Antecedents to Customer Loyalty in the Restaurant Industry : A Millennial Perspective

* Bhavna Shetty
** Rakshith Bhandary
*** Sachin R. Chandra
****Adithya D. Shetty

Abstract

Food is an essential module of everyone's life, not only as a tool for good health, but also to provide structure to our routine life. With a lot of options around to latch on to different segments like cafés, quick service restaurants, fine dining, and casual dining, we tried to analyze in our study the most preferred segment among millennials and the reasons behind their preferences. These preferences were tested using responsiveness, food quality, restaurant image, and customer perceived value with a mediating effect of satisfaction leading to loyalty. The conceptual model was empirically evaluated using a quantitative method to measure the research constructs. A total of 417 millennials from Karnataka were considered for the study. Probability multistage cluster sampling was used for selecting the respondents. The data were analyzed using the partial least square structural modeling (SMART PLS3) approach. The PLS - SEM mediator analysis results revealed that customer perceived value fully mediated to loyalty ; whereas, responsiveness, restaurant image, and food quality led to satisfaction. According to the multi-group analysis results, under cafes, restaurant image was the most preferred segment among the millennials.

Keywords : food service industry, millennial, satisfaction, loyalty

Paper Submission Date : May 11, 2018 ; Paper sent back for Revision : June 9, 2018 ; Paper Acceptance Date : June 14, 2018

Turow's theory posits that in the digital - first era, millennials latch onto food as something that engages all of the senses and brings people together in a physical space (Nordström, Coff, Jönsson, Nordenfelt, & Görman, 2013). Food is a vital module of everyone's life, not only as a tool for good health, but also to provide structure to our routine life. The increase in income levels of the world population is noteworthy as most of the population (i.e. : 92 million) is between the ages of 19-34, colloquially knows as the millennials. Due to the increased millennial population, the demand for the restaurant industry has surged. Likewise, these millennials constitute the peak working ages and have thus become the world's most important generational cohort for consumer spending. Additionally, the availability of multiple avenues and the changed attitude of people towards eating out, wherein they view activity as less of a luxury due to rising disposable income and consumerism has resulted in a rapid growth of the restaurant industry (Ryu & Han, 2010). Success of the industry totally depends on

* Assistant Professor, Department of Commerce, Manipal Academy of Higher Education (MAHE), New Management Block, Near 9th Block MIT Hostel, Manipal - 576 104, Karnataka. E-mail : bhavishetty@gmail.com/ Bhavna.shetty@manipal.edu

** Assistant Professor, Department of Commerce, Manipal Academy of Higher Education (MAHE), New Management Block, Near 9th Block MIT Hostel, Manipal - 576 104, Karnataka. E-mail : Rakshith.bhandary@manipal.edu

*** Assistant Professor, Department of Commerce, Manipal Academy of Higher Education (MAHE), New Management Block, Near 9th Block MIT Hostel, Manipal - 576 104, Karnataka. E-mail : Sachin.r@manipal.edu

**** Assistant Professor, Department of Commerce, Manipal Academy of Higher Education (MAHE), New Management Block, Near 9th Block MIT Hostel, Manipal - 576 104, Karnataka.

the profits generated by segments like quick service, casual dining, café and fine dining segments, bars, pubs, and lounges. The main purpose for the introduction of quick service restaurant was basically to satisfy the need of millennials by providing them with good quality food with much lesser waiting time after placing an order at a low price targeting the millennials (Jana & Chandra, 2016 ; Sharma & Verma, 2015). Time management is one of the major issues which most of the people face due to a busy work life, and this service has helped them to manage their time well. Due to the high demand and increase in the population of the millennials, the demand for this industry has increased and due to the growing competition in this area, the owners (KFC, Mcdonald's) need to come up with good offers to attract the customers. These industries usually work with very low profits to offer the customers with low pricing. The more the turnover, the more they gain profits. Therefore, to maintain high sales and to achieve economies of scale, the industry needs to mainly concentrate on food quality, value addition, service quality, fast service, right storage and serving temperature to market as a value for money strategy (Namkung & Jang, 2007). Almost 35% to 40% share is taken by this industry.

Apart from the fast-food joints, casual dining has become the major player in the industry as the restaurants are well maintained with clean facility, healthy food, more variety, and timely service. Almost 45% to 50% of the share has been taken by causal dining (Bowen & McCain, 2015). Fine dining restaurants are considered to be the sophisticated service segment restaurants that can earn quite more profits as the pricing is on the higher scale. A wealthy customer would always want a well-designed physical layout of the restaurant, great food, and excellent service provide by the restaurant, and that is where fine dining meets all the requirements. Studies reveal that millennials visit fining dining for occasions such as birthdays and anniversary celebrations only. The coffee house culture plays a significant role as it focuses more on the restaurant image, and it caters to the millennial kingdom as they can spend ample time over coffee, for example, Café Coffee Day, Starbucks, and Barista (Harrington, Ottenbacher, & Fauser, 2017). These coffee houses are also meeting spots for youths to spend their personal time as well as a discussion place over coffee/tea for officials.

To be successful in a highly competitive industry, it is of paramount importance to attract new customers as well as retain existing customers. One of the effective ways to ensure this is by implementing efficient policies of customer satisfaction and loyalty. Various studies have found that an increased level of customer satisfaction has often resulted in higher levels of inherent consumer loyalty and word of mouth recommendations, thus rendering it pivotal to the success of the business (Namkung & Jang, 2007). However, even though the restaurants give excellent service, the customers' expectations keep increasing, and therefore, we can say that they are less loyal. Due to high "people factor," service failure cannot be avoided in the service industry (Susskind, 2002).

Customers who are dissatisfied may react by exiting silently, negative word-of-mouth, place a complaint, or continue to support the same restaurant despite dissatisfaction (Kumar, Pozza, & Ganesh, 2013). Hence, it is a necessity for any restaurant to be more dedicated to satisfy the customers in order to survive in the industry (Shetty & Basri, 2017). There is a belief by the hospitality industry that in order to gain profits, it is more than enough if the customers are satisfied. However, the studies show that it is not just enough for a customer to be satisfied, but it is necessary for them to be loyal in order to repurchase from the same restaurant.

The increasing expectations from customers with the growing competition in the hotel industry has made it challenging for the hotel owners to understand the most influential factors which lead to customer loyalty (Ryu & Han, 2010). The understanding of most of these influential factors may help the hotel managers to actually implement strategies to gain loyalty from existing and also prospective customers. Despite the importance of loyalty, very few studies have focused on the inherent relationship between the role of satisfaction and loyalty. Ryu and Jang (2007) examined the effect of music as one element affecting the patron behaviour in restaurants.

Kumar et al. (2013) underlined the quality, price, and restaurant atmosphere as crucial components in dining satisfaction and repeat customer patronage. Furthermore, little attention has been paid to the contribution of individual attributes towards creating and retaining loyalty, nor has there been any assessment of each attribute's relative impact on subsequent behavioural intention. Additionally, there is very little research conducted in the Indian subcontinent in this area.

To fill this research gap, the current study focuses on a mediating role of satisfaction on loyalty in restaurants from millennials' perspective. Thus, the proposed research empirically tests a theoretical model using food quality, responsiveness, restaurant image, and customer perceived value leading to satisfaction and thereby manifesting loyalty. More specifically, the objective of the study is to determine the relationship between responsiveness, food quality, restaurant image, and customer perceived value with mediating effect of satisfaction leading to loyalty. We begin with reviews of the key constructs and their relationships, explaining how our proposed model is empirically tested, and discuss implications for managerial practice.

Review of Literature

(1) Responsiveness : Several studies have endeavored to identify the factors consumers consider when assessing service quality. In Qin and Prybutok's (2008) model of service quality, both technical and non technical aspects were incorporated. They posited that service quality should be a two- pronged notion ; wherein, functional quality represents the process of service delivery and technical quality represents what the consumer obtains from the service ; while Ladhari (2009) identified five dimensions in his SERVQUAL model, outlining reliability, responsiveness, assurance, empathy, and tangible elements as its base attributes. Nevertheless, it has been reported that this model is not universal as the dimensionality of the quality is dependent of the service contributed (Parasuraman, Berry, & Zeithaml, 1991). Nonetheless, this model still provides adequate support and validity in the restaurant industry (Ladhari, 2009). Service quality and customer satisfaction have gained immense prominence as they are the prerequisites of loyalty such as repeat sales and positive word of mouth (Liu & Jang, 2009). Furthermore, it has been observed that provision of high quality service will generate satisfied customers who will provide repeat patronage (Ladhari, 2009). Thus, we can postulate the following hypotheses :

✤ **H1 :** Responsiveness has a positive influence on satisfaction.

✤ **H2 :** Satisfaction mediates the relationship between responsiveness and loyalty.

(2) Restaurant Image : The image of a restaurant has garnered considerable attention in literature, as it affects the perception of an individual, thereby affecting his/her behavioral choices (Castro, Armario, & Ruiz, 2007 ; Chen & Tsai, 2007). The complexity of the terminology, image has resulted in various definitions of the term. The dichotomy in interpretation of the term is evident as Ryu and Han (2010) defined it as the sum of beliefs, ideas, and impressions that people have of a place or destination ; whereas, Ryu, Han, and Kim (2008) referred an organisation's environment merely to its overall layout, design, decoration, and aesthetics. Furthermore, Ryu and Han (2010) described the image as an extension of the service provider itself. Additionally, various studies have emphasized customer's perception of the store's image under attributes such as waiting time for service, location, and other qualities. Ladhari (2009) observed the effect of atmospheric elements affecting satisfaction and consumer behavior. Furthermore, Chow, Lau, Lo, Sha, and Yun (2007) ; Namkung and Jang (2017) ; and Ryu and Han (2010) observed that customers use physical environment as key components of restaurant experience, invariably resulting in repeat patronage. Thus, the following hypotheses can be postulated :

✤ **H3 :** Restaurant image has a positive influence on satisfaction.

✤ **H4 :** Satisfaction mediates the relationship between restaurant image and loyalty.

(3) Food Quality : Food quality is an important metric when analyzing consumer satisfaction and repeat patronage. Despite its importance, a veritable few have focused on its impact. Most studies have primarily focused

Figure 1. Conceptual Framework
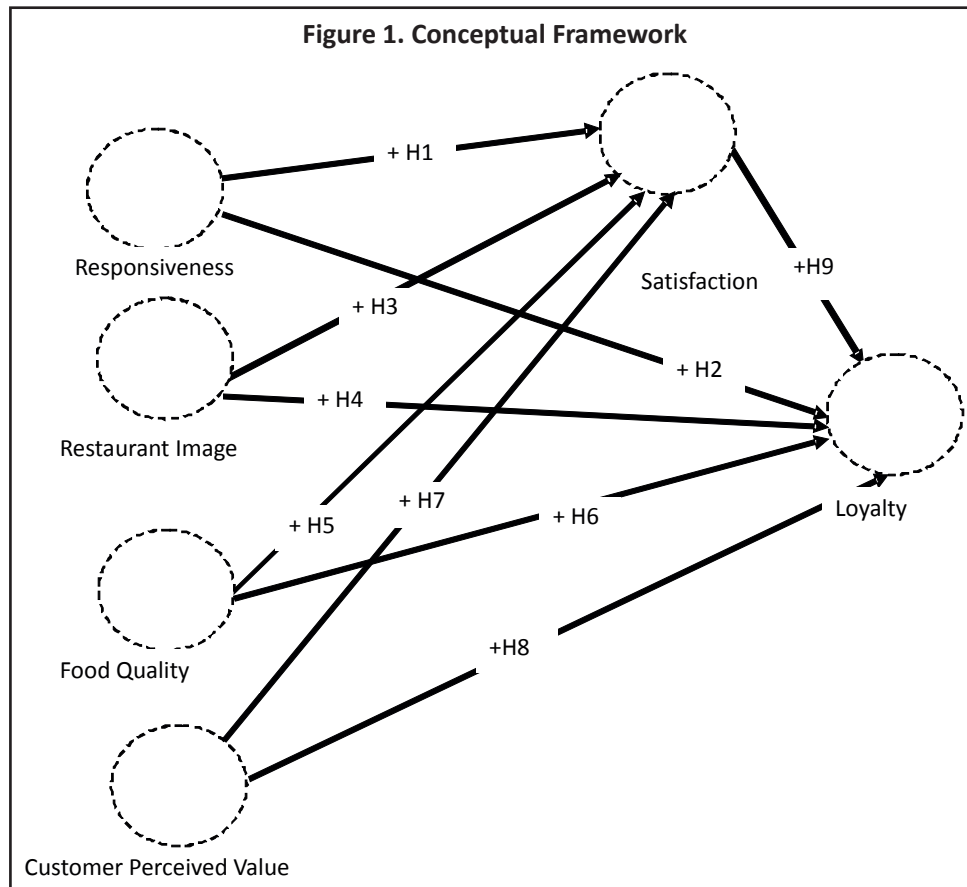
on the atmospherics and service delivery whereas ignoring the core competency of the restaurants. Qin and Prybutok's (2008) study did comprise of food when comprehending dining satisfaction and understanding customers' return patronage. Food quality was not one of their major interests. The studies conducted by Ryu et al. (2008) and Ryu, Lee, and Gon Kim (2012) appear to be the only concrete evidence indicating that food quality is imperative to perceived value. However, to the best of our knowledge, there is a dearth of research when considering this attribute and the pivotal role it plays in the context of a restaurant. Hence, the following hypotheses are proposed :

✤ **H5 :** Food quality has a positive influence on satisfaction.

✤ **H6 :** Satisfaction mediates the relationship between food quality and loyalty.

(4) Customer Perceived Value : The role of value is given credence by both - consumers and marketers (Ryu & Jang, 2007). Customer perceived value can be comprehended as the result of the personal comparison between presumed overall benefits and the presumed sacrifices borne by the consumer (Namkung & Jang, 2007). Perceived value is often described from the consumer's perspective. The customer rather than the one providing the service can effectively evaluate if the product or service provides value. The concept of customer perceived value is presumed to be subjective (Parasuraman et al., 1991). Hence, the following hypotheses are proposed :

✤ **H7 :** Customer perceived value has a positive influence on satisfaction.

↳ **H8 :** Satisfaction mediates the relationship between customer perceived value and loyalty.

(5) Customer Satisfaction and Loyalty : Customer satisfaction is one of the fundamental determinants of long term consumer patronage (Ryu & Han, 2010). Hence, organizations are investing substantial resources to attain policies that track and cater to customer satisfaction. Qin and Prybutok (2008) described it as the level of fulfillment of a product ; whereas, customer loyalty can be ascertained as a deeply held commitment to rebuy or re-patronize a preferred product or service consistently in the future, despite situational influences and marketing efforts having the potential to cause switching behaviour (Chen, 2012). Numerous researchers have underlined the relationship between customer satisfaction and customer loyalty (Bekele, & Singh, 2015 ; Chen, Peng, & Hung, 2015 ; Kumar et al., 2013; Namkung & Jang, 2008) and inferred that customer satisfaction is linked to loyalty and in turn, it is linked to the performance of organizations. Thus, by testing the following hypothesis we can ascertain whether satisfaction has a positive influence on loyalty:

↳ **H9 :** Customer satisfaction has a positive influence on loyalty.

The Figure 1 depicts the conceptual framework of the research.

Methodology

The research follows the post - positivism philosophy. A cross - sectional method was adopted for the study. We used the probability multistage cluster sampling for choosing the respondents (millennials). In the first-stage,

Table 1. Socio - Demographic Profile of the Respondents

Gender	Male	216
	Female	201
Age	Younger than 20 years	52
	20 to 29 years	211
	29 to 37 years	154
Place of Residence	Rural	30
	Semi Urban	255
	Urban	132
Annual Household Income (in ₹)	100000 or below	103
	100000 - 500000	197
	500000 - 1000000	99
	Above 1000000	18
Occupation	Students	215
	Self Employed	127
	Private Sector	60
	Public Sector	15
Types of Restaurant you visit	Quick Service Restaurant	103
	Casual Dinning	99
	Cafes	203
	Fine Dining Restaurant	12

Karnataka was divided into six clusters based on the human development index criteria. We took into consideration the districts based on systematic sampling namely, Bangalore and Mangalore (high developed HDI rank) ; Belgaum and Hubli (semi developed HDI rank) ; and Davangere and Gulbarga (under developed HDI rank). The data were collected using the survey method and web-based survey. The districts of Karnataka were chosen based on the human development index criteria. We selected 69 millennials from each district. A total of 417 millennials were considered for the final study which was conducted during November 2017 - February 2018. The established questionnaires were used for the study. The constructs used in the study are based on the extensive literature review on the restaurant service industry. The sociodemographic profile of the respondents is depicted in the Table 1.

Analysis and Results

(1) Measurement Model : To empirically evaluate the proposed conceptual model (Figure 1), a quantitative method is followed to measure the research constructs. A questionnaire was designed in two segments, the first captured information pertinent to the demographic profile of the millennials, and the second section was designed to capture the pertinent information on customer loyalty to ensure that all respondents had an experience with a restaurant. Prior to the final data collection of the study, assessment of validity and reliability was performed. A pre-test and pilot test were conducted. For the pre-test analysis, 29 questionnaires were collected from millennials in Udupi and Dakshina Kannada districts. Moreover, a pilot test was conducted with a data of (N=152) from three restaurants before final data collection. Exploratory factor analysis was performed to test whether the factors were appropriately measured, and we found that two items had poor factor loadings, which were removed from the final study. The KMO (Kaiser-Meyer-Olkin) value for agents was 0.682, which is well above the threshold value of 0.5 (Chen, Yeh, & Huan, 2014), indicating that factor analysis is an appropriate method for data analysis. A total of 24 items were finalized for the study. The data were further analyzed in terms of internal consistency/reliability using

Table 2. Reliability and Validity

Constructs	Cronbach's Alpha	Composite Reliability	AVE
Restaurant Image	0.871	0.905	0.657
Responsiveness	0.888	0.915	0.644
Customer Perceived Value	0.894	0.950	0.904
Food Quality	0.883	0.919	0.740
Loyalty	0.899	0.929	0.766
Satisfaction	0.923	0.951	0.867

Table 3. Fornell & Larcker's Criterion

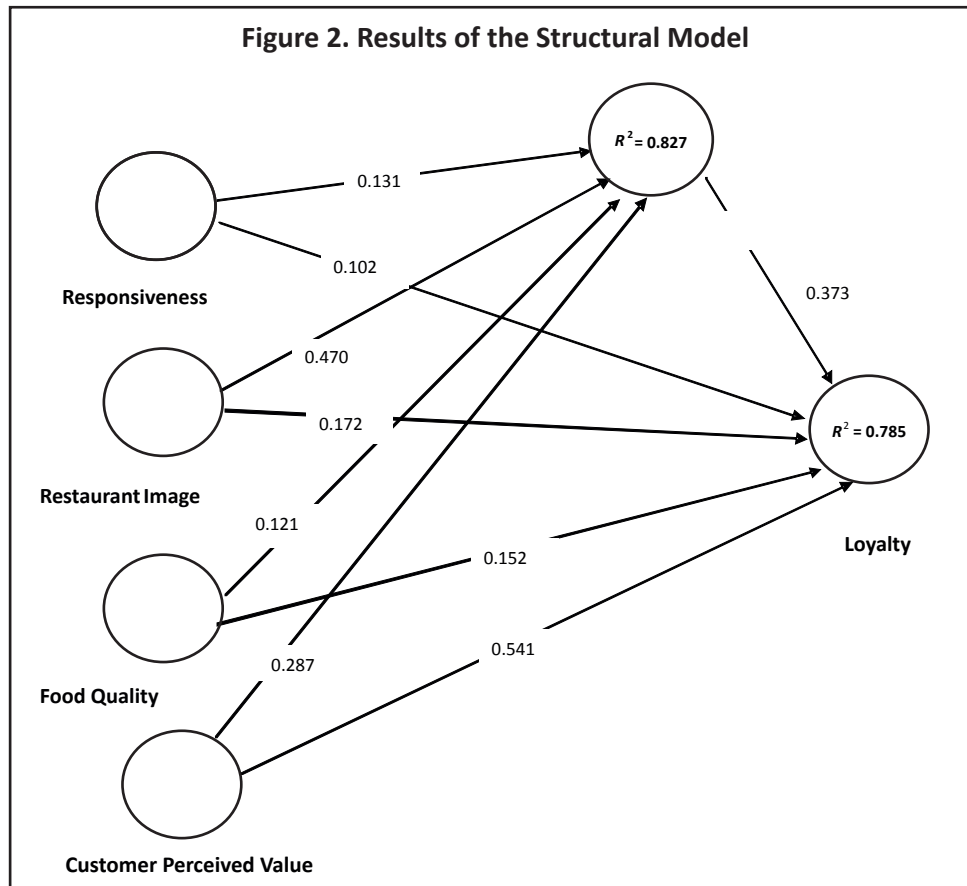|	Restaurant Image	Responsiveness	Customer Perceived Value	Food Quality	Loyalty	Satisfaction
Restaurant Image	0.811					
Responsiveness	0.794	0.803				
Customer Perceived Value	0.660	0.670	0.951			
Food Quality	0.830	0.736	0.695	0.860		
Loyalty	0.737	0.713	0.829	0.746	0.875	
Satisfaction	0.864	0.785	0.769	0.807	0.832	0.931

Figure 2. Results of the Structural Model

Table 4. Results of Hypotheses Testing

H	Hypothesis (Total Effect)	Path Co-efficient	t - value	p - values	SE (Std Error)	Decision
H1	Responsiveness → Satisfaction	0.131***	0.655***	0.000	0.040	Supported
H2	Responsiveness →Loyalty	0.102	3.584	0.32	0.051	**Not-Supported**
H3	Restaurant Image → Loyalty	0.172***	1.373***	0.01	0.055	**Not-Supported**
H4	Restaurant Image → Satisfaction	0.470***	9.687***	0.00	0.044	Supported
H5	Food quality → Loyalty	0.152	1.041	0.28	0.060	**Not-Supported**
H6	Food quality → Satisfaction	0.121**	3.779**	0.03	0.043	Supported
H7	Customer Perceived Value→ Loyalty	0.541***	9.695***	0.00	0.049	Supported
H8	Customer Perceived Value → Satisfaction	0.286***	7.173***	0.00	0.038	Supported
H9	Satisfaction → Loyalty	0.373***	5.171***	0.00	0.059	Supported
	Specific Indirect Effect					
1	Restaurant Image→ Satisfaction → Loyalty	0.175	4.774***	0.00	0.027	Supported
2	Responsiveness→ Satisfaction→ Loyalty	0.049	2.912**	0.002	0.015	Supported
3	Customer Perceived Value→Satisfaction →Loyalty	0.107	3.861***	0.000	0.022	Supported
4	Food Quality → Satisfaction→ Loyalty	0.045	3.061**	0.01	0.016	Supported

Notes : Significant at *$p < 0.10$; **$p < 0.05$; *** $p < 0.01$

Cronbach's alpha. The composite reliability statistic met the criteria which is above the threshold value < 0.70. The convergent validity statistics reveal that average variance extracted and the Fornell - Larcker criterion is above (< 0.5) (Hair, Hult, Ringle, Sarstedt, & Thiele, 2017) (refer Table 2 and Table 3). The data were analyzed using partial least square (SMART PLS3) path modelling approach, and the results seemed satisfactory. Therefore, we proceeded with the main data collection process (the data considered for pre-test and pilot test were not included for the final study).

(2) Structural Model : A step by step analysis of the structural model is done to provide a detailed picture of our results and to test the hypotheses: H1 - H9. The PLS-SEM mediator analysis follows the general recommendation by Baron and Kenny (1986). The Figure 2 shows the results of the structural model estimating the mediating relationship of satisfaction on responsiveness, restaurant image, food quality, customer perceived value leading to loyalty. The central criterion for the structural model assessment (Hair et al., 2017) namely, the coefficient of determination (R^2) has a high value of 0.70 for loyalty and 0.827 for satisfaction. The high R^2 values substantiate the model's predictive validity. This finding is also supported by the Q^2 value (Geisser, 1974) of predictive relevance. After running the blindfolding procedure, the Q^2 value of satisfaction is 0.447 and the value for loyalty is 0.423. These are well above zero, indicating the predictive relevance of the PLS path model. The $F2$ effect size is 0.409 for satisfaction and 0.403 for loyalty, and these values are considered to be large based on Cohen's threshold value. The bootstrapped procedure of 5,000 samples was carried out to assess the significance of the path coefficients (Table 4). The model fit indices indicate that the SRMR value is 0.07, which is less than 0.10 or 0.08 (Hu & Bentler, 1999) and is considered to be a good fit, and the NFI (normed fit index) value of 0.957 represents an acceptable fit.

Discussion

According to the total effect, the results reveal that the restaurant image has a direct relationship with satisfaction (β : 0.470, $p < 0.01$), it implies that the millennials gave immense importance to physical design and appearance which creates an ambience, projecting a strong image in the minds of the customer. The results are in sync with the findings of Qin and Prybutok (2008). In addition to the normal expectations like cleanliness, hygiene conditions, the restaurant must be visually appealing with appropriate seating, lighting arrangements, and pristine atmosphere creating a positive restaurant image which leads to customer satisfaction, and therefore, it is seen that restaurant image does not lead to loyalty of the millennials. Responsiveness also plays a vital role in customer satisfaction, which means that the employees are never too busy to attend the customers. Employees must always be happy to serve the customers. The attention that is given to the customers leads to satisfaction (β : 0.131, $p < 0.00$). These study results confirm the findings of Ryu and Han (2010).

Millennials are satisfied with the restaurant industry when the employees in the restaurant are attentive, helpful, prompt, courteous, and have appropriate knowledge about the restaurant menu. In our study, we see that responsiveness has a positive relationship with customer satisfaction. However, according to our study, responsiveness does not manifest loyalty. Millennials feel privileged when the restaurant offers good value for the price and experience worth the money. Customers assess the overall utility of the product based on perceptions of what is given and what is received in return, which means that after doing the cost-benefit analysis, customers must perceive that there is surplus of benefit received for the cost incurred. In such a case, the customer's perceived value is bound to reflect positively in customer satisfaction, reflecting in customer loyalty. It is seen that customers' perceived value score is 0.541 with $p < 0.01$. Customer perceived value is a dominant construct to explain the loyalty of the millennials. Quality of food is a significant contributor to satisfaction, which further leads to loyalty of the customers. Food quality is considered as the core competency factor of any restaurant. The millennials prefer fresh food, attractive food presentation, healthy options, tasty food, and variety in menu, which makes them loyal

to a restaurant (0.121 ; $p < 0.05$). Providing healthy and tasty food is the greatest challenge for any restaurant industry as these two variables are inversely proportional. Food quality also depends on the geographical advantages as some of the GI (geographical indicators) tags give an absolute advantage in the quality of raw material used. Because of logistical constraints and perishable quality, the sourcing of raw materials across diverse places is difficult to be achieved. Ultimately, the core competent product of any restaurant is the quality of the food served which mainly leads to satisfaction. However, according to our study, it does not have any relationship with loyalty. The Table 4 provides the mediation effect of the constructs : restaurant image, responsiveness, customer perceive value, food quality to satisfaction which leads to loyalty and all constructs are found to be significant at $p < 0.01, 0.05,$ and 0.10. According to the mediation analysis, the results reveal that there is a significant specific indirect effect between all the constructs to loyalty. As we can see, customer perceived value and food quality shows a full mediation effect.

Managerial Implications

The restaurant industry is growing in size day by day. When we focus on the organized sector, in today's competitive world, satisfying customers may not be sufficient to encash the customers' loyalty at all times. Managers must work hard to achieve the next levels of customer satisfaction like customer delight and customer resonance by working and enhancing on each of the constructs like responsiveness, restaurant image, customer perceived value, and food quality. Greater competitiveness is associated with higher levels of each of the constructs mentioned above. Quality of food is a significant contributor to greater competitiveness. Food quality is considered as the core competing factor of any restaurant. Managers must set standards of quality that guarantees the level and quality of food throughout the year, irrespective of demand surges. Variations in the quality of service must be reduced to a bare minimum in order to maintain a strong image of the restaurant. Various aspects in the hotel operation, including the seven service marketing mix variables, will directly affect the hotel/restaurant image. Hence, it is crucial that the seven service marketing variables are managed in accordance with the existing image of the restaurant. Favourable image should motivate customers to resist competitive offerings. Moreover, making customers believe that they are getting better value as compared to what is provided by competitors must be the prime objective in marketing a restaurant.

Managers must showcase and market the utility derived in comparison with competitors to gain the customers' confidence in building the restaurant's image. Ultimately, listening to the customers' needs and attending to their requests within the stipulated time and being courteous and helpful in service delivery leads to a better degree of responsiveness. Managers must focus on creating a balanced equation with the constructs such as responsiveness, restaurant image, food quality, perceived value on one side and satisfaction leading to loyalty on the other side. Each of these constructs should be judiciously varied as per the demography and geography to suit the needs of the customers in order to regain the brand switchers as well as acquire new customers.

Conclusion

The research contributes to a conceptual model that considers restaurant image, responsiveness, food quality, and customer perceived value as antecedents to customer satisfaction and customer loyalty towards the restaurant industry. The results confirm that high restaurant image leads to superior customer satisfaction and customer loyalty. A favorable restaurant image can positively affect repeat patronage as well as word of mouth publicity. High responsiveness also leads to high customer satisfaction, ultimately leading to customer loyalty. The attention given to the customer, never too busy attitude by the employees, and the willingness to cater to the requirements of the customer can become the unique selling proposition of any restaurant, which gives a high degree of

responsiveness to the customers' needs. Undoubtedly, the core competency of any restaurant depends upon its food quality. Better the food quality as compared to the competitors, better the customer satisfaction leading to customer loyalty on a comparative scale. Customer's perceived value is found to affect customer satisfaction and loyalty, and in such cases, the customers are more likely to prefer and recommend the restaurant to others.

Value is all about the utility gained or lost when we exchange necessities. In our findings, higher utility leads to greater customer perceived value leading to satisfaction and loyalty. According to the multi-group analysis findings from the research, millennials preferred to visit cafes when compared to quick service restaurants, casual dining, and fine dining. Cafes were the most preferred in our study, mainly because of the ample time millennials could spend over a cup of coffee/tea. A cafe is the right place where millennials would like to spend some quality time with their friends/family and finalize important decisions, or sometimes it is just the right place to laze around, relax and rejuvenate and also to energize themselves to keep the day going.

In order to satisfy the customers, the factors that are taken into consideration support the main aspects of our study. If the customers are satisfied with a restaurant which maintains better food quality, good responsiveness, restaurant image, high perceived value, the customers will be loyal to the same restaurant and will be rebuying from the same place and would also bring in other customers through word of mouth publicity. Moreover, the management faces a lot of challenges as the performance of one restaurant might change the perception of the other restaurants in the chain. The study has also revealed that the growth is very high and sustaining in this industry, and the managers have to acquire new customers and also have to maintain the existing customers in a larger way in order to avoid losing them for competitors and newly launched restaurants in the organized sector.

Limitations of the Study and Future Research Directions

This study provides a comprehensively integrated framework for understanding the dynamic relationships among restaurant image, responsiveness, food quality, customer perceived value, customer satisfaction, and customer loyalty towards the restaurant industry. Scales for measuring restaurant image, responsiveness, food quality, and customer perceived value need further development and refinement. All the SERVQUAL attributes in understanding service quality were not considered in this research. The findings need to be confirmed by further evidence in other states of India and then in the rest of the world, given the differences in culture and values. Researchers should explore how the model works across service categories. Future research needs to adopt a longitudinal design to trace the relationship between the constructs and satisfaction & loyalty. Future research may focus on customer recovery. Future research can also be conducted in trying to achieve further levels of satisfaction like customer delight and customer resonance.

References

Baron, R. M., & Kenny, D. A. (1986). The moderator - mediator variable distinction in social psychological research : Conceptual, strategic, and statistical considerations. *Journal of Personality and Social Psychology, 51*(6), 1173 - 1182.

Bekele, S., & Singh, A. (2015). Perceived service quality and its relationship with customer loyalty in Ethiopian hotel industry. *Journal of Contemporary Research in Management, 10* (4), 31 - 42.

Bowen, J. T., & McCain, S. L. C. (2015). Transitioning loyalty programs: A commentary on "the relationship between customer loyalty and customer satisfaction". *International Journal of Contemporary Hospitality Management, 27*(3), 415 - 430.

Castro, C. B., Armario, E. M., & Ruiz, D. M. (2007). The influence of market heterogeneity on the relationship between a destination's image and tourists' future behaviour. *Tourism Management, 28* (1), 175 - 187. DOI : http://dx.doi.org/10.1016/j.tourman.2005.11.013

Chen, A., Peng, N., & Hung, K. P. (2015). The effects of luxury restaurant environments on diners' emotions and loyalty: Incorporating diner expectations into an extended Mehrabian - Russell model. *International Journal of Contemporary Hospitality Management, 27* (2), 236 - 260.

Chen, C., & Tsai, D. (2007). How destination image and evaluative factors affect behavioral intentions ? *Tourism Management, 28* (4), 1115 -1122. DOI : http://dx.doi.org/10.1016/j.tourman.2006.07.007

Chen, H. B., Yeh, S. S., & Huan, T. C. (2014). Nostalgic emotion, experiential value, brand image, and consumption intentions of customers of nostalgic-themed restaurants. *Journal of Business Research, 67*(3), 354 - 360.

Chen, S. (2012). The customer satisfaction - loyalty relation in an interactive e-service setting: The mediators. *Journal of Retailing and Consumer Services, 19*(2), 202-210. doi : http://dx.doi.org/10.1016/j.jretconser.2012.01.001

Chow, I. S. - C., Lau, V., Lo, T. W. - C., Sha, Z., & Yun, H. (2007). Service quality in restaurant operations in China : Decision - and experiential - oriented perspectives. *International Journal of Hospitality Management, 26* (3), 698 - 710. DOI : http://dx.doi.org/10.1016/j.ijhm.2006.07.001

Geisser, S. (1974). A predictive approach to the random effect model. *Biometrika, 61*(1), 101-107.

Hair, J. F., Hult, G. T. M., Ringle, C. M., Sarstedt, M., & Thiele, K. O. (2017). Mirror, mirror on the wall: A comparative evaluation of composite-based structural equation modeling methods. *Journal of the Academy of Marketing Science, 45* (5), 616 - 632.

Harrington, R. J., Ottenbacher, M. C., & Fauser, S. (2017). QSR brand value: Marketing mix dimensions among McDonald's, KFC, Burger King, Subway and Starbucks. *International Journal of Contemporary Hospitality Management, 29* (1), 551 - 570.

Hu, L. T., & Bentler, P. M. (1999). Cutoff criteria for fit indexes in covariance structure analysis : Conventional criteria versus new alternatives. *Structural Equation Modeling: A Multidisciplinary Journal, 6* (1), 1- 55.

Jana, A., & Chandra, B. (2016). Role of brand image and switching cost on customer satisfaction-loyalty dyadic in the mid-market hotel sector. *Indian Journal of Marketing, 46* (9), 35 - 52. doi:10.17010/ijom/2016/v46/i9/101040

Kumar, V., Pozza, I., & Ganesh, J. (2013). Revisiting the satisfaction - loyalty relationship: Empirical generalizations and directions for future research. *Journal of Retailing, 89* (3), 246 - 262. DOI : http://dx.doi.org/10.1016/j.jretai.2013.02.001

Ladhari, R. (2009). Service quality, emotional satisfaction, and behavioural intentions: A study in the hotel industry. *Managing Service Quality: An International Journal, 19* (3), 308 - 331.

Liu, Y., & Jang, S. C. (2009). Perceptions of Chinese restaurants in the U.S. : What affects customer satisfaction and behavioral intentions ? *International Journal of Hospitality Management, 28*(3), 338 - 348. doi : http://dx.doi.org/10.1016/j.ijhm.2008.10.008

Namkung, Y., & Jang, S. (2007). Does food quality really matter in restaurants? Its impact on customer satisfaction and behavioral intentions. *Journal of Hospitality & Tourism Research, 31*(3), 387 - 409. DOI : http://dx.doi.org/10.1177/1096348007299924

Namkung, Y., & Jang, S. C. (2008). Are highly satisfied restaurant customers really different? A quality perception perspective. *International Journal of Contemporary Hospitality Management, 20* (2), 142 - 155. DOI : http://dx.doi.org/10.1108/09596110810852131

Namkung, Y., & Jang, S. (2017). Are consumers willing to pay more for green practices at restaurants ? *Journal of Hospitality & Tourism Research, 41*(3), 329 - 356.

Nordström, K., Coff, C., Jönsson, H., Nordenfelt, L., & Görman, U. (2013). Food and health: Individual, cultural, or scientific matters ? *Genes & Nutrition, 8* (4), 357 - 363. doi : http://dx.doi.org/10.1007/s12263-013-0336-8

Parasuraman, A., Berry, L. L., & Zeithaml, V. A. (1991). Refinement and reassessment of the SERVQUAL scale. *Journal of Retailing, 67* (4), 420 - 450.

Qin, G., & Prybutok, V. R. (2008). Determinants of customer-perceived service quality in fast-food restaurants and their relationship to customer satisfaction and behavioral intentions. *Quality Management Journal, 15* (2), 35 - 50.

Ryu, K., & Han, H. (2010). Influence of the quality of food, service, and physical environment on customer satisfaction and behavioral intention in quick-casual restaurants: Moderating role of perceived price. *Journal of Hospitality & Tourism Research, 34* (3), 310 - 329.

Ryu, K., & Jang, S. (2007). The effect of environmental perceptions on behavioral intentions through emotions: The case of upscale restaurants. *Journal of Hospitality & Tourism Research, 31*(1), 56 - 72.

Ryu, K., Han, H., & Kim, T. - H. (2008). The relationships among overall quick-casual restaurant image, perceived value, customer satisfaction, and behavioral intentions. *International Journal of Hospitality Management, 27*(3), 459 - 469. DOI : http://dx.doi.org/10.1016/j.ijhm.2007.11.001

Ryu, K., Lee, H. - R., & Gon Kim, W. (2012). The influence of the quality of the physical environment, food, and service on restaurant image, customer perceived value, customer satisfaction, and behavioral intentions. *International Journal of Contemporary Hospitality Management, 24* (2), 200 - 223. doi : http://dx.doi.org/10.1108/09596111211206141

Sharma, S., & Verma, R. (2015). Extent of service quality in commercial banks in Punjab. *Indian Journal of Marketing, 45*(10), 36 - 48. doi:10.17010/ijom/2015/v45/i10/79797

Shetty, A., & Basri, S. (2017). Sales behavioral intentions of distribution channels in the insurance industry: A systematic review. *Indian Journal of Marketing, 47*(12), 19 - 35. doi:10.17010/ijom/2017/v47/i12/119899

Susskind, A. M. (2002). I told you so! Restaurant customers' word-of-mouth communication patterns. *Cornell Hotel and Restaurant Administration Quarterly, 43* (2), 75 - 85.

About the Authors

Bhavna Shetty (MBA) has 6 years of banking experience in IDBI. At present, she is an Assistant Professor, Department of Commerce, MAHE, Manipal, Karnataka. She has a keen interest in Entrepreneurship and is currently a Co-Coordinator for Centre of Family Business, MAHE, Manipal, Karnataka. Her areas of research interest are Food Service Quality, Marketing Skills, Macro-Economics, and Business Communication.

Rakshith Bhandary (BE, MBA (Finance)) is currently working as an Assistant Professor in the Department of Commerce, MAHE, Manipal, Karnataka. He has worked as a Relationship Manager in Karnataka Bank and also has 2 years of academic experience. His areas of interest are Customer Relationship Management, Relationship Marketing, and Security & Portfolio Management. He has attended several national and international conferences.

Sachin R. Chandra is an MBA graduate with specialization in Marketing and is presently working as an Assistant Professor in the Department of Commerce, MAHE, Manipal, Karnataka. His areas of interest include the field of Marketing like Market Research and Branding. He has an overall experience of 8.5 years in academia and the corporate sector.

Adithya D. Shetty, BE (Computer Science), MBA (Marketing) is currently working as an Assistant Professor in the Department of Commerce, MAHE, Manipal, Karnataka. He has 5 years of academic experience. His areas of interest are Logistic Management, Marketing Management, and Agricultural Marketing.