

**The Impact of Brand Awareness on Trust Perceived  
Risk, Satisfaction and Loyalty in Dining Restaurant:  
Case Study, North Cyprus**

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## ABSTRACT

This research in tend to explore the effect of brand awareness on trust perceived risk satisfaction and fidelity in dining restaurant. Restaurant service has a significant role with regards to customer experience which could led to satisfaction and as such ,Brand awareness has a significant role in customer's contentment and customer allegiance in dining restaurant industries wherein clients risk more for purchasing which is actually categorized and expensive than other restaurant. (Nitiwanakul, 2014).

Trust is seen as a mediating factor between the dependent (Brand Awareness) and independent variable (Satisfaction and Loyalty), this variable exist so that there will be the uncertainty of the customer could be reduced. (Jana, Tracey and Greg, 2013). Hence when customers perceive such positive evaluation it will cause satisfaction leading to loyalty. (Maizura, 2016). This study's purpose is to apprehend in what ways brand awareness has impacted on clients satisfaction and allegiance, more over this study aims at investigating how restaurant service act as an element which contribute to customer experience, this study is significant in that it gives a clear understanding pertaining to how customers react to a brand they are aware of which could cause satisfaction leading to customer loyalty. Based on the methodology a quantitative technique of data collection was utilized in this study to understand how each component has an effect on the other.

**Keywords:** Restaurant service, Brand Awareness, Trust, Perceived Risk, Satisfaction, and loyalty.

## ÖZ

Araştırmanın amacı restoranlarda marka farkındalığının; güven, algılanan risk, tatmin ve sadakat üzeriner etkisini ölçmektir. Restoran hizmetlerinin tüketici tecrübesi ve tatmini üzerine olan etkisi ve restoran işletmelerinde marka farkındalığının tüketicinin satın alma davranışlarına olan etkisi bu araştırmanın dar alanını oluşturmaktadır.

Araştırma sonuçlarına göre güven, marka farkındalığı ve tüketici tatmini ve sadakati üzerinde etkiye sahiptir. Bu sonuca göre tüketicilerde markaya karşı olan güvenin derinleştirilmesi ve tüketicilerin zihinlerindeki belirsizliklerin giderilmesi marka farkındalığı açısından son derece önem arz etmektedir. Bu sonuç doğrultusunda bir diğer ilişkide tatminin sadakat düzeyini arttırdığıdır.

Çalışmanın metodolojisini kantitatif yöntemler oluşturmuştur. Korelasyon ve regresyon yoluyla ilişkiler test edilmiştir. Toplanan veriler SPSS 12.1 programında analiz edilmiştir.

**Anahtar Kelimeler:** Restoran hizmeti, Marka bilinirliği, Güven, Algılanan risk, memnuniyet, ve baglike

## **DEDICATION**

This research is dedicated to the Lord Almighty for his strength, Faith he bestowed on me during this period and to my lovely parents and siblings for their endless support during this period.

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# Chapter 1

## INTRODUCTION

Brand awareness is evolving overtime to an imperative variable that controls customer's perception of a brand, in creating strong characteristics that will affect customers purchasing decision. There is need for the brand management to understand an oversea what actually can be done to ensure that brand image is well placed in the minds of their customer (Asaad and Serdar, 2015). For this research, there is need to understand the effects of brand awareness on satisfaction, fidelity and the effect of risk and trust on the brand, we propose that this two variables has an indirect effect amid trademark consciousness, satisfaction and fidelity (Naeyhun 2015).

Restaurant service in dining restaurants is the core call for this research it will help us understand how what service in a restaurant is all about but before we get to the purpose and significance of the study there is need to have an overview. Restaurant service is made up of important elements that constitute for customer experience; customers are more into the settings that will provide them with utmost safety and satisfaction. Restaurant service has to also deal with the environment in which the service is being performed wherein customers not only evaluate the basic necessity food but also try to fulfill their social needs (Issahaku, 2015) .Customers who are satisfied with services provided in the restaurant are likely to generate repeated purchases and could likely engage in word of mouth advertisement. It is necessary to

remark that branded product creates an enduring relationship which could be sustainable and profitable more than un-branded products (De Chernatony, 2010).

Brand awareness specifically in Dining restaurants in North Cyprus is what I gain to understand in this research given the variables that is listed above. According to Serdar and Asaad (2015) customers' in a market environment or dining restaurants take records of the category of the brand, the brand image, the price and the awareness so literature has proven that brands that have a wide level of awareness amongst the customers are having a higher chance than other brands. In addition the quality of an aware brand could motivate purchase and reduce the perception of risk in the minds of the customer (Erdogmus and Budeyri-Turan 2012).

Understanding the importance of brand awareness has being seen on its impact on satisfaction and loyalty, but there is need to understand the behavioral effects of this variables in dining restaurant due to the fact that little is known about this aspect. Brand awareness' role on customer's satisfaction and loyalty has proven to be very essential but it is still imprecise how they affect each other it could be direct or indirect. Taking into consideration the perspective of the liaison amid brand awareness and clients' satisfaction/fidelity the tenacity of the investigation is to ascertain the impact of trust, risk within the construct that has being established in this framework. Based on the behavioral impact there it is seen that perceived risk, trust has a constructive impact on brand awareness, satisfaction and loyalty.

The construct based on brand awareness is very important for dining restaurants industry in that customers risks more for purchasing the branded product which is actually categorized and expensive than going in for other restaurants. (Nitiwanakul,

2014; Roudi et al 2018), moreover customers perception is much more affected if they product is not up to expectation which can lead to loss of trust for that particular dining restaurant.

### **1.1 Statement of the Problem**

Nevertheless understanding with the issue of service quality it is noticed that there is a lot of literature and research which is carried out in that domain (service quality) service recovery and service failure wherein research has being carried out in hotels and other hospitality industries how they measure their service quality (Marko, 2016).

In this regards there is little or no information about restaurant service in North Cyprus and as such there is a gab in literature or empirical study about North Cyprus restaurant industries. There is great need for restaurant managers to provide a compelling and competitive restaurants service which is actually unique in the minds of their customers, given this limitation there is need to understand what restaurant service are which can led to customers satisfaction and loyalty to a particular brand, it is also important in assessing the service in dining restaurant which could customers experience, satisfaction and loyalty. There is need to inspect the distinct impact of apparent risk and trust in the association of brand awareness, satisfaction/loyalty.

### **1.2 Significance of the Study**

As earlier mentioned before services rendered in restaurants are very necessary for it will impact on the customer behavior and revisit intention. The main contribution in this research is based on the fact that it gives a unique study on North Cyprus restaurant industry and as such it also contributes to tourism literature.

This study is also substantial in that due to its practical nature in the area of consumer behavior which tries to understand how customers react to branded product taking into consideration that actual behavior is determined by behavioral intention, when the impact becomes positive there is a clear indication for brand satisfaction and loyalty, giving that customers have the intension to revisit or purchase from that branded product (Naehyun, 2015). Dining restaurant especially Famagusta is what we gain to understand in this work, how restaurant service is being performed.

### **1.3 Purpose of the Study**

The drive of this work is to understand what how brand Awareness has an impact on client satisfaction and fidelity in the dining restaurant. Moreover this study is out to understand what restaurant service is all about, because it is made up of important elements that could constitute to a customer experience, which leads to customer satisfaction and loyalty to dining restaurants (Frederick, 2015). Dining restaurants used for this research has being rated by the RES-BIR UYE of North Cyprus as registered restaurants. It is based on the extensive evaluation of the facilities, services, and competence of the staff in the restaurant.

To understand the issue of guest satisfaction on the restaurant service there is great need for the food service manager and marketing manager to understand how and what actually could be put in place to enhance customers satisfaction and loyalty to their brand there by reducing risk and having a high level of trust to their brand, thereby making repeated purchase and revisit intension.

This study seeks to understand if actually the customers are familiar with the restaurant brand , if they could recognize the brand with other restaurant brands, if

the brand guarantees satisfaction and if the customers could say positive things about the restaurant thus goes further to create a relationship between the customers and the restaurant. According to Ajzen and Fishbein's theory of "Reasoned Action" (1992) which was of the opinion that "human conduct with respect to an object is a function of an individual observational understanding about the features of the object which leads to emotional association with the object" and which could further lead to behavioral intentions with regards to the object.

This study seeks to comprehend the affiliations that exist amid the variables, if brand awareness could have an optimistic effects on satisfaction, and loyalty while reducing the impact of risk and gaining trust from their customers.

#### **1.4 Outline of the Study**

This thesis is deconstructed to constitute seven chapters. The first chapter of this work is centered on the prevailing gap, the purpose and contribution of this research. Subsequent chapter will give to the readers an overall view or information about North Cyprus as a tourism industry and also focus on the restaurant industries in North Cyprus.

The third chapter is going to provide a theoretical literature and support by outlying relevant information about dining restaurant in North Cyprus especially in Famagusta and explaining variables that could one way or the other affect customer's behavior with regards to dining restaurants, moreover characteristics of restaurant industries would also be discussed in this chapter. The empirical study is followed by conceptual model and a clear research procedure is used to test the hypothesis.



Chapter 5 is based on the methodology it gives a detail explanation on what ways the research was steered; how the data were gathered it also deals with the data gathering procedure and finally the data scrutinization. The next chapter will be based on demographic characteristics of the sample which will have to deal with the descriptive statistics and factor analysis. And finally we will give our evaluation of the discussion, managerial implication limitation and future research.

## Chapter 2

### CYPRUS (NORTHERN) AS A CASE STUDY

#### 2.1 Cyprus (Northern)

Cyprus (Northern) has also been baptized as the Turkish Republic of Northern Cyprus (TRNC). In 1960, Cyprus got its independence after they “agreed with Britain, Turkey and Greece for there is a bi-national acknowledgment and political fairness and administrative partnership of two societies” (Albrecht 1994).

Historical background of Cyprus is enchanting and it is located within three continents in the world which is Africa, Europe, and Middle East. North Cyprus divided into two parts which are the Turkish and the Greece section, this was done in 1974. The Greek Cypriot is in the southern part of Cyprus while Turkish Cypriots are located in the North.



Figure 1: North Cyprus map (North Cyprus.net)

A census was carried out in 2011 which gave the number of individual who were on the island on that day as it was 265,100 and the total number of permanent resident was 265,644 this figure represents the total number of individual who had live in the island for a year or more than giving a positive increase in the numbers of resident as compared to 2006.

The census that was controlled by the government in 2011 was alleged to be in dispute by n political parties’ local newspapers and, labor union. It was alleged that in Kibris Gazatesi (2011) that “government accused of giving and estimate of 700,000 before the census in order to extort and demand finance from Turkey”. On the 11<sup>th</sup> December 2011 North Cyprus census result was being released by Prime Minister Mr. Isren Kucuk as follows

Table 1: Regions and Population

Regions	Population
Lefkosa	98739
Famagusta	69273
Girne	72284
Guzelyurt	31254
Iskele	23356

The island is made up of a unique climate which is made up of the winter, summer and spring, it snows at the height of Toroodos Mountain. The island has sandy beaches, mountains and coastlines that give north Cyprus and interesting view. North Cyprus as of the census carried out in 2014 showed that they have a population of

313,626. [www.essentialcyprus.com](http://www.essentialcyprus.com) that included all the individuals that were present on that day and those residents made a population of 256,644 they are those who have a permanent stay. North Cyprus has a small population likewise the size but the economic is fast growing due to the tourism. Below is a list on how the population of North Cyprus is distributed.

Cyprus is divided into two sections, there is north Cyprus and south Cyprus which called the Greek Cypriots they are being distinguished from a boundary which is known as the Green line this said distinction cuts across Nicosia this city is known to be the capital of both Greek and North Cyprus.

North Cyprus is known for its beauty and its uniqueness based on the different towns that are found in it, it also offers activities for all taste some regions found in North Cyprus include Lefkosa, Famagusta, Iskele, Karpaz, Nicosia and Morphou.

North Cyprus is known for its touristic sites and given a potential benefit from creating infrastructures within countries, creating jobs and business, and benefiting from exportation and also getting positive benefits from other cultures. With regards to the above the government has less considered the impact of tourism both nationally and sub-nationally (Gunay, 2015).

In 1996 North Cyprus conducted its first census and the population of the island was said to be 200,587. This was established by the Population and Housing Census and state planning organization. In 2006 a second census was carried out in North Cyprus and it showed that the population 265,100 and the majority was made up of the Turkish Cypriot and with some minority from Turkey who settle in North Cyprus,

78,000 people combined to make up students, those with temporary residents non-citizens and guest workers (Bahceli, 2007).

### **2.1.2 North Cyprus as a Touristic Destination**

Cyprus (Northern) is known for its geographical, political and economy situation which goes ahead to attract tourist. The Turkish Republic of Cyprus (Northern) is a state which is made of Sub Island that includes the Northeastern part of Cyprus (Neda, 2012). North Cyprus has its cool and windy seasons which occurs in the month of December to February, which provides a favorite climate for the indigenes and tourist who make their way in to the island.

North Cyprus as a vacationer terminus is gorgeous both in fascinating natural and cultural sites, which creates an intense like for international tourist and such making north Cyprus a destination for Tourist, the attractiveness of North Cyprus is a domain that needs to be considered. Moreover international visitors can benefit from the historical memorials, the, monuments and as well as the rich archaeological remains. (<http://www.holidaysinnorthcyprus.com/north-cyprus.htm>).

North Cyprus is considered to have the most beautiful and outstanding beaches which is rich in nature, visitors , tourist could enjoy the cuisine, the good friendly relationship from the indigenes, given tourist to choice from the variety tourist are also opportune to view the beauty of the Besparmak Mountain and also enjoying the beauty of harbor in Kyrenia and also taking a good experience from the beautiful beach that is found in Karpaz, if you are a sun lover, a sportsman ,an a nature addict North Cyprus is the perfect place to suit your mood or taste (Mehrnoush, 2012).

### **2.1.3 Historical Sites in North Cyprus**

North Cyprus has its own famous attractions for tourist to visit there is the Bellapais Monastery, it was built by King Hugh III in 1205 from France it is only meant for festivals which were traditional and it is located at the Kyrenia coastline.

Lala Mustafa Pasha Mosque monument which is located in Famagusta which was reconstructed in the 1923 which acts as a touristic attraction sites for tourist which is originally known as the cathedral of St Nicholas and later as Ayasofya Mosque of Magusa, it was considered as the Roman catholic cathedral and it was later on named Lala Mustafa.

The Great inn which is located in the southwest of Asmaalti square in Nicosia it was first used as a prison but latter on it helps for tourist to spend their night over in the inn. The inn was built by Ottomans. Salamis Ruins which was founded by Tefkros which is located at the out sketch of Famagusta which was built in 1188BC .This city shared the destiny of the rest of the island. The importance of this island is noticed when gold was discovered since then the ruins of salamis has being a point of attraction for most tourist. St. Barnabas Monastery and Archaeology Museum that is situated at Famagusta city. This act as a point for tourist to visit.

As revealed above, the towns of Cyprus (Northern) are Nicosia, Kyrenia, Morphou, Famagusta, Iskele, and Karpaz. Below is an elucidation about first class restaurant industry in the Famagusta in North Cyprus. North Cyprus has as a perfect spots to entertain guess, friends to have a meal, restaurants in north Cyprus ranges from soup house that comprises of local Cypriot cuisine to first class or fancy restaurants that offer reasonable Turkish meals, Indian, French, Mexican, and Chinese meals at an

affordable price. Statistics has proven that the classic restaurants are found in Kyrenia. [www.turkishcyprus.com](http://www.turkishcyprus.com)

## **2.2 Restaurant industry in North Cyprus**

North Cyprus restaurants has evolved greatly over the past few years there by leading to an increase in the numbers of visitors and tourist who have make their way into north Cyprus, there improvement in the customer service , taste and quality of food that is offered in most of this restaurant.

The important factor about this restaurant sector is that it helps to reduce the level of unemployment and it's profitable, taking into consideration that north Cyprus is still a developing country with and area of 3,355 square kilometers. Restaurants in north Cyprus are owned by either private individuals or is joint family business for the main aim of this research is will to explore if the clientele are aware of the dining restaurants and how it impact on the customers trust , perceived risk, satisfaction and loyalty.

Restaurants in north Cyprus offer both local and foreign dishes, such as French, Italian some of their dishes include Meze it's a local menu which is accompanied with other small dishes which contain cold food such as yoghurt, fish balls, beans and humus. The local food meze is there by followed by the main course such as chips and salad, Fish kebab is the main meal which is available in most restaurants and to end the course Turkish coffee and local cognac is being served. [Cyprusive.com](http://Cyprusive.com).

The most important aspect of restaurants in north Cyprus is that the settings of a meal is significant as the meal itself and as such families and tourist will rather prefer to

din outside and the success of restaurants in this area of the world stems from the fact that citizens and family members would rather dine out in the beautiful harbor in Kyrenia. [www.essentialcyprus.com](http://www.essentialcyprus.com).

Restaurants in north Cyprus could be classified under local and dining but for the purpose of this study emphasis will be more on dining restaurants in Famagusta the impact of brand awareness, trust, and apparent risk on satisfaction and loyalty. Due to the increase in demand for not just local food provided by North Cyprus cuisines there is also an increase in international dining which could also be obtained in hotels or eateries (Christabell, 2012). In regards to North Cyprus restaurant an overall statistic's on numbers of restaurants will be mentioned below based on the regions and numbers of restaurants.

Table 2: Regional Restaurants Statistics

Regions of North Cyprus	Statistics /numbers of restaurants
Famagusta	170
Lefkosa	87
Grine	209
Guzel Yurt	22

The information listed above gives a clear statistics of numbers of cafés, and dining restaurants found in North Cyprus. For the purpose of this studies reference will be made particularly to dining restaurants in Famagusta (Magusa). Based on the



statistics few dining restaurants were chosen to suit the purpose of this studies, they include Ambella, Californian, D&B, Ezic, Marinero, Palm House Café, Salamino, Shakespeare café and Temel Reis.

### **2.2.1 Nicosia**

This is the capital city of Cyprus (Northern) it is known to be the largest and the most inhabited town in North Cyprus. Nicosia is known to be a touristic destination not only because of its culture, arts, business diplomacy but also for its cuisines. Indigenes of North Cyprus are so passionate and serious about their food, and moreover restaurants are located in various areas of the city to satisfy every taste it ranges from traditional Cyprus Meze tavernas to gastronomic five star spots <http://www.mydestinationcyprus.com/restaurants/lefkosia-nicosia>. Dining restaurant in Nicosia that is marked with certified excellence is the Syrian Arab Friendship club its cuisines are known to be best and first class and for its cleanliness making Nicosia a touristic destination.



Figure 1: Syrian Arab friendship club.



Figure 2: Buyuk Han Lefkosia

### **2.2.2 Kyrenia**

This town is known to be the “Jewel of Cyprus”, this city was founded in the 10<sup>th</sup> century and the town is constructed by British and that was done by a harbor which has a very beautiful view in which leisure activities and festivals could be carried out. It is characterized by its historic, museum attractive resorts beautiful boats that attracts tourist, key places to stopover in the Kyrenia are castle, Museum of folk arts, and the Saint Hilarion castle. Above all it is known for its good cuisines. Dining restaurant in Kyrenia is categorized for its excellence. It has a multiple restaurants which comprises of both local and international restaurants. Generally most local restaurants offer meze that is made up of appetizers followed by fish and kebabs, local restaurant are also specialized in Cypriot home meals such as Molohiya and Kolokas. The harbor at the Kyrenia gives an interesting and fascinating view not only to tourist but to the locals.



Figure 3: Aga Pasa sk



Figure 4: Kyrenia Harbour and Castel

### **2.2.3 Morphou**

This city is located in the northwest of Cyprus (Northern) and it is known to be the wealthiest with regards to agriculture this is a city in North Cyprus that is not affected by tourism. This town is not meant or a typical tourist destination but it is a part of north Cyprus that is not affected by tourism, there is peace, quietness and it is surrounded with natural beauty. The city is famous for its annual orange festival, it is

blessed with archaeological museum, natural history, monastery of saint Mamas. This area of the town is characterized with American restaurant and Turkish restaurants. This area is known for its lovely citrus groves a large portion of it are exported and the rest used for local consumption.



Figure 5: Mamas church

#### **2.2.4 Famagusta**

This city was known as a small commercial port that flourished in the 12 century and it became an important trading center between the east and the west. It has approximately 365 places of worship and it is known to be the most prosperous cities of the Mediterranean, this city is laid to the ruins of salamis in the North.

Famagusta was constructed on the location of the antique city of Arsinoe, and the city gained from the annihilation of the closet wealthy town of salamis. The ruins has a very interesting view in the inside. There are royal tombs, roman baths, and amphitheaters; it is alleged that the city was established in 11<sup>th</sup> BC.

In 1489 the capital of north Cyprus was moved from Nicosia to Famagusta in order to put up a strong defensive wall and the ruling Lusignan kings in the 13<sup>th</sup> century secured it, and above all they kings built the most impressive church with a magnificent mosque which is the cathedral of St Nicholas. Famagusta had being under the role of Ottoman in which Christians as of then where not allowed to live with the city walls.

Today Famagusta is in the south of the old walled city which is acknowledged by the Turkish Cypriot to be Gazimagusa which has the deepest harbor in Cyprus .[www.cypruss44.com](http://www.cypruss44.com). Famagusta has a the largest university on the island which known to accommodate both national and international students there by increasing the number of visitors into the island, without forgetting the touristic areas that attracts tourist , important places to visit in Famagusta are venetian Palace, St Antonio church, Lala Mustafa Mosque, and the Salamis Ruins.

Restaurants in Famagusta are based on different categories; they could be chain restaurants, dining restaurants, low class restaurants or cafes. Famagusta has a combination of all those mentioned. Famagusta restaurant are practically based on café like Petek confectioner which is a temple to all things sugary like Turkish delights, international restaurants like Ginkgo which is located next to Lala Mustafa Pasa Mosque, they have a wide range of menu which are of excellent taste.

North Cyprus cuisine has being shaped with many cultures, making it impossible to fetch out which dish could be determine dish could be associated with Cypriot. And due to the different cultures in North Cyprus that has being influenced throughout

history each dish is characterized with its own taste, cooking procedure and presentation reflecting the character of the region ([www.iskelebelediyesi.com](http://www.iskelebelediyesi.com)).

North Cyprus has a wide variety of dishes which is fascinating and appealing to individuals who eat well ,some of this dishes include grills, fish, soups, pides, lahmacun and pastry to name a few. Apart of Cypriot cuisine are found local cuisine such as Chinese, Italian, Indian and French food. For the purpose of this study, emphasizes will be on dining restaurant in Famagusta. Dining restaurant are characterized by recommendations from a friend, family member, it is known to be the best restaurant you could ever go too.

It serves delicious meals, the wine, services that are offered in the restaurant is excellent. It is professional with a personal touch and it is not fake, the waiter and waitresses have a good knowledge about the dishes. Restaurant based with the above characteristic are Ezic Magusa, Palm House, Californian, Marinero restaurant, D&B restaurant, Rough 21 and Salamino restaurant. <https://www.tripadvisor.com>



Figure 6: Ezic Restaurant.



Figure 7: Salamis Ruins.

In regards to North Cyprus restaurant an overall statistic's on numbers of restaurants will be mentioned below based on the regions and numbers of restaurants.

Table 1: Regions of Cyprus and number of restaurants

Regions of North Cyprus	Statistics /numbers of restaurants
Famagusta	170
Lefkosa	87
Grine	209
Guzel Yurt	22

Source: [www.resbir.net](http://www.resbir.net)

### 2.2.5 Iskele

Iskele is known to be the most attractive place to invest in, which has being known to be an entertainment zone which has hostels and fish restaurant. Iskele was founded as This commercial port and fishing town ,it became and important trading area between West and East ,the town is known to be a touristic destination wherein individuals in that area are not only hospitable but they are much more interested in their culture and arts. <https://www.goldmarkestaes.com>.

The city of Iskele is found attractive areas like the Iskele icon museum that was inaugurated in 1991, the most important area to visit in Iskele is Kantara castel. The town is also famous in hosting annual festivals and the Mehmetcik (grape festival). [www.whatson-northcyprus.com](http://www.whatson-northcyprus.com). The city of Iskele has its own categories of restaurants they comprise of wind bars, Turkish coffee which is also one of the most important specialty for some restaurants in north Cyprus some restaurants are also specialized in seafood, Turkish restaurants, garavolli café and bar.



Figure 8: Kantara Castel

### **2.2.6 Karpaz**

Karpaz is based North –East of Cyprus (Northern) the city is yet to be modern and has its natural environment where in few individuals leaves in though the area has being without individuals for a long period of time with only donkeys seen roaming around in abundance. It has wild life and beautiful beaches which attracts tourist to the area with beautiful weather during summer. This city is blessed with and important geographic features which is called the Karpaz Peninsula. Restaurants in



Karpaz are more into seafood, Turkish cuisines, Mediterranean, and Greek. One of the first class restaurant in Karpaz is the Sea Bird restaurant which is has a perfect location at the beach side it is good with regards to the food they prepare the atmosphere is conducive and it has a good value and above all their services are perfect.



Figure 9: Karpaz Peninsula.



Figure 10: Sea bird

## **Chapter 3**

### **LITERATURE REVIEW**

#### **3.1 Introduction**

Restaurant industry is rapidly escalating in these our contemporary world which actually improves on a city, country economy by attracting foreigners in that particular destination. Restaurant provides wide range of quality services to their customers and quest with regards to their demand needs and wants while striving for constant growth. Restaurants are no longer seen as a place for eating but as a hedonic destination where customers take into account food experiences (Leonard Lee, et al 2016).

Satisfaction from customers can be used by the managers of a restaurant to set up specific directions on how service dimensions could be created to provide a service to its customer, moreover service has a role to play in customer satisfaction, loyalty, and retention to a restaurant this gives a positive view to the restaurant which will cause the customers to come back (Issahaku, et al. 2015).

Moreover some services are tangible and intangible in nature making the restaurant industry to be in the middle reasons being that they offer both services, some services are tangible in nature and at times hidden without the knowledge of the consumer (Christopher, 1996). Services offered by restaurants are multidimensional making customers to have different judgments to the same services which are being offered

this is due to different personality of the customer which act as a challenge to that restaurant. Services in restaurants needs to be measured and should not be based only on the “SEVQUAL”, different dimensions needs to be used based on only on restaurant services (Philemon, 2013). A new demission was created for the restaurant service which is DINESERV this was attempted to come up with a new scale and models which were taken from different studies that will take into concern the factors of service excellence in restaurants and possibly the different cultural factors (Gaurav and Kartik, 2014).

Customers base their mind in the location of a restaurant in that they select where to go to this is based on the following criteria downtown location, average pricing, diversified clientele wide choice of food (Bernardo et al 2015). The restaurant industry belongs to the service sector in the economy there is a need to understand and analysis this sector because it is fast growing both in the developed and developing countries (Angnes and Moyano, 2013).

### **3.2 What is a Service?**

Philip Kotler defined “a service as a conduct in which a person offers to another and intangible act that those not lead to an ownership of anything. As such the element may or may not be linked to a physical commodity.” Moreover a service could also be defined as an “economic activities that occurs between two parties which they deal with and exchange in value it could be between a vendor and a buyer in a market, examples of service are related with the activity sector which include financial , commercial, health, entertainment and education.

A service is a performance as each encounter allows the dining restaurants personnel to perform activities and actions of value to the customer there must be a provider and a receiver in such a transaction. According to Christopher (1996). Characteristics of service are intangibility, service is inseparable. Service is heterogeneous in that uniformity cannot be maintained it varies from time to time, condition to condition, mood to mood and place to place if a consumer as of the time the service is made does not consume the service it becomes wasted.

Service is considered as one of the most important task in the hospitality industry most especially to come up with the service side of the business most especially to develop a strong service which is termed service culture (Earl, et al 1978). Service culture has its own aims in that it specifically focuses on satisfying their customers there by empowering employees to solve customers' problems (Karl and Ron, 1989).

Service has an important role to play when looking at marketing behavior of consumers (Lovelock and Hemzo, 2011). Consumer service is categorized into three parts that's the pre- purchase with this situation the customers identify their needs and seek alternative solution, meeting service and post meeting.

The atmosphere is a critical condition for service particularly for restaurant industry, owners need not only take into consideration the food quality and service, physical environment is important in that the internal and external décor is important, each restaurant is designated with its own characteristics in that a dining restaurants is meant to be a quite environment unlike cafés and restaurant bars. Customers may perceive the brightness, quietness, cleanliness, smoothness, temperature and the ambiance of a restaurant before going into a restaurant.

### **3.2.1 Characteristics of a Service**

Service is considered to have an important characteristic that needs to be considered by most service industries in our contemporary business world which include intangibility, inseparability, variability and perishability. Intangibility it deals with the fact that a service which cannot be seen discerned or felt before they are purchased, if going to a restaurant to consume a meal we do not know what we will receive until we experience the food and service, most consumers reduce uncertainty by taking a close look at the tangible evidence that has more instructions and information as regard to the service (Hellen and Gummerus, 2013).

Inseparability it deals with the fact that there is a close link between the service provider and customer in that there is a product created when both parties come in contact they must be at the location the service is being carried out. Showing that the customer is part of the product (Matthew, 2013). Perishability service cannot be kept, it is used when the service is available in the restaurant industry nowadays a fee is charged to customers who do make reservations and don't show up, and for this reason there is a need for service marketers to increase service effectiveness with regards to intrinsic service characteristics (Amorim, et al 2013).

Variability services offered varies it depends on how it is provided, when it is provided, where it is provided, who provides the service taking into consideration that time is important when delivering a service the customer must be present moreover a service received by a customer could change over time (Ching-Chow Yang, et al 2015).

### **3.2.2 What is a Restaurant Service?**

Research has proven that creating a long term relationship with current customers is less costly than securing a new customer. In the service industry there is a role for service providers is to establish an everlasting relation with their customers, this could be achieved by using the social penetration theory; moreover the impact of sexual orientation on human communication is generally taking into consideration in the service industry. Studies have proven that reciprocated revelation is a serious element affecting trust in restaurant (Jinsoo, 2014) a typical example is seen wherein servers give sincere advice about menu choices, they share some information be it about the price of the food and portion size, when all this happens it can induce a positive emotion which leads to customers trust for that restaurants. Given the dining experience in a restaurant each customer perceives the restaurant service in a different way and gives its own evaluation (Kevin, et al 2016).

In restaurant service customers hopes to receive his or her desired level of service provided, it could be what he expects can be and should be done, it could be that the service which is offered by the restaurant is in a relaxed atmosphere and the prices allocated are worth the service literature has shown that customers past experience has an effect to play when they are faced with new experiences (Petro, 2015).

Moreover restaurant service makes available high quality of drinks, food and service to guests or customers wherein the customers are obliged to make payment given that there is an uninterrupted connection between the nature and quality of the service ([www.worldskills.org](http://www.worldskills.org)). There is a need for service providers and customers to disclose information's and opinions about themselves creating a long term relationship for both parties (Jinsoo, 2015).

Human resource of a restaurant has a role when it concerns service these services are effected by employees who act as middle men in the service industry in that there is a need to treat employees as customers, measure and recompense robust service actors, employ individuals who are competent and have knowledge about service, train for technical and interactive skills, stimulate team work, deliver supportive technology and equipment and develop people to deliver service quality (Leonard, et al 2016).

### **3.2.3 Characteristics of Restaurant Industry**

According to Nan et al (2013) the competitiveness of a restaurant stems down to the location, growth, speed, and level of differentiation. It could also be assessed taking into consideration the inexperienced or experienced managers and the macro environment, the above mentioned could lead to the success or failure in the restaurant industry.

Literature has proven that the success of the restaurant is geared towards the capability of the manager in that restaurant keeping aside the external factor which is uncontrollable such as a change in consumer disposable income, competition, and change in consumer market affects the success or failure of a restaurant industry.

Competition is another important factor in the restaurant sector. According to George et al (2011) there is competition in restaurant sector because of the fact that there are lots of small operators and as such there is a low barrier of entry, and as such customers are quite price sensitive and looking at other service industries, literature has shown that similar to other service industries the restaurant industry has a high degree of price sensitivity especially to household income and the economic trend.

Another important element of restaurant industry is that they have similar product but they are not identical in this effect they are different means and ways a customer may identify a particular product of a restaurant this will be based on the taste, and branding strategy the restaurant industry put into place it allows the consumer to identify a given restaurant product, the brand is been guarantee and fixed that is being combined with the permanent quality of the restaurants services or product. Moreover the brand does not only creates image of the restaurant product but for the firm (Tania, 2012).

### **3.3 Brand Awareness**

According to Tania (2012) a brand is a signature, logo, a design or symbol which identifies the goods or service of a firm, or it is a system for stretching a competitive advantage for an industry through differentiation of the commodity. A brand is also a collection of useful an exciting benefits that is exclusive and welcomes promises. But what changes in a brand is the execution. (Leek and Christodoulides, 2011).

A brand is a concept or service that is being communicating or distinguished from other product (Robert et al 2012). Brand is a consumer idea of what actually a product is all about (Sally and Bba, 2012). Branding on the other hand is directly linked to a label which is intangible which brings along affection , awareness an impressions in the mind of the consumers. (Tania, 2012).

Branding is also a discipline that has materialized from the consumer's chattels particularly from fast moving consumer's goods (Leek and Christodoulides2011). Customers need to identify a brand a brand in a satisfactory detail in order to purchase. (Rossiter, 2014) consumers awareness and association of a brand leads to



perceived quality, inferred attributes and finally leads brand loyalty if a certain brand be evoked by a customer it has an elevated opportunity of being used rather than unfamiliar and faceless brands (Hong-bumm, and Woo, 2014).

More over brand consciousness breeds three elements or forces for advertising a brand which include clients are more usual with a brand when its consciousness increase, if the brand consciousness raise clients shall prefer the brand once they intern to obtaining the services or its products, clients will belief on brands that have an elevated degree of consciousness than choosing those with little awareness (Allan et al. 2015)

### **3.4 Customers Trusts**

Trust is seen as an assurance between exchange partners with regards to consist ability and integrity and as such trust could be demonstrated or performed through capability, honesty, generosity and competency. Moreover trust exist so much so that customer's uncertainty could be reduced. (Jana lay Hwa et al 2013). According to Chuan, et al (2016) explained that past researchers have given similar elements as to what trust, but almost similar such as benevolence, creditability, and fairness. Benevolence in the context of restaurant industry and customer in that the customer will be loyal to the restaurant if the customer is obtaining the services put in place.

Trust stems from past experiences of a customer repurchase of a product based on which differentiate relationship which could be personal or interpersonal, personal trust it comes from the word trust itself while interpersonal trust comes after a customer is satisfied (Naina and Mohd, 2012). Trust also reduces the effect of risk on the customer long term acquisition of a product it also helps to reduce customer's

uncertainty feelings (Osman and Sentosa 2013). Customer trust plays a role in their commitment to a restaurant, which further creates an added advantage to customer loyalty and as such creates a service habitude (Makarand et al. 2013).

According to relationship marketing trust is demarcated as the knowledge that a service restaurant is able to fulfill what it actually consented or agreed. Trust makes a customer to be confident causing an increase in the efficiency and effectiveness and causing a balanced exchange (Njin et al 2015). According to trust in the context of branding it is made up of two elements such as intension and reliability. Intention refers to the fact that a consumer opinion about a particular brand will be genuine. While reliability is the confidence and belief a customer has about a particular product. (Chuan, et al 2016).

### **3.5 Perceived Risks**

Perceived threat is demarcated as personal evaluation of uncertainty with regards to the consumption experiences of a product or service and as such it could affect a customers purchasing behavior (Jerusalem, 2015). Risk could be inherent or handled. Inherent risk is the underlying risk a product influence a user while the handled risks is final results information found in the inherent risk.

Perceived risk of a customer depends on their past knowledge (Jacki Lai, 2011). Perceived risk is described as important predictor of a consumer's propensity towards the purchase of a service or product (Silvia, 2013). Perceived risk is known to be unforeseen by consumers and as such there different types of risks perceived by customers functional, physical, financial, social, psychological and time (Johan Bruwer et al, 2013).

### **3.6 Customer Satisfaction**

Satisfaction is a subjective feedback which is acquired by experiences associated with the purchase of a product. This subjective feedback comes as a result of the state of mind in a customer about a restaurant resulting to customer loyalty (Maizura, 2016). Customer satisfaction comes as a result of an inner fulfillment if the product or service attains the desires and demand of the client and as such the atmosphere and the dining environment has a role to play in customer satisfaction in restaurants industry (Raja et al 2014).

Moreover client fulfillment is an anticipation that is observed in a product wherein the observed performance surpasses anticipation. Customer satisfaction could be visualized based on two phases they are, product based on awareness gained and extra procurement, while the other is a result of a judgment of preceding purchase” (Ladimir et al 2014). According to Cindy and Micheal (2014) customer satisfaction comes as a result of a premeditated possibility which involves customers feelings that a product has outpace predication and this can only occur if the customer attaches importance to the anticipated assessment. Customer satisfaction could also be determined by the positive word of mouth by a previous customer purchasing behavior (Slamak et al 2011).

Moreover customer satisfaction is based on the idea how a customer evaluates a current performance as such satisfaction is a vital point for product differentiation, which helps to build a strong relationship with customers and the restaurant industry (Sandeep, 2012). Customer satisfaction could also be an excitement of contentment and expectation, with this customer satisfaction increases with regards to the quality

and services paid for making the customer to be satisfied a loyal, and the perception of an individual about a product or service performance leads to customer satisfaction. (Khan and Shahzad 2013).

According to Ching-Yuan (2014) satisfaction has being known to act on price, performance and expectation an when the price and performance are even or same satisfaction can be reached and customer evaluation of his level of satisfaction is based on multiple demission like service employees and service settings. The perception of employee's quality service differs according to their gender proving that if different strategies are used it will help improve customer satisfaction (Jinsoo, 2015).

### **3.7 Loyalty**

Tingting (2015) discusses loyalty to be the “probability of a former client to continue buying from a precise restaurant industry or firm. It is considered as one of the most important asserts that hospitality industries procure because it helps the hospitality to mend a mutually advantageous relationship with their clientele, given that loyal clientele are constantly prepared to pay a higher price and will resist switching to their challengers” (Tingting, 2015).

A pertinent constituent of loyalty/fidelity is that the product is expressed by communicating what someone has experience from consuming a commodity; word of the mouth is an element for consumer loyalty (Kuo-Chien Chang, 2013). Loyalty is all about attracting the right customers that are able to buy a product more often, buy the product in higher quantities and even increase the numbers of customers causing customers retention. And as such hospitality industries are geared towards

making profit to this effect new strategies are being put in place but with the recent research it shows that restaurant would be much better looking at short term profit maximization instead of long term (MohD, 2015).

Customers turn to be loyal in that they buy again and recommend a restaurant if it has a positive and encouraging image in the belief that it delivers and promises for high quality goods and services (Sajadi and Daniela, 2013). Customer loyalty is an important factor for most restaurant in that retaining current or actual customers turns to be successful and as such they have a high competitive advantage, most restaurant needs to understand those element that could have a role in the customer decision to return to a particular restaurant (Hoseinpour et al 2012). There could be hidden loyal and fake loyal customers, hidden loyal customers are assessed based on the customer attitudes towards the restaurant industry and their brand but the customer do not have the buying behavior, while fake loyal customers are those who repeat purchase when there are special offers, it is convenient when it is being recommended to others and as such customers are being loyal occasionally and can easily switch (Zaree and Darabpour, 2014).

## **Chapter 4**

### **RESEARCH HYPOTHESIS**

The chapter present a conceptual model and hypothesis development of the study this is initiated and modified by using current literature and five important theories which include: Brand Awareness, Trust, Perceived Risk, Satisfaction, and Loyalty, relation between variables is explained below and hypothesis of the study is presented. The relationship and conceptual model of this study was established after a cautious and wide-ranging appraisal of appropriate literature.

This study investigates the waves of brand awareness, trust, risk, satisfaction and loyalty (Naeyhun, 2015) the targeted individuals in this study are customers who make their way in to first class restaurant in North Cyprus (Famagusta) it is analyzed from the customer opinion about how they perceive each of variable. The research hypothesis and model of this study are the results of other author's studies which will aid the writer of this work to intensely investigate the relationships of the hypothesis that has being stated.

#### **4.1 Conceptual Model**

The conceptual model is shown in Figure 1. It consists of relationship among variables. It has documented that brand awareness, trust, and perceived risk are the elements in understanding customers post purchase attitude which turns to have an effect either positively or negatively to customer's satisfaction loyalty and retention in first class restaurants (Hyun and Kang 2014).

The belief that Brand awareness has a specific competence to accomplish absolute needs persuade the trust in the brand (Schmitt, 2012). When customers are aware of a brand there is trust which is being developed which could generally be quite strong because when customers are aware of a brand there is an identity that is established upon uniqueness, proficiency and reputation (He, Li and Harris 2012).

When customers are aware of a particularly brand and its elements that has being put in place they are more likely to be perceived as honest as such it is possible for customers to trust the brand. Research has proven that when a customer trusts in the brand award there is a lot of optimism on customer trust (Monga and John 2010). As demonstrated in Figure 1, the conceptual model is established to experiment ten sets of hypothesis. The first premise scrutinizes the relationship between Brand awareness on trust.

The second hypothesis examines the relationship between Brand Awareness on customers' satisfaction, the third hypothesis studies the relations between Brand Awareness on customer loyalty, the fourth hypothesis explain the relation between brand awareness on apparent risk, and the fifth hypothesis surveys the relationship amid trust on apparent risk.

Hypothesis six studies the correlation between perceived risk on customer happiness the seventh hypothesis scrutinizes the relationship between perceived risks on customer loyalty/fidelity, the eighth hypothesis examines the relationship between trust on customer satisfaction, the hypothesis nine explores the correlation between trust on client loyalty and the tenth premise examines the relationship between customer satisfaction on customer loyalty. When a first class restaurants has being

identified by customers that is they are aware of the brand customers turn to demonstrate a value of trust which strengthen consumers perceptions of the quality and reliability (Pop, Bacila, Cinornea, and Drule,2010).

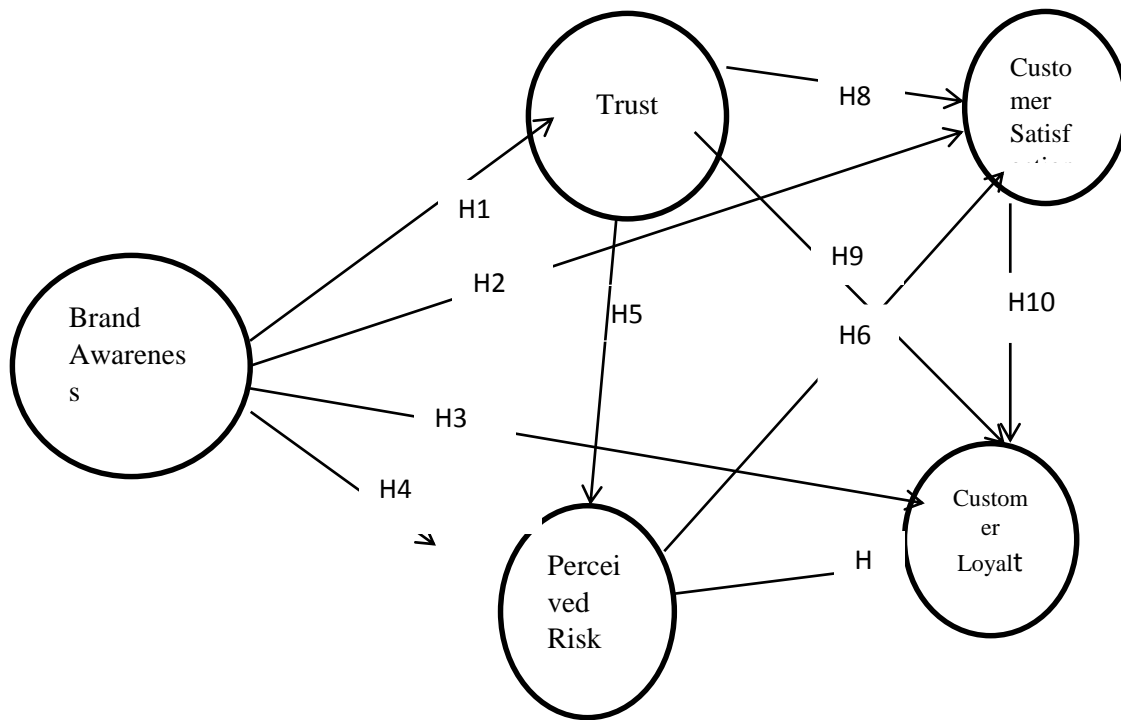


Figure 2: Conceptual model and hypothesized relationships.

## 4.2 Hypothesis Development

### H:1 Brand Awareness has a Positive Impact Trust

Brand awareness is associated to the strength of the brand in the minds of customers it permits customers to make out the brand (Sung et al 2015). Clients trust a brand that are aware off or rather than those of low brands awareness, dining restaurants whose Brands customers are aware increases customers knowledge and they will become more acquainted with the particular brand, they tend to classify the perceived quality of the brands product highly and willingly pay a price for the product, brand



awareness has an impact on customers perceptions of a brand quality (Sunghyup and Wansoo 2011).

Research advocates that first class oriented customers often appreciate evident and extravagant consumption and as such architect of first class restaurants with high levels of brand awareness should comprise of brand properties aimed at enhancing customer self- concept giving customers and consumers a positive opinion (Hwang, and Han 2014). Studies has argued that by investing in strategies to ensure that customers are aware of a brand the firms turns to gain customer trust in that brand, and as such trust is used to foresee or predict future intentions of customers concerning a an award brand and it guides customers in taking decisions as to what brand they are to peruse (Lassoued and Hobbs 2014; Akadiri et al 2017).

It is important to know that consumers who are aware of a first class restaurant product habitually seek to satisfy an exceptional experience the perception of a brand will positively affect the overall appraisal of a first class restaurant experience as much as customers are aware of a brand there is a probability that the trust they perceive on the brand is quite high (Sung et al 2015).

### **H: 2 Brand Awareness has a Positive on Customer Satisfaction**

Service quality, brand awareness is an antecedent to customer's satisfaction, Customers nowadays hold to heart brands that they are aware of and they hold on high preference to those brands and as such customers will prefer the labeled service delivered by the present restaurant in contrast to the labeled service delivered by the other industry. When Customers are aware and familiar with a particular product, wherein they have assurance about the service and product under brand protection

there is a high possibility that they will have priority over their competitors (Mohammad, et al 2015).

Brand awareness is being created with the help of presenting the brands to the customers which further develops inducements connecting them to the brand wherein customers evaluate the ongoing performance, create a high degree of fulfillment through product distinction, and developing a strong relationship with the brand (restaurant industry) when they receive more than they bargained for (Asaad and Serdar 2015). Customers respond to a brand by purchasing the same brand, they show preference towards that same brand and as such showing how satisfied they are with that brand. Customers are more likely to make recommendation or repurchase if the brand is up to their expectation. Therefore specifically to induced satisfied customers brand awareness can be considered as a significant factor in the restaurant industry. (Po-hsuan et al, 2014).

### **H:3 Brand Awareness has a Positive on Customer Loyalty**

Brand awareness is a subject that has a significant amount of work done by researchers in that based with the restaurant industry an aware brand turn to apply a reinforcement strategy to construct their brand awareness platforms while the new restaurant would utilize publicity, and campaigns to increase the consciousness of their product amid existing and potential customers of the product when customers are aware of all this a sign of loyalty is created to that product because a lot of assurance is put in place to ensure satisfaction leading to loyalty (Asaad, 2015). customers who are comfortable with a brand and are aware of that brand, it could led to an exclusive product in the minds of the customer which gives added value and, matches with the need of the customers creating a feeling of loyalty on the path of the customers based on that restaurant industry (Mula and Nazar, 2016). Loyalty is a

marketing goal which is known to be self - evident to any business, and as such it has being understood to be seen by repeated purchase of the brand, when customers repurchase and use a product it impacts more on satisfaction and loyalty (James et al,2015). Recognition of a brand by customer leads to loyalty where the brand choice is recalled at the point the customer wants to din in a restaurant, when the customer recalls the name of the restaurant they want to din with it shows how positive they feel about the dining restaurant (John, 2014).

#### **H:4 Brand Awareness has a Negative Impact on Perceived Risk.**

Generally, when a link is established between a client and dining restaurant or industry the perceived risk is being reduced due to the recognition, loyalty and satisfaction the brand offers to them the customers, According to (Johan et al, 2013) in dining restaurants there is a closer look at the purchase process by the customers towards the brand this could be anxiety in the minds of the customers. It is seen that customers have a feeling of frustration and hesitation when they are trying to purchase a wanted brand but due to fear of incurring some losses they draw back, as such customers use previous experiences to update their expectation during this process trust is being built as such the level of the perceived risk reduces. Individuals increase their attachments to a particular brand or dining restaurant if they perceive the risk in financial, functional and social forms.

Literature has suggested that customers are willing to revisit or repurchase a product or din in restaurants whose services is perceived to be high risk because they are assured of the services offered when revisiting that same dining restaurant (Jackie, 2012). Once trust is established by the customers to a dining restaurant it increases his/her assurance in the steadfastness and integrity of the firm, which furthers lessens the perceive risk of the customers.

### **H:5 Trust reduces Perceived Risk**

Trust is an important competitive tool for most restaurant industries. Customers trust could be gotten directly from customers' satisfaction, especially when the brand is satisfying to the customers, services offered by that brand could influence customers level of trust which either led to customers perceived risks it could be less or high depending on how it has impacted on the customers decision. Customers who are versed with particular services are expected to be satisfied with what is offered to them as such the level of risk perceived is lessen giving a positive view about that brand (Raja et al, 2014).

It has being documented that when trust is positively related to loyalty and satisfaction for restaurant industries there is a high possibility revisit intension or repurchase intension (Naeyhun et al 2016). When customers have brand trust the possibility of the restaurant having a good reputation will be an increase thus the rate of perceived risk shall lessen, however trust is seen as an important indicator for brand equity as such a popular measure of brand-consumer relationship. When customers frequently revisit reputable dining restaurants based on trust the level of risk perceived reduces (Sung et al 2015).

### **H:6 Perceived Risk has a Negative Effects on Customer Satisfaction.**

Based on previous research, satisfaction is seen a factor that influences future intention to revisit a particular brand, however studies has proven that satisfaction cannot necessarily lead to loyalty, let alone cannot get a sustainable success in a competitive market (Sung, h. et al 2015). Moreover customers in dining restaurants basically have elements that are associated with perceived risks when they perceive a negative element in the food through tasting or food safety specialist, the level of satisfaction that is to be gained is affected, some customers may perceive

psychological or environmental risk which is going to affect their level of satisfaction (Hae et al 2016). However, customers will want to din in a restaurant they know and are much more relaxed with to reduce experiencing unnecessary risks as such obtaining satisfaction. (Curras et al 2013).

#### **H:7 Perceived Risk has a Negative Effect on Customer Loyalty**

When a relationship is being created between a brand and the customers, trusts and satisfaction is being established the level of perceived risk is reduced. When services offered and customer satisfaction is obtained it generates an effective means of customer loyalty, which could be expressed not only by or word of mouth repeating purchase but also prefer and recommend the brand to others (Jackie, 2012). Previous studies have created a link that connects customer trust and satisfaction as such mediating the level of perceived risk (Han and Jeong, 2013).

#### **H:8 Trust is related to Customer Satisfaction**

Studies have proven that client perceived trust is the antecedent of client's happiness meaning client's happiness grounds trust, it causes and affective trust in the brand or dining restaurant and is seen as an ongoing participation on the part of the customer (Kuo-chien, 2013). Trust gotten by any dining restaurant is essential because it relates to and individual positive expectation about the intention or behaviors of the exchange partner which improves on the reputation of the dining restaurant there by causing satisfaction to the customer (Schmitt, 2012). Trust is identified as a prerequisite for customer loyalty and customers carry out their evaluation after post consumption however trust is seen as an antecedent to customer loyalty in dining restaurant (Martnez and Bosque, 2013).

#### **4.2.9 Trust has a Positive effect on is Customer Loyalty**

The strength of the link between service providers and customers has taken a lot of consideration in marketing, showing that there is evidence that a strong relationship ends up with customer's retention, tendency to repurchase and lastly customer loyalty (Greg et al, 2013). Marketing literature has shown that for there to be a link between customer loyalty and the any corporate activities trust must be involved as such trust is seen as a determinant of loyalty (Patricia and Ignacio 2013).

## **Chapter 5**

### **METHODOLOGY**

This section's focus will be on elements concomitant with the methodology of this factual research, this segment shall bring forth material regarding the research style, which includes deductive approach, and reason for this approach, the sample study, questionnaire frame work, data gathering, and measurement and data scrutiny.

#### **5.1 Deductive Approach**

With reference to the previous chapter the appropriate method that will be used in conducting research is the deductive approach .This method which is also known as top-down method is concern with developing hypothesis which is taking into consideration existing theory and which furthers design the strategy of study to test the hypothesis.

The construct that is used in this research guides the researcher in assembling and analyzing assumptions from the construct (Graziano and Raulin 1993). According to Babbie (2009) the method of collecting data is based on two different approaches for conducting the research study: the inductive and deductive approaches they take in consideration the observation and logic in each of the approach.

Inductive method is primarily based on observations were in theories are developed and formulated at the completion of the research based on the observation conducted (Goddard and Melville, 2004). Inductive approach is more concerned with a detailed

observation of a research and later boils down to a more generalized idea (Neuman, 2003).

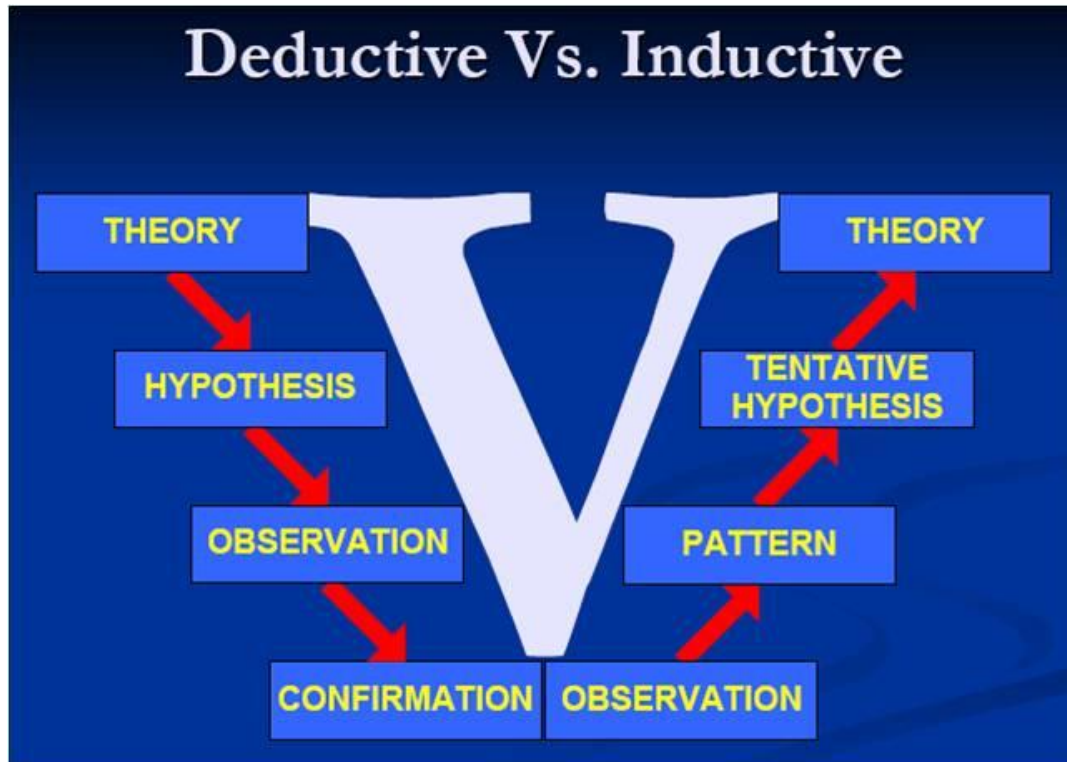


Figure 3: Deductive Approach versus Inductive Approach source: Barney, 2008.

Deductive approach is more accurate for my research rather than inductive approach because it test developed hypotheses which is based on experimental observations, which follows available facts that works from the general view to more specific view. This study tested the effects of independent variable which include brand awareness, trust, perceived risk, satisfaction and loyalty. According to Monette et al, (2005), deductive methodology “can be derived from propositions of the theory”. The quantitative method is used in this study because it does not set boundaries for the number of partakers in the study and it is quite simple. This approach begins with theorizing and identification of the main elements or key elements that is gotten before the hypothesis can be set up for it to be tested.



## **5.2 Theoretical Background**

According to the market-based asset theory a brand could be recalled by a customer if they are aware of the brand, with this customers turn to have an excellent memory and they could also possible differentiate that from other competitors product which is positive sign to the restaurant product. Trust is seen as a prerequisite to customer satisfaction and customer loyalty and according (DeVito, 1995), self –disclosure theory which entails both the customer and restaurants to reveal necessary information about the culture, price, menu the cost safety. For a customer to be aware of a brand and actually consumes that same brand it shows that there is some level of personal trust that the customers have towards the restaurant (Mohan, 2016). Literature has proven that self- disclosure is more often associated with social exchange and penetration theory where in there is a form of inter-relationship between the customer and restaurants and as such the risk of uncertainty in the minds of the customer is being reduced as such it arises an emotion to the customers because they belief in what they see (Li-Shia, 2015).

Perceived Risk is seen as an element that could negatively affect customer’s choice towards a brand, according to stimulus-organism-response theory customers who actually predict the outcome after or before consuming a brand could affect their choice towards that product, when a the customer a favorable outcome is noticed the customers perceived risk is lessen (Jackie, 2012). When a consumer sense any form of risk be it financial functional risk the chances of going back to that product is reduced and as such it will have an impact on consumer’s satisfaction there by not leading to loyalty to that restaurant. (Johan, et al 2013).

When the perceived risks is lessen it leads to satisfaction and according to Fritz Heider (1946) Balance Theory who is of the view that satisfaction could arise if actually the customers foresees a positive attitude or reputation of a restaurant and how they deliver their services quality it could lead to a positive outcome towards that restaurant leading to satisfaction, it has to also deal with motive and consistency with this, restaurants have a chance to get the trust of the restaurant as such the level of risk perceived is reduced (Kuo-Chien, 2013). Literature has proven that chances of a client being loyal to a particular restaurant increases when the client is satisfied during a visit to that restaurant and the relationship is strengthened more especially where customers see the environment as one which is easier for the service users (Rafael, et al 2013).

According to the self-congruity theory of Sirgy and Su (2000) customer loyalty could resolve as a positive self -perceptions customers make towards a restaurant this could be achieve when the customer become satisfied and their needs were more than expectation, customers could derive this based on their perception towards the restaurant and how self-oriented they are about that brand (dining restaurants) could lead to customer loyalty.

Below is a detailed explanation on how the deduction process is carried out and what needs to be put in place in order to come up with the final results. The first step in caring out this method is that there must be a theory, the main concepts needs to be identified that is of great interest to the research. The concepts that are listed or identified are being differentiated into numbers of hypothesis that shall be used in collecting data, before the hypothesis can be approved the concepts needs to be functional into variables which will further be used to measure the elements based on

the quantitative perspective, in the north shell hypothesis is the motion which is presented in a testable form which actually anticipate the relationship between more variables.

Data is carried out and analyzed wherein the hypothesis can either be accepted or rejected based on the elements that have being put in place and if it is accepted it shows that the theory that has being mentioned earlier substantiates with evidence which shows that a valid explanation has being given with regards to the variables that has being stated. Those valid explanation could be termed “ covering law explanation ” reasons being that the variables that are elaborated on are coated by assertion taking into consideration the phenomena in the theory, this gives a broad view in that the variables which has being used even in the past but could predict or be used in the future (Neda, 2012).

### **5.3 Instrument Development**

Instrument is a term that is used which frequently in order to define measurement device, this study carried out is based on structured questionnaires that was taken based on the literature review to come up with wide and broad understanding about the effect of branding on trust , perceived risk, satisfaction and loyalty in restaurants in north Cyprus. This study included the demographic features of the respondents with the help back of interpretation this study translated the English survey forms to Turkish. The components in this study are: Brand Awareness, Customer Trust, Customer Risk, Customer Satisfaction and happiness, Customer Fidelity, and demographic characteristics.

The questionnaire is designed into 3 sections the first, the part contains demographic characteristics of the respondent, which is into gender, age, education level, income, education, it is important to collect and assess respondent demographic information in order to know their differences between choices and the possibility between different groups of those who actually participated. The first component is composed of an assessment of trust which was evaluated using three items that was used in the study based on (Delgado and Ballester, 2004).

The second component is composed of an assessment of Perceived Risk that is used to evaluate the study using a three items scale from (Baek et al, 2010) and was also used in (Naeyhun et al,(2016). The third component is customer satisfaction was measured using a 3 elements based on the study of (Carpenter, 2008). The fourth component is composed of an assessment of customer loyalty was measured using 3 items that was developed by (Zeithaml Berry and Parasuraman 1996). While the fifth component was based On Brand Awareness it was evaluated using 4 items it was made by Yoo et al (2000). All are framed in a 5-point, Likert scale from (1= Strongly disagree to 5= Strongly agree).

#### **5.4 Population and sampling**

Sampling is a statistical method of obtaining observation from a group it is considered the most important section for a research as it embraces gathering primary data from the populace (Saunders et al 2011). Probability and non-probability samples used in research. Population sampling is the process of taking a subset of subjects that represent the entire population.

Probability sampling (representative) it is also possible to determine which sampling element belongs to which sample and the sample will be selected based on the probability. It is necessary to comprehend that not everyone has the same likelihood of taking part in a sample but each person's likelihood is distinct, given the researcher to come up with unbiased and valid data (Lohr, 2009). Probability sampling is made of three categories

- Stratified Sampling.
- Random Sampling.
- Systematic sampling.

For the purpose of this research a non-probability sampling technique is applied. Non probability sampling is a sample technique where samples are being collected in a process which does not give all the individuals in a population and equal chance of being selected or their probability weight is not established. Elements on non - probability include

- Quota sampling.
- Snowball sampling.
- Judgmental sampling.
- Convenience sampling.

The convenience sampling or accidental sampling it focus on a unit of population that are available and easily reached too. This sampling technique is convenient because the subjects are selected based on their suitable user-friendliness and nearness of the researcher. The limitation of this sampling technique is that the result cannot be generalized because the researcher has no control over the representatives

of the sample (Altinay and Paraskevas, 2008). A judgmental sampling technique will be applied in this study because it is based on those who are appropriate for the study which is customers.

The survey population where customers to the dining restaurant in Famagusta the data was carried out using convenience sampling method, and 200 questionnaire where distributed to this effect.

### **5.5 Data Collection Procedure**

This data was carried out by the research herself and the data collection time covered a month, (30 days) in the month of October. This period of one month enabled the researcher to maximize the important information from participants. No sort of incentives where given for the completion of the questionnaire and this research was carried out according to strict ethical standards.

The data was collected based on the following restaurants in North Cyprus they are considered as dining restaurant and has being categorized for its excellence, they are all registered restaurants with the RES-BIR, they are as follows, Palm House, Ezic, D&B Restaurant, Californian Gold, Rouge 21, Ambelia, Temel Reis, and Shakespear Café. The questionnaire had 30 copies that were pre-tested to customers in the various restaurant to ensure, the length of the questionnaire the continuity and flow of the questionnaire and the sequence and the questionnaire was adopted accordingly. Finally, 200 questionnaires were delivered to this effect based on the pre-text questionnaire as such given that the case study of this research is North Cyprus specifically. As such 191 questionnaire where obtained from the respondents and 9 copies were not returned.

## 5.6 Measurement and Data Analysis

The self-administrative questionnaire in this study consist of three parts: Part A includes the demographic characteristics which has to deal with personal profile they include Sex, Age, Education and Income Part B includes the major constructs for the study, which affect Dining restaurants in Famagusta they include Brand Awareness (BA), Trust (T) Perceived Risk (PR), Satisfaction(S) and Loyalty(L). Part 3 had to deal with the first restaurant that comes first into the mind of the customer and names of restaurants customers have never heard off. In this study brand awareness for dining restaurants measurement scale consisted of 15 items, which was evaluated with 5 point Likert scale from (1) strongly disagree (5) strongly agree. The data analysis was analysis by SPSS 12.1 and a confirmatory factor analysis is used to this effect.

Table 2: Measurement

Construct	Items	References
Brand Awareness	3	Yoo et al (2000)
Trust	3	Delgado Ballester (2004).
Perceived Risk	3	Baek et al (2010).
Satisfaction	3	Carpenter (2008).
Loyalty	3	Zeithaml, Berry & Parasuraman(1996)

## **Chapter 6**

### **RESULTS**

Results are the combinations of all the discoveries the outcomes of hypotheses verified, and the correlation between the hypotheses with regards to the research that has being carried out in this study.

#### **6.1 Demographic characteristics of sample**

Based on table 1, the total number respondents was 191, 50.3 % for male and having a frequency of 96, more than 69.1% of the respondents were between the ages of 18-25 years with a frequency of 132, and 69.9% of the respondents were mostly high school faculty they had a frequency of 133, 31.1% of the respondent had an income of 5.000YTL -10.000YTL, with frequency 61.



Table 3: Demographic information about the respondents

	Frequency	Percentage
<b>Gender</b>		
Male	96	50.3
Female	95	49.7
Total	191	100
<b>Age</b>		
18-25	132	69.1
26-35	37	19.4
36-45	20	10.5
45 and above	2	1.0
Total	191	100
<b>Education</b>		
Primary school	3	1.6
Secondary school	1	.5
High school	5	2.6
Vocational school 2 years	8	4.2
High school/ faculty	133	69.6
Masters/PhD.	39	20.4
Total	189	99.0
<b>Income</b>		
5.000-10.000YTL	61	31.9
10.001YTL-20.000YTL	51	26.7
20.001-25.000YTL	16	8.4
25.001-50.000YTL	20	10.5

50.0001YTL an above	18	9.4
Total	166	86.9

Table 6: Features of Mean and Standard Deviation

	mean	Standard deviation
I am aware of this brand.	3.5526	1.21493
I am familiar with this restaurant brand.	3.6578	1.18253
I can recognize this brand among other restaurant brands	3.6393	1.15834
I can rely on this brand to solve the service dissatisfaction	3.4317	1.09669
This brand guarantees satisfaction	3.6237	1.07968
I have confidence in this brand	3.5189	1.19370
I need a lot more information about this brand before would dine out at the restaurant	3.2513	1.25121
I never know how good this brand will be before dine out at the restaurant	3.3967	1.31830
To figure out what this brand is like, I would have to try it several times	3.4011	1.31354
I was happy with the dining experience at this restaurant	3.7989	1.06781
I was pleased with the dining experience at this restaurant	3.8404	1.05266
Overall I was satisfied with the dining experience at this restaurant	3.7937	1.08900
I would like to come back to this restaurant in the future	3.8421	1.18916
I would recommend this restaurant to my friends or others	3.9149	1.11537
I would say positive things about this restaurant to others	3.8691	1.07539
Note this questionnaire used the five likert scales from (1)strongly disagree(2) disagree(3) Neutral (4) Agree (5)Strongly Agree		

which shows that given the analysis obtained customers felt that they will recommend the restaurants to friends and others, 15(3.8691) most of the customers will say positive things about the restaurants, 13(3.8421) more to that most of the customers intend to come back to the restaurants in the nearest future, and lastly 11(3.8404) must of the customers were glad with the dining experience at this restaurant, it shows how positive customers were towards the restaurant of their choose. Overall the current study shows that the standard deviation has a low deviation showing that the customers in general engaged in answering the question in a similar manner.

Table 4: Unaided brand recall

	Frequency	Percentage
Palm house	12	6.3
Ezic	39	20.4
D&B Restaurant	7	3.7
Californian	28	14.7
Rough21	11	5.8
Ambelia	6	3.1
Temel Ris	15	7.9
Shakespear	6	3.1
Total	124	64.9

With the above statistic it shows that customers are more aware of Ezic restaurant in Famagusta it has a percentage of 20.4 making it the top rank amongst restaurants that customers are aware of in Famagusta, which is followed be Californian Gold having a percentage of 14.7, which indicates that customers are also aware of the brand.

Looking at the other restaurants like Ambelia, and Shakespear they had the lowest percentage which is 3.1 each of them indicating that most customers in Famagusta are not aware that such brand exist. 33.5 % of the population did not give response to this section.

Table 5: Aided Brand Recall

	Frequency
Palm house	47
Ezic	38
D&B Restaurant	65
Californian	20
Rough21	50
Ambelia	109
Temel Ris	46
Shakespear	40

As can be seen from table 4 above, it shows that the frequency of restaurants that are not being recalled and customers not being aware off the restaurant in Famagusta varies from one restaurant to the other it shows that Ambelia is having a frequency of 109 which indicates that customers are not aware that such restaurant exist in Famagusta which is not actually a good sign for the restaurant and the least of the restaurant which customers are not aware off is Californian having a frequency of 20.

## 6.2 Reliability Test

Based on Cavana et al. (2010) it is an instrument that is used in a survey when there is prove of repeated measurement, it is used to measure the consistency and the stability of the components or the construct. To measure reliability there is need to use a Cronbach alpha that which ranges or should be above 0.70 which is considered good and acceptable for the study. (Cavana et al 2001). Result from table 5 below points out the cronbach alpha for the 15 items that were tested was above 0.07. Based on the findings cronbach alpha was at .902. In conclusion, the measurement scales of the components were stable and consistent when measuring the variables.

Table 9: Correlation of Study variables

	Brand Awareness	Trust	Perceived Risk	Satisfaction	Loyalty
Brand Awareness	1				
Trust	.607**	1			
Perceived Risk	.187**	.159**	1		
Satisfaction	.578**	.672**	.227**	1	
Loyalty	.520**	.674**	.241**	.774**	1

Note: \*\* = correlation is significant at  $p < 0.01$ , N = 191.

Based on Table 1 above, the study construct have positive impact on one another at P-value of less than 0.01. This results confirms that mediation test can be perform on the study variable as Baron and Kenny’s condition for mediation has been satisfied.

Based on Table 4, in the initial solution, 3 elements with Eigen values that were greater than one was extracted. Kaiser-Olkin measure of sampling adequacy is .902; communalities ranged from 0.20 to 0.80, all the factors loading (> 0.20). The total variance explained by this initial solution is 66.30% and 33.70% which are not variable and not included in our model. Rules of thumb lower limit for Cronbach’s Alpha be 0.70, Alpha coefficient was at .902 which is at the aggregate level.

Based on Table 4 the result are. The factors were named, satisfaction (F1) Brand awareness (F2) and Trust (F3). Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization. Rotation Converged in 6 it.

Table: 10 Factor Analysis

	Satisfacti on	Brand A	Trust
Variance %	47.59	11.24	1.2
Eigenvalue			
Cronbach’s alpha	.903		
Variables and communalities			
I am aware of this brand.		0.78	
I am familiar with this brand		0.79	
I can recognize this brand among other restaurants		0.76	
I can rely on this brand to solve the service dissatisfaction		0.58	
This brand guarantees satisfaction	0.61		
I have confidence in this brand	0.67		
I need a lot more information about this brand before would dine out at the restaurant			0.70
I never know how good this brand will be before dine out at the restaurant			0.77
To figure out what this brand is like, I would have to try it several times			0.69
I was happy with the dining experience at this restaurant	0.80		

I was pleased with the dining experience at this restaurant	0.81		
Overall I was satisfied with the dining experience at this restaurant	0.85		
I would like to come back to this restaurant in the future	0.77		
I would recommend this restaurant to my friends or others	0.79		
I would say positive things about this restaurant to others	0.81		
Note; Each item is measured on a five point likert scale (1= strongly disagree, 5=strongly agree). Kaiser-Meyer- Olkin measure of sampling adequacy is 0.90. Bartlett's test of sphericity.			

### **6.3 Perceived Risk and Trust as the Mediating Factors**

The evaluation of the model it's seen that perceived risk, trust are acts the mediator between brand awareness, satisfaction, and customer loyalty, trust has an important value and impact both on loyalty and customer satisfaction and based on the Multiple Hierarchical Regressions on satisfaction, trust has a significant value of (7.622\*\*) showing it has a significant impact as a mediator between brand awareness and satisfaction, while perceived risk is not significant (1.850), and as a mediator between the two components. Trust strengthen the customer's perception about a brand consequently it acts as a relationship between the two components (Che-hui, et al 2015). Perceived risk has no significant value on both customer loyalty and satisfaction which is of the opinion that when the customer perceive any risk it could lead to dissatisfaction from the brand.

Table 11: Correlation of Study variables

	Brand( A)	Trust	Perceived Risk	Satisfaction	Loyalty
Brand Awareness	1				
Trust	.607**	1			
Perceived Risk	.187**		1		
Satisfaction	.578**		.672**	1	
Loyalty	.520**		.674**	.241**	1

Note: \*\* = correlation is significant at  $p < 0.01$ ,  $N = 191$ .

Based on Table 11 above, the study variables have important positive impacts on one another at P-value of less than 0.01. This results confirms that mediation test can be perform on the study variable as Baron and Kenny’s condition for mediation has been satisfied

#### 6.4 Regression Analysis Model

Multiple regression analysis is used to determine the effect of the independent variable to the dependent variable which is brand awareness. “Regression analysis is defined as a method which is used to drive an equation which is meant to display a multiple of elements to one or more predictor which that is fix at different levels” (Churchill, 1979).



Table 12: Multiple Hierarchical Regressions

Variables	Customer Satisfaction				
	Customer Loyalty		Perceived Risk		
	Trust	Trust Perceived Risk	Trust	Perceived Risk	
Model 1	Model 2	Model 1	Model 2	Model 2	
Brand Awareness	.578**	.268**	.578	.555	
	.520	.176	.520	.492	
Trust			.510**		
Perceived Risk	.567				.126
			.149		
R <sup>2</sup>		.334	.490	.334	.349
	.271	.474	.271	.292	
ΔR <sup>2</sup>		-	.161	-	.015
	.203	-	.012		-
ΔF		94.21**	91.73**	94.21**	50.19**
	70.13**	72.64**	70.18**	38.82**	
Sobel Test				z	
Brand Awareness	Trust	Customer Satisfaction		6.24**	
Brand Awareness	Perceived Risk	Customer Satisfaction		1.64	
Brand Awareness	Trust	Customer Loyalty			
Brand Awareness	Perceived Risk	Customer Loyalty			

Note: N= 191, gender is coded as “1” = male, “2”=female. \*\*P < 0.01, age: “1” = 18-25 years, “2”= 26-35years, “3”= 36-45, “4”= 46 and older.

Table 2 above shows the result of direct and indirect effects of brand awareness on satisfaction and customer loyalty using the mediating role of trust and perceived risk. Brand awareness has a significant positive impact on customer satisfaction ( $\beta = .578$ ,  $p < .01$ ), hence hypothesis 2 was supported. Similarly, the impact of brand awareness on customer loyalty is also positively significant ( $\beta = .520$ ,  $p < .01$ ), this lends support to hypothesis 3. The result established a positive effect of perceived risk on customer satisfaction ( $\beta = .126$ ,  $p < .01$ ) and customer loyalty ( $\beta = .149$ ,  $p < .01$ ), this gives initial support to hypothesis 6 and 7. The result also shows that trust

has a positive significant impact on customer satisfaction ( $\beta = .510, p < .01$ ) and Customer loyalty ( $\beta = .567, p < .01$ ), this gives initial support to hypothesis 8 and 9 respectively.

Both results from hierarchical regression and Sobel test give support to trust as a partial mediator of the effect of brand awareness on both satisfaction and loyalty. Specifically, the impact of brand awareness on customer satisfaction reduces from ( $\beta = .578$ ) to ( $\beta = .268$ ) when trust is used as a mediator. Also, the effect magnitude of brand awareness on customer loyalty reduces from ( $\beta = .520$ ) to ( $\beta = .176$ ) when trust is used as a mediator.

## Chapter 7

### DISCUSSION

This study aims at examining how brand awareness has an impact on satisfaction and customer loyalty based on the mediation of trust and perceived risk, which influences customer's attitude towards a dining restaurant. This study was discussed and relevant suggestions were made for dining restaurants on how the various variables had a direct and indirect Impact which has a positive impact on satisfaction and loyalty, leading to future revisit to the dining restaurant. There are limitations to this study that requires further research.

#### 7.1 Evaluation of Discussion

Result of this research indicated that Hypothesis (H2),(H3), (H6),(H7),(H8), and (H9) were received. Hypothesis (H1), (H4), and (H5) were not accepted.

H<sub>2</sub> (H<sub>2</sub>: Brand awareness has a positive impact on customers Satisfaction) was significantly accepted, this findings is in relation with (Mohammad et al 2015) wherein when customers are aware and familiar with a restaurant product there is a high possibility that they will have satisfaction over their competitors product.

H<sub>3</sub> (H<sub>3</sub>: Brand Awareness has a positive impact on Customer loyalty) was accepted. This study is relation with (Mula, 2016) , in which clients who are

comfortable with a brand and who recognize the brand gives and added value to that there by making the customers to be loyal to the brand.

H:6 (H<sub>6</sub>: perceived risk is negative on customers satisfaction) was accepted and it is consistent in the study of (Curras, et al 2013) wherein customers will not want to dine in a restaurant or consume a product they are aware will have a negative effect after it has been consumed there by this makes this hypothesis to be accepted and supported.

H:7 (H<sub>7</sub>: Perceived Risk is negatively related to customer loyalty) this was supported and it is consistent with the study of (Han and Jeong, 2013; Baek et al 2010) in which it was stated that when customers create a link that connects to customers trust and satisfaction when they perceive the least risk associated with consuming the product they have no loyalty again towards the said brand as such they switch to their competitors.

H:8 (H<sub>8</sub>: Trust has a positive impact on customer satisfaction). This was accepted, and it is inline with the work of (Schmitt, 2012) in which it states that trust is identified as a prerequisite to customer loyalty when customers have perceived a certain level of trust from a product there are greater chances for them to be satisfied with the product.

H:9 (H<sub>9</sub>: Trust has an effect on Customer Loyalty) this is supported, this is inline with the work of (Greg, Et al 2013). For there to be loyalty the customers must be and have a degree of trust and satisfaction towards the dining restaurants which will

lead to loyalty and future revisit to the dining restaurant this study, moreover is also in relation with the findings of (Chen and Tsia, 2007; Castro et al 2007).

(H1) was not supported Brand awareness has an effect on trust was not accepted. Brand awareness is seen not have any effect on trust. Hypothesis (H4) was not supported brand awareness has an effect on perceived risk this was not a factor. Hypothesis(5) was not supported trust reduces perceived risk customers could still perceive a certain level of risk while consuming the restaurant product.

## **7.2 Mediating Effect**

The study construct have positive impact on one another at P-value of less than 0.01. This results confirms that mediation test can be perform on the study variable as Baron and Kenny's condition for mediation has been satisfied. the result of direct and indirect effects of brand awareness on satisfaction and customer loyalty using the mediating role of trust and perceived risk. Brand awareness has a significant positive impact on customer satisfaction ( $\beta = .578, p < .01$ ), hence hypothesis 2 was supported. Similarly, the impact of brand awareness on customer loyalty is also positively significant ( $\beta = .520, p < .01$ ), this lends support to hypothesis 3. The result established a positive effect of perceived risk on customer satisfaction ( $\beta = .126, p < .01$ ) and customer loyalty ( $\beta = .149, p < .01$ ), this gives initial support to hypothesis 6 and 7. The result also shows that trust has a positive significant impact on customer satisfaction( $\beta = .510, p < .01$ ) and Customer loyalty ( $\beta = .567, p < .01$ ), this gives initial support to hypothesis 8 and 9 respectively.

### **7.3 Conclusion**

The objective of this research is to examine and understand how brand awareness has an impact on satisfaction and customer loyalty through the partial mediation of perceived risk and Trust which influence customers to dine at a restaurant. A quantitative research method is applied to this work, by the means of questionnaires on how brand awareness has an impact on customers dining using the dimensions of (Customer Satisfaction, and Customer loyalty Perceived Risk, and Trust).

This study confirms that trust, satisfaction, and loyalty are predictors and key determinants of customers choosing to dine in any restaurant of his/her choice given that customers who have a high degree of trust for a dining restaurant are prone to be satisfied with the restaurant service which is offered, the menu, the price, and is quite comfortable with the atmosphere of the dining restaurant, with regards to the key mediating factor trust is known to have a mediating impact on customers' satisfaction and loyalty, and perceived risk has a negative effect on customers given the fact that they will want to dine at a particular restaurant.

This study is also consistent with past researches alongside (Yoo et al 2000; Carpenter, 2008; Zeithaml et al 1996; Delgado, 2004) wherein there is a need for customers to be aware of a brand, be familiar with the restaurant brand, their customers need to rely on the brand to solve service dissatisfaction, and overall the customers should be satisfied with the dining restaurant and would want to return to the restaurant in some other time and will advise others to visit the dining restaurant.

The result of the direct and indirect effects of brand awareness on satisfaction and customer loyalty using the mediating role of trust and perceived risk. Brand awareness has a significant positive impact on customer satisfaction this has some important effects on that restaurant managers need to be put in more effort to ensure that their customers are fully aware of their restaurant.

Furthermore this study discovered that there is perceived risk reduces customers satisfaction and loyalty to the dining restaurant and that there is no link between brand awareness and perceived showing that a customer who is not aware of a dining restaurant has no link or relation with that the dining unless he has a recommendation from a customer or is aware of the brand. This study could also enhance the fact that for customers to be satisfied and loyal to a brand the dining restaurant must have that capacity to make sure that most of their customers are aware of the existence of that dining restaurant. According to (Fritz, 1946) came up with the balance theory who was of the opinion that customers satisfaction could only arise if the customers foresees that the dining restaurant has positive attitude or reputation.

#### **7.4 Managerial implication**

This study has important managerial implication on Tourism and Hospitality managers, Market makers and practitioners in our contemporary society. First of all our results provides practical implication for managers in dining restaurants, the findings of this research propose that for there to be an increase in customers satisfaction and customer loyalty in dining restaurants, there is need for managers to reduce the the perception of risk in the minds of their customers, managers need to create a scenario wherein the dining restaurants has to portray that their dining restaurant is quite unique by putting in strategies which cannot easily copied by their

competitors by so doing customers have this perfect impression about the dining restaurant, Moreover they could impliment strong service encounters to boost their dining restaurant.

Secondly managers of dining restaurant need to build the aspect of trust in their industry reasons being that trust gotten from dining restaurants are important because it relates with the customers positive expectation about the intention of the exchange partner which will improve on the reputation of the dining restaurant ( Schmitt,2012). Trust could be built through what the customers encounter while the services are being delieved customers take records of the menu that is listed and also the price ,moreover most customer would have to to pay a cheaper amount when actually they will recieve a perfect service in the restaurant this goes along way in increase the trust customers have to the restaurant.

Thirdly managers of dining restaurant industries need to broad their scope of the brand (restaurant) in the course of this study it was noticed that most brand (restaurants) were not known by some customers they were not aware that such brands(restaurnts) existed in a particular sector, with this managers need to expand their mood of advertisement to a wide ranch of customers they could also put up their brands on billboards, and on tv which could create awareness in the minds of their customers. And moreover information could be made after post consumption about the brand in case needs arises.

Fouthly restaurant industries should come up a service establishment that will be able to realize that customers who make it their way in to that restaurant should achieve a high level of satisfaction the restauarnt could provide memorable



experience to the customers which could trigger them to revisit the restaurant and customers who do such it shows a sign that they are satisfied with the restaurant and will prefer to revisit it over again.

Moreover marketing managers have to take into consideration how they need to do fasten customers loyalty there is need for restaurant managers to focus on how to manage customers satisfaction reasons being that loyalty acts as an evolutionary process which takes place short after the customers are satisfied with the dining restaurant by so doing practitioners have to consider on how they can create and maintain a supportive service environment (James, Et al 2003).

## **7.5 Limitation and Future Research**

Although this research offers elements that impacts on satisfaction and loyalty in dining restaurants it is imperative to acknowledge the fact that this research has some drawbacks which could be considered for future research. First this research has a limitation in the aspect regarding the questionnaire it was noticed that the respondents had it in mind that they were texting three components instead of five components it was noticed that in the cause of analyzing factor analysis to understand which variables or components are important it was noticed that customers had knowledge of three components, this was some sought of confusion and as such acting as a limitation as well as a findings, therefore for further research there is need for the researcher to specify how the questionnaire is being positioned for a clear understating.

Secondly this research had as a limitation the fact that studies where carried out in only dining restaurants what about other restaurants which were not specified given

that North Cyprus is seen as a touristic site which should have more than just dining restaurants. Therefore for future research it is important to make reference to other restaurant in order to get a broad scope of how customers perceive loyalty.

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