Critical Factors Influencing Revisit Intention of Large Restaurant Chains in Myanmar

Gam Hpung LAMAI¹, Jakkrit THAVORN², Worasak KLONGTHONG³, Chittipa NGAMKROECKJOTI⁴


Abstract

Purpose: This study examined how many determinant factors (service dimensions, food quality, and price perception) affect revisit intention. This practical concept is service quality (SERVQUAL), customer satisfaction, and repeated/revisit behavioral intention based on the theory of reasoned action (TRA). Research design, data and methodology: This research applied a hybrid mixed-method comprising exploratory and explanatory sequential design by Creswell (2014). The 400 responses were collected in four townships in Myanmar. This study drilled down to exploratory factor analysis (EFA) followed by confirmatory factor analysis (CFA) prior to test the hypothesized factor structure of all the variables resulted in the form of the goodness of fit. For further data analysis, structural equation modeling (SEM) was applied to test the relationships among the variables of the proposed model. Results: The results showed that perceived service quality, food quality, and price perception have direct effects on customer satisfaction and indirect effect on revisit intention. The perceived service quality has the most significant influence while the food quality has the least influence on customer satisfaction. Conclusions: The results are useful for the restaurant managers to better understand the significant strategic choice factors to improve higher quality service amongst restaurants both domestic and international under the stiff competition.

Keywords: Perceived Service Quality, Food Quality, Price Perception, Customer Satisfaction, Revisit Intention, Distributed Service

JEL Classification Code: F20, M10, M14

1. Introduction

In the service industry, restaurants are one of the services that have high competition in terms of price, service quality, location, and variety of foods offered. Not only the quality of food but also the quality of service is one of the concerning factors that customers consider when they are considering a restaurant to have a meal. To develop service quality among the restaurants, a number of restaurants have to face stiff competition in the same market. Moreover, retaining current and abstracting new customers become proactively strategic responses. To better serve customers in high service quality restaurants especially large, the examination of the antecedent factors affecting customer satisfaction has to be studied to increase revisit intention of the restaurant to gain more customer loyalty which is a sustainable strategy for the service industry.

Satisfying customers affect customer expectation and intention to revisit, especially in the restaurant industry (Wu et al., 2018). Hagger (2019) described that theory of reasoned action is the most significant approach to forecast
and know behavior intention. Behavior intention has two believed functions which are attitude and subjective norms. Attitude is a positive or negative assessment of the behavior acting in the future while subjective norms accept one’s assessment of what critical others believe one should do. Especially, attitude and subjective norms are a direct factor of behavior intention (Vallerand et al., 1992). They also proved that attitude is one of the most critical predictors of behavior intention than subjective norms. Based on the theory of reasoned action, the researchers mainly focus on the attitude concerning perceived service quality, food quality, and price perception to predict behavioral intention. The ideas of behavior intention was developed to be repeated purchase intention in the service industry such as restaurant revisit intention. It is the intention of the visitors to repeat their visit to their destination (Wu et al., 2018). They also mentioned that revisit intention is the expansion of the satisfaction, which affects the desire and intention for the client’s next buying choice with both the absence and presence of a positive attitude towards the service provider. According to Lee et al. (2013), customer satisfaction is critically related to revisit intention based on an individual’s satisfaction or dissatisfaction with the product and service. A satisfied customer will repurchase while dissatisfied one will absent in the future. According to the satisfied customer, the business gets not only the customer’s need and expectations of the product or services but also customer’s trust (Kim & Lee, 2016; Lyu, 2018).

Furthermore, Park et al. (2006) also described that repurchase intention, word of mouth intention (positive), and repeat visiting are also included in the behavior intention.

Kumar and Shah (2004) described that both behavioral loyalty and attitudinal loyalty are critical to creating long-term client relationships. Yun and Good (2007) described that behavioral intention is an individual effort to increase a level of behavior by spreading word-of-mouth, willingness to visit stores, and continue taking service in the future. Both concepts are not only useful in forecasting future repurchase by a customer but also help in knowing the client’s past behavior. According to Ali et al. (2013), if the service provider can create positive behavior intention, the client will spend more time and will assume a premium price and remain loyal and if the service provider cannot create positive behavior intention and positive word of mouth intention, the customer will leave and spend less with the restaurant. Therefore, revisit intention is one of the most crucial factors to study, to survive in the market, to attract new customers, and to share a profit in the market which was completed with many competitors. Weiss et al. (2004) mentioned that client’s revisit intention is influenced by the restaurant attributes. They are, for example, food quality, service quality, atmospherics, environment, location, and price (Hyun, 2010; Zuratalraha et al., 2016; Erkmen & Hancer, 2019). Zeithaml et al. (1996) described that behavioral intention is related to service quality which can present a level of customer satisfaction. Kivela et al. (1999) described that the client retention rate depends on five attributes in a restaurant, which are food quality, service quality, ambiance quality, the comfort level of the restaurant, as well as first and last impression. In this study, the researcher emphasized service quality, food quality, and price perception of the restaurant based on the result of the pilot study.

Keshavaz et al. (2016) described that customer satisfaction is also the result of a customer’s assumptions and expectations concerning service quality. According to Kocabulut and Albayrak (2019), the SERVQUAL model is one of the most commonly applied technique to measure customer perceived service quality, and it can mention a reflection level and different direction of customer perceived service quality. It estimates service quality with the five factors which are empathy, reliability, tangibility, responsiveness, and assurance (Im et al., 2017). In SERVQUAL, the perceived service quality is measured by finding the difference between clients’ assumption and their perception of the real outcome of the service (Hossain & Islam, 2012). Moreover, according to previous studies, customer satisfaction is related to food quality in fast-food restaurants (Kivela et al., 1999; Law et al., 2004; Johns & Howard, 1998). Moreover, food quality is one of the most critical factors in all attributes of restaurant industries to know the customers’ satisfaction and to repurchase. Customer satisfaction and behavioral intentions are also the characteristics that are influenced by perceived price fairness (Andaleeb & Conway, 2006). In the study of 194 restaurants in China, Yan et al. (2013) suggested that a reasonable price can maintain a good relationship with the clients concerning their fining. According to Varki and Colgate (2001) advised that managers can get benefits by actively managing client price perception because price assumptions greatly affected client retention.

Only franchise and quick service restaurants (QSR) has researched in Myanmar. As for QSR, consumer behavior, brand equity, and marketing mix factors strongly influence on decision in choosing which fast food restaurant to visit (Win, 2016). The other service related to this research is about small restaurant namely Sabai@Inya. He found that soft-skill training, service training, and team training has positive and significant impact on employee productivity at Sabai@Inya restaurant (San, 2019).

Although much research has gone into finding determinant factors for revisit intention of their customers; however, little has been done under the context of a restaurant chain in Myanmar. Hence, this research aims to discover which factors should focus on changes in their
external environment. They are, for example, greater changes in demand especially socio-cultural factors, higher education groups, a higher number of Millennial age. This research applied under the context of a restaurant chain that originated in Myanmar. Currently, the restaurant is established in several branches and is one of the most popular restaurants in Myanmar. The exploration of the success factors influencing the service in the restaurant chain can help to prioritize the importance among factors and to develop strategies to gain more revisit intention rate.

2. Literature Review

2.1. The Effect of Perceived Service Quality on Customer Satisfaction

Gong and Yi (2018) found that overall, perceived service quality (PSQ) is the antecedent of customer satisfaction. In the fast-food industry in China, Qin et al. (2010) and Park (2019) tested the relationship between service quality and customer satisfaction and concluded that satisfaction relies on perceived service quality.

Moreover, Mill (2011) described that SERVQUAL is one of the measurements of customer satisfaction in the service industry. According to Kochabut and Albayrak (2019), PSQ is commonly measured by SERVQUAL, which serves as the direction and reflection level of PSQ. SERVQUAL measured the difference between clients' assumption and their perception of the real service outcome (Parasuraman et al., 1988; Hossain & Islam, 2012; Le & Hoang, 2020). SERVQUAL has five dimensions comprising tangibility (aspects of the physical facility, equipment, and personnel), reliability (the ability to perform the promised service dependently and accurately), responsiveness (willingness of the firm to help customers and to act correctly), assurance (competence and politeness of the personnel and the capability to inspire confidence), and empathy (personalized assistance that the firm conveys to its customers). According to Namkung and Jang (2007), perceived service quality is a leader of satisfaction, which significantly affects repurchase intention and which also serves as a mediator between perceived service quality and behavior intention. If the service quality can create a high level of customer satisfaction, there will cause a high level of purchasing and continually get a better relationship in the restaurant industry (Mill, 2011). The business loses its customer if the service quality decreases but good service maintains its customer in the business (Shin et al., 2015). Moreover, Marinkovic et al. (2014) mentioned that PSQ is not only the critical element of customer satisfaction but also the most significant trigger of customer satisfaction.

Therefore, PSQ is an essential indicator to gain favorable outcomes for customers (Qin et al., 2010). To get customer satisfaction, the firm needs to manage perceived service quality to match expected service and perceived service (Izogo, 2015) because perceived service quality elements participate as a crucial role in customer satisfaction (Nguyen et al., 2018). Kocabulut and Albayrak (2019) also described that perceived service quality is the incentive of customer satisfaction and behavior intention. If the feeling becomes positive, the perceived service quality will increase, which affects the increase in customer satisfaction. Lastly, Lee et al. (2020) compared Korean and Chinese consumers in service quality evaluation to understand their culture. Goelton et al. (2020) mentioned the consumers’ satisfaction is an important factor to mediate the service quality and value. Hence, service quality can be attractive to more customers (Tran & Le, 2020). Therefore, we can hypothesize that:

H1: perceive service quality has no significant influence on customer satisfaction.

2.2. The Effect of Food Quality on Customer Satisfaction

Food quality is one of the most critical factors in all attributes of restaurant industries to know the customers’ satisfaction and to repurchase (Erkmen & Hancer, 2019). Shariff et al. (2015) proved that food quality is one of the attributes which is the most influence on customer satisfaction and mention as the significant element that positively influences dining behavior intention. In the fast-food industry in China, Qin et al. (2010) found that food quality affects customer satisfaction directly and positively and also advised that food quality is a significantly important factor because it is one of the client’s overall analysis of satisfaction that can influence the decision of selecting the fast-food restaurant. Moreover, Namkung and Jang (2007) described that verities of the menu item are a critical element of food quality in generating dining satisfaction and the taste of food could influence customer satisfaction and future behavior intention and they also described that food quality and customer satisfaction involve as a critical role in forecasting client behavior intention towards restaurants. They found that food quality significantly affects customer satisfaction at the mid-to-up-scale restaurant: two in a mid-western city and three in an eastern city in the united stated. Ramanathan et al. (2016) updated tasty, freshness, and presentation of the food is the restaurant’s success; however, healthy/vegan/vegan food is concerned by the Millennial in this research. Therefore, food quality is the main reason why customers satisfy
enough to revisit that particular restaurant. Carranza et al. (2018) described that regularly offering excellent quality food and adapting the cuisine style is vitally attracted by revisited of customers’ satisfaction experiences. They also suggested that if food quality increase, the performance of customer satisfaction will increase. Besides, Kivela et al. (1999) described that food presentation is the main element of food quality in modeling dining satisfaction. Thus, this study tested whether the tasty, fresh, and food presentation of the restaurant will be related to customer satisfaction. It was found that the tested factors have a significant influence on customer satisfaction and also performed to retain the existing customer and extract new customers to visit again the destination. Hence, the hypotheses are shown below. Nevertheless, large restaurant needs to be aware of newly menu served. They are for example healthy foods, clean/lean foods as an increasing trends of the Millennial (Glanz et al., 2007; Bleich et al., 2016).

2.3. The Effect of Price Perception on Customer Satisfaction

Han and Pyu (2009) described price perception as the assumption of fairness or unfairness which greatly affects their overall satisfaction and behavior intentions in the service industries and assessing the comparison of the fundamental price perception is significantly related to customer satisfaction. Ali et al. (2016) mentioned that client price perception of fairness and unfairness much effect on customer satisfaction. They found that the positive price perception of the customer was more related to client satisfaction in the Chinese resort hotel in China. Moreover, Kaura et al. (2015) described that price perception positively affects customer satisfaction and behavior intention. If the customer perceived the price as fair, the customer would have a positive attitude, and the attitude will motivate the behavior intention. Antila (1978) together with Han and Pyu (2009) found the importance of price perception, which is the most crucial element to know the effectiveness in attracting the customers’ purchase decision. According to Varki and Colgate (2001), negative price perception has a direct effect on customers’ dissatisfaction. In addition, lousy price perception turned away customers to others. Jiang and Rosebloom (2005) also mentioned that the manager could influence customer satisfaction by managing the customers’ comparative price perception because price perceptions directly and positively influence overall customer satisfaction. Besides, Paramananda and Sukaatmadja (2018) mentioned that if a manager manages better price perception, better customer satisfaction. Therefore, price perception is needed to concern in setting in the restaurant industry. Januariko et al. (2018) also found that price perception influences customer satisfaction at the batik shop Betawi in Indonesia. They also suggested that price is crucial in the micro economy, and it can affect some things such as profit, interest, wage rates, and rent (Yieh et al., 2007). Han and Pyu (2009) found that fair price leads to better customer satisfaction and brand loyalty and perceived price fairness creates a better image of the company. It is because a reasonable price has an association with the assumption of price perception. This study would like to reflect on how the importance of price concerned by customers. The researcher also found that price perception is an essential factor in influencing customers’ satisfaction. As a consequence, we can hypothesize that:

H3: Price perception has no significant influence on customer satisfaction.

2.4. The Effect of Customer Satisfaction on Revisit Intention

Customer satisfaction is one of the feelings that happen in a customer after he or she purchase a product or service and the attitude concerning the product and service performance, the customer compares with other competitor’s service and product how the product and service fulfill their satisfaction (Marinkovic et al., 2014). Many research papers’ results proved that customer satisfaction positively and directly related to behavior intention (Kim, 2017). Besides, Namkung and Jang (2007) revealed that customer satisfaction is suggested as an essential forerunner for behavior intention in the extant literature. Soleimani and Einolahzadeh (2018) described that customer satisfaction had an emotional feeling of the specific transaction concerning the products or services because customer satisfaction is the primary variable with a significant impact on customer loyalty and the intention to revisit a location. Similarly, He and Song (2009) described that customer satisfaction is an essential requirement for business because customer satisfaction affects client perception to revisit the restaurant or shop. Wu et al. (2018) mentioned that customer satisfaction level affects customer intention to rebuy the experience product or service. Kim and shim (2019) also suggested that the restaurant gets higher levels of repurchase and intention when the customer got a higher level of satisfaction. Yan et al. (2013) elaborated if customer satisfaction got a higher level of satisfaction, the revisit intention would be at a higher level
in the restaurant industry. If the restaurant could support customer satisfaction, the customer would likely come to the same restaurant again and vice versa. Therefore, customer satisfaction is one of the main predictors of revisit intention for the next purchasing because revisit intention was influenced in the restaurant industry. The firm will be able to generate advantages and will be able to develop and thrive in the market if the firm got customer satisfaction from the client (Iglesias and Guillen, 2004). Therefore, customer satisfaction is an essential factor for the company’s performance, and customer satisfaction has been using an essential focus by the marketing manager and scholar for a long time (Ziqiong et al., 2013). Besides, Zuratulraha et al. (2016) mentioned that by providing and supporting customer satisfaction, the customer would refuse the competitors’ offering product and service, and the customer would repurchase the current provider. They also found that customer satisfaction is significantly and positively related to the revisit intention in their study of the foodservice industry in Malaysia. Nguyen et al. (2019) revealed that taste is the key factor in food satisfaction leading to high revisit intention. Hence, the hypotheses can be drawn in the following context.

H4: Customer satisfaction has no significant influence on revisit intention.

2.5. Conceptual Framework

According to the pilot study and literature reviews, Figure 1 showed the designed conceptual framework with five variables and four hypotheses. The independent variables are perceived service quality (PSQ), food quality, and price perception, as well as the intervening variable, which is customer satisfaction while the dependent variable is the revisit intention towards the restaurant.

3. Research Methods

3.1. Research Design

The researchers combined the exploratory and explanatory sequential mixed methods designed by Creswell, 2014. The combination model of exploratory and explanatory mixed-method design was created by the researchers. There are three phases under the combination of this mixed method. This approach begins with prioritizing the collection and analysis of qualitative data, following which the framework is built from the exploratory results, and the quantitative phase is applied to test and generalize the initial findings. After that, the qualitative phase is conducted to confirm the results and reveal insights from the quantitative data to yield useful recommendations in practical implication.

In the first phase, we applied a qualitative method to explore the new variables and to build up the research survey instrument for the quantitative method. Three pilot studies were conducted to get the most important variables and to get the best survey instrument for this study. We began with a pilot study in which we conducted in-depth, semi-structured interviews. Examples of interview questions are “Have you been to this restaurant?”, “How often do you go to the restaurant?”, “What is the problem you found in the restaurant?”, and “Is there anything you do not like about this restaurant?” Will you visit the restaurant again?”. The collected data were used in parallel with an ongoing review of relevant literature so that the final research was informed by using prevailing theories as a lens through which to interpret a fresh set of empirical observations (Tuomela & Salonen, 2005). In the first round, we have randomly in-depth interviewed seven interviewees via face-to-face, who experienced the restaurants at least once a month. From the interview, three independent variables comprising service quality, food quality, and price perception were obtained. The second-round confirmed variables from the customers via face-to-face, who frequently visited 3-5 times a month. Those three variables were confirmed by the second round of interviews. The final round gained the data from 25 reviewers from their visit to the restaurant at trip advisor and Facebook. Such data and literature reviews were conforming to the specific variables and its accessible context mostly used by NVivo version 12.00 prior to arriving in the second phase.

In the second phase of the quantitative method, after the pilot study, the questionnaires were set up based on qualitative and literature reviews. The reliability with Cronbach’s coefficient alpha through SAS software version 7.12 was tested with the first 30 respondents who have experienced with the restaurant in the past six months at
least once. More than an average of 0.70 was shown as the questionnaire is reliable (Sekaran, 2003). The designed questionnaires were applied with 4-point Likert scales to measure the respondent attitude ranging from 1 (strongly disagree) to 4 (strongly agree) in order to get as much specific responses we can. This is because the respondents had ever experienced the service of the restaurant at least once started from April to September 2019 (Chyung et al., 2017). All 400 respondents’ data were collected based on the non-probability sampling method from the ones who have experienced at the restaurant in the past six months. 42% were collected through online social media channels, while 58% remaining through hard copies. Based on the quota sampling, we collected the data from the four branches of the restaurant in which 191 respondents from Mayangone, 81 respondents from Kamayut, 96 respondents were from Sanchaung, and 32 respondents were from Papedan respectively. The collected data have analyzed the results with SAS enterprise software version 7.12 and AMOS software. The last phase was followed up with the qualitative method in which the Delphi method was applied to collect the data to prove the recommendation.

3.2. Research Instrument

Table 1 shows the five primary constructs (service quality factors, food quality, price perception, customer satisfaction, and revisit intention) and adapted items used in the questionnaire.

Table 1: Five Main Constructs

<table>
<thead>
<tr>
<th>Construct</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tangibility</td>
<td>Qin &amp; Prybutok, 2009; Keshavarz et al., 2016; and Pilot Study</td>
</tr>
<tr>
<td>Reliability</td>
<td>Qin &amp; Prybutok, 2009; Keshavarz et al., 2016; Yulisetiariini, 2014; and Pilot Study</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>Qin &amp; Prybutok, 2009; Keshavarz et al., 2016; and Pilot Study</td>
</tr>
<tr>
<td>Empathy</td>
<td>Qin &amp; Prybutok, 2009; Keshavarz et al., 2016; Yulisetiariini, 2014; and Pilot Study</td>
</tr>
<tr>
<td>Assurance</td>
<td>Keshavarz et al., 2018; Yulisetiariini, 2014; and Pilot Study</td>
</tr>
<tr>
<td>Food Quality</td>
<td>Namkung &amp; Jang, 2007; Qin and Prybutok, 2009; and Pilot Study</td>
</tr>
<tr>
<td>Price Perception</td>
<td>Han &amp; Pyu, 2009; Jani and Han, 2011; Zietsman et al., 2019; and Pilot Study</td>
</tr>
<tr>
<td>Customer Satisfaction</td>
<td>Carranza et al., 2018; Namkung &amp; Jang, 2007; Qin &amp; Prybutok, 2009; and Pilot Study</td>
</tr>
<tr>
<td>Revisit Intention</td>
<td>Soleimani &amp; Einolahzadeh, 2018; Kim et al., 2013; Wu et al., 2018; and Pilot Study</td>
</tr>
</tbody>
</table>

4. Results and Discussion

4.1. Descriptive Analysis

Table 2 shows 400 respondents’ demographic profiles of gender, age, marital status, income level, and occupation with frequency and percentage. The majority group in the demographic profile is male with 52.50% and followed by the female respondents with 47.50%. Among the age group, respondents aged between 26 – 35 years old are the most respondents with 40%. At the marital status, the single is the most respondents with 58.75%). Among the income level, income between $87.59 – $134.88 is the highest level of respondents with 26.50%. For occupation, the student is the most respondents with 35.25%.

Table 2: Summary of Respondents’ Profile

<table>
<thead>
<tr>
<th>Demographic Profile</th>
<th>Descriptions</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>210</td>
<td>52.50</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>190</td>
<td>47.50</td>
</tr>
<tr>
<td>Age</td>
<td>18 – 25</td>
<td>143</td>
<td>35.75</td>
</tr>
<tr>
<td></td>
<td>26 – 35</td>
<td>160</td>
<td>40.00</td>
</tr>
<tr>
<td></td>
<td>36 – 45</td>
<td>62</td>
<td>15.50</td>
</tr>
<tr>
<td></td>
<td>46 – 55</td>
<td>24</td>
<td>6.00</td>
</tr>
<tr>
<td></td>
<td>56 and above</td>
<td>11</td>
<td>2.75</td>
</tr>
<tr>
<td>Marital Status</td>
<td>Single</td>
<td>235</td>
<td>58.75</td>
</tr>
<tr>
<td></td>
<td>Married</td>
<td>149</td>
<td>37.25</td>
</tr>
<tr>
<td></td>
<td>Divorced</td>
<td>16</td>
<td>4.00</td>
</tr>
<tr>
<td>Personal Income*</td>
<td>$87.5 – $134.8</td>
<td>106</td>
<td>26.50</td>
</tr>
<tr>
<td></td>
<td>$134.8 – $202.1</td>
<td>85</td>
<td>21.25</td>
</tr>
<tr>
<td></td>
<td>$202.1 – $269.5</td>
<td>91</td>
<td>22.75</td>
</tr>
<tr>
<td></td>
<td>$269.5 – $336.9</td>
<td>56</td>
<td>14.00</td>
</tr>
<tr>
<td></td>
<td>$336.9 and above</td>
<td>62</td>
<td>15.50</td>
</tr>
<tr>
<td>Occupation</td>
<td>Student</td>
<td>141</td>
<td>35.25</td>
</tr>
<tr>
<td></td>
<td>Private Company</td>
<td>108</td>
<td>27.00</td>
</tr>
<tr>
<td></td>
<td>Government</td>
<td>38</td>
<td>9.50</td>
</tr>
<tr>
<td></td>
<td>Business Owner</td>
<td>42</td>
<td>10.50</td>
</tr>
<tr>
<td></td>
<td>Others</td>
<td>71</td>
<td>17.75</td>
</tr>
</tbody>
</table>

Note: *The exchange rate is based on the central bank of Myanmar’s exchange rate ($1 = 1,484.1 Kyats) on January 11, 2020.

4.2. Exploratory Factor Analysis (EFA) and Confirmatory Factor Analysis (CFA)

EFA is a method to analyzes the relationship in pairs to seek and extract latent factors from the measured variables (Osborne, 2014). Primarily, it is used to investigate the underlying structure of the relationship between the
variable and respondent to reduce data to a smaller set of summary variables. The confirmatory factor analysis (CFA) is generally applied in a later phase of scale development or construct validation and to test the goodness of fit between a hypothesized model and the data after the underlying structure has been tentatively tested by using EFA (Flora & Flake, 20017). The proposed model also can be changed and modified the structure of the measure by adding a covariance or by omitting the loading items if the model does not fit well (Wymer & Alves, 2012; Chau, 2017). But adding a path should not be included if it does not give a theoretical or logical sense (Pai et al., 2007). In the analysis, absolute fit indices predict how well the model fits, or reproduce the data. Absolute fit indices include P-value > 0.05, CMIN/DF < 5, GFI > 0.9, CFI > 0.9, NFI > 0.9, RMSEA ≤ 0.08, RMR < 0.05 (Hidayat et al., 2018; Oliver et al., 2006). After the data analysis of EFA and CFA, several factors are deleted from the original factor model because of low loading and low contribution with the data fitting in the hypothesized factor structure.

In the exploratory factor analysis (EFA), RSP2 and RSP3 (responsiveness), and EPT3 (empathy) were deleted from the perceived service quality because of their low loading than 0.40 and un purge loading (Howard, 2016). Based on Table 3, the first CFA testing of perceived service quality (PSQ), food quality (FQ), customer satisfaction (CS), and revisit intention (RI) do not have the goodness of fit indices while price perception has a good model fit indices. For fitting the hypothesized factor structure, the contribution has to delete because the low correlation of observed variables makes the hypothesized factor structure less fitting.

In the second testing of CFA for perceive service quality, the hypothesized factor structure of perceived service quality has a good model fit indices after deleting the low contribution Tangibility, Reliability, Responsiveness, Empathy, and Assurance from the perceived service quality. We noted that the sub-variables for perceived service quality do not show in Table 3.

In the second testing of CFA for food quality, the hypothesized factor structure of food quality has a good model fit indices after deleting low contribution FQ1, FQ2, and FQ3 from the food quality. In the second testing of CFA for customer satisfaction, the hypothesized factor structure of customer satisfaction has a good model fit indices after deleting the low contribution CS2 from customer satisfaction. In the second testing of CFA for revisit intention, the hypothesized factor structure of the revisit intention got the goodness of fit after adding a covariance between ε3 and ε4. According to Hidayat et al. (2018), all the five factors of Alpha, composite reliability (CR), average variance extract (AVE) are greater than the criterion value of Alpha (.70), CR (.60), and AVE (.50).

### 4.3. Structural Equation Model and Hypothesis Testing

The structural equation model (SEM) observes to judge the acceptance or rejection of the proposed hypothesis by testing the direct effects and indirect effects of mediators on the relationship of the independent variable and dependent variable (Kumar & Upadhyaya, 2017). The structural equation model was assessed with seven criteria. They are the probability (P-value) < 0.05, Chi-square/Degrees of Freedom (CMIN/DF) < 5, the goodness-of-fit index (GFI) ≥ 0.9, the comparative fit index (CFI) ≥ 0.9, Normed Fit Index (NFI) ≥ 0.9, the root mean square error of estimation (RMSEA) ≤ 0.08, and Root Mean Square Residual (RMR) < 0.05 (Hopper et al., 2008). The first model of the structural equation model results was P-value = .000; CMIN/DF = 2.46; GFI = .86; CFI = .89; NFI = .83; RMSEA = .060, and RMR = .05. In the results, GFI = .86, CFI = .89, and NFI = .83 are lower than the criteria of 0.9. According to the criteria of goodness of fit indices, the tested structural model is not a good fit. After adding the ten curves with the double-headed between the high covariances error items, the constructed structural equation model is getting a good fit with the data and the fit indices are an acceptable level with the criteria. The second analysis of structural model results was P-value = 0.00, CMIN/DF = 1.50, GFI = .91, CFI = .96, NFI = .90, RMSEA = .04 and RMR = .01. The result of SEM analysis is shown in Figure 2 (P-Value = 0.00; CMIN/DF = 1.5; GFI = .91; CFI = .96; NFI = .90; RMSEA = .04; RMR = 1).

Table 4 shows the path coefficient between the variables and hypothesizes testing results. Based on Table 4, all the hypotheses testing were rejected and perceived service quality, food quality, and price perception are significant predictors of customer satisfaction, and the β is .48, .22, and .32 respectively, together with the P-value between the three variables is less than 0.001. The path coefficient .48 mentions that perceived service quality has a large size effect on customer satisfaction. The path coefficient .22 mention that food quality has a moderate size effect on customer satisfaction and the path coefficient .32 mention that price perception has a large size effect on customer satisfaction.

Moreover, customer satisfaction is a significant predictor of revisit intention because the P-value is less than 0.001. The path coefficient (β = .76) means that customer satisfaction has a large size effect on revisit intention. Therefore, customer satisfaction is an entire mediator of revisit intention concerning perceived service quality, food.

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* The exchange rate is based on the central bank of Myanmar’s exchange rate ($1 = 1,484.1 Kyats) on January 11, 2020.
quality, and price perception. Furthermore, perceived service quality, food quality, and price perception have an indirect effect on revisit intention. Keith (2015) described that $R^2$ not only shows the correlation between the independent variable and the dependent variable but also shows the correlation among the independent variables. Concerning Figure 2, there is no correlation among the independent variables, but there is a moderate correlation between the independent variable and dependent variable with the $R^2$ value of 75% and there also has a moderate correlation between the intervening variable and dependent variable with the $R^2$ value of 58%.

Table 3: CFA Model Fit Indencies, Alpha, CR, and AVE Result

<table>
<thead>
<tr>
<th>Factors*</th>
<th>ItemNo</th>
<th>P-Value</th>
<th>CMIN/DF</th>
<th>GFI</th>
<th>CFI</th>
<th>NFI</th>
<th>RMSEA</th>
<th>RMR</th>
<th>Alpha</th>
<th>CR</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>PSQ(1)</td>
<td>23</td>
<td>.00</td>
<td>2.23</td>
<td>.91</td>
<td>.91</td>
<td>.85</td>
<td>.06</td>
<td>.02</td>
<td>.83</td>
<td>.82</td>
<td>.51</td>
</tr>
<tr>
<td>PSQ(2)</td>
<td>13</td>
<td>.20</td>
<td>1.15</td>
<td>.98</td>
<td>.99</td>
<td>.95</td>
<td>.02</td>
<td>.01</td>
<td>.83</td>
<td>.82</td>
<td>.51</td>
</tr>
<tr>
<td>FQ (1)</td>
<td>7</td>
<td>.00</td>
<td>16.04</td>
<td>.86</td>
<td>.75</td>
<td>.74</td>
<td>.19</td>
<td>.03</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FQ (2)</td>
<td>4</td>
<td>.12</td>
<td>2.00</td>
<td>.99</td>
<td>.99</td>
<td>.99</td>
<td>.05</td>
<td>.00</td>
<td>.81</td>
<td>.94</td>
<td>.51</td>
</tr>
<tr>
<td>PP (1)</td>
<td>4</td>
<td>.64</td>
<td>0.44</td>
<td>.99</td>
<td>1.0</td>
<td>.99</td>
<td>.00</td>
<td>.00</td>
<td>.88</td>
<td>.95</td>
<td>.64</td>
</tr>
<tr>
<td>CS (1)</td>
<td>6</td>
<td>.00</td>
<td>2.96</td>
<td>.97</td>
<td>.98</td>
<td>.97</td>
<td>.07</td>
<td>.01</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CS (2)</td>
<td>5</td>
<td>.12</td>
<td>1.77</td>
<td>.99</td>
<td>.99</td>
<td>.99</td>
<td>.04</td>
<td>.01</td>
<td>.82</td>
<td>.95</td>
<td>.50</td>
</tr>
<tr>
<td>RI (1)</td>
<td>4</td>
<td>.00</td>
<td>18.69</td>
<td>.95</td>
<td>.96</td>
<td>.96</td>
<td>.21</td>
<td>.02</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RI (2)</td>
<td>4</td>
<td>.52</td>
<td>.38</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>.00</td>
<td>.00</td>
<td>.89</td>
<td>.98</td>
<td>.65</td>
</tr>
</tbody>
</table>

Note: PSQ represents perceived service quality; FQ represents food quality; PP represents price perception; CS represents customer satisfaction; and RI represents revisit intention.

![Figure 2: Model of SEM Results](image)

Figure 2: Model of SEM Results

Note: * is significant at 0.05 probability level; ** is significant at 0.01 level; *** is significant at 0.001 probability level.

Table 4: Path Coefficient and Significant Value of Structural Model

<table>
<thead>
<tr>
<th>Relationship</th>
<th>$\beta$</th>
<th>SE</th>
<th>CR</th>
<th>$P$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived service Quality → Customer Satisfaction</td>
<td>.48</td>
<td>.090</td>
<td>5.884</td>
<td>***</td>
</tr>
<tr>
<td>Food Quality → Customer Satisfaction</td>
<td>.22</td>
<td>.064</td>
<td>3.548</td>
<td>***</td>
</tr>
<tr>
<td>Price Perception → Customer Satisfaction</td>
<td>.32</td>
<td>.046</td>
<td>5.057</td>
<td>***</td>
</tr>
<tr>
<td>Customer Satisfaction → Revisit Intention</td>
<td>.76</td>
<td>.089</td>
<td>11.708</td>
<td>***</td>
</tr>
</tbody>
</table>

Note: *** is significant at 0.001, $\beta$ = Standardized Regression Weight, SE = Standard Error, CR = Critical Ratio, and $P = P$-value.

5. Discussions and Implication of Research

This research aims to explore the factors affecting customer satisfaction and revisit intention towards the restaurant in Myanmar. The respondents are older than 18 years old who visit at least three times a month including males and females. Four hundred questionnaires were distributed through online social media, and some get from the survey forms. This research focuses on three independent variables, one intervening variable, and one dependent variable. The four hypotheses were tested with SEM analysis. All hypotheses pass the statistical test as well as all the explored factors have a direct effect on customer satisfaction and an indirect effect on revisit intention. Concerning results of the independent factor affecting customer satisfaction, perceived service quality has a more significant size effect on customer satisfaction while food quality has the lowest size effect on customer satisfaction; however, which significantly influences customer satisfaction.

Hypothesis 1 mentions that perceived service quality in terms of tangibility, reliability, responsiveness, empathy, and assurances have a positive influence on customer satisfaction towards the restaurant. The effect of perceived service quality on customer satisfaction is $\beta$.48, which means that perceived service quality has a large effect on customer satisfaction. Perceived service quality directly influences customer satisfaction to a great extent. Therefore, perceived service quality is a significant predictor of
customer satisfaction. Keshavarz et al. (2016) also found that perceived service quality has a positive influence on customer satisfaction at the restaurant in Shiraz. Moreover, Marinkovic et al. (2014) mentioned that perceived service quality is the critical element and the most significant trigger of customer satisfaction. Therefore, customer perception of service quality is essential when the service industry intends to develop marketing strategies in the USA fast-food restaurant industry (Qin & Prybutok, 2009). Besides, the service industry has to regularly develop the interactive quality to adjust the difference between technical quality and anticipated service. Improving the interactive quality will strongly influence customer’s perceptions of service quality to get a favorable outcome (Izogo, 2015). Qin and Prybutok (2009) described that customer perception of service quality is essential when the service industry intends to develop marketing strategies in the USA fast-food restaurant industry. Moreover, Klongthong et al. (2020) studied the service quality dimensions towards the service of pharmacists in retail stores to build the corporate image in Thailand. Therefore, perceived service quality is crucial to succeeding in an organization because it is directly related to customer satisfaction and behavioral intention.

The effectiveness of the results mentions how the perceived service quality in terms of tangibility, reliability, responsiveness, empathy, and assurance can influence customer satisfaction of the restaurant. From the analysis result of the hypothesis, there was a strong perceived service quality in the perception of customer satisfaction. The results mention that perceived service quality is one of the essential elements at the selling of the food in the restaurant, which can increase customer satisfaction towards the restaurant. By providing perceived service quality well in the restaurant, it will be the basic concept for gaining and improving customer satisfaction to succeed in the business (Haming et al., 2019). According to Izogo (2015), improving the interactive quality will strongly influence on customer’s perception of service quality to get a favorable outcome.

Hypothesis 2 mentions that food quality has a positive influence on customer satisfaction towards the restaurant. Food quality affects customer satisfaction with \( \beta = .22 \), which means that food quality has a moderate effect on customer satisfaction. Food quality directly influences customer satisfaction moderately. Therefore, food quality is one of the forerunners of customer satisfaction. Carranza et al. (2018) also found that food quality positively influences customers’ satisfaction and behavior intention. Ramanathan et al. (2016) as well as Namkung and Jang (2007) proved that food quality is one of the central elements of the food industry because food quality influences customer satisfaction. Therefore, according to the experience, the restaurant industry should regularly offer the best food and adapt the cuisine style to attract customers to the food industry (Carranza et al., 2018).

The effectiveness of the result indicates how food quality can influence customer satisfaction in the restaurant. From the analysis result of the hypothesis, food quality has a positive effect on customer satisfaction. In the market, the customer has already accepted the food of the restaurant because the customer thinks that the food quality is good for them. It influences the attitude of customers concerning the food. Therefore, they have to control and improve food quality to increase the sale of restaurant food because food quality has a positive direct effect on customer satisfaction.

Hypothesis 3 implies that price perception has a positive influence on customer satisfaction towards the restaurant. The effect of price perception on customer satisfaction is \( \beta = .32 \), which means that it has a large effect on customer satisfaction. Price perception directly influences customer satisfaction with a large size effect. Therefore, price perception is one of the predictors of customer satisfaction. Han and Pyu (2009) also mentioned that price perception has a positive effect on customer satisfaction, which describes the increasing customers’ satisfaction level when the price is reasonable. The finding from the three full-service restaurants in northwestern and southeastern states in the United States also described the overall satisfaction and behavioral intention significantly related to customer perception of price fairness and unfairness in the service industries. According to Varki and Colgate (2001) advised that managers can get benefits by actively managing client price perception because price assumptions greatly affected client retention.

The effectiveness of the result mentions how price perception can influence customer satisfaction in the restaurant. According to the analysis result of price perception, price perception has a positive influence on customer satisfaction. In the market, the customer believed that the price of the food is fair for them. The fair price already influences the mind of the customers. Therefore, a fair price is one of the essential elements for increasing the sale of restaurant food in the market. Concerning the result, controlling and adjusting the price is important between the marketer and consumer in the market because price perception has a direct positive effect on customer satisfaction.

Hypothesis 4 states that customer satisfaction has a positive influence on to revisit intention towards the restaurant. The effect size of customer satisfaction to revisit intention is \( \beta = .76 \), which means that customer satisfaction has a large size effect on customer satisfaction. Customer satisfaction directly influences revisit intention with a large size effect. Therefore, customer satisfaction is the main significant predictor of revisit intention. Cole and
Critical Factors Influencing Revisit Intention of Large Restaurant Chains in Myanmar

Chancellor (2009) also found that overall customer satisfaction directly influenced clients’ revisit intention in which overall customer satisfaction was directly related to service quality. Marinkovic et al. (2014) mentioned that satisfaction is a crucial forerunner of revisit intention. For example, if customer satisfaction got a higher level of satisfaction, the revisit intention would be at a higher level in the restaurant industry. To get a high level of revisit intention, a manager should support customer satisfaction well because customer satisfaction is one of the main predictors of revisit intention for the next purchasing (Yan et al., 2013; Lee & Lee, 2018; Lin 2018).

The effectiveness of the result indicates how customer satisfaction can influence revisit intention towards the restaurant in terms of the goodness of the food quality. In the analysis of the results of the hypothesis, customer satisfaction has a positive influence on revisit intention. The customer has a good feeling about revisiting the restaurant because of the goodness of the food quality. Therefore, they should take care of customer satisfaction to increase the revisit intention of the restaurant. If they can increase the customer satisfaction level, the customers' revisit intention level will increase highly because customer satisfaction has a positive large size effect on revisit intention.

6. Conclusions and Recommendations

According to the results, this study can support the marketer to understand customer satisfaction which increases revisit intention of the restaurant. Concerning the findings, the independent variables of perceived service quality (PSQ), food quality, and price perception have a direct influence on customer satisfaction and an indirect influence on revisit intention. Moreover, perceived service quality is the highest positive influence on customer satisfaction while food quality is the lowest positive influence on customer satisfaction. Concerning the customer satisfaction of the restaurant, they should sustain perceived service quality, food quality, and price perception. According to this finding, we recommend focusing on the millennials. Concerning their demand, the restaurant should develop the improvement of the perceived service quality in terms of the friendliness relationship, specific order food providing, extraneous service. Qin & Prybutok (2009) described that customer perception of service quality is essential when the service industry intends to develop marketing strategies in the USA fast-food restaurant industry. Based on the follow-up interview using the Delphi technique, three recommendations are provided. Firstly, the restaurant should frequently provide new services training seminars on how to take better care of their customers concerning the Millennial. Izogo (2015) also mentioned that improving the interactive quality will strongly influence on customer’s perception of service quality to get a favorable outcome. Secondly, the restaurant should focus on the price. Concerning the price, the restaurant should create a new pricing code on the portion size of food ingredients, including special package prices for a group of visitors because Anttila (1978) also mentioned that price perception is the most crucial element to know the effectiveness in attracting the customers’ purchase decision (Anttila, 1978). The customers’ satisfaction level is increased when the price is reasonable. Finally, the restaurant should focus on food quality after the pandemic in Myanmar. The restaurant should hypothetically change to higher quality in terms of the hygienic process in providing food for customers. It is supported by Carranza et al. (2018) that regularly offering the best food and adapting the cuisine style are vitally important to attract the customers in the food industry according to the experience.

7. Limitations and Future Research

The research objective is to understand the factors influencing customer satisfaction which increase revisit intention of the restaurant. Concerning the limitations of the study, the researcher wants to give some suggestions for future studies. In this research, some branches of the restaurant in Myanmar were selected based on the popularity of all branches to collect data from respondents. For further studies, the researcher can focus on the whole country of Myanmar concerning the customer purchasing characteristics of the restaurant in Myanmar.

Another point of this study is it only involved five independent variables, one intervening variable, and one dependent variable is the revisit intention towards the restaurant in Myanmar. Therefore, to extend or better research in the future, the researcher can add more variables by doing an in-depth qualitative pilot study to explore other variables influencing customer satisfaction and revisit intention toward restaurants.

References


