A STUDY OF CUSTOMER LOYALTY AND THE

IMAGE OF THE FINE DINING

RESTAURANT

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TABLE OF CONTENTS

Chapter				
I. INTRODUCTION				
1.1 1.2 1.3 1.4 1.5 1.6 1.7	Background Customer Loyalty and the Restaurant Success Importance of Restaurant image Problem Statement & Objectives of the Study Research Significance Definitions of Terms Organization of the Study	1 3 5 6 9 9 9		
II. REVIEW OF LITERATURE				
2.1 2.2 2.3 2.4 2.5 2.6 2.7 2.8 2.9 2.10 2.11	Loyalty Dimensions Loyalty Prerequisites Service Quality Customer Satisfaction Relationship between Customer Satisfaction and Loyalty Restaurant Image Relationship between Image and Loyalty Demographic Influence on the Dining Behaviors Factors Contributing to Customer Loyalty Conceptual Frame Work Hypotheses	.13 .14 .17 .18 .19 .20 .22 .22 .24 .26		
III. N	METHODLOGY	.27		
3.1 3.2 3.3 3.4 3.5	Research design Survey Instrumentation Sampling plan Survey Procedure Data Analysis	.27 .27 .32 .33 .33		

IV.	FINDINGS	38
4.1	Response Rate	38
4.2	Demographic Characteristics of Respondents	38
4.3	Overall Respondents' Dining Behavioral	
4.4	Customer Satisfaction	47
4.5	Customers' Perceived Image of the Fine Dining Restaurant	
4.6	Overall Satisfaction, Likelihood of Repeat Patronage, Intention to Revisit.	
	and likelihood of Favorable Recommendation	
4.7	Customers Satisfaction Dimensions	
4.8	Impact of the customers' Satisfaction of Food and Service Quality	
4.9	Impact of the customers' Satisfaction of Food and Service Quality on Overall	
,	Satisfaction	
4.10) Impact of the Satisfaction Dimensions on Likelihood of Return to the Fine	
	Dining Restaurant	60
4.11	Impact of the Satisfaction Dimensions on Likelihood of Recommendations	
	at the Fine Dining Restaurant	63
4.12	2 The Impact of Customers' Perception of the Restaurant Image Dimensions	66
4.13	The Impact of Image Dimensions on Overall Customers' Satisfaction	70
4.14	The Impact of Image Dimensions On the Customers' Likelihood of Return	72
4.15	The Impact of Image Dimensions On Customers' Likelihood	
	of Recommendation	74
4.16	5 Satisfaction Factors and Demographic Characteristic One-Way ANOVA	77
4.17	⁷ Image Factors and Demographic Characteristic One way ANOVA	79
4.18	Satisfaction Factors and Respondents Dinning Behavior One-Way	
	ANOVA on Average Spend on the Meal	80
4.19	Image Factors and Respondents Dinning Behavior One way ANOVA	81
V. (CONCLUSION	83
5.1	Conclusions	83
5.2	Implications of the Research Findings	87
5.3	Limitation of the study	92
5.4	Future Work	92
REF	FERENCES	94
APF	PENDIX	111
		111
	APPENDIX AA SAMPLE OF THE SUKVEY	111
	AFFENDIA BINSTITUTIONAL KEVIEW BUAKD AFFKUVAL	11/

LIST OF TABLES

Table		
I. Product attributes used in evaluating food quality at The Fine Dining Restaurant		
II. Service Quality Attributes Used in Evaluating Customer Satisfaction at the fine dining		
III. Image Attributes used in evaluating the Customers' Level of Agreement31		
IV. Overall Response Rate		
V. Demographic Profiles of Overall Respondents at the fine dining restaurant40		
VI. Demographic Profiles of Lunch Respondents41		
VII. Demographic Profiles of Dinner Respondents		
VIII. Overall Respondents' Dining Behavioral44		
IX. The Lunch Respondents' Dining Behavioral45		
X. The Dinner Respondents' Dining Behavioral46		
XI. Customers' Levels of Satisfaction48		
XII. Customers' Perceived Image of the Fine Dining Restaurant Attributes50		
XIII. Overall Satisfaction, Likelihood of Repeat Patronage, Intention to Revisit and Likelihood of Favorable Recommendation		
XIV. Factor Analyses Results of Varimax Rotated Component of Satisfaction Attributes		
XV. Results of Regression Analysis of the Impact of the customers' Satisfaction of Food and Service Quality on Overall Satisfaction60		

XVI. Results of Regression Analysis of the Impact of the Satisfaction Dimensions on Likelihood of Return	3
XVII. Results of Regression Analysis of Impact of the Satisfaction Dimensions on the Likelihood of Recommendations	6
XVIII. Factor Matrix Analyses Results of Varimax Rotated Component of Image Attributes	9
XIX. Results of Regression Analysis of the Impact of Image Dimensions on Overall Customers' Satisfaction	2
XX. Results of Regression Analysis of the Impact of Image Dimensions on the Customers' Likelihood of Return	4
XXI. Results of Regression Analysis of the Impact of Image Dimensions on Customers' Likelihood of Recommendation	6
XXII. The Satisfaction Factors differences by Ages Characteristics	7
XXIII. The Satisfaction Factors differences by Gender Characteristics7	8
XXIV. The Satisfaction Factors Differences by Martial Statues7	8
XXV. The Image Factors Differences by Ages Characteristics	9
XXVI. The Image Factors Differences by Gender Characteristics	9
XXVII. The Image Factors Differences by Martial Statues Characteristics8	0
XXVIII. Satisfaction Factors Differences by Customers Average Spend on Meal	1
XXIX. The Image Factors Differences by Customers' Purpose of the Current Dining Event	2

LIST OF FIGURES

Figure	
Conceptual Frame Work	25
Research Frame Work	

CHAPTER I

INTRODUCTION

1.1 Background

The restaurant image is recognized as an essential component of the customer satisfaction and therefore it is a cornerstone of the success of the fine dining restaurants. Downs and Haynes (1984) pointed out the relationship between the restaurant success and the effectiveness of its image management. A fine dining restaurant, therefore, must focus on its image using increased upgrades and improvements in décor, ambiance and interior design to attract customers and to differentiate itself from its competitors.

The restaurant industry has an important role as a job creator in the American economy in addition to its social impact on communities nationwide. The National Restaurant Association (2005) reports that the restaurant industry sales are expected to reach a record \$476 billion in 900,000 restaurant locations in 2005. The reports predicted that American customers will spend almost 47% of their food dollars in the restaurant community in 2005 and that the restaurant industry will provide jobs to 12.2 million employees. Fine dining upscale segment has been declining in relative importance in recent years. Hundreds of fine dining restaurant operations across the country have downscaled and toned down their price because customers are looking for high quality but also affordable food (Sanson, 1992).

Fortunately for fine dining restaurants, the National Restaurant Association (NRA) reported that service was about as important as food. Moreover it reported that location and ambiance were similar in importance which suggests that customers are willing to travel extra distances to patronize full-service restaurants if excellent food and service are offered at a reasonable price. The NRA also indicated that 25% of diners can be categorized as "adventurous" and are enthusiastic about trying new menus (NRA, 2005). Most of those are between 30 and 60 years old, educated and are the most active restaurant diners. An extravagant menu and a unique ambiance can distinguish a fine dining restaurant among its pears. Restaurant's architecture, decor, landscaping and site location can be utilized successfully to attract customers in a saturated market and against intensified competition.

Higher income customers may stick to fine dinning or themed restaurants because they carry images or meanings that provide social value for them. They perceive it as a contribution to their social status (Mill, 2004). The higher the household income is, the less switching is expected, i.e., customers with high income can afford to repeat dining in familiar restaurants despite the wide price variation. They value the businesses that treat them the way they like to be treated, and once they have made a decision about a restaurant they are often loyal to that particular restaurant; they will continue to dine with it in the future, recommend it to friends, and will even pay more for the service (Assael, 1991).

1.2 Customer Loyalty and the Restaurant Success

Customer loyalty is one of the most important keys to the restaurant success. The NRA (2003) reported that many restaurants derive a large portion of their profits from their loyal customers; in restaurants with an average check size of \$25 or more the regular customers contribute 60% of the revenue. Customer loyalty leads to higher customer retention rate and to continuous business success even in situations where failure to satisfy customers would normally cause an early termination of business. Therefore the restaurant operation must focus not only on attracting first-time customers but also on developing long term relationship with customers. Reichheld (1999) 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 customers are less likely to switch away by a discount (Tepeci, 1999). Customer loyalty allows increased price premium (competitive advantage) because brand loyal customers perceive some unique service and value in the brand that no other alternative can provide. Heskett et al. (1994) showed that loyal customers not only provide increased profits but also cover the losses incurred in dealing with less loyal customers.

There is an interaction between customer satisfaction, customer loyalty and customer retention (Adams, 2005). In a fine dining restaurant, high level of service quality is one of the features that can create extra customer satisfaction (Hanefors & Mossberg, 2003). When customers perceive good service, each one of them will tell nine to ten people. It is estimated that nearly one half of American businesses is built upon

this informal, communication "word-of-mouth" (Gitomer, 1998; Reck, 1991). Customer retention is increasingly being seen as an important managerial issue (Ahmad & Buttle, 1999). Improvement in customer retention by even a few percentage points can increase profits by 25% or more (Griffin, 1995). Reichheld (1996, 2001) said that 5% increase in customer retention yields 75% increase in net present value. Customer satisfaction research is important because it is directly linked to return behavior as pointed out in the recent hospitality literature, notably by Barsky (1992, 1995), Almanza *et al.* (1994), Bojanic and Rosen (1994), Dube *et al.* (1994), Lee and Hing (1995), Stevens *et al.* (1995), Johns (1996), Johns and Tyas (1996), Oh and Jeong (1996), Pettijohn *et al.* (1997), and Qu (1997). The University of Michigan indicated that for every percentage increase in customer satisfaction, there is an average increase of 2.37% of return on investment (Keiningham and Vavra, 2001; Rataree, 2003).

Attracting Customers are more difficult nowadays due to the challenges of competition and the need to maintain the volume of business that the restaurant faces. The competition challenge has three major implications for what customer wants: (1) the increased choice, (2) greater value of money, and (3) augmented level of service (Kandampuly & Suhartanto, 2000). Given the intense competition and demanding consumers, a reasonable concern revolves around what restaurants can do to maintain customer satisfaction. Knowing what the customers want and what makes them come back is important for the restaurant mangers so they can make improvements to the operation of the restaurant (Naylor & Greco, 2002). Customers have their own reasons to return to a restaurant. Some of these reasons are seeking quality, value and desirable environment. Louis & Talaga (1997) found that general levels of consumer

dissatisfaction with service quality were consistent with the levels of failure among restaurants. Offering good food and good service is not enough to attract and retain consumers. To gain a competitive advantage in today's market, restaurants have attempted to offer a unique image.

1.3 Importance of Restaurant Image

The image of a restaurant affects the customer choice of one or more restaurants to patronize (Wang, 1990). It serves as a guide for customers and helps them to determine whether or not a restaurant fulfills their needs. Fine dining restaurant must meet continuously the varying demands of prospective target customers. The image of a restaurant, as perceived by its potential customers, plays an important role in affecting the customer loyalty behavior as well as in determining its market position within its competitive environment. The concept of positioning in a marketing strategy calls for the creation and identification of an image (Renaghan, 1981; Lewis, 1982; Oh, 1995). How consumers perceive the restaurants on various image attributes is one factor that helps guide the positioning and repositioning strategies of the restaurant (Cullen & Rogers, 1988; Oh, 1995) to compete effectively with other restaurants in a local area. A favorable restaurant image with a unique concept is one of the valuable marketing assets to create a competitive advantage that is not easily duplicated by other restaurants. From a strategic point of view customer loyalty becomes meaningful when it is related to the fine dining restaurant image (Rosenbloom, 1981). Researchers can easily identifies the strengths for the restaurant and minimize its weakness by linking the image to the customer behavior (Martineau, 1958; Lessig, 1973; Wu and Petroshius, 1987; Steenkamp and Wedel, 1991; Baker *et al.*, 1994).

The image of a restaurant consists of both tangible and intangible attributes. Tangible attributes are physical properties such as restaurant location, restaurant layout, price ranges, attractiveness of décor, and other qualities that the consumer can objectively compare it to competitors. Intangible attributes include such qualities as friendliness of restaurant personnel, and atmosphere. The image of a restaurant consists of both positive and negative perceptions (Reid, 1983; Oh, 1995). Favorable customers' evaluations of the restaurant's image attributes will lead them to become repeat customers; unfavorable evaluations would likely yield a no repeat response (Swinyard, 1977). Thus, as an indicator, the restaurant image directly relates to consumer behaviors such as customer loyalty. Therefore, image considerations remain important in the development of an integrated marketing strategy and restaurant management must understand and control it as much as possible.

1.4 Problem Statement & Objectives of the Study

For the newly opened fine dining restaurant, knowledge of its own image is of great value. By conducting research on restaurant images, the marketer can ascertain whether the image perception of this new restaurant is consistent with the needs of a target market. If unfavorable images are developing, then examination of individual attributes will identify possible areas for revision in the strategy. If favorable images are developing, then continuance of the same marketing strategy is appropriate. Through the effective communication of a restaurant image, marketers can also meet customer need through hierarchy of effects such as attitude, patronage intention, and behavior (Nevin & Houston, 1980; Oh, 1995).

Customer loyalty is critical to the success of any restaurant that wants to gain and maintain market share. The restaurant is in need of an appropriate measure of customer satisfaction that will lead to customer loyalty from its primary source of customers. This suggests that management may wish to seek attributes that are responsible for customers' return business.

Customers who receive poor service will typically relate their dissatisfaction of the restaurant service to 15 - 20 others customers (Griffin, 1995). Gitomer (1998) reported that the cost of gaining a new customer is ten times greater than the cost of keeping a satisfied customer. In addition, if the service is particularly poor, 91% of customers will not return to the restaurant. Satisfied customers improve business and dissatisfied customers ruin business (Anderson & Zemke, 1998; Leland & Bailey, 1995). Therefore, customer satisfaction is important to be monitored and managed continually in the restaurants.

From the above literature review it is clear that the concept of positioning the restaurant in a marketing strategy calls for the creation and identification of an image. Restaurants must be aware of customer preferences and develop their services in line with targeted market needs and must effectively know how to manage image to increase the restaurant chance for success. The demographic profile of customers may also affect their satisfaction and loyalty towards the restaurant (Mak *et al.*, 2005). This suggests that

restaurant may need to consider the demographic behavior of customers when developing the image and service quality of the restaurant.

This study focuses on fine dining restaurant upscale segment. Because the fine dinning restaurant segment is differentiated by its name and presentation, it seeks to create and reach the expectations of specific groups of customers (Assael, 1991). This study will help to identify factors contributing to the success or failure of fine dining restaurant positioning efforts. Those factors can be used by management to reposition the restaurant to improve or change the restaurant image in the respective target market.

The purpose of this study is to examine the relationship between customer loyalty and two perquisites: customer satisfaction and the image of the fine dining restaurant segment from the point of view of customers. The data was collected from a crosssectional survey of customers' satisfaction at a fine dinning restaurant segment to examine their overall satisfaction and their likelihood to return back and recommending the restaurant.

The specific objectives of the study are:

- 1. To derive the dimensions of the image of the fine dining restaurant and the dimensions of customers' satisfaction towards it;
- 2. To examine how the image of a fine dining restaurant affects customers' decision to return to the restaurant in the future;
- 3. To examine how customer satisfaction affects customers' loyalty to a fine dining restaurant;

- 4. To examine whether customers with different demographics and dining behavior have different perceptions on service quality, image of fine dining restaurant, and customer loyalty; and,
- 5. To provide recommendations to the restaurant managers for increasing loyal customers.

1.5 Research Significance

This research intends to provide an implication of the customer loyalty that are of greatest importance to fine dining restaurant managers. In order for the restaurant business to meet the needs and desires of the targeting customers, the business must investigate the needs and desires of the customers. This information is vital not only for sustaining successful restaurant business, but also for understanding and improving customer loyalty.

1.6 Definitions of Terms

<u>Perception:</u> Perception is the process through which human beings select, organize, and interpret stimuli into a meaningful picture of the world. It has strategy implications for marketers because customers make decisions based upon what they perceive, rather than on the basis of objective reality (Schiffman & Kanuk, 1983).

<u>Restaurant Image:</u> A restaurant image can be defined as the overall attitude toward the restaurant, based upon the customer perceptions of relevant restaurant attributes (Doyle & Fenwick, 1975; James *et al.*, 1976; Korgaonkar *et al.*, 1985).

<u>Restaurant Image Attributes:</u> In this study, restaurant image attributes are defined as the set of features (product and service) which, when aggregated together, describe a fine dining restaurant.

<u>Restaurant Loyalty:</u> is usually defined as the customer inclination to patronize a given restaurant repeatedly during a specified period of time (Enis & Paul, 1970). More specifically, it is defined as a biased (nonrandom), behavioral response, expressed over time, by some decision making towards the restaurant.

<u>Fine Dining Restaurants:</u> The restaurant segment takes its function as a luxury place to have dinner. Fine dining restaurant classified as an upscale restaurant. This operation seeks to attract customer with high-income.

Loyal Customer: Is a customer who dines from the same restaurant whenever possible, and who continues to recommend or maintains a positive attitude towards the restaurant (Kandampully and Suhartanto, 2000).

1.7 Organization of the Study

Chapter one introduces an overview of the fine dining restaurant and the importance of its image and the research topic by discussing the background of the problem and the need to conduct this study. Finally, it also introduces the objectives of the study. Chapter two reviews previous studies of the restaurant image, customer

satisfaction, customer loyalty and likelihood of return. Chapter three focuses on the methodology, research design, instrument, sampling plan, survey procedure, and data analysis. Chapter four reports the result of the study. Finally, Chapter five presents the conclusions and implications.

CHAPTER II

REVIEW OF LITERATURE

Understanding the guest's needs and desires is invaluable when determining methods for improving the restaurant image. A lack of understanding of customer preference leads to problems in both product and service design (Schall, 2003). Research shows that the most successful restaurants are the ones which are fully aware of customer preferences and develop their services in line with targeted market needs (Victorino *et al*, 2005). Therefore a dedicated focus on customer loyalty is likely to become a necessary prerequisite for the future success of restaurant.

The restaurant industry is driven by some key characteristics, such as a typical experience good which is the service that one may only assess during or after the experience. Since quality can only be assessed during or after the food and service has been "experienced", one of the crucial problems is to signal the quality of such products to potential customers (Surlemont & Johnson, 2005). Excessive pricing may in fact deter customers; promotion may be productive to image building. Recent studies indicate that the restaurants image may influence customer enthusiasm, value, delight, and loyalty as well (Bhote, 1996).

2.1 Loyalty Dimensions

Behavioral and attitudinal are two dimensions for the customer loyalty (Kandampully & Suhartanto, 2004: Julander *et al.*, 1997). The behavior dimension refers to a customer's behavior on repeat dinning for a specific restaurant over time (Bowen & Shoemaker, 1998). Attitudinal dimensions, on the other hand, refer to a customer's intention to repurchase and recommend, which are good indicators of a loyal customer (Getty & Thompson, 1994). Moreover, a customer who has the intention to repurchase and recommend with the restaurant.

The behavioral dimension and customer loyalty is usually expressed by repeated purchase of service among other variable intention to repurchase and to recommend (Wong & Sohal, 2003). Gremler and Gwinner (2000) showed a positive correlation between overall satisfaction and loyalty intention.

As for behavioral loyalty, Barnes (1997) found out those customers having a closer relationship with a service employee present higher share of business with the service provider. If a server maintains good relationship with customers, those customers may wish to return again to the restaurant and to request to be served with the same server.

2.2 Loyalty Prerequisites

Customer satisfaction and service quality are prerequisites of loyalty (Gremler & Brown, 1997; Cronin & Taylor, 1992). Several researchers pointed out that high

customer satisfaction and service quality result in higher customer loyalty and willingness to recommend the service (Danaher & Mattsson, 1998). Bitner (1990) confirmed that the word-of-mouth becomes more positive as satisfaction increase.

Management emerged from three main perspectives which are: (1) service marketing, (2) industrial marketing, and (3) general management. From the service marketing perspective, the way to retain customers is to improve customer service quality and satisfaction (Berry & Parasuraman, 1991; Zeithaml & Bitner, 1996). The restaurant must focus on delivering food quality and services and a high level of dining satisfaction that will lead to increased customer return and greater market share.

Magnini and Honeycutt (2005) reported that customer emotions play an important role in driving customer satisfaction and loyalty; they discussed the importance of face recognition and name recall to customers and its effect on customer loyalty. Gummesson (1987) proved that in case of service providers the quality of relationships between customers and front line employees, which provides both a professional and social dimension, can strongly contribute to customers' loyalty. Price and Arnould (1999) showed a positive correlation between "friendship towards a service employee" and "overall service satisfaction." Gutek *et al.* (1999) indicated that customer having a personal relationship with a specific employee shows higher levels of service usage.

2.3 Service Quality

Many researchers in the hospitality industry perceived service quality as a critical issue. Zaithaml (1998) defined service quality as the customer judgment about a product

overall excellence. Bruck *et al.* (2000) suggested that perceived product quality have impact on customers purchasing choices. The eight dimensions of product quality were introduced by Gravin (1987) as follows: performance, feature, reliability, conformance, durability, serviceability, aesthetics, and perceived quality. Gravin (1987) suggested that if the provider can control few dimensions, it will result in managing customer perception of quality which will lead to higher customer satisfaction. In the restaurant industry food quality is considered to be an important part of the product quality (Siguaw & Enz, 1999). Henson and Trail (1993) identifies food quality into four attributes as follows: food safety, nutrition, value, and package. Yuksel and Yuksel (2002) found out that product quality is considered to be a significant determinant of dining satisfaction.

Rust and Oliver (1994) indicated that customer perceived overall service quality is based on three dimensions of the service encounter as follows: the customer-employee interaction, the outcome (Gronroos, 1984), and the service environment (Bintner 1991). Brady and Cronin (2001) stated that customer perception of service quality includes: organizational, technical and functional quality, the service product, the service delivery the service environment, the responsiveness, the empathy, the assurances, and the tangibles related with the service experience. Soriano (2002) categorized food service quality into four dimensions as follows:

- 1. <u>Quality of food</u>: menu variety, innovative food, presentation of food, fresh ingredients and food consistency.
- Quality of service: equipment, appearance of employees, courtesy of employees, waiting-time before being seated, waiting-time before food arriving, and waitingtime before paying the bill.

15

- 3. <u>Cost/value</u>: competitively priced food and wine.
- 4. <u>Place</u>: appearance, ambience or atmosphere of a restaurant, bathroom, telephone service and parking.

<u>Quality of Food:</u> It has been rated that quality of food and fresh ingredients are the most important reason for customers to return to a restaurant (Brumback, 1998; Sorino, 2002). Bowen and Morris (1995) indicated that sometimes the first way to evaluate quality of food for a customer is the design of the menu. The effectiveness of the menu is a selling tool for the restaurant sector.

<u>Quality of Service:</u> recently customers have also been increasingly concerned about the quality of service (Soriano, 2002). Ursin (1996) reported that waiting staff who are given empowerment are better employees to serve customers. Therefore, it is expected that if both quality of service and food quality are provided, customers would come back again and become loyal to that specific restaurant.

<u>Cost/value of the Meal</u>: As dining out becomes an important part of customers' life styles, frequent dinner customers have raised their expectations to the restaurant quality, in terms of good service and cooked food, and that's while seeking a better value for their money (Klara, 2001). To gain a competitive advantage in today's market, restaurants must offer value beside good food and good service.

<u>The Place</u>: Ambience was seen by other researchers that it may give restaurants a competitive edge (Horeco, 2000). According to Belman (1996) "today, the most important thing is design and concept." The importance of a comfortable atmosphere is increasing in restaurants (Dulen, 1998). The restaurateur must invest money to improve

their appearance. This is particularly important for attracting sociable customers who like to have new experiences (Goldstein, 1998; Soriano, 2002).

2.4 Customer Satisfaction

McColl-Kennedy and Schneider (2000) and Reichheld and Sasser (1990) pointed out that customer satisfaction is important for a restaurant success. Greywitt and Tewet (2004) stated that customer satisfaction based on customer dining experiences is based on four factors: environment: 24%, meal: 30%, service: 26%, and cost: 21%. Mill (2004) listed nine attributes of customers' expectations towards restaurants as follows: quality of service, availability of parking, food quality and satisfactory preparation, convenient hours of operation, helpful employees, reasonable prices, cleanliness of operation, food safety, and responsiveness to the customer's complaints.

Zenithal *et al.* (1993) indicated that repeated dining and positive word of mouth is a result of the customer satisfaction with the service provider. Cacippo (2000) concluded that 5% increase in customer loyalty increases profits by 25%. A *very satisfied* customer is nearly 6 times more likely to be loyal and recommend the restaurant service than a *normally satisfied* customer. Zeithmal and Bitner (1996) believed that the extent of satisfaction depends on service quality, product quality, price, and personal factors.

Recently, customer satisfaction theories, applied by consumer behaviorists (Almanza *et al.*, 1994; Johns and Tyas, 1996) to food service have pointed out that customer satisfaction leads to positive behavioral intentions such as repurchase or return patronage. Fornell (1992) examined 27 different businesses and found that loyal

customers are not necessarily satisfied customers, but satisfied customers tend to be loyal customers. Highly satisfied customers are much more loyal than satisfied customers and any drop in total satisfaction results in a major drop in loyalty (Jones, 1990).

Perceived price fairness is considered an important factor for customer satisfaction because customers evaluate the value of service on basis of the price they paid (Anderson *et al.*, 1994). Restaurant customers may be very sensitive to price fairness; customers utilize comparisons of menu item quality vs. price paid, or price paid vs. level of service given to assist them in the decision making processes.

2.5 Relationship of Service Quality, Customer Satisfaction, and Customer Loyalty

Many researchers perceived service quality as critical issue in the hospitality industry. Zeithaml (1998) defined service quality as the judgment of a customer about a product overall excellence. Researcher also agreed that high level of satisfaction increases repeat patronage and improve service provider market reputation (Yuksel & Yuksel, 2002). Service quality has a significant impact on the customer purchase intentions (Cronin & Taylor, 1992). Lee (1998) concluded that the perceived product and service quality had an effect on customer satisfaction and directly influenced customer loyalty. From the managerial perspective the service quality and the customer satisfactions play similar roles toward building customer loyalty (Oh, 2000).

The relationship between satisfaction and loyalty has been observed in several studies. Customer satisfaction is one of the most important outcomes of the marketing activities in the restaurant industry (Kandampully & Suhartanto, 2000). Expanding the

18

business could affect customer satisfaction (Barsky, 1992). Cronin and Taylor (1992) found that customer satisfaction has a significant effect on purchase intentions in service sector. Getty and Thompson (1994) reported that in the lodging experience the customers' intentions to recommend depend on their perception of both their satisfaction and service quality. Hence, it can be concluded that there is a positive relationship between customer satisfaction and customer loyalty (Kandampully & Suhartanto, 2000).

2.6 Restaurant Image

Image as described by Oxenfeldt (1974-75) is an overall impression greater than the sum of its parts and considered as a combination of factual and emotional material. This viewpoint stresses that many customers will not only hold factually based opinions about a store but also will feel certain ways toward it (Oh, 1995). In other words, customers react to the store's characteristics, as they view them, in an emotional way.

Lindquist (1975; Oh, 1995) synthesized store image frameworks into nine independent categories referred as image attribute groups. They are considered as the most comprehensive empirically image attributes and provide a good general base that restaurant managers can use in formulating store image (Rosenbloom, 1981; Oh, 1995). They are classified as follows:

- 1. *Merchandise*: refers to all the goods and services offered by the Restaurant such as quality, selection, styling, guarantees, and pricing.
- 2. *Service*: service in general, sales, the presence of self-service, delivery service, and the credit policies of the store.

- 3. *Clientele*: social class appeal, self-image congruence, and store personnel.
- 4. *Physical facilities:* elevators, lighting, air, conditioning, washrooms, store layout, aisle placement and width, carpeting, and general architecture.
- 5. *Convenience:* the three dimensions of this category are general convenience, location convenience, and parking.
- 6. *Promotion*: advertising and displays, and symbols and colors.
- 7. *Store atmosphere*: attributes that contribute the customer's feeling of warmth, acceptance, or ease conveyed by the store.
- 8. Institutional factors: reputation, and reliability.
- 9. Post-Transaction Satisfaction: consumer satisfaction

2.7 Relationship between Image and Customer Loyalty

Image is considered to influence customers' minds through the combined effects of advertising, public relations, physical image, word-of-mouth, and their actual experiences with the goods and services (Normann, 1991). When image is related to restaurant loyalty it does become meaningful from a strategic viewpoint (Downs & Haynes 1984; Oh, 1995). Image literature in retailing suggests that customers' store image perception is significant in explaining retail store patronage behavior: attitude, purchase intention, frequency of purchase, or store loyalty (Martineau, 1958; Lessig, 1973; Doyle and Fenwick, 1975; and Oh, 1995).

The Image of the restaurant has an impact on customers' buying behavior (Kandampully & Suhartanto, 2000). It is considered to have the ability to influence customers' perception of the services offered (Zeithaml & Bitner, 1996). Grönroos (1983) using researches on service organizations, found that service quality was the most important factor that influences customers' minds in regard to the restaurant image. Similar, in the hospitality industry Heung *et al.* (1996), in their study on hotel brand loyalty in the free independent traveler's market, found that the hotel image to be an important factor, and to maintain a relatively high score rating among loyal customers. Mazanec (1995) found image to be positively associated with customer satisfaction and customer preference (a dimension of customer loyalty) in luxury hotels. This indicates that a desirable image leads to customer satisfaction.

Lessig (1973) examined the relationships that exist between measures of store image and store loyalty. Store loyalty was predicted from store image information. Empirical results suggested that there was a significant relationship between the collective store loyalty measures and the collective measures of store image obtained from a semantic differential scales model (Oh, 1995).

Three important aspects are concluded for the study of the relation between the patronage behavior and the restaurant image. First a store's overall image (attitude) is based upon the customer perceptions of this restaurant on relevant store attributes that are evaluative criteria for restaurant choice. Secondly, it is essential that management understand consumer perceptions of the competitors' stores on image attributes. Finally, since consumers over time interact and patronize more than one store loyalty behavior must be understood.

2.8 Demographic Influence on the Dining Behaviors

<u>Gender:</u> the restaurateurs must seek to know if female patrons have different perceptions of what is important when compared with males due to the increase in female food-service patrons. Romeo (2002) indicated that females are typically getting treated worse than Males when dining out (Soriano, 2002).

<u>Age:</u> According to Siudzinski (2001), the profile of employees has to be appropriate to the age of customers. Bell (1993) concluded that restaurateurs must always search for strategies to market to the post-baby-boomers (Soriano, 2002).

2.9 Factors Contributing to Customer Loyalty

The reason for loyalty may be different from one customer to another. The following summarize the factors that create customer loyalty (Tepeci, 1999).

<u>Awareness:</u> Restaurants need to expose their service to more customers to create and increase loyal customers. Loyalty begins with the guest's awareness of the restaurant (Aaker, 1991). At the *awareness* stage, a potential customer knows that the restaurant exists. During this time the restaurants must provide the awareness of its service by distributing large quantities of information about its service (Aaker, 1991; Tepeci, 1999). The more the customer is aware of the service of the fine dining restaurant, the greater the possibility that she/he will purchase the product (Tepeci, 1999).

<u>Reputation:</u> The results of having a good reputation are to increase the restaurant sales and to attract more customers because of word-of-mouth activity (Rogerson, 1983). In addition, the restaurant who develops a reputation for high quality can often command

premium prices. In order to build and maintain a reputation, the promised quality of services must be delivered (Tepeci, 1999).

<u>Image</u>: Building and sustaining a positive image is an important step in maintaining customer loyalty (Tepeci, 1999). A strong image is important for a fine dining restaurant to distinguish its service from their competitors'. The image includes excellent service, atmosphere, colors, symbols, and words that convey a consistent message and not merely the name (Berry *et al.*, 1988; Tepeci, 1999). The image plays an important role in the customer choice. For example, the guest may prefer a themed restaurant rather than a generic brand restaurant because a themed restaurant reflects a different image, the style and elegance that the customer sees in his or her own personality that s why the guest may perceive a themed restaurant to be more desirable than its competitor's solely (Schiffman *et al.*, 1991; Tepeci, 1999).

<u>Promotion:</u> Promotion is one of the reasons for customer to try a restaurant (Grover and Srinivasan, 1992; Tepeci, 1999). If tied to something positive, such as a new or better facility, it increases loyalty. Promotions can be used to develop differentiation, and can be used to create loyalty.

<u>Perceived Quality:</u> A customer will choose a familiar fine dining restaurant name because it carries higher perceived quality. Once the customers believed that the restaurant offers what they expect of a good service, they develop loyalty to that specific restaurant. Customers feel comfortable with familiar restaurant versus unfamiliar restaurant and this causes brand-leading products to consistently command a 10%-15% price premium over their competition (Elliott, 1996; Tepeci, 1999). Lowenstein (1995)

23

suggested that commonly-used indicators of customer satisfaction include repeat purchase behavior, brand loyalty and word-of-mouth recommendations.

<u>Innovation</u>: Innovation allows the restaurant to remain up-to-date and demonstrates attentiveness to the changes in customer style with the consideration of the customers' perceptions and attitudes. To keep pace with changes in the marketplace the restaurant should meet and exceed customer needs. It is important that the managers should decide on which innovations to implement (Tepeci, 1999). In some cases, innovative service offerings are necessary just to maintain a restaurant current market share (Victorino *et al*, 2005).

2.10 Conceptual Frame Work

This model represents the relationships between the restaurant image, customer satisfaction and customer loyalty. The model shown in Fig. 1 explains that customer satisfaction and image directly influence customer loyalty. Factors such as innovation, promotion, reputation, and awareness have a direct impact on the restaurant image. Factors such as quality of food, quality of service, cost/value, and place have a direct impact on customer satisfaction. Restaurant image and customer satisfaction will lead to two customer loyalty dimensions: attitudinal and behavioral that will result in customer intention to revisit and repeat visit.



Fig. 1 The proposed model of the relationship between restaurant image, customer satisfaction and customer loyalty.

2.11 Hypotheses

Based on the literature review six hypothesizes were proposed as follows:

- **H1**: The image of the restaurant has a significant positive impact on the likely hood of returning to the restaurant.
- H2: The image of the restaurant has a significant positive impact on the likelihood of making recommendation.
- **H3**: The image of the restaurant has a significant positive impact on the likelihood of intention to revisit.
- **H4**: *The level of the customers' satisfaction has a significant impact on their repeat visits towards the restaurant.*
- **H5**: *The level of the customers' satisfaction has a significant impact on their intention to revisit the restaurant.*
- **H6**: *The level of the customers' satisfaction has a significant impact on their intention to recommend the restaurant.*

CHAPTER III

METHODOLOGY

3.1 Research design

This study was a cross-sectional descriptive research. The objective of the study was to examine how the image and customer satisfaction of a fine dining restaurant affects customers' loyalty. The study also examined the two perquisites of customer loyalty which are customer satisfaction and the image of the fine dining restaurant. The study design employed two sets of variables: multiple criterion (dependent) variables and multiple predictor (independent) variables. Multiple regression analysis was used to predict the value of a dependent variable (e.g., 'Overall Satisfaction,' 'Likelihood of Return,' and 'Likelihood of Recommendation') from a linear function of a set of independent variables (e.g., perceptions on restaurant customer satisfaction image-related attributes). A detailed questionnaire was distributed to customers who had lunch and dinner at a fine dining restaurant.

3.2 Survey Instrumentation

A self-administrated closed-ended questionnaire was developed and distributed to 650 customers who had dined at a particular fine dining restaurant in Stillwater,

Oklahoma (called herein *the fine dinning restaurant*). The questionnaire consists of 59 questions in five sections as follows: (1) The first section of the questionnaire gathered data about the respondents dinning characteristics such as their occupation, frequency of dining, the reason for choosing the restaurant, the source of hearing about the restaurant, money spent for food and beverage and purpose of dining at a fine dining restaurant. (2) The second section had 27 questions to assess customers' satisfaction level. The food and beverage attributes used in measuring the customer satisfaction level were generated after the review of relevant literature, and survey instrument by past researchers. The respondents were asked to rate their level of satisfaction for the fine dinning restaurant on a 7 point Likert type scale, i.e. 7 for being very satisfied, 4 for being neutral, and 1 for being not satisfied at all. (3) The third section consisted of 16 questions. The respondents were asked to rate the level of their agreement with the image of the fine dining restaurant. The scale for measuring the image agreement was a 7 points likert type scale; with 7 being strongly agreeable, 4 for neutral, and 1 for strongly disagreeable. (4) The fourth section of the questionnaire consisted of 4 specific questions that were added to explore the respondents' rate of their over all satisfaction. The rate was anchored with 5 being very satisfied down to 1 being very dissatisfied. The likely hood of return and the tendency to recommend to friends were measured on a scale of 5 to 1 (with 5 being very likely and 1 being very unlikely). Finally, the respondent intention-to-revisit was measured on 1 to 5 scales as follows: (1 = in a week, 2 = in 2-3)weeks, 3 = in a month, 4 = in 2-3 month, and 5 = not sure when). (5) The fifth and last section of the questionnaire gathered the respondents' demographics data such as gender, age, marital statues, ethnicity group, education level and annual household income.
<u>Development of the Satisfaction Attributes:</u> These attributes were developed after reviewing the hospitality literature on customer loyalty, service quality and satisfaction.

Table I. Product Attributes Used in Evaluating the Food Quality at the Fine Dining

Restaurant

Attribute	References
1) Food portions size	Cadotte & Turgeon (1998), Rataree (2003), and (Sorino, 2002).
2) Proper temperature of food	Leong, Kim, & Ham (2002), (Sorino, 2002), and Rataree (2003).
3) Taste of food	Morgan (1993, Rataree (2003), (Sorino, 2002).
4) Variety of drinks and wine	Cadotte & Turgeon (1998), (Sorino, 2002), and Rataree (2003).
5) Menu Varity	Cadotte & Turgeon (1998), Morgan (1993) & Steven, Knutson, & Patton (1995), Rataree (2003), (Sorino, 2002).
6) Cleanliness of restaurant	Cadotte & Turgeon (1998) & Steven, Knutson, & Patton (1995), Rataree (2003).
7) Noise level	Cadotte & Turgeon (1998) & Morgan (1993), Rataree (2003)

Table II. Service Quality Attributes Used in Evaluating Customer Satisfaction at

the fine dinning restaurant

Attribute	References
8) Comfortable and welcoming feeling	Cadotte & Turgeon (1998), Morgan (1993), Fu & Parks (2001), and Rataree (2003).
9) Professionalism of staff	Cadotte & Turgeon (1998), Morgan (1993), Fu & Parks (2001), and Rataree (2003).
10) Complains handling	Cadotte & Turgeon (1998), Susskind (2002), and Rataree (2003)
11) Accuracy of guest check	Cadotte & Turgeon (1998), Steven, Knutson, & Patton (1995), Fu & Parks (2001), Heung (2000), Chu & Choi (2000), and Rataree (2003)
12) Ability to anticipate guest need	Tsang & Qu (2000), Morgan (1993), and Rataree (2003).
13) Uncompromised service during rush	Steven, Knutson, & Patton (1995), Heung, Wong & Qu (2002), and Rataree (2003)
14) Proper manner of serving	Rataree (2003)

Development of the Image Attributes: Restaurant image can be defined as a combined response to factual and emotional material, e.g., a customer reacts to a restaurant's characteristics, as he/she views them, in an emotional way (Oxenfeldt 1975: Oh, 1995). A similar view is that restaurant image consists of tangible (functional) factors and intangible (psychological) factors perceived by the consumer (Lindquist 1975: Oh, 1995). The tangible characteristics include such attributes as: location, price, and food & beverage quality. There are other attributes, however, which are more

intangible in nature and cannot be objectively measured. Such subjective attributes that were used by other researchers include: attractiveness of decor, friendliness of employees, and level of service, among many others.

Table III. Image Attributes used in evaluating the Customers' Level of Agreement

Attribute	References
1. Quality of food & beverage	Kandampuly & Suhartanto (2000).
2. Cleanliness	Oh. (1995).
3. Taste of menu items	
4. Service friendliness	Lindquist (1975),
5. Value for the money	Rosenbloom, (1981)
6. Prompt/attentive service	
7. Knowledgeable staff	
8. Appearance of food presentation	
9. Comfortable seating	
10. Atmosphere	
11. Variety of menu selection	
12. Menu price	
13. Reputation	
15. Layout of dining area	
16. Noise level	
17. Nutritional quality	
18. Decor	
19. Promotion/Advertising	
21. Location	
22. Lighting, exterior design, and music	
26. Theme of the restaurant and decor	
28. Uniform of staff	

<u>Content Validity</u>: Each attribute was derived from relevant literature to ensure the validity of the questionnaire. The questionnaire was compiled based on the grouping of questions with address similar attributes. The collection of a large list of attributes aimed at ensuring that the measurements contained enough items to adequately sample the entire range. Finally, the instrument was verified by professors in the field of Hotel and Restaurant Administration and the general manager of the fine dining restaurant considered in the present study.

<u>Reliability:</u> A pilot test was used to measure the reliability and the consistency of responses by customers. The test was conducted with a convenient sampling of 15 customers of the fine dining restaurant. The coefficient alpha was used to measure the reliability of customer satisfaction and the image of the restaurant. A reliability analysis (Cronch's alpha) was used to test the reliability and internal consistency of each of the 44 attributes measured. The results showed that the alpha coefficients for all 44 attributes were high, ranging from 0.493 to 0.890. Therefore, the coefficients were all above 0.40 which is the acceptable value used by Nunnally (1987) as an indicator of reliability.

3.3 Sampling plan

<u>Target Population:</u> The target population of this study is the customers who dinned at fine dinning restaurant in a college town between May 1st 2006 and May 20th 2006 during lunch and dinner time. The fine dining restaurant considered in this study is a steakhouse concept features 'high quality, uniquely-seasoned steaks, prime rib, ribs,

chops, chicken, seafood, pasta, desserts and appetizers served by well trained staff'. The concept is considered in the upscale price range of the steakhouse restaurant segment.

<u>Sampling:</u> A non-probability convenient sampling was used to distribute questionnaires to the target population. A total of 650 questionnaires were distributed to 650 customers in this study over three weeks. The survey was conducted during the weekdays for lunch customers from 11:00 a.m. till 1:30 p.m. and during Thursday-Saturday for dinner customers from 5:30 p.m. to 9:30 p.m. There were 464 customers who completed questionnaire which represented a response rate of 71%.

3.4 Survey Procedure

The procedure to carry this survey involved two steps: (1) The researcher distributed the survey questionnaire to each participant and explained the purpose and nature of the study. (2) The customers were given a cover letter that contained the informed consent elements that describe the potential benefits, safeguards, confidentiality, and voluntary nature of participation. The Customers were asked to fill the survey and to return it to the greeter at the end of their visit to the restaurant.

3.5 Data Analysis

The survey questionnaires were coded and analyzed by using the statistical package for Social Sciences (SPSS 14.0). Frequency counts and percentages were

applied on all variables of the survey. Mean scores were applied on satisfaction and image variables. Two statistical techniques were used: (1) Descriptive statistics that consisted of frequency descriptions and means; and (2) Inferential statistics that included correlations, regression analysis, repeated measures of ANOVA (analysis of variance), and canonical correlation analysis.

Descriptive statistics were utilized to display the distribution of the demographics and dining behavior of the respondent, as well as to provide the result of the customer loyalty. Consistency and reliability estimates and inter-correlations of the scale variables were evaluated by computing Chronbach alpha coefficient for scales items. In addition means, standard deviations, and frequencies was calculated. The statistical factor analysis approach was used to analyze interrelationships among a large number of variables and explained these variables in terms of their common underlying factor dimensions.

Multivariate analysis which included factor and regressions analysis were used in the study to examine the relative impact of customer satisfaction and the image of the restaurant on overall customer satisfaction, likelihood of return and favorable recommendation. The main purpose of using factor analysis in this study was to create correlated variable composites from the original attributes ratings, to obtain a relatively small number of variables that explain most of the variances among the attributes , and to apply the derived factor scores in subsequent multiple regression analysis.

The principal components and orthogonal (VARIMAX) rotation method were used in the factor analysis. The factor analysis appropriateness was assessed by correlation, Measures of Sampling Adequacy (MSA), partial correlation among variables,

34

and reliability alpha to ensure that the factor analysis was appropriate to the data. The criteria for the numbers of factors were extracted based on eigenvalue, percentage of variance, significant of factor loading, and assessment of structure. The eigenvalue factors which is equal or greater than 1 were considered significant - other were considered insignificant and were disregarded. A variable was considered of practical significance and was included in a factor loading when it was equal to or greater than 0.5.

The purpose of regression analysis in this study was to explore the selection dimensions derived from the factor analysis that were related to the dependent variables 'Overall Satisfaction', 'Likelihood of Return' and 'Likelihood of Recommendation'. For the satisfaction and the image attributes, the purpose of using the dependent variables in this study was to identify the relative importance of the dimensions derived from factor analysis in determining or predicting a customer overall satisfaction, likelihood of return, and likelihood of recommending the fine dinning restaurant. The relative importance of the dimensions was based on their Beta weight.

A regression model of 'Overall Satisfaction,' 'Likelihood of Return,' and 'Likelihood of Recommendation' was hypothized relating to the latent dimensions as follows:

$$\mathbf{Y}_{1-3} = \boldsymbol{\beta}_0 + \boldsymbol{\beta}_1 \mathbf{X}_1 + \boldsymbol{\beta}_2 \mathbf{X}_2 + \dots \boldsymbol{\beta}_n \mathbf{X}_n + \boldsymbol{\varepsilon}$$

Where

- Y₁₋₃ = Dependent variable 'Overall Satisfaction,' 'Likelihood of Return,' and 'Likelihood of Recommendation'
- β_{0} = Regression of coefficient of intercept
- $\beta_{1-}\beta_n$ = Regression coefficients of latent independent variables

 $X_{1-}X =$ Latent independent variables

$$\varepsilon$$
 = Random Error

Cronbach alpha correlation coefficient, a measure of internal consistency, was applied for the reliability of the satisfaction and image dimension measures. The derived R~ explains how much the satisfaction and image dimension variables accounted for the variance in overall satisfaction, likelihood of return and likelihood of recommendation of the restaurant. Analysis of variance (ANOVA) was preformed to identify any significant mean difference between the satisfaction levels with the food and service quality and the image agreement level with the different demographic level and customers' dining behavior, in order to examine that customers' with different demographics and dining behavior will have different perceptions on service quality, image of fine dining restaurant, and customer loyalty.



CHAPTER IV

FINDINGS

4.1 Response Rate

This chapter includes the data analysis and the results. Table IV provides a summary of the response rate. The distributed questionnaires were 650 including 450 for lunch and 250 for dinner. The returned questionnaires were 464 for lunch and dinner representing a 71% response rate. A total of 71 questionnaires were incomplete and therefore were discarded from the present analysis. Therefore the number of valid questionnaires for analysis was 393 including 249 from lunch and 144 from dinner representing an overall response rate of 60%.

Table IV. Overall Response Rate

Sample	Number	Percent
Number of questionnaires distributed	650	100
Return questionnaires	464	71
Incomplete questionnaires	71	10
Total usable response	393	60

4.2 Demographic Characteristics of Respondents

The demographic data collected from both lunch and dinner are presented in table V. The descriptive statistics were used to identify the nature of all respondents such as demographics profiles and dining behavioral characteristics. Over 57.6% of the respondents were females. The major age group of the respondents was the 22 and under (41.8%). There was an almost close proportion of the age groups of 23 - 33 years old (19.0%) and 45 - 54 years old (16.8%). This was followed by the age groups of 55 - 64 years old (10.6%), the age group of 34 - 44 and over 65 which accounted for 7.1 % and 4.6%, respectively. A large majority of the respondents (61.7%) were singles. About 48% of the respondents received some collage degree. Equal proportions of the graduate/professional (20.9%) and the collage graduate (19.0%) responded to the survey. Most respondents (88%) were Caucasian and a majority (51.1%) indicated their annual income was over \$60,000.

Table VI summarizes the demographic profiles of the lunch respondents alone while Table VII summarizes the demographic profiles of dinner respondents. It was found that the large majority of the diners were mainly Caucasians; (85%) in lunch and (94%) in dinner. The female group scored higher percentage (64.3%) at lunch while the male scored higher percentage at dinner (54.1%). The age group of 22 and under was the largest majority for both lunch (44.2%) and dinner (37.6%). This was followed by the age group of 45 - 54 for dinner (21.8%) and then the age group of 23 - 33 for lunch (21.2%). The majority of the respondents were singles for both lunch (66.4%) and dinner (53%). The majority of the respondents had an annual household income over \$60,000 were 46.5% for lunch and 58% for dinner. The large majority received some collage degree (36%).

Variable	Frequency	Percentage	
Gender			
Male	156	42.4%	
Female	212	57.6%	
Age			
22 and under	154	41.8%	
23-33	70	19.0%	
34-44	26	7.1%	
45-54	62	16.8%	
55-64	39	10.6%	
65 and over	17	4.6%	
Martial Status			
Single	227	61.7%	
Married	141	38.3%	
Ethnicity			
African Americans	10	2.7%	
Asian	5	1.3%	
Hispanic	8	2.2%	
Native Americans	15	4.19	
Caucasian	323	88.0%	
Others	6	1.69	
Educational			
Some or no high school	3	0.81%	
High school graduate	24	6.5%	
Some college	177	48.19	
College graduate	70	19.0%	
Some graduate study	17	4.6%	
Graduate/professional	77	20.9%	
Household Income			
Under \$20,000	98	28.6%	
\$21,000-\$29,999	18	5.2%	
\$30,000-\$39,999	19	5.5%	
\$40,000-\$49,999	16		
\$50,000-\$59,999	17	5.0%	
\$60,000 and more	175	51.0%	

Table V. Demographic Profiles of Overall Respondents at the fine dining restaurant

Variable	Frequency	Percentage	
Gender			
Male	84	35.74%	
Female	151	64.25%	
Age			
22 and under	104	44.2%	
23-33	50	21.2%	
34-44	16	6.8%	
45-54	33	14.0%	
55-64	26	11.0%	
65 and over	6	2.5%	
Martial Status			
Single	156	66.4%	
Married	79	33.6%	
Ethnicity			
African Americans	10	4.3%	
Asian	4	1.8%	
Hispanic	6	2.6%	
Native Americans	12	5.2%	
Caucasian	197	84.5%	
Others	4	1.8%	
Educational			
Some or no high school	0	(
High school graduate	9	3.8%	
Some college	129	54.9%	
College graduate	39	16.6%	
Some graduate study	11	4.7%	
Graduate/professional	47	20%	
Household Income			
Under \$20,000	68	31.7%	
\$21,000-\$29,999	15	6.9%	
\$30,000-\$39,999	11	5.1%	
\$40,000-\$49,999	10 4		
\$50,000-\$59,999	11	5.1%	
\$60,000 and more	100	46.5%	

Table VI. Demographic Profiles of Lunch Respondents

Variable	Frequency	Percentage
Condon		
Male	72	54 1%
Fomala	61	J4.170 45.0%
remate	01	45.970
Age		
22 and under	50	37.6%
23-33	20	15.0%
34-44	10	7.6%
45-54	29	21.8%
55-64	13	9.8%
65 and over	11	8.2%
Martial		
Single	71	53.4%
Married	62	46.6%
Ethnicity		
African Americans	0	0
Asian	1	0.8%
Hispanic	2	1.5%
Native Americans	3	2.2%
Caucasian	126	94.0%
Others	2	1.5%
Educational		
Some or no high school	3	2.3%
High school graduate	15	11.2%
Some college	48	36.1%
College graduate	31	23.3%
Some graduate study	6	4.51%
Graduate/professional	30	22.6%
Household Income		
Under \$20,000	30	23.5%
\$21,000-\$29,999	3	2.4%
\$30,000-\$39,999	8	6.3%
\$40,000-\$49,999	6	4.7%
\$50,000-\$59,999	6	4.7%
\$60,000 and more	75	58.6%

Table VII. Demographic Profiles of Dinner Respondents

4.3 Overall Respondents' Dining Behavioral

The respondents' overall dining behavioral characteristics are summarized in tables VIII. More than 45.4% of the respondents were OSU students and about 7.9% were guests of the Atherton hotel. About 53% of the respondents were first time customers, whereas 16% of them often dine once a month. When asked about their reasons for selecting this fine dining restaurant, it was found that 30.8% of the respondents based their decision on the reputation whereas 26.2% based their decision on their own past experience (26.2%). The respondents indicated that their main source of information about the restaurant were families and friends (i.e. word of mouth) 70.4%, OSU magazines 7.2%, hotel staff 7%, internet 1.3%, and other sources 8.7%.

The customers food and beverage expenses were as follow: 25% of the respondents spent more than \$40.00, over 23% spent between \$10.00 and \$14.99, 16.7% spent less than \$10.00, 11.7% spent between \$15.00 and \$19.00, and finally 6.7% spent between \$30.00 and \$34.99. Regarding the purpose for dining at the fine dinning restaurant, over 61% indicated that they came for social reason, followed by convenient meal 23.7%, business meal 9.9%, and signature menu item 4.8%.

Tables IX and X summarize the respondents' dining behavioral for lunch and dinner, respectively. It was found that the reputation of the restaurant attracted 40.8% of dinner customers with average spending of more than \$40 (59%) while the past experience attracted 31.6% of lunch customers with average spending \$10 - \$14 (53%).

43

Variable	Frequency	Percentage
How often do you dine at the Ranchers Club?		
Once a week	11	2.8%
Twice a week	6	1.5%
Once a month	63	16.1%
Twice a month	25	6.4%
First timer	207	52.8%
Others	80	20.4%
How did you hear about the Ranchers Club?		
Radio	2	0.5%
TV advertising	8	2.1%
Newspapers	14	3.6%
Internet	5	1.3%
Friends & Families	273	70.4%
Hotel Staff	26	6.7%
OSU magazines	26	6.7%
Others	34	8.7%
Which of the following best describes the purpose of your current		
dining? Try signature menu item	19	4.8%
Business	39	9.9%
Just a convenient meal	93	23.7%
Social reason	241	61.4%
What prompted you to select The Ranchers Club today?		
Location	70	18.0%
Past experience	102	26.2%
Reputation	120	30.8%
Advertisement	6	1.5%
Others	91	23.4%
How much did you spend for this meal at The Ranchers Club		
today? Less than \$9.99	58	16.1%
\$10.00-\$14.99	86	23.9%
\$15.00-\$19.99	42	11.7%
\$20.00- \$24.99	16	4.4%
\$25.00-\$29.99	22	6.1%
\$30.00-\$34.99	24	6.7%
\$35.00-\$39.00	22	6.1%
\$40.00 & more	90	25%
Please tell us if you are :		
OSU Student	179	45.8%
OSU Faculty	19	4.9%
OSU Administrator	11	2.9%
OSU Staff	35	8.9%
Hotel guest	31	7.9%
Stillwater resident	37	9.5%
Others	79	20.2%

Table VIII. Overall Respondents' Dining Behavioral

Variable	Frequency	Percentage
How often do you dine at the Ranchers Club?		
Once a week	11	4.5%
Twice a week	5	2.1%
Once a month	54	21.8%
Twice a month	23	9.3%
First timer	107	43.2%
Others	48	19.4%
How did you hear about the Ranchers Club?		0.004
Radio TV advantising	2	0.8%
	5	2.1%
Newspapers	12	4.9%
Internet	4	1.7%
Friends & Families	172	70.5%
Hotel Staff	12	4.9%
OSU magazines	16	6.6%
Others	21	8.6%
Which of the following best describes the purpose of your current		
dining?	1.4	5 70/
Business	14	5.7%
Just a convenient meal	37	14.9%
Social reason	/3	29.4%
What prompted you to calent The Donahous Club today?	124	50%
Location	41	16.6%
Past experience	78	31.6%
Reputation	62	25 104
Advertisement	02	23.170
Others	5	1.2%
How much did you spend for this meal at The Ranchers Club today?	05	23.3%
Less than \$9.99	56	24.5%
\$10.00-\$14.99	86	37.5%
\$15.00-\$19.99	42	18.3%
\$20.00- \$24.99	16	7.0%
\$25.00-\$29.99	7	3.1%
\$30.00-\$34.99	4	1.7%
\$35.00-\$39.00	6	2.6%
\$40.00 & more	12	5.2%
Please tell us if you are :	12	5.270
OSU Student	132	53.1%
OSU Faculty	17	6.9%
OSU Administrator	11	4.5%
OSU Staff	35	14.1%
Hotel guest	2	0.8%
Stillwater resident	23	9.2%
Others	29	11.6%

Table IX. The Lunch Respondents' Dining Behavioral

Variable	Frequency	Percentage
How often do you dine at the Ranchers Club?		
Once a week	0	0
Twice a week	1	0.7%
Once a month	9	6.3%
Twice a month	2	1.4%
First timer	100	69.4%
Others	32	22.2%
How did you hear about the Ranchers Club?		
Radio	0	0
TV advertising	3	2.1%
Newspapers	2	1.4%
Internet	1	0.7%
Friends & Families	101	70.1%
Hotel Staff	14	9.7%
OSU magazines	10	6.9%
Others	13	9.1%
Which of the following best describes the purpose of your current		
dining?		
Try signature menu item	5	3.5%
Business	2	1.4%
Just a convenient meal	20	13. 9%
Social reason	117	81.25%
What prompted you to select The Ranchers Club today?		
Location	29	20.4%
Past experience	24	16.9%
Reputation	58	40.8%
Advertisement	3	2.1%
Others	28	19.71%
How much did you spend for this meal at The Ranchers Club today?		
Less than \$9.99	2	1.5%
\$10.00-\$14.99	0	0
\$15.00-\$19.99	0	0
\$20.00- \$24.99	0	0
\$25.00-\$29.99	15	11.4%
\$30.00-\$34.99	20	15.3%
\$35.00-\$39.00	16	12.2%
\$40.00 & more	78	59.5%
Please tell us if you are :		
OSU Student	47	33.1%
OSU Faculty	2	1.4%
OSU Administrator	0	0
OSU Staff	0	0
Hotel guest	29	20.4%
Stillwater resident	14	9.8%
Others	50	35.2%

Table X. The Dinner Respondents' Dining Behavioral

4.4 Customers' Satisfaction

The descriptive statistics of mean scores and standard deviations of the twenty seven attributes of food and beverage are listed in table XI. The standard deviations ranged from 0.63 to 1. 73. The mean score for the overall satisfaction level was 6.2. The highest satisfaction levels reported by the respondents are towards the cleanliness and atmosphere of the dining area which is 'comfortable and welcoming feeling' and 'cleanliness of the dining area.' The mean score of these attributes was 6.5, followed by professionalism and friendliness of staff attributes such as 'accuracy of order taking,' 'ability to provide accurate checks,' 'professionalism of staff,' and 'accuracy of guest checks.' The mean score of these attributes is 6.3. This study found out that the mode of the satisfaction level of various attributes differently. Food and beverage attributes of 'timeliness of service,' 'menu variety,' 'convenience of parking,' 'temperature of food,' 'compromised service during rush hours,' and 'ability to anticipating guest needs' were moderately scored by the customers. The mean score for theses attributes was 5.3.

	Satisfaction			
Food and beverage (F & B) attributes	Ν	Mean	Std. Deviation	
Cleanliness of the dining area	391	6.7	0.63	
Comfortable and welcoming feeling	393	6.5	0.88	
Ability to provide accurate checks	348	6.4	0.91	
Accuracy of the order cooked	385	6.4	1.04	
Accuracy of order taking	389	6.4	0.88	
Helpfulness of staff	391	6.4	0.89	
Professionalism of employees	392	6.4	0.92	
Level of empathy towards customers	370	6.3	0.99	
Equal treatment of all customers	374	6.3	0.98	
Employee responsiveness to questions	383	6.3	0.97	
Availability and accessibility of staff	384	6.3	0.96	
Readability of menu	387	6.3	0.95	
Problem resolution ability of staff	323	6.2	1.07	
Taste of food	381	6.2	1.09	
Knowledge of servers	384	6.2	0.99	
Level of personal attention given	388	6.2	1.12	
Noise level	390	6.2	1.05	
Communication skills of staff	391	6.2	1.16	
Cleanliness of bathroom	240	6.1	1.32	
Food portion size	387	6.1	1.14	
Ability to anticipating guest needs	379	6.0	1.18	
Compromised service during rush hours	290	5.9	1.26	
Variety of drinks & wine	341	5.9	1.12	
Temperature of food	387	5.9	1.33	
Timeliness of service	387	5.6	1.54	
Convenience of parking	329	5.3	1.73	
Menu Variety	389	5.3	1.32	

Table XI. Customers' Levels of Satisfaction

Satisfaction level measured by the 7 point Likert scale: Scale 1= Very Dissatisfied; 2= Dissatisfied; 3= Somewhat Dissatisfied; 4= Neutral; 5= Somewhat Satisfied; 6= Satisfied; 7= Very Satisfied Over all Mean = 6.25

4.5 Customers' Perceived Image of the Fine Dining Restaurant

The mean ratings and standard deviations of the overall level of agreement on image attributes rated by the customers are listed in Table XII. The mean score for the overall level of agreement was 6.26, with a range of 5.3 to 6.7. The standard deviation ranged from 0.84 to 1.32.

The respondents indicated their high level of agreement for the restaurant image on the restaurant upscale theme attributes which are: 'restaurant's decor is in keeping with image,' 'the restaurant's ambiance reflects the theme of the fine dining restaurant,' and 'comfort level of seating is as expected in upscale restaurants.' The mean score for these attributes is 6.4.

The customers rated their middle level of agreement for the 'adequacy of staff and their grooming,' 'layout of the dining area,' 'the food presentation and nutritional quality,' and finally 'promotion and reputation'. The mean score for these attributes was 6.1. The lowest levels of agreement by the customers were for the following attributes: 'the menu selection offered is in line with upscale restaurant,' 'the menu price is fair for the quality,' and finally 'the restaurants loyalty'. The mean score for these attributes was 5.8.

Image attributes	N	Mean	Std. Deviation
The restaurant's ambiance reflects the theme of The Fine			
dining restaurant.	387	6.6	0.84
Restaurant's decor is in keeping with image	390	6.6	0.73
Comfort level of seating is as expected in upscale			
restaurants	390	6.4	0.95
The adequacy of staff and their grooming reflects an			
upscale image	387	6.3	1.02
The layout of the dining area reflects an upscale image	388	6.3	0.99
Menu is attractive and reflects image of The Fine dining			
restaurant	388	6.3	0.99
The food presentation is appealing as in upscale			
restaurants	386	6.2	1.11
The Fine dining restaurant has an upscale restaurant			
reputation	387	6.2	1.05
The promotion and advertising of Fine dining restaurant			
matches its theme	356	6.1	1.20
The nutritional quality of items is as expected in upscale			
restaurants	383	6.1	1.09
The knowledge of the staff is in line with an upscale			
restaurant	386	6.1	1.20
The Fine dining restaurant values people and	252	5 0	1.00
relationships ahead of short-term goals	352	5.9	1.22
I strongly believe that The Fine dining restaurant	207	5.0	1.20
deserves my loyalty	387	5.9	1.30
The menu price is fair for the quality of items and	201	5.0	1 10
Service provided My loyalty to The Fine dining restaurant has grown	391	5.9	1.19
stronger	267	5 9	1 25
The many selection offered is in line with upscale	507	5.0	1.55
restaurants	386	5 8	1 32
		5.0	1.32

Table XII. Customers' Perceived Image of the Fine dining restaurant attributes

Measurements: The level of customer agreement and the restaurant image measured by 7 point Likert scale. Scale: 1= Strongly Disagree; 2= Disagree; 3= Somewhat Disagree; 4= Neutral; 5= Somewhat Agree; 6= Agree; 7=Strongly Agree. The average mean =6.26

4.6 Overall Satisfaction, Likelihood of Repeat Patronage, Intention to Revisit, and Likelihood of Favorable Recommendation

Table XIII shows that the respondents' overall mean satisfaction was 4.50 (1-Very Dissatisfied, 2- Dissatisfied, 3- Neural, 4-Satisfied, and 5-Very satisfied) and the overall mean score for the customer likelihood of return was 4.19 (1- Very Unlikely, 2-Unlikely, 3- Neutral, 4- Likely and, 5- Very Likely). Moreover, the over all mean score of customer likelihood of recommendation was 4.42 (1- Very Unlikely, 2- Likely, 3-Neutral, 4- Likely and 5- Very Likely).

<u>Overall Satisfaction:</u> More than 59% of the respondents were very satisfied with the overall levels of food and beverage service. About 34% of the respondents were satisfied, 2.3% were neutral, and only 1.9% were dissatisfied.

<u>Likelihood of Return</u>: About 47.78% reported that they would very likely return to the restaurant, 34.5 % indicated that they were likely to return, 9.4 % were neutral, and 8.4% of the respondents indicated 'unlikely' and 'very unlikely

Intention to Revisit: 50% of the respondents indicated that they are not sure of coming back. There were equal proportions of the respondents (10%) who indicated that they would come back in a week and in 2 - 3 weeks, and almost equal proportions: 15.1% and 14.8% who intended to come back in a month and 1 in 2 - 3 months, respectively.

<u>Likelihood of Recommendation:</u> About 55.6% replied that they were 'very likely to recommend,' followed by 33.3% 'likely,' 2.08 % 'unlikely and very unlikely' to recommend. The rest were 'neutral' and represented 9.09%.

Table XIII. Overall Satisfaction, Likelihood of Repeat Patronage, Intention to

Revisit and Likelihood of Favorable Recommendation

Variables	Frequency	Percentage
Overall Satisfaction Mean:4.50		
Very dissatisfied	3	0.8%
Dissatisfied	7	1.9%
Neutral	12	3.2%
Satisfied	129	34.6%
Very satisfied	222	59.5%
Likelihood of Return Mean: 4.19		
Very unlikely	11	2.87%
Unlikely	21	5.48%
Neutral	36	9.4%
Likely	132	34.46%
Very likely	183	47.78%
Likelihood of Recommendation Mean: 4.42		
Very unlikely	3	0.78%
Unlikely	5	1.3%
Neutral	35	9.09%
Likely	128	33.24%
Very likely	214	55.58%
Intention to Revisit Mean: 3.85		
In a week	38	10.05%
In 2-3 weeks	38	10.05%
In a month	57	15.07%
In 2-3 month	56	14.81%
I am not sure	189	50.0%

4.7 Customers Satisfaction Dimensions

An exploratory factor analysis was performed using principal component with the Orthogonal (VARIMAX) rotated factor matrix. For the purpose of interpretation of factors, loading cut off point of 0.40 was considered in this study with the use of a P \leq 0.05. Hair et al. (1995) who suggested that for a sample size of 200, the factor loading values considered appropriate at level significant level of P \leq 0.05. Since the sample size of this study is 393 then it was appropriate for an exploratory factor analysis. In addition the correlation matrix overall significance was 0.000 with a Bartlett test of Sphericity value of 4095.796 it shows that the data Matrix had sufficient correlation to the factor analysis. The Kaiser-Meyer-Olkin overall Measure of Sampling Adequacy (MSA) was 0.947.which was meritorious (Hair, 1995), indicating the appropriateness of using an exploratory factor analysis for the satisfaction and image attributes.

Table XIV illustrates the result of the factor analysis with the varimax rotation. To generate the initial solution the component factor method was used. (Eigen value ≥ 1) indicated that a four factor solution explained 63.94 % before the rotation of over all variance. The four factors with twenty seven variables defined by the original twenty seven variables that loaded heavily (loading >0.43) on them. The analysis generated a clear factor structure with relatively higher loading on the appropriate factors. Some variables loaded heavily on one factor while on other factor they did not load heavily. It indicated that there was a minimal overlap among these factors and it reflected as well that all the factors were independently structures. The higher loadings signed the correlation of the variables with the factors on which they loaded.

To establish the scale reliability of each satisfaction measures used in the instrument, an internal consistency reliability coefficient was estimated using a coefficient alpha measure. A coefficient alpha (Cronbach alpha) tests the internal consistency of the items in relation to a single trait within the instrument.

The four-factor structure resulted in a relatively more meaningful number of composite dimensions which could be easily interpreted and used for the further regression analysis. A four-dimension solution resulted, with the factors labeled as follows:

Factor 1 = 'Service and Courtesy,'

Factor 2 = 'Quality of Food,'

Factor 3 = 'Environment and Atmosphere,' and

Factor 4 = 'Facilities and Menu Selection'.

A composite reliability of a construct was calculated to measure the internal consistency of each of the four factor indicators with a sample size of 393. The result showed that the alpha coefficients of service quality for all four factors ranging from 0.68 to 0.96, exceeded the recommended minimum level of 0.50 which is the minimum value for accepting the reliability test (Nunnally, 1967), then the result of factor analysis in this study are considered reliable. These four dimensions were perceived as important factors by the customers.

The first factor was named 'Service and Courtesy' had fourteen loading. Its original variables that contained the highest factor loading is composed of: 'Timeliness of service,' 'Communication skills of staff,' 'Employee responsiveness to question,' 'Helpfulness of staff,' 'Problem resolution ability of staff,' 'Professionalism of employees,' 'Knowledge of servers,' 'Level of empathy towards customers,' 'Ability to anticipating guest needs,' 'Level of personal attention given,' 'Equal treatment of all customers,' 'Uncompromised service during rush,' 'Availability and accessibility of staff,' and 'Ability to provide accurate checks'. The first factor explained 30.5% of variance with an eigenvalue of 8.22.

The second factor addressed the issue of 'Quality of Food.' This factor explained 12.5% of the variance with an eigenvalue of 3.37. It consists of five original variables and related to quality of food: 'Food portion size,' 'Temperature of food,' 'Taste of food,' 'Accuracy of order taking,' and 'Accuracy of the order cooked.'

The third factor was labeled 'Environment and Atmosphere' consisting of four items which are related to the cleanliness environment and atmosphere which are: 'Cleanliness of the dining area,' 'Noise level,' 'Comfortable and welcoming feeling,' and 'Readability of menu.' This factor explained 11.7 % of variance, with an eigenvalue of 3.15.

The fourth factor explained the facility and the variety of menus 'Facilities and Menu Selection.' It contained four variables: 'Menu Variety,' 'Variety of beverages,' 'Cleanliness of bathroom,' and 'Convenience of parking.' It explained 9.31% of variance with an eigenvalue of 2.51.

Table XIV. Factor Analyses Results of Varimax Rotated Component of Satisfaction

Wariahlag	VARIMAX Detected leading	Figonyoluo	% of Variance	Doliobility
Variables Factor1	Kotated loading	Elgenvalue	Explained	Reliability
'Service and Courtesy'		8.22	30.5	0.960
Timeliness of service	0.644	0.22		0.000
Communication skills of staff	0.804			
Employee responsiveness to	0.000			
questions	0.764			
Helpfulness of staff	0.777			
Problem resolution ability of staff	0.726			
Professionalism of employees	0.735			
Knowledge of servers	0.717			
Level of empathy towards customers	0.764			
Ability to anticipating guest needs	0.797			
Level of personal attention given	0.795			
Equal treatment of all customers	0.618			
Compromised service during rush				
hours	0.717			
Availability and accessibility of staff	0.668			
Ability to provide accurate checks	0.431			
Factor2				
'Quality of Food'		3.37	12.5	0.839
Food portion size	0.688			
Temperature of food	0.730			
Taste of food	0.719			
Accuracy of order taking	0.495			
Accuracy of the order cooked	0.567			
Factor3				
'Environment and Atmosphere'		3.15	11.7	0.817
Readability of menu	0.524			
Noise level	0.529			
Comfortable and welcoming feeling	0.711			
Cleanliness of the dining area	0.785			
Factor 4				
'Facilities and Menu Selection'		2.51	9.3	0.675
Variety of drinks & wine	0.522			
Menu Variety	0.712			
Cleanliness of bathroom	0.573			
Convenience of parking	0.661			

Attributes

Note: Kaiser-Meyer-Olkin Measure of Sampling Adequacy=0. 947, Bartlett's Test of Sphericity: Approx. Chi-Square is 4095.796, df is 351, and Sig. is 0.000

4.8 Impact of the customers' Satisfaction of Food and Service Quality

Multiple regression analysis was used to predict the value of dependent variables (e.g., over all satisfaction, likelihood of return, and likelihood of recommendation) from a linear function of a set of independent variables (e.g., perceptions on the restaurant customer level of satisfaction). The assumptions (linearity, constant variance, independence of the residuals, and the normality) underlying regression and the influential data points (outliers) were examined by the analysis of studentized residuals, standardized residuals, studentized partial regression, and leverage and cooks distance in the study. All the tests were satisfied and there was no significant violation of the assumptions and outliers found in the model.

The values of variance of inflation (VIF) and tolerance for each variable, the tests of the extent of multi-collinearity and collinearity, indicated that there was no multi-collinearity in the model. No VIF values exceeded 10.0, and the values of tolerance showed that in no case did colliearity explain more than 10 % of any predictor variable's variance.

4.9 Impact of the customers' Satisfaction of Food and Service Quality on Overall

Satisfaction

The linear regression analysis was used to examine the relative impact of satisfaction dimensions in affecting customer overall satisfaction. Table XV represent the result of the overall satisfaction level score for the fine dining restaurant customers

57

that was regressed against the satisfaction dimensions derived from the factor analysis. The factors were developed previously from the food and service quality attributes are used as the independent variables in regression.

The multiple correlation coefficient (R) was 0.62. The equation characteristics of level of satisfaction indicated a moderate adjusted R^2 of 0.36. This reflected that 36% of the variation in "Overall Satisfaction" was explained by this equation. The F-ration of 26.799 was significant (Prob<0.0000) of the overall satisfaction indicating that the results of the equation could hardly occurred by chance and the regression model was meaningfully explaining the data.

The t-statistic test used to test whether the four independent variables contributed information to the predicator of the dependent variable 'Overall Satisfaction''. The t-value in this study was found to be significant at 0.05 levels. Three dimensions emerged as significant (Sig. T <0.05) independent variables in the regression model.

The partial correlation coefficient β was used to indicate the impact. The result indicated that the dimension with the greatest effect was 'Service and Courtesy' (β =0.30, Prob. <0.00), followed by 'Quality of Food' (β =0.23, Prob. <0.00), and 'Facilities and Selection' (β =0.21, Prob. <0.00). The result predicted that, on average, the probability of customer overall satisfaction changes by 0.74 (0.30+0.23+0.21) for each unit in the four variables. The regression model was written as follows:

$$\hat{y} = 4.50 + 0.295 x_1 + 0.230 x_2 + 0.211 x_4$$

Where,

 \hat{y} = Dependent variable 'Overall Satisfaction'

- x₁ = Independent variable 'Service and Courtesy'
- x_2 = Independent variable 'Quality of Food',
- x_4 = Independent variable 'Facilities and Menu Selection'

The regression model showed that customers had a positive overall satisfaction with three out of four satisfactions. The result showed that the three coefficients carried positive signs which indicated a positive relationship between those variables and the dependent variable 'Overall Satisfaction.' It also confirmed that the overall satisfaction depended largely on these three dimensions. Therefore, it was considered that the three factors were the best predictors of the overall satisfaction of the customers.

Therefore, it could be concluded that the level of customer satisfaction with the 'Service and Courtesy,' 'Quality of Food,' and 'Facilities and Selection' had a positive relationship with customer's overall satisfaction. Hence, when there was a higher level of satisfaction to these dimensions, the customers' overall satisfaction increased.

Table XV. Results of Regression Analysis of the Impact of the customers' Satisfaction

of Food and Service Quality on Overall Satisfaction

Model	R	R Square	Adjusted R	Square	Std. Error	of the Estimate				
1	.615(a)	.379		.364			.578			
A Predict	tors: (Consta	nt), REGR factor	score 4 for a	analysis 1, REGR	factor score	1 for analysis 1	, REGR			
factor sco	ore 3 for ana	alysis 1, REGR fa	ctor score 2	for analysis 1						
	ANOVA									
Model		Sum of Squa	ares df	Mean Square	F	Sig.				
1	Regression	35	.761 4	8.940	26.799		.000(a)			
	Residual	58	.714 176	.334						
	Total	94	.475 180							

a Predictors: (Constant), REGR factor score4 for analysis 1, REGR factor score1 for analysis 1, REGR factor score3 for analysis 1, REGR factor score 2 for analysis 1.b Dependent Variable: Overall satisfaction

Variable	В	Std. Error	Std Beta	t	Sig	Tolerance	VIF
(Constant)	4.500	.043		104.211	.000		
'Service and Courtesy'	.295	.040	.443	7.398	.000	.986	1.01
'Quality of Food',	.230	.043	.326	5.408	.000	.970	1.03
'Facilities and Menu Selection'	.211	.044	.289	4.837	.000	.990	1.01

Variables in the equation Coefficients (a)

a Dependent Variable: Overall satisfaction

4.10 Impact of the Satisfaction Dimensions on Likelihood of Return to the Fine Dining

Restaurant

Following the same analysis as explained in the last session, the same linear regression was used to identify if the four food and service quality factors a significant influence on the Likelihood of customers returning to the fine dining restaurant.

Table XVI illustrate the results of the regression analysis in relation to customers' likelihood of repeat patronage. The multiple correlation coefficient (R) was 0.309. The regression equation characteristics of level of satisfaction indicated a very low adjusted R^2 of 0.075. This reflects that 8% of the variation in "Likelihood of Return" was explained by this equation. The overall regression model F-ration of 4.720 is significant (Prob<0.01) thus indicating that the results of the regression equation model was meaningfully explaining the data and could hardly have occurred by chance.

The model was written as follows:

$$\hat{y} = 4.182 + 0.148 x_1 + 0.158 x_2 + 0.209 x_4$$

Where,

- \hat{y} = Dependent variable 'Likelihood of Return'
- x_1 = Independent variable 'Service and Courtesy'
- x_2 = Independent variable 'Quality of Food',
- x_4 = Independent variable 'Facilities and Menu Selection'

The relative importance of the three factors which contributes to the variance of customers' likelihood of returning to the Fine dining restaurant was explained by the beta coefficient. The partial correlation coefficient, β indicated the impact that the dimension with the most important effect in contributing to customer likelihood of repeat patronage was 'Facilities and Menu Selection' (β =0.21, Prob. <0.004), followed by 'Quality of Food', (β =0.16, Prob. <0.027), and 'Service and Courtesy' (β =0.15, Prob. <0.027). The

result predicted that, on average, the probability of customer 'Likelihood of Return' changes by 0.52(0.21+0.16+0.15) for each unit change in the three variables.

The result of the regression analysis showed that the 'Facilities and Menu Selection', 'Quality of Food', and 'Service and Courtesy' carried positive signs which indicate a positive relationship between those variables and the dependent variable 'Likelihood of Return' to the Fine dining restaurant Therefore, it is considered that the three factors are the best predictors of the 'Likelihood of Return' of the customers. On the other hand 'Environment and Atmosphere' (β =0.015, Prob. <0.827) appeared to be not statistically significant in affecting customers likelihood of return.

The t-statistic test used to test whether the three independent variables contributed information to the predicator of the dependent variable 'Likelihood of Return'. The t-value in this study was found to be significant at 0.05 levels. The three dimensions independent variables in the regression model emerged as significant (Sig. T \leq 0.05).

In conclusion, when there is a higher satisfaction level of the three factors 'Facilities and Menu Selection', 'Quality of Food', and 'Service and Courtesy', customers are more likely to return to the Fine dining restaurant.

Table XVI. Results of Regression Analysis of the Impact of the Satisfaction

Dimensions on Likelihood of Return

Model	R	R Square	Adjusted R Square Std	. Error of the Estimate
1	.309(a)	.095	.075	.970
a Predictors: (Constant)	REGR	factor score	4 for analysis 1 REGR factor score	1 for analysis 1 REGR

a Predictors: (Constant), REGR factor score 4 for analysis 1, REGR factor score 1 for analysis 1, REGR factor score 3 for analysis 1, REGR factor score 2 for analysis 1

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	17.755	4	4.439	4.720	.001(a)
	Residual	168.342	179	.940		
	Total	186.097	183			

ANOVA (b)

a Dependent Variable: Return

Variables in the equation Coefficients (a)

		Std.					
Variables	В	Error	Std Beta	t	Sig	Tolerance	VIF
(Constant)	4.182	.072		58.154	.000		
'Service and Courtesy'	.148	.066	.160	2.232	.027	.986	1.014
'Quality of Food',	.158	.071	.161	2.228	.027	.970	1.031
' Facilities and Menu Selection'	.209	.073	.206	2.879	.004	.990	1.010

a Dependent Variable: Return

4.11 Impact of the Satisfaction Dimensions on Likelihood of Recommendations to the

Fine Dining Restaurant

Following the same multiple regression analysis as explained in the last session, the same linear regression was used to identify if the four food and service quality factors exerted a significant influence on the Likelihood of customers' recommending the fine dining restaurant. Table XVII explained the results of the regression equation characteristics in relation to customers' likelihood of making recommendation. The multiple correlation coefficient(R) is 0.54 which indicate that there was a modest possibilities of customer making recommendations to other customers for the fine dining restaurant. The regression equation explained a moderate adjusted R^2 of 0.280. This reflects that 28 % of the variation in "Likelihood of Recommendation". The F-ration of 18.907 was significant (Prob<0.000) indicating that the results of the equation could hardly have occurred by chance and meaningfully explaining the data.

The t-statistic test used to test whether the four independent variables contributed information to the predicator of the dependent variable 'Likelihood of Recommendation.' The t-value in this study was found to be significant at 0.05 levels. Four dimensions emerged as significant (Sig. T \leq 0.05), independent variables in the regression model. The model was written as follows:

$$\hat{y} = 4.413 + 0.170 x_1 + 0.241 x_2 + 0.092 x_3 + 0.246 x_4$$

Where,

- \hat{y} = Dependent variable 'Likelihood of Recommendation'
- x_1 = Independent variable 'Service and Courtesy'
- x_2 = Independent variable 'Quality of Food',
- x₃ = Independent variable 'Environment and Atmosphere'
- x_4 = Independent variable ' Facilities and Selection'
The result of the regression analysis showed that the four coefficients carried positive signs which indicate a positive relationship between those variables and the dependent variable Likelihood of Recommendation'. The partial correlation coefficient, β , was used to indicate the impact. The dimension with the greatest effect was 'Facilities and Selection' (β =0.25, Prob. <0.000), followed by 'Quality of Food', (β =0.24 Prob. <0.000), 'Service and Courtesy', (β =0.17, Prob. <0.00), and 'Environment and Atmosphere' (β =0.092, Prob. <0.052). The result predicted that, on average, the probability of customer 'Likelihood of Recommendation' changes by 0.752 (0.25+0.24+0.17+0.092) for each unit change in the four variables.

Consequently, the result is confirming that the Likelihood of Recommendation' and customer satisfaction depends largely on these four variables. There for, it is considered that when there was a higher level of customers' satisfaction with 'Facilities and Selection', 'Quality of Food', 'Service and Courtesy', and 'Environment and Atmosphere' the customers are more likely to make a favorable recommendation to other customers for the Fine dining restaurant.

Table XVII. Results of Regression Analysis of Impact of the Satisfaction

Model	R	R Square A	djusted R Square	Std. Error of the Estimate	
1	.544(a)	.296	.280		.623
a Predict	tors: (Constant)	REGR factor score	4 for analysis 1 REGR	factor score 2 for analysis 1	REGR

Dimensions on the Likelihood of Recommendations

a Predictors: (Constant), REGR factor score 4 for analysis 1, REGR factor score 2 for analysis 1, REGR factor score 3 for analysis 1, REGR factor score 1 for analysis 1

ANOVA (b)

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	29.323	4	7.331	18.907	.000(a)
	Residual	69.790	180	.388		
	Total	99.114	184			

a Predictors: (Constant), REGR factor score 4 for analysis 1, REGR factor score 2 for analysis 1, REGR factor score 3 for analysis 1, REGR factor score 1 for analysis 1

b Dependent Variable: Recommend

Variables	В	Std. Error	Std Beta	t	Sig	Tolerance	VIF
(Constant)	4.413	.046		95.85	.000		
'Service and Courtesy'	.170	.046	.234	3.703	.000	.982	1.018
'Quality of Food',	.241	.045	.333	5.293	.000	.986	1.014
'Environment and							
Atmosphere'	.092	.047	.123	1.957	.052	.985	1.015
' Facilities and Selection'	.246	.047	.329	5.209	.000	.978	1.022

Variables in the equation Coefficients (a)

a Dependent Variable: Recommend

4.12 The Impact of Customers' Perception of the Restaurant Image Dimensions

To generate the initial solution the component factor method was used. The eigen values indicated that a four factor solution explained 67.8% of over all variance before the rotation. The correlation matrix overall significance was 0.000 with a Bartlett test of

sphericity value of 4476.265 showing that the data Matrix had sufficient correlation to the factor analysis. The Kaiser- Meyer-Olkin overall measure of sampling adequacy (MSA) was 0.94.which was meritorious (Hair, 1995).

From the Orthogonal (VARIMAX) rotated factor matrix, two factors with twenty seven variables defined by the original twenty seven variables that loaded heavily (loading >0.50) on them. The analysis generated a clear factor structure with relatively higher loading on the appropriate factors. Some variables loaded heavily on one factor while on other factor they did not load heavily. It indicated that there was a minimal overlap among these factors and it reflected as well that all the factors were independently structures. The higher loadings signed the correlation of the variables with the factors on which they loaded.

The two-factor structure resulted in a relatively more meaningful number of composite dimensions which could be easily interpreted and used for the further regression analysis. A two-dimensions-solution resulted, with the factors labeled as:

- Factor 1 labeled 'Upscale Quality Image, Advertising and Loyalty',

- Factor 2 labeled 'Upscale Ambience Image.'

A composite reliability of a construct was calculated to measure the internal consistency of each of the two factor indicators. The result showed that the coefficients for all four factors exceeded the recommended level of 0.50 (Hair, 1995), ranging from 0.84 to 0.96. The first factor, 'Upscale Image Quality, Advertising and Loyalty' had 11 loading. Its original variables that contained the highest factor loading was composed of:

1. The menu price is fair for the quality of items and service provided,

2. The nutritional quality of items is as expected in upscale restaurants,

- 3. The food presentation is appealing as in upscale restaurants,
- 4. The menu selection offered is in line with upscale restaurants,
- 5. The Fine dining restaurant has an upscale restaurant reputation,
- 6. The promotion and advertising of fine dining restaurant matches its theme,
- 7. The adequacy of staff and their grooming reflects an upscale image,
- 8. The knowledge of the staff is in line with an upscale restaurant,
- 9. I strongly believe that the fine dining restaurant deserves my loyalty,
- 10. My loyalty to The fine dining restaurant has grown stronger, and
- 11. The fine dining restaurant values people and relationships ahead of short-term goals.

The second factor addressed the issue of 'Upscale Ambience Image' and it consisted of 5 original variables as follows:

- 1. Menu is attractive and reflects image of The Fine dining restaurant,
- 2. Restaurant's decor is in keeping with image,
- 3. The restaurant's ambiance reflects the theme of The Fine dining restaurant,
- 4. Comfort level of seating is as expected in upscale restaurants, and
- 5. The layout of the dining area reflects an upscale image.

After rotation the two factors explained 67.87% of variance. These two dimensions were perceived as important image factors by the customers.

Table XVIII. Factor Matrix Analyses Results of Varimax Rotated Component

of Image Attributes

	VARIMAX		% of Variance	
Variables	Rotated loading	Eigenvalue	Explained	Reliability
Factor1	0	0	•	<u> </u>
'Upscale Image Quality ,				
advertising and Loyalty'		9.176	60.723	0.960
The menu price is fair for the quality				
of items and service provided	0.566			
The nutritional quality of items is as				
expected in upscale restaurants	0.614			
The food presentation is appealing				
as in upscale restaurants	0.738			
The menu selection offered is in line				
with upscale restaurants	0.759			
The Fine dining restaurant has an				
upscale restaurant reputation	0.670			
The promotion and advertising of				
Fine dining restaurant matches its				
theme	0.55			
The adequacy of staff and their				
grooming reflects an upscale	0 5 4 2			
image	0.542			
with an unscele restourant	0 629			
I strongly baliave that The Fine	0.030			
dining restaurant deserves my				
lovalty	0 793			
My loyalty to The Fine dining	0.700			
restaurant has grown stronger	0.863			
The Fine dining restaurant values	01000			
people and relationships ahead of				
short-term goals	0.832			
Factor2				
'Upscale Ambience Image'		1.143	7.144	0.839
Menu is attractive and reflects				
image of The Fine dining				
restaurant	0.571			
Restaurant's decor is in keeping				
with image	0.854			
The restaurant's ambiance reflects				
the theme of The Fine dining				
restaurant.	0.784			
Comfort level of seating is as	0.005			
expected in upscale restaurants	0.825			
The layout of the dining area reflects	0.040			
an upscale image	0.643			

Note: Kaiser-Meyer-Olkin Measure of Sampling Adequacy. Is .935, Bartlett's Test of Sphericity: Approx. Chi-Square is 4476.265, df is120, and Sig 0.000

4.13 The Impact of Image Dimensions on Overall Customers' Satisfaction

The regression equation characteristics of 'Overall Satisfaction' indicated a low reality adjusted R^2 of 0.26. This reflects that 26% of the variation in the importance of the Restaurant image was explained by this equation. The F-ration of 53.757 was significant (Prob<0.00) indicating that the results of the equation could hardly have occurred by chance.

The t-statistic test used to test whether the two independent variables contributed information to the predicator of the dependent variable 'Overall Satisfaction.' The t-value in this study was found to be significant at 0.05 levels. Two dimensions emerged as significant (Sig. T <0.05), independent variables in the regression model.

The model was written as follows:

$$\hat{y} = 4.513 + 0.341 x_1 + 0.092 x_2$$

Where

 \hat{y} = Dependent variable 'Overall Satisfaction'

 X_1 = Independent variable 'Upscale Image Quality, advertising and Loyalty'

X₂ = Independent variable 'Upscale Ambience Image'

The result of the regression analysis showed that the two coefficients carried positive signs which indicate a positive relationship between those variables and the dependent variable 'Overall Satisfaction.' It also confers that the overall satisfaction depends largely on these two image variables. Therefore, it is considered that the two factors are the best predictors of customers' overall satisfaction.

The partial correlation coefficient β was used to indicate the impact. The dimension with the greatest effect was 'Upscale Image Quality, Advertising and Loyalty' (β =0.34, Prob. <0.000), and 'Upscale Ambience Image' (β =0.092, Prob. <0.007). The result predicted that, on average, the probability of customer overall satisfaction changes by 0.433 (0.34+0.092) for each unit change in the two variables.

The values of variance of inflation (VIF) and tolerance for each variable, the tests of the extent of multi-collinearity and collinearity, indicated that there was no multi-collinearity in the model. No VIF values exceeded 10.0, and the values of tolerance showed that in no case did colliearity explain more than 10 % of any predictor variable's variance. Table XIX details the results of the regression analysis of the impact of image dimensions on overall customers' satisfaction.

Table XIX. Results of Regression Analysis of the Impact of Image

Model	R	R Squar	e Adj	usted R	Square		Std. Err	or of the Est	timate
1	.518(a)		268		.263	3			.574
A Predic	etors: (Constant),	REGR fac	tor score 2	2 for ana	alysis 2, 1	REGR fa	actor score	e 1 for anal	ysis 2
				ANOV	A (b)				
Model		Sum of	Squares	df	Mea	an Squar	e	F	Sig.
1	Regression		35.376	2		1	7.688	53.757	.000(a)
	Residual		96.408	293			.329		
	Total		131.784	295					
A Depen	dent Variable: C	Overall satis	faction						
		Var	iables in th	ne equa	tion Coe	efficients	s (a)		
Variabl	es	В	Std. Error	: Sto	l Beta	t	Sig 7	olerance	VIF
(Consta	unt)	4.513	.03	3		135.2	.000		
Upscale	e Image								
Quality	, advertising	.341	.03	4	.501	10.02	.000	1.000	1.000

a Dependent Variable: Overall satisfaction

.092

and Loyalty Upscale Ambience

Image

4.14 The Impact of Image Dimensions On the Customers' Likelihood of Return

.136

2.727 .007

1.000

1.000

.034

The regression equation characteristics of 'Likelihood of Return' indicated a low adjusted R^2 of 0.074. This reflects that only 7.5 % of the variation in the importance of the Restaurant image was explained by this equation. The F-ration of 13.087was significant (Prob<0.00) indicating that the results of the equation could hardly have occurred by chance.

The t-statistic test used to test whether the two independent variables contributed information to the predicator of the dependent variable 'Likelihood of Return'. The t-value in this study was found to be significant at 0.05 levels. One dimension emerged as significant (Sig. T <0.05) independent variable in the regression model.

The model was written as follows:

$$\hat{y} = 4.258 + 0.263 x_1$$

where

 \hat{y} = Dependent variable 'Likelihood of Return'

 x_1 = Independent variable 'Upscale Image Quality, advertising and Loyalty'

The result of the regression analysis showed that one coefficient carried positive sign which indicate a positive relationship between this variable and the dependent variable 'Likelihood of Return' it also confirmed that the 'Likelihood of Return' depends largely on this upscale image variable. Therefore, it is considered that the upscale factor is the best predictor for customers' 'Likelihood of Return'.

The partial correlation coefficient, β , was used to indicate the impact. The result predicted that, on average, the probability of customer 'Likelihood of Return' changes by 0.263 (0.34) for one unit change in one variable.

The values of variance of inflation (VIF) and tolerance for each variable, the tests of the extent of multi-collinearity and collinearity, indicated that there was no multicollinearity in the model. No VIF values exceeded 10.0, and the values of tolerance showed that in no case did colliearity explain more than 10 % of any predictor variable's variance.

Table XX. Results of Regression Analysis of the Impact of Image

Model 1	R .284(a)	R Square .080	Adjusted	R Square .074	Std. 1	Error of t	he Estimate	.900
a Predict	ors: (Constant),	REGR facto	or score 2 f	or analysi	s 2, REGR factor	score 1	for analysis 2	
		_	A	NOVA (b)			
Model		Sum of S	Squares	df	Mean Square	F	:	Sig.
1	Regression	-	21.192	2	10.596	1	3.087	.000(a)
	Residual		242.083	299	.810			
	Total		263.275	301				
a Depend	lent Variable: F	Return						
		Vari	ables in the	e equatior	n Coefficients (a)			
Variab	les	В	Std. Error	Beta	t	Sig	Tolerance	VIF
(Consta	nt)	4.258	.052		82.179	.000		
Upscale advertis	e Image Quality	, .263	.053	.2	4.991	.000	1.000	1.000
a Depend	lent Variable: R	leturn						

4.15 The Impact of Image Dimensions On Customers' Likelihood of

Recommendation

The regression equation characteristics of 'Likelihood of Recommendation' indicated a low reality adjusted R^2 of 0.28 this reflects that 28% of the variation in the importance of the Restaurant image was explained by this equation. The F-ration of

58.84 was significant (Prob<0.000) indicating that the results of the equation could hardly have occurred by chance.

The t-statistic test used to test whether the two independent variables contributed information to the predicator of the dependent variable 'Likelihood of Recommendation.' The t-value in this study was found to be significant at 0.05 levels. The two dimensions emerged as significant (Sig. T \leq 0.005), independent variables in the regression model. The model was written as follows:

$$\hat{y} = 4.446 + 0.366 x_1 + 0.133 x_2$$

where

 \hat{y} = Dependent variable 'Likelihood of Recommendation'

 x_1 = Independent variable "Upscale Image Quality, advertising and Loyalty"

 x_2 = Independent variable 'Upscale Ambience Image'

The result of the regression analysis showed that the two coefficients carried positive signs which indicate a positive relationship between those variables and the dependent variable 'Likelihood of Recommendation.' It also confirmed that the 'Likelihood of Recommendation' depends largely on these two image variables. Therefore, it is considered that the two image factors are the best predictors of 'Likelihood of Recommendation' to the customers.

The partial correlation coefficient, β , was used to indicate the impact. The dimension with the greatest effect was the 'Upscale Image Quality, Advertising and Loyalty' (β =0.37, Prob. <0.000), followed by 'Upscale Ambience Image' (β =0.13,

Prob. <0.000), the result predicted that, on average, the probability of customer overall satisfaction changes by 0.50(0.37+0.13) for each unit change in the two variables.

The values of variance of inflation (VIF) and tolerance for each variable, the tests of the extent of multi-collinearity and collinearity, indicated that there was no multi-colliearity in the model. No VIF values exceeded 10.0, and the values of tolerance showed that in no case did colliearity explain more than 10 % of any predictor variables please see table XXI.

Table XXI. Results of Regression Analysis of the Impact of Image

Model	del R R Square		Adjusted R Square St			Std. Error of the Estimate		
1	.531(a)	.282			277		.610	
			ANO	VA (b)				
Model		Sum of Squa	res	df	Mean Square	F	Sig.	
1	Regression	43	3.759	2	21.880	58.840	.000(a)	
	Residual	111	.554	300	.372			
	Total	155	5.314	302				
a Depend	dent Variable: R	ecommend						

Variables in the equation Coefficients (a)

Variables	В	Std. Error	Std Beta	t	Sig	Tolerance	VIF
(Constant)	4.446	.035		126.791	.000		
Upscale Image Quality , advertising and Loyalty	.366	.036	.499	10.206	.000	1.000	1.00
Upscale Ambience Image	.133	.036	.181	3.695	.000	1.000	1.00

4.16 Satisfaction Factors and Demographic Characteristic One-Way ANOVA

Age: One Way ANOVA test was conducted to identify any significant differences between each dimension and the different demographics profiles such as gender, age, martial statues, ethnicity group, education level, income level. A Tukey Post Hoc multiple comparison test was performed to detect differences between groups. According to table XXII three significant mean difference was found in different age groups; one significant mean was found between age and factor 1 'Service and Courtesy.' The post hoc test with Tukey statistics showed that the respondent's age group 23 to 33years in group one were less satisfied significantly from those ages 34 to 44 years with a difference of (Sig \leq 0.03). Two significant means were also found in the age group in Factor 4 'Facilities and Menu Selection.' The post hoc test with Tukey multiple comparison statistics test showed that the respondent's age group 23 to 33years group four is less satisfied significantly in factor four from those ages 34 to 44 by (Sig \leq 0.019), as well as ages 45 to 54 by (Sig \leq 0.009).

			'Environment	
	'Service and	'Quality of	and	'Facilities and Menu
Age	Courtesy'	Food'	Atmosphere'	Selection'.
22 and under	6.2	6.1	6.5	5.6
23-33	5.9	6.2	6.4	5.2
33-34	6.6	6.6	6.7	5.9
45-54	6.1	6.2	6.3	5.8
55-64	6.3	6.2	6.4	5.4
65 and over	6.3	6.2	6.5	5.9
F- Sig	0.80	0.332	0.544	0.002
				23-33< 34-44(0.019)
Post Hoc Test	23-33 < 34-44(0.03)			23-33< 45-54(0.009)

Table XXII. The Satisfaction Factors differences by Ages Characteristics

<u>Gender</u>: An Independent t- Samples T Test was used to measure the gender characteristics female respondents placed higher perception scores on all four factors in satisfaction level than did the male counterparts, with a mean difference of -0.09329 for factor one , -0.00038 factor two, -0.06726 factor three, and -0.03951 for factor four.

Factors Group	Male Mean	Female Mean	Sig. (2-tailed)	Mean Difference
'Service and Courtesy'	6.12	6.22	0.303473	-0.09329
'Quality of Food'	6.18	6.19	0.996714	-0.00038
'Environment and				
Atmosphere'	6.36	6.43	0.365206	-0.06726
'Facilities and Menu				
Selection'.	5.53	5.57	0.724567	-0.03951

Table XXIII. The Satisfaction Factors differences by Gender Characteristics

<u>Martial Statues</u>: With regards to martial statues an Independent t- Samples T Test was used to measure their characteristics. The result confirmed that single respondents place higher perception scores than married respondents with a mean difference of factor one 0.050, factor two 0.029, and factor three 0.53. Only factor four married respondent placed higher score than single respondents with a mean difference of -0.14.

Table XXIV. The Satisfaction Factors Differences by Martial Statues

Characteristics

Factors Group	Single Mean	Married Mean	Sig. (2-tailed)	Mean Difference
'Service and Courtesy'	6.19	6.14	0.583418	0.050564
'Quality of Food'	6.19	6.16	0.748138	0.029754
'Environment and				
Atmosphere'	6.42	6.37	0.479826	0.053361
'Facilities and Menu				
Selection'.	5.50	5.64	0.212372	-0.14206

4.17 Image Factors and Demographic Characteristic One way ANOVA

Only factor one 'Upscale Image Quality, advertising and Loyalty' significantly differed. The post hoc test with Tukey statistics showed that the respondent's age between 23-33 years old is less significantly satisfied in factor one from those ages 34 to 44 years, with (Sig ≤ 0.032). Please see table XXV below.

 Table XXV.
 The Image Factors Differences by Ages Characteristics

Age	'Upscale Image Quality , A	dvertising and Loyalty'	'Upscale Ambience Image'
22 and under		6.1	6.5
23-33		5.8	6.4
34-44		6.4	6.6
45-54		5.9	6.3
55-64		6.1	6.5
65 and over		5.9	6.3
F- Sig		0.06	0.41
Post Hoc Test	23-33< 34-44(0.032)		

<u>Gender Characteristics</u>: With regards to gender characteristics, Independent t-Samples T Test was applied to measure their characteristics. The result reveled that female respondents placed higher perception scores on the two factors in the image dimensions than did the male counterparts, with a mean difference for fact one -0.12, and factor two -0.14. Please see Table XXVI below.

Table XXVI. The Image Factors Differences by Gender Characteristics

Factors Group	Male Mean	Female Mean	Sig. (2-tailed)	Mean Difference
'Upscale Image Quality,				
advertising and Loyalty'	5.96	6.08	0.237945	-0.11536
'Upscale Ambience				
Image'	6.34	6.49	0.047195	-0.14799

<u>Martial Statues Characteristics</u>: An Independent t- Samples T Test was used to measure the martial statues characteristics, the result confirmed single respondents place higher perception scores than married respondents with a mean difference of factor one 0.11, and factor two 0.13. Please see table XXVII below.

Table XXVII. The Image Factors Differences by Martial Statues Characteristics

Factors Group	Single Mean	Married Mean	Sig. (2-tailed)	Mean Difference
'Upscale Image Quality,				
advertising and Loyalty'	6.07	5.96	0.28477	0.106303
'Upscale Ambience Image'	6.48	6.34	0.079392	0.133056

4.18 Satisfaction Factors and Respondents Dinning Behavior One-Way

ANOVA on Average Spend on the Meal

Respondents with different average spend on the meal also had different perception levels on factor four 'Facilities and Menu Selection'. The post hoc Tukey test indicated that factor four is more satisfactory to the respondent whose average spend on meal is \$40.00 or more than the respondent whose average spend on meal is \$9.99 or less with a difference of (Sig ≤ 0.02).

Spond	'Service and	'Quality of	'Environment and	'Facilities and Many Selection'
Spend	Courtesy	FOOU	Aunosphere	Menu Selection.
Less than \$9.99	6.2	6.3	6.3	5.3
\$10.00-\$14.99	6.2	6.2	6.4	5.4
\$15.00-\$19.99	6.3	6.2	6.3	5.5
\$20.00- \$24.99	5.8	5.9	6.6	5.4
\$25.00-\$29.99	6.1	6	6.3	5.6
\$30.00-\$34.99	6.3	6.3	6.5	5.9
\$35.00-\$39.00	6.2	6.4	6.5	5.5
\$40.00 & more	6.3	6.3	6.6	5.9
F- Sig	0.34	0.84	0.55	0.01
				Less than
Post Hoc Test				\$9.99<\$40.00(0.02)

Table XXVIII. Satisfaction Factors Differences by Customers Average Spend

on Meal

4.19 Image Factors and Respondents Dinning Behavior One way ANOVA

<u>The Purpose of the Current Dining Event</u>: Significant mean differences were discovered between the difference purposes of the dining event and the two factors 'Upscale Image Quality, advertising and Loyalty' and 'Upscale Ambience Image', factor 1, and factor 2 (Sig \leq 0.01). The post hoc test with Tukey statistics showed that the respondents that comes to try a signature menu item and social reason were more likely to be more satisfied than does the respondent of the business group with a difference of (Sig \leq 0.035), and (Sig \leq 0.028), as well as factor two with a difference of (Sig \leq 0.042), and (Sig \leq 0.008).

Table XXIX. The Image Factors Differences by Customers' Purpose of the

Current Dining Event

	'Upscale Image Quality, Advertising and	
Purpose	Loyalty'	'Upscale Ambience Image'
Try signature menu		
item	6.3	6.6
Business	5.6	6.1
Just a convenient meal	6.0	6.4
Social reason	6.1	6.5
F- Sig	0.02	0.01
	Business < Try signature menu item (0.035) Business < Social reason (0.028)	Business < Try signature menu item (0.042) Business < Social reason
Post Hoc Test		(0.008)

CHAPTER V

CONCLUSIONS AND IMPLICATIONS

5.1 CONCLUSIONS

Restaurant loyalty is one of the most important competitive survival tools for fine dining restaurants because loyal customers provide repeat business, higher market shares, referrals, and competitive advantages. Therefore, it is strategically important to understand customers' desires to attract, maintain, and satisfy those customers in order to maintain this continuous source of income. The restaurant operators should understand the impact of both the customers' level of satisfaction and the restaurant image on the customers' loyalty. The operators should also investigate the driving force for each component of the customer loyalty. Customers may vary in the way they become loyal to a restaurant; for some customers restaurant image may be important, whereas for others quality of service and food are more important. The results of the present study regarding the customer's satisfaction level and the image attributes could help the operators of the fine dining restaurant operators to develop customers' loyalty.

The descriptive statistics analysis in the present study indicated that the market segment of the fine dining restaurant is dominated by Caucasians customers. The majority were females and the major age group was 22 and under. The largest group was singles and the most common annual household income was over \$60,000. The largest number of of customers received some collage degree. Most of customers are first timer and come to the fine dining restaurant for social reasons. Customers usually spend between \$10 and \$14.99 for their lunch meal and over \$40.00 for their dinner meal.

The large majority heard about the fine dining restaurant through friends and families. Surprisingly, for sources of information the hotel staff as well as magazines represented small shares; 6.7% each. These low percentages imply that the advertising and promotions in the local market by both hotel-staff and magazines can be utilized more effectively as marketing techniques through aggressive advertisement and training of hotel stuff. The internet share was 1.3% which proves that there is a large room for improvement in the web advertising.

The analysis of variance (ANOVA) test carried out on the image and customer satisfaction revealed significant image variations for the restaurant as well as overall satisfaction variations. Furthermore, the (ANOVA) multiple range tests showed the factor groupings and made it possible to identify each group strengths or weaknesses compared with the demographic and the dining behavior characteristics perceived by respondents.

Age: The results of the ANOVA showed that the age group age 34 - 44 was more satisfied with service and courtesy than age group age 23 - 33. It also showed that age groups 34 - 44 and 45 - 54 were more satisfied with facilities and menu selection then the age group 23 - 33. This implies that the age group 34 - 44 can be satisfied with service quality, timeliness of service at restaurants, facilities, varieties of menu, and individualized attention more easily than the younger age groups. The results also revealed that the age group 45 - 54 was significantly satisfied with convenience of

parking, varieties of menus, and cleanliness of the restaurant more than the 23 - 33 age group. For the image dimensions level of agreement on the importance of the upscale image quality, the ANOVA results showed that advertising and loyalty factor is more important for age group 33 - 44 than the 23 - 33 group.

Gender and martial statues: The present results showed that female respondents placed higher perception scores on all four factors in satisfaction level than did the male counterparts. The results also revealed that single respondents were more satisfied and placed higher perception scores for service and courtesy, quality of food, environment and atmosphere than married respondents, while married respondent were more satisfied than single respondents with facilities and menu selection. Female single respondents placed higher perception scores on upscale ambience image, upscale image quality, advertising and Loyalty in the image dimensions than did the male married counterparts. Iacobucci and Ostrom (1993) reported that women might be more sensitive to relational aspects of the service interaction than their male counterparts.

<u>Income</u>: Respondents with average spending of \$40.00 or more per meal are more satisfied with facilities and menu selection than the respondents whose average spend on the meal is \$9.99 or less.

<u>Dining behavior</u>: The ANOVA results showed also the influence of the purposes of the dining event on customers' satisfaction. The respondents that came to try a signature menu item at a social event were more likely to highlight the importance of the restaurant upscale image quality, upscale ambience image advertising and loyalty than did the respondents of the business group. <u>Customer satisfaction level:</u> The present analysis showed that mean customer satisfaction level was 6.2 on 7.0 scale. Upon improvements in menu, drinks and wine variety, timeliness of service, proper temperature of food and service during rush hours, the delivered service quality level of the fine dining restaurant can reach the customers' highest satisfaction level.

The principal satisfaction factor analysis with Varimax rotation resulted in the grouping of 27 attributes into four orthogonal factor dimensions as follows: (1) 'Service and Courtesy,' (2) 'Quality of Food,' (3) 'Environment and Atmosphere,' and '(4) Facilities and Menu Selection.' The results of the multiple regressions in this study for the overall satisfaction analysis pointed out that the four dimensions had influenced the customers' overall satisfaction level, likelihood of return, and making recommendation to other customers to visit the fine dining restaurant. 'Service and Courtesy' was the most influential dimension in determining customers' over all satisfaction levels followed by, 'Quality of Food,' 'Environment and Atmosphere,' and finally 'Facilities and Menu Selection.' The results demonstrated that 'Facilities and Menu Selection' was the first influential dimension in influencing customers' likelihood of returning and recommending the fine dining restaurant, followed by 'Quality of Food,' 'Service and Courtesy,' and finally 'Environment and Atmosphere.' Lanier and Johnson (1996) indicated that offering menu variety and quality of food would increase customer satisfaction, and their likelihood of return and referrals ((Rataree, 2000). Waller (1996) pointed out that the food presentation including appearance, color, portion size, taste, temperature of food, and smell contributed to customer enjoyment of a meal experience which in turn resulted in higher customer satisfaction. Further more, the cleanliness of the environment and the noise level (i.e. atmosphere) were shown to have an important influence on the enjoyment of customers (Rataree, 2000).

The present analysis revealed that the measures of image (predictive variables) had significant impact on overall customers' satisfaction, likelihood of return, recommendation to other customers, and loyalty. However, the result revealed that image measures were more related to overall satisfaction and recommendation intention than likelihood of return of patronage. The results showed that customers' overall satisfaction and the likelihood of recommendation agreed the most with the following two image dimensions: (1) *'upscale image quality, advertising and loyalty*' and then (2) *'upscale ambience image.*' However, *the likelihood of return* when rated by customers agreed with the image dimension *'upscale image quality, advertising and loyalty*' alone.

5.2 Implications of the Research Findings

This study offers strategic guidelines to restaurant management. The customers' image perceptions and level of satisfaction are some of the factors that helps guide the positioning and repositioning strategies of the restaurant in the local market place. Customers perceive the fine dining restaurants on various image attributes. The relationships among customers' image perceptions, customers' satisfaction, and restaurant loyalty determined the magnitude of their relative importance to a specific market by linking customer behavior to the restaurant loyalty. By linking restaurant image and customer satisfaction to customer behavior, marketers can emphasize the

strengths and/or minimize the weaknesses, which are significantly related to patronage intention or actual patronage behavior (Oh, 1995).

Among the satisfaction and image variables, customers' perception on the overall impression, quality, menu variety of food and beverage, and friendly/attentive service contributed the most to patronage overall satisfaction, intentions to return and recommendation to other customers. This emphasizes the importance of the overall restaurant image along with its attributes. Operators should develop a high quality of food and service and should train their employees to provide a friendly and attentive service to customers all the time. The baby-boomers generation has unique taste and interests and therefore the restaurants have to set a plan to market to this generation differently. To ensure the expansion and retention of customers, there should be a strong relationship between price and quality of service.

In this study, we found that customers scored lower rate of satisfaction level with some product attributes such as 'varieties of menus,' 'varieties of drinks and wine,' and 'proper temperature of food.' Restaurants managers should be aware of the new product and add more varieties of drinks. Further more, the managers can use a popularity index to develop new menus. The popularity index will not only clarify which type of food customer purchased the most, but also help the managers to develop new menus offering.

With regards for the price, the fine dining restaurant must pay more attention to relate price to value and quality in the menu pricing (Naipul & Parsa, 2001; Rataree, 2000). Managers should conduct research on their customers, as to the type of food that customers are willing to pay higher price for. They can also compare the setting of the

88

price with their competitors. By these strategies managers will identify the best and reasonable price of the menus.

Fine dining restaurants are characterized by intangibility. So, the act of creating and maintaining a consistent image with overall satisfaction of a prime target market is crucial and this is more applicable for the upscale market segment, where customers purchase not only the service but also the symbol of luxury, pride, and status (Chon, 1990).

The following strategies could be beneficial to the fine dining restaurant managers to increase their number of loyal customers:

1- An ideal service timely manner: Diners who feel rushed because they've been hurried through may not return and even spread the word about their dissatisfaction of their dining experience. The customers ' perceptions of being rushed or being ignored, rather than the actual time spent in dining, shapes their opinions of the dining experience. Kimes and Noone (2005) said that "If a perceived wait is longer than what guests expected, their satisfaction is likely to diminish, along with their assessment of their server's abilities and the likelihood diners will return, and if a meal proceeds at a tempo much faster than expected, diners will feel rushed and will conclude that their server is not willing or able to attend to their needs." Therefore, an appropriate pace is essential to the customer satisfaction. In order to ensure customer satisfaction, the managers must view the dining experience in three stages (Kimes & Noone, 2005): (1) pre-process: when guests are ordering drinks and reading the menu; (2) in-process: when they are dining; and (3) post-process: when they are receiving and settling the check. Also managers should assess the effects of duration-reduction efforts at each stage on customers'

satisfaction. Kimes and Noone (2005) pointed out that dining time can be reduced through improved reservation policies, easier-to-read menus and a streamlined service-delivery process.

2- Advertising: The restaurants operators should make their customers aware of their offerings. Advertising should be carefully developed based on the results of ongoing research. If the target market indicates that a major personality trait is up to date, the fine dining advertising manager should develop advertising, which feature a modernized layout of furnishings, colors, and logos. New customers will try the fine dining restaurant based on an initial notion of perceived quality and if they are satisfied that will enhance their further intention to revisit the fine dining restaurant. The implications of this study are not limited to advertising. The décor, architecture, and appearance of personnel also increase the degree of customer satisfaction and an appealing to a consistent image for the fine dining restaurant target market. Fine dining restaurant should focus on gaining revenues from the "the baby boomer" age group because they can spend a lot for having a nice experience at the fine dining restaurant; their stable income allows them to dine out frequently and so they represent an excellent market opportunity for restaurants (Rataree, 2003).

<u>3- Creates new ideas and attractive menu choices (*innovation*): Innovations enhance the fine dining experience and emphasize its service quality relative to its competitors. The fine dining restaurant will survive and fulfill its goals if it is creatively developing its service on continuous base. Thus, it is important for managers to implement innovations, which are not only desired by customers but also are economically beneficial to the restaurant (Lee *et al.*, 2003). To achieve the restaurant</u> goals, it is essential not only to consider the types of innovative attributes to offer, but also which operational strategy to implement.

<u>4- Build successful, long-term relationships with your customers:</u> Keeping in touch with the customers and providing satisfaction and reinforcement to current and past customers between visits can enhance the customers' loyalty. Appreciation of customers' business, acting on their needs, and regular communications with customers through emails, birthday or anniversary cards can give the customers a reason to celebrate with the restaurant and create relationships that keep the restaurant at top of their mind. These relationships will extend well beyond any single visit and will lead in the development of both customers' satisfactions and loyalty that can contribute to repeat business and word-of-mouth advertisements to the fine dining restaurant.

<u>5- Facilitate the restaurant implementation</u>: Managers should put more efforts to facilitate the restaurant implementation planning to respond to the changing market and customer demands. Such a system requires a mix of strategic management, marketing, motivation, innovation, training, and financial techniques.

<u>6- Consistently providing high quality service:</u> The service that the fine dining restaurant provides is what makes the customers want to come back and enjoy the same nice experience. Today's customers are price-value oriented. Therefore, the offerings of *added value features* and highly quality service should live up to their expectations.

<u>7- Offering frequent guest programs:</u> Creating frequency-based loyalty programs to help reward the best customers of the restaurant for how many times they visit or how many other guests they bring would enhance the customers-restaurant relationships.

91

<u>8- Selecting and training service-oriented employees:</u> Front-line employees play an integral role in gaining loyalty because of high frequency contact between those employee and customers in the restaurant. It is important to select those employees carefully and to train them well.

5.3 Limitation of the study

The study has several limitations as follows: (1) the results may not be generalized to other segments of the restaurant industry. Data from this study were collected from customers at a single upper middle-class town. (2) the research was targeted only on customers who had their lunch or dinner at a fine dining restaurant, in Stillwater, Oklahoma. Differences may exist due to the fact the customers are mainly students and professors and may have different satisfaction level than other customers segments. Finally, the dinner was offered in three days per week only and lunch was offered in five days at different times during the day and that may affect the findings. The image attributes that were used in the study were very limited. There could be other relevant attributes that could be important to measure the image agreement level but were unintentionally excluded from the instruments.

5.4 Future Work

Future research could be conducted for the combination for customers' satisfaction level of food and service quality and the image agreement level from the customers' point of view on customer loyalty at different restaurant categories.

Differences may exist in the customers' behaviors towards other categories of restaurants. This will help restaurant managers to implant more effective strategies in order to expand customer loyalties.

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APPENDICES

APPENDIX A ---- A SAMPLE OF THE SURVEY



Survey of Customer Loyalty and the Image of Fine dining restaurant

Dear Customer,

Thank you for participating in our study of customers' image and satisfaction towards The Fine dining restaurant. 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 effect of image on customer loyalty in fine dining restaurants. 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. Your participation is completely VOLUNTARY and ANONYOMOUS. The information will be kept strictly CONFIDENTIAL. Non-participation will not result in penalty or loss of benefits to which you are entitled. Once you complete the questionnaire, please return it to the person who provided the questionnaire or to the greeter at the front door.

If you have any further questions about this study, please contact the principle investigator, Rasha Eliwa, a Master Candidate in the School of Hotel and Restaurant Administration at Oklahoma State University (email: <u>rtoleen@ yahoo.com</u>), telephone: (405) 762-0389). Alternatively, you may contact Dr. Sue Jacobs, Chair of Institutional Review Board (IRB), 415 Whitehurst, Oklahoma State University, Stillwater, OK 74078, (405) 744-5700 or (405) 744-1676 (email <u>colson@okstate.edu).about</u> the research compliance of the project.

Thank you very much for your time and cooperation.

Sincerely,

Rasha Eliwa Master Student

Please circle your answer to the following questions:

1. How often do you dine at the Fine dining restaurant?

- 1 Once a week 2 Twice a week
- 3 Once a month 4 Twice a month
- 5 First timer

3

6 Others (please specify)

2. How did you hear about the Fine dining restaurant?

- 1 Radio 2 TV advertising
 - Newspapers 4 Internet
- 5 Friends & Families 6 Hotel Staff
- 7 OSU magazines
- 8 Others (please specify)

3. Which one of the following best describes the purpose of your current dining event at The Fine dining restaurant?

- 1 Try signature menu item 2 Business
- 3 Just a convenient meal 4 Social reason

4. What prompted you to select The Fine dining restaurant today?

- 1 Location 2 Past experience
- 3 Reputation 4 Advertisement
- 5 Others (please specify)

5. On an average, how much did you spend for this meal at The Fine dining restaurant per person today?

1	Less than \$9.99	2	\$10.00- \$14.99
3	\$15.00-\$19.99	4	\$20.00- \$24.99
5	\$25.00 - \$29.99	6	\$30.00- \$34.99
7	¢25 00 ¢20 00	0	¢ 10 00 0

7 \$35.00-\$39.99 8 \$40.00 & more

6. Please tell us if you are :

- 1 OSU Student 2 OSU Faculty
- 3 OSU Administrator 4 OSU Staff
- 5 Hotel guest
- 6 Stillwater resident (Non –OSU)
- 7 Others (please specify)

Please circle the number to indicate your level of satisfaction with the dining experience at The Fine dining restaurant for the following attributes. (7 scales with 7 being very satisfied, 4 neutral, and 1 not at all satisfied)

	Sati	Satisfied				Satisfied			
	-	\rightarrow \rightarrow	\rightarrow	\rightarrow	\rightarrow	\rightarrow -	\rightarrow \rightarrow		
Food portion size	1	2	3	4	5	6	7		
Temperature of food	1	2	3	4	5	6	7		
Taste of food	1	2	3	4	5	6	7		
Variety of beverages	1	2	3	4	5	6	7		
Menu Variety	1	2	3	4	5	6	7		
Cleanliness of the dining area	1	2	3	4	5	6	7		
Noise level	1	2	3	4	5	6	7		
Comfortable and welcoming feeling	1	2	3	4	5	6	7		
Professionalism of staff	1	2	3	4	5	6	7		
Cleanliness of bathroom	1	2	3	4	5	6	7		
Convenience of parking	1	2	3	4	5	6	7		
Timeliness of service	1	2	3	4	5	6	7		
Communication skills of staff	1	2	3	4	5	6	7		
Employee responsiveness to questions	1	2	3	4	5	6	7		
Helpfulness of staff	1	2	3	4	5	6	7		
Problem resolution ability of staff	1	2	3	4	5	6	7		
Professionalism of employees	1	2	3	4	5	6	7		
Knowledge of servers	1	2	3	4	5	6	7		
Level of empathy towards customers	1	2	3	4	5	6	7		
Ability to anticipating guest needs		2	3	4	5	6	7		
Level of personal attention given	1	2	3	4	5	6	7		
Equal treatment of all customers	1	2	3	4	5	6	7		
Uncompromised service during rush	1	2	3	4	5	6	7		
Accuracy of order taking	1	2	3	4	5	6	7		
Accuracy of the order cooked	1	2	3	4	5	6	7		
Availability and accessibility of staff	1	2	3	4	5	6	7		
Readability of menu	1	2	3	4	5	6	7		
Ability to provide accurate checks		2	3	4	5	6	7		

Please circle the number that indicates your level of agreement or disagreement for the following statements about the image of the Fine dining restaurant. (7 scales with 7 being strongly agree, 4 neutral, and 1 strongly disagree).

	Strongly			Strongly				
	Disagree					Agr	ee	
		\rightarrow	\rightarrow	$\rightarrow \rightarrow$	\rightarrow	\rightarrow	\rightarrow -	→
Menu is attractive and reflects image of The Fine dining restaurant	1	2	3	4	5	6	7	
Restaurant's decor is in keeping with image	1	2	3	4	5	6	7	
The restaurant's ambiance reflects the theme of The Fine dining restaurant.	1	2	3	4	5	6	7	
Comfort level of seating is as expected in upscale restaurants	1	2	3	4	5	6	7	
The menu price is fair for the quality of items and service provided	1	2	3	4	5	6	7	
The nutritional quality of items is as expected in upscale restaurants	1	2	3	4	5	6	7	
The food presentation is appealing as in upscale restaurants		2	3	4	5	6	7	
The menu selection offered is in line with upscale restaurants		2	3	4	5	6	7	
The Fine dining restaurant has an upscale restaurant reputation	1	2	3	4	5	6	7	
The promotion and advertising of Fine dining restaurant is upscale		2	3	4	5	6	7	
The adequacy of staff and their grooming reflects an upscale image	1	2	3	4	5	6	7	
The knowledge of the staff is in line with an upscale restaurant	1	2	3	4	5	6	7	
The layout of the dining area reflects an upscale image	1	2	3	4	5	6	7	
I strongly believe that The Fine dining restaurant deserves my loyalty	1	2	3	4	5	6	7	

Section 4

1. Please rate your overall satisfaction with The Fine dining restaurant.

- 1 Very Satisfied
- Satisfied
 Neutral

- 4 Dissatisfied5 Very dissatisfied

2. How likely are you to return to the Fine dining restaurant in the near future?

- 1Very likely4Unlikely2Likely5Very unlikely
- 3 Neutral

3. If you do, when are you most likely to come back to The Fine dining restaurant?

1	In a week	4	In 2-3 month
2	In 2-3 weeks	5	I am not sure

3 In a month

4. How likely are you to recommend The Fine dining restaurant to your friends and relatives?

- 1 Very likely
- 2 Likely
- 3 Neutral
- 4 Unlikely
- 5 Very unlikely

Please circle your response for the following demographic questions. The information you provide will be kept confidential and will only be used for research purposes:

1. Gender:

1- Male

2- Female

2. Age Group

- 1- 22 and under
- 2- 23-33
- 3- 34-44
- 4- 45-54
- 5- 55-64
- 6- 65 and over

3. Martial Statues

- 1- Single
- 2- Married
- 3- Divorced 3- Widowed

4. Ethnicity Group

- 1- African/American
- 2- Asian 4- Native American
- 3- Hispanic 6- Others _____ 5- Caucasian

5. Education level:

- 1- Some or no high school
- 2- High school graduate
- 3- Some college
- 4- College graduate
- 5- Some graduate study
- 6- Graduate/professional

6. Annual House Hold Income:

- 1- Under \$20,000
- 2- \$ 21,000-\$ 29,999 3- \$30,000-\$39,999
- 5- \$ 50,000-\$59,999
- 4- \$40,000-\$49,999 6- \$60,000 and more



Thank you for taking the time to complete this survey. Please hand the survey back to the Greeter at the reception desk.

APPENDIX B---INSTITUTIONAL REVIW BOARD APPROVAL

Oklahoma State University Institutional Review Board

Date:	Tuesday,	April 18, 2006			
IRB Application No	HE0659				
Proposal Title: A Study of Customer Retention and Loyalty: A Case Study of the Ranche Club Restaurant					
Reviewed and Processed as:	Exempt				
Status Recommend	ded by Rev	viewer(s): Approved Protocol Expires: 4/17/2007			
Principal Investigator(s					
Rasha Ali Eliwa		Hailin Qu			
400 S. Squires Landing A		210 HESW			
Stillwater, OK 74074		Stillwater, OK 74078			

The IRB application referenced above has been approved. It is the judgment of the reviewers that the rights and welfare of individuals who may be asked to participate in this study will be respected, and that the research will be conducted in a manner consistent with the IRB requirements as outlined in section 45 CFR 46.

The final versions of any printed recruitment, consent and assent documents bearing the IRB approval N stamp are attached to this letter. These are the versions that must be used during the study.

As Principal Investigator, it is your responsibility to do the following:

- Conduct this study exactly as it has been approved. Any modifications to the research protocol must be submitted with the appropriate signatures for IRB approval.
 Submit a request for continuation if the study extends beyond the approval period of one calendar year. This continuation must receive IRB review and approval before the research can continue.
 Report any adverse events to the IRB Chair promptly. Adverse events are those which are

- unanticipated and impact the subjects during the course of this research; and 4. Notify the IRB office in writing when your research project is complete.

Please note that approved protocols are subject to monitoring by the IRB and that the IRB office has the authority to inspect research records associated with this protocol at any time. If you have questions about the IRB procedures or need any assistance from the Board, please contact Beth McTernan in 415 Whitehurst (phone: 405-744-5700, beth.mcternan@okstate.edu).

Sincerely,

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Sue C. Jacobs, Cha Institutional Review Board

VITA

Rasha Ali Eliwa

Candidate for the Degree of

Master of Science

Thesis: A STUDY OF CUSTOMER LOYALTY AND THE IMAGE OF THE FINE DINING RESTAURANT.

Major Field: Hospitality Administration

Biographical:

- Personal Data: Place of Birth: Born in Cairo, Arabic Republic of Egypt. Martial Statues: Married to Professor Khaled Sallam,. The daughter of Mr. Ali Ibrahim Eliwa and Mrs. Nazlaa Hassan Metwally.
- Education: Received Bachelor of Tourism and Hotel Management from Helwan University, Cairo, Egypt in July 1993. Completed the requirements for the Master of Science degree with a major in Hospitality Administration at Oklahoma State University in December 2006.
- Experience: Employed as counter and reservation at United Arab Emirates Airlines from January 2001- June 2001, Malaysian Airlines from 1997-2001, and Gulf Air from 1993-1997. Manger Assistant at the Ranchers Club for Internship from Jul 2005- June 2006.

Name: Rasha Ali Eliwa

Date of Degree: December, 2006.

Institution: Oklahoma State University

Location: Stillwater, Oklahoma

Title of Study: A STUDY OF CUSTOMER LOYALTY AND THE IMAGE OF THE FINE DINING RESTAURANT

Pages in Study: 117 Candidate for the Degree of Master of Science

Major Field: Hospitality Administration

- Scope and Method of Study: The specific objectives of the study were 1) to derive the dimensions of the image of the fine dining restaurant and the dimensions of customers' satisfaction towards it; 2) to examine how the image of a fine dining restaurant affects customers' decision to return to the restaurant in the future; 3) to examine how customer satisfaction affects customers' loyalty to a fine dining restaurant; 4) to examine whether customers with different demographics and dining behavior have different perceptions on service quality, image of fine dining restaurant, and customer loyalty; and, 5) to provide recommendations to the restaurant managers for increasing loyal customers. A cross-sectional descriptive research design was used for this study and a self-administrated closed-ended questionnaire was developed and distributed to 650 customers who had dined at a particular fine dining restaurant in Stillwater, Oklahoma. Multivariate analysis which included factor and regressions analysis were used in the study to examine the relative impact of customer satisfaction and the image of the restaurant on the loyalty dimensions. Analysis of variance (ANOVA) was preformed to identify any significant mean difference between the satisfaction levels with the food and service quality and the image agreement level with the different demographic level and customers' dining behavior.
- Findings and Conclusions: The findings supported that the relationships among customers' image perceptions, customers' satisfaction, and restaurant loyalty determined the magnitude of their relative importance to a specific market by linking customer behavior to the restaurant loyalty. This emphasizes that the act of creating and maintaining a consistent image with overall satisfaction of a prime target market is crucial and this is more applicable for the upscale market segment, the operators should develop a high quality of food and service and should train their employees to provide a friendly and attentive service to customers all the time. Restaurants managers should be aware of the new product and add more varieties of drinks.