

Research on the Influencing Factors of Customer Loyalty in W Western Restaurant in Zhuhai

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Abstract: As the economy experiences swift growth and people's quality of life continues to ascend, the Chinese catering sector is witnessing a surge in competitive intensity. This paper uses a questionnaire survey to find out study the factors influencing customer loyalty in Zhuhai W Western Restaurant, and the results of the survey show the importance of service quality, perceived value, brand image and customer satisfaction in improving customer loyalty. Therefore, the study proposes this restaurant needs to develop an effective customer loyalty enhancement strategy to improve its market competitiveness and expand its market share by optimising service quality, increasing the perceived value of customers to this restaurant.

Keywords: Perceived Value; Service Quality; Brand Image; Customer Satisfaction; Customer Loyalty

1. Introduction

Amidst the fast-paced economic progress, societal living standards have undergone continuous elevation. The improvement of consumption ability provides vigorous impetus for the development of China's catering industry, and the competition in the catering industry is increasingly fierce. Official statistics from the National Bureau of Statistics indicate that China's catering sector achieved a historic milestone in 2024, recording total revenues of 5.618 trillion yuan - marking its first entry into the five-trillion-yuan tier. This represents a 5.3% annual increase, outpacing growth rates observed in other consumer industries. As a well-known western food brand in Zhuhai, W Western Restaurant has accumulated a certain customer base by virtue of its unique dishes and quality service. Nevertheless, amidst the swift expansion of the adjacent commercial district, the restaurant has witnessed a substantial decline

in both economic gains and market competitiveness, accompanied by a noticeable reduction in its customer base.

2. Theoretical Model and Data Collection

2.1 Research Model

In this paper, perceived value(PE), service quality(SQ), brand image(BI) are selected as the variables to measure cognitive attitudes, customer satisfaction(CS) is used as the indicator of affective attitudes, customer loyalty is considered to be a variable of behavioural intention. Based on these elements, this paper constructs a corresponding research model. The specific model is shown below.

2.2 Research Hypotheses

2.2.1 The effect of PE on CS

Perceived value (PE) refers to the comprehensive evaluation of products' or service's utility made by consumers after weighing the perceived benefits they offer against the costs incurred to obtain them. Li et al. revealed that a focus on details and endeavors to boost participants' comfort and safety played a key role in elevating perceived value, thereby exerting a notable positive impact on satisfaction^[1]. To sum up, this article formulates a hypothesis:

H1: Perceived value (PV) exerts a notably positive and significant influence on customer satisfaction (CS).

2.2.2 The influence of service quality(SQ) on enhancing customer satisfaction(CS)

Service quality(SQ) refers to the aggregate of a service's attributes and traits capable of meeting both specified and latent needs, the minimum service standard an enterprise offers to satisfy target customers, and the extent to which the enterprise maintains this predefined service level. The study conducted by Liu and his team revealed that service quality (SQ) significantly and positively affects customer satisfaction

(CS)^[2]. To sum up, this article formulates a hypothesis:

H2: Service quality(SQ) exerts a notably positive and significant influence on customer satisfaction (CS).

2.2.3 The influence of brand image(BI) on enhancing customer satisfaction(CS)

Brand image(BI) denotes the personality traits of an enterprise or its specific brand in the market and among the public, reflecting the evaluations and perceptions of the brand held by the public, particularly consumers. Yang et al. revealed that brand image(BI) positively affects customer satisfaction(CS)^[3]. To sum up, this article formulates a hypothesis:

H3: Brand image(BI) exerts a notably positive and significant influence on customer satisfaction (CS).

2.2.4 The effect of customer satisfaction(CS) on customer loyalty(CL)

Customer satisfaction (CS) serves as a metric to evaluate the extent to which a product or service aligns with or surpasses customer expectations; customer loyalty(CL) refers to consumers' tendency to form an attachment preference for specific products or services, which in turn leads to repeated purchases. Minh et al. linked increased customer satisfaction to heightened loyalty^[4]. To sum up, this article formulates a hypothesis :

H4: Customer satisfaction(CS) exerts a notably positive and significant influence on customer loyalty(CL).

2.2.5 Mediating role of customer satisfaction Hypothesis

Yum revealed that customer satisfaction plays a full mediating role between perceived value and customer loyalty^[5]. To sum up, this article formulates the following hypothesis :

H5: Customer satisfaction (CS) acts as a mediator between brand image(BI) and customer loyalty(CL).

H6: Customer satisfaction (CS) acts as a mediator between perceived value (PV) and customer loyalty (CL).

H7: Customer satisfaction(CS) acts as a mediator between service quality(SQ) and customer loyalty(CL).

2.3 Questionnaire Design Ideas

By combing through the relevant literature, the theoretical model of this paper and the status quo of the Zhuhai W Western Restaurant are combined while drawing on the literature to

Questionnaire design. The survey's core section gathers participant demographics alongside metrics gauging consumer allegiance. The five variables are customer satisfaction (CS), customer loyalty (CL), perceived value (PV), brand image (BI) and service quality (SQ). All the questions are based on a 5-point Likert - type rating scale.

2.4 Data Collection

This paper uses the online questionnaire platform 'Questionnaire Star' for questionnaire production, distribution and recovery. In order to ensure that the people surveyed meet the conditions of this research, they were questioned 'Have you dined at W Western Restaurant in Zhuhai in the past six months?' was set. In this paper, the recovered questionnaires were strictly evaluated and screened, excluding the samples with less than 120 seconds of filling time, choosing the same score for all questions, and selecting 'No' for the screening question, at last this survey obtained 247 valid questionnaires.

3. Empirical Research Analysis

3.1 Descriptive Statistical Analysis

The preliminary section of the questionnaire primarily gathers data on four key demographic areas: the respondent's gender, age bracket, monthly income, and how often they dine at W Western Restaurant (Table 1).

3.2 Reliability Analysis

To measure the reliability analysis, Cronbach's α coefficient was used as a test indicator.

If the α coefficient is higher than 0.7, that suggests the reliability is within the acceptable range, and if the α coefficient is higher than 0.8, that suggests the reliability is good. In this paper, the data were related to the reliability calculation, each factor Cronbach 's α coefficient between 0.802-0.962, are greater than 0.8 (Table 2) , indicating that this paper's questionnaire scale reliability is good.

3.3 Validity Analysis

Validity refers to the degree to which measurements accurately represent true values. Validity analysis serves as a systematic process aimed at evaluating whether a questionnaire scale is appropriately designed and the extent to which the measurement instrument effectively captures the targeted issue. KMO measure and

Bartlett's test of sphericity, are instrumental in determining the validity of the measurement tool employed. Specifically, KMO values falling within the range of 0.7 to 0.8 suggest a moderate level of validity, those above 0.8 indicate good level. The Bartlett's test of sphericity is employed to evaluate the degree of

intercorrelation existing among variables. When the significance level obtained from this test is less than 0.05, it suggests that the variables demonstrate a sufficient level of correlation. Consequently, these variables are deemed appropriate for conducting factor analysis.

Table 1. Distribution of Basic Information

Variable	Option	Frequency	Percentage (%)
Gender ratio	Female	131	53.0
	Male	116	47.0
Age distribution	aged between 18 - 24	33	13.4
	aged between 25-34	65	26.3
	aged between 35-44	70	28.3
	aged between 45-54	47	19.0
	55 years old or Above	32	13.0
Monthly income distribution	Below 5,000 yuan	61	24.7
	¥5001-10000	99	40.1
	¥10001-20000	57	23.1
	20001 yuan or more	30	12.1
Frequency of patronage distribution	Weekly or more frequently	44	17.8
	Monthly	85	34.4
	Quarterly	87	35.2
	Once a year or less	31	12.6

Table 2. Reliability Analysis

Reliability statistics	Cronbach's alpha coefficient	Cronbach ' s alpha coefficient based on standardised items	Number of items
PV	0.851	0.852	5
SQ	0.822	0.822	5
BI	0.802	0.802	5
CS	0.931	0.83	5
CL	0.815	0.815	5
Overall	0.959	0.959	25

The results of this survey indicate that the KMO values for individual question items exceed 0.8, while the overall KMO value surpasses 0.9(Table 3). Furthermore, the Bartlett's test of

sphericity yielded significance P-values of 0 for all cases, providing additional evidence that the intercorrelation among variables in this study.

Table 3. KMO and Bartlett's Spherical Test

		PV	SQ	BI	CS	CL	Total
KMO Quantity of Sampling Suitability		0.856	0.853	0.837	0.848	0.841	0.977
Bartlett's test of sphericity	Approximate chi-square	481.126	382.514	334.032	411.387	365.309	3460.512
	df	10	10	10	10	10	300
	Sig.	0	0	0	0	0	0

3.4 Research Hypotheses Results Testing

After the analysis of covariance, the data meets the criteria and regression analysis can be carried out. To delve deeper into the relationship among the variables and validate the research hypotheses outlined in this study, we will employ multiple linear regression analysis.

3.4.1 Regression analysis of the influence of influencing factors on customer satisfaction (CS)

In this survey, perceived value(PE), service quality(SQ), and brand image(BI), are identified as independent variables, while customer satisfaction(CS), serves as the dependent variable. As illustrated in Table 4, all three factors exerts a notably positive and significant influence on customer satisfaction (CS), with standardized coefficients (β) of 0.330, 0.386, and 0.217, respectively. This indicates that, among these variables, service quality (SQ) exerts a

greater influence on customer satisfaction (CS) compared to perceived value (PV) and brand image(BI).

3.4.2 Regression analysis of the effect of customer satisfaction (CS) on customer loyalty (CL)

The survey results reveal customer satisfaction (CS) exerts a notably positive influence on customer loyalty (CL) (Table 5).

3.4.3 Test of mediating effect of customer satisfaction (CS)

This study utilizes the SPSS PROCESS_v4.1, a specialized statistical tool developed for path analysis and mediation effect testing to empirically evaluate the proposed mediation model.

3.4.3.1 Results of mediating effect analysis

Table 4. Regression Coefficient of Customer Satisfaction (CS)

Model	Unstandardised Coefficients		Standardised Coefficients β	t	Significance	Cointegration Statistics	
	β	Standard Error				Tolerance	VIF
constant	0.370	0.169		2.184	0.000		
PV	0.315	0.056	0.330	5.572	0.000	0.274	3.647
SQ	0.392	0.062	0.386	6.323	0.000	0.258	3.879
BI	0.227	0.064	0.217	3.561	0.000	0.260	3.846

Table 5. Regression Coefficient of Customer Loyalty (CL)

Model	Unstandardised Coefficients		Standardised Coefficients Beta	t	Significance	Cointegration Statistics	
	B	Standard Error				Tolerance	VIF
constant	0.709	0.178		3.990	0.000		
CS	0.841	0.035	0.838	24.007	0.000	1	1

Table 6. Mediating Effect Analysis Results (n=247)

	CL					CS					CL				
	B	Se	t	p	β	B	Se	t	p	β	B	Se	t	p	β
constant	0.17	0.13	1.28	0.20	-	0.30*	0.14	2.18	0.03	-	0.09	0.13	0.67	0.50	-
PV	0.34**	0.06	6.27	0	0.36	0.32**	0.06	5.57	0	0.33	0.26**	0.06	4.59	0	0.27
SQ	0.31**	0.06	5.09	0	0.3	0.39**	0.06	6.32	0	0.39	0.20**	0.06	3.17	0.002	0.19
BI	0.30**	0.06	4.90	0	0.29	0.23**	0.06	3.56	0	0.22	0.24**	0.06	3.95	0	0.23
CS											0.28**	0.06	4.62	0	0.27
R ²	0.783					0.766					0.801				
Adjust R ²	0.780					0.764					0.797				
F	292.575,p=0.000					265.798,p=0.000					243.158,p=0.000				
*p<0.05 ,**p<0.01															

Table 7. Summary of Mediating Role Test results

Item	c Total effect	a	b	ab value of intermediary effect	ab (Boot SE)	ab (z)	ab (p)	ab (95% BootCI)	c' direct effect	Mediation
PV=>CS=>CL	0.342	0.315	0.276	0.087	0.032	2.715	0.007	0.037 ~0.160	0.255	Partial
SQ=>CS=>CL	0.306	0.392	0.276	0.108	0.029	3.667	0	0.052 ~0.167	0.197	Partial
BI=>CS=>CL	0.303	0.227	0.276	0.063	0.021	2.961	0.003	0.023 ~0.105	0.240	Partial

Mediating role analysis results (n=247) can be calculated sequentially (Table 6):

Customer loyalty (CL) = 0.17+0.34*perceived value (PV)+0.31*service quality(SQ)+0.30*brand image(BI)

Customer satisfaction (CL) = 0.30+0.32*perceived value (PV) +0.39*service quality(SQ)+0.23*brand image(BI)

Customer loyalty (CL) = 0.09+0.26*perceived value (PV)+0.20*service quality (SQ)+ 0.24*brand image (BI) +0.28*customer satisfaction(CS)

3.4.3.2 Summary of mediating role test results

Customer satisfaction (CS) partially mediates between perceived value (PV), brand image (BI), and service quality (SQ) and customer loyalty (CL)(Table 7).

4. Conclusions and Recommendations

4.1 Perceived Value (PV) Exerts a Notably Positive and Significant Influence on

Customer Satisfaction (CS)

The results reveal that perceived value (PV) exerts a statistically significant and positive effect on customer satisfaction (CS). Further analysis demonstrates that the multi-dimensional

construct of perceived value—comprising food quality, service standards, and overall dining experience—significantly influences customer satisfaction at W Restaurant.

4.2 Service Quality (SQ) Exerts a Notably Positive and Significant Influence on Customer Satisfaction (CS)

The results reveal that service quality (SQ) exerts a statistically significant and positive effect on customer satisfaction (CS) with optimisation of service process, staff attitude and response speed directly improving customer experience.

4.3 Brand Image (BI) Exerts a Notably Positive and Significant Influence on Customer Satisfaction (CS)

The results reveal that the substantial and favorable influence of brand image (BI) on customer satisfaction (CS). The data reveals that brand image (BI) exerts its effect on customer satisfaction (CS) via a 'cognitive-emotional-behavioral' pathway. A strong brand image (BI) can foster a heightened sense of identity and belonging among patrons of W Restaurant, thereby elevating their satisfaction levels and, consequently, bolstering customer loyalty (CL).

4.4 Customer Satisfaction (CS) Significantly and Positively Influences Customer Loyalty (CL)

The results reveal that customer satisfaction (CS) exerts a statistically significant and positive effect on customer loyalty (CL); structural equation modelling verifies this, with results showing higher satisfaction makes customers more likely to repurchase and recommend W Restaurant to others.

4.5 The Mediating Role of Customer Satisfaction (CS)

The results reveal that customer satisfaction (CS) plays a partial mediating role between brand image (BI), service quality (SQ), perceived value (PV) and customer loyalty (CL). Service quality's impact on loyalty depends most on satisfaction as an intermediary needing transformation through satisfaction experience, indicating functional attributes require

experience-based transformation; brand image's direct impact dominates, mainly driving loyalty through identification, reflecting psychological attributes more likely to directly drive loyalty behaviour; perceived value shows balanced features with both functional and emotional dual-path impacts, reflecting its composite attributes.

In the process of enhancing customer loyalty, W Restaurant in Zhuhai should focus on those factors. By optimising servers' service quality, increasing customers' perceived value to the enterprise and improving brand image, it can help the restaurant to develop effective customer loyalty enhancement strategies, and break through the current dilemma for enhancing its market competitiveness and expanding its market share.

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