RELATIONSHIP MARKETING TACTICS AND CUSTOMER LOYALTY OF RESTAURANTS IN MANDALAY

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Abstract

This research paper identifies the relationship marketing tactics (RMTs) of restaurants in Mandalay and to analyze the impact of relationship marketing tactics on customer satisfaction and trust, which in turn, affect customer loyalty. In this research, both descriptive and exploratory research methods are applied based on surveyed restaurants. To conduct this research, 34 owners or managers are randomly selected and 452 customers are selected by using systematic sampling method from the scope of 34 restaurants. The results show that the surveyed restaurants used RM tactics such as customer orientation, service quality and interpersonal communication. Tangible rewards are less used by the surveyed restaurants. The findings of the research revealed that relationship marketing tactics (customer orientation, service quality and interpersonal communication) have significant and positive impact on the customer satisfaction and loyalty. Customer satisfaction impacts positively on customer trust, which in turn, impacts positively on customer loyalty. After that, trust impacts positively on customer loyalty. In addition, this research has revealed that in comparing the effect of customer satisfaction, trust and RMTs on customer loyalty, trust has a stronger and more positive impact on customer loyalty. According to the findings, this research recommends owners and managers to emphasize more on customer orientation, service quality and interpersonal communication in order to achieve their RM efforts. In addition, the findings of this research provide important implications for owners and managers to highlight the essential role of relationship marketing in achievement of sustained competitive advantage through customer loyalty by adopting RM tactics. Therefore, owners and managers should commit to the implementation of RM tactics.
Keywords: Relationship Marketing Tactics, Customer Satisfaction, Customer Trust, Customer Loyalty.

Introduction

As the competitive environment becomes more turbulent, the most important issue the sellers face is not only to provide excellent quality

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products or services but also to keep loyal customers who will contribute to the long-term profits of the organizations. To compete in such a competitive marketplace, marketers are forced to realize marketing strategies, are no longer appropriate to achieve competitive advantage. Therefore, relationship marketing has become an alternative means for organizations to build strong, ongoing associations with their customers.

Relationship Marketing (RM) has received a great deal of attention from academic scholars in marketing. As a part of marketing strategy, relationship marketing seeks to acquire and retain customers by providing good quality customer services. It has become one of the keys to succeed in acquiring strong competitiveness in the present markets because of its implications for access to markets, generation of repeated purchase, creation of exit barriers and the view that benefits all parties..

Relationship Marketing Tactics (RMTs) are core to the success of relationship marketing strategy. Effective relationship marketing tactics may help marketers to acquire customers, keep customers, and maximize customer profitability, and finally build up customer loyalty. Several scholars have proposed various Relationship Marketing Tactics that can be used in RM to help bring about long-term relationships with customers. The most common RMTs proposed by various scholars that can be used to manage customer relationships are customer orientation (Ravald and Gronroos, 1996; Leverin and Liljander, 2006; Korunka et al., 2007), service quality (Parasuraman et al., 1988; Zeithamal et al., 1996), interpersonal communication (Berry, 1995; Gronroos, 1995; De Wulf et al., 2001, 2003) and tangible rewards (Berry, 1983). Such kinds of relationship marketing tactics have already been proven effective in promoting customer loyalty by many researchers. Therefore, many relationship marketing tactics are widely applied in today's business especially in the service industry such as restaurants.

Nowadays, due to increased employment of women outside the home and extensive changes in lifestyle, the consumption of restaurant food is growing, and consequently the Mandalay restaurant industry provide a very good market for this industry. On the other hand, competition is also increasing in the restaurant industry in Mandalay. Emergence of new chain restaurants and their dedication to opening new branches is an indication of competitive industry. With increasing competition between restaurants in

Mandalay, attracting new customers can no longer guarantee profits and success, but retaining existing customers is of more importance. In fact, a competitive environment offers customers more alternative choices such as customer orientation, service quality, interpersonal communication and tangible rewards. Therefore, they can select their favorite option from several alternatives. Consequently, customer loyalty is considered to be a vital factor for success, survival and profitability of the restaurant industry in Mandalay.

Customer loyalty and marketing tactics are even more important in new emerging competitive restaurant industry in Myanmar as the country has adopted significant political and economic reforms in all sectors. For example, there are many more new restaurants now in Yangon and Mandalay compared to the time when reforms have not yet been introduced. However, it is speculated that most of these newly emerged restaurants might not be aware of the importance and even the existence of RMTs and hence they might not be using them as a marketing strategy. Therefore, there is a need to identify which RMTs have been practiced in local restaurant industry and the influence of RMTs on customer loyalty. This is the whole purpose of this study. Such kind of study is significant in that after investigating the practice of RMTs and relationship between RMTs and customer loyalty, marketing advice could be given to the restaurant industry in Mandalay for effective marketing planning on selection RMTs in order to increase customer loyalty.

In the study, the restaurants to be studied were selected from Mandalay, the city is chosen because of its large concentration and has a wide variety of restaurants and also has a huge market potential. Being one of the commercial hubs and the second largest city of Myanmar, Mandalay has a large consumer market for restaurant industry. Moreover, Mandalay is heavily populated, and a hotspot for tourism highly likely for the vast potential of restaurant businesses in Mandalay will thrive to grow further more in the near future. Therefore, to prepare for the growing market, restaurant industry in Mandalay should promote customer loyalty if effects of RMTs on customer loyalty can be revealed. Another motivation to select Mandalay rather than others, the choice of RMTs practice in Mandalay has not thoroughly been exercised so that the potential for customer loyalty has not yet been validated for practice by the industry.

Objectives of the Study

Objectives of this study are (i) to identify the relationship marketing tactics of the restaurants in Mandalay, (ii) to explore the effect of relationship marketing tactics on customer satisfaction and customer loyalty of the restaurants in Mandalay, (iii) to analyze the effect of customer satisfaction on customer trust and customer loyalty of the restaurants in Mandalay, and (iv) to examine the effect of customer trust on customer loyalty of the restaurants in Mandalay.

Method of Study

The data on the RMTs and customer loyalty were collected from the restaurant industry in Mandalay. There are many restaurants in Mandalay now. According to Mandalay City Development Council, there are 1893 restaurants which were registered in 2015. Out of them 1050 restaurants had one year of operation. The restaurants in Mandalay that meet two criteria (i) at least 20 employees and (ii) at least one year of operation were analyzed in this study. Since customer relationships take time to be built, the study selected only those restaurants that had been in operation for at least one year at the time this study was undertaken. There were a total of 257 restaurants which meet these criteria.

In this study, the two-stage sampling method was used to collect the required data. At the first-stage, 34 restaurants which represent 13% of total numbers of restaurants in Mandalay were selected from the total of 257 restaurants by using simple random sampling method. At the second stage, 680 regular customers were selected by using 3 in 1 systematic sampling method. Therefore, 20 regular customers from each restaurant were selected for the survey. Among these customers, those who come to restaurant on Saturdays and Sundays were collected. Required data are collected from the regular customers at the opening the restaurants for the last whole day. Data collection and analysis are conducted based on survey data from the period July 2015 up to September 2015.

Concept of Relationship Marketing

Berry (1983) defined RM as the building of long term interactive relationships, particularly with customers. Healy et al., (2001), described RM as "a dyadic buyer-seller relationship that tends to ignore the role of other elements in the distribution channel and the role of other stakeholders."

Relationship marketing adopts a customer focus and its main benefits include greater customer retention, increased loyalty, reduced marketing costs, and greater profits. Relationship marketing is orientated to the long-term. The goal is to deliver long-term value to customers, and the measure of success is long-term customer satisfaction (Murphy et al., 2005).

Relationship Marketing Tactics

Relationship marketing is carried out with many relationship marketing tactics, which are widely to be applied in today's business. Many tactics may have potential to influence relationship quality and retaining customers. There have been various ways for marketers to implement relationship marketing tactics, which are expected to have impact on customer retention and loyalty. More recent researchers have proposed the design of different RMTs to put RM into practice. For instance, De Wulf and Odekerken-Schroder (2003) showed that in general, RMTs such as direct mail, preferential treatment, and tangible rewards play an important role in influencing consumer trust. In a related study, De Wulf et al., (2003) demonstrated the importance of using different RMTs such as direct mail, preferential treatment, interpersonal communication, tangible rewards, product price, product quality, and service quality to impact on consumer perceptions of relationship investment which can in turn affect relationship quality and consequently behavioral loyalty.

Conceptual Framework of the Study

This study mainly focuses on common RM tactics used by the restaurants and there is a need to analyze the relationship between those RM tactics and customer satisfaction, RM tactics and customer loyalty, customer satisfaction and trust, customer satisfaction and customer loyalty and trust and customer loyalty. Therefore, conceptual framework is structured based on the

relationship between common RM tactics and customer satisfaction, RM tactics and customer loyalty, customer satisfaction and trust, customer satisfaction and customer loyalty and trust and customer loyalty in the restaurants which is shown in next section.

Customer Orientation and Customer Satisfaction

According to Korunka et al., (2007), customer orientation is an essential ingredient for customer satisfaction especially in service organizations. Customers expect frontline staff to explain and answer questions regarding the service in their own area and also to have a general knowledge about various functional aspects of the company. This increases their satisfaction with the service. Employees who are customer oriented are regarded as "critical to long-term relationship development" (Dunlap et al., 1988) as cited in Beatty et al., (1996). Beatty et al., (1996) empirically confirmed this finding in their study. This study would expect the restaurants in Mandalay that are customer-oriented to create positive experiences for their customers. In addition, this study would also expect such restaurants to create satisfied customers. According to them, customer orientation is likely to lead to customer satisfaction which would in turn lead to customer loyalty.

Service Quality and Customer Satisfaction

Many researchers perceived service quality as critical issue in the hospitality industry. Zeithaml (1998) defined service quality as the judgment of a customer about a product overall excellence. Service quality has a significant impact on the customer purchase intentions (Cronin & Taylor, 1992). Lee (1998) concluded that the perceived product and service quality had an effect on customer satisfaction and directly influenced customer loyalty.

According to Zeithaml et al., (1996), service quality leads to favorable behavioral intentions which in turn lead to customer retention. Schmitt (2003) argued that if customers receive positive experiences about the service offer, satisfaction will occur naturally. Many researchers have showed that service quality perceived by customers will directly influence customers' satisfaction in the service firm. In restaurant industry which belongs to service industry, service quality is an important indicator to assess a service provider's

performance. Offering a high quality service is considered to be a visible way to create customer satisfaction, as well as obtaining competitive advantages and building a long-term relationship with customers. Therefore, service quality has positive effect on customer satisfaction.

Interpersonal Communication and Customer Satisfaction

Berry (1995) suggested that encouraging two-way communications is a promising method by which service providers can build trust in their service. Similarly, Gutek et al., (2002)'s study demonstrates (1) that customers reported higher levels of trust in service providers with whom they regularly interacted, and (2) that customers were likely to be more loyal to such service providers. The reason is that it becomes easier to obtain direct feedback and to establish rapport when there are regular interactions with customers. Personal interactions are therefore important since they create satisfied customers and thus lead to the development and maintenance of relationships through the establishment of trust between the exchange partners.

Tangible Rewards and Customer Satisfaction

Various scholars have discussed the central role that tangible rewards such as price can play in a firm's marketing strategy. De Wulf and Odekerken-Schröder (2003)'s study shows that retailers can influence the levels of trust that customers have in their services by rewarding those customers who patronize their products. Berry (1983) as cited in Berry (1995) affirmed that pricing services in a way that encourages repeat purchases is one of the strategic elements of RM. Most restaurants cannot afford to offer their customers the tangible rewards that big firms offer because of their limited capital base. However, they can offer "small" rewards such as seasonal greeting cards, key rings, and diaries to their regular customers. This is expected to create positive feelings in the minds of their customers and thus customer satisfaction and thus leads them to loyalty. In addition, the price that restaurants charge for their product can have an influence on the way their customers perceive them. Consequently, the restaurants that offer a lower price to their customers in comparison to their competitors have possibilities of attracting more buyers and creating a feeling of satisfaction in the minds of their customers. Customers may also be satisfied with the restaurant that

offers tangible rewards to them. Therefore, tangible rewards has positively related to customer satisfaction.

Relationship Marketing Tactics and Customer loyalty

The service providers' main goal is to establish long-term relationships with customers, to gain their loyalty. Relationship marketing tactics is getting really important for marketers as a tool to meet this goal. Relationship marketing tactics can be said to be a process that can allow an organization to concentrate its limited resources on the greatest opportunities to increase sales and achieve a sustainable competitive advantage (Kotler, 1983). Relationship marketing tactics are conscious actions taken by a company or person who are designed to cause people to want to buy their goods or services. Relationship marketing tactics would retain existing customers and gain their trust and satisfaction through a high-quality communication and thus leads them to loyalty. Relationship marketing tactics (RMTs) improve customer satisfaction and consequently increase customer loyalty. (Lai et al., 2009). Relationship Marketing Tactics (RMTs) is different procedures to execute RM in practice. Through these tactics (such as customer orientation, service quality, interpersonal communication and tangible rewards) (Peng & Wang, 2006), companies' marketing experts are looking to build an effective customer oriented relation to attract and retain customers and make them loyal to company.

Relationship marketing tactics might be one of the best ways for service providers to retain customers and building customer loyalty. Many empirical studies have provided evidences that relationship marketing tactics have impact on behavioral loyalty which affects customer retention (Peng and Wang, 2006). Therefore, RM tactics is positively related to customer loyalty.

Customer Satisfaction and Customer Trust

The existing literature shows that satisfaction with the product or service is related to trust in the service provider. Research also shows that satisfaction with the product or service can lead to customer loyalty (e.g., Oliver, 1999; Yu et al.,) though it does not always guarantee loyalty (e.g., Oliver, 1999; Leverin and Liljander, 2006). Despite the minor differences in

opinion, it is well acknowledged in the literature that customer satisfaction is a major building block for customer loyalty. It is essential for restaurants to create satisfaction for their customers in order to attract new customers and to build strong relationships with existing customers. This can reduce the intensive competition they face among themselves and also from large firms within the industry. Customers who are satisfied with a restaurant's services may gain confidence in the restaurant and become committed and loyal to the restaurant in the longer run. Therefore, customer satisfaction is positively related to trust among the restaurant in Mandalay.

Customer Satisfaction and Customer Loyalty

The relationship between satisfaction and loyalty has been observed in several studies. Customer satisfaction is one of the most important outcomes of the marketing activities in the restaurant industry (Kandampully & Suhartanto, 2000). The satisfaction of business customers leads to customer loyalty (Fornell, 1992). Oliva et al., (1992) stated that in the relationship between customer loyalty and customer satisfaction that customer loyalty will increase significantly when satisfaction accomplishes a certain level and at the same time customer loyalty will drop dramatically if the satisfaction level drops to a certain point. Highly satisfied customers tend to be more loyal customer than the customers who were merely satisfied (Tepeci, 1999). Additionally, a number of studies has confirmed a significant positive relationship between customer satisfaction and loyalty (Chi, 2005). If consumers are satisfied with the product or service, they are more likely to carry on purchasing.

Customer Trust and Customer Loyalty

Morgan and Hunt (1994) argued that trust is a key construct in encouraging client retention and building successful relationships. Consistent with this argument, Ganesan's (1994) studied on the determinants of long-term orientation in buyer-seller relationship further provides evidence which suggests that trust is indeed a critical component for building long-term relationships between both parties to the exchange process. Peppers and Rogers (2006) argued that when customers trust the company to act in their best interests, they wish to deal more with that company and therefore become

more loyal to the company. Many researchers have suggested that customers'
trust is a significant role in building long-term relationship and achieving
customer loyalty. Beatty et al., (1996) found in their study that customer
loyalty emerged whenever customers perceived that there is trust in their
relationship with the service provider. Therefore, trust is positively related to
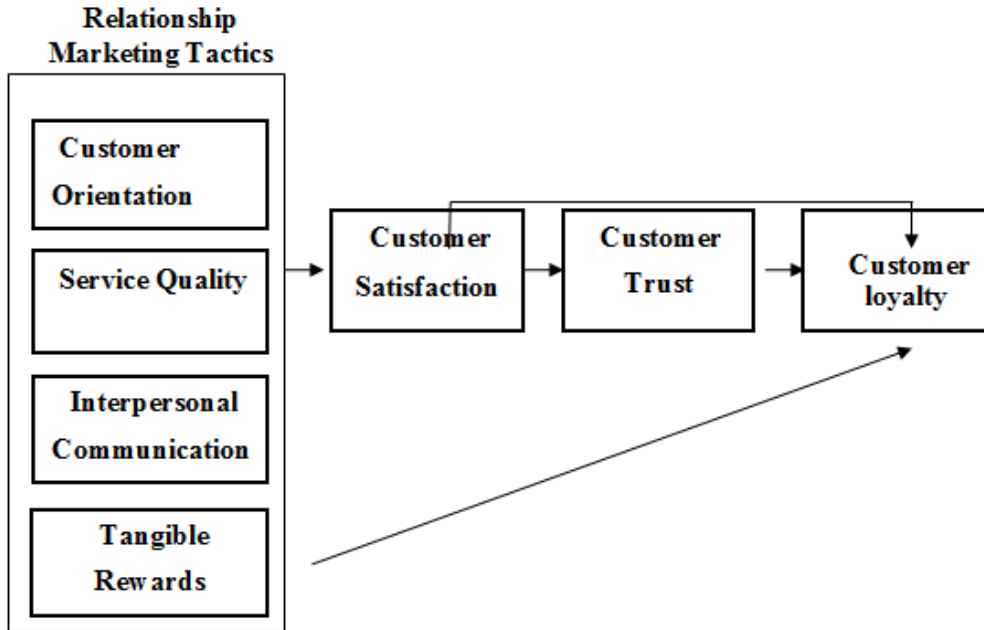customer loyalty.

Figure: Conceptual Framework of the study
Source: Own Compilation based on Previous Studies

In the conceptual framework based on theoretical framework, four
crucial factors are needed to determine customer relationship marketing in
terms of customer orientation, service quality, interpersonal communication,
and tangible rewards that can get customer satisfaction which lead to customer
trust that also leads to customer loyalty. Thus, in the study, conceptual
framework is to examine whether of customer orientation, service quality,
interpersonal communication, and tangible rewards are the important factors
for achieving customer satisfaction and loyalty. Correspondingly, it is needed
to investigate whether customer satisfaction is a vital factor for determining to
customer trust and loyalty. Similarly, it is necessary to examine whether

customer trust is a critical factor for determining to customer loyalty in the restaurants in Mandalay.

Results/ Finding

Analysis of Relationship Marketing Tactics Used by Restaurants

The first objective of the study is to identify the relationship marketing tactics (RMTs) of restaurants in Mandalay. The relationship marketing tactics of selected restaurants are measured for customer orientation, service quality, interpersonal communication and tangible rewards by using five-point Likert scales. Customer orientation, service quality, interpersonal communication and tangible rewards are measured with (6) items, (13) items, (5) items and (4) items respectively. The calculated mean values of owners' agreement for customer orientation, service quality, interpersonal communication and tangible rewards are described in Table (1) with standard deviation.

Table 1: The Overall Mean Value of Relationship Marketing Tactics

RMTs	Mean	Standard Deviation
Customer Orientation	4.26	0.17
Service Quality	3.73	0.53
Interpersonal Communication	4.98	0.06
Tangible Rewards	1.43	0.86

Source: Survey Data (2015)

According to Table (6), in comparing the overall mean values of RM tactics, it is found that the overall mean value of interpersonal communication is the largest. It can be said that interpersonal communication is the most influential practices in the surveyed restaurants. The second largest overall mean value is that of customer orientation. The third largest overall mean value is that of service quality. It is found that tangible rewards is not practice because the overall mean value of that practice is less than 3.5. The results indicate that restaurants mostly used customer orientation, service quality, and interpersonal communication.

Analysis on the Effect of Relationship Marketing Tactics on Customer Loyalty

The second objective of this study is the effect of RMTs on customer satisfaction and customer loyalty of restaurants in Mandalay. To prove this objective, linear regression analysis is used.

Effect of Relationship Marketing Tactics on Customer Satisfaction

To measure the effect of relationship marketing tactics on customer satisfaction of the restaurants in Mandalay, the multiple linear regression model is used. In analyzing the effect of relationship marketing tactics on customer satisfaction of the restaurants in Mandalay, customer orientation, service quality, interpersonal communication, and tangible rewards are used as independent variables and customer satisfaction is assumed as dependent variable. The multiple linear regression model of RM tactics on customer satisfaction can be described as

$$CS = \beta_0 + \beta_1 CO + \beta_2 SQ + \beta_3 IC + \beta_4 TR + U_i$$

Where CS = Customer Satisfaction
CO = Customer Orientation
SQ = Service Quality
IC = Interpersonal Communication
TR = Tangible Rewards
U_i = the error term

$\beta_0, \beta_1, \beta_2, \beta_3, \beta_4$ are constants. Firstly, calculated F value is examined to determine whether the multiple linear regression model can explain the effect of relationship marketing tactics on customer satisfaction. Since calculated F value is significant at 1% level, the multiple linear regression model can explain the effect of relationship marketing tactics on customer satisfaction. To investigate the significant factors, the calculated t value for each coefficient is examined. The calculated t values are presented in Table (2).

Table 2: Effect of Relationship Marketing Tactics on Customer Satisfaction

RMTs	Unstandardized Coefficient		Standardized Coefficient	t	Sig
	B	**Std. Error**	**Beta**		
1 (constant)	1.155	.145		7.987	.000
Customer Orientation	.165***	.036	.204	4.602	.000
Service Quality	.158***	.052	.149	3.053	.002
Interpersonal Communication	.405***	.049	.414	8.268	.000
F	119.919***				
R	0.668				
R^2	0.446				

Source: Survey Data (2015)

a. Dependent Variable: customer satisfaction

***, statically significant at 1% level respectively.

The multiple linear regression model is estimated by using backward method.

The estimated regression model is

CS	=	1.155 + 0.165 CO + 0.158 SQ + 0.405 IC
t	=	(7.987) (4.602) (3.053) (8.268)
P – Value	=	(0.000) (0.000) (0.002) (0.000)
F	=	119.919***
R^2	=	0.446

Since the calculated F value is statistically significant at 1% level, this multiple linear regression model can present the relationship of satisfaction level of customer and customer orientation, service quality and interpersonal communication. Since t values of customer orientation, service quality and interpersonal communication are statistically significant at 1% level, customer orientation, service quality and interpersonal communication influence the satisfaction level of customer. The results demonstrate that the customer orientation, service quality and interpersonal communication have significant positive effects on customer satisfaction. Therefore, it can be said that these factors increase customer satisfaction of the restaurants in Mandalay.

According to above results, the restaurant owners who want to obtain long-term relationship with customers must adopt different tactics such as customer orientation, service quality and interpersonal communication to get customers' satisfaction. The above findings indicated that the relationship marketing tactics are positively associated with customer satisfaction. Therefore, the restaurant owners can foster and increase customer satisfaction through customer orientation, service quality, and interpersonal communication.

Effect of Relationship Marketing Tactics on Customer Loyalty

To measure the effect of RMTs on customer loyalty of restaurants in Mandalay, the multiple linear regression model is used. In analyzing the effect of RMTs on customer loyalty of restaurants in Mandalay, customer orientation, service quality, interpersonal communication, and tangible rewards are used as independent variables and customer loyalty is assumed as dependent variable. The multiple linear regression model of RM tactics on customer loyalty can be described as

$$CL = \beta_0 + \beta_1 CO + \beta_2 SQ + \beta_3 IC + \beta_4 TR + U_i$$

Where CL = Customer Loyalty
       CO = Customer Orientation
       SQ = Service Quality
       IC   = Interpersonal Communication
       TR = Tangible Rewards.
       U_i = the error term

β_0, β_1, β_2, β_3, β_4 are constants. This model is estimated by using the backward methods. Firstly, calculated F value is examined to determine whether the multiple linear regression model can explain the effect of RMTs on customer loyalty. Since calculated F value is significant at 1% level, the multiple linear regression model can explain the effect of RMTs on customer loyalty. To investigate the significant factors, the calculated t value for each coefficient is examined. The calculated t values are presented in Table (3).

Table 3: Effect of Relationship Marketing Tactics on Customer Loyalty

RMTs	Unstandardized Coefficient		Standardized Coefficient	T	Sig
	B	**Std. Error**	**Beta**		
1 (constant)	1.989	.160		12.443	.000
Customer Orientation	.152***	.043	.185	3.552	.000
Interpersonal Communication	.306***	.050	.316	6.066	.000
F	54.732***				
R	0.448				
R^2	0.200				

Source: Survey Data (2015)
a.   Dependent Variable : customer loyalty
***, statistically significant at 1% level respectively.

The estimated   multiple linear regression model is

CL	=	$1.989 + 0.152\ CO + 0.306\ IC$
t	=	(12.443) (3.552) (6.066)
P - Value	=	(0.000) (0.000) (0.000)
F	=	54.732***
R^2	=	0.200

According to the results from the Table (3), since the calculated F value is statistically significant at 1% level, this multiple linear regression model can present the relationship of loyalty level of customer and customer orientation and interpersonal communication. Since t values of customer orientation and interpersonal communication are statistically significant at 1% level, customer orientation and interpersonal communication have effect on customer loyalty. The signs of coefficient of customer orientation and interpersonal communication are positive, that implies the better the customer orientation and interpersonal communication, the more the loyalty level of customers. The results indicate that the customer orientation and interpersonal communication have significant positive effects on customer loyalty. Therefore, it can be said that these factors increase customer loyalty of the restaurants in Mandalay. According to the surveyed results, customer orientation is the first priority for most restaurants in Mandalay. Customer

orientation helps the restaurants to get a better opportunity. In addition, interpersonal communication is an important ingredient for the success of restaurants because it enables owner-managers and employees to satisfy customer needs through the creation of positive experiences, and to attract new customers. Therefore, based on the results from the multiple linear regression model, it can be concluded that the customer orientation and interpersonal communication have positive effect on customer loyalty.

Effect of Customer Satisfaction on Customer Trust

The simple linear regression model is used to explain the effect of customer satisfaction on trust. In this model, customer satisfaction is considered as independent variable and trust is considered as dependent variable. Therefore, simple linear regression model of the effect of customer satisfaction on trust can be described as

$$T = \beta_0 + \beta_1 CS + U_i$$

Where T = Trust

        CS = Customer Satisfaction

        U_i = the error term

β_0, β_1 are constants. To investigate the significant factors, the calculated t value for each coefficient is examined. The calculated t values are presented in Table (4).

Table 4: Effect of Customer Satisfaction on Customer Trust

	Unstandardized Coefficient		Standardized Coefficients	t	Sig
	B	Std. Error	Beta		
1(constant)	1.235	.153		8.064	.000
Customer Satisfaction	.677***	.040	.627	16.892	.000
F	285.328***				
R	0.627				
R^2	0.393				

Source: Survey Data (2015)

a. Dependent Variable : Trust

***, Statistically significant at 1%level.

$$
\begin{aligned}
\text{T} \quad &= \quad 1.235 + \ 0.677 \text{ CS} \\
\text{t} \quad &= \quad (8.064) \ (16.892) \\
\text{P-value} \quad &= \quad (0.000) \ (0.000) \\
\text{F} \quad &= \quad 285.328*** \\
R^2 \quad &= \quad 0.393
\end{aligned}
$$

Since the calculated F value is statistically significant at 1% level, this multiple regression model can present the relationship of trust level of customer and customer satisfaction. According to Table (4), t value of customer satisfaction is statistically significant at 1% level. Therefore, customer satisfaction is the significant factor affecting on customer trust in the restaurant industry. The coefficient of customer satisfaction is positive. Therefore, it can be said that the trust increases whenever customers are highly satisfied. The restaurants are essential to create satisfaction for their customers in order to attract new customers and to build strong relationships with existing customers. This can reduce the intensive competition they face among themselves and also from large firms within the industry. Customers who are satisfied with a restaurant's services may gain confidence in the restaurant and become committed and loyal to the restaurant in the longer run. Therefore, it can be concluded that, customer satisfaction is a significant factor for trust in the restaurants.

Effect of Customer Satisfaction on Customer Loyalty

To measure the effect of customer satisfaction on customer loyalty of restaurants in Mandalay, the multiple linear regression model is used. In analyzing the effect of customer satisfaction on customer loyalty of restaurants in Mandalay, customer satisfaction is used as independent variables and customer loyalty is assumed as dependent variable. The multiple linear regression model of customer satisfaction on customer loyalty can be described as

$$
\text{CL} = \ \beta_0 + \beta_1 \text{ CS} + U_i
$$

Where CL = Customer Loyalty

CS = Customer Satisfaction

U_i = the error term

β_0, β_1 are constants. To investigate the significant factors, the calculated t value for each coefficient is examined. The calculated t values are presented in Table 5.

Table 5: Effect of Customer Satisfaction on Customer Loyalty

	Unstandardized Coefficient		Standardized Coefficient	t	Sig
	B	**Std. Error**	**Beta**		
1(constant) Customer Satisfaction	1.675 .521***	.154 .040	.524	10.853 12.888	.000 .000
F	166.111***				
R	0.524				
R^2	0.275				

Source: Survey Data (2015)
a.   Dependent Variable : Loyalty
***, Statistically significant at 1% level.

CL   =   1.675 + 0.521CS
t   =   (10.853) (12.888)
P-value   =   (0.000) (0.000)
F   =   166.111***
R^2 =   0 .275

Since the calculated F value is statistically significant at 1% level, this multiple regression model can present the relationship of loyalty level of customer and customer satisfaction. According to Table (5), t value of customer satisfaction is statistically significant at 1% level. Thus, customer satisfaction is the significant factor affecting on customer loyalty in the restaurant industry. The coefficient of customer satisfaction is positive. Therefore, it can be said that the loyalty increases whenever customers are highly satisfied. According to the surveyed results, customer satisfaction has a positive effect on customer loyalty. Satisfied customers form the foundation of any successful restaurant because customer satisfaction leads to repeat purchases, brand loyalty, and positive word of mouth. Customers who are satisfied with a restaurant's services may gain confidence in the restaurant and become committed and loyal to the restaurant in the longer run. Therefore, it

can be concluded that customer satisfaction is positively related to customer loyalty.

Effect of Customer Trust on Customer Loyalty

The simple linear regression model is used to explain the effect of trust on customer loyalty. In this model, trust is considered as independent variable and customer loyalty is considered as dependent variable. Therefore, simple linear regression model of the effect of trust on customer loyalty can be described as

$$CL = \beta_0 + \beta_1 T + U_i$$

Where CL = Customer Loyalty

T = Trust

U_i = the error term

β_0, β_1 are constants. To investigate the significant factors, the calculated t value for each coefficient is examined. The calculated t values are presented in Table (6).

Table 6: Effect of Customer Trust on Customer Loyalty

	Unstandardized Coefficient		Standardized Coefficient	t	Sig
	B	**Std. Error**	**Beta**		
1(constant)	1.640	.139		11.822	.000
Trust	.527***	.036	.572	14.612	.000
F	213.522***				
R	0.572				
R^2	0.327				

Source: Survey Data (2015)

a. Dependent Variable : Loyalty

***, Statistically significant at 1% level.

CL	=	1.640 + 0.527 T
t	=	(11.822) (14.612)
P-value	=	(0.000) (0.000)
F	=	213.522***
R^2	=	0.327

Since the calculated F value is statistically significant at 1% level, this multiple regression model can present the relationship of customer loyalty and trust. According to Table (6), trust is significant at 1% level. Thus, customer trust is the significant factor affecting on customer loyalty in the restaurant industry. The coefficient of customer trust is positive. Therefore, it can be said that the customer loyalty increases whenever customer trust highly. In surveyed restaurants, the owners of the restaurants considered that trust is important to long-term relationships and enhancing customer loyalty. Many researchers have suggested that customers' trust is a significant role in building long-term relationship and achieving customer loyalty. Therefore, it can be concluded that trust is positively related to customer loyalty.

Effect of RMTs, Customer Satisfaction and Customer Trust on Customer Loyalty

To measure the effect of RMTs, customer satisfaction and customer trust on customer loyalty of restaurants in Mandalay, the multiple linear regression model is used. In analyzing the effect of RMTs, customer satisfaction and customer trust on customer loyalty of restaurants in Mandalay, RMTs, customer satisfaction and customer trust are used as independent variables and customer loyalty is assumed as dependent variable. The multiple linear regression model of RMTs, customer satisfaction and customer trust on customer loyalty can be described as

$$CL = \beta_0 + \beta_1 RMTs + \beta_2 CS + \beta_3 T + U_i$$

Where RMTs = Relationship Marketing Tactics
CL = Customer Loyalty
CS = Customer Satisfaction
T = Trust
U_i = the error term

$\beta_0, \beta_1, \beta_2, \beta_3$ are constants. To investigate the significant factors, the calculated t value for each coefficient is examined. The calculated t values are presented in Table (7).

Table 7: Effect of RMTs, Customer Satisfaction and Customer Trust on Customer Loyalty

	Unstandardized Coefficient		Standardized Coefficient	t	Sig
	B	Std. Error	Beta		
1(constant)	1.106	.161		6.850	.000
RMTs	.107	.050	.107	2.144	.033
Customer Satisfaction	.216	.055	.217	3.960	.000
Trust	.352	.045	.382	7.759	.000
F	88.744***				
R	0.616				
R^2	0.379				

Source: Survey Data (2015)

a.   Dependent Variable : Loyalty

***, Statistically significant at 1% level.

$$CL = 1.106 + 0.107RM Ts + 0.216CS + 0.352T$$
$$t = (6.850) (2.144) (3.960) (7.759)$$
$$P\text{-value} = (0.000) (0.033) (0.000) (0.000)$$
$$F = 88.744***$$
$$R^2 = 0.379$$

According to Table (7), RMTs, customer satisfaction and trust is significant at 1% level. In addition, customer trust is the most significant factor affecting on customer loyalty in the restaurant industry because the estimated value of its coefficient is the highest.

Conclusion

Major findings from this study reveal that most restaurants employ customer orientation, service quality and interpersonal communication. However, tangible rewards are less significantly used by the surveyed restaurants. This study concludes that these RM tactics are not differently being adopted among the surveyed restaurants. It means that customer orientation, service quality and interpersonal communication are identical among the surveyed restaurants.

In analyzing the effect of RM tactics on customer satisfaction, the results of multiple linear regression model show that relationship marketing tactics: customer orientation, service quality and interpersonal communication have a positive effect on customer satisfaction. According to the results, interpersonal communication is the most important factor affecting customer satisfaction in the restaurant industry. After interpersonal communication, customer orientation is the second most important factor influencing customer satisfaction in the restaurant industry. The third most important factor influencing customer satisfaction is service quality. All these factors positively affect customer satisfaction in the restaurant industry.

In analyzing the effect of RM tactics on customer loyalty, the results of multiple linear regression model show that relationship marketing tactics: customer orientation and interpersonal communication have a positive effect on customer loyalty. According to the results, interpersonal communication is the most important factor affecting customer loyalty in the restaurant industry. After interpersonal communication, customer orientation is the second most important factor influencing customer loyalty in the restaurant industry. The results demonstrate that the customer orientation and interpersonal communication have significant positive effects on customer loyalty. Therefore, it can be said that these factors increase customer loyalty of the restaurants in Mandalay. In comparing the effect of RM tactics on customer satisfaction and customer loyalty, RM tactics are more influential on customer satisfaction than customer loyalty.

In analyzing the effect of customer satisfaction on customer trust, the results of multiple linear regression model show that customer satisfaction is also the most important factor affecting customer trust in restaurants. Major finding from this study has revealed that customer satisfaction has a positive effect on customer trust. Therefore, it can be implied that the higher the satisfaction, the more the trust level of customers.

From the result of analysis, it is found that customer satisfaction has positive relationship with customer loyalty. Thus, customer satisfaction is the significant factor affecting on customer loyalty in the restaurant industry. The coefficient of customer satisfaction is positive. Therefore, it can be said that the loyalty increases whenever customers are highly satisfied.

In analyzing the effect of customer trust on customer loyalty, the finding of this study shows that trust positively impacts on customer loyalty. Trust is a significant predictor of customer loyalty. The reason why trust was a significant influence of customer loyalty in the restaurants could be because of the natural tendency of customers to go back to a service provider who they trust. This is especially true in developing countries where trust levels usually fluctuate because of a general lack of consistency in service delivery. This finding is compatible with the multitude of previous studies, almost all of which show that RMTs has a positive effect on customer satisfaction and customer loyalty. Also, satisfaction has a positive effect on trust   and loyalty. And then customer trust has a positive effect on loyalty.

In analyzing the effect of RMTs, customer satisfaction and customer trust on customer loyalty, the finding of this study shows that RMTs, customer satisfaction and trust have positive impact on customer loyalty. In comparing the effect of RMTs, customer satisfaction and customer trust on customer loyalty, customer trust is the most significant effect on customer loyalty. As the overall view of results, customer trust is more influential on customer loyalty than RMTs and customer satisfaction.

Therefore, the main contribution of this study is that relationship model of RMTs has been built up successfully and non necessity for the restaurants in Mandalay to promote customer satisfaction by using proper tangible rewards has been revealed. This result is quite significant for the restaurants in Mandalay to maintain market share and customer loyalty in today's highly competitive market in restaurant and service industry.

Acknowledgements

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