



## Socio-Demographic Factors as Predictors of Customer Loyalty to Fast Food Restaurants in Delta State, Nigeria

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### ABSTRACT

*Customer loyalty is a competitive tool and a major driver of survival and success in many retail business organizations. Improvement in social and economic development in Delta State, Nigeria the past decade has resulted in rapid expansion in the fast food restaurants (FFRs) industry. However, the emergence of new operators has made competition so intense that operators are seeking measures to expand their market share and retain existing customers. The study examined socio-demographic factors that influence customer loyalty to fast food restaurants (FFRs) in Delta State, Nigeria. Primary data for this study were obtained from a survey of a cross-section of customers of FFRs in five (5) urban centres in with the aid of a structured questionnaire. 200 copies of the questionnaire were administered to customers in 10 FFRs that were randomly drawn from a list of 13 major restaurants operating in the State. The findings showed a mean age of 31 years for customers; 62.3% of them were single; while the average duration of patronage is 17 months. Multiple regression results indicated that monthly income, dining frequency, customer satisfaction, perceived value, service and food quality have positive and statistically significant effects, with food quality as the dominant predictor of customer loyalty; but the influence of educational status was negative. Significant differences existed in customer loyalty among the FFRs. The authors recommend that restaurateurs should improve on the quality of food and services in order to win the loyalty of their customers and remain in business.*

**Keywords:** Fast food restaurants, customer loyalty, demographic factors, multiple regressions, multiple comparisons, Delta State, Nigeria

### 1. INTRODUCTION

The fast food industry in Nigeria has witnessed rapid growth and development since the mid-1990s due mainly to urban expansion, increased human population, improvement in socio-economic status of the citizenry and changes in lifestyle. In general, fast food is viewed as quick, reasonably-priced food which is an

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alternative to home cooked food (Goyal and Singh, 2007). In recent times, due to increased employment of women outside the home along with the fast changing lifestyle, eating out habit is becoming a part of modern lifestyle, and this has driven customers to try new things and experiences (Lim, Tan and Tan, 2013).

Improvement in social and economic development and rapid urbanisation in Delta State Nigeria the past decade has resulted in tremendous growth and development in the fast food industry. This has led to the emergence of a number of fast food operators such as Mr. Biggs, Hot Bites, Favourites, Ultimate, Sizzlers, Mac Dons, and Otres, among others. The entry of more fast food companies into the business, particularly traditional restaurants which offer fresh and a variety of local cuisines and full services, has intensified competition for customers. A competitive environment provides customers with more alternatives to choose from. Thus, they can select their favourite options from several operators in the fast food business. With increasing competition among restaurants, attracting new customers may no longer be an easy strategy to guarantee profits and success, but retaining existing customers. Consequently, customer continued patronage is a vital factor for success, business survival, and profitability in the fast food restaurant industry (Haghighi, et al., 2012). Although the emergence of new operators of FFRs is high in Delta State, not many of them are able to survive the harsh economic environment as many of such restaurants have ceased operation within three years of opening. There is therefore the need to identify factors that shape consumer behaviour with regards to purchasing products from specified FFRs over a long term period.

### **1.1 Research Objectives**

The major aim of this study is to investigate the effects of socio-demographic factors and other variables on customer loyalty to fast food restaurants in Delta State, Nigeria.

The specific objectives are to;

- (i) Describe the demographic characteristics of fast food customers.
- (ii) Examine the influence of service quality on customer loyalty.
- (iii) Ascertain the direct effects of food quality on customer continued patronage.
- (iv) Determine the possible impact of perceived value on consumer loyalty.
- (v) Examine what influence customer satisfaction have on customer loyalty.
- (vi) Investigate the possible effects socio-economic variables have on customer loyalty.
- (vii) Compare the level of loyalty of customers among the FFRs sampled

### **1.2 Significance of the Study**

The findings will enable restaurants operators to develop and maintain mutually benefitting relationships with their customers in order to expand their market

share and remain in business. It will also give insights to restaurateurs to have a better relationship with their customers to improve the profitability of their operations. Information about how customer satisfaction can be enhanced and loyalty achieved, is strategically important for fast food companies in order to maintain a strong competitive edge in the constantly changing business environment. For instance, fast food business should devote more efforts to delivering promised services accurately and promptly by offering fresh, healthy and a variety of tasty foods to customers. Furthermore, this study provides consumers with some useful knowledge on fast food selection as choosing the right FFR will lead to both emotional and physical satisfaction to the consumer.

## **2. LITERATURE REVIEW AND CONCEPTUAL FRAMEWORK**

### **2.1 Customer Loyalty**

This can be considered as a solid foundation for competitive advantage which has a strong impact on a company's financial standing. According to Oliver (1999), loyalty is the decision to re-patronize a chosen product provider consistently over a long-term period in spite of marketing strategies that can cause customers to switch to other brands. Under such situation of unduly intense competition, firms are tasked to employ appropriate strategies to retain their customers as loyal customers are the key to success and business survival. Because the cost of retaining existing customers is very high compared to that of attracting new ones, therefore there is the need for the service industry to concentrate on customers' retention and keep customers as a competitive asset (Pfeifer, 2005). An understanding of factors that determine consumers' decision to return to another meal will make it possible to meet the customers' expectations and keep them satisfied and earn their continual re-patronage (Ryu and Han, 2009).

### **2.2 Service Quality**

Service Quality concept has been difficult for researchers to define due to the manner services are produced, consumed and evaluated (Saeed, Javed and Lodhi, 2013). Service quality is usually regarded as a critical prerequisite for competitiveness and for establishing and sustaining satisfying relationships with customers. Caruana (2002) affirmed that service quality as the customers' overall judgment of the excellence of service offering, and it is affected by the ability of an organization to satisfy customers' needs, according to their expectation level (Tat, Seng, Thoo, Rasli and Abd Hamid, 2011). According Parasuraman et al. (1988) the quality of service is the extent of discrepancy between a customer's perceptions and expectations about that service. Thus, in order to measure the quality of services provided, customers compare the level of the service offered based on their own personal expectations, from past experiences.

### **2.3 Food Quality**

Food is a core product which plays a crucial role in the restaurant business because its quality is a key factor for success as it has a significant positive effects on a firm's long term financial status. Food quality has the capacity to create a favourable preference for the firm's products whereby consumers can differentiate the quality of its products from those of competitors (Liu and Jang, 2009).

The definition of food quality has generated serious debate among consumers and researchers on the need to distinguish between objective and subjective food quality. While objective quality relates to the physical attributes of the foods and the quality control and consistency in the food production; subjective quality however, consider consumers as the central component and their perception towards quality as the critical factor. Therefore, 'subjective quality' can be defined as consumer-oriented quality (Brunso, Scholderer and Grunert, 2004). Also, taste of food, presentation, and freshness of food have been reported as Most important factors influencing customers' satisfaction in the marketing literature but the impact on loyalty has been mixed (Ha and Jang, 2010).

### **2.4 Perceived Value**

Perceived value is the consumer's overall assessment of the satisfaction derived from consuming a product based on divergence between the expectation and offer by providers (Zeithaml, 1988). Similarly, Lai, Griffin and Babin (2009) opined that the ultimate thing consumers want from an exchange is value. Therefore, in deciding whether to return to a service provider or not, a consumer will always consider the extent to which he received 'value for money'. Thus, there is a strong link between sacrifices made and benefits obtained by the customer, and this is a result of the consumer personal comparison. Similarly, Ishaqa (2012) observed that value is mainly perceived by customers, and cannot be determined objectively by the seller. Although, the impact of service quality and customer satisfaction as determinants of customer loyalty have been widely studied, a satisfied customer with a product might not receive commensurate value for money, and thus may not re-buy the particular product.

### **2.5 Customer Satisfaction**

A number of companies are continually developing and implementing strategies aimed at improving customer retention and maximizing their market share of customers (Akinyele, 2010). Customer satisfaction refers to the extent to which products and services provided by a business meet consumers' expectations. Satisfied customers are more likely to be loyal, and to make repeat purchase of the products offered (Jamal and Nasser, 2002). This view is furthermore supported by Oliver (1999) who interpreted customer satisfaction as a

pleasurable fulfilment. That is, the products consumed fulfil some desired need. Ha and Jang (2010) in a study of fast food restaurants, viewed customer satisfaction as a cognitive assessment of service or food quality and affective elements created by consumption experiences.

## 2.6 Conceptual Framework and Research Hypotheses

The conceptual framework of this study (Figure 1) is adapted from previous studies and it aims to examine the ability of the aforementioned variables to adequately predict customer loyalty.

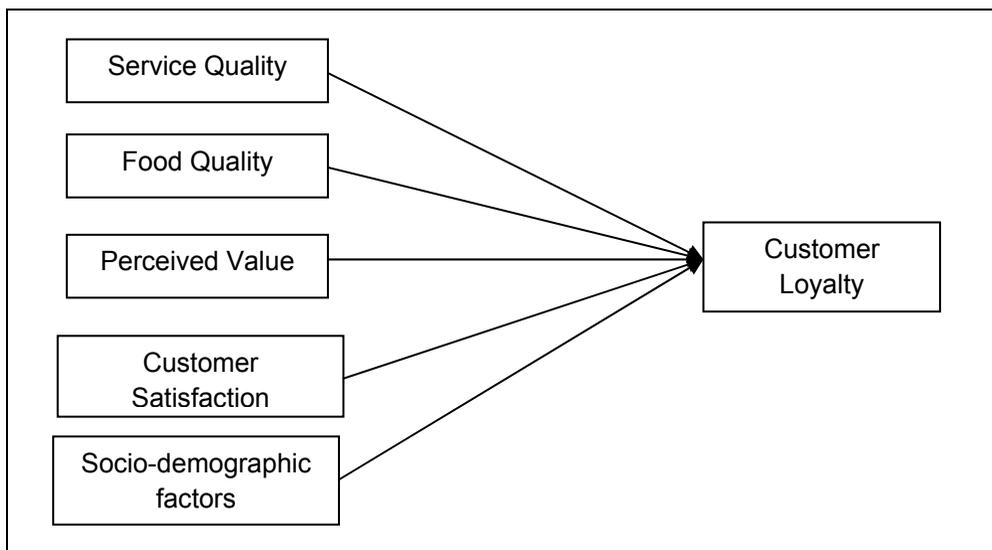


Figure 1: Conceptual Framework

## 2.7 Research Hypotheses

The following hypotheses stated in their null forms, were tested in this study;

Ho1: The impact of service quality on customer loyalty is not significant

Ho2: Food quality has no meaningful influence on customer loyalty.

Ho3: Perceived value does not exert significant direct impact on customer loyalty.

Ho4: The influence of customer satisfaction on customer loyalty is not significant

Ho5: Socio-economic variables have no significant direct effects on customer loyalty

Ho6: There is no significant difference in customer loyalty among FFRs.

### **3. METHODOLOGY**

#### **3.1 Research Instrument**

The instrument for data collection was a structured questionnaire. The items were developed based on those used in previous studies (Ryu and Han, 2009; Ha and Jang, 2010) and comprised two parts. Section A consisted of 34 items intended to obtain the respondents' responses on their perception about the constructs customer loyalty, perceived value service quality, food quality, and customer satisfaction. The 34 items contained fourteen (14) re-worded items of the original SERVQUAL scale used to measure perceived service quality. On the other hand, the other constructs were measured with five statements each. Constructs for this study are operationalized based on researchers' experience and available literature. Table 1 provides descriptive statistics of constructs and a list of the completely worded individual items (statements) used in each construct operationalization (measurement). All statements in each construct were assessed via a 5-point Likert-type scale; strongly disagree (1), disagree (2), neutral (3), agree (4), and strongly agree (5). In order to prevent the respondents from being aware of the measured constructs, the questions were arranged in a random manner. Questions in Section B elicited information on the socio-economic characteristics of customers.

#### **3.2 Techniques of Data Collection**

Primary data for this study were obtained from a survey of a cross-section of customers of FFRs in five (5) urban centres in Delta State; Asaba, Effurun, Ughelli, Sapele, and Warri using a structured questionnaire. A total of 200 copies of the questionnaire were administered to customers in ten (10) FFRs, randomly selected from a list of major FFRs operating in the State, including, Mr. Biggs, Mac Dons, Sizzlers, Ultimate, Tantaliser, Chicken Republic, AJ, Grub, Taste Alive and Wakis. Two FFRs were randomly drawn from each of the five urban centres mentioned above. With the consent of the managers of FFRs, respondents were requested to fill copies of the questionnaire on the spot on a voluntary basis. Of the 200 copies of questionnaire administered, only 167 were appropriately filled and found usable for further analysis. The remaining copies were discarded due to non-response and missing data. The survey was conducted between 1<sup>st</sup> February, and 30<sup>th</sup> March, 2016.

#### **3.3 Data Analysis**

Data generated from the survey were subjected to descriptive and regression analyses in order to achieve the purpose of the study. Descriptive statistics such as frequency distributions, means and percentages were used to explain the demographic characteristics of respondents

Table 1: Construct Operationalization

Description of construct statements	N	Mean	Std. Deviation
<b>Customer Loyalty</b>			
I recommend the fast food restaurant to whoever seeks my opinion	167	3.7186	1.10250
I will encourage my family and friends to eat in the fast food restaurant.	167	3.5329	1.22122
The restaurant is my first choice among others, where I buy fast food	167	3.6287	1.22470
I will continue to patronise the fast food restaurant more in the future	167	3.5689	1.20979
I say good things about the fast food restaurant to my friends	167	3.6407	1.09336
<b>Service Quality</b>			
The physical facilities of the restaurant are in consonance with the types of quality services it provides.	167	3.8084	1.10276
The employees have a neat appearance	167	3.8383	1.01979
When their employees promise to do something by a certain time, they actually do so.	167	3.3653	1.19416
They provide their services at the time they promised to do so.	167	3.4431	.98547
When customers have problems, the employees show a sincere interest in solving them	167	3.2156	.93860
The employees provide prompt services.	167	3.2994	1.05576
The employees are never too busy to respond to my request.	167	3.4371	1.06162
The employees are willing to help me.	167	3.2275	1.02779
The employees are consistently courteous with me	167	3.6048	1.04107
The employees have the knowledge to answer my questions.	167	3.4790	.96217
The behaviour of employees in the fast food restaurant instils confidence in customers	167	2.9940	1.11667
These restaurants have my best interest at heart.	167	3.1018	1.08458
The fast food restaurants have operating hours convenient to all customers	167	2.7844	1.15184
Workers in fast food restaurant pay personal attention to my request	167	3.9281	1.08976
<b>Food Quality</b>			
The fast food restaurant offer safe and hygienic products to customers.	167	3.4431	1.20043

The portion of food served in the restaurant is enough to satisfy my hunger.	167	4.2814	.77527
The foods offered by fast food restaurant have good quality.	167	3.5868	1.07684
The foods offered by fast food restaurant have good taste	167	2.7305	1.22444
Fast food restaurant offer varieties of food to customer.	167	3.6347	1.18910
<b>Perceived Value</b>			
Fast food restaurants offer food with competitive price	167	2.7605	1.13121
The price that I paid for fast food guarantees my satisfaction.	167	4.1317	.88869
The price of food offered in the restaurant reflects the value of the products.	167	3.0539	1.04856
Fast food restaurants offer services of good value for money	167	2.9880	1.32168
The foods sold by the restaurant are a very good bargain at the prices.	167	3.1317	1.22500
<b>Customer Satisfaction</b>			
It is a wise choice for me to dine at this restaurant.	167	3.4611	1.12875
I feel fulfilled with the products I get from my chosen restaurant	167	3.8383	.97138
I feel a good mood whenever I dine here	167	3.5210	1.01695
I have an enjoyable experience when I dine in this food restaurant	167	3.5150	.93045
I feel totally satisfied with the products when I eat-out here.	167	3.4491	1.14943

**Source:** Computed from survey data, 2016.

and their dining behaviour. Cronbach's alpha coefficient was used to assess the reliability of the instrument based on a threshold of greater than 0.7 (Nunnally and Bernstein, 1994). Ordinary least squares regression was employed to ascertain the influence of specified explanatory variables on customer loyalty. SPSS 17.0 for Windows was used to analyse the data.

## 4. RESULTS AND DISCUSSION

### 4.1 Reliability of Measurement Scale

A reliability assessment was performed to assess the internal consistency of the five constructs used in this study. All variables were tested using Cronbach's Alpha. According to Skaran (2003), the Cronbach's Alpha is the most cited measure of reliability for a multi-item scale with an acceptable cut-off point greater than 0.70 (Hair, Black, Babin and Anderson, 2010). The Cronbach's

alpha values for all the constructs ranged from 0.775 to 0.935, and they were all above the cut-off point of 0.70 (Table 2). The Cronbach's coefficient alpha for the entire instrument is 0.902. Therefore the results show that each construct exceeded the minimum acceptable level of reliability and had ensured adequate internal consistency.

Table 2: Cronbach's Alpha Scores of the Variables

<b>Variables</b>	<b>Cronbach's Alpha</b>
Service quality	0.825
Food quality	0.788
Customer satisfaction	0.829
Perceived value	0.775
Customer loyalty	0.935
<b>Research Instrument</b>	<b>0.902</b>

Source: Computed from survey data, 2016

## 4.2 Demographic Characteristics of Respondents

Descriptive analysis was conducted on the demographic characteristics of FFRs customers and their dining behaviour. The results indicated that majority of the fast food customers were female, accounting for 55.1% of the respondents while the remaining 44.9% were male (Table 3). Also, many of the customers were between 24 and 34 years old, and this accounted for 34.1% of all the FFRs customers sampled. About 26.3% of the customers are between 16 and 23 years old; 14.4% of were 32 to 39 years old; 16.2% of the diners are 40 and 47 years old while the ages of 9% of them ranged between 48 and 63 years. From the foregoing, about 97% of the customers are among the active labour force, with a mean age of 31 years. The findings also showed that customers of FFRs in Delta State, Nigeria, acquired a great level of formal education. In fact, 43.1% of the respondents had obtained first degree; 27.5% had Polytechnic/NCE diplomas/certificates while 20.4% had secondary education. But, 7.8% of the patrons possessed postgraduate degrees. The results of the dining frequency/week of respondents in FFRs indicated that 36% of the customers dined at a FFR once per week; 25.7% of the respondents visited FFRs twice per week, while 24.6% of them patronised FFRs three times in a week. Only 13.8% of the respondents visited FFRs between 4 and 5 times in a week. A total of 64.1% of respondents dined in a FFR at least twice per week, while 70% of them patronised their chosen restaurants between 2 and twenty three (23) months, with an average duration of patronage of 17 months per customer.

### 4.3 Results of Multiple Regression Analysis

The results of the multiple regression analysis between customer loyalty and the explanatory variables, age, income, educational status, dining frequency, service quality, food quality, perceived value, customer satisfaction are presented in Table 4, Table 5, and Table 6. The adjusted R-squared value of 0.87 (Table 4), implies that 87% of the variance in customer loyalty is explained jointly by all the independent variables. The Durbin-Watson (D.W.) statistic of 2.03 indicated the independence of the error terms and the absence of autocorrelation among the variables. Table 5 revealed that the regression model is highly significant ( $F(10, 156) = 116.0, p < 0.01$ ), and has good fit. Table 6 revealed that service quality, income, dining frequency, food quality, perceived value and customer satisfaction, have positive effects on customer loyalty while the influence of educational status is negative.

Table 3: Socio-demographic Characteristics of Respondents (n=167)

Parameter	Frequency	Percentage	Mean (Mode)
<b>Sex</b>			
Male	75	44.9	
Female	92	55.1	(female)
<b>Age</b>			
16 – 23	44	26.3	
24 – 31	57	34.1	
32 – 39	24	14.4	31
40 – 47	27	16.2	
48 – 55	10	6	
56 – 63	5	3	
<b>Marital status</b>			
Single	104	62.3	(single)
Married	53	31.7	
Divorced	8	4.8	
Widows/Widower	2	1.2	
<b>Educational status</b>			
Primary school (1)	2	1.2	
Secondary school (2)	34	20.4	
Polytechnic/NCE (3)	46	27.5	
First Degree (4)	72	43.1	(first degree)
Masters (5)	11	6.6	
Ph.D. (6)	2	1.2	
<b>Average Monthly Income(₦ †)</b>			
5000 – 46000	100	59.9	
47000 – 88000	52	31.1	₦

				45,386.23
89000 – 130000	9	5.4		
131000 – 172000	4	2.4		
173000 – 214000	1	0.6		
<b>Dining frequency/Week</b>				
Once	60	35.9	(once)	
Twice	43	25.7		
Three times	41	24.6		
Four times	14	8.4		
Five times	9	5.4		
<b>Duration of Patronage (months)</b>				
2 – 12	78	46.7		
13 – 23	38	22.8	17	
24 – 34	42	25.1		
35 – 45	9	5.4		

**Source:** Computed from survey data, 2016.

† ₦ 330.00 = 1 US Dollar in the month of March, 2016

Table 4: Model Summary<sup>b</sup> of Multiple Regression Analysis

Change Statistics										
Model	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Std. Error of the Estimate	R <sup>2</sup> Change	F Change	df1	df2	Sig. F Change	Durbin-Watson
1	0.94 <sup>a</sup>	0.88	0.87	1.256	0.88	116.0	10	156	0.00	2.03

a) Predictors: (Constant), Dining frequency, Age, Food quality, Sex, Marital status, Customer satisfaction, Educational, Income, Service quality, Perceived value

b) Dependent Variable: Customer Loyalty

**Source:** Computed from survey data, 2016.

Table 5: Analysis of Variance (ANOVA<sup>b</sup>)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1830.321	10	183.032	115.989	0.000 <sup>a</sup>
	Residual	246.170	156	1.578		
	Total	2076.491	166			

- a) Predictors: (Constant), Dining frequency, Age, Food quality, Sex, Marital status, Customer satisfaction, Educational status, Income, Service quality, Perceived value
- b) Dependent Variable: Customer Loyalty

**Source:** Computed from survey data, 2016.

Table 6: Coefficients<sup>a</sup> Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	-1.084	0.950		-1.141	0.256		
Service Quality	0.118	0.020	0.246	5.754	0.00***	0.416	2.403
Food Quality	0.430	0.041	0.443	10.377	0.00***	0.418	2.394
Perceived Value	0.244	0.043	0.240	5.605	0.00***	0.416	2.403
Customer Satisfaction	0.073	0.030	0.075	2.422	0.02**	0.795	1.258
Age	-0.016	0.010	-0.048	-1.632	0.11	0.887	1.127
Sex	-0.016	0.200	-0.002	-.082	0.94	0.952	1.051
Marital status	0.182	0.232	0.025	0.787	0.43	0.762	1.312
Educational status	-0.363	0.120	-0.099	-3.034	0.003** *	0.721	1.387
Income	8.67E-6	0.000	0.090	2.435	0.02**	0.551	1.814
Dining frequency	0.200	0.085	0.067	2.363	0.02**	0.943	1.061

- a) Dependent Variable: Customer Loyalty

**Source:** Computed from survey data, 2016.

The relative contribution of the predictors can be seen by the magnitude of standardized beta coefficients. Service quality is the second most important predictor of customer loyalty ( $\beta = 0.246, p < 0.01$ ), after food quality ( $\beta = 0.443, p < 0.01$ ) followed by perceived value ( $\beta = 0.24, p < 0.01$ ). But among the socio-demographic variables, educational status is the most important predictor of loyalty. The findings further revealed the absence of multicollinearity in the regression model as the least tolerance value for the variables is 0.416, while the maximum value of variance inflation factor (VIF) is 2.403 (far less than 10).

#### 4.4 Hypotheses Testing

The hypotheses stated earlier in this study were tested using the output of the regression model.

##### ***4.4.1 Hypothesis 1 (Ho<sub>1</sub>): Service quality has no significant impact on customer loyalty***

The findings negate the preceding statement as service quality has been found to exert a positive effect on customer loyalty, which is statistically significant ( $\beta = 0.246, p < 0.01$ ). Furthermore, the beta value of 0.246 shows that a unit increase in the variable will result in a 0.246 increase in customer loyalty. Thus, the null hypothesis (Ho<sub>1</sub>), is rejected and the alternative accepted that service quality exerted a positive and significant influence on customer loyalty.

##### ***4.4.2 Hypothesis 2 (Ho<sub>2</sub>): Food quality has no significant effect on customer loyalty***

The beta coefficient showed the level of influence that food quality had on customer loyalty in FFRs (Table 6). The coefficient of food quality was significant ( $\beta = 0.44, p < 0.01$ ), suggesting that food quality exerted strong effects on customer loyalty. With a value of 0.44, it implies that it is the most critical determinant of customer loyalty. The result implies that a unit increase in this variable will cause a 0.44 increase in customer loyalty. Therefore hypothesis two is rejected.

##### ***4.4.3 Hypothesis 3 (Ho<sub>3</sub>): Perceived value has no significant impact on customer loyalty***

The regression results indicated that perceived value also had a direct effect and significant influence on customer loyalty with a beta coefficient,  $\beta = 0.24$  at ( $p < 0.01$ ). The result shows that the higher customers' perception of perceived value for their fast food, the higher customer loyalty will be. However, perceived is the least predictor of customer loyalty with the beta coefficient value ( $\beta = 0.24, p < 0.01$ ). This means that a 1 unit increase in perceived value will result in a 0.24 increase in customer loyalty to FFRs. Thus, Ho<sub>3</sub> is rejected and the alternative hypothesis accepted that perceived value exerts significant direct impact on customer loyalty

##### ***4.4.4 Hypothesis 4 (Ho<sub>4</sub>): The influence of customer satisfaction on customer loyalty is not significant***

The findings in Table 6 suggest that customer satisfaction had a direct and significant influence on customer loyalty ( $\beta = 0.075, p < 0.05$ ). Thus, the higher customers are satisfied with the products and services of a FFR, the more loyal

they are likely to be. The relative contribution of customer satisfaction to variation in customer loyalty is also reflected by the beta coefficient, ( $\beta = 0.075$ ). Therefore among the four independent variables, customer satisfaction is the third most important predictor of customer loyalty. Thus a unit increase in customer satisfaction will lead to a 0.075 increase in customer loyalty to fast food outlets. Thus, the null hypothesis ( $H_{04}$ ) is rejected and the alternative accepted that the influence of customer satisfaction on customer loyalty is indeed significant.

**4.4.5 Hypothesis 5 ( $H_{05}$ ): Socio-demographic variables have no significant influence on customer loyalty**

The effects of the socio-demographic factors of age, sex, marital status, educational status, dining frequency and income on the dependent variable are also presented in Table 6. Educational status had negative and significant effect ( $p < 0.01$ ) while the influence of dining frequency and income was positive and significant ( $p < 0.05$ ). However, age, sex and marital status did not exert meaningful effects on customer loyalty. Therefore, ( $H_{05}$ ) is partly rejected and the alternative hypothesis accepted for income, dining frequency and educational status, but cannot be rejected for age, sex and marital status that had no statistically significant influence, as their variability may be due to chance.

**4.4.6 Comparison of Customer Loyalty among Fast Food Restaurant**

A one-way between-groups ANOVA was conducted to examine whether significant differences exist in customer loyalty among FFRs in Delta State, Nigeria. The findings indicated that ‘Sizzlers’, ‘Mr. Biggs’ and ‘Macdons’ had the highest mean customer loyalty respectively; while ‘TasteAlive’ had the lowest value (Table 7). Statistically significant ( $p < 0.01$ ) differences in customer loyalty was found among the restaurants; Chicken Republic, Tantaliser, Taste Alive, Wakis, AJ, Sizzlers, Ultimate, Mr. Biggs, Grub, and Mac Dons (Table 8).

Table 7: Descriptive Statistics of Customer Loyalty in 10 Fast Food Restaurants

Fast Food Restaurants	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Chicken Republic	18	3.71	0.765	0.180	3.331	4.091	2.40	4.80
Tantalizers	18	3.82	0.342	0.081	3.652	3.992	3.20	4.40
TasteAlive	17	2.58	0.435	0.106	2.353	2.802	1.60	3.60
Wakis	16	3.20	0.547	0.136	2.909	3.492	1.40	3.80

AJ	16	3.53	0.399	0.01	3.312	3.738	2.80	4.00
Sizzlers	18	4.24	0.243	0.057	4.124	4.365	3.60	4.60
Ultimate	17	3.25	0.416	0.101	3.033	3.461	2.60	4.00
Mr.Biggs	16	4.19	0.296	0.074	4.03	4.345	3.80	4.60
Grubs	16	3.70	0.479	0.12	3.445	3.955	2.60	4.20
Macdons	15	3.96	0.380	0.098	3.75	4.170	3.20	4.60
Total	167	3.62	0.655	0.051	3.518	3.718	1.40	4.80

Source: Computed from survey data, 2016.

Table 8: Analysis of Variance (ANOVA) of Differences in mean customer loyalty

### Mean Customer Loyalty

	Sum of Squares	df	Mean Square	F
Between Groups	38.736	9	4.304	20.875
Within Groups	32.370	157	0.206	
Total	71.106	166		

Source: Computed from survey data, 2016

Post-hoc comparisons using Tukey HSD test revealed that mean customer loyalty to ‘Taste Alive’ was significantly different ( $p < 0.05$ ) from that to Chicken Republic, Tantaliser, Wakis, AJ, Sizzlers, Ultimate, Mr.Biggs, Grub, and Mac Dons. The differences in customer loyalty among the various FFRs are shown in Table 9.

**Hypothesis 6 ( $H_{06}$ ):** *There is no significant difference in the level of customer loyalty among FFRs surveyed*

The results of the one-way analysis of variance clearly revealed the existence of significant differences ( $p < 0.05$ ) in mean customer loyalty among the ten FFRs studied. Therefore we reject the null hypothesis ( $H_{06}$ ) and accept the alternative that there are indeed significant differences in customer loyalty among FFRs in the study area.

Table 9: Mean Differences in Customer Loyalty among Fast Food Restaurants

FFRs	Chicken Republic	Tantalizers	Tastealive	Wakis	AJ	Sizzlers	Ultimate	Mr.Biggs	Grubs	MacDons
Chicken Republic		-0.111	1.135*	0.511*	0.186	-0.533*	0.464	-0.476	0.011	-0.249
Tantalizers			1.246*	0.622*	0.297	-0.422	0.575*	-0.365	0.122	-0.138
Tastealive				-0.624*	-0.949*	-1.668*	-0.671*	-	-	-1.384*
Wakis					-0.325	-	-0.047	-	-0.500	-0.760*
AJ						-1.044*	0.278	-	-0.175	-0.435
Sizzlers							0.997*	0.057	0.544*	0.284
Ultimate								-0.940*	-0.453	-0.713*
Mr.Biggs									0.488	0.228
Grubs										-0.260
MacDons										

\* Mean difference is significant at the 0.05 level.

Source: Computed from survey data, 2016.

## 4.5 Discussion of Findings

### 4.5.1 Cause-Effect Relationship between Customer Loyalty and Independent Variables

The findings indicated that service quality exerted a positive and significant impact of customer loyalty in FFRs ( $\beta = 0.246, p < 0.01$ ). As FFRs generally improve the quality of their services, customer satisfaction will increase thereby stimulating repurchase intention and consequently loyalty among customers. The findings is supported by the work of Akinyele (2010) in Nigeria; and Saleem and Raja (2014) in Pakistan, who also found service quality to exert positive and significant impact on customer loyalty, where improved quality of service made the customers to remain loyal with hotels.

The dominating effect of food quality was also highlighted as a predictor of customer loyalty in the study. This is not unexpected because no matter how excellent the quality of services may be, the food served is of greater value to the customer. Haghighi et al. (2012) reported similar results in a study of the restaurant industry in Iran, where food quality was identified as the most important determining factor of customer satisfaction and loyalty.

Another important finding of the study is the significant effects of perceived value on customer loyalty to FFRs. Although it made the least contribution to variation in customer loyalty ( $\beta = 0.24, p < 0.01$ ), its influence on customer behavioural intentions cannot be overlooked. This is due to the fact that perceived value is an important factor in customers' evaluations of satisfaction

and post-purchase behaviour (Tam, 2000). This finding is supported by the work of Kim, Lee, Kim and Ryu, (2011) and that of Raza, Siddiquei, Awan and Bukhari (2012) where perceived value was found to cause re-visit intention and loyalty among customers.

For customers to continue to patronise a fast food outlet, the products and services offered must meet or exceed their expectations, if not they may switch to other service providers. Thus the significant and direct impact of customer satisfaction on loyalty found in the study attests to the fact that consumers were fulfilled by the products bought from restaurants of their choice. The implication of this finding is that a unit increase in customer satisfaction will result in a 0.075 increase in customer loyalty. This result is in agreement with the report of Hyun (2010), in a study of young adult patrons of FFRs in Indonesia where he found customer satisfaction as an important predictor of customer loyalty. A recent study in Pakistan by Saleem and Raja (2014), also support the findings of this study. Akinyele (2010) also found customer satisfaction as a more important predictor of re-patronage intention and loyalty in a study of fast food outlets in Nigeria.

#### ***4.5.2 Socio-demographic Factors and Customer Loyalty***

Socio-demographic variables are very important factors that help to determine consumer buying behaviour. Our social make-up affects the nature and quality of food we eat and the location where we choose to eat out. Although how much fast food a consumer buys depends on current income, but patronising a particular restaurant over a long period of time depends on the inter-play of the aforementioned socio-economic factors. The negative but insignificant effect of age on customer loyalty reveals a lot about the target market of FFRs operators. With an average age of 31 years for respondents in this study, it is not surprising that the older the customer, the less loyal they are likely to be to FFRs. Furthermore, great concerns have been raised across the world on the level of healthiness of the foods prepared in fast food restaurants. Thus, older people who are generally concerned about the high caloric contents of products in FFRs are not likely to be loyal compared to the youths with risky lifestyle.

Although education is supposed to reinforce the income effect of consumer purchase decision, this study has found otherwise that customers with higher educational status have a higher likelihood of being less loyal to fast food restaurants than their counterparts who are less educated. Their level of education will enable them to evaluate fast food products more objectively based on nutrition and health before purchasing on a regular basis, and over a long period of time. The negative impact of educational status found can be attributed to this evaluation process.

Income has a significant effect on choice decision and final consumption, and customers who have more income tend to spend more. Also, high income level

reduces the necessity for searching better deals across different FFRs; therefore customers with high income tend to be loyal to particular restaurants. The positive and significant effects of disposable income on customer loyalty lends support to literature that as income grows, consumers of FFRs products become more loyal to their outlets. This finding is in consonance with the report of Iqbal, Ghafoor and Shahbaz (2013).

The differences in customer loyalty found is a pointer to the fact that though restaurants may be operating in the same business environment, their operational and marketing strategies are different. And this may have brought about the significant differences in the level of loyalty they enjoyed from their customers. Thus, restaurateurs need to continuous[y pay attention to the quality of their products and services in order to secure continued patronage from their customers.

## 5. CONCLUSIONS

Customer loyalty has been found to be a competitive tool for many companies and is considered the main driver of success in many retail business organizations. The study investigated and identified key factors that influence the loyalty of customers to fast food restaurants in Delta State, Nigeria. These include service quality, food quality, perceived value, customer satisfaction, income, educational status and dining frequency. Apart from the accentuation of food quality as the predominant factor that determines customers continued and sustained patronage of particular fast food outlet, the study also revealed the importance of income, education and dining frequency as causative factors influencing customer loyalty to fast food restaurants. The study also established that the development and implementation of marketing strategies to win and retain customers, is an important factor to the survival of FFRs.

The authors wish to suggest that managers of FFRs in Delta State, Nigeria is essential to develop and maintain long lasting relationship with their customers for guaranteed patronage and to remain in business. Furthermore, fast food operators need to maintain and improve service quality by trying to reduce time between order placement and order fulfilment, and provide quick service to customers. Because the quality of food greatly influences a customer's satisfaction level, it is our recommendation that restaurant operators should improve or maintain a high-quality menu consistently. They should also help to improve on the visual appeal, taste, freshness, and nutrient content of the food they offer in order to attract and retain their customers. FFRs should also increase the varieties of food offered as well as local recipes that are requested by some customers.

Since consumers attach great importance to the quality of food, the environment and general attitude of the staff, therefore, FFR managers should understand this in order to develop and implement effective marketing and operational strategies to attract new customers and retain existing ones. This will enhance customer loyalty and guarantee the survival of their businesses.

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