

**SERVICE QUALITY AND CUSTOMER SATISFACTION IN SELECTED  
SOUTHWEST NIGERIAN FAST FOOD RESTAURANTS**

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## ABSTRACT

This study determined the level of customer satisfaction in Nigerian fast food restaurants and analyzed customer's perception of service quality in the Nigerian restaurants. It also examined the factors enhancing customer's repeat patronage and investigated the influence of service quality on customer satisfaction in Nigerian fast food restaurants. These were with the view to providing empirical information on how service quality enhanced customer satisfaction in Nigerian fast food restaurants.

Primary data were sourced for this study. The data were sourced through administration of questionnaire and conduct of in-depth interview. The study population consisted of Southwest Nigerian fast food restaurant customers and some members of staff. Multi-stage sampling technique was used for the study. At the first stage, three Southwest Nigerian States namely; Lagos, Ogun and Oyo were purposively selected because of the high economically active working class population and the concentration of fast food restaurants therein. At the second stage, 10 fast food restaurants were selected from each of the three States using stratified random sampling considering the organizational size and type of food products offered for stratification. At the third stage, the first 20 consenting customers in each of the selected restaurants were sampled using convenience sampling technique, thus resulting in a total of 600 copies of the questionnaire being administered on the respondents. In addition, twenty judgmentally selected customers and ten purposively selected employees of fast food restaurants were also interviewed. Data collected were analyzed using frequency, simple percentages factor analysis and ordered logistic technique.

The results showed a high level of customer satisfaction (78%) in Nigerian fast food restaurants with high propensity for repeat patronage. The results also showed that customers'

perception of service quality included employee competence (73.2%), employee interpersonal skills (66.5%), employee complaints management capability (54.3%), restaurant hygiene (69.6%), signage (67.7%), interior design and ambience (76.2%), menu quality (66.8%), product pricing (70.4%) and waiting time (70.2%). Furthermore, the results showed that the major factors enhancing customer's repeat patronage of fast food restaurants were food quality (74.5%), location and convenience of reach (72.9%), secured environment (70.6%) and price (70.3%). Finally, the results showed that service quality measured by interaction quality ( $t=7.696$ ;  $p<0.05$ ), physical environment quality ( $t=1.963$ ;  $p<0.05$ ) and outcome quality ( $t=5.320$ ;  $p<0.05$ ) had significant influence on customer satisfaction.

The study concluded that service quality enhanced customer satisfaction in Southwest Nigerian fast food restaurants.

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Background to the Study**

Customer satisfaction is a global phenomenon that concerns organisations at all levels. This is regardless of whether it is a public or private, large, medium or small scaled organisation or whether it is established for profit or non-profit purpose. It shows that customers are very important to every organization. They carry out a crucial function in the organizational process (Krajewski & Ritzman, 2005) and remain the justification for all efforts of production (Lepkova & Žūkaitė-Jefimovienė, 2012). A firm cannot only be product-driven or technology-driven without recognizing the force of customer in the business core (Kotler cited in Dipeolu, Adeyemi & Ayinla, 2014).

Customer satisfaction has become an outstanding feature for excellence in a competitive market where businesses vie for customers; this can only be achieved where customer care is given high priority (Zairi, 2000). In other words, a firm that strives to constantly satisfy its customers encourages heightened devotedness from them and will in turn enjoy greater profitability (Wicks & Roethlis, 2009). Furthermore, it helps to gauge the organization's product and services or their performance with others thus enabling the manager to identify the possible areas for prioritized improvement (Fečikova, 2004; Zairi, 2000). According to Rust and Oliver (cited in Gagić, Tešanović & Jovičić, 2013), two of the basic and fundamental components necessary for effectiveness in service management are customer satisfaction and service quality. Hence, they have become subjects of great interest to researchers and practitioners across different countries and industries.

Service quality plays strategic business roles in any organisation (Yusoff, Ismail, & Ali, 2010; Clemen, Gan, Kao, and Choong, 2008). It has been categorized to be an important phenomenon in public and private goods production or servicing firms (Zahari, Yusoff & Ismail, 2008). Furthermore, it impacts positively on organization's operation and enhances its financial performance (Caro & Roemer, 2006; Tam, 2000). Hence, in the present day competitive environment, an organization that will survive must be prepared to render quality service to its customers.

Service quality measurement provides illumination into the firm's present management processes and serves as a cautionary indicator for future business outcomes. It gives an understanding of how customers see the organization's performance relative to their expectations prior to the transaction. Theoretically, researchers have proved that there is 'no one absolute, objective and universal' way of evaluating service quality because customers' evaluation is affected by the components of the industry (Raajpoot, 2004). Hence, specific characteristics of each service industry should be adopted for service quality measurements (Sumedi & Yarman, 2015). In other words, restaurant service quality attributes should be designed and employed for restaurant service evaluation.

Gilbert, Veloutsou, Goode and Mbutinho (2004) argued that restaurant service quality measurement must be done frequently as it is bound to change from day to day, employee to employee, outlet to outlet, and even from customer to customer (Fakokunde, Iwarere & Mustapha, 2014). The whole essence of providing a reliable and dependable restaurant service must be well propagated and adequately protected by practitioners and other stakeholders in the industry. This will ultimately improve customer satisfaction and encourage customer repurchase intentions.

Fast food retailing is a thriving worldwide venture. Van Zyl, Steyn and Marias (2010), pointed out that patronage of fast food products has improved considerably all over the world resulting in an astounding industrial growth. The increase in the general population perception that fast food is perhaps on the long run more efficient and cheaper may be attributed to the pressure of work and city life coupled with other social activities encouraging restaurant business patronage. Several restaurant types exist but Fast Food Restaurants (FFR) are also known as ‘quick service restaurant’ indicating the speed of delivery. They are a class of modern, registered and standardized restaurants in which orders are taken on the counter and not table waited. These types of restaurants were initially characterized by take-away and drive-through, but recent developments have included option of sit-in.

The idea of fast and convenient food is not new in the Nigerian cultural environment. Traditionally several food vendors and hawkers offer different types of ‘ready to eat’ and ‘take away’ meals and snacks. However, Mr. Biggs, owned by a conglomerate in Nigeria (United African Company, UAC) can be referred to as the first modern fast food outlet in Nigeria (Fakokunde, Iwarere & Mustapha, 2014). The outlet was commissioned in 1986 in Lagos state and the brand has expanded to over a hundred and seventy outlets in almost fifty different Nigerian cities and towns. The success story of Mr. Biggs has attracted and transformed several indigenous and international brands resulting in hundreds of brands in the country today. The business was initially known for sales of snacks, pastries and other intercontinental foods but with the gained acceptance, the business offering expanded to offering traditional cuisines. Mustapha, Fakokunde and Awolusi (2014), identified fast food business in Nigeria as a promising venture that is bound to give good profit despite any unpredictable economic, political or social occurrence. Competition level in this industry is matched only by the