

**CHAPTER TWO**  
**REVIEW OF**  
**LITERATURE**

## CHAPTER TWO

### REVIEW OF LITERATURE

#### 2.1 Introduction:

Desk Research forms an important starting point for any academic research project. It gives sufficient insight into the subject matter, and necessary direction to the proposed study. The task of literature review also helps researcher understand the gaps between certain ongoing phenomenon and the existing knowhow.

✓ According to **Zairi (2000)** the feeling of pleasure and expectation fulfillment is known as Satisfaction. If the product can not satisfy customer feelings they will be dissatisfied, and if product satisfies them after the use customer will be satisfied and become loyal to that product or brand. In other words customer satisfaction is about those goods or services which fulfill the customer expectation in terms of quality and service for which he has paid. If Customer satisfaction develops they will become loyal to that product or brand and their loyalty will be good for the company in sense as a Profit. Customer satisfaction is the part of marketing and play important role in the market. In any organization satisfaction of customer is more important, because if your customer is satisfied with your services or products, your position will be good in the market.

✓ **Oliver (1981)** describes in his study that customer satisfaction is the part of marketing and play important role in the market. In any organization satisfaction of customer is more important, because if your customer is satisfied with your services or products, your position will be good in the market. In old times customer satisfaction was not too much important and people were not focused on quality. But now a day's competition is taught and customer is aware of all the products and companies due to education and learning environment and this is the reason that every business is concern to fulfill properly customers need and wants.

Concerning all types of business organization customer satisfaction is the most important issue, and considered as most reliable feedback, for the excellence of any business organization (T. W., 2001).

✓ **Veloutsou (2005)** describes in his study regarding customer satisfaction tangible products and services, there is a distinction. This distinction between

tangible and intangible goods becomes coz different factors of customer satisfaction, and that is why they should be treated separate and distinct

✓ **Churcill (1982)** customer satisfaction has overall reaction of expectation of consumption with a product or service on the base of perception, evaluation and psychological reaction. According to Kottler (2000) Satisfaction is the sum of attributes of product or service.

✓ **Kurniawan (2010)** customer satisfaction can change over the period of time; it is a dynamic process. The individual perception about the products or services performance Leads to customer satisfaction.

In the present day's retail business, ensuring customer satisfaction in delivering the right product and service to the end-users is the major concern for the future growth of the organization. In the present study an attempt is made to find out the customer satisfaction during purchase in retail outlets based on customer survey.

✓ **Das Prasun, 2009** Literature on customer satisfaction is voluminous and spans several areas such as marketing, management and accounting. For example, numerous papers use the ACSI (American Customer Satisfaction Index) to study customer satisfaction at the company, industry and macroeconomic levels. This paper focuses only on customer satisfaction studies that are related to retailing and does not survey the literature that studies the design of satisfaction survey instruments, as there is no control over survey design. The basic tenet of this research stream is that higher service quality improves customer satisfaction, resulting in better financial performance, although the mechanisms by which this improvement happens vary.

✓ **Iacobucci et al. (1994, 1995)** provide precise definitions of service quality versus customer satisfaction. They contend that service quality should not be confused with customer satisfaction, but that satisfaction is a positive outcome of providing good service.

✓ **Ittner and Larcker (1998)** provide empirical evidence at the customer, business-unit and firm- level that various measures of financial performance (including revenue, revenue change, margins, return on sales, market value of equity and current earnings) are positively associated with customer satisfaction. However, in the retail industry they find a negative relationship between satisfaction and profitability which may be because benefits from increased satisfaction can be exceeded by the incremental cost in retail.

✓ **Sulek et al. (1995)** find that customer satisfaction positively affects sales per labor hour at a chain of 46 retail stores. Anderson et al. (2004) find a positive association between customer satisfaction at the company level and Tobin's q (a long-run measure of financial performance) for department stores and supermarkets. Babakus et al. (2004) link customer satisfaction to product and service quality within retail stores and find that product quality has a six significant impact on store-level profits. Research on customer satisfaction usually views employees as facilitators of the sales process who are critical to improving the conversion ratio, by providing information to the customers on prices, brands, and product features and by helping customers to navigate store aisles, finding the product and even cross-selling other products. The unique feature of the retail store execution problem is that it combines the factory and the sales components, but this stream of literature focuses only on the latter.

✓ **Measuring customer satisfaction in the fast food industry: A cross national approach** Gilbert, G.R., *Veloutsou, C., Goode, M.M.H., and Moutinho, L.* (2004) *Journal of Services Marketing*, 18 (5). pp. 371-383.

The study reveals the unique relationship between the nationality and the determinants of customer satisfaction. The study further establishes the linkage of customer satisfaction to cultural factors, thus paving way to the cross cultural comparison of service satisfaction at four different countries essentially speaking English but differing in cultures.

The study elicits the fact that customer satisfaction in the context of fast food retailing is of two fold; satisfaction with service setting and satisfaction with personal service. The researcher's efforts would certainly benefit the retailers in assessing their own services and brands across nations and thus devise an effective retail mix.

✓ **Service quality perceptions in fast-food restaurants in china**

*Author: Hong Qin, University of North Texas*

Growing population, urbanization, and middle class affluence are characteristic trends in many emerging Asian economies. This is leading to increase in popularity as well as competition of fast-food restaurants. Therefore, they are increasingly recognizing the importance to continuously improve their service quality to retain and attract customers. This study explores the potential dimensions of service quality in fast-food restaurants (FFRs) in China. Which is perhaps a right representative of

Asia Pacific Region to highlight various trends related spendings and consumption pattern. The study demonstrates “FFR success model” and empirically examines using the original five dimensions in the SERVPERF scale with the additional dimension of “recoverability” to measure service quality. The findings indicate that recoverability, tangibles, reliability and responsiveness are four most significant dimensions of service quality in the fast-food industry in China.

Apart from being a close neighbour to China, India has several geographical, demographical, and socio-economic similarities. Therefore, this study gives a necessary precursor to my study on fast food retailing.

✓ **Consumers’ Purchase Intentions in Fast Food Restaurants: An Empirical Study on Undergraduate Students**

*Authors: Huam Hon Tat, SengSook-Min, Thoo Ai-Chin, AmranRasli, Abu Bakar Abd Hamid-Department of Management, Faculty of Management and Human Resource Development, Universiti Teknologi Malaysia.*

The fast food industry in Malaysia is facing increasingly competitive challenges as with other industries around the world. The present study identifies the key determinants of customer satisfaction in fast food outlets and the current perceived service quality level amongst young, university students in Malaysia. The study also attempts to identify significant relationships between customer satisfaction and customers purchase intentions. The study successfully tests five dimensions viz., assurance -which is found to be the strongest determinant of customer satisfaction towards fast food restaurants (FFRs)- followed by responsiveness, reliability, tangibility and empathy. The results also supported the contention that customer satisfaction can lead to customer purchase intentions. Recommendations to FFRs and discussions for future studies have particularly gave me strong directions to my study.

✓ **Perception about the Attributes of Selected Fast Food Retailers and their Impact on Consumer Satisfaction and Sales**

*Author: Rajul Bhardwaj Vol. - I No. - 2, Jan-2011*

The present study successfully measures the links between attribute perceptions and consumer satisfaction, and between consumer satisfaction and sales performance, in the food retail sector of India. The study based on an extensive data set of consumer

satisfaction and sales information from approximately 180 consumers. The study addresses the inherent nonlinearities and asymmetries in these links. Further, an example of how firms can use the estimated linkages to develop satisfaction policies that are predicted to increase store revenues has been presented. First nonlinearities and asymmetries in the satisfaction-sales performance have been examined. Second, the study advances the measurement of behavioural links between consumer satisfaction and performance in the food retail sector with firm-specific data. Third, the study shows how firms can employ such results to develop appropriate consumer satisfaction policies..

✓ **Exploring factors influencing customers' satisfaction in Indian fast food industry**

*Chauhan Vinay & Chib Sandeep Singh (2012)*

Fast food industry is growing at a phenomenal rate especially in developing Asian countries. The author of the paper attributes this to innovation, quality control and competitive pricing. As the researcher endorses, Fast food restaurants represent one of the largest segments of the food industry. It is true that food cultures do not remain static but are continually evolving and changing in response to different internal and external stimuli (Mennell, 1985; Molz, 2004). Hall and Mitchell (2000, 2002b) have emphasized that despite rapid globalization of the food market in many destinations, homogenization of production or consumption

is not a certainty. In this industry, customer satisfaction is one of the most important strategic tools used for building a company's brand image. Further, the phenomenon of customer satisfactions in this industry is of critical importance for organizational success especially due to the heterogeneity of the product and the service involved as well as also due to the fast changing customers' requirements. In many researches customer satisfaction has been probed as most important factor on overall firm's performance as it directly affect the flow and enormity of customer traffic of the fast food restaurants. This backdrop provides the rationale for conducting study to explore the factors influencing customer satisfaction in Indian Fast Food Industry, with the scope limited to the fast food companies namely Mc Donald, Pizza hut, KFC and Dominos located in National Capital Region (NCR) in India. The researchers This paper objectively provide some concrete strategies to

enhance customer satisfaction in the fast food Industry. Thus, it provides me the required direction to my own study in this area.

✓ **Determinants of customer satisfaction in fast food industry-Shahzad Khan,**

The present paper enumerates key success factors for fast food industry in region of Peshawar Pakistan. Perhaps, the popularity of Fast food joints has increased very rapidly in last few years in the region. The failure or success of a fast food industry depends on several factors like Promotion, Service quality, Customer expectations, Brand, Physical Environment, Price, and Taste of the product. The study makes an effort to put these factors in the order of their influence on consumer satisfaction, focusing on KFC, CHIEF, ARBAIN CHICK, and PIZZA HUT.

On the basis of the study it becomes evident that service quality and brand are the key factors for satisfaction in fast food industry in the select study area. Owing to the geographical proximity, and socio-cultural similarities between India and Pakistan, I believe, the present study gives me useful hints in my study.

*International Journal of Management and Strategy ISSN: 2231-0703*

**2.2 Conclusion:**

The Literature Review undertaken as above underscored that Customer Satisfaction is of paramount importance to any business in general and food retailing in particular. Many studies have established positive linkage between customer satisfaction and qualitative success (such as popularity) while some other studies have established empirically that Customer Satisfaction may not always be translated into increased profits in the short term.

However, all the studies either implicitly or explicitly agree that Customer Satisfaction is instrumental in the long run success of the brands.