

SERVICE EFFICIENCY AND CUSTOMER LOYALTY IN PORT HARCOURT'S QUICK-SERVICE RESTAURANT INDUSTRY

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Abstract: Fast food industry is one of the fastest growing sectors in Nigeria. Competition in this sector has become very acute. As a result of intense competition, Quick-Service Restaurants (QSR) is increasingly recognizing the importance to continuously improve their customer hospitality to retain and attract customers. This study theoretically investigated the relationship between service speed and patronage of Quick Service Restaurants in Port Harcourt, Rivers State. The researcher adopted the exploratory research design and reviewed relevant and empirical literature on previous studies conducted in the food service industry within and outside Nigeria. The findings revealed that service speed significantly influence patronage in the food service industry. Specifically, it was found that service speed affect customer repeat purchase behavior and retention; and the researcher recommended that the reduction of waiting lines; customer waiting time and the adoption of service time strategies is a panacea to low patronage in the food service sector.

Keywords: Service Speed, Patronage and Quick- Service Restaurant.

INTRODUCTION

Problems regarding waiting lines in quick-service restaurants (QSR) has been one of the main concerns of industries and scholars recently. It is because people today demand not only for quality food but only for speed. Quick service restaurant players explore on the approaches to optimize the efficiency of restaurant management. Management practices or waiting time is one important area that defines how well and efficient a fast food restaurant delivers its product and services to customers.

However, with the continuous growth in the number of people who patronize the food offered by fast food restaurants, serving customers efficiently is a major challenge. Quick-service restaurants are expected to improve on manpower planning, facility expansion, review of service time and operations in order to reduce customer waiting time and increase customer satisfaction.

Nowadays, consumers do not simply demand for quality food but they also insist on speed of service. In services marketing, it is important to emphasize that the process of delivering a service is as important to the customer as the actual service. The faster the service speed the more satisfied the customer and the slower the service speed, the more dissatisfied and discouraged the customer may likely be.

As the standard of living is gradually increasing in the developed and developing countries, the value of customers' time also increases, and consequently, they seek out those goods and services which will minimize the expenditure of their time (Leoven, 2015). Customers do not tolerate waiting in line for long periods of time just to receive whatever kind of products or services unless those things are really

important or valuable than the time spent on waiting. Waiting line and waiting time are very important factors that enhance customer satisfaction and should be taken very seriously by quick-service firms if they must improve on their customer patronage.

Furthermore, quick-service firms are expected to understand that convenience and time saving are the most common reasons why customers resort to fast food aside from the food quantity they offer and social experience a customer may get during eating outside.

Therefore, improvement on waiting lines will mean maximizing time saving and convenience for customers. Speed of service in restaurants when combined with good food quality and ambience is expected to improve customer satisfaction, loyalty and patronage.

Preliminary investigations revealed that a major problem facing quick-service restaurants in Port Harcourt, Rivers State is low patronage. And this low patronage could be attributed to some economic, environmental and psychological factors that the customer may be confronted with. Could the low patronage experienced by some of the fast-food firms in Port Harcourt be attributed to poor service speed experienced by the customers? And what are the likely strategies that the quick-service firms can adopt to reduce waiting time and increase patronage?

Many studies have been conducted within and outside Nigeria examining service quality, food quality and customer satisfaction constructs in different settings and perspectives. For example, tourism industry Ali *et al*, (2014), the banking industry (Lee 2004), as well as the food industry Lombard (2009). The results of these studies have confirmed the significance of relationships between these constructs.

To the best of our knowledge and from the review of empirical literature, it appears that there is dearth of research on the effect of service speed on patronage of quick-service restaurants in Nigerian context especially in Port Harcourt, Rivers State.

Against this background, this study seeks to holistically ascertain the effect of service speed on patronage of quick service restaurants in Port Harcourt and to suggest strategies and growth policy implications for the management of the eateries in Port Harcourt.

LITERATURE REVIEW

Conceptualizing Service Speed in Quick-Service Restaurants

The quick-service (aka, fast food) restaurant industry is significant and growing aspect of the overall restaurant industry. For long-term success, quick service restaurants must be perceived as offering sufficient value to customers. To achieve this, restaurants must first determine what consumers' value in a quick-service restaurant experience. One of the major factors that influence customer patronage of fast food restaurants is the employee service speed (Sulek & Hensley 2004).

Service speed entails the rate at which an employee takes and delivers food orders to customers within the service environment. It further explains how responsible the employees are in listening and handling customer complaints. Speed of service has been found to impact consumer satisfaction (Pettijohn *et al*, 1997). Obviously, convenience and quick-service are part of the value that consumers expect to get in their buying behavior. As such, the quicker the purchase or food orders are completed or supplied the quicker the turnover. Higher turnover allows for higher overall profits over a given period of time which will ultimately impact on the overall business performance.

The fast food industry is based on the principles of quality food served fast. So speed of service should never be neglected in the streamlining or planning process. Even though the tough economy has forced many restaurants to streamline business, experts warn that quick service must not be compromised.

Speed of service is in direct correlation to an eatery's overall sales. One of the strategies a Quick-Service Restaurant (QSR) can adopt to speed up its service is to increase the number of frontline staff (waiters and waitresses) that will be detailed to serve the customers. It is very important to emphasize that one customer that is unhappy and does not repeat purchase could cost a fast food firm lot more than the hourly rates the firm may try to save by cutting back one employee.

The consumer demand for more affordable food creates both an opportunity and a challenge for quick service firms. New customers create profit potentials, but there may be only one chance to turn a one-time visitor into a regular customer. This can be achieved through quickservice delivery. Some customers may not mind waiting for some minutes if the firm's speed of service is good. Furthermore, another strategy for increasing speed of service is to evaluate the daily operational procedures and to measure the number of steps it takes to deliver food to the customers.

As the quick service industry is becoming increasingly competitive maintaining service speed can make a lot of difference to an operator. It's obvious that the competition for the consumer is intense, especially where every fast food is offering similar foods; it is the customer experience that dictates the winner in the competition. It is expected that quick-service restaurants should adopt strategies that will facilitate service delivery and reduce customer waiting time. Therefore, this study is designed to investigate the effect of service speed on patronage of quick-service restaurants in Port- Harcourt.

The conceptual framework depicting the major constructs of our study is shown in figure 1 below.

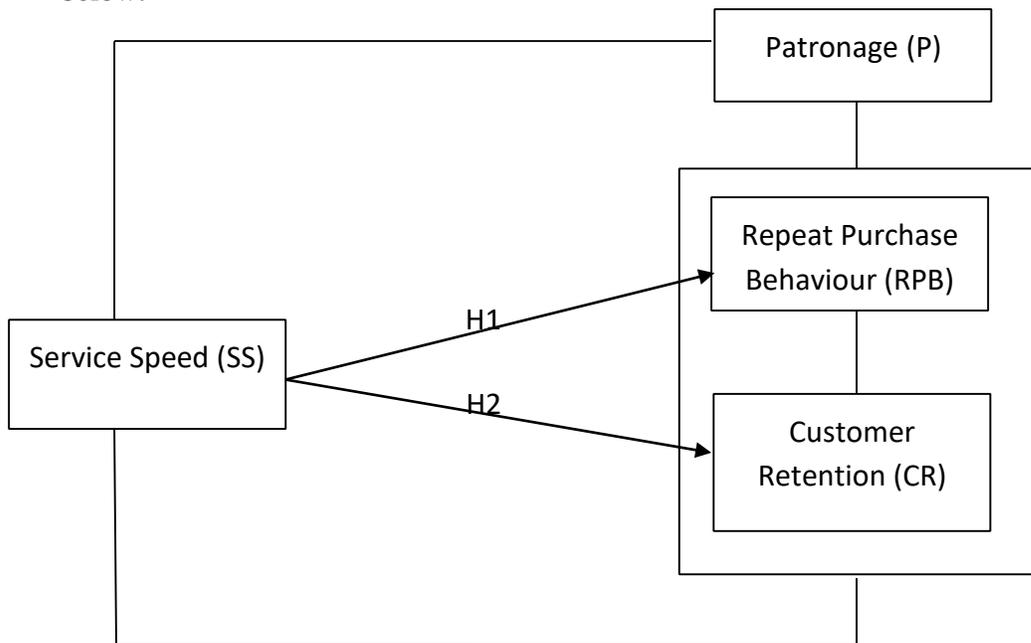


Figure 1: Conceptual framework of Service Speed and patronage of Quick-Service Restaurants in Port Harcourt.

Source:
literature

Researcher's Conceptualization from the review of related literature
2017.

RELATIONSHIP BETWEEN SERVICE SPEED AND PATRONAGE OF QUICK-SERVICE RESTAURANTS IN PORT HARCOURT

In this section, the researcher reviewed and elaborately discussed the relationship between service speed (the predictor variable) and customer patronage (the criterion variable) in the quick service firms in Port- Harcourt. Specifically, the researcher discussed how service speed relates or influences each of the customer patronage measures adopted in this study.

SERVICE SPEED AND REPEAT PURCHASE BEHAVIOUR

The restaurant sector is one of the most important sectors of the world. Millions of people visit restaurants for their pleasure. In the views of (Ali *et al*, 2014), the factors that influence restaurant patronage include price, quality, security, environment and exceptional employee service speed. The importance of exceptional service speed in influencing repeat purchase behavior in quick service restaurants cannot be over-emphasized. When meal orders are taken and efficiently delivered, it increases customer satisfaction which can in turn generate positive word of mouth, loyalty of customers and can encourage repeat purchases of customers by continuous visit to the restaurants (Han, & Jang, 2009).

In addition, the quick- service firm's employee (Waiters and Waitresses) must exhibit the willingness to help their customers in providing them with good, quality and fast service. Every customer feels valued if they get the best possible quality in service at the stipulated time (Vijayadurai, 2008). In a study conducted by Umesh (2014), on the relationship between service quality and customer satisfaction in Sri Lankan hotel industry, it was found that service speed and responsiveness significantly impacted on customer satisfaction and repeat purchase/patronage behavior of customers. Remarkably, while food quality is commonly depicted as the most important factor influencing repeat purchase intentions in full-service restaurants. Waiting time and attentive service has been shown as a critical attribute in quick service restaurants (Gupta *et al*, 2007). Consumer perception of how the service employee cares for them also affects customer satisfaction and patronage. Krutson's (1988) study indicated that the underlying factors that drive customer patronage in restaurants are employee greeting, restaurant atmosphere, speed of service and convenience.

Weiss (2003) conducted a research study to ascertain the relationship between restaurant attribute satisfactions and return intention in U.S Theme restaurants. The study concluded that speed of service and customer satisfaction with restaurant attributes were influential in predicting repeat purchase behavior (intent to return). Also Lee (2004) studied about college student's perception of brand name food service quality and the overall satisfaction level of college students in university at the Midwestern region and found that competency of employee in delivering the actual service and dining environment were the most influential dimensions of intention to revisit a brand name food in a university dining services. However, as profit and growth are stimulated primarily by customer loyalty, which is a commitment to patronize preferred products or services consistently in the future, customer satisfaction and repeat patronage are important indicators of restaurants performance. How well a restaurant performs is also a function of how the customers perceive its employee efficiency in taking and delivering food orders within the fastest possible time. When a restaurant is high and good enough, it reduces customer waiting time and increases customer satisfaction which will ultimately lead to repeat patronage and positive word of mouth for the restaurants.

Based on the foregoing discussions, and from the review of empirical and relevant literature, it appears that a relationship exist between Service speed and patronage of quick service restaurants. The author

also agrees with the views of previous researchers that speed of service delivery is a precursor to repeat patronage behavior in quick service restaurants. On the basis of this assertion, we propose the first hypothesis of the study as thus:

H1: *Service speed significantly influence repeat patronage behavior in quick-service restaurants in Port Harcourt.*

SERVICE SPEED AND CUSTOMER RETENTION

Speed of service is an important phrase in most quick-service and fast food restaurants. Most time, customers prefer the service they experience from the time they enter the restaurant until the time they walk out of the doors. Food service firms often have a speed of service goal built into their policies. When the policies are efficiently implemented, there is no doubt that it will increase customer satisfaction and retention.

In a study conducted by Kirsten, Philip; Carlene & Gary (2008) on the factors that determine the choice of restaurants in general, it was found that availability of skilled, attentive employees and their behavior, quality or speed of service were considered as most significant factors influencing restaurant choice and retention. In a fast food restaurant, an accessible price and speedy service appear to be indispensable.

Speedy service delivery in the fast food increases customer satisfaction and retention.

Danesh, Nasab and Ling (2012) defined customer retention as “the future propensity of a customer to stay with the service provider”. Ramakrishna (2006) also posits that customer retention is the marketing goal of preventing a customer from switching to another competitor.

Today’s competitive environment maximizes customer retention probability so as to sustain the company’s protection against in roads competition. This goal can be achieved through the adoption of customer retention strategies. Service speed has a direct impact on customer retention and on long-term customer life time value (Gee *et al*, 2008). Supporting this argument, Lombard (2009) notes that today, the pressure on companies to retain customers is fuelled by the market where customer acquisition is slow. Customer retention is important when loyalty is decreasing and sales circles are aggravating the business environment. Under these circumstances, losing an important customer to a competitor would impact significantly on the organization’s profitability and growth.

Therefore in order to avoid the loss of customers in the quick-service firms, it is expected that they train and equip their waiters, waitresses and other front line service personnel with the requisite skills and knowledge to efficiently deliver the needed service promptly and accurately in line with customer’s specification.

According to Bolton (2000) the customers are important, but maintaining customer satisfaction is more important. A consistently high customer loyalty and retention can be achieved through the provision of prompt and quick-service delivery. For instance, the gap between when a customer places an order for a meal at the restaurant and when the food is actually served is not expected to be much; at most eight (8) minutes. This is because restaurant customers are most a time, impatient and would not prefer queuing for a long time in order to be served. Restaurant management’s ability to reduce customer’s waiting time will significantly impact on their level of patronage. The reductions of waiting time entail the adoption of efficient service delivery strategies. The better the service delivery strategies, the faster the patronage in an eatery; which will lead to customer satisfaction and retention. From the discussion thus far, it appears a relationship exist between service speed and retention of customers in

quick service restaurants. On the basis of this assertion, we propose the second hypothesis of the study as thus:

H₂: *Service Speed significantly influences customer retention in Quick Service Restaurants in Port Harcourt.*

CONCLUSION/IMPLICATION OF THE STUDY

The aim of this study was to theoretically examine the relationship between Service Speed and patronage of quick service restaurants in Port Harcourt. The study presumed that Service Speed would have positive influence on the patronage of quick service restaurants. In line with the study hypotheses and from the extant review of empirical literature, it was found that Service speed significantly influence quick service restaurant patronage. Specifically, the study revealed that service speed affects customer repeat purchase behavior and retention. From the observed findings therefore, the researcher concluded that service speed affects patronage of Quick-Service Restaurants especially in Port Harcourt, Rivers State.

Furthermore, the implications of the study to the management of quick service restaurants are that having knowledge of Service speed and its associated strategies would help the firms to meet the challenges of improving service quality in terms of speed in the food service industry. More so, having knowledge of how consumers perceive their service and being able to measure restaurant service speed can benefit management of the food service industry. Finally, this paper contributes to the theoretical orientation and conceptualizations in hospitality services marketing by adopting a holistic approach in explaining the major constructs and attributes of the study.

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