

**EMPLOYEES' BEHAVIOR AND ITS EFFECT ON CUSTOMER
RETENTION IN MULTINATIONAL FAST FOOD RESTAURANT IN
SRI LANKA**
**(SPECIAL REFERENCE TO KFC AND BURGER KING
RESTUARANTS IN COLOMBO DISTRICT)**

HERATH MUDIYANSELAGE JAGATH KUMARA



FCM1893



Project Report
Library - EUSL

Abstract

This study is to determine the effect of employees' behavior on customer retention based on multinational fast food restaurants in Sri Lankan. Data were collected from two fast food facilities namely Kentucky Fried Chicken (KFC) and Burger King. This study data were collected under the convenient sampling method. In Order to 200 samples selected from Colombo district. Questionnaires were given out to customers who have just exited the said establishments. A questionnaire with a likert scale rating 1-5 was used. Data was collected through self-administrated questionnaires. The descriptive static, correlation and regression were used to analyze data.

Accordingly, findings of this research study; there has very strong positive relationship between employees' behavior on customer retention of multinational fast food restaurant in Sri Lanka (Special reference to KFC & Burger King Restaurant in Colombo district). Customer retention has a moderate positive relationship with ethical behavior and customer orientation within other dimension of employees' behavior and also customer retention and listening behavior has very strong positive relationship. Overall critical success factors significantly positively impacted on customer retention. Employees' behavior dimension highly impacted on customer retention and also ethical behavior significantly positively impacted on customer retention, listening behavior is strong positively impact on customer retention and customer orientation is positively impact on customer retention in fast food industry. The customer retention of the fast food industry is very important to the Sri Lankan tourism sector and competitive economy. Hence this research concern how to maintain long term relationship between employees' behavior and financial performance of multinational fast food restaurant in Sri Lanka.

Key Words: Employees behavior, Ethical behavior, Listening behavior, Customer orientation, customer retention, fast food.

TABLE OF CONTENTS

Acknowledgement	Page No
Acknowledgement	I
Abstract	II
List of Content.....	III
List of Table.....	VII
List of Figure	VIII
CHAPTER ONE-INTRODUCTION.....	1 - 4
1.1 Introduction	1
1.2 Background of Study.....	1
1.3 Problem Statement	2
1.4 Reaesrch Questions	2
1.5 Objectives of the Study	3
1.6 Significance of the Study	3
1.7 Scope of the Study.....	3
1.8 Summary	4
CHAPTER TWO-LITERATURE REVIEW.....	5 - 15
2.1 Introduction	5
2.2 Defining Employees' Behavior	5
2.2.1 Ethical Behavior	5
2.2.2 Listening Behavior	7
2.2.3 Customer Orientation	7
2.3 Defining Customer Retention.....	9
2.4 Various Theories of Customer Retention.....	11
2.4.1 Value Creating Process.....	11
2.4.2 The Three Levels of Retention Strategies	13
2.4.3 Monitoring Customer Relationship	14

2.5 Chapter Summary.....	15
CHAPTER THREE-CONCEPTUALIZATION AND OPERATIONALIZATION.....	16 - 21
3.1 Introduction	16
3.2 Conceptualization.....	16
3.3 Conceptual Framework	17
3.4 Definition of Employees' Behavior	17
3.4.1 Ethical Behavior	18
3.4.2 Listening Behavior	18
3.4.3 Customer Orientation	18
3.5 Definition of Customer Retention	19
3.6 Operationalization	19
3.7 Summary	20
CHAPTER FOUR-METHODOLOGY.....	22 - 31
4.1 Introduction	22
4.2 Study Setting, Study Design and Method of Survey.....	22
4.3 Sampling.....	23
4.3.1 Study Population.....	23
4.3.2 Sampling Technique	23
4.3.3 Sample Size	23
4.4 Data Collection.....	23
4.5 Methods of Measurements	24
4.5.1 Method of Measuring the Personal Information.....	24
4.5.2 Method of Measuring the Employees' Behavior.....	24
4.5.3 Method of Measuring the Customer Retention	26
4.6 Reliability of Instrument	27
4.7 Data Presentation.....	27

4.7.1 Data Presentation for Personal Factors.....	27
4.7.2 Data Presentation for Employees' Behavior of fast Food Restaurant and Customer Retention	27
4.8 Method of Data Analysis and Evaluation	27
4.8.1 Univariate Analysis	28
4.8.2 Bivariate Analysis.....	29
4.8.3 Correlation Analysis.....	29
4.8.4 Simple Regression Analysis	30
4.9 Summary	31
CHAPTER FIVE-DATA PRESENTATION AND ANALYSIS.....	32 - 43
5.1 Introduction	32
5.2 Analysis of Reliability of the Instruments	32
5.2.1 Frequency Distribution Analysis of Respondents by their Personal Characteristics	33
5.2.1.1 Gender	33
5.2.1.2 Age	34
5.2.1.3 Marital Status	34
5.2.2 Data Presentation for the Research Variables	35
5.2.2.1 Employees' Behavior of Fast Food Industry	35
5.2.2.2 Customer Retention	36
5.3 Univariate Analysis	37
5.3.1 Mean and Standard Deviation for Employees' Behavior of the Fast Food Restaurant in Sri Lanka	38
5.3.2 Mean and Standard Deviation for Customer Retention.....	38
5.4 Bivariate Analysis	39
5.4.1 Correlation Analysis.....	39
5.4.1.1 Relationship between Ethical Behavior and Customer Retention	39

5.4.2.1 Ethical Behavior.....	42
5.4.2.2 Listening Behavior.....	42
5.4.2.3 Customer Orientation.....	42
5.4.2.4 Employee Behavior.....	42
5.5 Summary	43
CHAPTER SIX-DISCUSSION.....	44 - 48
6.1 Introduction	44
6.2. Discussion on Personal Factors	44
6.2.1 Gender of the User.....	44
6.2.2 Age Level of the User.....	44
6.2.3 Marital Status.....	44
6.3 Discussion on Research Variables	45
6.3.1 Employees' Behavior	45
6.3.2 Customer Retention	45
6.3.3 Relationship between Employees' Behavior and Customer Retention	45
6.3.3.1 Relationship between Ethical Behavior and Customer Retention	46
6.3.3.2 Relationship between Listening Behavior and Customer Retention	46
6.3.3.3 Relationship between Customer Orientation and Customer Retention	46
6.3.4 Impact of overall employees' behavior of multinational fast food restaurant on Customer retention	46
6.4 Chapter summary	48
CHAPTER SEVEN-CONCLUSIONS AND RECOMMENDATIONS.....	49 - 52
7.1 Introduction	49
7.2 Conclusion.....	49
7.2.1 Conclusion for the First Objective.....	49
7.2.2 Conclusion for the Second Objective	49
7.2.3 Conclusion for the Third Objective	50

7.2.4 Conclusion for the Final Objective.....	50
7.3 Recommendations	50
7.3.1 Recommendations for the First Objective	50
7.3.2 Recommendations for the Third Objective	50
7.3.3 Recommendations for the Final Objective	51
7.4 Limitations of the Study	51
7.5 Summary	52
REFERENC.....	53 - 56
Apdex 01	57