SERVICE QUALITY AND BRAND LOYALTY: EVIDENCE FROM CHAIN FAST FOOD COMPANIES IN SOUTHS EAST NIGERIA.

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Abstract
This study determined the influence of service quality on customer loyalty in chain fast food companies in South East Nigeria. It was a survey that was guided by three objectives and three research hypotheses. Consumers of chain fast food products and services served as respondents while the sample size was 323. A 17-itemed questionnaire on a 4-point scale which reliability test produced a co-efficient of 0.79 served as research instrument and accessibility sampling technique was used in the administration of the instrument. Descriptive and inferential statistics on SPSS version 23 were used to analyze the data generated. Findings revealed that, reliability dimension has positive/significant relationship with brand loyalty (R = 0.504); responsiveness dimension has positive/significant relationship with brand loyalty (R = 0.245) while tangibles dimension has a negative relationship with brand loyalty (R = -0.023). In view of the findings, the study concluded that reliability and responsiveness dimensions of service quality have positive/significant relationships with brand loyalty while tangibles dimension has a negative relationship with brand loyalty in the study area and therefore recommended that managers of fast food companies must among others ensure that service promises are fulfilled, billings are properly done and training of service providers made top priority in order to improve their speed and mitigate service defects and failures in service delivery.

Keywords: Service quality, Brand Loyalty, Reliability, Responsiveness, Tangibles, Fast food.

Introduction
Delivering high quality service is important for the success of business organizations so that they can survive and strengthen their competitiveness. Fast food companies are not insulated from either increased competition or customer demand for high service quality. Nowadays, customers have a wide range of hospitality goods and services to choose from and service quality conditions influence a firm’s competitive advantage (Soriano, 2002; Yuksel and Yuksel, 2002). Fast food organizations play important roles in world economy; creating jobs, wealth, and contributing to Gross Domestic Product (GDP). Fast food orientation has remained a dominant lifestyle amongst Nigerians of various classes in the urban areas and cities. Fast food organizations offer products and services that are strikingly similar such that differentiation becomes difficult and almost impossible. This poses a challenge to smooth management of such organizations in terms of maintaining happy and loyal clientele capable of securing long-term profitability. Chain fast food companies however refer to those companies that operate multiple branches within and outside a defined geographical area. In Nigeria such companies include Mr. Biggs, Crunches, De Choice, Kilimanjaro, Chicken Republic and many more.

Since service quality is an important factor for organizations, studies related to service quality in hospitality industry have been growing. Therefore, understanding how service quality could influence brand loyalty in fast food operations ought to be useful in guiding hospitality operators and managers to design and deliver want-satisfying offerings to the
consumers. Similarly, global economic indicators show fast food business as one of the fastest growing globally and the industry is likely to continue its development into the future (Mohsin, 2011). This growth is also attributed to the development of the tourism sector as well as socio-cultural and economic changes which influence the purchase decisions of consumers.

Scholars in the service industry consider service quality as a precedent to customer satisfaction and brand loyalty. Some experiential studies show that getting a good quality of service from a hospitality and tourism organization is important for many guests (Mohsin 2011, Kofi, Mariama, and Ajara 2013). Researchers have defined service quality in relation to the concept of consumer-perceived quality, which is based solely on the perspective of customers. Such a perception is built in a place where an organization supplies goods and services to customers in a manner that satisfies them and where the customers examine service quality (Babajide, 2011). Perceived service quality is seen as the global evaluation by customers of the overall superiority of a service (Salem and Raja, 2014).

This definition is similar to the concept of attitude. Therefore based on the exploratory definition of service quality as perceived by customers, it is the gap (discrepancy) between a customer’s expectation of a service and his perceptions of the actual service received (Babajide, 2011, Hersh, 2010). Various views on the dimensions of service quality can be identified in the literature. The process orientation of Gronroos (1984) cited in Anyanwu (2019) views service quality from the perspective of what the customer receives and this includes: technical quality which is concerned with the outcome of the service received by the customer, and the functional quality which refers to the way in which the service is offered and the actions of the employees in this interaction. Similarly, Akan (1995) cited in Hafeez and Muhammad, (2012), identified seven dimensions of service quality in a study carried out in Turkish hospitality industry (1) courtesy and competence of the person (2) communication and transaction (3) tangibles (4) knowledge and understanding of the customer (5) accuracy and speed of service (6) solution to problems and (7) accuracy of hotel reservation. Other models of service quality can be identified in literature.

However, the above mentioned perspectives of service quality have not received the same attention and empirical testing as the SERVEQUAL model developed by Parasuraman, Zeithaml, and Berry (1988) cited in Anyanwu (2019). The SERVEQUAL model has five dimensions; reliability, assurance, tangibles, empathy and responsiveness. However, only three dimensions of the model reliability, responsiveness and tangibles are used in this study. Reliability refers to the extent to which the service provider delivers on the promises made to the customer. It is the outcome dimension of service quality and ultimately affects service quality assessment. Observing service delivery contracts, pricing, and complaints handling are all important for a business and relate to reliability. Research findings have shown that the dimension with the highest importance to the customer is reliability, and it influences customer satisfaction (Kofi, et al 2013).

Responsiveness refers to the willingness on the part of the service providers to deliver assistance to the consumers. This dimension of service quality has been found to have positive correlation with customer satisfaction particularly during periods of service failure and recovery (Mohsin, 2011; Kofi, et al, 2013). Tangibility refers to the physical cues (brand features) that are part of the service delivery process that are used to communicate to the consumers about the service that can be expected. Tangible cues that form part of this dimension include the signage, parking lot, appearance of the service providers, and layout of the facility itself. Tangibility is the service dimension that makes a product or service practical and usable for customers (Sanayei, Shahin, and Taheri, 2012; Malik, 2014; Hafeez and Muhammed, 2012).

Much of the researches over the past three decades investigated consumer loyalty from two perspectives: behavioral loyalty and attitudinal loyalty (Fayez and Noor, 2017). Behavioral loyalty refers to the frequency of repeat purchase while attitudinal loyalty refers to the psychological commitment that a consumer makes in the purchase act, such as intentions to purchase and intentions to recommend without necessarily taking the actual repeat purchase behavior into account (Fayez and Noor, 2017). Further to this, brand loyalty is believed to reduce uncertainty as well as saves costs of seeking new relational exchanges with other brands (Khen, Mohamad, Ramayang, and Mosahab, 2010). Research findings indicate that there is a
positive relationship between service quality and brand loyalty (He & Li 2011; Sanayei, Shahin, and Taheri, 2012; Hafeez and Mohammed, 2012; Hameed, 2013; Malik, 2014; Garga and Abdu, 2016; Hirut 2015; Anyanwu 2019). Brand loyalty is believed to make consumers buy a brand routinely and resist switching to other competing brands. Constructs such as switching costs, repeat purchase, word of mouth, brand association and advocacy, trust, customer value, among others have been found to be positive outcomes of service quality and brand loyalty relationship. Experience has indeed revealed that fast food services are improving in Nigeria, yet the customers have not ceased from defecting to rival organizations. Trust is a big issue in the service industry as the product traded is intangible. Trust is needed to tangibilize the intangibility in service. Cases of mistrust such as improper billing, service failure, inability to understand customer needs, improper handling of customer complaints, unfulfilled service promises, and other negative service experiences occur at different service encounter points in fast food operations in the study area. These researchers are worried that these issues that have direct bearing on customer loyalty seem not to be addressed accordingly in fast food operations. More so, there is dearth of empirical evidence particularly in the study area to demonstrate the relationship between service quality dimensions and brand loyalty in fast food operations. These are the knowledge gaps that this study attempts to close.

### Objective of the Study

The main objective of this study is to determine the influence of service quality on brand loyalty in chain fast food companies in South East Nigeria. The specific objectives sought to determine to what extent that:

1. Reliability dimension of fast food service quality can influence brand loyalty.
2. Tangibles dimension of fast food service quality can influence brand loyalty.
3. Responsiveness dimension of fast food service quality can influence brand loyalty.

### Research Questions

1. What influence has reliability dimension of fast food service quality on brand loyalty?
2. Has tangibles dimension of fast food service quality any significant influence on brand loyalty?
3. To what extent can responsiveness dimension of fast food service quality influence brand loyalty?

### Hypotheses

The following hypotheses formulated were tested at 0.05 level of significance.

- **H0**: Reliability dimension of fast food service quality has no significant relationship with fast food brand loyalty.
- **H0**: Tangibles dimension of fast food service quality has no significant relationship with fast food brand loyalty.
- **H0**: Responsiveness dimension of fast food service quality has no significant relationship with fast food brand loyalty.

![Fig. 1 Operational Framework (Researcher’s Desk, 2018).](image-url)
METHODOLOGY

Area of Study:
The study covered consumers of fast food products and services in South-East Nigeria. South East Nigeria consists of five states namely: Abia, Anambra, Ebonyi, Enugu and Imo. Umuahia is the capital of Abia State, Awka is the capital of Anambra State, Abakaliki is the capital of Ebonyi State, Enugu is the capital of Enugu State, and Owerri is the capital of Imo State. The South East Nigeria is naturally endowed with coal, crude oil deposits, salt, lime stone and other mineral deposits in commercial quantities. The region boasts of two of the largest markets in Nigeria that attract many international business people. Concerning fast food business operations, the South East Nigeria has its own fair share when compared with other geopolitical zones in Nigeria. Notable fast food brands and chains operate in South East Nigeria such as Sweet Sensation, Crunchies, Mr. Biggs, Kilimanjaro, Chicken Republic, De Choice among others. However, this study focused on the consumers of products/services of chain fast food companies operating in the state capitals across South East Nigeria.

Population for the Study: Consumers of the fast food establishments in South East Nigeria formed the study population and such study population is infinite. The target population in this study included both male and female consumers of chain fast food products/services (April to December, 2018) in the study area. The choice of chain fast food establishments is hinged on the belief that these establishments have standard and at the same time have visible presence in South East Nigeria.

Sample and Sampling Technique: The population for this study is infinite. To estimate the sample size, the formula for estimating sample size for an infinite population by Cochran (1977) cited in Hirut (2015) was used and it gave a sample size of n₀ = 323. The breakdown of the establishments and the copies of the research instrument administered were determined using the seating capacity of each of the chain fast food companies and are presented as follows; Abakaliki (Crunchies -33, Mr Bigg’s - 16), Awka (Chicken Republic - 29, Crunchies - 20), Enugu (Chicken Republic - 26, Crunchies – 26, Kilimanjaro - 23), Owerri (Mr Bigg’s – 16, Crunchies – 31, Kilimanjaro - 28) and Umuahia (Mr Bigg’s – 15, Crunchies – 30, Kilimanjaro -30). Convenience (accessibility) sampling technique was used, thus only accessible respondents were used for the study.

Instrument for Data Collection: The instrument for data collection was a 17 itemed questionaire which had two sections. Section A collected bio-data of the respondents, while section B contained measurements of variables of the study. The researchers adapted the instrument from the studies of Hirut (2015); Fayez and Noor (2016). Reliability had 5 items while tangibles, and responsiveness had 4 items each and were used to predict brand loyalty that had 4 items. On each of the items, the respondents were requested to indicate their opinion on a four-point scale of Strongly Agree (4 point), Agree (3 point), Disagree (2 point), and Strongly Disagree (1 point).

Reliability of the instrument: The instrument was subjected to Crombach Alpha reliability test and a reliability coefficient of 0.79 was obtained confirming the internal consistency of the instrument.

Data collection: The administration of the instrument was based on seating capacity and observed customer throughput, and accessibility sampling technique was used, thus only accessible consumers were used for the study. This was achieved through the help of three research assistants (RAs). These RAs were trained on how to collect the data. All the copies of the instrument administered were retrieved on the spot. However, only 305 copies of the instrument were found usable for the study representing 94.43% of the total number of the instrument administered.

Data Analysis: Data generated for this study was analyzed using descriptive and inferential statistics. The descriptive analysis featured as a way of describing the properties of the data to show the variations in responses and opinions using frequencies and percentage denotations as well as other descriptive items. The parametric inferential analysis was done with the use of regression analysis on SPSS version 23 to determine the relationship between the independent variables and the dependent variable as can be seen in the hypotheses formulated for the study. The model specification is presented below.
BL = β₀ + β₁(RelD) + (β₂(TanD) + β₃(ResD) + ei ................. (i)

Where

β₀ = Constant

β₀ – β₃ = Parameters

BA = Brand Loyalty

RelD = Reliability Dimension

TanD = Tangible Dimension

ResD = Responsiveness Dimension

ei = Error term.

Results

Table 1.0: Multiple Regression Estimate for the influence of Service Quality Dimensions on Brand Loyalty

<table>
<thead>
<tr>
<th>Source</th>
<th>B</th>
<th>Std. Error</th>
<th>Beta</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reliability Dimension</td>
<td>0.504</td>
<td>0.028</td>
<td>0.706</td>
<td>17.786</td>
<td>0.000</td>
</tr>
<tr>
<td>Tangibles Dimension</td>
<td>-0.023</td>
<td>0.026</td>
<td>-0.024</td>
<td>-0.881</td>
<td>0.379</td>
</tr>
<tr>
<td>Responsiveness Dimension</td>
<td>0.245</td>
<td>0.042</td>
<td>0.230</td>
<td>5.773</td>
<td>0.000</td>
</tr>
<tr>
<td>(Constant)</td>
<td>1.294</td>
<td>0.376</td>
<td>3.440</td>
<td>0.001</td>
<td></td>
</tr>
</tbody>
</table>

R-Square: 0.782

Adjusted R-Square: 0.780

F-Statistic: 359.844

Sig.: 0.000

Source: Formatted from SPSS 23 Regression Result

H₀ 1: Reliability dimension of fast food service quality has no significant relationship with fast food brand loyalty.

H₀ 2: Tangibles dimension of fast food service quality has no significant relationship with fast food brand loyalty.

Table 1.0 indicated that the coefficient of reliability dimension is 0.504, meaning that there is a positive relationship between reliability dimension of fast food service quality and fast food brand loyalty. This implies that an increase in reliability dimension of fast food service quality will lead to about 0.504 increase in fast food brand loyalty. The t-statistic value of 17.786 and sig. value of 0.000 indicated that the positive relationship between reliability dimension of fast food service quality and brand loyalty is statistically significant at 5% significance level, because the probability value is less than 0.05. Therefore, the study rejected the null hypothesis and accepted the alternative which states that reliability dimension of fast food service quality has significant relationship with fast food brand loyalty.

From Table 1.0, the coefficient of tangibles dimension is -0.023. This indicates that there is a negative relationship between tangibles dimension of fast food service quality and fast food brand loyalty in the study area. Meaning that a unit increase in tangibles dimension of fast food service quality will lead to about 0.023 proportional decrease in fast food brand loyalty. Considering the t-statistics and the sig. probability of -0.881 and 0.379 respectively, it is evidential that the relationship between tangibles dimension of fast food service quality and fast food brand loyalty is statistically significant at 5% significance level, because the probability value is less than 0.05. Therefore, the study rejected the null hypothesis and accepted the alternative which states that tangibles dimension of fast food service quality has significant relationship with fast food brand loyalty.
food service quality and fast food brand loyalty is not statistically significant at 5% significance level, since the sig. value is greater than 0.05. Thus, the result suggested that tangibles dimension of fast food service quality has insignificant/ negative relationship with fast food brand loyalty in the study area. Therefore, the study accepted the null hypothesis that tangibles dimension of fast food service quality has no significant relationship with fast food brand loyalty and thus rejected the alternative hypothesis.

\( H_0 3: \) Responsiveness dimension of fast food service quality has no significant relationship with fast food brand loyalty.

The coefficient of responsiveness dimension is shown as 0.245 in Table 1.0. This implies that responsiveness dimension of fast food service quality has a positive relationship with fast food brand loyalty. Meaning that an increase in responsiveness dimension will lead to about 0.245 proportional increase in fast food brand loyal. The t-statistic value of 5.773 and sig. value of 0.000 indicates that the positive relationship between responsiveness dimension of fast food service quality and fast food brand loyalty is statistically significant at 5% level, as the sig. value is less than 0.05. This implies that responsiveness dimension of fast food service quality has significant positive relationship with fast food brand loyalty in the study area. Thus, the study rejected the null hypothesis and accepted the alternative which stated responsiveness dimension of fast food service quality has significant relationship with fast food brand loyalty.

Discussions

\( H_0 1: \) From Table 1.0 above, the study rejected the null hypothesis and accepted the alternative meaning that reliability dimension of fast food service quality has significant relationship with fast food brand loyalty. This finding is in line with the findings of Khen, et al (2010); Hirut (2015); Fayez and Noor (2017). Reliability dimension of service quality is seen as the outcome dimension through which guests’ expectations are met, and that any unreliable service cannot be compensated by other service quality dimensions. Brand loyalty is seemingly the target of every fast food operation, and it is not easily achieved. Consumers expect their choice brands to deliver on service promises made, handle consumer service problems, perform service right the first time, and provide accurate billing among others. The aforementioned issues and others are in the domain of reliability dimension and are referred to as performance factors (Matzler and Sauerwein, 2002), that can trigger consumer switching behaviour when poorly executed. Thus, to achieve brand loyalty fast food operations must deliver on reliability dimension of service quality.

\( H_0 2: \) From Table 1.0 above, the study accepted the null hypothesis and rejected the alternative hypothesis meaning that tangibles dimension of fast food service quality has no significant relationship with fast food brand loyalty. This finding is in line with results obtained by Khen, et al (2010); Hirut (2015). The possible explanation of this negative relationship between tangible dimension of fast food service quality and brand loyalty can be traced to the reason why the respondents/customers preferred a particular fast food outfit as analysed in this study. This implies that tangible dimension of fast food service quality is not a major factor in patronizing a fast food outfit possibly because fast food operations are competitive normally with good layout, modern equipment, and attractive personnel appearance. Thus, much emphasis is not placed on tangibles by consumers as tangibles are seen as basic factors in the three-factor structure for identifying determinants of customer satisfaction (Matzler and Sauerwein, 2002).

\( H_0 3: \) From Table 1.0 above, the study rejected the null hypothesis and accepted the alternative meaning that responsiveness dimension of fast food service quality has significant relationship with fast food brand loyalty. This finding is in line with the results obtained by Hirut (2015), Esmaeilpour, et al (2016), Fayez and Noor (2017), and He and Li (2011). Categorically, this study has established that fast food service quality has significant influence on brand loyalty, suggesting that the extent of service quality rendered by fast food outfits to their customers will to a large magnitude determine the level of customer commitment to the brand. Establishing brand loyalty is a profitability and sustainability strategy worth implementing especially in a very competitive industry like the fast food industry.

One implication of this study is that operators of fast food establishments must keep in mind that customers come from different backgrounds, having
varied needs and expectations. It is important that fast food operators should see service quality as a veritable tool for competition towards winning the minds, hearts and pockets of the customers by consistently satisfying the customers leading to brand loyalty. This present study has some limitations. Despite the findings of this study, many operators of fast food establishments might argue that the influence of the predictors under study in achieving brand loyalty might not be significant in fast food operations holding other predictors of brand loyalty constant. Certainly, other service quality dimensions; assurance and empathy were not considered in this present study and therefore might affect the generalization of the findings. Geographical and environmental features certainly might influence research findings and this present study will not be an exemption. Future studies should endeavor to examine these limitations and other predictors not used in this study to predict brand loyalty in other food service systems both in Nigeria and beyond.

Conclusion
Based on the findings of this study, it is concluded that reliability and responsiveness dimensions of service quality have significant positive relationships with brand loyalty while tangibles dimension has insignificant and negative relationship with brand loyalty in fast food operations in South East Nigeria.

Recommendations
In view of the findings, it is recommended that managers of fast food establishments should ensure that service promises are fulfilled, billings properly done, and both technical and functional aspects of service delivery are properly carried out as these are measures of reliability and contribute in driving up brand loyalty. Training of service providers should be made a top priority in order to improve their speed and mitigate service defects and failures in service delivery. Tangibles should be seen as basic factors that only add value to brand awareness and perceived quality but do not drive up brand loyalty.

References


