Chapter 8

8. DISCUSSION ON FINDINGS

Drawing analogy to the two predominant methods of defining rationality as proposed by Sen (1987) it can be asserted that customer brand loyalty is nothing but an internal consistency of choice by a customer as manifested in behavioral loyalty which is specifically repeat purchase. In the context of the study, it means that in majority of the choice situations in availing fast food the customer avails the services of his/her loyal brand. Similarly when we talk about customer perceived value, it reflects the maximization of self interest of a customer in a given choice situation where in the customer evaluates the evoked set of alternatives and opts for the one which provides him/her with the best of perceived value.

8.1. NOTE ON THE INTEGRATED MODEL

The model conceptualized as a part of this study involves the constructs of service value and customer loyalty is indeed an attempt towards adequately predicting consumer behavior and to understand how consumers make rational choices in availing fast food. At both the confirmatory and the structural phase of the data analysis the model fit indices in SEM revealed adequate fit to data. The reliability and validity test results of the measurement instrument at the item level as well as the construct level are at satisfactory ranges. Therefore the results are interpreted for the statistical significance of the path coefficients specified in the model.

8.2. THE IMPACT OF SERVICE VALUE DIMENSIONS ON THE DEPENDENT VARIABLES
8.2.1. CUSTOMER SATISFACTION

8.2.1.1. Discussion on statistically ‘supported’ hypotheses

The impact of customer perceived value as a unidimensional construct on customer satisfaction has already been examined to a great extent in existing service marketing literature. Empirical evidence of the same is documented in the works of Andreassen and Lindestad (1998), Ball et al. (2004). On the other hand Wang et al. (2004), Liang and Wang (2004), and Spiteri and Dion (2004) empirically examined the direct relationship between the individual value dimensions and customer satisfaction, however, the dimensionality of value was a cause of concern in all these studies. In the present study, the analysis revealed that, among the six service value dimensions conceptualized by Sánchez-Fernández et al., (2009), customer satisfaction was predicted by the service value dimensions of efficiency, quality and play with play having the strongest impact followed by quality and efficiency. This is evidenced by the fact that the relationships between these three constructs and customer satisfaction came out to be significant in the path analysis through SEM with their standardized coefficients ($\beta$) being 1.077, 0.251 and 0.119 respectively. The impact of quality on satisfaction is consistent with Bayol et al. (2000), Chan et al. (2003), Fornell et al. (1996) and Aydin and Ozer (2005). The impact of efficiency, which includes the trade off components of service value, be it monetary or nonmonetary finds support in the means end model proposed by Zeithaml (1988). However, the interesting finding is the greater impact of play on satisfaction. The play dimension of service value as conceptualized by Holbrook (1999) corresponds to the value resulting from an active manipulation of offer being considered as a source of pleasure for the individual, which simply put means the fun, amusement and enjoyment associated with a consumption experience. Satisfaction as defined earlier is an immediate post consumption evaluation (Fornell et al.1996) of a service. Therefore it is quite
clear that in the context of fast food consumption in India, apart from the elements of efficiency and quality what matters to urban Indian consumers is the enjoyment they have in availing fast food at their retail brand of choice. One of the potential reasons for the same is the demographic spread of the fast food consumers in India mentioned in chapter 2 of the thesis.

**8.2.1.1. Discussion on statistically ‘not supported’ hypotheses**

The value dimensions social value, aesthetics and altruistic value didn’t seem to have any impact on customer satisfaction whatsoever. Consumer perception of both social value and altruistic value in a service encounter takes place prior to the actual consumption process and is important in choice situations to a customer. Satisfaction by definition is essentially a post purchase evaluative judgment. Therefore, satisfaction comes to picture when a customer has already made a choice availing the services of a fast food retailer based on his or her perception of service value. Thus during or post consumption the importance of either of social or altruistic value is minimum. However these two value dimensions become important while the customer goes for a repeat purchase. The possible reason for aesthetics having an insignificant impact on satisfaction can be attributed to the nature of service delivery in fast food restaurants which promotes an ambience and layout for quick service unlike fine dining restaurants.

**8.2.2. ATTITUINAL BRAND LOYALTY**

**8.2.2.1. Discussion on statistically ‘supported’ hypotheses**

The importance of consumers having a favorable attitude towards a brand is already discussed in details in the section 3.3 of chapter 3. Attitudinal brand loyalty when decomposed theoretically consists of the cognitive, affective and the conative components. In short, cognitive loyalty is based on the customers’ belief about a particular brand, affective loyalty is associated with the
state of feeling the consumers have for the brand and conative loyalty is the intention to purchase (Oliver, 1999). An examination of the results of the path analysis specified for the set of hypotheses H2 (service value dimensions on cognitive loyalty), H3 (service value dimensions on affective loyalty) and H4 (service value dimensions on conative loyalty) indicate that play has a strong impact on all three attitudinal loyalty dimensions (H2d, $\beta=0.949$; H3d, $\beta=0.572$; H4d, $\beta=0.396$). Play, as elaborated by Holbrook (1994) is a self oriented experience, actively sought by a consumer and enjoyed for its own sake. Play typically involves having fun and thereby characterizes the intrinsically motivated side of the familiar distinction often made between work and leisure. In the context of fast food industry in India the analysis of the path analysis results reveal that the play dimension of service value is an important determinant of the attitudinal aspects of customer loyalty. In terms of relative impact as compared to the rest of the value dimensions, play has the highest impact on cognition (H2d, $\beta=0.949 > H2c, \beta=0.855 > H2f, \beta=0.175$) and affect (H3d, $\beta=0.572 > H3b, \beta=0.18$) and the second most important determinant to conation, social value being the first (H4c, $\beta=0.541 > H4d, \beta=0.396 > H4b, \beta=0.28 > H4f, \beta=0.156$).

McDonald’s entry in India in 1996 revolutionized the concept of fast food. Several other multinational brands followed suit thereafter. These brands engaged themselves in prolific integrated marketing communications which brought forward the cultural remnants of the western world. Many indigenous brands also came up. The Indian urban population adapted to the tastes and preferences of the western world in a very narrow span of time. This adoption was also fuelled by growing disposable income and changing lifestyles. But the question is, is it just a novelty seeking behavior that led to this drastic change or is it the play factor, associated with fun and enjoyment that played the crucial role in shaping the attitude of Indian fast food
consumers. This is in line with the propositions of Seth (1991) and Hirschman (1980) related to epistemic value which is manifested in experienced curiosity, novelty or knowledge gained by the usage of new products, services or technology and, customers motivated by epistemic value returning to their regular consumption patterns after satisfying their need for change. One of the objectives outlined for the present study is to examine the impact of value dimensions on behavioral loyalty, which is a repeat purchase phenomenon. Therefore considering epistemic value for analysis was in a way, out of scope. A closer look at the popular taglines over a period of time promoted by major multinational and Indian fast food retailers for example: KFC: “Buy a bucket of chicken and have a barrel of fun”, McDonalds: “I’m lovin’ it”, Burger King: “Sometimes you’ve got to break the rules”, “we do it like you’d do it” or Café Coffe Day: “A lot can happen over coffee” all of these some way or the other hint towards the fun and enjoyment that customers are promised on availing fast food at the respective outlets. Therefore the attitudinal loyalty of Indian consumers in general towards fast food is affected to a large extent by the service value dimension play.

The path analysis results in Table 7.8 reveal that altruistic value has a direct positive impact on cognitive loyalty (H3d, $\beta$=0.175) and conative loyalty (H3d, $\beta$=0.156) but not on affective loyalty. Altruistic value has been defined by Holbrook, (2006, p. 716) as a concern for how one’s own consumption behavior affects others where the experience is viewed as a self-justifying end-in-itself. Altruistic value is thus a combination of ethics and spirituality under an overarching heading (Sánchez-Fernández et al., 2009). Ethics involves the virtue, justice and morality of a consumer and spirituality involves one’s faith and sacredness. India is a land of diverse religions that exist in harmony and peace. The secularism is one of the most important aspects of the
country. The largest section of the population is Hindu that has an established majority in the nation. About 13 percent of Indians are Muslims, making it one of the largest Islamic nations in the world. Christians and Sikhs make up a small percentage of the population, and there are even fewer Buddhists and Jains. The religious faith of the Indians are also carried forward in their food habits. While the Hindus worship cow as God, pork is shunned by the Muslims. A large section of people also prefer vegetarian diet. Few popular global fast food retailers in their initial days of operations in India got entangled into controversies for being accused of using beef flavoring for its vegetarian fries. Altruistic value having a significant impact on cognitive and conative attitudinal loyalty reinforces these facts.

In deference to Indian religious sentiments, McDonald’s does not offer its signature Big Mac here, or any other beef or pork products. Instead, it offers the Chicken Maharaja Mac and items like the McAloo Tikki burger (a mashup of potatoes and peas, deep-fried and served in a bun), the McVeggie and the Paneer Salsa Wrap along with the Filet-O-Fish, McChicken sandwich and Chicken McNuggets. Similarly, Domino’s and Pizza Hut refrain from offering any beef toppings, and offer a wide range of pizzas that incorporate traditional Indian ingredients and spices, such as the Domino’s Keema Do Pyazza pizza, with onions, spicy minced goat meat and jalapenos, or Pizza Hut’s Kadai Paneer pizza, with onions, green pepper, paprika, coriander and tofu-like unaged farmer’s cheese. These fast food brands do promote these operational stances to the customers with retail outlet hoardings mentioning “no beef” or “no pork” or even “100% halal chicken”. However altruistic value has no impact on affective loyalty because the

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1 Halal is a terminology used by the Muslim section of the Indian population to signify a particular process of killing a living being in accordance to religious protocols.
affective state is concerned with fun and enjoyment in availing fast food rather than religious sentiments.

Like altruistic value, social value has got a positive impact on cognitive (H2c, $\beta=0.855$) and conative loyalty (H3d, $\beta=0.541$) which is in line with the works of Roig et al. 2009, Wang et al. (2004), Molina and Saura (2008) and Gallarza and Saura (2006). In all these studies the authors have found out a significant positive impact of social value on loyalty intents. Holbrook (2006) defined social value as one’s own consumption behavior served as a means to influence the responses of others. The service value scale as empirically conceptualized by Sánchez-Fernández et al., (2009) combined the value dimensions of status and esteem to form the social value dimension. Status meant the ability of a product or consumption experience to achieve success in the eyes of others and esteem corresponded to the passive acquisition of possessions appreciated as a means to build a social image. As discussed in chapter 2 of the thesis, the Indian fast food consumer market, is primarily dominated by the young generation who are becoming increasingly sophisticated and brand conscious. A typical Indian middle class young consumer is expected to look beyond the utility aspect of a product to seek intangibles like brand and lifestyle statement associated with the product. This modern consumer wants his purchases to reflect his lifestyle or at least the one he aspires for. The major fast food brands in India are of foreign origin. Batra et. al, (2000) in an investigation on consumers in developing countries argued that, perceived brand nonlocalness had a positive effect on consumers who have a greater admiration for lifestyles and for product categories high in social signaling value.
The importance of social value in determining the cognitive beliefs and the behavioral intents towards their fast food brand of choice is thus apt in the context of the study. The customers believe that availing fast food at these multinational brands makes them much more socially acceptable and perhaps portrays that they are equipped with the modern lifestyles and additionally this very belief translates into purchase and repurchase intentions. And according to the results in Table 7.8, social value is the most important value dimension affecting conation. Similar to altruistic value, social value didn’t have any statistically significant impact on affective loyalty state of a consumer.

Quality as discerned in Table 7.8 has a significant and positive impact on affective \((H3b, \beta=0.18)\) and conative loyalty \((H4b, \beta=0.28)\) although the relationship between quality and cognitive loyalty is statistically non significant. The findings are in line with the suggestion of Reichheld and Sasser (1990) who advocate that companies should focus on the quality of services to reduce the defection (churn) rate of customers in the market. However there are a plethora of studies which have identified the importance of service quality on attitudinal loyalty specifically the conative part (Molina and Saura, 2008 and Gallarza and Saura, 2006). However, in neither of the cases quality is the most important value dimension that has the maximum impact. Quality did play an important role in determining satisfaction, but it is insignificant for cognitive loyalty. The reason for the same can be attributed to the fact that all of these fast food brands thrive for excellence and provide standard quality of products and services. Therefore to an Indian consumer quality may be a point of parity but not a point of difference. This means that a standard level of quality is always expected in the fast food outlets. And if not there, it may
dissatisfy the customer. But it is difficult for these fast food outlets to differentiate themselves from their competitors in terms of providing quality services alone.

8.2.2.2. Discussion on statistically ‘not supported’ hypotheses

Interestingly efficiency and aesthetics did not have any significant impact on either of the attitudinal loyalty variables. Aesthetics refer to a passive and personal appreciation of the beauty of the object or the place of consumption. The present study is conducted in the fast food industry parlance, which by definition and by characteristics does not provide the ambience of a fine dining restaurant. The industry, as the name “fast food” suggests is more into the sale of processed food and drinks for immediate consumption. Often self service is patronized in this kind of format either on the premises or in designated eating areas shared with other foodservice operators, or for consumption elsewhere. Therefore for the consumers aesthetics of the fast food restaurant does not play any role in shaping their attitudinal loyalty towards their brand of choice. Efficiency is defined by Holbrook (2006) as a ratio of outputs to inputs. Inputs in the case of service value include both monetary and nonmonetary attributes. Price forms the most important monetary aspect where as the nonmonetary aspects encompass the time and effort spent in availing the service. Reportedly, India has a growth of 8% annually resulting in an increase in the income of the people. It is therefore expected that, the higher the disposable incomes are, the lower the hesitations are for the customers to eat out and spend on fast food. Times of India in 2013 reported that urban indian consumers eat out atleast 7 times a month and fast food including pizzas had the highest CAGR over the last 5 years. Additionally the increasing number of fast food outlets in the tire I and tire II cities have reduced the time and effort that requied to be spent in availing fast food. All these are indicative of the fact that
efficiency is undoubtly not an important value dimension in shaping the attitudinal aspects of loyalty for customers availing fast food in India.

8.2.3. BEHAVIORAL BRAND LOYALTY AND WORD OF MOUTH

8.2.3.1. Discussion on statistically ‘supported’ hypotheses

Similar to their impact on the attitudinal dimensions of loyalty, both social value and altruistic value has a positive and significant impact on behavioral loyalty (H5c, \( \beta = 0.973 \); H5f, \( \beta = 0.138 \)) and word of mouth (H6c, \( \beta = 0.503 \); H6f, \( \beta = 0.185 \)). This reflects the importance of these two value dimensions in eliciting actual behavioral patterns in terms of repeat purchase, increase in share of wallet and in advocating for the loyal brand. The reasons for this have already been discussed in details earlier in this chapter. However what is interesting is social value has relatively the highest impact on behavioral loyalty as compared to the other significant value dimensions (H5c, \( \beta = 0.973 \) > H5d, \( \beta = 0.664 \) > H5f, \( \beta = 0.138 \)). And noteworthy is the impact of play on behavioral loyalty (H5d, \( \beta = 0.664 \)). Although play has a significant positive relationship on the entire satisfaction and loyalty cascade, it is insignificant in the case of eliciting word of mouth. On the contrary apart from social value and altruistic value efficiency has a positive relationship with word of mouth (H5d, \( \beta = 0.094 \)). However, its relative impact is low as compared to social value which has the highest impact on word of mouth. As explained earlier, for urban Indian consumers availing fast food in these multinational brands forms a basis of manifesting their status and esteem to their peers.

8.2.3.2. Discussion on statistically ‘not supported’ hypotheses
Quality does not reflect a significant positive relationship with either of behavioral loyalty or word of mouth as evidenced in table 7.8. This insignificance is in contrary to previous research by Molina and Saura (2008) and Gallarza and Saura (2006). This is because quality forms a point of parity for fast food outlets rather than a point of difference to a customer in the context of Indian fast food. Aesthetics too has not significant relationship to behavioral loyalty or word of mouth for reasons discussed earlier pertaining to the very nature of fast food services.

8.3. THE SATISFACTION LOYALTY WOM CASCADE

The satisfaction, attitudinal loyalty and behavioral loyalty have been both theoretically and empirically established in the marketing literature (Anderson 1996; Anderson et al. 1994; Fornell 1992; Fornell et al 1996; Dick and Basu, 1994; Oliver, 1999; Back and Parks, 2003). The findings of the present study is in sync with the findings of the existing literature with hypotheses H7 (satisfaction to cognitive loyalty relationship, $\beta=0.781$), H8 (cognitive loyalty to affective loyalty relationship, $\beta=0.912$), H9 (affective loyalty to conative loyalty relationship, $\beta=0.92$), H10 (conative loyalty to behavioral loyalty relationship, $\beta=0.983$) and H11 (behavioral loyalty to word of mouth relationship, $\beta=0.854$) being statistically significant at 0.001% level. This association reveals three things (i) a merely satisfied customer may not necessarily show behavioral loyalty in terms of repeat purchase or spread positive word of mouth (Back and Parks, 2003; Dick and Basu, 1994; Oliver, 1999) (ii) in order to instill behavioral loyalty in a customer, ensuring that the customer is loyal at attitudinal level is of equal importance (Day, 1969). and (iii) the relationship between satisfaction and behavioral loyalty is mediated through the attitudinal components of loyalty. Only and only when a customer has a favorable attitudinal
disposition towards a brand, he/she will reflect true loyal behavior (Dick and Basu, 1994; Oliver, 1999; Back and Parks, 2003) and spread positive word of mouth for the brand he/she is loyal to.