

# Investigating the determinants of fast food restaurants with the mediation of customer satisfaction

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**Abstract:** The purpose of the research is to analyze the influence of fast food quality, brand image, brand trust, and physical environment on the customer loyalty mediated via customer satisfaction. The sample population contains e-banking customers in three cities of Pakistan, namely Lahore, Multan, Faisalabad, The survey was performed to gather data using a self-administered questionnaire. Food quality, pricing, location, and atmosphere, and service quality are exogenous factors; customer happiness and customer loyalty are endogenous variables in this research. Variance-based structural formula modeling (PLS-SEM) was utilized to investigate the interconnectivity and effect on antecedents for enhancing consumer loyalty at fast-food establishments. The current research findings demonstrated that the e-banking website's dependability greatly effects confidence of consumers who utilize e-banking services. The findings indicated that the e-banking website's security greatly effects consumers' confidence utilizing e-banking services from the providers. The findings also indicated that the e-banking website's security favorably effects consumers' confidence utilizing e-banking services from the suppliers.

**Keywords:** Food Quality, Brand Image, Brand Trust, Physical Environment, Customer Satisfaction, Customer loyalty, Fast food Restaurants

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## 1. Introduction

Global shifts in consumer lifestyles, increasing family income, and a taste for fast food continue to fuel the industry's rapid expansion across all boundaries. The rising demand for fast food has prompted strong rivalry. As a consequence, restaurant performance is based on client retention (Ha & Jang, 2012). Brand loyalty is reliant on consumer perception of value. Customer loyalty is an objective in a service factory such as a fast-food restaurant. They seek to give value-based services and meals. Loyal customers are founded on the delight of their consumers (Petzer & Mackay, 2014). This is done through

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delivering great food and service, a nice setting, and a fair price. Restaurant owners and managers feel devoted customers are more important than casual customers, even if they are customers. Fast-food restaurant owners and managers must continually enhance their marketing tactics and product/service offerings to stay up with changing market conditions. This will guarantee that businesses can retain and satisfy consumers, maintain a competitive advantage over other rivals, and ultimately achieve long-term profitability (Shahzadi et al., 2018).

Fast-food restaurateurs must have a thorough grasp of what inspires consumers to eat fast food and how they interact to establish client loyalty. Fast-food establishments are aware of the relevance of fast food in the global foodservice business. Customer loyalty is a significant goal. However, it has not been able to explain the elements that impact these parameters. (Namin, 2017).

Customer behavior is impacted by variances in cultural, political, legal, and economic circumstances. Further context-specific study is required because to the distinctive nature of customer loyalty and its precursors (Carranza et al., 2018). Also, given the limitations of generalizing empirical results from industrialized nations to emerging ones, context-specific research must be done. There have been few research evaluating the influence of numerous connected elements on consumer loyalty in the fast-food sector (Slack & Singh, 2020). This work is, therefore, crucial since it aims to solve these gaps by bringing new technology. Information primarily connected to client loyalty. The project will also evaluate a questionnaire with reliable scales and a structural model to properly predict consumer loyalty in fast-food establishments. (S. Sharma et al., 2020a). Practically, the research will give empirical data that will assist academics and practitioners alike to build polished operational and marketing strategies to increase fast-food restaurant customer loyalty.

### 2. Literature review

Recent study reveals that great restaurant service encompasses three attributes: food quality, the physical setting, and team member service. Customers use these traits to determine restaurant quality, according to studies. Customers' views of quality and service are the most essential elements determining their restaurant choice, restaurant experience, and satisfaction. (Carranza et al., 2018). The quality of food is rated by consumers based on various criteria such as flavor, nutrition value, and preparation. These studies also suggest that customer satisfaction may be decided by the customer's response to assessing the perceived difference in performance between expectations or a norm of performance and what the product performs as perceived after consumption (Clemente-Ricolfe, 2016).

To influence their customers' choice to return to a restaurant, restaurateurs must grasp the individual criteria of consumers while selecting a restaurant (Uddin, 2019). One characteristic that increases loyalty to a restaurant is trust, according to current restaurant literature (Roy et al., 2020). A study in Malaysia likewise discovered that trust is positively associated to consumer loyalty (Trimigno et al., 2015). In the fast-food business. Numerous studies have also indicated that brand trust has a favorable influence on loyalty in the restaurant industry (Tse & Wilton, 1988). This research validates the concept that brand trust might favorably increase loyalty in the restaurant business. Customers may utilize the information offered by restaurant physical environment variables to assess a restaurant's image (Ha & Jang, 2010a).

These factors are considered significant determinants for restaurant image. A positive physical environment, such as lighting, layout, and interior decoration, is also essential (Ryu et al., 2012a). positive image of a restaurant is created by creating an engaging physical environment (e.g., lighting, interior decoration, layout, and so on) (Ryu et al., 2008a). The following hypothesis suggested: The influence of the physical environment on customer satisfaction and brand image Studies from the past. Customers judge the quality of products and services based on their physical environment. That is why customers are attracted to

the environment. Team member service quality significantly impacts brand image and customer satisfaction(Yi et al., 2018).

Research also shows that employees' communication skills, team member competence, and personal appearance significantly impact a restaurant's brand image and reputation. Price fairness may have an impact on customer satisfaction and brand image (Jin et al., 2012). Price fairness judgments are a subjective comparison of a reference price to a price being compared by customers (Ryu et al., 2012). Their self-interest can bias them. For example, another study found that customers were more satisfied with fast food purchases when they had high social and functional values. Researchers have also found that customers react differently to price fairness perceptions, influencing their satisfaction(Yi et al., 2018). In addition, recent research also showed that price fairness and customer happiness had significant positive correlations.

A restaurant's ability to offer affordable restaurant options can enhance its brand image and give it a competitive edge over other restaurants. Research has shown that price fairness is an essential factor in building brand image. It is also an antecedent that significantly influences the brand image and positively affects the image. Brand image has a significant impact on customer satisfaction, brand trust, and customer loyalty. Customers tend to form an opinion about a restaurant's brand before they experience it (Ha & Jang, 2012).

A restaurant's brand image is an essential characteristic. It is crucial to building a consumer's impression of the restaurant. Furthermore, the brand image must be communicated to customers and used to build trust and associate with the products and services. It is, therefore, possible to say that:"Building a positive image of your company is an important marketing strategy today in the marketplace to retain existing customers and attract new customers (Ryu & Jang, 2008). Researchers found that customer loyalty is directly affected by corporate image. Researchers also found that brand image has a positive correlation with customer loyalty.

### **3. Methodology**

The sample population includes e-banking customers in Lahore, Multan, and Faisalabad. The survey used a self-administered questionnaire to collect data. This study's survey questionnaire has two parts. The first part of the questionnaire asked about the respondent's demographics, while the second half asked about all literary constructs. The sample size offered by Krejcie & Morgan (1970) is acceptable for reliable results. 230 questionnaires were received from 400 e-banking users in Pakistan, notwithstanding the low response rate. Twelve incomplete replies were discarded for further study, and 218 complete responses were statistically tested.

Food quality, pricing, location, and atmosphere, and service quality are exogenous factors; customer happiness and customer loyalty are endogenous variables in this research. Variance-based structural formula modeling (PLS-SEM) was utilized to investigate the interconnectivity and effect on antecedents for enhancing consumer loyalty at fast-food establishments. SEM is a statistical approach that investigates structural correlations within data. Thus, SEM provides researchers the opportunity to integrate scientific theory with empirical facts. Fast-food is a wide phrase that refers to a restricted selection of dishes manufactured utilizing production-line procedures.

### **4. Data Analysis and Findings**

#### **4.1 Measurement Model**

Smart PL Salgorithm yielded the results shown in Table 1. Model dependability is expressed by the composite reliability value of all constructs larger than 0.70, whilst internal consistency is represented by

item loadings greater than 0.40. The average variance retrieved for each construct is also greater than 0.50, showing model convergence.

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Table 1: Measurement Model

Constructs	Items	Loadings	CR	AVE
Brand Image (BI)	BI1	.821	0.870	0.691
	BI2	.836		
	BI3	.837		
Brand Trust (BT)	BT1	.810	0.891	0.732
	BT2	.877		
	BT3	.879		
Customer Loyalty (CL)	CL1	.895	0.911	0.774
	CL2	.866		
	CL3	.878		
Customer satisfaction (CS)	CS1	.845	0.885	0.719
	CS2	.877		
	CS3	.821		
Food Quality (FQ)	FQ1	.667	0.822	0.537
	FQ2	.790		
	FQ3	.751		
	FQ4	.718		
Physical Environment (PE)	PE1	.650	0.748	0.506
	PE2	.875		
	PE3	.575		

Note: CR =Composite reliability, AVE =Average variance extracted

#### 4.2 Structural Model Assessment

##### 4.2.1 Hypothesis Testing (Direct)

Table 2 explained the results of direct relationship between the independent and outcome variables. The first hypothesis indicated that there is a significant impact on BI-> CS. The value of p is 0.03 which is less than threshold which indicated that the alternative hypothesis is accepted. In addition, second hypothesis indicated that there is a significant impact on BT-> CS. The value of p is 0.000 which is less than threshold which indicated that the alternative hypothesis is accepted. The study's third hypothesis indicated that there is a highly significant impact on BI-> CS. The value of p is 0.000 which is less than threshold which indicated that the alternative hypothesis is accepted. The fourth hypothesis of the study indicated that there is a highly significant impact on FQ-> CS. The value of p is 0.000 which is less than threshold which indicated that the alternative hypothesis is accepted. The fifth direct hypothesis of the study indicated that there is a highly significant impact on PE-> CS. The value of p is 1.151 which is greater than threshold which indicated that the alternative hypothesis is rejected.

Table 3 indicated the indirect relationship between the variables by checking the mediating effect. The outcome of the results indicated that there is a significant mediating relationship of customer loyalty between the independent and outcome variables, except PE-> CS -> CL. Overall the findings illustrates a significant effect between all the variables except one relationship which is insignificant .

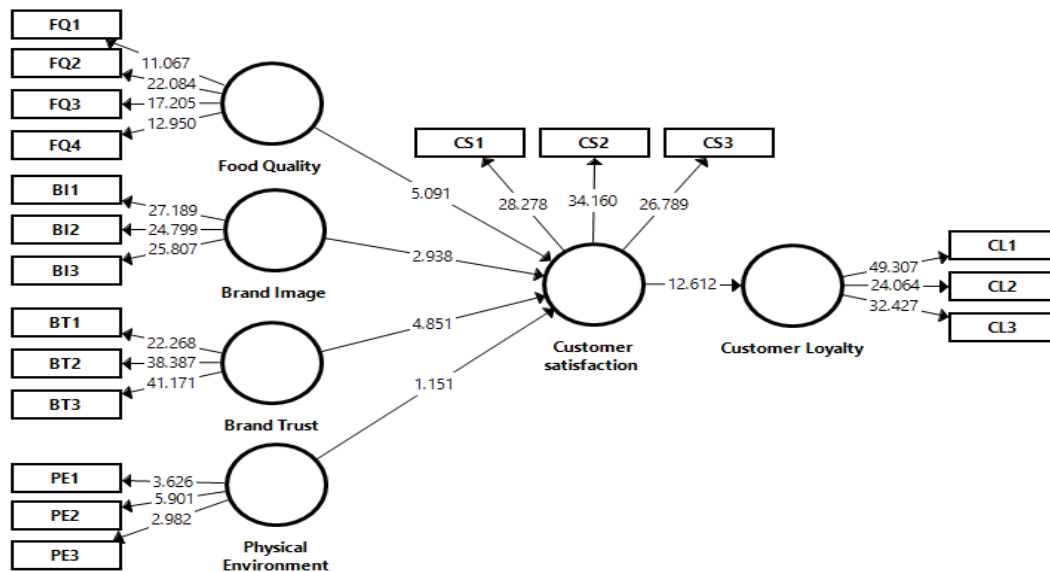
Table 2 Direct Hypotheses Testing

Relationship	Std. Beta	Std. Error	T value	P Values	2.50%	97.50%	Decision
BI-> CS	0.238	0.081	2.938	0.003	0.085	0.391	Supported
BT -> CS	0.363	0.075	4.851	0.000	0.221	0.506	Supported
CS -> CL	0.659	0.052	12.612	0.000	0.551	0.747	Supported
FQ-> CS	0.297	0.058	5.091	0.000	0.185	0.411	Supported
PE -> CS	-0.052	0.045	1.151	0.250	-0.138	0.040	Not Supported

Table 3: Indirect Hypotheses testing (Mediation analysis)

Relationship	Std. Beta	Std. Error	T value	P Values	2.50%	97.50%	Decision
BT-> CS -> CL	0.239	0.056	4.264	0.000	0.138	0.359	Supported
FQ-> CS -> CL	0.196	0.042	4.675	0.000	0.117	0.280	Supported
PE-> CS -> CL	-0.034	0.030	1.138	0.256	-0.093	0.027	Not Supported
BI-> CS -> CL	0.157	0.055	2.868	0.004	0.057	0.262	Supported

Figure 1: Structural Model



## 5. Discussion and Conclusion

The present research examined the role of dependability, website design, and security on trust, as well as the mediation effect on consumer loyalty toward e-banking services, using the cognitive, motivational relational (CMR) theory. The present study's results suggest that the dependability of an e-banking website has a significant impact on the confidence of customers who utilise e-banking services provided by banks, a conclusion that is supported by the literature (Shankar & Jebarajakirthy, 2019). The results suggested that the security of an e-banking website has a significant impact on customers' confidence in providers' e-banking services. The results are compatible previous studies. The following hypothesis established that a website's design has a significant impact on trust (Haq & Awan, 2020). The outcome of the current theory is congruent with previous literature. Four indirect hypotheses on the mediating effect of trust on the relationship between independent variables and consumer trust in e-banking services were offered. The research suggested that the security of an e-banking website positively impacts customers' confidence in the providers' e-banking services. Numerous contributions have been made in this subject. To begin, this research used CMR Theory to investigate a mediated model. The CMR theory, which analyses customer loyalty via the mediation function of trust, has not been examined in the context of e-banking. The present research added to the mediating effect of trust on e-banking service customer loyalty by examining the relationship between website design, dependability, and security. The current research sheds light on the elements affecting the quality of e-banking services in the Pakistani environment.

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