

Product Quality and Customer Satisfaction: A Study of Fast Food Firms in Rivers State of Nigeria

Harcourt, Horsfall (Ph.D)¹ and Didia, J.U.D. (Ph.D)²

Department of Marketing, Rivers State University, Port Harcourt, Nigeria

¹harcourthorsfall@gmail.com

²Didia_JUD@yahoo.com

Abstract: *The purpose of this study was to evaluate the effect of product quality dimensions on customer satisfaction in fast food firms in Rivers State of Nigeria. Questionnaire was developed, refined, tested and used in collecting data from 249 customers of 83 fast food firms domiciled in Port Harcourt, Rivers State. Data was analyzed using simple regression techniques in order to provide supporting evidence to three hypotheses regarding the concealed structure of the relationship between product quality dimensions and customer satisfaction. Results sustained the hypotheses and evidently demonstrate that: product performance significantly predicts customer satisfaction; product reliability significantly predicts customer satisfaction; product durability significantly predicts customer satisfaction. The study therefore, concludes that the elements of product quality significantly predict customer satisfaction. The study recommends amongst others that the management of fast food firms should focus on their product quality dimensions to endear and sustain customer satisfaction. The major contribution of this study is that it explicates the dormant configuration of two foremost psychological constructs, product quality and customer satisfaction, that are of major concern to both researchers and practitioners. Moreover, The findings of the extrapolative investigation of this study suggest that the fast food customers' satisfaction can be improved focusing on product quality as a holistic entity.*

Keywords: Customer satisfaction, Fast food firms, Product quality, Rivers State.

Paper Type: Research paper

© 2020. Harcourt, Horsfall (Ph.D)¹ and Didia, J.U.D. Augustine Ikechukwu. This is a research/review paper, distributed under the terms of the Creative Commons Attribution-Noncommercial 4.0 Unported License <http://creativecommons.org/licenses/by-nc/4.0>, permitting all non-commercial use, distribution, and reproduction in any medium, provided the original work is properly cited.

INTRODUCTION

In today's full-grown business environment, product quality is understood to be of principal importance to the continued existence and success of products (Choi & Pucik, 2005; Tellis, Yin & Niraj, 2009). Not astoundingly, firms spend extensively on product quality inventiveness to make certain the advanced quality of the products (Adam & Foster, 2000). Product quality and product cost, as dominant factors of customer satisfaction and loyalty, are important aspects in management theory and practice (Bresnahan, 2010; Eckert & Hughes, 2010; Zinn & Haddad, 2007).

The hunt for quality has developed into the frame of mind of an assortment of organizations just about the world with the optimism that the application of quality management philosophy will support in unraveling managerial problems. Quality has turned out to be the archetype for product positioning and differentiation, and businesses are projected to convey a distinctive need satisfying products that will boost customer satisfaction and achievement in the local or international market space.

More also accounted for the significance of product quality (Almansour, 2012; Carter, Lonial & Raju, 2010; Chin & Sofian). Quite a lot of scholarly inquest on product quality on customer satisfaction have built up (Xhema & Metin, 2017; Nindiani, Hamsel & Purba, 2017; Atiyah, 2016; Saleem *et al.*, 2016). These studies suggest that there should be further advancement of product quality to enhance sustained customer satisfaction. Nonetheless, their studies do not envelope Nigeria, a developing nation where there is deficiency of such investigations. This study fills the gap and domiciles its findings in the Nigerian fast food Industry.

Statement of the Problem

Customer satisfaction is an important facet in appreciating a firm's performance, since it turns out to be an output in running a flourishing business (Krivobokova, 2009). This is because, in current times, better performance is a priceless vigor to press forward a firm's profit and sustainable development (Harcourt & Ikegwuru, (2020). It also develops into the most imperative focal point for global businesses. Specifically, sustainable customer satisfaction ought to be within reach, but as luck would have it, it is not the case in the Nigerian fast food industry. The set back is that the level of customer satisfaction recorded by these firms in terms of repeat purchase, loyalty, and advocacy is abysmal. Worst still, customers move to other brands and this can have long-term consequences on company's image (Nair, 2013). It is quite possible that this worrisome situation could be abated if firms enthusiastically pursue product quality in their business operations. Therefore, this study investigates product quality improvement and its effect on customer satisfaction with special reference to fast food firms in Rivers state of Nigeria.

LITERATURE REVIEW AND HYPOTHESES

Product Quality

According to Kotler and Armstrong (2014), a product is anything that can be offered to the market for attention, acquisition, use or consumption that might satisfy a need or want. Product quality means conformance of a product to the expectation of the consumer (Calantone & Knight, 2010). A quality product means different things to different consumer. It is a challenge to all firms to set their quality level high, and ensure that their products meet with the expectation of target market (Ebitu, 2016).

According to Suchánek *et al.*, (2014), quality is defined as perceived quality of the customer, so the main factor in measuring product quality is customer satisfaction itself. To achieve high customer satisfaction, it is important for the company to create products that meet the requirements of its customers. Moreover, according to Alex and Thomas (2012), product quality is the degree to how well the product specifications meet customers' expectations.

Successful companies stretch beyond their limits to constantly meet and exceed the desires and expectations of their actual and potential customers. To achieve this objective, the products must be novel and innovative with a leading edge attributes in order to penetrate the market.

Cutting edge products are superior, unique and new in the market that offers customers exciting features beyond the offering of competitors. Firms aim to create a superior fulfillment of customer needs in one or several product attributes in order to develop customer satisfaction and loyalty, which can often in turn be used to charge a minimum price for the products (Morshett *et al.*, 2006).

According to Dean & Evans (1994); Sashi & Stern (1995). A firms must seek to create a perception in the minds of customers that their products or services possess superior characteristics that are unique from those of its competitors in terms of image and reputation, reliability, design features and quality. A firm creates this perception by incorporating real qualitative difference in its products and services, engaging in advertising programs, marketing techniques, and charging premium prices (Miller, 1986). According to Acquaah & Ardekani (2006), differentiation firms are able to achieve competitive advantage over their rivals because of the perceived uniqueness of their products and thus, gain leadership of that product in the industry.

Garvin (1984) encouraged managers to reify quality and proposed "eight critical dimensions of product quality" as a "framework for strategic analysis. These dimensions are:

- (1) Performance: the primary operating characteristics of the product.

- (2) Features: special supplements to the primary operating characteristics of the product.
 - (3) Conformance: the degree to which the product's design and operating characteristics meet predetermined standards.
 - (4) Aesthetics: how the product looks, feels, sounds, smells, or tastes.
 - (5) Durability: the amount of usage the product offers before it must be replaced.
 - (6) Serviceability: the speed, courtesy, and competence of service people and the speed and ease of repair of the product.
 - (7) Reliability: the probability of the product failure within a specified time frame.
 - (8) Perceived quality: quality as seen by the customer inferred from the marketer's reputation and image.
- In line with Garvin (1984), this study adopts product performance, product reliability and product durability as the dimensions of product quality.

Customer Satisfaction

Daniel (2001) sees customer satisfaction as the consciousness of incentive received by the customer after making the forfeit of acquiring a product.

Belin (2002) locates satisfaction as a psychological state trailing the purchase of a product or aiming at a service explained by a momentary feeling ensuing from the variation amid the customer prospect and the definite realization, being analogous with the pervious point in time with the service.

Hasselin and Wiele (2004) distinguish satisfaction as having an affirmative impact, by evaluating all the characteristics of a relation with customer.

Kotler and Armstrong (2013) defined customer satisfaction as the extent to which customer alleged product or service performance matches their expectations. Hansemark and Albinson (2004, 233) defined customer satisfaction "as an overall attitude of customers towards a service provider or an overall emotional reaction to the difference between customers expectation and what they receive towards the fulfillment of some needs, desire or goals." Fossi, Neili, Philp and David (2003) perceived customer satisfaction as the total percentage of customers whose acknowledgement of an experience with a company, its products and service rating exceeds their precise satisfaction requirements or aspirations.

Customer satisfaction is therefore, an essential portion that turns out to be a key to manage a thriving business, since customers' satisfaction with product and service offerings engenders repeat purchase, loyalty, and advocacy for the concerned firm.

Repeat Purchase

Repeat purchase can be visualized as the arrangement of a series of orders by a consumer from a discrete company. It can also be alleged as the buying of a product or services by a consumer of the same brand. Repeat purchase customers comprise customers who append satisfied emotional, intellectual, physical association to a firm's product offering which outshines their consideration. It is also referred to as re-patronage intentions, which Wirtz and Lwin (2009) refer to as the fondness of a customer to re-patronize a company. A repeat purchase is a measure of a consumer loyalty to a definite brand, whose outcomes ushers in brand loyalty, which significantly influence market performance (Harcourt & Ikegwuru, 2018). This is exactly the prime goal a company can go all-out for in business. Repeat purchase is an acceptable manifestation of a long-drawn-out tenability and remuneration in commerce, given that it is associated with the direction of needs satisfying products and services to the customer, it can also be supposed as the buying of a product or service by a consumer of identical brand repeatedly.

Previous Empirical Studies

Nindiani, Hamsel and Purba (2017) analyzed customer satisfaction on product and service quality of a bakery situated in Bekasi. The study used Importance-Performance Analysis (IPA) to determine the status of indicators connected to product and service quality, to provide contributions to management in making strategic actions. The results indicate that the precedence of improvement is the taste indicator for product quality. On the other side, courtesy indicator is the main concern for service quality that occupies position in Quadrant A, and so, the bakery should highlight those indicators as enhancement priorities.

Xhema and Metin (2017) investigated the impact of product/service quality and corporate image on customer loyalty. The study gathered primary data by means of questionnaire distributed to a sample of 100 selected firms and based its statistical analysis on numerical data, correlation and regression using the statistical package for social sciences (SPSS). It was revealed that service/product quality and corporate image have a positive impact on customer loyalty.

Atiyah (2016), studied product quality and its impact on customer satisfaction using a model built to establish the nature of the relationship and its impact between the dimensions of the independent variable (the product of the performance, features, reliability, conformance, durability quality, level of service, product beauty, and received quality), and the measures of the dependent variable (market share, customer retention rate, Attract new customers, cost-effectiveness and the number of consumer products) The study found that the quality services provided to customers have a positive effect and that there is a strong relationship between the quality of services and the rate of return of the customer of the institution.

Saleem, Ghafar, Ibrahim, Yousuf and Ahmed (2015) examined product perceived quality and purchase intention with consumer satisfaction by collecting data individually through 122 questionnaires by using the convenience sampling technique. The result demonstrates that product perceived quality and purchase intention have positive significant relationship with consumer satisfaction.

Cruz (2015) examined relationships among product (vehicle) quality, product cost, product safety, and consumer satisfaction.. Data were collected from a random sample of 77 U.S. automobile users. Analysis was conducted via simple and multiple linear regressions, and the study found a significant statistical relationship between product quality and customer satisfaction. Conversely, neither the product safety nor product cost assisted in mediating the relationship between product quality and customer satisfaction.

Hajjat and Hajjat (2014) assessed the effect of product quality dimensions on organizational performance in some Arab companies, using product dimensions, intrinsic and extrinsic value, and two others to represent organizational performance, internal and external. The study developed a model to point up the product development stages from conception to distribution. A questionnaire was used in collecting data from 198 managers from various companies. Data was analyzed by means of structural equation modeling techniques in order to supply sustaining evidence to five hypotheses on the subject of the latent structure of the association between product quality dimensions and organizational performance. The outcome hold up the hypotheses and evidently make obvious that: first, value delivered by product quality dimensions is made up of two components, extrinsic and intrinsic value; and second, organizational performance is made up of two components, external and internal performance. Further, the effect of extrinsic value is more on external performance than internal and that the effect of intrinsic value is more on internal performance than external.

Molina-Castillo, Munuera-Alema'n, and Calantone (2011), investigated product quality and new product performance: The role of network externalities and switching costs. The study used a model that relates product quality, network effects, and switching costs to short-term/long-term new product performance, by means of data collected from 255 innovative products. The result indicates that network effects, and consumers' switching costs, can modify previous findings with regard to the isolated product quality consequences concerning new product performance.

Based on the review of literature, the following research model was formulated:

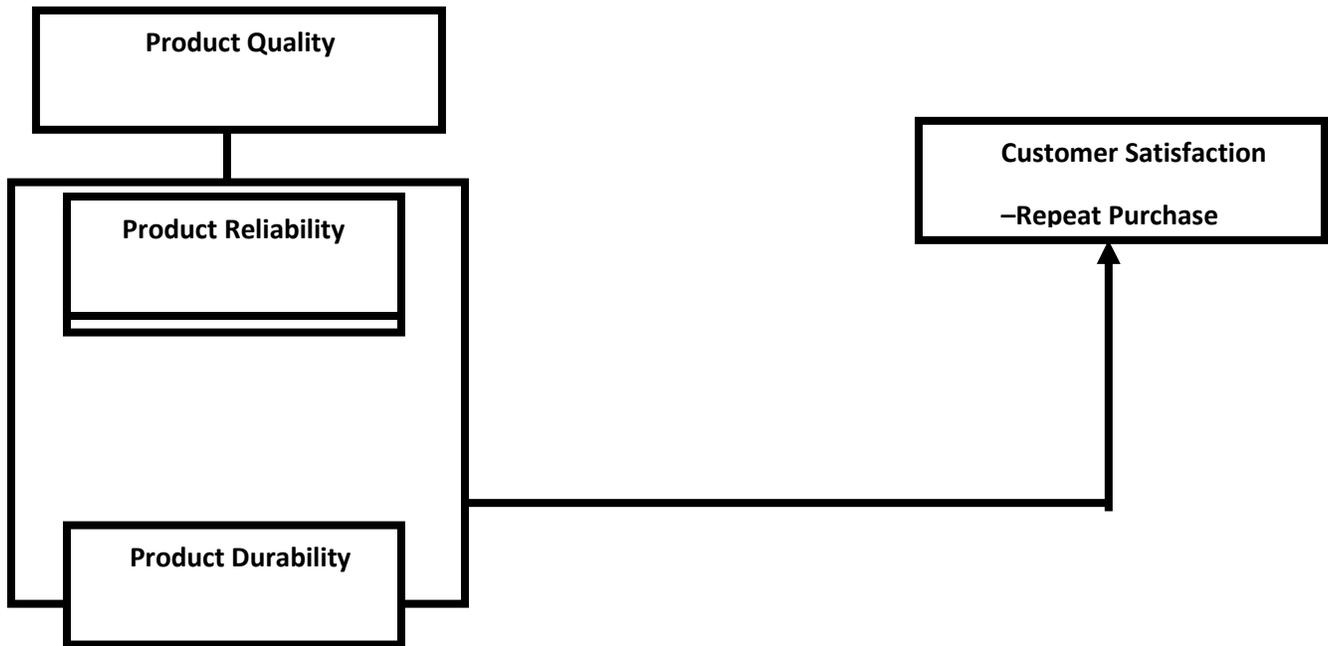


Figure 1: Research Model of Product Quality and Customer Satisfaction
Source: Designed by the Researchers, (2020).

From the research model, the following hypotheses were raised:

Ho₁: Product performance does not significantly predict repeat purchase

Ho₂: Product reliability does not significantly predict repeat purchase.

Ho₃: Product durability does not significantly predict repeat purchase

RESEARCH METHODOLOGY

The Purpose of this study was to explore the effect of product quality on consumer satisfaction of fast food firms in Rivers State of Nigeria. The initial sampling frame was obtained from a database listing the most innovative fast food firms in Rivers State. The fast food sector was selected because it pays special attention to product quality. The study identified 249 customers of fast food firms through the business directorate of the Rivers State Ministry of Commerce and Industry, Port Harcourt.

Population and Sample

In this research paper the sample size of 249 customers of 83 fast food firms in Rivers State were targeted to collect data about their perception of product quality of fast food firms they patronize and how much they are satisfied with that brand quality.

Questionnaire Design and Measurement

This paper contains two sections about measurements; the first section is about product quality, in which we measure the customer point of view before purchasing the product, what they perceive about product. And the second section is about customer satisfaction, after purchasing the product. A research questionnaire is used in order to examine the product quality and purchase intention with customer satisfaction. These items are measured in 5 likert scale ranging from strongly agree (1), agree (2), Neutral (3), disagree (4) strongly disagree (5), on a 16 item questionnaire in 3 variables on the bases of conceptual framework. These questions to measure product quality were taken from the questionnaire of (Ailwadi *et*

al., 2001; Boulding & Kirmani, 1993; Rao et al., 1999). , and the items concerning customer satisfaction were taken from questionnaire used by (Oliver, 1999).

Data Analysis

The questionnaire items were analyzed with mean, standard deviation and regression though or with the aid of the SPSS statistical tool.

Results and Discussion

Table 1: Model of the Components of Product Quality and Repeat Purchase (n=249)

S/n	R	R Square	Adjusted Square	R	t-value	f-value	p-value	Results
1.	.987	.974	.974		91.009	8282.601	0000	Reject
2.	.950	.902	.902		5.276	2003.463	0000	Reject
3.	.959	.919	.918		5.721	2457.331	0000	Reject

Source: SPSS Window Output, 2020.

The Simple Linear Regression was used to examine the first, second and third hypotheses a linear regression was conducted to assess if components of product quality scores predict customer satisfaction. The results of the linear regression were significant, (F (8,283) = .987, $p < .001$; F (2,003) = .950, $p < .001$; F (2,457) = .959, $p < .001$) respectively, suggesting that product performance, product reliability and product durability accounted for ((R²) 97.4%; R²) 90.2% and R²) 91.8%) of the variances in customer satisfaction. Components of product quality significantly predict repeat purchase, suggesting that for every one unit increase in product quality, repeat purchase increased by 0.26 units, 0.98 units and 0.82units.

The first, second and third null hypotheses can be rejected, indicating that components of product quality are significant predictors of repeat purchase. The finding of this study shows that product performance, product reliability and product durability predict repeat purchase. All hypotheses were accepted on the basis of above results as product quality dimensions have direct positive influence on repeat purchase. Each indicator has its weight, and the method can give direction to the firms in realizing repeat purchase. Our findings support the findings of Atiyah (2016) who found that quality service provided to customers have positive effect on the rate of return of customers, and Saleem et al. (2015) who discovered that product perceived quality and purchase intention have positive significant relationship with customer satisfaction.

Conclusion

The purpose of this present research was to assess the relationship of product's quality dimensions (product performance, product reliability and product durability) on customer satisfaction (repeat purchase) in fast food firms in Rivers of Nigeria. Toward this end, the meanings of product quality and customer satisfaction were explicated. The finding of positive relationship among these variables has confirmed that the customers of fast food firms in Rivers State of Nigeria are quality conscious; they give preference to quality products. They assess product quality in term of its performance, reliability and durability. The study therefore, concludes that the elements of product quality significantly predict customer satisfaction through repeat purchase.

Managerial Implications

With respect to practical contribution, the result of this study can be used as a guideline by management of fast food firms to improve on their product quality. Specifically, the blueprint and organization of product quality may be improved upon if managers stress on the finding of this study. This study confirms that product quality is an important contributor in customer satisfaction in fast food firms in Rivers State of Nigeria.

Research Recommendations

The study recommends that the management of fast food firms should focus on their product performance to endear and sustain repeat purchase.

Management of fast food firms should enhance customers' satisfaction evaluations of their products to influence customers' perceptions of their product performance, reliability and durability.

It is recommended that researchers focus on studies that try to understand the relationship among customer loyalty, switching cost, trust and dedication.

Contribution of Research

The major contribution of this study is that it explicates the dormant configuration of two foremost psychological constructs, product quality and customer satisfaction, that are of major concern to both researchers and practitioners. For the first time to the best of our knowledge, some product quality dimensions (performance, reliability and durability) that were projected three decades ago by Garvin (1984) are being elucidated theoretically and empirically in the context of fast food firms in a developing country such as Nigeria.

Moreover, substantiation was made available that these standards can be seen as previous circumstances to customer satisfaction. The findings of the extrapolative investigation of this study suggest that the fast food's customers' satisfaction can be improved focusing on product quality as a holistic entity.

Limitations of the Study

The limitations of this research study pertained to the generalizability, credibility, legitimacy, and consistency of the three hypotheses scrutinized in this study making use of a simple linear regressions, to establish the predictive effect of product quality on customer satisfaction measured by repeat purchase.

References

- Acquaah, M. (2006). Does the implementation of a combination competitive strategy yield incremental performance benefit? A new perspective from transition economy in Sub-Saharan Africa. *Journal of Business Research*, 61, 346-354.
- Alex, D. & Thomas, S. (2012). Impact of product quality, service quality and contextual experience on customer perceived value and future buying intentions. *European Journal of Business and Management*, 3(3), 307-315.
- Almansour, Y. (2012). The impact of total quality components on small and medium enterprises' financial performance in Jordan, *Researchers World*, 3(1), 87-91.
- Atiyah, L. (2016). Product's quality and its impact on customer satisfaction: A field study in Diwanayah Dairy Factory. *Proceedings of the 10th International management conference "Challenges of Modern Management"*, November 3rd-4th, 2016, Bucharest, Romania.
- Carter, R., Lonial, S. & Raju, P. (2010). Impact of quality management on hospital performance: An empirical examination. *The Quality Management Journal*, 17(4) 8-24.
- Chin, K. & Sofian, S. (2011). The impact of human capital and total quality management on corporate performance: A review. *Interdisciplinary Journal of Contemporary Research in Business*, 3(3), 1091-1100.
- Cruz, A. V. (2015). Relationship between product quality and customer satisfaction. *Walden Dissertations and Doctoral Studies*, 2(2), 95-124.

- Daniel, R. (2001). *Musurel et developer satisfaction clients, zeme trage organization*, Paris
- Dean, J., and Evan, J. (1994). *Management organization and strategy*. St. Paul, MN: Total Quality, West Publishing Co.
- Ebitu, T. E (2014). Marketing strategies and consumer satisfaction of cement products in Calabar, Nigeria. *British Journal of Marketing Studies*, 2(6),52-67.
- Garvin, D. (1984). What does product quality really mean?, *Sloan Management Review*, Fall, 25-43.
- Hajjat, M.M. & Hajjat, F (2014). The effect of product quality on business performance in some Arab companies. *Journal of Emerging Trends in Economics and Management Sciences (JETEMS)* 5(5), 498-508
- Hansemark, O.C & Albinson, M (2004). Customer satisfaction and retention The experience of individual employees, managing. *Service Quality* 14 (1): 40 -57
- Harcourt, H. & Ikegwuru, M.K. (2018). Analyzing the impact of brand loyalty on market performance: A study of food and beverage firms in Rivers State. *Journal of Business and African Economy*. 4(1),25-37.
- Harcourt, H. & Ikegwuru, M.K. (2020). Branding strategies and performance: Empirical approach and findings of a correlational study in the money deposit banks of Nigeria. *International Journal of Scientific Research and Engineering Development*. 3(1),508-525).
- Kotler, P. & Armstrong, G. (2014). *Principles of Marketing*. Pearson Education Ltd.
- Kotler, P & Armstrong, G. (2013). *Principles of Marketing Horizon Edited*, Pearson Education Ltd.
- Krivobokova, O. V. (2009). Evaluating customer satisfaction as an aspect of quality management. *World Academy of Science, Engineering and Technology*, 53(5), 565- 568.
- Miller, D. (1986). Configuration of strategy structure: Toward a synthesis. *Strategic Management Journal*, 7, 233-249.
- Molina-Castillo, F., Munuera-Alema'n, J., & Calantone, R. (2011). Product quality and new product performance: The role of network externalities and switching costs. *J PROD INNOV MANAG*, 28:915–929.
- Moller, K. & Halinen, A. (2000). Relationship marketing theory: Its roots and direction. *Journal of Marketing Management*. 16 (1-3), 29-54.
- Nair, S. (2013). Assessing customer satisfaction and brand awareness of branded bread. *IOSR Journal of Business and Management*, 12(2), 13-18. <https://doi.org/10.9790/487X-1221318>
- Nindiani, A., Hamsel, M. & Purba, H.H. (2017). Product and service quality analysis: An empirical study of customer satisfaction in a bakery. *Binus Business Review*, 9(2), 95-103.
- Xhema, J. & Metin, H. (2017). How product quality and corporate affect customer loyalty: An empirical study. *Proceedings of 94th ISERD International Conference, Ottawa, Canada, 27th -28th November 2017*.
- Wirtz, J & Lwin, M.O (2009). Regulatory focus theory, trust, and privacy concern. *Journal of Science Research*, 12(2), 190-207.