UNIVERSITI TEKNOLOGI MARA

CAWANGAN TERENGGANU

KAMPUS DUNGUN

FACULTY OF HOTEL & TOURISM MANAGEMENT

THE FACTORS INFLUENCE CUSTOMER'S RETENTION AT RESTAURANT

NUR FASIHAH BINTI MOHD SABRI (2015298734)

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Universiti Teknologi MARA (UiTM), MALAYSIA

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Abstract

The aim of this research is to study and identify why people keep coming back to the restaurants. And what the factors that influence their decisions. The results of this study can be used by marketers or individu especially that involves in restaurants industry in order to get deep understanding what are the factors that influence customer's retention and the reasons why they keep coming back to the service provider. It is also beneficial as a tool to make an improvements to the restaurant operator and food caterer as well as a findings to add some spices to service elements that already existed.

Keyword: customer retention, food quality, restaurant industry

Acknowledgements

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CHAPTER 1 : INTRODUCTION

1.1 Overview

This section consists of 4 chapter overall. The first sub-chapter, 1.2 will talk about background of this study. Next is, sub-chapter 1.3, those overviews about problem statement regarding to this study. Then in sub-chapter 1.4, will discuss about research objectives. In other words, the aim of the study. On sub-chapter 1.5, will review about research questions, the questions that want to be answered. Next, significance of study that will further explain in sub-chapter 1.6. While, in sub chapter 1.7, will review on limitation of this study. Last but not least, explanation of the definition of key terms will be in sub-chapter 1.8.

1.2 Background of the study

According to Kotler (2011), "The key to customer retention is customer satisfaction". In the highly competitive restaurant industry nowadays, satisfying consumers is one of the critical objective of business that wish to build repeat purchase from them (John & Tyas, 1996; Kivela, Inbakaran, Reece, 1999; Sulek & Hensley, 2004). Since food is a fundamental component of the restaurant experience there can be no doubt that the food has, and will continue to have, a main impact on customer satisfaction and revisit patronage. A crucial challenge that most restaurant industries facing is to provide quality food that is not compelling for the customers but also can be superior to business competitors. Hence, quality of food is one of the best means to maximize success in the restaurants field. Generally, food quality has been accepted as a fundamental element most of restaurant experience (Kivela et al, 1999; Sulek & Hensley, 2004). According to (Peri, 2006), food quality is a necessary condition to satisfy the needs, wants and expectation of customers. Sulek & Hensley (2004) investigated the relative importance of food quality, physical settings, and service in a full-service restaurant and reported that food quality appeared as the most significant predictor of customer retention. Susskind and Chan (2000) also found food quality was one significant determinant of customer assessments of restaurant in Toronto, Canada. In the Sulek studied, she was said all food attributes into only