Impact of restaurant branding strategies on customer loyalty and satisfaction

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Abstract
Despite the fact that lots of global and local brands of different products have been used to measure brand equity, survey on customer loyalty and perception on restaurant brand in the catering and hospitality service industry have not been fully explored. Prasad and Dev (2000) presented a study that shows that the easiest method for hotels to recognize and distinguish themselves in the mind of their customers is through branding. Low and Lamb Jr (2000) also stated that in service market, the main brand is the firm’s brand while in packaged goods market, the main brand is seen to be the product brand. The descriptive cross-sectional survey plan was instituted to conduct the research. This study employed purposive sampling and opportunistic sampling to select the study participants. It is to be noted though that brand awareness alone may not be enough to achieve high sales volume and perceived quality, brand image should be carefully managed to promote good operational performance. In order for the restaurant business to meet the needs and desires of customers, management 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.

Keywords: customer loyalty, brand loyalty, restaurant
Public Interest Statement
Restaurants often suffer the consequences of a dissatisfied customer. This is because customers who receive poor service will typically relate their dissatisfaction of the restaurant service to 15-20 other 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 while dissatisfied ruin it (Anderson & Zemke, 1998; Leland & Bailey, 1995). Many restaurants take loyalty for granted and suffer the attendant consequences without knowing where they got it wrong.

Introduction
Kotler et al. (2005) defined a brand as “a name, term, sign, symbol, design or a combination of these that identifies the makers or seller of the product or services” (p. 12). This definition is based on the use of a brand name, symbols and signs to distinguish a product from its competitor. Prasad and Dev (2000) noted that a brand can also be said to include all tangible and intangible attributes that the business stands for. According to De Chernatony and MacDonald (2003), a brand goes beyond physical constituents and what it stands for; it has some additional attributes which although maybe intangible are still important to customers consideration. A brand has added value which differentiates it from a product (De Chernatony & MacDonald, 2003; Doyle, 2002; Jones & Slater, 2003). Many researchers have adopted this added value concept into their brand definition of brand. For example, De Chernatony and MacDonald (2003) established the following definition;

In identifiable product, service, person or place augmented in such a way that the buyer or user perceives relevant, unique added value which match their needs most closely. Furthermore, its success results from being able to sustain these added values in the face of competition (p. 33).

Brands are marketed by restaurants and are definite assets and often provide a restaurant in new service development, with a very solid start in positioning their service (Judy, Mattila & Jon, 1999). A brand talks about the quality, price or the technology employed or deployed for a product or service. This is a definite advantage if you are introducing a new service that needs the image of your current brands (and can meet it with its own
performance). Judy et al. indicated that owned brands and what they stand for in the minds of the customer are assets that should be considered when one is operating a restaurant. Name of a service is a valuable detail. Success of a service is determined primarily by the worth of that service in relation to those it competes with. Known services are considered more trustworthy (Holden, 1993). Holden pointed out that names are a means of identification, a focal point for repetitions, not substance; they are cure for anonymity yet not a guarantee of reward. Highly brand loyal customers are less vulnerable to competitive advertisement and promotion activity. Distributors, according to Holden, may prefer branded services because they; realise higher profit margins, have better market acceptance benefit from the manufacturers marketing efforts, generate customer loyalty, identify supplies, ensure quality levels, help services establish a market niche, provides a basis or price differentiation, and symbolises reputation and quality of organisation. Brand image is a symbolic construct rated within the minds of people and consists of all the information and expectations associated with a service or services. People engaged in branding seek to develop or align the expectations behind the brand experience, creating the impression that a brand associated with a service or services has/have certain qualities or characteristics that makes it special or unique (Dodds, Monroe & Grewal, 1991). Restaurant image is the reputation of the firm with the various audiences that are important to it.

Research Design and methodology
The descriptive cross-sectional survey plan was instituted to conduct the research. In the cross-sectional design, information is collected from one or more samples drawn from the population at one time and used to describe the population at that point in time. It is used to describe the characteristics of a population or the differences among two or more populations and also to assess inter-relationships among variables within a population. Fraenkel and Wallen (1993) described descriptive analysis as that method that involves asking a large group of people questions about a particular issue. In this wise the results from the analysis were used to evaluate the influence of restaurant branding on customer loyalty and satisfaction in the two localities at that point in time. Any research undertaking involves lots of cost implications; hence this design was deliberately selected for the study because it allowed for quick data collection at a comparatively cheap cost (Grinnel, 1993). In terms of research approach, the study employed both the qualitative and quantitative approaches. The quantitative approach focused on obtaining numerical
findings from a questionnaire while descriptions of personal accounts, observations, and individual insights of the respondents from interviews made up the qualitative approach.

Population
The population of the study comprised restaurants and their customers in the whole of Ghana. The target population was made up of restaurants in the Greater Accra and Central Regions. The accessible population were restaurants in Accra Metropolitan and Agona Swedru Municipal Assemblies. Four restaurants each from the accessible population were selected for the study.

Sampling Technique
This study employed purposive sampling and opportunistic sampling to select the study participants. To select the study restaurants and customers, a stratified purposeful sampling was used. The purposive sampling method was initially used to identify the loyal customers of all eight restaurants. Consultations were made with the receptionists on the identification of the participants. Opportunistic sampling was used to select 200 customers; 25 from each selected restaurant to answer the questionnaire. The sample size of 200 was considered appropriate in line with Fraenkel and Wallen’s (2000) submission that a sample with a minimum number of 100 participants is essential to enable a generalisation of the accessible population. Forty selected staff (five from each restaurant) was also interviewed to gather their perception on whether their customer’s loyalty to the restaurant depended on the brand of the restaurant.

Instrumentation
The questionnaire designed and used was in four sections. The first section focused on the demographic characteristics of the respondents. The second section asked the customer to rank the restaurant chosen for meal based on the level of satisfaction derived. The third part required the client to appraise the restaurant based on agreement level with the statements provided. The final part of the questionnaire, part four, required customers’ overall assessment of the restaurant. The researcher developed questionnaire that was to be used to provide answers to the research questions and to achieve the objectives of the study. The questionnaire was based on a five-point Likert scale (1= Strongly Disagree, 2 = Disagree, 3 = Neutral, 4= Agree, and 5 = Strongly Agree and 1= Very dissatisfied, 2 = Dissatisfied, 3 = Neutral, 4= Satisfied, and 5 = Very satisfied) (see Appendix A). In all a total of 44 items were enumerated for the study. In addition, the researcher
used structured interview guide to measure the opinion of 40 restaurant managers and staff on whether their customer’s loyalty to the restaurant depended on the brand of the restaurant (see Appendix B). The interview was a face-to-face one. This was useful for gathering in-depth information on the subject under investigation.

**Analysis of Main Findings**

**Influence of restaurant branding strategies on customer loyalty and satisfaction**

The study sought to ascertain the influence of restaurant branding on customers loyalty and satisfaction. On a Likert scale provided with keys; Very Satisfied = VS, Satisfied = S, Neutral = N, Dissatisfied = D, and Very Dissatisfied = VD, Table 6 presents customers perception and level of satisfaction with dining experience at restaurants visited. Out of the 200 responses, 39.5% \((n = 70)\) indicated the temperature of foods from the restaurants they visited guaranteed their satisfaction. Foods obtained from restaurants were of high temperature anytime they visited the restaurant. This was followed by cleanliness of the restaurant and food portion sizes, representing 39% \((n = 78)\) and 35% \((n = 71)\) s respectively. Table 6 also suggests that averagely, about half a percentage of respondents indicated their dissatisfaction for all branding levels provided on the questionnaire. Also receiving substantial levels of satisfaction were food portion size \((35\%, n = 70)\), professionalism of staff \((35.5\%, n = 70)\), noise level \((34.5\%, n = 69)\) and level of personal attention given \((33.5\%, n = 67)\).

**Table 1: Influence of Customer’s level of Satisfaction with Dining experience at Restaurants**

<table>
<thead>
<tr>
<th>Statement</th>
<th>VS</th>
<th></th>
<th>S</th>
<th></th>
<th>N</th>
<th></th>
<th>D</th>
<th></th>
<th>VD</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Food portion size</td>
<td>70</td>
<td>35.5</td>
<td>97</td>
<td>48.5</td>
<td>27</td>
<td>13.5</td>
<td>5</td>
<td>2.5</td>
<td>1</td>
<td>0.5</td>
</tr>
<tr>
<td>Temperature of food</td>
<td>79</td>
<td>39.5</td>
<td>81</td>
<td>40.5</td>
<td>33</td>
<td>16.5</td>
<td>6</td>
<td>3.0</td>
<td>1</td>
<td>0.52</td>
</tr>
<tr>
<td>Taste of food</td>
<td>56</td>
<td>28</td>
<td>92</td>
<td>46.0</td>
<td>47</td>
<td>23.5</td>
<td>5</td>
<td>2.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Variety of drinks and wine</td>
<td>51</td>
<td>25.5</td>
<td>100</td>
<td>50</td>
<td>41</td>
<td>20.5</td>
<td>7</td>
<td>3.5</td>
<td>1</td>
<td>0.5</td>
</tr>
<tr>
<td>Menu Variety</td>
<td>63</td>
<td>31.5</td>
<td>78</td>
<td>39</td>
<td>44</td>
<td>22</td>
<td>13</td>
<td>6.5</td>
<td>2</td>
<td>1.0</td>
</tr>
<tr>
<td>Cleanliness of restaurant</td>
<td>78</td>
<td>39</td>
<td>84</td>
<td>42</td>
<td>30</td>
<td>15</td>
<td>8</td>
<td>4</td>
<td></td>
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</tr>
</tbody>
</table>
The most unpopular branding strategy to influencing customer loyalty and satisfaction was lighting, exterior design and music (20.5%, n = 41). In all cases 13.5-31.5% were undecided. This could be as a result of the enormous statements they had to contend with, or the unfamiliarity with some of the branding strategies. Furthermore, the researcher sought to ascertain the various branding strategies restaurants demonstrated to attract customer’s taste and preference, loyalty, and satisfaction. Data was collected from a Likert scale provided with keys; Strongly Agree = SA, Agree = A, Neutral = N,
Disagree = D, and Strongly Disagree = SD. Table 7 presents customers perception and level of satisfaction relative to the branding strategies undertaken by restaurants. Table 7 revealed that generally the responses were in strong agreement and agreement to all the branding strategies cited. Out of the 200 responses presented, 35% (n = 70) and 40.5% (n = 81) agreed and strongly agreed that the restaurant they visited deserved their loyalty. It is to be noted, that the response “the restaurant deserves my loyalty” encapsulates all the branding strategies presented in the questionnaire as options to respondents. Other strategies that received substantial levels of strong agreement were attractive menu (30%, n = 60), comfortable seats (28.5%, n = 57), and advertising of restaurant (28.5%, n = 57). An average 1% however, indicated their strong disagreement to the branding strategies.

Towards achieving the core objectives of the study, series of interrogations regarding the frequency of respondents dinning, average amount of money spent on food from restaurants, possibility of respondents returning to the restaurant for yet another service, and their overall satisfaction or otherwise of services received from restaurants were investigated. Figures 1-6 provide a good basis for inferences to be drawn in an attempt to archive the objectives for the study.

<table>
<thead>
<tr>
<th>Statement</th>
<th>S</th>
<th>A</th>
<th>N</th>
<th>D</th>
<th>S</th>
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</thead>
<tbody>
<tr>
<td>Menu is attractive and reflects image of this restaurant</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>60</td>
<td>30</td>
<td>100</td>
<td>50</td>
<td>31</td>
</tr>
<tr>
<td>Restaurants décor reflects and helps in keeping restaurants image</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>55</td>
<td>27.5</td>
<td>95</td>
<td>47.5</td>
<td>39</td>
</tr>
<tr>
<td>The restaurants setting reflects what the restaurant stands for</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>54</td>
<td>27</td>
<td>102</td>
<td>51</td>
<td>37</td>
</tr>
<tr>
<td>Seating arrangements are comfortable</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>57</td>
<td>28.5</td>
<td>77</td>
<td>38.5</td>
<td>51</td>
</tr>
<tr>
<td>The menu price is fair for the quality of items and service provided</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>54</td>
<td>27</td>
<td>90</td>
<td>45</td>
<td>41</td>
</tr>
<tr>
<td>The nutritional quality of items is as expected in</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>50</td>
<td>25</td>
<td>92</td>
<td>46</td>
<td>45</td>
</tr>
</tbody>
</table>
Table 2: Influence of restaurant branding strategies on customer loyalty and satisfaction

Number of times respondents dine in a restaurant
The number of times respondents dined at a restaurant, referred to as repeated purchase, gives an indication of the respondents’ loyalty to that restaurant. Figure 1 portrays the pictorial details.
Figure 1: Respondents frequency of dining at restaurant

Figure 1 indicates that respondents visited restaurants at least four times in a month (32% of responses). In sharp contrast, three percent indicated they had visited the respective restaurant for the first time whilst four percent visited every day. Comparing these responses, the loyalty of respondents could be based on the frequency of their visit to the restaurant thus confirming Oh (1999) argument. In the case of first timer respondents, the nature of their work, distance to the restaurant, and means of transport to their respective restaurant were reasons hindering their ability to frequently visit the restaurants.
Medium of respondents’ information acquisition about restaurants

**Figure 2: Medium of respondent’s information**

In answering the question of how respondents got to know about the restaurants they dined as presented in Figure 2, 42% representing the highest response rate indicated they had the information about the restaurants from families and friends. Fourteen percent indicated they heard about the restaurant on the radio. Self-discovery and TV advertisement played lesser roles contributing one percent each to the general response rate. The outcome suggests that families and friends are a force to reckon with in locating restaurants to dine at.

**Reasons for respondents’ choice of restaurant**

Respondents gave several reasons for selecting the restaurant of their choice. From Figure 3, 59 respondents representing 30% chose restaurants on the basis of their proximate location. Thirty respondents also indicated their preference on the basis of their past experiences from such restaurants. Ten respondents representing five percent who visited restaurants did so on the basis of advertisement (probably through the radio). This suggests that proximity is a key factor in customer’s access to product and services.
Figure 3: Respondents reasons for selecting Restaurants

Respondents' overall Satisfaction with restaurants

Figure 4: Respondents overall Satisfaction with Restaurants
In ranking their satisfaction with restaurants on the basis of the Likert scale provided, Figure 4 revealed that 90 respondents representing 45% were satisfied. Sixty-five respondents were very satisfied with services they received from the restaurants visited. Whereas eight respondents indicated their dissatisfaction, six others demonstrated they were very dissatisfied with the services they received from the restaurants visited. The outcome in general suggests that respondents are satisfied with services they received from restaurant though they were optimistic there could be room for improvement.

Discussion

Influence of restaurant branding on customer loyalty and satisfaction

The study sought to ascertain the influence of restaurant branding on customers loyalty and satisfaction. The 39.5% of the 200 respondents who indicated temperature of foods as a guarantee to their satisfaction was the key outcome of the study. However, additional outcomes in Table 6 suggested cleanliness of the restaurant and general cleanliness of dining area 39% and 35.5% responses respectively. This result is corroborated by Mattila and O’Neill (2003) that a clean restaurant guarantees customer satisfaction. Oh (1999) also indicated that cleanliness within the dining area and staff professionalism and friendliness are major factors that drive restaurant guests’ satisfaction. The study also sought to find the various branding strategies restaurants demonstrated to attract customers taste and preference, loyalty, and satisfaction. In the results, 35% and 40.5% indicated they strongly agreed and agreed that the restaurant they visited deserved their loyalty. This ensured that the consumers purchased the brand as a foremost choice. To this end, Odin et al. (2001) postulates that brand loyalty could be behavioural or attitudinal. This, Odin et al. lamented comprised repeated purchases of the brand. Loyalty to the restaurant according to Kim and Yoon (2004), can be measured by the intention of repurchase, recommending the product or service to others, and patience towards price adjustment. These results have implications for respondents revisiting the restaurants to enjoy their services on the basis of past experiences. Lasting memories of better services provided could be a reason for tagging the restaurant as deserving of one’s loyalty.

Respondents overall Satisfaction with Restaurants

Data from Figure 4 indicated that 32.5% and 45% of respondents were very satisfied and satisfied respectively with services rendered at the restaurants they visited. This high level of satisfaction, according to Lin and Wu (2001), is the necessary condition or foundation for companies to retain their existing customers. Research on this subject has indicated
that guest satisfaction leads to repeated purchases (Oh, 1999). Favourable comments about the entity (Gunderson et al., 1996), and loyalty (Dube and Renaghan as cited in O’Neill & Mattila, 2004). The outcome in general suggests that respondents were satisfied with services they received from restaurants though they were optimistic there could be room for improvements. This result has implications for the institution of efficient services at restaurants to enable them retain the customers and capture other prospective ones.

Respondents overall satisfaction and likelihood of recommending the restaurant

Poor reception and poor access route as cited in Figure 4 respectively were the major reasons for the unlikely return of respondents to the visited restaurants. Another suggested reason was location constraints. Location constraints were well elaborated as poor access roads, untarred roads, and lack of directional signs. In the case of visitor respondents who were referred to as respondents who visited town briefly but chose to patronise the restaurants services, there was not any indicative possibility of returning to the restaurant after their visit. Customer satisfaction has been identified as the necessary foundation for a restaurant to retain its existing customers, and possibly expand its customer numeracy. Expansion of customer numeracy could be influenced by recommendation from existing customers who have had heightened satisfaction from a service delivered. Forty-nine percent of respondents who indicated their overall dissatisfaction with service enjoyed disclosed their unwillingness to recommend such services to prospective customers. This confirms Lin and Wu’s (2011) argument that customers who are unsatisfied with received services would not recommend such services to other potential customers. This implies that customers who are satisfied with the services rendered at restaurants would recommend it highly to their close pals and other potential customers.
Conclusion

It is to be noted though that brand awareness alone may not be enough to achieve high sales volume and perceived quality, brand image should be carefully managed to promote good operational performance. Additionally, brand strategies such as nutritional quality of served menu, layout of the dining area adequacy of staff and their grooming as gathered from respondents must be considered and enhanced. Staff grooming identified as a positive brand strategy must be considered as a plus, and improved with additional in-service training and motivational schemes developed to enhance staff professional skills. Standardization efforts are already well-known approaches for enhancing the perceived quality. Additional effort must be geared towards improving the service quality and delivery of restaurant staff as symbolic to the branding strategies and trademark of restaurants. Additionally, promotional activities must not only be initiated, but should also carry these strategic symbolisms effectively to provide a differentiated and familiar image to a restaurant. From the findings, a restaurant should aim most of its advertising efforts at enhancing customer awareness so that customers at least consider that brand in the suggested set of alternatives. Recent change in the communication environment has led to more creative ways to approach customers. The outcome of this study implies that restaurants should strongly consider the radio apart from families and friends as a positive advertisement option toward increasing its customer populace, ensuring consumer retention and improving the restaurants brand awareness. Location constrained relative to poor access roads and poor directional guide to restaurant needs to be reconsidered and enhanced to secure and maintain customers challenged by this hindrance. Another important conclusion that may be drawn from this study lies in the fact that the perceived quality of a specific restaurant brand and products is found to significantly affect customers perception and satisfaction level. It goes without saying that restaurants should consistently provide quality products and services, such as serving food in promised time and temperature, maintaining the cleanliness and environmental serenity, serving ordered food accurately, convenient operating hours, and appearing attractive. Not only is this good business, but it strengthens the brand.
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