THE INFLUENCE OF SERVICE QUALITY ON RESTAURANTS’ CUSTOMER LOYALTY

Yousef Keshavarz  
*Department of Marketing and Management, Islamic Azad University, Neyriz Branch, Farss, Iran*

Dariyoush Jamshidi  
*Department of Marketing and Management, Islamic Azad University, Khonj Branch, Farss, Iran*  
*Corresponding Autor: Darioush1986@yahoo.com*

Farid Bakhtazma  
*Department of Management, Yazd Branch, Islamic Azad University, Yazd, Iran*

ABSTRACT
This study investigates the customers’ expectation and perceptions of service quality delivered by restaurants in Shiraz and its effect on customers’ satisfaction and loyalty. By clustering sampling method, 450 customers of the restaurants located in all nine districts of Shiraz were selected and the data was collected from the respondents by means of a questionnaire. From the results it was found that customers’ expectation yielded a significant effect on the customer’s perceived quality and loyalty. Although, the effect of customers’ expectation on the customers’ satisfaction was not statistically supported. Moreover, it was discerned that the customers’ perceived quality toward the service had a significant effect on the customers’ satisfaction and customers’ loyalty. Finally, the result demonstrated the existence of a significant influence imposed by the customers’ satisfaction on the customers’ loyalty.

KEYWORDS
service quality, restaurant, customer, satisfaction, loyalty

INTRODUCTION
In a highly competitive restaurant industry, attracting customers with dedicated service and high quality food along with satisfying them and making them into loyal customers is critical for the success of the business (Gilbert et al., 2004). The importance of providing quality services in restaurants has attracted intense attention among researchers and service managers. Conventionally, quality service is believed a key factor in satisfying customers and in boosting income as well as increasing market share (Ryu et al., 2008). Indeed, previous studies found that providing high service and food quality in restaurant can enhance customer satisfaction and loyalty directly even in unacceptable dining environment (Ha and Jang, 2010; Wall and Berry, 2007). Customers perceive and evaluate service based on performance of restaurant during service delivering (Ha and Jang, 2010). Understanding the factors which affect customers’ satisfaction and loyalty requires identifying the indicators of service quality in restaurants and their relationship with customer loyalty (Namkung et al., 2011).
Despite the fact that there have been many studies conducted on the impact of service quality, there are no any research in this issue in restaurants and a majority of these researches revolved around only one or a few particular factors related to service quality. For example Barber et al. (2011) investigated how was service quality influenced by tangible elements only, while Ha and Jang (2010) discovered how was service quality affected by few dimensions including assurance, reliability, and responsiveness. Henceforth, there still seem to be areas calling for more scrutiny with the intention of recognizing the combined effects of tangible and intangible factors on service quality. Restaurants play a vital role in tourism industry (Novelli et al., 2006). In addition, growing rate of women work in Iran affects people to use more restaurants and its effect to increase competition among them to attract more customers. On the other hand, increasing restaurant provide customers more alternative for choose (Haghighi et al., 2012). Therefore, loyalty is considered as the most important factor for restaurant to attract more customers, hence, more profitable. However, it was not found research to analysis this problem in Shiraz restaurant.

Shiraz is the fifth most popular city with more than 1455000 people and one of the oldest city of ancient Persia located in southwest of Iran. Because this city is well known as a city of poet, heritage capital, gardens, and flowers, has visited by so many international and domestic tourists (Mohamed and Moradi, 2011).

The main problem in this research was customer loyalty in restaurants located in Shiraz. Being weighty both theoretically and practically, this study examines the determinants of customer satisfaction and loyalty within the service quality, particularly in the restaurant context. In effect, the result of this study can considerably grant restaurateurs with several insights on the conspicuous role of service quality elements on both customer satisfaction and customer loyalty. It is anticipated that the findings of this study can be useful for managers of restaurants. They can be acquainted with what are right or wrong in providing services with the ultimate aim of retaining their customers while in turn contributing to the augmented market share and revenue.

LITERATURE REVIEW

The effects of service quality

For the majority of customers having a memorable experience especially for dining, not just eating out of home, seems to be very prominent. It is asserted that they seek quality food and services to have an unforgettable experience at restaurants (Ryu and Han, 2011). Service quality is defined as the result of a comparison established between the customers’ expectation about the service and their perception of the actual services or the way such services are being provided (Akbaba, 2006). By taking into account the above mentioned definition, it is realized that service quality without regarding the customers’ perspective could not be even defined appropriately. Parasuraman et al., (1985) hypothesized that services entails three essential aspects, namely the intangibility, heterogeneity, and inseparability. Therefore, it is difficult to evaluate the service production in comparison with goods. In this context, consumers’ expectation along with process and outcome is important in evaluating the service quality. Parasuraman et al. (1988) provided factors of service quality including tangible, reliability, empathy, assurance and responsiveness and used a model labeled as SERVQUAL. The SERVQUAL model has been frequently modified overtime. For example, Ting (2003) exploited the SERVQUAL technique to identify a gap between the customers’ expectation of service quality and the service provided. Ekinci et al. (2003) used the modified SERVQUAL to realize whether the customers were more interested in the intangible service qualities or the tangible ones. Tsaur et al. (2002) indicated that
responsiveness, tangible, the location, reputation, a prompt courteous service, friendly hospitality, and meal service are the most central factors for which the customers would desire to revisit a restaurant.

Based on Hogreve and Gremler (2009) if company cannot meet their customers’ expectation toward service quality, perceived quality is decreased. Since, customers have higher expectation of service industries (Wu et al., 2012). Lin (2005) stated that companies which cannot understand and meet their customer expectations would be out of market between seven to nine years. To perceive service quality not only customer expectation is important, but also the factor by which customers compare their expectation with real service is considerable (Conrad et al., 2005; Wilkins et al., 2007). Nilsson-Witell and Fundin (2005) argued that the customers value a service differently based on their attitudes and diverse conditions. For example, a service which is classified as fulfilled by one customer may be still expected by another. According to Kotler et al. (2002) several factors affect customer expectation such as communication, past experience, and personal needs. According to Wilkins et al. (2007) service quality is evaluated by customer throw their expectations about the experience. In fact, customers use a number of intrinsic and extrinsic cues to evaluate likely performance standard. Service expectations are affected from these cues by previous as well as particular experiences (Wilkins et al., 2007).

Satisfaction is defined as “the consumer’s fulfillment response. In fact satisfaction is a judgment that a product or service feature, or the product or service itself, provided (or is providing); a pleasurable level of consumption-related fulfillment, including levels of under- or over-fulfillment” (Oliver, 1997). From the definition it is clear that the concept of satisfaction is a feeling of a person regarding the product or service after he or she buys or uses it (Vesel and Zabkar, 2009). In other words, satisfaction is the change in attitude which is affected by the consumption experience (Wu and Liang, 2009). As stated by Getty and Thompson (1995), the customer’s satisfaction is measured as the values, by which managers can assist and develop the satisfaction. According to Chen and Myagmarsuren (2013) satisfaction happened by developing the expectations about a product or service, before any real interaction takes place between the firm and the customer.

Customer satisfaction is the consequence of customer expectation and customer perception of service quality (Ariffin and Maghzi, 2012; Chen and Myagmarsuren, 2013; Keshavarz and Ali, 2015; Liu and Jang, 2009; Oliver, 1980, 1997; Poon and Low, 2005; Rajinikanth et al., 2011). Mola and Jusoh (2011) argued that quality gap is the main cause of customer dissatisfaction. Customer overall satisfaction levels were associated with a possibility of repurchase restaurant (Choi and Chu (2001) and a high level of customer satisfaction caused in a higher share of purchases and better relationship continuity in the restaurant industry (Kim and Cha, 2002). Brunner-Sperdin et al. (2012) stated that the emotional experience during service consumption is a central factor which affects the customer’s satisfaction. Yet, recognizing the dissatisfaction in a study of the customer’s behavior is as important as the satisfaction (Lin, 2008). According to Zairi (2000), most customers do not complaint about the product or service provider although they are dissatisfied. As a result, it is posed that the satisfied customers will tell to 5-6 other peoples, whereas the dissatisfied ones share their unfortunate experience with at least ten people.

The effect of service quality on customer satisfaction has investigated in several studies (Ariffin and Maghzi, 2012; Brady and Cronin Jr, 2001; Keshavarz and Ali, 2015; Kim et al., 2006; Parasuraman et al., 1988; Poon and Low, 2005; Riscinto-Kozub, 2008). As announced by Oliver (1980), the customers’ satisfaction is the consequence of the customers’ expectation as well as
their perceptions of service quality. Fornell et al. (1996) found that the customer satisfaction is a consequence of the customer’s expectation and perception of service quality. Based on Kim et al. (2007) customer loyalty is defined as the customer attitude toward the service formed by customer’s past experience. The effect of service quality on customer loyalty has investigated in several studies (Kandampully and Hu, 2007; Kayaman and Arasli, 2007; Kim et al., 2008; Chitty et al., 2007). Some studies found that service quality affects customer loyalty through customer satisfaction (Ekinci et al., 2003; Mei et al., 1999; Mey et al., 2006; Mola and Jusoh, 2011; Poon and Low, 2005; Razalli, 2008; Rizal, 2008). Chen and Myagmarsuren (2013) stated that if the tourism companies such as restaurants are able to provide high qualified services and the consumers identify this, it leads to latter's assessment of the quality and generate satisfaction, finally, contribute to positive and favoring customer loyalty and decrease the customers' inspiration to select a competing company.

To this end, the current research established the three subsequent hypotheses with reference to

H1: Customers’ expectation toward service quality has a significant effect on the perceived service quality.
H2: Customers’ expectation has a significant influence on the satisfaction.
H3: Customers’ expectation has a significant influence on loyalty.
H4: Perceived service quality has a significant influence on customer satisfaction
H5: Perceived service quality has a significant influence on loyalty

Customer loyalty
In highly competitive restaurant industry, providing high quality services and food to affect customers to be satisfied and loyal is fundamental for success (Namkung et al., 2011). Loyal customers are considered as a vital element of restaurant growth. According to Chen and Myagmarsuren (2013) customers intend to be loyal to the company if they find that the service is qualified. Loyalty contains attitudinal and behavioral dimensions (Dick, and Basu, 1994). Based on Rundle-Thiele (2005), attitudinal loyalty is concerned with a function of psychological process defined as a customer’s tendency towards a brand. Several attitudinal loyalty factors which have been mentioned in the previous researches include the preference (Butcher et al., 2001), the intention to repurchase (Lee and Cunningham, 2001), the word of mouth, and commitment (Bloemer et al., 1999). Some measures of attitudinal loyalty provided by Rundle-Thiele (2005) entails the complaining behavior, propensity to be loyal, resistance to competing offers, and situational loyalty. As proved through the results reported by various studies in a variety of industries, there is an established correlation between the customer satisfaction and loyalty (Hennig-Thurau et al., 2002; Lai et al., 2009; Rauyruen and Miller, 2007). Kim, et al. (2010) conducted a research to find the relationship between the personality, satisfaction and loyalty in food industry. It was shown from the results that the customer loyalty was affected by food involvement positively. It means that the customers who desire to test new foods and consider the food as an important factor are more satisfied and not only come again, but also recommend it to the others. Furthermore, Olsen (2002) found that the relationship between the quality and loyalty as well as between the satisfaction and loyalty was positive.
Thus based on the literature above, it is hypothesized that:

H6: Customer satisfaction has a significant effect on customer loyalty

Based on the literature review and the hypotheses, the research model is exhibited in figure 1. Each variable of the model was selected based on the variables provided in the hypotheses. In fact as it was mentioned in the literature review, customer loyalty is affected by customer satisfaction while satisfaction in turn is influenced by perceived service quality. Finally, perceived service quality is affected by both expectation and service quality with its five dimensions.

![Fig. 1: Research model](image)

**METHODOLOGY**

According to the literature and formulated hypotheses, a self-administered questionnaire was developed to collect the data from the respondents in this study. The questionnaire encompassed five sections. The first part of the questionnaire provides the respondents’ expectations toward service quality in the restaurants, while the second part asked them to rate the quality services of the restaurant they visited. In this part, from the 20 standard 5-Point Likert-type questions the respondents were enquired to provide their perceptions regarding the five dimensions related to service quality including the tangible, assurance, reliability, responsibility, and empathy. The third part collected the data concerning the respondents’ satisfaction level of patronizing the restaurants through 4 questions provided. The fourth part measured the respondents’ perceived loyalty toward the restaurant where services were received involving 8 questions. The last part sought the demographic information of the respondents such as their age, gender, income, dining frequency, and education level.

**Sampling and data collection**

The data were collected from 450 customers of traditional and modern restaurants located in all 9 districts of Shiraz. Restaurants located in the 9 districts of the city were identified, then selected on the basis of the cluster sampling model. Customers of the designated restaurants were selected based on availability. The customers from the sample restaurants were selected during two first weeks of Jun 2015 in different times of the day. These respondents were requested to answer all the questions regarding their expectations and perceptions of the services provided by the restaurants. With permission granted from the preselected participating restaurants, the researcher approached the customers before or after the dining times and requested them to complete the
self-administered questionnaire. In total, out of 500 distributed questionnaires, 450 valid questionnaires were collected.

**Measurements**

A number of paths were taken to enhance the validity of the collected data. Several experts in the service industry as well as the owners of renowned restaurants were interviewed individually. Their ideas about the questions were collected and their suggestions were applied in the questionnaire. The revised questionnaire was evaluated in a pilot test. It was afterward distributed among 30 randomly selected respondents. The questionnaire was then revised based on the analyses of the pilot test. The final questionnaire included factors which are provided as follows:

In service quality, five dimensions of SERVQUAL included tangible, responsiveness, reliability, assurance and empathy. While 8 questions were allocated to the tangible, four questions were considered for every other dimensions. Therefore, 24 questions were allocated to service quality which were indeed derived from several published papers, such as Parasuraman et al. (1988), Akbaba (2006), and Ilhaamie (2010), in addition to the suggestions provided from the focus group which had been done prior to this stage. Three items measured the customers’ expectations toward service quality including the word of mouth, past experience and personal needs which were all derived from Parasuraman et al. (1988). Customer satisfaction was evaluated by four questions. “I am satisfied with the services I receive from the restaurant”, “Overall, I am satisfied with the money I paid for the delivered services”, “The value of the delivered services satisfied me”, and “The quality of the delivered services satisfied me”. All the items were on a five-point scale ranging from totally agree to totally disagree. Finally, loyalty was evaluated by 8 questions which were derived from Mattila (2004) and Li (2011).

**RESULTS**

As it is provided in table 1, about 56 percent of the respondents were male and more than 75 percent of them ranged in age from 15 to 44. Around 74 percent of the respondents had middle incomes ranging from $2500 to $7500, but most of them were in the range of $2500 to $5000. More than 73 percent of the respondents had an education level below bachelor degree and more than 50 percent of them were married. More over around 70 percent of them were return customers. Finally, 75 percent of the respondents paid the restaurant costs by themselves.

<table>
<thead>
<tr>
<th>Table 1: Respondents’ data</th>
<th>Frequency</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sex</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>251</td>
<td>55.8</td>
</tr>
<tr>
<td>Female</td>
<td>199</td>
<td>44.2</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15-24</td>
<td>79</td>
<td>17.6</td>
</tr>
<tr>
<td>25-34</td>
<td>145</td>
<td>32.2</td>
</tr>
<tr>
<td>35-44</td>
<td>116</td>
<td>25.8</td>
</tr>
<tr>
<td>45-54</td>
<td>70</td>
<td>15.6</td>
</tr>
<tr>
<td>55-64</td>
<td>28</td>
<td>6.2</td>
</tr>
<tr>
<td>65 and more</td>
<td>12</td>
<td>2.7</td>
</tr>
</tbody>
</table>
In this research, the Cronbach’s Alpha value was 0.877, suggesting very good internal consistency reliability. Scale values above 0.8 are preferable as asserted by Pallant (2011). Furthermore, the confirmatory factor analysis (CFA) was used to test the measurement theory and to identify the association between the indicators and variables. Factor loading of all the variables were analyzed confirming that all the variables had a sufficient extraction value of the Communalities (above 0.60) except one variable of the tangible indicator and one variable of assurance; accordingly, these variables were removed from the instrument. The results of the factor analysis used for this study are provided in table 2. As it is demonstrated in the table 2 the Cronbach’s alpha for the nine factors ranged from 0.830 to 0.936. It means that all the dimensions of the factors met the acceptable level of the internal reliability. Finally, the variance for the proposed variables in the research model met the statistical requirement for further analyses.

### Table 2: The exploratory factor analysis: underlying items (n = 450)

<table>
<thead>
<tr>
<th>Communalities</th>
<th>Loading</th>
<th>Extraction</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Expectation</strong></td>
<td>KMO</td>
<td>Variance</td>
</tr>
<tr>
<td>Word of mouth</td>
<td>.903</td>
<td>.699</td>
</tr>
<tr>
<td>Past experience</td>
<td>.891</td>
<td>.816</td>
</tr>
<tr>
<td>Personal need</td>
<td>.818</td>
<td>.794</td>
</tr>
<tr>
<td><strong>Perception</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Tangible</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The equipment of the restaurant works</td>
<td>.834</td>
<td>.527</td>
</tr>
<tr>
<td>The equipment of the restaurant works</td>
<td>.834</td>
<td>.527</td>
</tr>
</tbody>
</table>
The space of the restaurant is comfortable .833 .694
The equipment of the restaurant is modern and update .784 .615
The equipment of the restaurant is suitable and comfortable .777 .696
The capacity of the restaurant is enough .739 .603
The service of the restaurant is comfortable and suitable .726 .549
Appearances of the employees are suitable .711 .506

**Reliability**

When these restaurants promise to do something by a certain time, they should do so. .875 .655
When customers have problems, this restaurant is sympathetic. .873 .761
All parts of the restaurant are reassuring .809 .616
They provide their services at the time they promise to do so. .785 .766

**Responsiveness**

The restaurant tells customers exactly when services will be performed. .913 .654
You receive prompt service from the restaurant’s employees .896 .833
Employees of the restaurant are not always willing to help customers. .868 .803
Employees of the restaurant are not too busy to respond to the customers’ requests promptly. .809 .754

**Assurance**

You can trust employees of the restaurant .934 .803
You feel safe in your transactions with the restaurant’s employees. .903 .873
Employees of the restaurant are polite. .896 .815

**Empathy**

Different parts of the restaurant give customers individual attention. .934 .834
Employees of the restaurant give customers personal attention. .923 .853
Employees from different parts of the restaurant like the customers wholeheartedly. .913 .872
Employees of the restaurant know what the customers’ needs are. .891 .794

**Satisfaction**

I am satisfied with the services provided at this restaurant .893 .762
I am satisfied of paying for the services provided in this restaurant. .873 .753
The value of the service provided by this restaurant has a significant effect on my satisfaction .867 .797
The quality of the service provided by this .808 .653
restaurant has a significant effect on my satisfaction.  

**Loyalty**  
Say positive things about the restaurant to other people  
Recommending the restaurant to anyone who seeks your advice  
Encourage friends and relatives to do business with the restaurant  
Consider the restaurant your first choice to buy casual dining services  
I am more likely to patronize this restaurant in the future.  
I see myself as a loyal customer to this restaurant  
I will purchase from this restaurant even if it increases the price of the services  
If other restaurants provide a cheaper price, I will change this restaurant for future purchase

As it is presented in table 3, the relationship between variables was investigated using the Pearson product-moment correlation coefficient. Preliminary analyses were performed to ensure no violation of the assumptions of normality, linearity, and homoscedasticity. It was found that there was a strong, correlation between the variables. In fact, the relationship between the expectation and perceived service quality was positive and strong ($r = .658, n = 450, p < .0005$). It happened for all the other variables so the relationship between the expectation and satisfaction was strong and positive ($r = .555, n = 450, p < .0005$). Moreover, the relationship between the perceived service quality and satisfaction was strong and positive ($r = .665, n = 450, p < .0005$). Similarly, the relationship between the satisfaction and loyalty was strong and positive ($r = .630, n = 450, p < .0005$). The interesting issue related to the findings was that there were a strong and positive relationship between loyalty with expectation ($r = .602, n = 450, p < .0005$) and perceived service quality ($r = .732, n = 450, p < .0005$).

| Table 3: The correlation matrix of the research variables (N= 450) |
|---|---|---|---|---|---|---|---|---|---|
| | Exp | Tang | Relib | Resp | Assu | Empa | Pers | Satis | loyal |
| Exp | 1.00 | 0 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Tang | .464 | 1.00 | .590 | .658 | .568 | .737 | .737 | .737 | .737 |
| Relib | .590 | .568 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Resp | .567 | .558 | .737 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Assu | .613 | .531 | .692 | .769 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Empa | .468 | .400 | .502 | .465 | .516 | 1.00 | 1.00 | 1.00 | 1.00 |
| Pers | .658 | .805 | .838 | .848 | .841 | .711 | 1.00 | 1.00 | 1.00 |
| Satis | .555 | .452 | .532 | .633 | .724 | .409 | .665 | 1.00 | 1.00 |
| loyal | .602 | .509 | .616 | .627 | .689 | .561 | .732 | .630 | 1.00 |
Having a glimpse on the Model Summary (table 4) and checking the value given under the heading R Square, it is realized that how much of the variance in the dependent variable (loyalty) can be explained by the model (expectation, perceived service quality and satisfaction). The R Square of this model was .588 meaning that 58.8 percent of the loyalty can be explained by these three variables. The beta values of these variables were .474, .223, and .167 (sig. = .000) for perceived service quality, satisfaction, and expectation, respectively. Therefore, perceive service quality in this research had the strongest influence on the customer loyalty in restaurants, followed by the customers’ satisfaction and customers’ expectation toward the service provided by the restaurants.

<table>
<thead>
<tr>
<th>Mode</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.767a</td>
<td>.588</td>
<td>.585</td>
<td>3.21268</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), total expectation, total satisfaction, total persservqual
b. Dependent Variable: total loyalty

To test the model and the hypotheses, the structural equation modeling (SEM) technique was used via analysis of moment structures (AMOS) software. Before the analysis of the model, we ran CFA to examine whether these variables were highly correlated and whether the model was valid. As it is shown in table 6, all the indexes related to the model fitness achieved the required level. In fact, to obtain the model fit criteria, we deleted the indicator of service quality called empathy and one variable of loyalty labeled “If other restaurants provide cheaper prices, I will change this restaurant for future purchases”.

<table>
<thead>
<tr>
<th>Name of category</th>
<th>Name of index</th>
<th>Index value</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absolute fit</td>
<td>RMSEA</td>
<td>.073</td>
<td>Achieve</td>
</tr>
<tr>
<td></td>
<td>GFI</td>
<td>.901</td>
<td>Achieve</td>
</tr>
<tr>
<td>Incremental fit</td>
<td>CFI</td>
<td>.951</td>
<td>Achieve</td>
</tr>
<tr>
<td>parsimonious fit</td>
<td>Chisq/df</td>
<td>3.408</td>
<td>Achieve</td>
</tr>
</tbody>
</table>

The empirical results of this research provide justifiable evidence that the proposed structural equation model designed to consider the expectation and perception of service quality, satisfaction and loyalty is acceptable simultaneously. From figure 2 and table 6 it is observed that the effect of customers’ expectation on service quality in restaurants and their perception is supported. In other words, the first hypothesis was accepted (p< .05). The effect of customers’ expectation on service quality and satisfaction was not supported in the model (P>.05). Hence, the second hypothesis (H2) was not supported. Furthermore, the third, the fourth, the fifth and the sixth hypotheses (H3, H4, H5, and H6) were all supported. These mean that the customers’ expectation has significant effect on service quality and loyalty. Also, the perceived service quality and satisfaction had a significant effect on the customers’ loyalty. Finally, the perceived service quality influenced the customers’ satisfaction significantly.
Although in this research it was found in the hypothesis model that four indicators namely the tangible, reliability, assurance and responsibility had a significant influence on perceived service quality and it was not based on Parasuraman et al. (1988) theory toward dimensions of service quality. In fact, in this theory the dimensions of service quality include tangible, reliability, responsibility, assurance, and empathy.

Table 5: Structural Equation Modeling – Results of Hypothesis Testing

<table>
<thead>
<tr>
<th>Relationship</th>
<th>ST.</th>
<th>ERR.</th>
<th>C. R.</th>
<th>Label</th>
<th>Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pers &lt; Exp</td>
<td>.74</td>
<td>.226</td>
<td>12.967***</td>
<td>H1</td>
<td>Yes</td>
</tr>
<tr>
<td>Satis &lt; Exp</td>
<td>.10</td>
<td>.072</td>
<td>1.584</td>
<td>H2</td>
<td>No</td>
</tr>
<tr>
<td>Loya &lt; Exp</td>
<td>.20</td>
<td>.231</td>
<td>3.860***</td>
<td>H3</td>
<td>Yes</td>
</tr>
<tr>
<td>Satis &lt; Pers</td>
<td>.72</td>
<td>.210</td>
<td>10.960***</td>
<td>H4</td>
<td>Yes</td>
</tr>
<tr>
<td>Loya &lt; Pers</td>
<td>.44</td>
<td>.111</td>
<td>5.421***</td>
<td>H5</td>
<td>Yes</td>
</tr>
<tr>
<td>Loya &lt; Satis</td>
<td>.27</td>
<td>.266</td>
<td>4.520***</td>
<td>H6</td>
<td>Yes</td>
</tr>
</tbody>
</table>

***=P<001

Figure 2: Results of testing the hypothetical model.
DISCUSSIONS

The purpose of this study was to examine the relationship between the customers’ expectations about service quality, perceived service quality, customers’ satisfaction and customers’ loyalty in restaurants. It is clearly discerned from the result that the customers’ expectation regarding service quality provided by the restaurants affect their perceptions of the quality of services provided which had a significant influence on the customers’ satisfaction and loyalty.

The findings of this research provide several theoretical and implications. In theoretical perspective, the findings of this study add new knowledge to the tourism and hospitality literature related to restaurants’ service quality. This research not only highlights the significance of customers’ expectations and perceptions of restaurant service quality, but also provides a more widespread understanding of their influences on both the customers’ satisfaction and loyalty. Nonetheless, the effect of the customers’ expectation on the customers’ satisfaction was not supported in this research. Moreover, the customers’ perceived quality toward service influenced the customers’ satisfaction and customers’ loyalty significantly. Finally, the customers’ satisfaction had a significant effect on the customers’ loyalty. Findings of this research support the comparison-level theory related to customers’ satisfaction and loyalty (Skogland and Siguaw, 2004).

It can be concluded that the customer loyalty has causal relationships with satisfaction, perceived service quality, and expectation toward service quality. In this research, four indicators were considered as dimensions of perceived service quality including the tangible, assurance, responsibility, and reliability. Therefore, restaurant managers must consider these elements to attract more loyal customers. Furthermore, the customers’ expectation has a significant effect on the customers’ perceived service quality and customers’ loyalty. Managers of the restaurants can affect their current and potential customers by adopting new strategies to keep them more satisfied and loyal to their restaurants.

This study recommends some valuable directions for both theoretical and empirical survey. However, as with any research, it has limitations. In this study, common dimensions of service quality include tangible, responsiveness, reliability, assurance, and empathy were investigated, while other dimensions such as convenience had found important and suggest to be considered in future studies. Moreover, because customers compare the quality of services with the price, it is suggested to add the price as new dimension of service quality in future researches.

REFERENCES


