ABSTRACT

As the high speed economic development in China and the globalization, the restaurant industry competition becomes more intensive. Chinese practitioners realize that acquiring customers is much more expensive because they found that the successful of gaining customer loyalty it means you will get the future profit. In this case, it is necessary to maintain a strong relationship with the restaurant’s existing customers. The researcher focuses on the relationship and effectiveness on service quality, customer satisfaction toward customer loyalty. A conceptual model was developed based on the various previous empirical researches to examine the relationship among service quality factors which was comprised of tangibles, responsiveness, assurance, reliability, empathy, price, interaction quality, food quality with customer satisfaction and customer loyalty. The research was conducted in Huajichu Hot Pot Restaurant in Kunming, Yunnan, China. A self-administered questionnaire was established to collect data from 400 respondents who had dined in Huajichu Hot Pot Restaurant in Kunming. And the data was analyzed by using “Statistic Package for Social Science” (SPSS) and Pearson Correlation Coefficient.

The results implied that all service quality factors including tangible, responsiveness, assurance, reliability, empathy, price, interaction quality and food quality have significant positive effects on customer satisfaction towards customer loyalty. In the other words, service quality factors are the central issues to increase customer loyalty based on customer satisfaction. The effective use of improve service quality strategy may increase customer repurchase and positive word of mouth to represent customer loyalty in order to earn future profit.