that have been found. Strong positive relationships, are represented by 3 pluses (+++), 2 pluses denote moderate positive relationships (++) and one plus denotes weak positive relationships. If no relationship existed, '0' would have been used. Minus signs (-) would be used to denote negative relationships.

CHAPTER SIX

CONCLUSIONS AND RECOMMENDATIONS

6.1 Introduction

This section summarizes the answers that were derived from the research data. The conclusions are presented in the first section in line with the objectives of the study. The second section discusses the recommendation, while the last section contains the suggested areas for further research.

6.2 Conclusions

The purpose of this study was to determine the levels of loyalty, the antecedents and consequences of loyalty among the customers of fast food foreign franchises. Based on the findings, various conclusions have been made.

6.2.1 Levels of Loyalty

Based on the findings, this study concluded that large proportions, approximately forty percent, of the customers of fast food foreign franchises in Nairobi are truly loyal customers. They are committed and are not likely to be enticed away by offerings made by competitors. However, 52.6% of the customers are considered to possess spurious loyalty, which is a volatile type of loyalty that may require the franchise holders to carefully handle the customers that are classified at this level. Only a seven percent of the customers of fast food foreign franchises in Nairobi are not loyal at all.

6.2.2 Factors that influence Loyalty

The main factors that influence satisfaction in customers in fast food foreign franchises in Nairobi are service quality, price, good environment, food quality and convenient location. Service quality was concluded to have the greatest influence, followed very closely by price fairness and good environment. The convenient location of the restaurant was concluded to have an influence on customer loyalty but a weak one. The factors that influence trust in customers in fast food foreign franchises in Nairobi are service quality, food quality and price. Service quality was concluded to have the greatest influence and

was closely followed by the fairness of price. Food quality did have an influence but a weaker one as compared to the other two factors.

Both customer satisfaction and trust were concluded to have an influence on customer loyalty. Satisfaction was found to have a much greater influence as compared to trust. Trust was concluded to have a weak positive influence on loyalty.

6.2.3 Consequences of Loyalty

Interpersonal communication, repurchase behaviour and willingness to pay more were concluded to be the major behavioural consequences of loyalty. Interpersonal communication and repurchase behaviour were strongly and positively influenced by loyalty and are therefore very likely to occur in the event when a fast food foreign franchise has loyal customers.

Willingness to pay more was concluded to have a positive relationship with loyalty but a weak one. This means that the customers may be loyal but they will still be price sensitive, thus when setting prices franchise holders will need to take that into consideration.

6.3 Recommendations

Knowledge of the antecedents and the consequences or outcomes of customer loyalty should be used by the fast food foreign franchise businesses in Kenya to successfully create strategies on how to retain their customers. Moreover, knowledge of the factors that influence customer loyalty will enable business to build customer loyalty among their consumers, while understanding of the consequences will enable the establishments to take maximum advantage of the benefits availed to them. In this regard, the researcher made some recommendations that were based on the findings of each of the research objectives:

6.3.1 Levels of Loyalty

Given that only 40 percent of customers to foreign fast food restaurants are truly loyal, there is need for fast food foreign franchises to launch a loyalty reward programme. This will make it possible for them to appreciate their truly loyal customers and maintain them in a long term relationship.

A significant number of the customers are classified in levels of loyalty that are spurious in nature, with most of them possessing either negative attitudes towards the fast food franchises, or negative subjective normative perceptions. There is therefore need to engage in marketing campaigns to change the negative attitudes and negative subjective normative perceptions into positive ones.

The franchises should consider launching new product lines that will make it possible for them to provide some meals at discounted prices. This will make it possible for those that are loyal, yet lack the financial ability to become regular patrons, to become loyal in all ways.

6.3.2 Factors that influence Loyalty

Franchises need to focus on ensuring that the service quality, pricing and the environment of their establishments are always excellent. Since the service quality needs to be very high, the franchises need to ensure that they hire qualified employees, train them and pay them well to ensure that they are also invested in providing good service to the employees. A culture of excellence among all the employees needs to be cultivated too.

Pricing should always be fair as much as possible, thus regular benchmarking, especially concerning price, needs to be done with the competitors. Regular feedback should be solicited from the customers to ensure that the franchise holders keep track of the level of satisfaction of the consumers. The expectations of the customers should also be sought regularly so that informed decisions can be made on how best to satisfy the customers.

6.3.3 Consequences of Loyalty

The foreign franchises should come up with strategies that will prompt interpersonal communication concerning information that will be of benefit to them. This can be done through the social media networks such as Facebook and Twitter. Loyal customers will willingly spread the news or information that the franchises will be spreading.

Given that willingness to pay more had a weak relationship with loyalty, franchises should ensure that their prices remain fair. With price fairness, repeat purchases are also more likely to continue.

6.4 Areas for further research

This study addressed the factors that influence customer loyalty in fast food foreign franchises and the behavioural impact of customer loyalty in the fast food foreign franchises in Nairobi. The study also sought to determine the levels of loyalty of the customers of the fast food foreign franchises. The factors that the study focused on were derived from the literature review and these were: food quality, service quality, price, convenient location, and good environment. The theoretical relationships between these factors that influence the customers' loyalty, satisfaction, trust and loyalty that were used in the study were also obtained from the literature review.

About sixty percent of the respondents indicated that they were not completely loyal to the foreign fast food franchises. This suggests that there might be differences in the level of loyalty that local fast food franchises experience as compared to foreign fast food franchises. Further research could therefore be conducted to compare the loyalty levels between local and foreign fast food franchises in Kenya.

Secondly, the current study focused on Nairobi only. Mombasa also has foreign fast food franchises, albeit small in number. Further research could be conducted there as well and possibly compare Nairobi and Mombasa.

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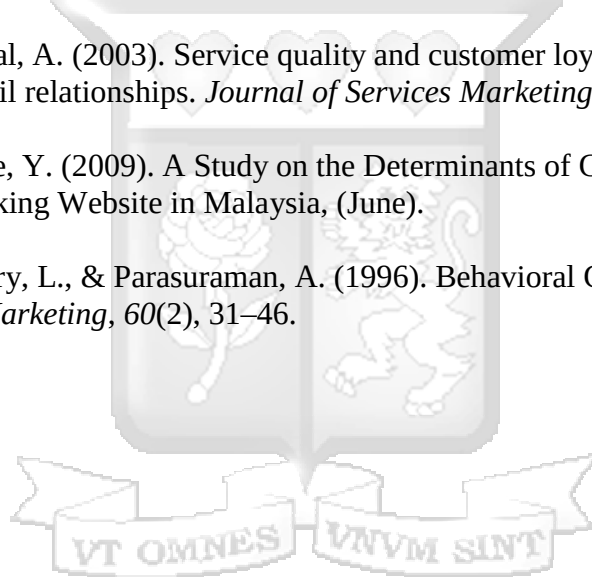
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APPENDICES

Appendix A: Introductory Letter to the Respondents **Survey of Customer Loyalty in Fast Food Foreign Franchises**

Dear Customer,

Thank you for participating in this study of customer loyalty in fast food foreign franchises. We would appreciate if you would take a few minutes of your time to answer the questionnaire. The purpose of this project is to study the factors influencing customer loyalty and its behavioural consequences in fast food foreign franchises. The information you provide will help us to learn more about you, to find better ways to serve your needs, and to provide strategies to the restaurant managers for increasing service quality.

There is no personal risk involved as a result of your participation in this survey. The data collected from this survey will be used for education and research purposes only. The information will be kept strictly CONFIDENTIAL. Your participation is to be completely VOLUNTARY and ANONYMOUS. Non-participation will not result in penalty or loss of any kind.

Once you complete the questionnaire, please return it to the person who provided the questionnaire or to the person at the counter.

If you have any further questions about this study, please contact the principal researcher, Lucy Nguti, a Masters Candidate in the School of Management and Commerce, Strathmore University (email: lumutheu@ yahoo.com). You may also contact my supervisor Prof. Ruth Kiraka at rkiraka@strathmore.edu

Thank you very much for your time and cooperation.

Sincerely,

Lucy Nguti

Masters Student

Appendix B: Questionnaire

Have you eaten in a fast food foreign franchise? (For example: Kentucky Fried Chicken (KFC), Steers Restaurant, Pizza Inn, Naked Pizza, Chicken Inn, Debonairs, Galitos)

☐ Yes ☐ No

If not, conclude the data collection.

If Yes, proceed with the rest of the questionnaire.

Section A: Customer's Profile

Kindly tick where appropriate

1. Gender:
 - a. Female ()
 - b. Male ()
2. Marital Status:
 - a. Single ()
 - b. Married ()
 - c. Divorced ()
 - d. Widowed ()
3. Do you have children under the age of eighteen years?
 - a. Yes ()
 - b. No ()
4. Age of the respondent :
 - a. Below 18 ()
 - b. 18- 20 years old ()
 - c. 21-25 years old ()
 - d. 26-35 years old ()
 - e. 36-50 years old ()
 - f. Above 50 years old ()

SECTION B: Assessment of Loyalty and Loyalty levels

5. Kindly select the **ONE** restaurant that you visit the most when compared to the others listed:

- a) Kentucky Fried Chicken (KFC) ()
- b) Steers Restaurant ()
- c) Pizza Inn ()
- d) Naked Pizza ()
- e) Chicken Inn ()
- f) Debonairs ()
- g) Galitos ()

With the restaurant that you have selected in mind, kindly read the statements in each pair and indicate, by checking one box, the statement that you agree with most.

For example, if you agree strongly that the restaurant you selected is “interesting”, you would check the box closest to that statement, but if you only slightly agree then you should check the box slightly further away from the statement.

Example: How would you describe this restaurant?

	<i>Strongly Agree</i>	<i>Moderately Agree</i>	<i>Slightly Agree</i>	<i>Neither Agree nor Disagree</i>	<i>Slightly Agree</i>	<i>Moderately Agree</i>	<i>Strongly Agree</i>	
<i>The restaurant is interesting</i>			X					<i>The restaurant is boring</i>

Please answer the following questions according to how you feel about the restaurant you selected:

	Strongly Agree	Moderately Agree	Slightly Agree	Neither Agree nor Disagree	Slightly Agree	Moderately Agree	Strongly Agree	
ATTITUDE								
6. I would still buy food and drinks from this restaurant, if I had to do it all over again								If I had to do it all over again, I would not buy food and drinks from this restaurant
7. I am committed to this restaurant								I am not committed to this restaurant
8. I would not switch to a competitor if I had a problem with the food and services of the restaurant								I would switch if I had a problem with the food and services of the restaurant
9. If the restaurant is closed, I will not try another restaurant								If the restaurant is closed, I will try another restaurant

10. I say positive things about the restaurant to other people								I say negative things about the restaurant to other people
11. I feel attached to the restaurant, I have positive emotional ties to it								I am detached, I have negative emotional ties to the restaurant
12. I go to the restaurant because I want to								I go to the restaurant because I have to
13. The restaurant is unique to the other competing restaurants								The restaurant is not unique at all to other competing restaurants
14. I intend to purchase from this restaurant again								I do not intend to keep purchasing from this restaurant

15. I will continue to be a customer if the restaurant were to raise the price of food and drinks								I would stop being a customer if the restaurant were to raise the price of food and drinks
16. I consider myself to be a loyal patron of the restaurant								I am not a loyal patron to the restaurant
17. If I see a new product or service in another restaurant that is somewhat different from this restaurant, I will not try it								If I see a new product or service in another restaurant that is somewhat different from this restaurant, I will try it
SUBJECTIVE NORMS								
18. My family and friends discourage me from purchasing from this restaurant								I am encouraged by family and friends to purchase from this restaurant

19. The opinions of my family influence the decision of which restaurant I choose to go to								The opinions of my family do not influence the decision of which restaurant I choose to go to
20. My friends and family speak positively about this restaurant to others								My friends speak negatively about this restaurant to other people

SECTION C: Assessment of factors that influence loyalty

Different factors influence a customer's loyalty. Therefore, kindly check the box that BEST reflects the nearest appropriate adjective about various aspects of the restaurant you selected.

For example: from left to right, the scale intervals are interpreted as 1="extremely tasty," 2="moderately tasty," 3="slightly tasty," 4="neither tasty nor bland," 5="slightly bland," 6="moderately bland," and 7="extremely bland":

QUALITY OF FOOD	1	2	3	4	5	6	7	
21. Tasty								Bland
22. Correct temperature								Wrong temperature
23. Fresh								Stale
24. Attractive presentation								Unattractive presentation

RESTAURANT ENVIRONMENT								
25. Attractive interior design								Unattractive interior design
26. Pleasant music								Unpleasant music
27. Ample space								Cluttered space
LOCATION								
28. Ample parking spots								Insufficient parking spots
29. Convenient location								Inconvenient location

Kindly check the box that BEST reflects the statement that best describes your feelings concerning various aspects of this restaurant.

	Strongly Agree	Moderately Agree	Slightly Agree	Neither Agree nor Disagree	Slightly Agree	Moderately Agree	Strongly Agree	
SERVICE QUALITY								
30. Employees are willing to help customers								Employees are unwilling to help customers
31. Timely service								Untimely service

32. Employees have the knowledge necessary to answer questions asked by customers								Employees do not have the knowledge necessary to answer questions asked by customers
33. The restaurant has your best interests at heart								The restaurant does not have your best interests at heart
PRICE								
34. When compared with other restaurants the prices charged are fair								When compared with other restaurants the prices charged are unfair
35. The food is worth the money I pay								The food is not worth the money I pay

SATISFACTION								
36. I am generally happy about my entire experience								I am generally disappointed about my entire experience
37. All my expectations were met								None of my expectations were met
38. I will recommend the restaurant to others								I will not recommend the restaurant to others
39. I intend to eat food from the restaurant again								I will never return to the restaurant again
TRUST								
40. The employees of the restaurant do not put my interests first								The employees of the restaurant put my interests first
41. The employees are honest								The employees are deceitful

42. The employees are reliable								The employees are unreliable
43. The food and drinks at the restaurant have been priced fairly								The food and drinks at the restaurant have been priced unfairly

SECTION D: Assessment of behavioural consequences of loyalty

Kindly check the box that BEST reflects the statement that best describes your intentions concerning the restaurant that you had earlier selected.

REPEAT PURCHASING BEHAVIOUR	1	2	3	4	5	6	7	
44. I will purchase meals at this restaurant within the coming year								I will not purchase meals at this restaurant within the coming year
45. I am very likely to purchase additional food and drinks from this restaurant in the future								I am not likely to purchase additional food and drinks from this restaurant in the

								future
WILLINGNESS TO PAY MORE								
46.If a competing restaurant were to offer a better rate or discount for their food, I would not switch. I will remain a customer of this restaurant								If a competing restaurant were to offer a better rate or discount for their food, I would switch. Become a customer of the other restaurant
47.If this restaurant raised the prices for their food and drinks I would switch to another restaurant								If this restaurant raised the prices for their food and drinks I would still purchase food at this restaurant
48.I am willing to pay a higher price at this restaurant to receive the same benefits and services I would enjoy at a competing								I am unwilling to pay a higher price at this restaurant

restaurant								to receive the same benefits and services I would enjoy at a competing restaurant
INTERPERSONAL COMMUNICATION								
49. I will recommend this restaurant to my friends and family								I will NOT recommend this restaurant to my friends and family
50. If anyone were to seek my advice, I would recommend this restaurant to them								If anyone were to seek my advice, I would NOT recommend this restaurant to them
51. I will talk positively about this restaurant to other people								I will talk negatively about this restaurant to others
52. I put up positive updates about this restaurant on								I put up negative

the social networking sites that I belong to (e.g. Facebook, Twitter, Instagram, Myspace)								updates about this restaurant on the social networking sites that I belong to(e.g. Facebook, Twitter, Instagram, Myspace)
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