

FACTORS AFFECTING CUSTOMER SATISFACTION AND ITS RELATION TO CUSTOMER RETENTION

ABSTRACT

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In the highly competitive food service industry, customer satisfaction serves as a critical indicator of business success and long-term sustainability. This study investigates the key factors influencing customer satisfaction, specifically food quality, service quality, ambiance and environment, and pricing and value for money. It further examines the relationship between these satisfaction factors and customer retention. Understanding these dynamics is essential for restaurants that aim to enhance the guest experience and promote customer loyalty. This study utilizes a quantitative research design with a descriptive method. It was conducted at Cabalen Buffet Restaurant in SM Fairview, Quezon City, with a total of 50 respondents, consisting of 35 customers and 15 employees. Data were collected through a researcher-made questionnaire, which was validated through expert review and pre-testing. Statistical tools, including weighted mean, percentage distribution, and Pearson correlation, were employed to analyze the data. The results revealed high levels of customer satisfaction across all examined areas. Food quality received the highest ratings, particularly in cleanliness and presentation, with a composite mean of 3.71. Service quality was positively evaluated, especially in terms of staff friendliness and responsiveness. Ambiance and environment were appreciated for overall cleanliness and interior design, although seating comfort received slightly lower ratings. Pricing and value for money were also perceived favorably, particularly due to flexible payment options, although the absence of discount offers was noted. However, Pearson correlation analysis indicated no statistically significant relationship between the satisfaction variables and customer retention ($p > 0.05$). Although customers expressed favorable satisfaction with food quality, service, ambiance, and pricing, these factors did not significantly predict retention. This suggests that external factors such as competition, location, or marketing strategies may exert a greater influence on customer loyalty. The study also identified operational issues such as inconsistent food quality, inadequate cleanliness, limited menu variety, and the absence of loyalty programs. Addressing these concerns could help buffet restaurants better align their services with customer expectations and improve long-term retention strategies.

RECOMMENDED CITATION

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