

# An Examination of the Effects of Customer Expectation, Perceived Quality, and Customer Satisfaction on Customer Loyalty: A Case Study on KFC Restaurant

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**Abstract**— This research has proposed a conceptual framework to investigate the effects of customer expectation, perceived quality, and customer satisfaction on customer loyalty. This study has been conducted on 210 customers, with a structured questionnaire, who have received those services from a different restaurant in Dhaka city of Bangladesh. For collecting data, convenient sampling technique has been used. For analyzing data multivariate analysis techniques like factor analysis and Structural Equation Modeling (SEM) has been used. Descriptive statistics have been used for explaining the demographic characteristics of the customers. This study reveals that customer expectation is a significantly negative relationship with customer loyalty in a direct way but, this factor (customer expectation) is a significantly positive relationship with customer loyalty via customer satisfaction. This study also reveals that perceived quality is not a significant relationship with customer satisfaction but, this factors (Perceived Quality) is a significantly positive relationship with customer loyalty in a direct way. A clear understanding of the actual relationships among the studied factors might encourage the KFC restaurant to figure out an appropriate course of action to win customers expectation by providing better services in order to create a loyal customer base.

**Index Terms**— Customer Expectation, Perceived Quality, Customer Satisfaction, Customer Loyalty, KFC restaurant, Bangladesh.

## I. INTRODUCTION

A successful business organization must acquire new customers and get existing customers to continue consuming the products and services provided rather than turning to competitors. Service quality is regarded a critical success factor for organizations to differentiate from competitors. Many studies have been conducted to determine the factors of service quality. According to Zeithaman & Bitner (2003), service quality is a measure of how well a delivered service matches the customers' expectations. Customer satisfaction is very important in today's business world as the ability of a

service provider to create a high degree of satisfaction is crucial for product differentiation and developing a strong relationship with customers (Deng et al., 2009). For example, researchers have found that customer satisfaction can lead to customer loyalty (Caruana, 2002; Caruana et al., 2000). According to Ryan et al., 1999 said that loyal customers will tend to repurchase from the same service provider. Every people know KFC is the world's most popular chicken restaurant chain which has been established by Colonel Harland Sanders in 1939. This is most famous creation Original Recipe Kentucky Fried Chicken, featuring that secret blend of 11 herbs and spices. Since that time, millions of people over the world have come to love his one of a kind chicken. KFC serves nearly 12 million customers across the globe daily in more than 19,400 restaurants. But, KFC started its journey in Bangladesh on the 6th of September, 2006. Transcom Foods Limited, as the sole franchisee of KFC, opened the doors of the first KFC restaurant in Gulshan 1. Today, KFC has grown as a brand, winning people's hearts and has opened 19 restaurants in 3 cities across Bangladesh. The biggest laurel for KFC Bangladesh is maintaining highest standards of food safety and hygiene regime by following stringent local and international audits. Employing more than 600 people, KFC Bangladesh committed to secure the best quality fried chicken with the best of services. So, we want to study why have people feel loyal to KFC restaurant is best first food restaurant in Bangladesh as well as the world.

## II. OBJECTIVE OF THE STUDY

The objectives of this study are

- to predict the significant relationships among factors like perceived quality, customer expectation, customer satisfaction and customer loyalty of KFC restaurant customers in Bangladesh.
- to give some suggestions for the improvement of the satisfaction level for the customers of KFC restaurant in Bangladesh.

## III. LITERATURE REVIEW

### Perceived Quality

According to Zeithaman & Bitner (2003), service quality is a measure of how well a delivered service matches the customers' expectations. Quality can be defined as satisfying or exceeding customer requirements and expectations, and consequently, to some extent, it is the customer who eventually judges the quality of a product (Shen et al., 2000). Banks have realized the significance of concentrating on

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quality of services as an approach to increase customer satisfaction and loyalty and to develop their core competence and business performance (Kunst and Lemmink, 2000). Differences between expectations and evaluations denote perceived service quality (Zeithaml et al., 1999). Negi (2009) suggests that customer-perceived service quality has been given increased attention in recent years, due to its specific contribution to business competitiveness, developing satisfied and loyal customers. Service quality is sufficient when perceptions equal or exceed expectations. This study adopted the SERVQUAL model and was, therefore, disconfirmation-based. This study uses the SERVQUAL model to determine the relative importance of each of the service quality attributes which influence customer overall quality perceptions. The expectation is viewed in service quality literature as desires or wants of consumer i.e., what they feel a service provider should offer rather than would offer (Parasuraman et al., 1988). Customers evaluate service quality by comparing what they want or expect to what they actually get or perceive they are getting (Berry et al., 1988).

### **Customer expectation**

At this point, the “voice of the customer” should be taken into the design process and after delivering the services, service providers should monitor how well the customers’ expectations have been met (Pakdil & Aydın, 2007). Expectations serve as a major determinant of a consumer’s service quality evaluations and satisfaction (Grönroos, 1994; Parasuraman et al., 1985; Parasuraman et al., 1988; O’Connor et al., 2000; Van Pham & Simpson, 2006). According to Parasuraman, Berry, and Zeithaml (1991), service providers must recognize customer needs in order to fulfill expectations to achieve high customer satisfaction during the service experience. Customer expectations are defined as the desires or wants of consumers, i.e., what they feel a service provider should offer rather than would offer (Parasuraman et al., 1988). According to the SERVQUAL model (Parasuraman et al., 1988), service quality can be measured by identifying the gaps between customers’ expectations of the service to be rendered and their perceptions of the actual performance of the service. SERVQUAL is based on five dimensions of service quality (Parasuraman et al., 1988).

### **Customer satisfaction**

Actually customer’s satisfaction is the customer’s evaluation of goods and services in term of whether it is according to the customer’s needs and wants or customers dissatisfied with the product services or the dissatisfied with the performance of the products and not according to expectation of customers and sometimes customers more satisfied if products performance is beyond with their expectations. (Kotler P. &, 2012). Customer satisfaction is very important in today’s business world as the ability of a service provider to create a high degree of satisfaction is crucial for product differentiation and developing a strong relationship with customers (Deng et al., 2009). According to Deng et al., (2009) Customer satisfaction becomes the most important part of the business field because when your customer is satisfied then it will provide the profitable business to the industry. The good behavior of the service providers develops the positive relationship and impression on the customers which take the lead toward customer satisfaction. (Soderlund and Rosengren, 2008). Based on

Harris (2008), customer satisfaction is the customers overall feeling of contentment with a customer interaction. Customer satisfaction recognizes the differences between customer expectations and customer perceptions. A perception is a way that we see something based on our experience according to Harris (2007). According to Zeithaml, Bitner, and Gremler (2006), satisfaction is often connected with the feeling of “delight” which is described as “being surprised in a positive way” or “relief” (p.110). In today’s competitive world, Service Quality has become one of the most strategic tools for measuring customer satisfaction. Customer satisfaction is actually how customer evaluates the ongoing performance (Gustafsson, Johnson, and Roos, 2005). Among these attributes, food quality is the most important dimension of the restaurant experience (Sulek and Hensley 2004). According to Sharp, Page, and Dawes (2000), measuring service quality and satisfaction traditionally involves asking customers for subjective attitudinal evaluations, that is, asking if they personally felt the service they received was satisfactory.

### **Customer Loyalty**

Customer loyalty is defined as a hybrid between behavioral and attitudinal loyalty with a higher emphasis on the behavioral aspect of customer loyalty (Ballinger and Robinson 1996; Dick and Basu 1994). Fu and Parks (2001) researched the affect on customer loyalty in restaurants amongst elderly who are usually more critical of the service they are given. Bell, Seigyoung, and Smalley (2005) and Koutouvolas and Siomkos (2006) added the dimension of switching costs to their studies and showed that increases in switching costs diminished the dependence of customer loyalty on service quality. For instance, Czepiel and Gilmore (1987) defined attitudinal loyalty as a “specific attitude to continue in an exchange relationship based on past experiences” (p. 91). The attitudinal component of loyalty is thus linked to past experiences that forge perceptions and attitudes towards a certain product, service, brand, or company. Behavioral loyalty, on the other hand, is defined by Jacoby and Chestnut (1978) as “the biased (i.e. non-random) behavioral response, expressed over time, by some decision-making unit, with respect to one store, out of a set of stores, which is a function of psychological processes resulting in brand commitment” (p. 21). Parasuraman et al. (1988) conceptualize service quality as the relative perceptual distance between customer expectations and evaluations of service experiences and service quality using a multi-item scale called the SERVQUAL model. Much research in the last two decades has investigated the various definitions of loyalty (Jacoby and Chestnut, 1978). They argue that there must be a strong “attitudinal commitment” to a brand of true loyalty to existing (e.g. Jacoby and Chestnut, 1978). Chaudhuri & Holbrook (2001) suggest that behavioral, or purchase, loyalty consists of repeated purchases of the brand, whereas attitudinal brand loyalty includes a degree of dispositional commitment in terms of some unique value associated with the brand. Oliver defines brand loyalty as “a deeply held commitment to re-buy or re-patronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts are having the potential to cause switching behavior (Oliver, 1999). Oliver (1999) has proposed four ascending brand-loyalty stages according to the cognition-affect-conation pattern. The first stage is cognitive loyalty. Customers are loyal to a brand

based on their information on that brand. The next phase is effective loyalty, which refers to customer liking or positive attitudes toward a brand. The third step is to native loyalty or behavioral intention. This is a deeply held commitment to buy—a “good intention.” This desire may result in unrealized action. The last stage is action loyalty, where customers convert intentions into actions. In this study, service quality has been defined as the difference between customers expectation for service performed prior to the service encounter and their perception of the service received.

#### IV. HYPOTHESIS OF THE STUDY

To fulfill the objectives of this study the following hypothesis is given below:

H1: There is a positive relationship between perceived quality and customer satisfaction.

H2: There is a positive relationship between perceived quality and customer loyalty.

H3: There is a positive relationship between customer expectation and customer satisfaction.

H4: There is a positive relationship between customer expectation and customer loyalty.

H5: There is a positive relationship between customer satisfaction and customer loyalty.

#### V. THEORETICAL FRAMEWORK

The objective of this study is to measure the effect of customer expectation, perceived quality, and customer satisfaction on customer loyalty of KFC restaurant in Bangladesh. We will look at the theoretical model in figure 01 for each of the hypotheses in the following bellow.

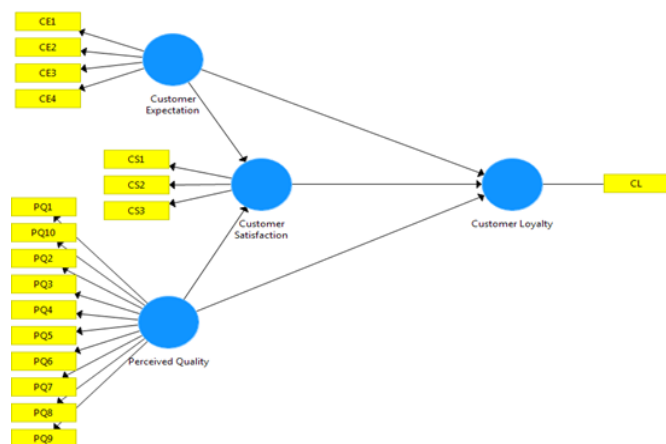


Figure 01: The theoretical framework of the impact of customer expectation, perceived quality, and customer satisfaction on customer loyalty of KFC restaurant in Bangladesh.

#### VI. METHODOLOGY OF THE STUDY

This study attempts to identify the impact of customer expectation, perceived quality, and customer satisfaction on customer loyalty of KFC restaurant in Bangladesh. To conduct the study, the data have been collected from primary sources. Primary data were collected from the different KFC restaurant in Dhaka city of Bangladesh.

The customers selected for this study heterogeneous in terms of their needs and affiliation with KFC restaurant. From the previous study, we have found that there are more than 1

Lac KFC customers who are taking different types of food from different branches of KFC restaurant in Dhaka city of Bangladesh. Prior research suggested that a sample size of 100-200 is usually a good starting point in carrying out path modeling (Hoyle, 1995). That's why the sampled customers can be determined by using the following formula which is discovered by Yamane (1967). The formula used in this study is shown below:

$$n = \frac{N}{(1 + Ne^2)}$$

Where,

n=Sample Size, N= Population, e=Level of Precision, in calculating sample size the following assumptions were made to determine, n=210, Population size is > 100000 customers; Level of precision is 7%.

A structured questionnaire with the 5-point Likert scale was developed for the items related to the effect of customer expectation, perceived quality, and customer satisfaction on customer loyalty of KFC restaurant in Bangladesh. A 5-point scale ranging from 1 to 5 with 1 indicating strongly disagrees and 5 indicating strongly agree was used in the questionnaire. Table-3 shows that the reliability coefficient of the questionnaire. It shows that the cronbach's alpha, composite reliability, the average variance extracted of the questionnaire are shown table-3 which is at the acceptable limit as per Nunnally and Bernstein (1994), Hair et al. 1998, Fornell & Larcker, (1981); Henseler, Ringle, & Sinkovics, (2009) respectively.

A survey has been conducted different branches of KFC restaurant in Dhaka city of Bangladesh with the assistance of BBA students of Uttara University. The interviewers were properly trained on the items representing the questionnaire for data collection before resuming the interview. Along with descriptive statistics, inferential statistical techniques such as Factor Analysis, and Structural Equation Modeling were used to analysis the data by using SPSS (Statistical Package for Social Science) and SmartPLS (statistical software) respectively. Structural equation modeling was conducted to identify the influential factors; those factors have been affected by the service quality of this KFC restaurant in this study.

Data analyses were undertaken in three stages: data screening, validation of the measurement model and evaluation of the structural model (Hair, Ringle & Sarstedt 2011). IBM SPSS Statistics version 16 was used in the data screening process. Data screening showed no missing data. Partial Least Squares structural equation modeling (PLS) and SmartPLS 3.0 were employed as analytical tools for the assessment of measurement and structural models.

Structural Equation Modeling (SEM) has the ability to evaluate latent variables in the measurement model and simultaneously test multiple relationships of latent variables in the structural model (Hair, Sarstedt, Ringle & Mena 2012b).

Partial Least Squares (PLS) is an appropriate method for a research that aims at the application and prediction rather than confirmation of structural relationships (Hair, Ringle & Sarstedt 2011).

According to Tabachnick and Fidell (2001), the value of skewness and kurtosis statistic lies between -4 to +4 is deemed acceptable. Table 1 shows that all data met the acceptable range indicating normal distribution.



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Table 01: Normality information of customers of KFC restaurant in Dhaka city

	N	Skewness	Kurtosis
	Statistic	Statistic	Statistic
CL	210	-0.06	-1.23
PQ1	210	-0.49	-1.47
PQ2	210	-0.60	-1.35
PQ3	210	-0.39	-1.58
PQ4	210	-1.25	0.21
PQ5	210	0.49	-1.22
PQ6	210	0.46	-0.78
PQ7	210	0.75	-0.34
PQ8	210	1.07	1.88
PQ9	210	0.44	-0.72
PQ10	210	0.08	-0.61
CE1	210	-0.18	-1.72
CE2	210	-0.55	-1.33
CE3	210	-0.03	-1.77
CE4	210	-0.20	-1.74
CS1	210	-1.47	1.09
CS2	210	-1.99	3.47
CS3	210	-1.90	3.50

## Demographic information of KFC customers

Table 02: Personal Information of the customers of KFC restaurant in Dhaka city of Bangladesh

KFC Restaurant			
		Frequency	Percent
Gender	Male	180	85.7
	Female	30	14.3
Age of the respondents	Below 20 years	47	22.4
	21-30 years	148	70.5
	31-40 years	12	5.7
	Above 50 years	3	1.4
Education	SSC & HSC	53	25.2
	B. Sc	110	52.4
	M.S	47	22.4
Marital statuses	Married	29	13.8
	Single	181	86.2
Food kind	Fast food	106	50.5
	Food that is made by home	83	39.5
	Other	21	10.0

In the above table 02 shows that, near about 86% of the customers were males. The age distribution of customers as shown in table 02 indicates that the majority of customers 148 (70.5%) out of a total of 210 were aged between 21-30 years. Majority number of the customers whose have achieved B. Sc. or higher degree. The customers (181 out of 210), who are taking service in KFC restaurant, their marital status is single. Also, more that 50% of the customers will take fast in different restaurant.

The coefficient of determination R square is 0.237 for the dependent variable, i.e., the customer satisfaction of KFC restaurant. This means that the two independent variables like customer expectation and perceived quality can explain 23.7% of the variance in customer satisfaction of KFC restaurant of Bangladesh. Again the coefficient of determination R square is 0.185 for the dependent variable, i.e., the customer loyalty of KFC restaurant. This means that the three independent variables like customer expectation, perceived quality and customer satisfaction can explain 18.5% of the variance in customer loyalty of KFC restaurant of Bangladesh which is shown below:

Factors	R-Square
Customer Satisfaction	0.237
Customer Loyalty	0.185

## VII. RESULTS AND DISCUSSION

### The Measurement model:

The measure of Construct reliability (CR) and Average Variance Extracted (AVE) is used to identify whether the specified indicators sufficiently represent the dimensions. Construct reliability shows the extent to which a set of two or more indicators are consistent to represent a construct. The higher value of construct reliability indicates highly inter-correlated indicators that focus on same construct. As a complementary measure of construct reliability, average variance extracted value is checked such that the high value represents the specified indicators are truly representative the construct.

Table 03 shows that the Construct reliability (CR) and Average Variance Extracted (AVE) were as follow: Customer Expectation (CR=0.95, AVE=0.84), Customer Loyalty (CR=0.94, AVE= 0.88), Customer Satisfaction (CR=0.88, AVE=0.71), Perceived Quality (CR=0.91, AVE= 0.67). The value of Cronbach Alpha is higher than 0.60 for all construct. All factors satisfy the recommended level of 0.70 for construct reliability and 0.50 for average variance extracted. The multicollinearity statistic (VIF) is measured to check the multicollinearity among the study variables. The results of VIF showed that all factors had the values which are above the recommended value of 3. Thus, there is no multicollinearity problem in the items.

Table 03: The Construct reliability (CR), Cronbach's alpha, Multicollinearity, Average Variance Extracted (AVE), and Q2 Value

	Alpha	CR	AVE	VIF	Q2 Value
Customer Expectation	0.93	0.95	0.84	2.52	0.66
Customer Loyalty	0.87	0.94	0.88	1.28	1
Customer Satisfaction	0.80	0.88	0.71	2.44	0.394
Perceived Quality	0.88	0.91	0.67	2.51	0.479

Table 04: Correlation matrix and square root of the AVE

Discriminant Validity	1	2	3	4
1. Customer Expectation	0.91			
2. Customer Loyalty	0.15	0.94		
3. Customer Satisfaction	0.46	0.33	0.84	
4. Perceived Quality	0.75	0.33	0.45	0.82

AVE=Average Variance Extracted, C.R=Composite Reliability, Alpha=Cronbach's alpha, IR= Indicator Reliability, VIF=Multicollinearity Statistic. [Note: AVE>0.50 (Fornell & Larcker, 1981); Henseler, Ringle, & Sinkovics, 2009), Composite Reliability>0.70 (Hair et al. 1998), Cronbach's alpha>= 0.60, Q2 Value>0 (Stone1974, Geisser's, 1974), (Nunnally and Berstein (1994)), Collinearity Statistic (VIF): The rules of thumb for the VIF is as follows: VIF < 3; no problem.]

### Exploratory Factor Analysis:

EFA is a widely utilized and broadly applied statistical technique in social science. A total 210 usable survey responses were analyzed in this section. The factor analysis technique has been applied the impact of customer expectation, perceived quality, and customer satisfaction on customer loyalty of KFC restaurant in Bangladesh. The four factors those have found from the rotated factor matrix. Those factors have been discussed in the following paragraph.

Factor-1 (Customer Expectation): This includes four variables like 'Restaurant is neat and clean', 'Furniture is comfortable', 'Employees are readily available to answer my questions and concerns', 'They treat all customers alike without favoring some', which are the principal factors. So, it provides a basis for conceptualizing of a dimension which may be identified as a customer expectation factor.

Factor-2 (Customer Loyalty): This includes one variable like building, dining area, waiting areas is very attractive which the principal factor is. So, it provides a basis for conceptualizing of a dimension which may be identified as a customer loyalty factor.

Factor-3 (Customer Satisfaction): This includes three variables like "I am generally pleased with this restaurant", "I am very satisfied with this restaurant", "I am happy with this restaurant" which are the principal factors. So, it provides a basis for conceptualizing of a dimension which may be identified as customer satisfaction factor.

Factor-4 (Perceived Quality): This includes five variables like "Food is excellent at this place, Service is very good", "I receive exactly what I ordered", "The variety food is available", "Price is affordable", which are the principal factors. So, it provides a basis for conceptualizing of a dimension which may be identified as perceived quality.

Table 05: Factor Analysis of service quality model of KFC restaurant in Bangladesh

Factors	Variables	Original Sample	Sample Mean	Standard Deviation	T Statistics	IR
Customer Expectation	Restaurant is neat and clean	0.91	0.91	0.02	39.07	0.83
	Furniture is comfortable	0.89	0.89	0.02	45.09	0.79
	Employees are readily available to answer my questions	0.93	0.93	0.02	50.02	0.86
	They treat all customers alike without favoring some	0.92	0.92	0.02	54.51	0.85
Customer Loyalty	Building, dining area, and waiting areas are very attractive	1.00	1.00	0.00		1.00
Customer Satisfaction	I am generally pleased with this restaurant	0.89	0.89	0.02	38.62	0.79
	I am very satisfied with this restaurant	0.81	0.80	0.09	9.17	0.66
	I am happy with this restaurant	0.83	0.82	0.09	9.33	0.69
Perceived Quality	Food is excellent at this place	0.84	0.84	0.06	14.85	0.71
	Service is very good	0.87	0.86	0.06	15.07	0.76
	I receive exactly what I ordered	0.90	0.89	0.05	18.79	0.81
	The variety Food is available	0.76	0.75	0.07	11.43	0.58
	The price is affordable	0.72	0.72	0.07	10.78	0.52

Indicator Reliability  $\geq 0.4$  (Hulland, 1999).

From table 05 also show that all of the T-Statistic are larger than 2.33 at the 1 % level of significance, we can say that the outer model loadings are highly significant. So, our SEM model is accepted for above evidence in the study. Generally, A global fit measure (GOF) was conducted for path modeling; it is defined as the geometric mean of average commonality and average  $R^2$  (especially endogenous variables) (Chin, 2010) (see the formula). In this study, GOF value was 0.43 ( $R^2 = 0.185$ , average AVE = 0.78 for customer loyalty of KFC restaurant). So, the value of GOF exceeded the largest cutoff value (0.36), and it was indicated that the proposed model of this study had better explaining power than that based on the recommended value of GOF small = 0.1, GOF medium = 0.25, and GOF large = 0.36 (Akter et al., 2011).

$$GOF = \sqrt{(AVE \times R^2)}$$

#### Structural model assessment:

The structural model is examined by incorporating the estimation of the path coefficients and the variance explained  $R^2$  values. Specifically, we measured all the relationships of the hypothesized model by describing unmediating relationships separately. Moreover, bootstrapping (5,000 re-samples) generates coefficient and t-statistics.

The structural model represents the path coefficients among dependent and independent constructs. This model suggested that all factors like to perceive quality has significantly strong effect on customer loyalty directly and indirectly perceived quality has a not significantly strong effect on customer loyalty via customer satisfaction. On the other hand, customer expectation has a significantly negative effect on customer loyalty directly, but indirectly, customer expectation has significantly positive effect on customer loyalty via customer satisfaction. Table 06 presents the results and hypothesis testing. The findings show that the hypotheses H1, H2, H3, and H4 were support because the t-value is higher than 1.96 at the 5 % level of significance but not H5. That means all factors like perceived quality, customer satisfaction significant positively influenced on customer loyalty of KFC restaurant in Bangladesh except customer expectation because this factor is a negative impact on customer loyalty effect on either direct or indirect.

Table 06: Path Coefficient table of the customers of KFC restaurant

Path Coefficients	Coefficient	S.D	T Statistics	Comments
Customer Expectation -> Customer Loyalty	-0.29	0.14	2.16	Supported
Customer Expectation -> Customer Satisfaction	0.26	0.09	2.93	Supported
Customer Satisfaction -> Customer Loyalty	0.28	0.10	2.77	Supported
Perceived Quality -> Customer Loyalty	0.42	0.13	3.19	Supported
Perceived Quality -> Customer Satisfaction	0.26	0.13	1.93	Not Supported

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## VIII. CONCLUSION & MANAGERIAL IMPLICATION

In effective markets, different types of product or services are increasing their demand day by day. From this study, we have said that customer satisfaction depends on two aspects which are customer expectation and perceived quality. Also, customer loyalty depends on three aspects which are customer expectation, perceived quality and customer satisfaction. From a managerial perspective, understanding the drivers of customer satisfaction, customer expectation and perceived quality and customer loyalty is important. Customer expectation has a negative impact on customer loyalty in H1. The H2 hypothesis is rejected. That means customer expectation has a positive impact on customer satisfaction. Support is found for the H3 hypothesis. That means customer satisfaction has a positive impact on customer loyalty. Support is found for hypothesis H4. For customers with a moderate degree of perceived quality has a stronger impact on customer loyalty. Support is found for the H5 hypothesis. Perceived quality has a stronger effect than the value of Customer Satisfaction for customers. In generally this study finds that KFC restaurant is evaluated positively by customers, but gradually improvements are recommended to maintain a competitive Eds. One managerial implication is the need for KFC restaurant to consider customer expectation that's mean what type of food actually they are needed. Actually, customers, who have expected the interior design of the restaurant is well organized as well as comfortable furniture, good behavior of the employees, no partial behavior. Another managerial implication is the need for KFC restaurant to consider perceived quality means that what type of service actually customers are accepted. They want excellent food as well as service, exact delivery time, the verity of food is available, and affordable food price. Finally, based on the above findings, we can conclude that for customer expectation, perceived quality and customer satisfaction are the main predictors of customer loyalty. So, the management will take necessary action for improving their service quality of this restaurant. For that reason, the customer will come to this restaurant to take better entertainment for his/her life.

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