FACTORS INFLUENCING CUSTOMER REPURCHASE INTENTION IN THE FAST FOOD INDUSTRY. A CASE STUDY OF INNSCOR - MUTARE, ZIMBABWE

Michael Fungai
Africa University, Zimbabwe

Abstract

This research is focused on finding the factors that influence customer repurchase intentions in the fast food industry. Fast food concepts have developed very rapidly in last few years in Zimbabwe. The failure or success of a fast food industry is based on some factors like Promotion, Service quality, Customer expectations, Brand, Physical Environment, Price, and Taste of the product. To find which of these factors has a greater influence on consumer retention, four fast food restaurants were targeted randomly. These four restaurants were CHICKEN INN, PIZZA INN, CREAM INN AND FISH INN. The data was collected from the customers of these restaurants when the customers were in for refreshment. A total number of customers who were targeted was 80. From each restaurant 20 customers were targeted on an availability basis. On the basis of their responses, multiple regression and correlation tests were applied. Findings of the study show that service quality and brand are the key factors for retention in the fast food industry in Mutare CBD.

KEYWORDS: Political Marketing, social media, trust, loyalty, voting intention, Youth, South, South Africa.

Address Correspondence to Michael Fungai– Africa University, Zimbabwe.

Email: mchlfng3@gmail.com

Business & Social Science Journal (BSSJ)
Volume 2, Issue 1, pp. 113 - 133
(P-ISSN: 2518-4598; E-ISSN: 4518-4555)
January 2017
1.0. Research Background

The concept of repurchase intention is adopted and modified from both social psychology and marketing perspectives. In social psychology, the intention to continue/to stay in a relationship is referred to as relationship maintenance by Social Exchange Theory and also by Investment Model of Commitment. Customers’ repurchase intention or customer retention is referred to as a key to Defensive Marketing strategies and business success in general (Cronin et al., 2000). As competition and costs of attracting new customers increase, companies are focusing on defensive strategies (Barlette, 2007). They focus on protecting the current customer or making them repurchase rather than primarily concentrate on the Offensive Marketing Strategies (Fornell, 2007) which focus on acquiring new customers and increasing market share. By following this key to a Defensive Strategy, it is important for academic researchers to understand the significance of factor influence or determinants of repurchase intentions/ customer retention (Dow, 2006). The research paper is based on the most factors that influence customer repurchase intention in the fast food industry which include the expectation-disconfirmation paradigm, promotion, service quality, customer expectation, brand, product quality or reliability, physical design, price, emotions and perceptions and other people.

This research paper throws light on these variables and tells how they are important. Consumers who go to restaurant for a family celebration will often look for quality, environment and exceptional employee service. There is a possibility that consumers who go to restaurants for a family celebration will often ignore the high price of the restaurants because they want high quality and pleasurable environment for their celebration. Consumers who go to restaurants just because there is no one to cook at home or they are far from their homes will often look for low price and they will sacrifice the exceptional security and service and quality of food. The business people like family celebration consumers will also focus more on quality and environment instead of low price because they are business people and high quality is mostly in their budget. They can afford high price for high quality. Customer retention is a very important indicator for measuring organisational performance (Kaplan and Norton, 2001).

Quality and customer satisfaction have long been recognised as playing a crucial role for success and survival in today's competitive market. Not surprisingly, considerable research has been conducted on these two concepts. Customers who are satisfied pay more tips and help business by becoming its ambassadors and also link other businesses. There is a high correlation between customer retention and profitability (Reicheld and Sasser, 2000). Retained customers are much more profitable and less costly than acquiring new customers. Innscor Holdings, which owns the chain of ‘Inn’ fast food outlets is expanding its business. The company has taken over many buildings in the CBDs of Zimbabwe converting them into takeaways. Many new players have also emerged claiming their slice of the cake, among them Bhello, Chicken Slice, and KFC. Due to market competition and availability of businesses, an organisation needs to focus on the degree to which a customer is satisfied with its products and/or services of the organisation. Thus, the researcher would like to say that customer retention intention is becoming an important issue and concern for an organisation, particularly for fast-food businesses, such as Innscor Mutare. This research is done by collecting data from respondents through questionnaires which are based on five-point Likert scale on the basis of the above-mentioned variables/factors. So, the study of customer retention intention at Innscor Mutare in Zimbabwe can be considered as time worthy and most effective research project.

1.1. Statement of the problem

Customer repurchase intention is of paramount importance to business practitioners because it is an indication of business continuity, future revenue generation prospects and hence business profitability. The success and failure of fast food industry depend on several key aspects, the price
of the products, quality of products, services to the customers, promotions, customer expectations, brand, physical distribution and location of the store, and taste of the product and other related things. The importance of these factors is well documented in the fast foods industry literature, especially in Europe, the USA, Asia and now Africa. However, a research gap is identified by the current study that hardly can one find studies in the same area in the African context. The contributions of this study are expected to be academic and practical oriented. On the academic front, the current study is expected to generate new literature on customer repurchase intention predictors from an African perspective.

1.2. Aim of the study

The aim of the study is to assess the factors influencing customer repurchase intention in the fast food industry.

1.3. Objectives of the study

1. The study seeks to achieve the following objectives:
2. To understand customer repurchase intention
3. To evaluate the common factors affect customer repurchase intention
4. To investigate the impact of customer decline at Innscor Mutare
5. To assess the major factors influencing customer retention at Innscor Mutare
6. To outline the possible measures to increase customer retention
7. To explore repurchase intentions from customer’s perspective.

2.0. LITERATURE REVIEW

2.1. The Expectation-Disconfirmation Paradigm

Devlin et al. (2002) expectation-disconfirmation paradigm (see Figure 1) is a widely used concept when assessing customer satisfaction with tourism and hospitality services, despite its issues concerning reliability and validity (Yüksel and Yüksel 2001). Smith and Houston (2000) agree with the opinion that satisfaction with services relates to either confirmation or disconfirmation of expectations. It states that customer satisfaction is dependent on “the size and direction of the disconfirmation experience where disconfirmation is related to the person’s initial expectations”. In other words, a disconfirmation or difference between customer’s expectations that formed prior to the service experience and what the customer actually receives is a key determinant of customer satisfaction Webb 2000; Rust and Chung (2006). Although these approaches that do not take into account expectations when looking at customer satisfaction exist (Robledo 2001), this paper will assume that the expectations play an important role.
Johnston and Clark (2008) note that a company is able to manage customer satisfaction by influencing the expectations that a customer has about a service using various tools such as promotional campaigns with suitable positioning, adequate pricing strategies, etc. (Robledo 2001). Therefore, raising expectations to an inadequate level by promising “perfect” service, when the company knows it cannot be delivered, is not a good approach.

2.2. Customer Repurchase Intention

Customers repurchase intention depends on the value obtained in their previous transactions. "Knowledge of the customer's segment to serve, its needs and wants how to get it done better and faster than competitors becomes an imperative task to carry out Okewu, (2005). Customers evaluate future purchase intentions based on the value obtained from previous contacts with relationship benefits being a proxy for expectations of future benefits. The measures of repurchase intention are usually obtained from surveys of current customers assessing their tendency to purchase the same brand, same product/service, from the same company. Cronin et al., (2000) has treated “behavioural intentions” and “repurchase intention” and as synonymous constructs. Ranaweera and Prabhu (2003) defined “future behavioural intentions” as the future propensity of a customer to continue or to stay with their service provider, while some researchers have used the term “customer retention” to describe the construct with this definition. Repurchase intention is the individual’s judgment about repeating purchase again in the same firm (William and Auchil 2002). The reason why customers decide to choose the same service provider and purchase the same service is on the basis of their past experiences. Repurchase intention involves an individual’s judgment about the same firm that satisfies its needs and an evaluation of current service situation (McDougall and Levesque, (2002). Fornell (2007) suggested that customers repurchase intention is essentially the most important concept of in marketing. It is the core concept of customer loyalty which is generally considered to be one of the best measurements of customer constancy and it is one of the ways to examine buyer loyalty behaviour.
An extensive review of past literature from 2003 till present has been done on customer retention practices among service-oriented firms (refer to Table 1). Briefly, influencing factors of customer retention practices are customer satisfaction, switching barriers, price perception, and customer loyalty, perceived service quality and customer service. In addition, the measurements of customer retention practices are repeat purchases and positive word of mouth. Besides, non-financial metrics were identified as the most appropriate measures for evaluating the firm's performance resultant of customer retention practice.

Practitioners and academics provide important devotion to customer retention practice as it is proven to improve firm's performance (Villanueva and Hanssens, 2007). Yap and Kew (2007) had further explained that the improvement in firm's performance is possible with employment of appropriate marketing strategies that could increase customers' spending and subsequently firm's sales volume. Customer retention is essentially defined as customer's commitment towards the firm and its offerings for a specific period of time through their repeat purchases and tendency in spreading positive word of mouth among their social circle (Kumar, et al. 2007; Han et al. 2009; Jeng and Bailey, 2012).

Repeat purchase intention is regarded as the customer's decision about repurchasing a chosen service from the same service provider, taking into consideration the customer's present condition and other possible occurrences (Yap and Kew, 2007). Customer's emotional attachment such as loyalty and commitment towards a service provider frequently influences repeat purchase intentions (Han et al. 2009). Studies found that satisfied customers with a positive experience will repurchase which will, in turn, improve firm's performance (Chiu, 2010). It implies that customers' repeat purchase intention is indirectly influenced by services provided to customers, which will subsequently create favourable experiences for them (Park et al. 2010).

Kotler P. and Keller K. L (2012) argue that companies need to monitor and improve the level of customer satisfaction. The higher the customer satisfaction, the higher the retention. Here are four facts:
1. Acquiring new customers can cost 5 to 10 times more than the costs involved in satisfying and retaining current customers.
2. The average company loses between 10 and 30% of its customers each year.
3. A 5% reduction in the customer defection rate can increase profits by 25 to 85%, depending on the industry.
4. The customer profit rate tends to increase over the life of the retained customer.

2.2. Determinants of Customer Repurchase Intention
2.2.1. Customer Satisfaction
Farris, Paul W.; Bendle N. T.; Pfeifer P. E. ; Reibstein D. J. (2010) define customer satisfaction as a measure of how products and services supplied by a company meet or surpass customer expectation.

Customer satisfaction is defined as "the number of customers, or percentage of total customers, whose reported experience with a firm, its products, or its services (ratings) exceeds specified satisfaction goals." In a survey of nearly 200 senior marketing managers, 71 percent responded that they found a customer satisfaction metric very useful in managing and monitoring their businesses. Farris, Paul W; Bendle N. T.; Pfeifer P. E. ; Reibstein D. J. (2010) believe that Customer satisfaction provides a leading indicator of consumer purchase intentions and loyalty. Customer satisfaction data are among the most frequently collected indicators of market perceptions. Their principal use is twofold:

Author: Michael Fungai
1. Within organisations, the collection, analysis and dissemination of these data send a message about the importance of tending to customers and ensuring that they have a positive experience with the company's goods and services.

2. Although sales or market share can indicate how well a firm is performing currently, satisfaction is perhaps the best indicator of how likely it is that the firm’s customers will make further purchases in the future. Much research has focused on the relationship between customer satisfaction and retention. Studies indicate that the ramifications of satisfaction are most strongly realised at the extremes.

![Figure 2.1](image)

**Figure 2.1**
A business ideally is continually seeking feedback to improve customer satisfaction.

On a five-point scale, individuals who rate their satisfaction level as '5' are likely to become return customers and might even evangelise for the firm. (A second important metric related to satisfaction is a willingness to recommend. This metric is defined as "The percentage of surveyed customers who indicate that they would recommend a brand to friends." When a customer is satisfied with a product, he or she might recommend it to friends, relatives and colleagues. This can be a powerful marketing advantage.) Individuals who rate their satisfaction level as '1,' by contrast, are unlikely to return. Further, they can hurt the firm by making negative comments about it to prospective customers. **Willingness to recommend** is a key metric relating to customer satisfaction.

### 2.2.2. Promotion

Promotion involves a marketer’s initiated techniques directed at a target audience in an attempt to influence attitudes and behaviour (Bearden et al., 2007). There are five major categories of promotion: advertising, public relations and publicity, sales promotion, personal selling and direct marketing. Huang (2011) promotion is a different form of activities for attracting and getting the attention of customer to purchase the product or service through personal selling, public relations, sales promotions and advertising. According to Kurniawan (2010), promotion of product or service helps in the best way to build a relationship with customers because everyone is looking for the best suitable deal for them. Athanassopoulos (2000) describes that customers want to see what they are looking for. Myers (1998) promotion is for reducing the feeling of guilt which is associated with the use of different products or service which result in customer satisfaction. Schefter (2000) another common factor which is helpful to drive customer retention is a website. Web presence is the advanced use for promotion, to make the consumers aware and to satisfy them...
with offering a vast array of function and features. Before making choice of product offering, the potential customer has an opportunity through the website to make a detailed comparison Khatibi (2007). When information like discounted products and other special offers on different products travels to the public, this could increase the level of customer satisfaction, therefore, retention Kandampully (2002).

Promotion giveaways definitely are the best selling point of a kid's meal in a fast food restaurant. According to a researcher, he found that McDonald's and Burger King were responsible for almost all of the advertisements for kids' meals, also 69 percent of those advertisements for kid's meals featured promotion toy giveaways and 55 percent included movie tie-ins (Princeton, 2013). All of the fast food commercials on the television program are targeted to kids, 79 percent of the 25,000 commercials advertised on four different children television channels which are Nickelodeon, Nicktoons, Cartoon Network and Disney XD. Recently, one study found that fast food advertising only cares about how to get children to play with promotion giveaway toys (Weller, 2013). The marketing focus on children and toddlers seems to be working efficiently. According to the report, it shows up to 40% of the family reported that their child requested to go to McDonald's at least once a week, and 15% of preschoolers' parents said they receive such request nearly every day. 84% of the family reported they have been bringing their 2-to-11-year-olds children to a fast food restaurant within the previous week (Melnick, 2010).Sales promotion encompasses all promotional activities other than advertising, personal selling and public relations. Laroche et al., (2002), consider sales promotion as “an action-focused marketing event whose purpose is to have an impact on the behaviour of the firm's customers.” Several important aspects of sales promotions should be highlighted to complete this definition. First, sales promotions involve some type of inducement that provides an extra incentive to buy and this represents the key element in a promotional program. Kotler et al., (2012) further added that those incentives are additional to the basic benefits provided by the brand and temporarily changes its perceived price or value. It is also primarily seen as an acceleration tool designed to speed up the selling process and maximise sales volume (Srinivasan et al., 2004).

2.2.3. Service quality
In the restaurant industry, in particular, service quality refers to the level of service provided by restaurant employees, which in turn depends on upon the interactions between customers and restaurant employees (Ha & Jang 2010: 521). These interpersonal service experiences ultimately serve as a way for customers to evaluate the quality of the service offering, and to form their overall quality perceptions of the restaurant (Ryu et al. 2012: 201). By providing quality service, businesses can ultimately improve satisfaction and minimise service failures, and successfully attract and retain customers (Tesfom & Birch 2011: 378). Therefore, building on customer-employee interactions should result in high levels of restaurant service quality, which should result in customer satisfaction (Ryu et al. 2012: 201). In recent years, researchers have moved beyond the simple study of the service quality customer retention relationship, to an investigation of the conditions that influence the strength of that relationship, including the theory that customer commitment serves as a mediator of the service quality-loyalty relationship (Bansal et al., 2004; Fullerton, 2005; Caceres and Paparoidamis, 2007; Vesel and Zabkar, 2010). As a mediator, commitment tends to significantly explain the relationship between background evaluative constructs, including service quality, and customer intentions about the relationship, such as intent to remain a customer (Morgan and Hunt, 1994; Fullerton, 2005).

Customer retention has been a significant variable of interest in the relationship marketing literature because one of the cornerstones of the field is that it is more efficient for the organisation

Author: Michael Fungai
to focus its efforts on retaining existing customers than acquiring new customers (Luo and Homburg, 2007). The rationale for investigating the potential mediating effects of customer commitment is that many service encounters exist in the context of an existing service relationship, where the customer has a history with the service provider (Berry, 1995). Accordingly, researchers have attempted to merge two fields of investigation, services marketing and relationship marketing via the study of service relationships (Rust and Chung, 2006). Quantifying service quality is a difficult task because the idea of service quality is intrinsically insubstantial in nature and complicated to define (Kincaid, et.al & Busser, 2009). The concept of service quality comprises the tangible and intangible fundamentals that are essential to consumers. Service quality has been related to customer satisfaction, contentment and loyalty as well as the business performance, success and profitability (Raajpoot, 2002).

2.2.4. Attractiveness of alternatives
Kim et al. (2004) investigated that attractiveness of alternatives is the term of a distinctive and unique service that opponent of the existing service providers can’t offer. Benapudi and Berry (1997) explored that customer always stays with that firms which offer distinguished services. Tahtinen & Vaaland (2006) investigated that low attractiveness of alternative favours the retention of customers. Colgate and Norris (2001) investigated that if customers consider that alternative firm has parallel feature, then the observation of high barriers to leaving is emphasised. Jones et al. (2000) investigated that when practical substitutes are absent; the possibility of switching a current association reduces. The attractiveness of alternatives refers to customer perceptions regarding the extent to which viable competing alternatives are available in the marketplace (Jones et al., 2000). When viable alternatives are lacking, the probability of maintaining an existing relationship increases (Patterson & Smith, 2003). Jones et al. (2000) find that as the attractiveness of competing alternatives decrease, the relationship between core-service satisfactions and repurchase intentions will diminish. Likewise, if customers are either unaware of attractive alternatives or do not perceive them as any more attractive than the current relationship, then they may stay in that relationship, even when it is perceived as less than satisfactory. Owing to the decrease in attractive alternatives, customers with a lower satisfaction may stay with a service provider, but they will reduce the tendency to recommend the provider to other customers. Therefore, this work expects that when alternatives are less attractive, the relationships between customer-perceived value, service quality, corporate image, and recommend intentions may become enhanced.

2.2.5. Brand
Kurniawan (2010) branding is one of the factors which has been identified repeatedly as affecting customer choice of selected product. Branding has an impact on purchase decision of consumers. The more a brand succeeds in the earlier period the more value for its brand can be generated. A firm may have various images that differ according to a specific group, such as clients, employees, and shareholders (Nguyen, Leclerc, & LeBlanc, 2013). Davies, Chun, Da Silva and Roper (2003) reported that anything can be a brand, such as a company, corporate or name. Pope, Voge and Brown (2009) pointed out that corporate image is considered as a portrait that incorporates of beliefs, ideas, and impressions; and the portrait can be the results of purchasing experiences and buying goods. Branding and its orientation have a significant impact on the contemporary act of consumption in restaurants. Undeniably, the previous century can be considered as the century of brands in marketing (Johnson and Champaner, 2004). Edifice brands have become a key focus of restaurant managers. Furthermore, restaurant managers are relating brand management theories and practices to restaurant management, and lots of restaurants are redesigning their business missions to imitate branding orientation rather than going for product orientation. There is also an influence of brand recall on consumer’s intention in choosing a restaurant for dining due to
different discount offers through different mediums of advertising that mostly include below-the-line activities that make restaurant diminish the perceived risk of paying more for food (Lowenstein, 2010). Seyed Javadin et al. (2010) carried out a study entitled "Evaluation of brand effect on Industrial customers retention" which wanted to study the relationship between customer loyalty factors and brand-related issues. Their method of data collection was a questionnaire which was distributed in the statistical universe of centres of the Xerox print providers in 22 districts of Tehran and its sample size was 150. It was tested by using structural equation analysis and Spearman correlation coefficient test. Results indicate that brand equity and trust are the most important factors influencing behavioral and attitude in patterns of customer loyalty.

Abdulvand conducted a study entitled "Examination of effective factors on Tejarat bank's customers" in 2006. Given the importance of customers in the banking industry, this study has investigated the concept of customer loyalty of Tejarat Bank through evaluating the variables of mental image, service quality and satisfaction. The Statistical universe was Tejarat Bank customers located in Tehran. The data were collected using questionnaire. The results suggest a direct effect of the mental image on satisfaction and service quality. Furthermore, service quality has a direct impact on customer satisfaction. Also, the quality of service and customer satisfaction has a significant impact on their loyalty. Allameh and Noktedan performed a study entitled "The effect of service quality on customer loyalty" in 1388. The aim of the study was to examine the relationship between the loyalty of customers and one of its key variables, i.e. service quality. In that study, the trust and satisfaction variables have been studied as intermediary variables, and for the evaluation of the data, questionnaires are used in Likert 7 choices type. The statistical universe was the guests of 4 and 5-star hotels in Isfahan, and the sample size was 67 and simple random sampling was used. The findings indicate a significant positive relationship between service quality and customer loyalty. In addition, the findings show the trust and satisfaction variables play a mediator role in the relationship between service quality and loyalty, and in turn have significant positive impact on creating loyalty.

Fahimi (2006) conducted a study entitled "Factors influencing the selection and customer loyalty in banking: a case study of depositors in Mellat Bank", and concluded that the choice of brand equity and customer deposit interest rate has a positive effect on customer's choices and service quality effectively has a positive effect on customer loyalty. In a study performed by Atilgan and colleagues entitled "Determining factors Influencing Brand equity: a study of the drinks industry" in Turkey in 2003. Hypotheses of this research evaluated the effect of perceived quality, brand loyalty, brand associations, brand awareness and on brand equity. The results of this study indicate that only brand loyalty variable has an effect of on brand equity, but three other factors (perceived quality, brand associations and brand awareness) have no effect on brand equity. Steven Taylor et al (2004) in an article entitled "The importance of brand equity on customer loyalty", according to Baldinger and Robinson view, have provided a model for customer loyalty under the influence of brand. They regard satisfaction, value, resistance to change, emotions, trust and brand equity among the factors have a significant impact on customer loyalty. Assessing the relationship between the components of the model has been used as a conceptual model to examine the role of brand in the formation of customer loyalty.
2.3.6 Product quality or reliability
Food quality is one of the most critical components of a dining experience (Namkung and Jang, 2007; Sulek and Hensley, 2004). Clark and Wood (1999) confirmed that food quality is a primary factor influencing customer loyalty in restaurant choice. While Susskind and Chan (2000) persisted that from the customer's perspective, food quality is a key determinant for visiting a restaurant. Mattila (2001) considered food quality as a key predictor of customer loyalty in casual-dining restaurants and Sulek and Hensley (2004) found that when compared with other aspects of the restaurant, such as environmental components and service quality, food quality is the most important element of customer satisfaction. Namkung and Jang (2007) tested the impact of food quality on customer satisfaction and behavioural intentions and found a positive relation between food quality and satisfaction or behavioural intentions. Kivela et al. (2000) considered several aspects of food quality such as tastiness of food, menu variety, and nutrition to examine the effect of excellent food on customer satisfaction and return patronage. Darian and Tucci (2011) added that nutrition food making consumers more health over time. For Raajpoot (2002), he used food presentation, serving size, menu design, and a variety of food to measure product quality (food quality) in the food service industry. Commonly used construct items include food taste, meal presentation, dish diversity, material freshness, adequate temperature (appropriately heated or cooled), sufficient serving portion, and healthy design. Additional items were included in studies targeting various themes. For example, food quality consistency was added in a study of theme restaurants in Singapore (MacLaurin & MacLaurin, 2000). Others items included: innovative food, for upscale restaurants in Spain (Soriano, 2002); accurate order, for chain restaurants (Gupta, McLaughlin & Gomez, 2007); correct menu and available utensils, for corporate internal training program meetings (Kim et al., 2009); and food security, for Chinese restaurants (Liu & Jang, 2009).

The evaluation of food quality applies to both food and beverages, and constructs adopted in previous works have been largely based on food attributes related to either the food content properties (e.g., appearance, taste, temperature, cleanliness, and serving size), the menu (e.g., variety, presentation, safety, health, and freshness), or other aspects (e.g., accessibility to utensils). In the research on restaurant food and service satisfaction, food quality has been identified as a decisive factor and was positively related to satisfaction (Back, 2012; Ryu & Han, 2010). Among the factors evaluated at Korean restaurants in the United States, food, ambience, service, and perceived value are factors that have significant positive effects on satisfaction, with food being the most influential. Regarding the relationship between service quality and satisfaction in upscale restaurants, Namkung and Jang (2008) studied the effects on satisfaction induced by food, physical environment, and service. They confirmed a positive relationship between food quality and satisfaction, where food appearance, temperature, and taste were most pertinent. Liu and Jang (2009) determined attributes that positively affect customer satisfaction in Chinese restaurants as food, service, and ambience. The most prominent factor was food attributes, which included taste, menu variety, food safety, food temperature, and appearance. In studying food service quality and satisfaction at chain restaurants, Hyun (2010) also found that food quality attributes (i.e., taste, appearance, and temperature) positively affect satisfaction. We, therefore, infer that food attributes positively influence food satisfaction. These food attributes are closely related to the menu selection and food content quality constructs used in this study. In different organisations, we should discover five most critical measurements which make a very good organisation these are generally program excellence, distinctiveness, trustworthiness, responsiveness assurance and etc. (Azadavar et al., 2011). Satya (2011) identified it is compulsory for corporations to maintain their
own excellence in quality mainly because a lot of people are more attentive to quality excellence as compared to price. Tsiaotso, (2006) identified a good primary influence associated with perceived quality upon acquiring intentions.

2.3.7 Physical design
Han and Ryu (2009) confirmed the positive relationship between three elements of the restaurant physical environment (i.e. décor and artefacts, spatial layout, and ambient conditions) and customer perceived value perception. Among the three dimensions, décor and artefacts were found to be the most influential driver of customer price perception. It is also been said that the environment and personnel that contacts with the guest had a positive impact on the perceived corporate image (Nguyen and Leblanc, 2002). It has been suggested that nice interior décor, good quality of food and service and the appropriate location is a key to building goodwill and brand image (Ryu et al., 2008). It has been confirmed that there is a positive relationship between restaurant's environment and consumer's perceived value (Han and Ryu, 2009). Dining atmospherics have an impact on the perceived value of the consumers (Liu and Jang, 2009). For instance, P.F. Chang’s China Bistro made their mark through innovative interior design and décor. Additionally, it can play a role as an important marketing tool by affecting customer responses such as attitudes, emotions, price perceptions, value perceptions, satisfaction, and behavior (Berry and Wall, 2007; Han and Ryu, 2009; Kim and Moon, 2009; Liu and Jang, 2009; Pullman and Gross, 2004; Pullman and Robson, 2007; Ryu and Jang, 2007). For instance, once inside the dining area, customers often spend hours observing (consciously and unconsciously) the interior of the dining area. These evaluations are likely to affect their attitudes towards the restaurant. In addition to the appeal of the dining area's architectural design, customers may be influenced by the colour schemes of the dining area, such as those adorning its walls and floor coverings. Other aspects of interior design, including furniture, pictures/paintings, plants/flowers, or wall decorations may serve to enhance the perceived quality of dining environments, eliciting emotions in a customer and influencing behaviour. Ryu and Jang (2008b) found that facility aesthetics was a significant antecedent of customers’ pleasure, arousal and behavioural intention in an upscale restaurant context. Knez and Kers (2000) examined the influence of indoor lighting, gender, and age on mood and cognitive performance. It was found that indoor lighting was an effective source that may convey emotional meanings differentiated by gender, age, or both. Lighting can be one of the most powerful physical stimuli in restaurants, particularly in upscale restaurants. While bright lighting at fast food restaurants (e.g., McDonald's) may symbolise quick service and relatively low prices, subdued and warm lighting in more genteel establishments may symbolically convey full service and high prices. Table placement has the ability to transmit a sense of privacy, portray the functionality desired, and operate as a boundary for the customer (Lin, 2004). Ryu and Jang (2008b) revealed that layout was a significant determinant of the level of pleasure in an upscale restaurant context.

2.3.8 Price
Price has a significant role in selecting a product. It is perceived that price set is likely to improve both post-purchase satisfaction and repurchase intention (Liu and Arnett, 2000; Srivastava and Lurie, 2001). Firms should also match prices with the value of the offerings to encourage repeat purchases which in turn influences customer acquisition and retention (Kukar-Kinney, 2006). From a company's point of view, the price is reward or value given in return of need fulfilment to the company. Perceived customer expectations and price should be in accordance with each other. Skindaras (2009) believes that we can discover a lot of merchandise on this planet possessing different price ranges. In the study of Antilla (2007), consumer's price perception must be analysed to understand its effect on their purchase decisions. Price is one of the four P's of Marketing Mix that has a significant role in the implementation of marketing strategy. (Kottler & Armstrong

Author: Michael Fungai
Han (2009) claim that one of the most adaptable factors which improved quickly is the pricing (Andalleb et al., 2006) the costs associated with restaurant merchandise furthermore vary according to the style of restaurant. If your price is large, clients may very well expect premium quality. Also, in the event the price is minimal, clients may perhaps believe that restaurant is poor in terms of merchandise and also program excellent.

The price of a product or service carries the information of their value and is the main factor influencing consumers' decision-making. Price reductions encourage consumers to try new products and make the decisions regarding the purchasing faster. For those consumers who have a higher perception of price, the amount of money they have to pay is the key factor in the decision-making process. Reducing their expenses means increasing their perceived value, i.e. price value. It is easy for consumers to realise that the price will rise if they miss the promotion. Meanwhile, low price of the product may make consumers feel that the product is very affordable. Thus, price promotions may result in raising the perceived value of the product or service and having an effect on consumers' purchase intention. Stewart and Davis (2005) further found that fast food prices are positively related to population and that there was no significant link between price and age. The population is likely positively correlated with fast food prices because as the population in an area increases, total demand for fast food is also likely to increase. A common response to increased demand for a product is to increase prices. Despite Stewart and Davis' (2005) finding that there is no significant link between age and price, age is expected to have an inverse relationship with the price because it also affects demand for fast food. Stewart, Blisard, Jolliffe, and Bhuyan (2005) found that age is inversely related to the demand for fast food. Thus, because of lower demand, fast food price is expected to be lower in areas with an older population.

2.3.9. Emotions and Perceptions

The emotional state of a customer while using a product or during the service delivery may largely affect their resulting satisfaction. On other words, the level of satisfaction is expected to be high when the customer is in a positive frame of mind, while negative feelings will lower their satisfaction. These mental states may have a significant impact on how a consumer reacts to a service and product, no matter how the good or service is delivered. Moreover, because customers hold different values and assess services differently, it is highly probable that the same service will be perceived differently (Mey et al. 2006). The perceptions of equity and fairness during a service delivery determine customer satisfaction to a great extent (Severt and Rompf 2006). Customers evaluate different aspects of fairness such as fairness during the interaction with the employees (the moment of truth), a fair distribution of quality and quantity of a product or service and the procedural fairness e.g. timely payment settlement (Servet et al. 2005).

2.3.10. Switching costs

Switching cost is simply defined as implications that customers encounter in switching to a new firm (Ranaweera and Prabu, 2003). Exit fees, search costs, learning costs, cognitive efforts are some of the switching costs which a customer needs to bear when he switches to a new firm (Ranaweera and Prabu, 2003; Kim et al. 2007). Hence, customers' preference to be committed and continue staying with the firm in order to avoid numerous switching costs is found to be one of the key drivers for the firm’s retention practice (Seo et al. 2008). Despite their dissatisfaction with the firm, some customers tend to stay longer with the firm mainly due to increases in the switching costs (Kim et al. 2007). In line with this, Han et al. (2009) had discovered that switching costs would positively influence the number of retained customers that a firm holds. According to Seo et al. 2008, duration of the relationship between the firm and customers, the complexity of services offered and firm's good communication skills are vital to increasing the switching cost borne by
customers which will then improve the current firm's retention practice. Perceived switching costs are consumer perceptions of the time, money, and effort associated with changing service providers (Jones et al., 2000). Burnham et al. (2003) conclude that procedural switching costs that are similar in meaning to perceived switching costs positively influence intentions to stay with a service provider. Liu et al. (2005, p. 560) indicate that ‘switching costs are typically being continuously developed and may reduce the relative importance of customer-perceived value perceptions on repurchase intentions’. Jones et al. (2000) find that as perceived switching costs increase, the relationship between core-service satisfactions and repurchase intentions will diminish. Jones et al. (2007) demonstrate that procedural switching costs which are similar in meaning to perceived switching costs (Jones et al., 2000) positively influence calculative commitment which in turn positively influences negative WOM. This finding implies that perceived switching costs are negatively related to recommending intentions. These conclusions imply that as perceived switching costs rise, owing to the decrease of corporate image, customer-perceived value, and service quality, dissatisfied customers may be forced to stay with a service provider. Being unable to switch at will may further reduce these customers’ tendency to recommend the provider to others. Thus, this work expects that the relationships between corporate images, customer perceived value, service quality, and recommend intentions become enhanced under high perceived switching costs.

3.0. CONCEPTUAL MODEL AND HYPOTHESES STATEMENT

Following diagram shows the relationship of variables both dependent and independent variables, Customer Retention is dependent variable and customer satisfaction, Service quality, Product quality, Physical design, Price are few of the major independent variables in our study.

![Theoretical Framework of the Study](image)

3.1. Hypothesis Statement

- **H1:** The higher the customer satisfaction, the higher will be the customer retention.
- **H2:** The more reliable the service provided by the restaurant, the greater the level of customer retention. Within Responsiveness (service quality) we can also propose below-mentioned hypothesis.

Author: Michael Fungai
RESEARCH DESIGN AND METHODOLOGY

The case study method was chosen for the following reasons;
1. It offers the possibility to understand customer retention in practice
2. Case study has some depth analytical way of giving results on a particular area of an organisation eliminating generalising component
3. The case study gives room for the research to give a more detailed and full attention to specific problem solving.

Target Population
An ideal population would be all Innscor fast foods outlets in Zimbabwe. Because of insufficient resources and time to conduct such a large-scale study, such a generalisation may not be justifiable. One that might be justifiable and feasible would be a population of Innscor outlets Chicken Inn, Pizza Inn, Cream Inn & Fish Inn in Mutare (CBD) Central Business District. Data collected from such a population contains all the characteristics of the population, to include nature and behaviour of customers.
It is not possible to collect information from this whole population, because of huge costs involved, time constraints on the part of the researcher, who was a full-time student and the impracticability of reaching out to every informant.

Sampling Strategy
The sample will be used because it will be small and therefore manageable, leading to lower costs, greater accuracy of results, greater speed of data collection, and availability of population elements. The sample will enable the researcher to draw conclusions about the entire population. This method guarantees that the selection process is completely randomised and without bias. Ideally, the sampling would have been done randomly by identifying Innscor customers in Mutare. As this would require excessive amounts of time, this sampling was modified by taking one area, Mutare (CBD) Central Business District, identifying customers in this area only, and then taking a random stratified sample of these customers. Purposive sampling was used to select an area within the district in which to carry out the study. This method was used to hand pick an area that was within the proximity to the researcher, giving the advantage of accessibility at less cost and time.

Sampling Size
The researcher has followed simple random sampling in relation to select respondents at four different outlets of Innscor Mutare (i.e. Chicken Inn, Pizza Inn, Cream Inn and Fish Inn). The interview conducted with one management personnel of each Inn of Innscor Mutare. The survey carried out among twenty respondents of each Inn of Innscor Mutare.

Data Collection: Research Instrument
All questions will be designed to obtain quantifiable information about the factors that influence customer repurchase intention and possible measures to address them. The questionnaire will make use series of Likert scales (strongly agree to strongly disagree) to determine the view of customers on what influences them to repurchase Innscor products. Another questionnaire will be drafted for the managers of Chicken Inn, Pizza Inn, Cream Inn and Fish Inn. The information gathered will be structured around the following key areas:

1. Customer Satisfaction,
2. Service quality,
3. Product quality,
4. Physical design,
5. Price

**FINDINGS OF THE STUDY**

This section presents findings of the study. Semi-structured interviews were conducted with management and all 4 were returned hence the response rate of 100%. The overall response rate was 100%.

**Key findings**

The key findings are presented below according to the strata with which the respondents were identified. These are management from Chicken Inn, Pizza Inn, Cream Inn and Fish Inn and customers from the respective Inns.

<table>
<thead>
<tr>
<th>Table 1: Response rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Respondents</td>
</tr>
<tr>
<td>Management</td>
</tr>
<tr>
<td>Customers</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

**Presentation of interview of management**

The researcher has conducted four semi-structured interviews with the management personnel of Chicken Inn, Pizza Inn, Cream Inn and Fish Inn. Each interview containing more than 5 questions and the duration of each semi-structured interview was at least 15 minutes. The researcher has tried to develop more interactive and communicative approach during whilst conducting of a semi-structured interview. The researcher would like to present the primary research findings from semi-structured interview as follows-

**Defining customer retention in fast-food industry**

For the purpose of identifying an appropriate definition of customer retention in the fast-food industry, the researcher has asked the interviewees to define customer retention. Based on the
interview results, the definition of customer retention in fast-food industry can be represented as follows-

1. Manager at Chicken Inn defined customer retention as the activity that a selling organisation undertakes in order to reduce customer defections.

2. Manager at Pizza Inn, defined customer retention as referring to the percentage of customer relationships that, once established, a business is able to maintain on a long-term basis.

3. Manager at Cream Inn defined customer retention as the activity a company undertakes to prevent customers from defecting to alternative companies.

4. Manager at Fish Inn defined customer retention as the process when customers continue to buy products and services within a determine time period

From the interview and literature review the researcher found that the managers’ definitions concur with (Kumar et al., 2007; Han et al., 2009; Jeng & Bailey, 2012) who say, customer retention is essentially defined as customer's commitment towards the firm and its offerings for a specific period of time through their repeat purchases and tendency in spreading positive word of mouth among their social circle.

<table>
<thead>
<tr>
<th>Inn</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chicken</td>
<td>A lost customer opens us up to potentially negative word-of-mouth that might affect our reputation with prospects, customers, suppliers and staff.</td>
</tr>
<tr>
<td>Pizza</td>
<td>A lost customer means lost feedback and the opportunity to improve.</td>
</tr>
<tr>
<td>Cream</td>
<td>A lost customer can have a damaging impact on our sales projections, cash flow, receivables, and payables</td>
</tr>
<tr>
<td>Fish</td>
<td>It costs about 5 times as much to attract a new customer as it does to keep an existing one</td>
</tr>
</tbody>
</table>

The table shows that all the managers agree that the loss of a customer can be detrimental to the organisation. This concurs with Kotler and Keller (2012). Where Kotler P. and Keller K. L (2012) argue that, acquiring new customers can cost 5 to 10 times more than the costs involved in satisfying and retaining current customers. 50% of the managers agree with Kotler and Keller (2012). The other 50% agree with Brandi (2007) who states customers who have bad experiences become ‘detractors’ in the marketplace. They are highly likely to say something negative to a friend or colleague about their interaction.

**Adopting (CRM) Customer Relationship Management Systems**

The interview revealed that the Managers had some unique ideas to retaining their customers which adhere to the literature review. The researcher would like to opine the importance of customer retention. The factors mentioned above are consistent with Kotler's (2012) where he
states that companies should track customer's expectations, perceived company performance and customer satisfaction, also companies should monitor’s their competitor’s performance.

**Presentation of survey data from Consumers**
As this research is focused on customer repurchase intentions in the fast food industry of Mutare. For the very same purpose the customers at Chicken Inn, Pizza Inn, Cream Inn and Fish Inn were targeted. These four restaurants were selected randomly from Mutare CBD. The respondents were targeted on a convenient basis through non-probability sampling. The Likert scale questionnaire was designed for collecting data from the mentioned respondents in above mentioned Fast food restaurants. The number of respondents who were contacted was 80. For data collection 20 selected from each restaurant. The response rate was 100% because the data collection was made in restaurants in the presence of the researcher.

**Reliability of Scale**
The below table shows the reliability of the data collected from respondents. According to (IDRE) Institute of for Digital Research and Education (2015), Cronbach's alpha is a measure of internal consistency, that is, how closely related a set of items are as a group.

**CONCLUSIONS**
From the research findings, the following conclusions were made:

**Customer retention in fast-food industry**
The Interview shows that respondents understood the meaning of Customer retention. In conclusion, the researcher would say the business has to develop several policies and practices to increase customer retention in relation to achieving organisational goals and objectives in current competitive markets, especially in fast-food industries.

**Common factors affecting customer retention in the fast-food industry:**
The interview also revealed that there are several common factors that can affect customer retention. Some of the major factors that affect customer retention within fast food businesses include the quality of the foods, the price of the foods, the location and the physical setting of the restaurant and finally the brand name and brand image of the business is considered as vital factors for customer retention.

**The impact of declining customer retention to Innscor and other stakeholders**
The Researcher found that a lost customer is open to potentially negative word-of-mouth that might affect Innscor’s reputation with prospects, customers, suppliers and staff. A lost customer means lost feedback and the opportunity to improve. A lost customer can have a damaging impact the sales projections, cash flow, receivables, and payables and finally It will cost about 5 times as much to attract a new customer as it does to keep an existing one. This was consistent with the literature review. Therefore, the researcher concludes that the organisation should keep track of both new and existing customers.

**The major factors influencing customer retention at Innscor Mutare:**
The interview revealed that the factors influencing customer retention at Innscor to include the following; Customer service, customer satisfaction, Dining atmospherics and food quality as key components of customer retention at Innscor.

**Possible measures can be taken to increase customer retention**
The researcher has found that various measures can be taken to increase customer retention at Innscor. However, the interview shows the methods preferred by management at Innscor which
include collecting customers’ feedback on shopping experience, Being proactive i.e. Researching on competitors to compare pricing and marketing strategy and finally Rewarding repeat customers.

Factors that influence customer repurchase Intentions at Innscor from customer perspective:
As it is clear from the table, each and every factor is significantly related to Customer retention. The adjusted R-square in the table shows that the dependent variable, (Customer Retention) is affected by 58.6% by independent variables (Promotion, Service quality, Customer expectations, Brand, Physical Environment, Price, and Taste of the product). At the end, it could be concluded that there is a significant positive relationship between the Promotion, Service quality, Customer expectations, Brand, Physical Environment, Price, and Taste of the product to customer retention. The questionnaires also reveal that Service Quality and Brand are the two majors and most important factor causing customer retention in fast food restaurants at Innscor with a standardised coefficient of 0.296. The researcher has found that according to a literature review in developed countries the major factor influencing customer retention is customer satisfaction.

RECOMMENDATIONS

Customer retention in fast-food industry
Customer retention is becoming a key concern for a business, particularly for the restaurant business. The review of the literature shows that customer retention is playing vital roles to gain a competitive edge in the markets as well as achieve success compare to other competitors in the markets. The interview and survey results also represent similar perception on customer retention that has been playing crucial roles to meet customers' demands and expectations for the purpose of competing in the market and thus achieve organisational goals and objectives. So, it can be concluded that Chicken Inn, Pizza Inn, Cream Inn and Fish Inn (Innscor) have to focus on the customer retention to compete and thus to achieve organisational goals and objectives.

Common factors affecting customer retention in the fast-food industry
There are some common factors, such as quality of products, the price of products, service quality, the physical environment of the restaurant, promotions and discount, brand image etc. that can affect customer retention within an organisation. The researcher would like to mention that Chicken Inn, Pizza Inn, Cream Inn and Fish Inn (Innscor) have to identify and evaluate most appropriate factor(s) that have a crucial influence on customer retention and thus need to improve business practices and policies to increase customer retention.

The impact of declining customer retention to Innscor and other stakeholders
Loss of a customers can be detrimental to the organisation as shown by the literature review, therefore, the case studied organisation Innscor should continue with their methods of retaining customers as it has proven effective however they should add rewarding people for their loyalty and giving customers something tangible - a real reason to come back to the firm. Incentives to return could include add-ons, vouchers, loyalty discounts or cards, special pricing and bonuses and gifts for ordering through a website.
The major factors influencing customer retention at Innscor Mutare
The literature review as well as the interviews and questionnaires have revealed that there are numerous determinants that influence customer repurchase intentions, Innscor needs to continuously invest in factors that influence customer retention to maximise the potential of retaining customers and thus increase the potential for making profits.

Measures that can be taken to increase customer retention
The researcher would like to opine that both of the cases studied organisations, such as Chicken Inn, Pizza Inn, Cream Inn and Fish Inn need to carry out marketing research on a regular basis for the purpose of exploring and analysing the changes in customer demands and expectations into the fast-food industry. Based on the data and information, the organisations need to develop business strategies, such as marketing and operations strategy in relation to increasing level of customer repurchase intentions about products and services by their customers.

Factors that influence customer repurchase Intentions at Innscor from customer perspective:
Customers should be thanked for doing business with the organisation. In writing the value of the product or service will determine what is appropriate. High-cost service deals warrant a handwritten note; even smaller cost transaction companies can send pre-printed appreciation notes to customers on a scheduled basis. The organisation should stay in contact with existing and past clients on a consistent basis. By not forgetting them, they won’t forget the organisation. Phone calls, notecards or postcards, newsletters, and email are only some ideas. In Consideration should be opportunities for personal contact. They should give the customer more than they expect. Anticipate a need and fill it. And Answer a question before they ask it They should take the time to truly listen to what the customers say, and if they don't volunteer information they should ask for it.

Suggestions for further research and studies
This study implies some limitations and scarcity, logic suggests that future study should use probability sampling methods such as stratified sampling or cluster sampling which are more generalizable or to conduct a nationwide study. For example, a related study on this topic might consider differences between adults and children in the factors that influence customer repurchase intentions and in the weights they place on these factors. Therefore, this deserves the attention from researcher’s concern children’s perceptions of the factors that influence customer retention at Innscor.

REFERENCES
Brandi, J (2007) Customer Care Coach Leadership program. USA

Author: Michael Fungai


RESEARCH INSTRUMENTS

- Food Quality
- The food is served hot and fresh
- The menu has a good variety of items
- The quality of food is excellent
- The food is tasty and flavorful Restaurant
- My food order was correct and complete
- Employees are patient when taking my order
- I was served promptly
- Availability of sauces, utensils, napkins, etc. was good

Business & Social Sciences Journal (BSSJ) 132
- The menu board was easy to read
- Employees speak clearly
- Employees are friendly and courteous
- The service is excellent
- The value for price paid was excellent
- The quality of food was great
- The quality of the beverages were
- Value
- The food is a good value for the dollar
- Prices are competitive
- Please describe the aspects of the Inn that would make you come back.
- Please describe aspects of the Inn that would not make you come back.
- Would you recommend the Inn?