CUSTOMER SATISFACTION, REVISIT INTENTION AND WORD-OF-MOUTH IN THE RESTAURANT BUSINESS

Lal Bahadur Pun
Assistant Professor
Butwal Multiple Campus, Faculty of Management, Tribhuvan University, Nepal

ABSTRACT

Restaurant businesses were hard hit by the pandemic over the last few years. The prolonging situation calls for appropriate remedial considerations. This paper attempts to predict the revisit intention and word-of-mouth using customer satisfaction. The data from 399 respondents were collected using mail survey immediately after the hit of COVID-19. Firstly, the result from linear regression of customer satisfaction on their revisit intention suggests that the customer satisfaction is the crux of customer retention in restaurant business. Secondly, the logistic regression of customer satisfaction on word-of-mouth reveals that word-of-mouth is likely to take place when the customers are dissatisfied with the restaurant services. Contrary to this, word-of-mouth communication is less likely to happen when the customers are happy with the restaurant services.

Keywords: Customer satisfaction, Logistic regression, Restaurant business, Revisit intention, Word-of-mouth

INTRODUCTION

Consumers have been becoming conscious of food quality, restaurant service quality, and physical environment quality. They are likely to switch easily in case of just one evasive experience. All kinds of restaurants businesses must attract new customers and retain the existing customers. The common objective of business is to create satisfied customer, positive word-of-mouth, and future revisit intention. Customer retention is one of the indicators of organizational performance.
Among all the possible determinants of customer satisfaction in restaurants, Pettijohn et al. (1997) admit that food quality is the most powerful predictor of customer intent to return. Sulek and Hensley (2004) argue that the atmosphere of the dining area is a significant predictor of customer satisfaction. Similarly, other studies (for example, Qu, 1997; Yuksel & Yuksel, 2002) infer that service quality has the most significant effect on dining satisfaction at the aggregate level. Qu (1997) also claims that price and value are significantly related to the customer’s satisfaction and intent to return.

In many of the available models (Anderson & Mittal 2000; Bolton et al. 2004; Rust et al., 1995), word-of-mouth is recognized as a consequence of customer satisfaction. To date, there has been little evidence that word-of-mouth can affect revisit intention. It is because when a customer is satisfied with a fast-food restaurant experience, however, the customer’s family and friends may not share the same satisfying experience. As this effect was often deemed too difficult to quantify, it is considered, only on a conceptual basis, and is always ignored when it comes to empirically quantifying economic returns of satisfaction (Kamakura et al., 2002; Rust et al., 2002). This question has been pointed repeatedly, but the question remained unanswered as a key avenue to pursue.

LITERATURE REVIEW

Numerous studies (Chun & Nyam-Ochir, 2020; Kim & Moon, 2009; Pettijohn et al., 1997; Qu, 1997) have shown that food quality, atmosphere, service quality, convenience, and price and value have a favorable effect on dining satisfaction and return intention as it has been related to increasing sales, revenue, and customer loyalty. Jaini et al. (2015) used three main dimensions to measure the total quality of restaurants: service quality, food quality and atmospheric quality. Abdul and Zainal (2016) explored the relationship between quality and customer satisfaction using five independent variables: perceived value, emotional price, monetary price, behavioral price and reputation. Pecotic et al. (2014) further emphasized that the interior design and customer satisfaction also have significant relationship. Saglik et al. (2014) again worked upon three dimensions: service, hygiene and atmosphere.

In the studies of both fast-food restaurants (Pettijohn et al., 1997) and Chinese restaurants (Qu, 1997), food quality was ranked as one of the most critical determinants of a customer’s decision to return. This element was significantly more important than
cleanliness, value, price, and convenience, which ranked second, third, fourth, and fifth, respectively.

Rahman et al. (2012) measured service quality using restaurant image, accuracy and speed of service. Gagic et al. (2013) identified four dimensions of restaurant quality including food quality, service quality, the physical environment and price fairness. Canny (2014) used three dimensions to measure dining experience consisting food quality, service quality and physical environment. Sabir et al. (2014) investigated factors that influence customer satisfaction in restaurants in Pakistan. Their research model consisted of three independent variables (quality, price and environment) and customer satisfaction. Likewise, Ramseook-Munhurrun (2012) examined the impact of service quality on customer satisfaction and behavioral intentions, employing the SERVQUAL dimensions in addition to food quality to assess restaurant quality.

**DINESERV model**

Surapranata and Iskandar (2013) evaluated the service quality of a family restaurant in Indonesia using the SERVQUAL dimensions, i.e., tangibles, reliability, responsiveness, assurance and empathy. Akroush et al. (2013) examined a model of internal marketing and internal service quality in a sample of Jordanian restaurants. They assessed service quality using reliability, assurance, empathy and responsiveness. In a study of a limited number of restaurants in Jordan, Al-Tit (2015) investigated the impact of service and food quality on customer satisfaction and customer retention. The SERVQUAL scale was used to measure service quality, and two main items were employed to evaluate food quality (freshness and taste of food).

DINESERV was proposed as a relatively simple tool for determining how consumers view a restaurant’s quality. Kim and Moon (2009) admitted that all DINESERV dimensions had a significant positive effect on overall customer satisfaction and revisit intention. This model helps restaurant operators determine the importance of its dimensions. The 29-item DINESERV inventory consists of service-quality standards that fall into five categories: assurance, empathy, reliability, responsiveness, and tangibles.

Many studies have cited the importance of service quality for customer satisfaction with a service encounter (Stevens et al., 1995; Qu, 1997; Pettijohn et al., 1997). In restaurant, service quality is essential in determining both customer satisfaction and return intention. Klassen et al. (2005) studied food service planning on campus. Most customers
visit restaurants because of good food, quality service, and a pleasant service environment (Yuksel & Yuksel, 2003).

The meaning of value, however, is relative. It might be a low price for some consumers, or “the quality the consumer gets for the price he/she pays” (Yuksel & Yuksel, 2003). Klassen et al. (2005) argued that price is the most important criterion. Even though most food outlets’ pricing is already discounted, price is still the main concern for students when they make food purchase decisions.

**Customer satisfaction**

Customer satisfaction is a feeling of pleasure or disappointment concerning the organization’s services (Oliver 1981). Some service attributes are described, which, if present satisfies consumers and, if absent, dissatisfies consumers. The attributes are “satisfiers” and “dissatisfiers” (Johnston, 1995). Customer satisfaction is defined as the cognitive state of the buyer about appropriateness and inappropriateness of the benefit received for service experienced (Howard & Seth, 1969). Consumers cannot remember or know the actual prices sometimes, and they perceive it in the way they find it meaningful (Dickson & Sawyer, 1986).

It has been found that good restaurant image has a positive impact on consumers buying intentions and repeat purchases, and it will lead to higher satisfaction which is good for business (Ryu et al., 2008).

Consumer’s perceived value can estimate behavioral intentions and customer satisfaction (Patterson & Spreng, 1997; Ryu et al., 2008). It has also been found that value has a positive impact and direct relationship with customer satisfaction levels (Patterson and Spreng, 1997). Many studies (Han & Ryu, 2009; Kim & Moon, 2009; Namkung & Jang, 2007; Oliver, 1999; & Ryu et al., 2008) have confirmed that perceived value has a significant impact on customers repurchase intentions and positive word-of-mouth. Contrary to this, dissatisfied customers are likely to spread negative word-of-mouth.

**Word-of-mouth**

Most of the restaurant dinners are found to have people for on the basis of recommendations by friends and family. Consumers’ purchase decisions are very likely to be affected by the Word-of-Mouth (WOM) communication. Positive or negative verbal communication between various groups come under the umbrella of word-of-mouth...
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(Ennew et al., 2000). A new consumer would only be attracted through positive word-of-mouth by the old consumers.

**Revisit intention**

Consumer forms an attitude toward the service provider based on the experience of service. This attitude can be a steady dislike or like of the service. It is linked to the consumer’s intention to re-patronize the service. Intention is subjective judgments about how a person will behave in future and it is usually serves as dependent variable in many service research and satisfaction models (Boulding et al., 1993; Soderlund & Ohman, 2003). Weiss (2003) further stated that customer’s revisit intention is influenced by customer with restaurant attribute. Furthermore, some repeaters’ intentions may be influenced largely by promotional efforts to recall their positive memory and by disseminated information on new attractions (Um et al., 2006). Customers who perceived an excellent and memorable experience from the restaurant will form a favorable behavioral intention such as recommending the restaurant to others, spread positive word-of-mouth or become a loyal customer that will ultimately lead to revisit intention (Boulding et al., 1993). Besides, employees giving customer special attention and consideration will make customers feel unique and thus increase their behavioral intention (Bitner, 1990). Additionally, environment and entertainment of a restaurant will elicit customer affective response and thus influence revisit intention (Kim & Moon, 2009; Jang & Namkung, 2009).

Generally, repeat customers are more profitable than new customer acquisition. To ensure customer will revisit to the restaurant, retaining customer would be the most important strategy to be used by restaurant because the cost of attracting a new customer is always greater than the cost of retaining existing customer (Fornell, 1992). Evidence from study of Chaudhry (2007) has proven that repeat customers generate over twice as much gross income as new customers. However, factors that influence customer satisfaction may not necessarily influence revisit intention (Namkung & Jang, 2008). Repurchase intention is rather a critical part of attitudinal constructs (Evanschitzky et al., 2006).

**Customer satisfaction, word-of-mouth and revisit intention**

Some studies have found that customer satisfaction with a restaurant’s food quality is a powerful predictor of customer intent to return (Oh, 2000; Qu, Pettijohn et al., 1997). Weiss (2003) concluded that customer satisfaction with restaurant attributes is influential in predicting customers’ revisit intention. Also, Ranaweera and Prabhu’s (2003) confirmed...
that satisfaction and trust both have a strong positive association with customer retention and positive word-of-mouth endorsement. A high level of customer satisfaction leads to an increase in repeat business. The ability to judge customer satisfaction levels and apply that knowledge is a critical starting point for maintaining long-term customer retention.

Moreover, most of the satisfaction theories indicate that satisfaction is a relative concept (Yuksel & Yuksel, 2003) and is constantly judged about a specific standard. Stevens et al. (1995) found that high level customer satisfaction with service quality leads to the propensity to revisit the dining unit.

Word-of-mouth communication simply involves people sharing an assessment of their experiences. Word-of-mouth communication, which relates both to positive and negative evaluations of service encounters, has been shown to influence other people’s purchase behavior. Positive word-of-mouth communication emerges from good service encounters, while negative communication generally follows unsatisfactory encounters (Susskind, 2002). Struebing (1996) stated that can generate revenue streams by attracting new customers via word-of-mouth recommendations and increasing the percentage of repeat customers. Rust et al. (1995) showed that managers believe that an overall increase in revenue results from more effective advertising and promotional efforts. They also claimed that word-of-mouth recommendations from friends, family, and colleagues who are satisfied with a company or restaurant have a measurable impact on sales. Hence, following theoretical framework and hypotheses have been tested.

**Figure 1:** Theoretical Framework

H1: Satisfied customers tend to revisit restaurants.

H2: Satisfied customers tend to spread positive word-of-mouth about the restaurants.
RESEARCH METHODOLOGY

Research design

Research design is a set of advanced decisions that make up the master plan specifying the methods and procedures for collecting and analyzing data (Burns and Bush, 2014). This study was conducted on the survey based descriptive research design within the realm of positivism. Therefore, this quantitative research tests two different hypotheses using inferential statistical methods.

Population and sample

It was difficult to identify the number of customers dining in the restaurants. The sample of this study comprises customers who dine at the restaurant for lunch or dinner or any service. A total of 2000 self-administered questionnaires designed on google forms were delivered via e-mails and social media including Facebook groups, Gmail and Microsoft Outlook. Out of those, 399 questionnaires were collected from the mailed survey. The sample characteristics have been presented in Table 1.

<table>
<thead>
<tr>
<th>Frequency of visit</th>
<th>Freq.</th>
<th>%</th>
<th>Purpose of visit</th>
<th>Freq.</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Once in a week</td>
<td>147</td>
<td>36.8</td>
<td>Meetings</td>
<td>23</td>
<td>5.8</td>
</tr>
<tr>
<td>Sometimes</td>
<td>176</td>
<td>44.1</td>
<td>Business</td>
<td>222</td>
<td>55.6</td>
</tr>
<tr>
<td>Three times a week</td>
<td>40</td>
<td>10.0</td>
<td>Leisure</td>
<td>32</td>
<td>8.0</td>
</tr>
<tr>
<td>More than three</td>
<td>36</td>
<td>9.0</td>
<td>Others</td>
<td>122</td>
<td>30.6</td>
</tr>
<tr>
<td>Total sample (n)</td>
<td>399</td>
<td>100.0</td>
<td>Total sample (n)</td>
<td>399</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Author's calculation

Sampling technique

The target population of this study is those who dine out at restaurants frequently. The researcher determines to use a convenience sample to obtain a large number of completed questionnaires quickly and economically. After the hit by COVID 19, the data was collected from guests of different hotels and restaurants in Butwal sub-metropolitan city.
Measurement and scaling

The questionnaire was formed by adapting questionnaires from previous articles. The questionnaire measures participant’s opinion on the various dimensions of the restaurant - food quality (Jang & Namkung, 2009; Namkung & Jang, 2007), service quality (Parasuraman, 1988), physical environment quality (Jang & Namkung, 2009; Ryu & Jang, 2007, 2008), price and value (Ryu et al., 2008; Sweeney & Soutar, 2001), revisit intentions (Jang & Namkung, 2009), and word-of-mouth (Lim, 2016). A seven-point Likert scale ranging from 1 to 7 were used to measure consumers’ opinion on the different dimensions.

Pilot test and reliability

Statistical Package for Social Science (SPSS) version 23.0 was used to compute the Cronbach Alpha, which is the most commonly applied estimate of a multiple-item scale’s reliability (Zikmund et al., 2013). The Cronbach Alpha of the constructs Food Quality, Service Quality, Physical Environment Quality, and Perceived Price and Value are 0.836, 0.851, 0.895, and 0.890 respectively. Similarly, the Cronbach Alpha of the construct Revisit Intention is 0.939. According to Malhotra et al. (2017), the value of Cronbach’s Alpha higher than 0.60 would indicate satisfactory internal consistency.

Data analysis

Based on opinion survey, the means and standard deviations of the food quality, service quality, restaurant environment, price and value, and the revisit intention were computed using IBM SPSS 23. The customer retention was predicted on the basis of customer satisfaction using simple linear regression to test \( H_1: \) Satisfied customers tend to revisit restaurants. Since the word-of-mouth is dichotomous, the binomial logistic regression with yes (0) or no (1) was applied to test \( H_2: \) Satisfied customers tend to spread positive word-of-mouth about the restaurants. The log distribution (or logistic transformation of p) is also called logit (p). A logistic transformation of the odds (referred to as logit) serves as the depending variable.
RESULTS AND DISCUSSION

Customer Satisfaction

Table 2 shows the perceived customer satisfaction on its four dimensions. The physical environment quality has the highest mean score value (25.13) among the four dimensions. It means, for most of the respondents, the physical environment quality is the most valuable dimension.

Table 2: Descriptive statistics of customer satisfaction

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food quality</td>
<td>24.08</td>
<td>5.56</td>
</tr>
<tr>
<td>Service quality</td>
<td>24.66</td>
<td>5.82</td>
</tr>
<tr>
<td>Physical environment quality</td>
<td>25.13</td>
<td>6.07</td>
</tr>
<tr>
<td>Price and value</td>
<td>19.82</td>
<td>4.91</td>
</tr>
</tbody>
</table>

Source: Author’s calculation

The corresponding standard deviation of physical environment quality is also highest (6.07) among all revealing the diversity in customers' perception.

Revisit Intention

Table 3 reveals that the prompt responsiveness and exceptional service experience have the highest mean scores (5.19). Offering exceptional food quality and revisiting the restaurant has got the lowest mean score value (4.99). In addition, these statements have the lowest standard deviation (1.41).

Table 3: Descriptive statistics of revisit intention

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>I will visit the restaurant more often in future due to its warmth and</td>
<td>5.10</td>
<td>1.48</td>
</tr>
<tr>
<td>atmospheric quality</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I will revisit the restaurant due to its prompt responsiveness and</td>
<td>5.19</td>
<td>1.41</td>
</tr>
<tr>
<td>exceptional service experience.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am extremely satisfied with this restaurant business, thus keeps my</td>
<td>5.19</td>
<td>1.46</td>
</tr>
<tr>
<td>interest to revisit the restaurant</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The restaurant offers me an exceptional quality of the food, which</td>
<td>4.99</td>
<td>1.45</td>
</tr>
<tr>
<td>allows me to revisit the restaurant with new food offerings.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The restaurant menu pricing is worth its value to revisit the restaurant</td>
<td>5.08</td>
<td>1.43</td>
</tr>
</tbody>
</table>

Source: Author’s calculation
Word-of-mouth

As reported in Table 4, Out of 399 respondents, 81.20% of the respondents transmit positive word-of-mouth when they are satisfied. Similarly, 18.8% of them do not transmit any word-of-mouth messages regardless of their level of satisfaction.

Table 4: Descriptive statistics of word-of-mouth

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Freq.</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes (0)</td>
<td>324</td>
<td>81.20</td>
</tr>
<tr>
<td>No (1)</td>
<td>75</td>
<td>18.80</td>
</tr>
<tr>
<td>Total</td>
<td>399</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Source: Author’s calculation

Customer Satisfaction and Revisit Intention

Figure 2 reveals the distribution of revisit intention across the sample. The bell-shaped distribution of data means they are normally distributed. Similarly, Figure 3 is the scatter plot showing the relationship between customer satisfaction and revisit intention. Since no any fanning has been observed in the figure, it is claimed that the data has homogeneous distribution.

Now, the value of constant (a) is 0.851, and the beta coefficient is 0.264 (see table 5). Since the p-value of constant (0.343) is higher than the level of significance (0.05), the t-value of 0.949 is not significant. However, the p-value of the beta coefficient (0.000) is lesser than the significance level, revealing that it is significant. Similarly, since the p-value
of $F$-statistic is 0.000, the null hypothesis ($H_0$) is rejected at 1% level of significance. This means there is a significant impact of customer satisfaction on revisit intention. Again, because the value of $R$-squared is 0.667, it states that the 66.7% variation in revisit intention is explained by customer satisfaction.

**Table 5: Regression of customer satisfaction on revisit intention**

<table>
<thead>
<tr>
<th>Statistics</th>
<th>Constant</th>
<th>Beta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coefficient</td>
<td>0.851</td>
<td>28.170</td>
</tr>
<tr>
<td>t-value</td>
<td>0.949</td>
<td>0.000</td>
</tr>
<tr>
<td>p-value</td>
<td>(0.343)</td>
<td>(0.000)</td>
</tr>
<tr>
<td>F-value</td>
<td>793.562</td>
<td>0.667</td>
</tr>
</tbody>
</table>

*Source: Author’s calculation*

Hence, the hypothesis 1 (satisfied customers tend to revisit restaurants) has been established at the 1% level of significance.

**Customer Satisfaction and Word-of-mouth**

**Block 0: Beginning block**

This block presents model results with no predictor, only the intercept term and such model are known as the baseline models.

**Table 6: Variables in the equation (Block-0)**

<table>
<thead>
<tr>
<th>B</th>
<th>S.E.</th>
<th>Wald</th>
<th>df</th>
<th>Sig.</th>
<th>Exp(B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>-1.463</td>
<td>0.128</td>
<td>130.399</td>
<td>0.000</td>
<td>0.231</td>
</tr>
</tbody>
</table>

*Source: Author’s calculation*

The initial log is constant as included in the model. The initial-2 log-likelihood is 385.646, and the numbers of iteration are 4.

**Block 1: Method = Enter**

This block presents the model's results with predictor and intercept.

**Table 7: Model summary**

<table>
<thead>
<tr>
<th>Step</th>
<th>-2 Log likelihood</th>
<th>Cox &amp; Snell $R^2$</th>
<th>Nagelkerke $R^2$</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>323.392</td>
<td>0.144</td>
<td>0.233</td>
</tr>
</tbody>
</table>

*Source: Author’s calculation*
Table 7 depicts the values of the statistics: -2log Likelihood (-2LL) of the full model, Cox & Snell R-Squared and Nagelkerke R-Squared, where the last two statistics explained variation computed by two methods. These values are sometimes referred to as pseudo R\(^2\) values. Here the pseudo R\(^2\) ranges from 14.4\% to 23.3\%, depending on the Cox & Snell R\(^2\) or Nagelkerke R\(^2\) methods, respectively. Since the value of pseudo R\(^2\) is 0.233, it states that the 23\% variation in word-of-mouth is explained by customer satisfaction.

Table 8: Hosmer and Lemeshow test

<table>
<thead>
<tr>
<th>Step</th>
<th>Chi-square</th>
<th>df</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>6.033</td>
<td>8</td>
<td>0.644</td>
</tr>
</tbody>
</table>

Source: Author’s calculation

This test is the goodness of fit test of the model where the null hypothesis is “the full model is a good fit to the data”, and the test is the Chi-squared value with 8 df is 6.033. The test suggests that the model is an excellent fit for the data since the p-value is 0.644.

Table 9: Variables in the equation

<table>
<thead>
<tr>
<th>Predictors</th>
<th>B</th>
<th>S.E.</th>
<th>Wald</th>
<th>df.</th>
<th>Sig.</th>
<th>Exp(B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CS</td>
<td>-0.055</td>
<td>0.008</td>
<td>49.716</td>
<td>1.000</td>
<td>0.000</td>
<td>0.947</td>
</tr>
<tr>
<td>Constant</td>
<td>3.319</td>
<td>0.655</td>
<td>25.657</td>
<td>1.000</td>
<td>0.000</td>
<td>27.642</td>
</tr>
</tbody>
</table>

Source: Author’s calculation

On the basis of maximum likelihood estimates of the parameters of variables, the value of customer satisfaction is -0.555, and the constant is 3.319 with standard error of 0.008 and 0.655, respectively (see table 9). The Wald-test carries out the test of significance of each estimate is Chi-square with 1 degree of freedom. The odds ratio of customer satisfaction is 0.947.

Table 10 reveals that the area under the ROC curve is 0.228. In this case, the area of 0.228 is statistically insignificant as compared to the area of 0.5. The initial log is 385.646, and the iteration number is 5. The Pseudo R\(^2\) (R squared) is 0.233 revealing that customer satisfaction would explain approximately 23\% percent of the word-of-mouth communication among the customers of restaurants. The Odds ratio is 0.947 suggesting that the model can be further improved, because the Odds ratio greater than 1 is considered to be robust model.
Table 10: Test result variable(s): CS predicted probability

<table>
<thead>
<tr>
<th>Area</th>
<th>Std. Error</th>
<th>Asymptotic Sig.</th>
<th>Asymptotic 95% Confidence Interval</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.228</td>
<td>0.029</td>
<td>0</td>
<td>0.171 0.285</td>
</tr>
</tbody>
</table>

The test result variable(s): CS has at least one tie between the positive and negative actual state groups.

a. Under the nonparametric assumption.

Source: Author’s calculation

The value of constant (a) is 3.319, and the beta coefficient is (-0.055). The level of significance is 0.000 in both cases. The negative sign of the coefficient of customer satisfaction (-0.055) implies that word-of-mouth occurs if the customer is dissatisfied. Whereas, there is no word-of-mouth when the customer is satisfied. Bone (1995) also argue that negative word-of-mouth is at least equally, if not more, influential than positive word-of-mouth in affecting attitudes. Lastly, one should derive at “negative” conversion rates, i.e., the probability that negative word-of-mouth leads to the non-acquisition of an otherwise newly recruited customer (Wangenheim & Bayón, 2007).

CONCLUSION AND IMPLICATION

Following to the first research hypothesis, the relationship between customer satisfaction and their revisit intention in the context of restaurant business has to be measured using the linear regression model. On the basis of statistical parameters (including F-test and the corresponding p-values of Y-intercept and slope), we can conclude that there is positive impact of customer satisfaction on their revisit intention. Similarly, the second hypothesis was tested using binary logistic regression since the probability of happening word-of-mouth was dichotomous (either 0 or 1). It is concluded that the word-of-mouth is likely to take place if the customer is dissatisfied with the restaurant service quality. The probability of happening positive word-of-mouth, if customers are satisfied is less likely to take place than the probability of happening negative word-of-mouth, if customer are dissatisfied.

In a highly competitive restaurant business, marketers must understand which dimension can influence customer satisfaction to gain a competitive advantage in the market. The evidences suggest that the marketers should emphasize delivering positive food quality, service quality, perceived price and physical environment aspects as these can
impact the satisfaction of consumers and result in positive word-of-mouth and repeated sales. To maintain and improve food quality, restaurant managers must emphasize using high-quality food ingredients. In this way, from a theoretical perspective, this study contributes to the hospitality and tourism literature. Also from a managerial perspective, the restaurant managers need to satisfy their customers so that they would not spread negative word-of-mouth.

The world has already been captured by Information and Communication Technology (ICT). People communicate about various brands or stores via social media. Therefore, online word-of-mouth communication is to be studied due to the increasing trend in digital marketing.

REFERENCES


