



Influence of Price, Service, and Atmospheric Quality on Brand Switching among Diners in Food Service Outfits in Umuahia, Abia State

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Abstract

This study determined the influence of price, service quality, and atmospheric quality on brand switching in food service establishments in Umuahia metropolis, Abia State. Descriptive survey research with three specific objectives and three research hypotheses guided the study. The researchers purposively selected 300 diners of six reputable food service establishments in the study area as sample size. The research instrument used for data collection was a questionnaire on a 4-point rating scale which was subjected to reliability test that produced reliability co-efficient of 0.78, proved the usability of the instrument. Accessibility sampling technique was used in the administration of the instrument. Descriptive and inferential statistics on SPSS version 25 were used to analyze the data generated. Findings revealed that price has a positive relationship with brand switching but not statistically significant. Furthermore, service quality was found to have a negative relationship with brand switching and significant at 5% level. Similarly, atmospheric quality was found to have a negative relationship with brand switching and not significant. On the strength of the findings of this study, it is recommended that operators of food service establishments in the study area should ensure that their tariff structure reflects quality are made more pocket-friendly, apply total quality management strategy (TQM) in improving service delivery to the delight of the customers, and ensure that environmental and aesthetic features that define atmospheric quality evoke emotional feelings and are perceived to be environmentally friendly.

Keywords: Price, Service, Atmospheric, Quality, Food service, Diners

Introduction

Consumer behavior has attracted a lot of research interests among researchers due to how important consumers are to markets. Consumer behavior is rational and largely unpredictable. Baker and Cameron, (2016) see consumer behavior as the process and activities people engage in when searching, selecting, purchasing, using, evaluating, and disposing of products and services to satisfy needs and desires. In an attempt to understand customers, Jones and Sasser (2015) divided customers into four groups: Loyalists - customers who have high satisfaction and high loyalty, Hostage-customers who have low satisfaction but high loyalty, Mercenary- customers who have high satisfaction but low loyalty and Defectors- customers who have low satisfaction and low loyalty. Through the examples of hostage and mercenary classifications, the researchers explained that the level of customer satisfaction may not correspond with customer retention or loyalty and this might influence brand switching. In a highly competitive market just like the food service sector, increasing the market share means persuading

competitors' customers with weak loyalty-based opinions and beliefs to defect (Fraering and Minor, 2013). Yu *et al.* (2015) noted that as the features, quality, and appearance of products and services become increasingly similar just like food service offerings, customers are more likely to exhibit fickle and non-loyal purchasing behaviors – they switch. Moreover, there is an assortment of complex and interrelated factors that influence an individual's choice (Byker *et al.*, 2012).

Brand switching is the process of choosing to dump the routine use of one brand of a product to steady use of a different but similar product (Brassington and Pettitt, 2003; Gerrard and Cunningham, 2004; Zineldin, 2016). Brand switching can also occur based on extrinsic incentives such as sales promotion and adverts that alter consumer purchase patterns and persuade the consumer to change brand (Dube and Menon, 2010; Ananth *et al.*, 2011). Researchers have developed models and perspectives in an attempt to gain more insight and explain the motives behind brand switching. Utility-Driven Perspective; holds the view that consumers are

increasingly likely to switch brand if they perceive that a new product or service would bring them greater utility (benefit, value) than the incumbent product/service (Lam *et al.*, 2010; Douglas and Connor, 2013; Zhao and Freiheit, 2017). Process-Driven Perspective: suggests that brand switching is a psychological process providing psychological benefits to the consumer. Consumers may not be very concerned about the benefits of the switching decision but tend to demonstrate flexibility in the choices they make (Lei *et al.*, 2017). Social Mobility perspective: holds the view that consumers switch brands as a way of expressing themselves. Lam *et al.* (2010) view this perspective as a shift away from the functional utility maximization perspective. It hinges on the social identity theory and takes into cognizance the socio-psychological factors that motivate a consumer to switch brand. In essence, it means that in an attempt for consumers to achieve their ideal self or move away from their actual self to the ideal or ought self, they would switch brands. Although, this school of thought may play a huge role in the aspect of luxury products and services, it may not be a very influential factor in consumer disposition to switch food service brands. Hence, this study focuses on the functional utility dimension of brand switching which is concerned with the perceived benefits consumers consider before making the decision to defect to another brand.

Findings of several studies suggest that several factors influence brand switching in varied industries: product quality, customer satisfaction, and brand trust (Nezakati *et al.*, 2011); physical surrounding, service quality and food quality (Ahmad *et al.*, 2013); food quality, service quality, atmospheric quality, product price, brand image and perceived value (Sefian *et al.*, 2013); core service failure, service encounter failure, employee responses to service failures, pricing, inconvenience, competitor attraction, ethical issues and involuntary switching (Keaveney, 2015); brand name, reputation, cost, convenience, consistency and quality (Brady and Cronin, 2001) etc. Yi (2010) examined the effect of service quality on customer switching behavior in China in which 400 customers served as respondents in telecom sector. Findings revealed that service quality has a significant influence on customer switching behavior in China. A similar study by Berry (2015) determined the influence of price and customer satisfaction on behavioral intention in pay television (pay tv) in Indonesia in which 245 pay TV customers served as respondents. Data generated were analyzed using structural equation modeling (SEM) and findings revealed that price and customer satisfaction have significant and positive influence on behavioral intention. Findings of later studies by Keaveney, (2015); Brady and Cronin, (2001); Baker and Cameron (2016); Chuah *et al.* (2017) carried out in different locations support the previous results.

The intensity of competition in food service sector implies that operators of these establishments must place high premium on customer satisfaction thereby

increasing switching costs. Observations have shown however that customers of food service establishments in Nigeria are seemingly savvy, sophisticated, and largely choosy in the choice of food service outfit. Moreover, with increased competition among food service establishments and the growing health consciousness of customers globally, the need to be more conscious of the quality of the environment, aesthetics, products and services has heightened. A lot of studies have been carried out to estimate the determinants of brand switching from different stand points and perspectives in regions with different cultural, environmental and socioeconomic specifics (Tat *et al.*, 2011; Ling *et al.*, 2011; Tabassum and Rahman, 2012; Akbar and Alaudeen, 2012; Ahmad *et al.*, 2013; UKessay, 2013; Woodruff, 1997; Gwinner *et al.*, 2018; De Ruyter *et al.*, 2018). These researchers are worried that operators of food service establishments in Umuahia metropolis might be ignorant of the influencing factors of brand switching (customer defection) on account of perceived literature gap as not much has been done empirically on this subject matter. This motivated this present study.

Hypotheses of the study

The following research hypotheses guided the study:

H₀₁: Price does not significantly influence brand switching among dinners of food service establishments in the study area.

H₀₂: Service quality has no significant influence on brand switching among dinners of food service establishments in the study area.

H₀₃: Atmospheric quality does not significantly influence brand switching among dinners of food service establishments in the study area.

Methodology

The study adopted a descriptive survey research design and was considered suitable because it helps to study people's attitudes, motivation and characteristics.

Area of Study

The study was carried out in Umuahia the capital of Abia State located in South East geo-political zone of Nigeria. Umuahia is located within Latitude 5° 20' and 30° N, of the Equator and Longitude 7° 40', and 7° 50' E of the Greenwich meridian. Notable food service establishments operate in Umuahia such as De Choice, Crunchies, Hoefers, Apples, Jovit, Chicken Republic, Roots, and Kilimanjaro. However, the geographical scope of this study was limited to Umuahia metropolis as only food service establishments in operation within this area were used for the study.

Population for the Study

The population for this study include all dinner consumers of food service establishments in Umuahia metropolis of Abia State who visited these establishments during the period of this study (October

to December, 2021). It is an infinite population.

Sample, Sampling Technique, and Data Collection

The researchers purposively used six food service establishments in Umuahia for the purpose of data generation. Accessibility sampling technique was used as only accessible dinners filled copies of the research instrument administered for the study which were subsequently collected on the spot to increase return rate using three research assistants (RAs). The instrument for data collection was a structured questionnaire designed on a four-point rating scale of; Strongly Agree (4 point), Agree (3 point), Disagree (2 point), and Strongly Disagree (1 point) with a mean value of 2.5. The instrument was subjected to Cronbach Alpha and a reliability coefficient of 0.78 was obtained confirming the internal consistency and usability of the instrument. The breakdown of the establishments and the copies of the research instrument administered are presented as follows; Crunchies (50), De Choice (40), Roots (60), Kilimanjaro (40), Jovit (60), and Chicken Republic (50). The choice of these establishments and the administration of the research instrument were based on observed customer throughput and perceived image of the establishments.

Data Presentation and Analysis

The data collected for the study was analyzed using both descriptive and inferential statistics. The descriptive analysis featured as a way of describing the properties of the data to show the variations in responses and opinions using frequencies and percentage denotations and other descriptive items. The parametric inferential analysis was done with the use of regression analysis on SPSS version 25 to determine the relationships between the independent variables (price, service quality, and atmospheric quality) on the dependent variable (brand switching) as can be seen on the hypotheses formulated for the study. Out of the 300 copies of the questionnaire administered on the respondents, only 281 representing 93.7% were found usable for the study. The three specific objectives of the study were achieved using the regression model specification below:

$$BS = \beta_0 + \beta_1(P) + (\beta_2(SQ) + \beta_3(AQ) + e_i \dots \dots \dots (1)$$

Where,

- β_0 =Constant
- $\beta_0 - \beta_3$ =Parameters
- BS =Brand Switching (switching costs in Naira)
- P =Price (Naira)
- SQ =Service Quality (1-4)
- AQ =Atmospheric Quality (safety, security; 1-4)
- e_i =Stochastic factor/error term.

Results and Discussion

Inferential Statistics Test of Hypotheses

H₀₁: Price does not significantly influence brand switching among dinners of food service establishments in the study area

From Table 1, Regression analysis was conducted with brand switching as dependent variable and price as

independent variable. The coefficient of price is 0.0252 implying that price has positive relationship with brand switching. This means that an increase in price will lead to about 0.0252 increase in brand switching. The t-statistic of 0.9746 with sig. value of 0.3306 indicates that the relationship between price and brand switching is not statistically significant. The implication is that there is the probability of consumers defecting to rival establishments with increase in price and this could be traced to the law of demand in Economics which states that increase in price will lead to decrease in demand. Thus, the study could not reject the null hypothesis that price does not significantly influence brand switching among dinners of food service establishments in the study area. This finding is supported by the previous results obtained by Czajkowski and Sabolewski (2013), and Sefian *et al.* (2013). This follows that unfair pricing practices impact brand switching. Consumers are not only economic beings but also price sensitive, hence will always want the benefits derivable (in naira value) from every purchase made to be greater than the cost or at worst be at par with the cost of such purchase (customer value), otherwise the tendency to continue to search for the actualization of that need gap elsewhere (switching behavior) will always manifest. The least consumers will expect from these establishments is to have the value derivable from such purchase to congruent the cost of purchase. However, delighting customers is not common in markets where there are a large number of firms operating and producing strikingly similar products and services such as food service market.

H₀₂: Service quality has no significant influence on brand switching among dinners of food service establishments in the study area

From Table 1, Regression analysis was conducted with brand switching as dependent variable and service quality as independent variable. The coefficient of service quality is -0.2697, implying that service quality has negative relationship with brand switching among dinners in the study area. This means that a unit increase in service quality will lead to about 0.2697 proportional decrease in brand switching. The t-statistic of -3.3255 with sig. value of 0.0010 indicates that the relationship between service quality and brand switching is statistically significant. Hence, the study concludes that there is a significant negative relationship between service quality and brand switching in the study area. Therefore the study rejected the null hypothesis and accepted the alternative which states that service quality has significant influence on brand switching among dinners of food service establishments in the study area. This result is in line with the findings of Yi (2010) and Best (2009). Customers act as they perceive and this implies that customers will favorably be disposed to associating with a food service establishment whose service features (tangibles, reliability, responsiveness, assurance, and empathy) are perceived to be delightful. Perceived service quality in terms of service adequacy in food service operations must be seen to be high enough to delight customers on a regular basis,

guarantee repeat purchase and increase switching cost since the propensity to switch is indirectly proportional to switching cost, and this guarantees brand loyalty.

H₀₃: Atmospheric quality does not significantly influence brand switching among dinners of food service establishments in the study area

From Table 1, Regression analysis was conducted with brand switching as dependent variable and atmospheric quality as independent variable. The coefficient of atmospheric quality is -0.0455 implying that atmospheric quality has negative relationship with brand switching among dinners in the study area. This indicates that atmospheric quality is negatively related to brand switching. This implies that as atmospheric quality increases, brand switching decreases at a proportionate rate of about 0.0455. However, the relationship between atmospheric quality and switching behavior is not statistically significant at 5% since the t-statistics value is -0.8119 and has a sig. value of 0.4175, which is greater than 0.05 alpha level. Thus, the study accepts the null hypothesis that atmospheric quality does not significantly influence brand switching among dinners of food service establishments in the study area. This finding confirms the results obtained by Liu and Jang (2008), Nezakati *et al.* (2011), Sefian *et al.*, (2013), and Zineldine (2016). Atmospheric quality relates to the environmental and aesthetic features that define a food service facility and fall under the tangibles dimension of service quality. These features are minimum requirements that cause dissatisfaction if not fulfilled, but do not lead to satisfaction if fulfilled or exceeded (Matzler and Sauerwein, 2002). Normally and expectedly, food service establishments are cosy, snug, serene, and are strikingly similar in appearance and appeal and these features make them easily recognisable and competitive. However, no matter how attractive the atmospheric quality of a food service facility might appear, the tendency for consumers to switch will always manifest in as much as such establishments fail to consistently satisfy the food service needs of consumers. Hence, it is the expectation of the consumer to receive best service quality, in a unique, safe and secure environment and at a fair price, meeting his value system and perception within his/her financial capacity.

Conclusion

The study shows that price has a positive relationship with brand switching, while service quality and atmospheric quality have negative relationships with brand switching in food service operations in Umuahia, Abia State. On the strength of the findings, operators of food service establishments in the study area should ensure that their tariff structure is made to be more pocket-friendly and reflective of quality of their products and services. Operators of food service establishments in the study area should apply service improvement strategies such as total quality management (TQM) in order to meet service expectations of the dinners and remain competitive. Operators of food service establishments should ensure that environmental and aesthetic features that define

atmospheric quality are made not only to be competitive but should also evoke emotional feelings and perceived to be environmentally friendly by the dinners.

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Table 1: Regression Estimate for Hypotheses Testing

Variable	Coefficient	t-statistic	Sig.
Price	0.0252	0.9746	0.3306
Service quality	-0.2697	-3.3255	0.0010
Atmospheric quality	-0.0455	-0.8119	0.4175
(Constant)	32.2581	46.7249	0.0000
R Squared	0.9130		
Adjusted R-squared	0.9111		
F-Statistics	480.8915		
Sig.	0.000b		

Source: SPSS 25 Regression Results