

The 7th Smart Collaboration for Business in Technology and Information Industries 2016



Factors Affecting Customer Revisit Intention in Dapoer Pandan Wangi Sunda Resto

Jesica Christianty and Harimukti Wandebori Bachelor of Management, School of Business and Management Institut Teknologi Bandung Bandung, Indonesia jesica.c@sbm-itb.ac.id

Abstract

The objective of this paper is to discover and analyze the factors of customer revisit intention among guests of a restaurant. The restaurant in context is Dapoer Pandan Wangi Sunda Resto. Dapoer Pandan Wangi Sunda Resto is one of well-known Sundanese restaurant in Bandung. This subject can help them to maintain existing customers and enhance their repeat purchases to gain profit. The factors are food quality, atmosphere, and perceived price value. This research also examines the relationship between customer satisfaction to revisit intention.

Researcher use regression analysis as research method, with revisit intention as dependent variables and factors studied as independent variables. The data were gathered using questionnaire and distributed to customers who had visited Dapoer Pandan Wangi Sunda Resto. Based on the results, only food quality and overall customer satisfaction has significant influence to revisit intention. Among those variables, customer satisfaction has the most influence towards revisit intention. The result will be functional for restaurant operators to take effective steps in order to engage more customers to revisit.

Keywords : Revisit intention ; Customer satisfaction ; Restaurant

1. Introduction

Food is one of basic human needs. Accordingly, opening a restaurant business has a good chance to be profitable. Indonesia is famous with its variety of delicious foods. Therefore, traditional foods restaurant, has spread all over Indonesia. It also happens in West Java. Sundanese food, the West Java specialty food, is very famous in Indonesia. In Bandung, capital city of West Java, the amount of Sundanese food restaurant is very big. Based on data from Dinas Pariwisata Kota Bandung, there are about 50 Sundanese restaurants that operated in Bandung. From those many Sundanese restaurants, Dapoer Pandan Wangi Sunda Resto is one of them.

Dapoer Pandan Wangi Sunda Resto (or known as Dapoer Pandan Wangi) was first established in 2005. Until now, it keep growing and solidified its position as one of top Sundanese restaurant in Bandung. Their success story is an interesting thing to be observed. There are many factors that can contribute as its success factors. One of them that discovered from the owner is retaining customers. Dapoer Pandan Wangi majority of customers has this revisit intention that makes them come back to the restaurant. This opinion is stated due the fact that Dapoer Pandan Wangi had only marketing activities in first two years of their existence, which means they don't do specific actions with the purpose to attract new customer, but focusing on retaining customers. Retaining customers are said to be more profitable than winner prospective customers. (Bitran, Caldentey, & Mondschein, 1998). In the survey conducted by America's National Restaurant Association (2004), restaurant owners stated that 70% of their business base comes from repeat customers. As Dapoer Pandan Wangi never held a research about customer revisit intention before, they don't know which factor is the most influencing to revisit intention and how important it is to maintain and improve those factors.

The researcher interested in discover and analyze the factors of customer revisit intention among guests of the restaurant. After interview with the owner and manager of the restaurant and supported with literature review, there will be four factors to be observed, which are food quality, atmosphere, price, and customer satisfaction. Those factors will be related to revisit intention. As a matter of fact, knowing the reason behind the revisit intention based on customers' perspective will help Dapoer Pandan Wangi to expand the business, and makes evaluation for themselves.

2. Literature Review

2.1 Revisit Intention

Revisit intention is described as an affirmed likelihood to revisit the restaurant in both the absence and presence of a positive attitude toward the provider. The particular range of potential behaviors provoked by overall experiences in particular restaurant is specifically measured (Han, et al., 2009). In Customers are likely to remain loyal to the company once they are greatly dedicated or have strong intentions to revisit, repurchase, recommend, and spend more. Hence, it is crucial to understand the attributes which influence customers' decisions to return to a restaurant, as by understanding these factors, it will be feasible to meet customers' expectations and prevent their defection which will lead to profit loss (Haghighi, et al., 2012).

2.2 Customer Satisfaction

Customer satisfaction is defined as a customer's overall evaluation of his or her purchase and consumption experience of a good or service (Johnson, et al., 1995). A customer compares the actual benefit and cost level in the purchasing behavior with the expected level of benefit. According to Oliver, 1993, in his study, customer satisfaction is the core philosophy of marketing strategy of any organization and plays a key role in an organization success. As company delivers a product or service and satisfaction to customers, they generate profits. Assuming that product or service attain the need and demand of customers, they will become satisfied and will be converted to loyal customer (Sabir, et al., 2014)

2.3 Relationship between Revisit Intention and Customer Satisfaction

Revisit intention is consistently associated with customer satisfaction, as it was said that the higher satisfaction a restaurant delivers, the higher the possibility that customers will revisit (Oh, 2000 and Han, et al., 2009). Oh's study indicates that customer satisfaction as a powerful predictor of customer intent to repurchase (Oh, 2000). In addition, Kim, et al. in 2009 confirmed that customer satisfaction was positively associated to return intention and positive word-of-mouth endorsement. Nevertheless, a study conducted by Weiss, et al. in 2004, stated that customer revisit intention is merely affected by satisfaction with the theme restaurant food quality and atmosphere.

Accordingly, the relationship between revisit intention and customer satisfaction can depend on the restaurant itself.

2.4 Restaurant Quality Dimensions

A restaurant is defined as a place where excitement, satisfaction, and a feeling of personal well-being are

accomplished (Finkelstein, 1990). Moreover, Finkelstein argued that restaurants' attributes gave the restaurant its particular identity and character that will directly or indirectly involve in the act of dining and post-purchase behavior, i.e revisit intention. Customer's wish to return to a restaurant (revisit intention) served as the behavioral measure (dependent variable) and will be compared with responses connecting to restaurant attributes, that will be regard as (independent variables).

2.4.1 Food Quality

Food quality defined as 'the combination of attributes or characteristics of a product that gave significance in determining the degree of acceptability of the product to a user' by USDA Marketing Workship Report. It was said to be seen as the most important aspect of the dining experience. Thus, it's important to preserve the level of food quality to meet customers' needs and expectations. (Josiam, et al., 2014) *2.4.2 Atmosphere*

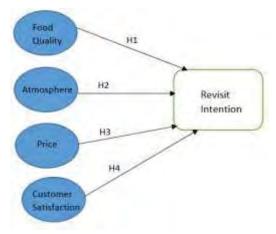
The importance of the physical environment in influencing behaviors has been proved in many researches about consumer behaviors. As a result, the findings lead to conclusion that creating enjoyable atmosphere is crucial for a firm's success (Han & Ryu, 2009)

2.4.3 Price

The price is made of everything that a consumer must sacrifice so as to get a product or service (Zeithaml, 1988) Perceived fairness of price is proven to be positively related to behavioral intentions, while perceived unfairness of price may have negative behavioral reactions, such as dissatisfaction, protests, and replacement to other providers (Senic, et al., 2014).

2.5 Hypotheses Development

Based on several journals and references, researcher made a conceptual framework that involved the outline of



this research along with the hypotheses.

H1 : Food quality has significant impact on revisit intention.

H2 : Atmosphere has significant impact on revisit intention.

H3 : Price has significant impact on revisit intention.

H4 : Customer satisfaction has significant impact on revisit intention.

Figure 1 : Conceptual Framework

3. Methodology

3.1 Type of Research

The research is a quantitative business research, that addresses research objectives through empirical assessments that involve numerical measurement and analysis approaches (Zikmund et al., 2010).

3.2 Operational Variable

The proposed model of this research has four independent variable, which are Food Quality (FQ), Atmosphere(AT), Price(PR), and Customer Satisfaction (CS). The dependent variable used in this reasearch is Revisit Intention (RI).

3.3 Population and Sample

The population would be the number of visitors to Dapoer Pandan Wangi. As there's no previous study about the number of annual visitors in Dapoer Pandan Wangi, the owner approximate number of visitors per day as 300 people in weekdays (Monday to Friday) and 800 in weekend (Saturday and Sunday), as it summed up = (300x5) + (800x2) = 3,100 people per week. Based on the calculation, researcher assuming the visitors per year will be $3,100 \times 48 = 148,800$ visitors. Researcher will use purposive sampling ; with compulsory criteria that respondent had visit Dapoer Pandan Wangi Sunda Resto before, then using Slovin's formula to determining the sample size.

3.4 Data Analysis Technique

Multi linear regression is used to analyzing the data. Multiple linear regression is a widening of simple regression analysis, allocating a metric dependent variable to be anticipated by multiple independent variables.

4 Result and Discussion

The primary data is gathered by distributing survey using questionnaires. The questionnaire was distributed through online distribution by using Google Forms and offline by visiting the restaurant and ask the visitors to fill the questionnaire, targeted at customers who had visited Dapoer Pandan Wangi and have/plan to revisit the restaurant. There is total 177 respondents filled the questionnaire, however only 157 questionnaires were considered as legitimate for this research as they stated as have dined at Dapoer Pandan Wangi. Respondent rated the variables using 5-point Likert scale, which is the commonly used scale in questionnaires, and is the most widely used scale in survey research.

4.1 Validity and Reliability Test

Before spreading the questionnaires, researcher use 30 pre-test questionnaire to check the questions' validity and reliability.

For the present study, after gathered all data, researcher use KMO Test for each variable's questions to test the validity and Cronbach Alpha for each variable to test research' reliability. All variables pass both tests.

4.2 Multiple Linear Regression Analysis

As the data already passed classical assumption test, researcher use multiple linear regression analysis to find out about correlation about dependent and independent variables. The SPSS result for multiple linear regression analysis are as this table below :

Dependent Variable	Independent Variables	ANOVA		Coefficient		
		F	Sig.	Beta	Sig.	R ²
Revisit Intention	Food Quality	26.793	0.000	0.318	0.000	0.414
	Atmosphere			0.004	0.950	
	Price			0.161	0.114	
	Customer Satisfaction			0.432	0.002	

Table 1. Relationship of Independent Variables to Dependent Variables

Independent variables will be considered to have significant influence towards dependent variable if the their sig. level numbers are below 0.08 (confidence level for this research is 8%). Therefore, we can conclude from the table to answer the following hypotheses;

- H1 : Food quality has significant effect to revisit intention.
- H2 : Atmosphere has insignificant effect to revisit intention.
- H3 : Price has insignificant effect to revisit intention.
- H4 : Customer satisfaction has significant effect to revisit intention.

Additionally, from the beta coefficient, it can be concluded that customer satisfaction has the biggest effect to revisit intention. From table above it can be seen that the adjusted R square in this research is 41,4%, so it indicates that 41,4% of revisit intention was affected by food quality, atmosphere, price, and customer satisfaction. The other 58,6% were affected by other variables which are not stated in this research.

5 Conclusion and Recommendation

Based on the analysis results, it can be concluded that food quality and customer satisfaction has significant effect towards revisit intention. Moreover, overall customer satisfaction is the proven to be the most influencing factor that influences revisit intention in Dapoer Pandan Wangi Sunda Resto. Hence, they should maintain their performance to make customers satisfied. Dapoer Pandan Wangi can do further research to analyze any factors that determine customer satisfaction and improve them. Also, as food quality also proven to have significant effect to revisit intention, Dapoer Pandan Wangi should pay more attention towards it. Dapoer Pandan Wangi has to assure they will maintain their quality of food in the future.

References

Bitran, G., Caldentey, R. & Mondschein, S., 1998. Coordinating Clearance Markdown Sales of Seasonal Products in Retail Chains. *Operations Research*, pp. 609-623.

Finkelstein, J., 1990. Dining Out: A Sociology of Modern Manners. *American Journal of Sociology*, 96(3), pp. 782-784.

Haghighi, M., Dorosti, A., Rahnama, A. & Hoseinpour, A., 2012. Evaluation of factors affecting customer loyalty in the restaurant industry. *African Journal of Business Management*, 6(14), pp. 5039-5046.

Han, H., Back, K.-J. & Barrett, B., 2009. Influencing factors on restaurant customers' revisit intention : The roles of emotions and switching barriers. *International Journal of Hospitality Management*, Volume 28, pp. 563-572. Han, H. & Ryu, K., 2009. The Roles of the Physical Environment, Price Perception, and Customer Satisfaction in Determing Customer Loyalty in the Restaurant. *Journal of Hospitality & Tourism Research*, pp. 487-510. Jani, D. & Han, H., 2011. Investigating the key factors affecting behavioral intentions. *Emerald Insight*, Volume 23, pp. 1001-1018.

Johnson, M. D., Anderson, E. W. & Fornell, C., 1995. Rational and Adaptive Performance Expectations in a Customer Satisfaction Framework. *Journal of Consumer Research*, pp. 695-707.

Josiam, B. M., Foster, C., Malave, R. & Baldwin, W., 2014. Assessing quality of food, service, and customer experience at a restaurant : the case of student run restaurant in the USA. *Journal of Services Research*, 14(1), pp. 49-73.

Kim, W. G., Ng, C. Y. N. & Kim, Y.-s., 2009. Influence of institutional DINESERV on customer satisfaction, return intention, and word-of-mouth. *International Journal of Hospitality Management*, 28(1), pp. 10-17. Oh, H., 2000. The effect of brand class, brand awareness, and price on customer value and behavioral intentions. *Journal of Hospitality and Tourism*, 24(2), pp. 136-162.

Oliver, R. L., 1993. Cognitive, Affective, and Attribute Bases of the Satisfaction Response. *Journal of Consumer Research*, Volume 20, pp. 418-430.

Sabir, R. I. et al., 2014. Customer Satisfaction in the Restaurant Industry : Examining the Model in Local Industry

Perspective. Journal of Asuan Business Strategy, 4(1), pp. 18-31.

Senic, V. et al., 2014. The antecedents of satisfaction and revisit intentions for full-service restaurants. *Emerald Insight*, 32(3), pp. 411-327.

Weiss, R., Dalbor, M. C. & Feinsteld, A. H., 2004. Customer Satisfaction of Theme Restaurant Attributes and Their Influence on Return Intent. *Foodservice Business Research*, 7(1), pp. 23-41.

Zeithaml, V. A., 1988. Consumer perceptions of price, quality, and value : a means-end model and synthesis of evidence. *Journal of Marketing*, 52(3), pp. 2-22.