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Research Article

Effect of Perceived Value on Customer Satisfaction and Loyalty: A Focus on Selected Eateries in Nasarawa State, Nigeria

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Abstract: Understanding the real interest of actual and potential customers has been an issue. People have the habit of eating and feasting in various types of restaurant and testing novel assorts of food. This frequently leads to incapability of the owners of such eateries to distinguish much differences among the perceived value leading to satisfaction and weak brand loyalty. The objective is to examine how customer happiness and loyalty are influenced by perceived value. The work is restricted to selected eateries in the 3 senatorial zones of Nasarawa State Nigeria. 15 eateries were selected using stratified sampling technique. The population of the study was 390, 607 while the sample size is 399. Multiple regression analysis was used to analyse the data. The findings revealed that 't' ratio of the coefficient of regression shows r = 0.543. Therefore, p-value of the coefficient was P<0.0320. This means that the null hypothesis is rejected and the results indicates that there is significant effect of perceive value on customer satisfaction and loyalty among eateries in Nasarawa State. The study recommended that owners of eateries should position their product and services in the mind of consumers by providing quality, prestige, speedy delivery and superb after sales services. These will lead to increase in customer satisfaction and loyalty.
Keywords: Perceived value, loyalty, customer satisfaction, brand, reason, action.

Introduction

When two or more businesses work independently to deliver their goods to the same market, competition occurs. Indirect competition occurs when various businesses develop or sell goods, still compete for the same money in the customers' pockets. Direct competition occurs when businesses produce identical products that appeal to the same group of consumers. Commercial businesses are compelled to create new goods, services, and technology by both direct and indirect competition, which increases consumer choice and results in higher-quality goods. Thus, a company's competitive strategy depends on the preferences of its target market, which tend to affect its decision-making in order to satisfy the demands of competitive marketplaces. To do this, the company must win the trust of its target market, which is crucial for achieving this goal. The ability of a professional marketer to create a brand, preserve it, and cultivate a following of devoted customers may be their most notable talent (Khadan, 2011).

Brands can be crucial to a company's success in the consumer products industry because they frequently serve as the main point of differentiation between offerings from rival companies. The fallacy of such presumptions only serves to emphasize the need for consumer welfare tactics to be grounded on research, just like marketing decisions. Due to the increased competition among restaurants in Nasarawa State and the similarity of the services they provide, it is now more crucial than ever to pinpoint perceived value as the criteria that customers use to compare different service providers.

Statement of the Problem

As contest among eateries in Nasarawa State increase and as they begin to provide more or less like services, it is customer's pleasure that can enhance the performance and increases the competitiveness and accomplishment. Understanding the real interest of actual and potential customers has been an issue. People enjoy eating and feasting in various types of restaurants and experimenting with new foods. This frequently leads to the owners of these restaurants being unable to detect differences between the perceived values that result in satisfaction and weak brand loyalty habits.

Objective of the Study

- ✓ To examine the effect of perceived value that detect customer satisfaction and loyalty.

Statement of Hypothesis

- ✓ There is no significant influence on perceived value on customer satisfaction and loyalty.

Literature Review

Conceptual Framework

Customer Satisfaction and Brand Loyalty

The degree to which a consumer will have a joyful level of consumption of a linked fulfillment is referred to as satisfaction (Oliver, 1997). Satisfaction is a concept in which service customer want that services fulfilled by industry. If the eateries cannot fulfill needs of customers, then the eateries lost customer trust. Customer loyalty is the strength of the relationship, individual relative attitude, and repeat business, according to Afande and John (2005). However, behavior exhibited via repeated purchases is truly characterized as loyalty, strongly held commitment to continued repurchase of chosen or preferred goods or services despite situational control and marketing tactics that may lead to consumer switching activities (Kotler and Keller, 2009). Customers who are loyal to a business or its services are more likely to have their service agreements renewed in the future. An organization can gain a lot from loyal customers. They enable a steady flow of income, lower marketing and operating expenses, boost referrals, and are impervious to rivals' advertising campaigns.

Concept of Perceived Value and Brand Loyalty

Bawa and Hassan (2020) assert that value perceived by customers is form by a judgment about what is given and what is obtained in a certain transaction. Nwokoye (2004) defined perception as the process by which a person selects, organizes and interprets information about an object. Information about an object may be filtered or selectively relieved by the person so that some distortion may occur. Kotler and Armstrong (2018) Brand loyalty is described as a good attitude toward a brand and a commitment to consistently buy the same product or service from the same brand in a given context.

The consumer believes that the specific brand has the attributes necessary to live up to their expectations and personally connects with them. The basis for this purchase, whether conscious or not, is confidence in the brand's ability to meet the needs of the customer. Brand loyalty is built on the emotional connection that is made between the consumer and the brand. The buyer believes that the brand will satisfy some sort of emotional need or bodily demand in a certain way that triggers feelings throughout the process of acquiring and using it.

Theoretical Framework

Theory of Reason Action

Understanding and forecasting consumer behavior are both possible using the idea. The hypothesis is predicated on the notions that people are sensible and consistently employ the knowledge at their disposal. Individuals' behavior is logically and methodically followed by the information that is available to them. The theory also suggests that customers' intentions to act are influenced by subjective norms. The intention behind a behavior depends on the attitude toward carrying it out and the individual's perception of what is appropriate behavior. Individual examines these implications because they feel that a particular behavior will have a particular outcome. Subjective norms are a person's opinions of whether or not pertinent people believe that person should engage in a particular action. The subjective norms are a person's opinions on whether important people believe that person should engage in a particular behavior (approval or disapproval), weighted by that person's desire to concur with those important people.

Hence, it can be claimed that the theory of reasoned action proposes that attitudes toward behavior and subjective norm can be used to anticipate behavior. These variables are anticipated to change depending on a particular action, which is forecast to change depending on the circumstances in which the action will be taken and the particular person who will take the action. According to the hypothesis, consumer behavior is directly influenced by customers' goals of loyalty (willingness to buy).

Customers' motivation to look for their preferred deals even though it demands a lot of work is linked to their willingness to purchase. In the minds of customers, competitive offerings are not seen as alternatives. According to an expansion of the theory of reason and action, a customer's past behavior may be able to predict their present behavior. It means that even though the customer believes that other stores offer the same advantages, they will still prefer to shop at the same place they did on their previous occasions. It can be explained by customers' wish to reduce their decision-making costs and psychological ties to prior decisions. It is known as the inertia effect. It is reasonable because it lowers decision-making costs and results in decisions that are made automatically and without conscious thought.

Research Methodology

The research work is restricted to selected eateries in the 3 senatorial zones of Nasarawa State. 15 eateries were selected using stratified sampling techniques. The population of the study was 390, 607 while the sample size of the study was 399.

The sample size was determined based on Taro Yamane (1967) formula
$n = N/ (1+Ne^2)$

where n = sample size
N = population
e = error margin = 5%
Questionnaire were issued to 399 respondents.

Data Analysis

Multiple regression analysis was used to analyse the data using special package for social science (SPSS) and the model was specified in line with the hypothesis.

Ho: There is no significant effect of perceived value on customer satisfaction and loyalty.

Table 1. Effect of Perceived Value on Customer Satisfaction and Loyalty (ANOVA)

Model	Sum of square	Df	Mean square	F.	Sig.
Regression	.6521092113	.314693211	54327	0.0320	0.000
Residual	16.8326021	374.574971421			
Total	28.9528796	381.07599181			

Number of obs = 377
F (3.376) =7.70
Root MSE = .54327

Table 2. Model Summary

Model	R	R-square	Adjusted square	Std of error estimate
Summary	0.8137[a]	0.8149	0.543	0.0320

Y coef std error t P>(t) (95% conf. internal)

Table 3. Regression coefficient

X	2.5749623	453296	3.650020	.004468	.0260777
Const.	2.932296	4232130	14.490000	2.842885	3.021706
Source: Field survey, 2021					

The above table indicates details of the linear relationship of the equation used in examining the effect of perceived value that determine customer satisfaction and loyalty. The variables were subjected to multiple regression model, customer satisfaction and loyalty was regressed against independent variables ($X_1 \ldots X_2$) from the model summary, R-square is 0.8149, which is 82%, adjusted R-square is 0.534, t-ratio of regression coefficient is also 3.650. The P-value of model summary P<0.0320 which shows that perceived value has significant effect on customer satisfaction and loyalty among the eateries in Nasarawa State.

Discussion of Findings

The study revealed that R-square value of (0.8149) which represent 81% by which the variable explain the mode fits of data. The t-ratio of the coefficient of regression shows r = 0.543. Therefore, P-value of the coefficient was P<0.0320. This means that the null hypothesis is rejected and the result indicates that, there is significant perceive value on customer satisfaction and loyalty among eateries in Nasarawa State.

Conclusion and Recommendation

In conclusion, the study shows that perceived value is a predictor that significantly contributes to customer satisfaction and loyalty in the study area. This indicates that buyer's satisfaction is a function of the closeness between the customers' product expectation and perceived performance. Therefore owners of eateries should position their product and services in the mind of consumers by providing quantity, prestige, speedy delivery and superb after sales services. These will lead increase in customer satisfaction and loyalty.

Conflicts of interest: There is no conflict of interest of any kind.

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