

The Effect of Service Quality, Customer Satisfaction and Customer Loyalty on Word of Mouth Marketing in Restaurants

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Extensive Summary

Introduction

Service quality is an important determinant of customer satisfaction and customer loyalty in service business (Kotler et al. 1999:658; Namkung ve Jang, 2007). In this regard, service quality is one of the basic elements of competitiveness in restaurant business as in all businesses operating in the service sector. In the literature, there are a large number of studies to measure the service quality of restaurants, performed by researchers using measurement models such as SERVQUAL, SERVPERF, TANGSERV and DINESERV. In this study, service quality in restaurants was examined in terms of physical environmental quality, interaction quality and output quality components expressed by Brady and Cronin (2001). Customers do not have the chance to test food and beverage services before they bought it and such as all other services, customers can not return them after they have purchased it. This situation increases to the perceived risk of customers from receiving services and causes them to be more affected by oral communication (Kotler et al. 1999:648). The aims of this research are; (1) to examine the effect of service quality on customer satisfaction, customer loyalty and word of mouth marketing, (2) to analyze the effect of customer satisfaction and customer loyalty on word of mouth marketing in restaurants, and (3) to measure the effect of customer satisfaction on customer loyalty in restaurants. In this context, the proposed research model is shown in Figure 1.

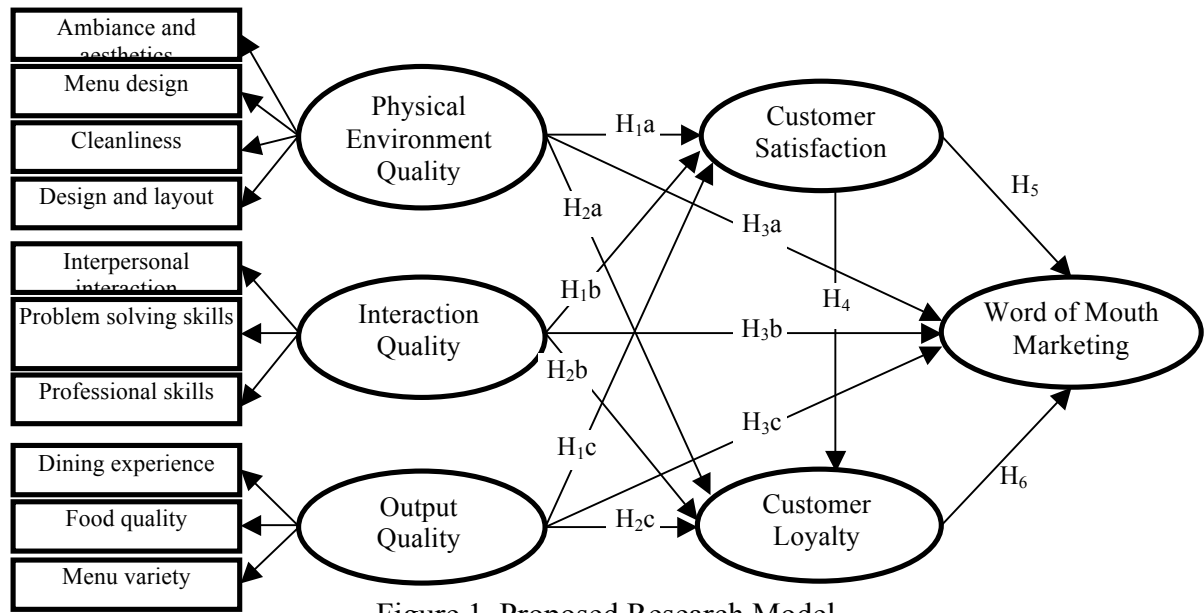


Figure 1. Proposed Research Model

Methodology

The research population consists of the 13 seafood restaurants operating in the Amasra destination. TripAdvisor's website has been used to access information about restaurants. There is no systematic data on the personal information, arrival frequency and whereabouts of customers who prefer restaurant businesses that make up the population. Because of this, in this research convenience sampling method was used. Research data was collected using a questionnaire technique. The items in the questionnaire were taken from the following writers: service quality (Wu and Mohi, 2015), customer satisfaction (Han and Ryu, 2012), customer loyalty (Namkung and Jang, 2007; Hyun, 2010) and word of mouth marketing (Jeong and Jang, 2011). The research data was obtained from 468 customers getting service from selected restaurants operating in the Amasra destination through the face-to-face survey between the dates of 01 May 2017 and 10 June 2017. Gathered data were analyzed using SPSS 18.0 and Lisrel 8.7 packet programs.

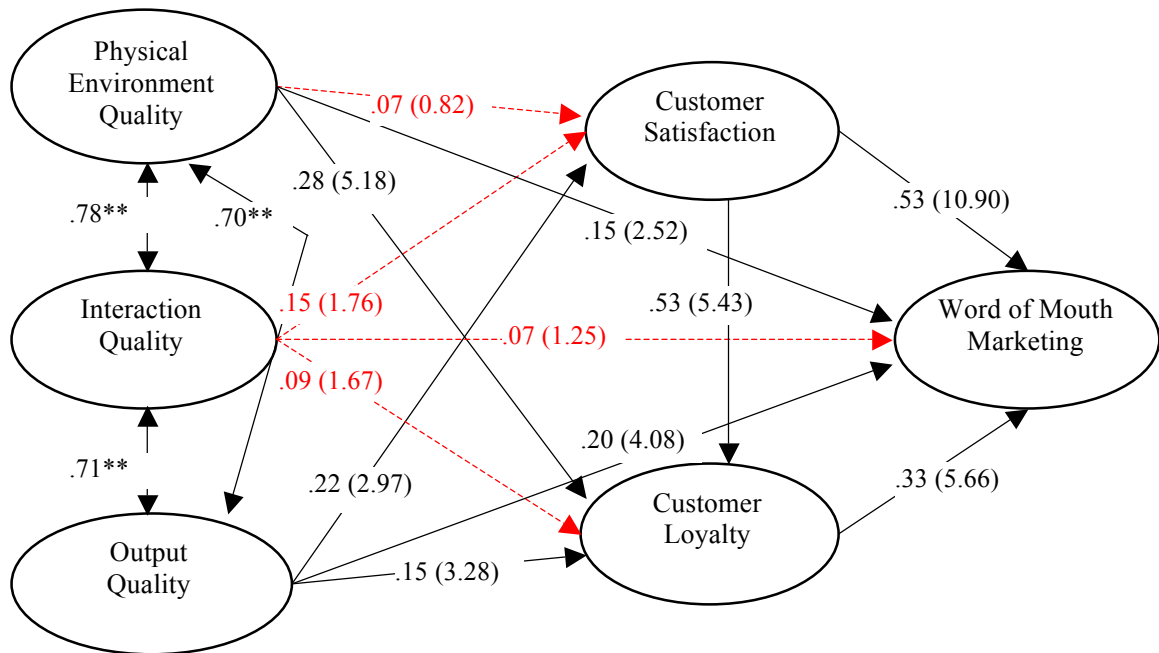
Findings

In the analysis of the research data, firstly Explanatory Factor Analysis (AFA) was separately applied to the data related to service quality, customer satisfaction, customer loyalty and word of mouth marketing. It has been paid attention that in the AFA, the factor Eigen value is at least 1 and the factor load is at least 0.40. As a result of analysis, it is seen that the reliability levels of factors are between .761 and .946. In order to test the accuracy of the obtained structure, Confirmatory Factor Analysis (DFA) was applied to the data set according to the AFA results. As a result of the analysis, the compliance values show that the model fit is good. All of the items in the model, factor loadings vary between 0.43 and 0.93. In addition, the t-values between the internal factors included in the model and those forming the observed variables vary between 8.99 and 46.56. There are no variables indicated by the red arrow in the model. This situation, all of the observed variables in the model shows that there are significant at 0.05 level. Table 1 shows the DFA compliance goodness of statistics criteria for service quality, customer loyalty, customer satisfaction and word of mouth marketing.

Table 1. DFA Goodness of Fit Statistics about Service Quality, Customer Satisfaction, Customer Loyalty and Word of Mouth Marketing

	χ^2	χ^2/df	RMSEA	NFI	CFI	IFI	RFI	GFI	AGFI
Multi-dimensional service quality scale (Second Level)	1746.18	1.88	0.043	0.99	0.99	0.99	0.98	.86	.85
Customer Loyalty (First Level)	P= 1.00, The Model is Saturated, the Fit is Perfect!								
Customer satisfaction (First Level)	P= 1.00, The Model is Saturated, the Fit is Perfect!								
Word of mouth marketing (First Level)	5.61	1.87	0.043	1.00	1.00	1.00	0.99	1.00	0.98

Later, path analysis was conducted between the validated measurement models in DFA to test the proposed model of service quality, customer satisfaction, customer loyalty and mouth-to-mouth marketing in restaurant businesses. Model adaptation can be accepted according to the adaptation indices in the path analysis. Figure 2 shows the standardized coefficients and t values for the results of the structural model between variables.



Compliance indices: $\chi^2=3902.13$, $sd=1396$, $p<.001$, $Ki-kare = 2.79$, $GFI= 0.88$, $CFI= 0.98$, $IFI= 0.98$, $GFI= .77$, $AGFI= 0.74$, $RMSEA= 0.062$

1. Values outside parentheses indicate standardized path coefficients, and values in parentheses indicate t values.

2. ----- it is not significant ($p>.05$).

3. ** covariance values between variables.

Figure 2. Results of Structural Model between Research Variables

According to the path analysis results shown in Figure 2, there is no significant effect of physical environment quality on customer satisfaction in restaurants. However, there is a significant impact of physical environment quality on customer loyalty and word of mouth marketing. In this context, H2a and H3a hypotheses were accepted while

H1a was rejected. As a result of the analysis, it was determined that the interaction quality in the restaurants does not have a significant effect on customer satisfaction, customer loyalty and word of mouth marketing. Accordingly, the proposed hypotheses H1b, H2b and H3b were rejected. It has been observed that the output quality in restaurants has a significant effect on customer satisfaction, customer loyalty and word of mouth marketing. Therefore, the proposed hypotheses (H1c, H2c n H3c) were accepted. The findings show that customer satisfaction in restaurants is a significant effect on customer loyalty. In addition, it has been determined that customer satisfaction in restaurants and customer loyalty are significant effects on word of mouth marketing. In this regard, the proposed hypotheses H4, H5 and H6 were accepted.

Conclusion

In this study, it has been determined that customer satisfaction in restaurant businesses has more influence on word of mouth marketing comparing to service quality and customer loyalty. In addition, it is determined that while output quality which is component of service quality have more effect upon customer satisfaction, on the other hand the quality of the physical environment further affects customer loyalty. The findings also revealed that customer satisfaction had a positive impact on customer loyalty at high level in restaurant businesses. From these findings it emerges as follows, customer satisfaction, which is highly influenced by output quality, has a high positive effect on customers' loyalty as well as word of mouth. Therefore, it is suggested that restaurants should attach more importance to output quality from the service quality components. Finally, it should be stated that the results of this research were obtained specifically for seafood restaurants operating in the Amasra destination.