

A Study of Factors Affecting Consumer's Repurchase Intention toward Xyz Restaurant, Myanmar

Yaw Ling Awi, and Sirion Chaipoopirutana

Abstract—This research study focuses on investigating the differences among factors affecting repurchase intention of customers in Yangon toward XYZ restaurant. For this study, data collection were done by using self-administered questionnaires, which were distributed to four hundred respondents who had experienced with XYZ restaurant by using judgment and convenience sampling procedures. After gathering information from respondents, the data were processed on SPSS program. Descriptive analysis was used to describe the general information by using percentage and frequency analysis. The sampled respondents were only those living in Yangon. Based on the findings, several recommendations are made such as “marketer should not ignore the study of the factors in terms of food quality, service quality and customer satisfaction”.

Keywords—Customer satisfaction, Food quality, Service quality, Repurchase intention.

I. INTRODUCTION

NOWADAYS, many business enterprises need to attract their customers in order to be successful in a globally rising competitive markets. Kotler *et al.*, [1] described that every company must be customer centered. According to Hellier *et al.*, [2] the customers' aim of repurchase intention is shaped by customer satisfaction and brand preference. Repurchasing intention can be considered as how much a certain company can perform to meet the expectation of customers. It can also be defined as the customer's decision of buying again at a certain food or service outlet.

This study focuses on how repurchasing intention is shaped by the quality of the physical environment, service quality, food quality, perceived value, brand preference and customer satisfaction. Over the few decades, service quality has become as important as food quality. According to some researches, the service quality Lai *et al.*, [3] can decide a firm's reputation. Perceived value is the net worth of food or service that is appreciated by the customers due to what they get (benefits from food or services) and what they pay for (money they spent for food or services). Therefore, perceived value depends on how well the specific food and service quality meets customers' expectation.

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When customers prefer food or services they use from a food or services outlet in the market, it is called brand preference. Every restaurant must find ways and means to keep and attract new customers and at the same time remain competitive and profitable. As consumers today are access to more information available, more flexible in their decisions and have many more choices than before. It is even more important for service firms to win the loyalty of their customers. Furthermore, the choice of consumers today is not static rather they test a variety of goods and services in order to achieve different experiences, their choice varies with the context and they often use different decision strategies. To be competitive, the management of service companies needs to understand the uniqueness of their customers and what contributes to their value.

II. LITERATURE REVIEW

A. Quality Of Physical Environment

Baker *et al.* [4] defined the role of the physical environment of service firms as improving a brand image and stimulating buyers' behavior such as through attractive interior design and decoration, prepared background, music, clean dining areas and trained employees. Kotler [5] defined physical environment as the “atmospherics”, as perceived through the customer's five senses (visual, aural, olfactory, tactile, and gustatory).

B. Food Quality

Ryu *et al.*, [6] study appears to be the only empirical evidence indicating that food quality significantly affected perceived value. Considering the fact that perceived product quality affects product quality in the context of restaurant, it is logical to propose the link between food quality and perceived value. Food quality is the quality characteristics of food that is acceptable to consumers.

C. Service Quality

Ryu *et al.*, [7] investigated the connection of three factors of quality proportion, expense, consumer satisfaction and behavioral intention in fast-apathetic restaurant. The study tried to comprehend three factors which influenced quality of food service on consumer feedback in the restaurant field. It is simple that three studies investigated the power of quality of food service on consumer satisfaction and repurchase intention.

D. Perceived Value

Zeithaml [8] defined the customer perceived value as “The result of personal comparison between perceived overall benefits and the perceived sacrifices or cost paid by the customer”. Parasuraman [9] described that just the consumer rather than a service giver can appraise whether or not a goods or service gives value and the idea of perceived value of customers is a sense to be very individual and private.

E. Brand preference

Hellier *et al.*, [10] defined brand preference as the extent to which the customer favors the designated service provided by his or her present company, in comparison to the designated service provided by other companies in his or her consideration set. Based on a literature survey and an exploratory analysis prior to the primary study, several factors were identified as important antecedents and variables to brand preference.

F. Customer Satisfaction

Gilbert *et al.*, [11] claimed that customer satisfaction is describing an evaluation process in which the customers expect the service depending on their service experience. However, customer satisfaction is not only customer cognitive response but also a customer’s effective reaction to a service. The evaluation of customer satisfaction is through both cognitive and affective response to service encounters.

G. Repurchase intention

Repurchase intention refers to the likelihood of using a service provider again in the future. Jackson [12] viewed "repurchase intent" as a "consumer behavioral intention" that measures the tendency to continue, increase, or decrease the amount of service from a current supplier. 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.

III. RESEARCH FRAMEWORK AND METHODOLOGY

A. Research Framework

Base on previous empirical researches provided evidence. In the conceptual frame work, repurchase intention, the dependent variable, is affected by both brand preference and customer satisfaction. Brand preference towards XYZ restaurant is affected by customer’s perceived value of XYZ restaurant in Yangon, Myanmar and customer satisfaction in turn is affected by perceived value and service quality. Furthermore, perceived value is influenced by the quality of the physical environment, food quality and service quality. The framework is shown in Fig.1. There were 9 hypotheses formulated based on the framework and they are shown as follows:

- H1: There is a significant relationship between the quality of physical environment and perceived value
- H2: There is a significant relationship between food quality and perceived value
- H3: There is a significant relationship between service

quality and perceived value

- H4: There is a significant relationship between service quality and customer satisfaction
- H5: There is a significant relationship between perceived value and brand preference
- H6: There is a significant relationship between perceived value and customer satisfaction
- H7: There is a significant relationship between customer satisfaction and brand preference
- H8: There is a significant relationship between brand preference and repurchase intention
- H9: There is a significant relationship between customer satisfaction and repurchase intention

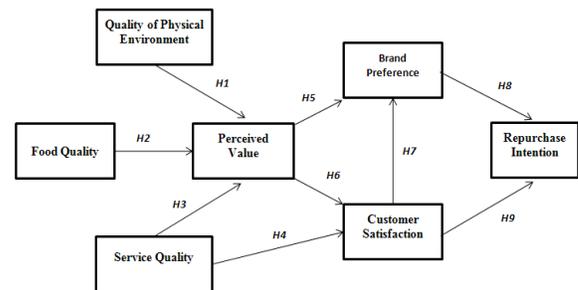


Fig. 1 The factors affecting consumer’s repurchase Intention toward XYZ restaurant, Myanmar

B. Research Methodology

The purpose of this research is to investigate the factors affecting consumer’s repurchase intention toward XYZ restaurant at Yangon, Myanmar.

This paper describes six independent variables which are quality of physical environment food quality, service quality, perceived value, customer satisfaction, brand preference and their effects toward the dependent variables and repurchase intention. All 400 research questionnaires which were distributed to target population in XYZ restaurant in Yangon Myanmar, the questionnaires consisted of six sections that represent six independent variables, the dependent variable and demographic factors. The researcher used both judgment and convenience non-probability sampling. The researcher selected the descriptive research methodology instrument to evaluate each variable. This means that the outcome of the research would be described by examining the relationship between different variables.

Sampling procedure

The researcher applied the non-probability sampling method to find the sampling unit in this study. The probability sample is the process of probability sampling which is randomly chosen and non-probability sampling is the probability of a specific member of the population which is unknown information for the researcher. The sampling unit is an individual component or group of components which point to the selection of the sample. The researcher in this study applied Judgment sampling and Convenience sampling to be the second and third step respectively; all details are as follows:

Step 1: Judgment Sampling

Judgment sampling is also called purposive sampling involves choosing objects/ samples that are believed will give accurate results. An experienced individual selects the sample based on his or her judgment about some appropriate characteristics required of the sample member. The researcher chose to conduct Judgment sampling on customers who experienced XYZ restaurant in Yangon Myanmar. This sampling technique is the most suitable in research in which broad population generalizations are not required.

Step 2: Convenience Sampling

Convenience sampling will be applied in this research. Convenience sampling is also called accidental sampling, the sampling by obtaining unit or people who are most

conveniently available to provide the information. Convenience sampling; this kind of sampling focuses on people who are available to answers questions from researcher. Researcher generally uses convenience samples to obtain a large number of completed questionnaires quickly and economically.

IV. RESEARCH AND FINDINGS

The hypotheses testing, is supported by the conceptual framework. There are a total of nine hypotheses which were tested in this research. Based on the research objectives, Pearson's Correlation analysis was used in this study. After analyzing the hypotheses, all the null hypotheses were rejected. The results are summarized as follows:

TABLE I
SUMMARY OF HYPOTHESES TESTING

Hypothesis	Statistical Test	Significant Value	Correlation Coefficient	Result
H1 _a : There was a significant relationship between the quality of physical environment and perceived value	Pearson's Correlation	0.000	0.418**	Reject H ₀
H2 _a : There was a significant relationship between food quality and perceived value	Pearson's Correlation	0.000	0.640**	Reject H ₀
H3 _a : There was a significant relationship between service quality and perceived value	Pearson's Correlation	0.000	0.646**	Reject H ₀
H4 _a : There was a significant relationship between service quality and customer satisfaction	Pearson's Correlation	0.000	0.776**	Reject H ₀
H5 _a : There was a significant relationship between perceived value and brand preference	Pearson's Correlation	0.000	0.414**	Reject H ₀
H6 _a : There was a significant relationship between perceived value and customer satisfaction	Pearson's Correlation	0.000	0.632**	Reject H ₀
H7 _a : There was a significant relationship between customer satisfaction and brand preference	Pearson's Correlation	0.000	0.523**	Reject H ₀
H8 _a : There was a significant relationship between brand preference and repurchase intention	Pearson's Correlation	0.000	0.414**	Reject H ₀
H9 _a : There was a significant relationship between customer satisfaction and repurchase intention	Pearson's Correlation	0.000	0.782**	Reject H ₀

V. SUMMARY AND CONCLUSION

The researcher concentrated on the quality of physical environment, food quality, service quality, perceived value, brand preference, customer satisfaction and demographic factors for determining the repurchase intention based on the data analysis. Accordingly, the majority of all respondents were female, aged between 23 to 30 years old, with a monthly income of less than 100,000ks and were masters degree students respectively. For hypothesis testing, the data had been analyzed by using SPSS (statistical package of social science) to test the hypotheses and find the results for this research.

The researcher tested the hypothesis according to Pearson Product Moment Coefficient Correlation. Hypotheses one, two, three, four, five, six, seven, eight and nine, rejected the null hypotheses which means that the quality of physical environment, food quality, service quality, perceived, brand preference and customer satisfaction had positively significant relationships towards repurchase intention. This study shows that the quality of physical environment has a moderate positive relationship towards perceived value, and then food quality and service quality have a strong positive

relationship towards perceived value. However, perceived value has a strong positive relationship toward customer satisfaction and it has a moderate positive relationship toward brand preference respectively. On the other hand, there is a moderate positive relationship between customer satisfaction and brand preference. A moderate positive relationship is held between brand preference and customer intention to repurchase. There is a strong positive relationship between customer satisfaction and customers' intention to repurchase. This means, the three factors, food quality, service quality and customers satisfaction can be developed to increase the level of customers' behavioral intention to repurchase.

Therefore, to increase the level of customer behavioral intention to repurchase, quality of physical environment, food quality, service quality, perceived value, brand preference, and customer's satisfaction should focus to develop for more benefit in the future.

VI. RECOMMENDATIONS

From the research findings, the answers from closed-ended questions were used to limit the alternative opinions of the

respondents while collecting the data at XYZ restaurant in Yangon, Myanmar. The numbers of recommendations are indicated by the researchers based on the research findings, observations and the analysis.

Based on the demographic factors of gender, age, education levels and employment category should consider offering price discounts together with other low price packages and incentives to potential customers pursuing master's degree from Yangon, Myanmar. Also based on the highest percentage of age, which was between 23-30 years, the researcher recommends that food menu needs to be more different to attract those aged between 23-30 such as soba noodles, udon hot pot, etc.

FURTHER RESEARCH

Further research, may use the other instruments and variables to measure the repurchase intention to cover other variables and different perspectives as this research only applied a few variables in this study. Further study should use the qualitative methods to get a much deeper insight and understanding to explore the causal relationship among variables. Based on the findings and the limitations of the study. Future studies need to identify other factors which may influence the customer's repurchase intention. In addition, more findings for future researches would be beneficial to the further understanding of customers' repurchase intention in different restaurants. There is a need for expanding the respondent group to include consumers in other areas outside Yangon, for further research and change the product profile or expand the research into other areas for better results.

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