

# THE EFFECT OF PRODUCT QUALITY POSITIONING ON CUSTOMER SATISFACTION OF INTERNATIONAL FAST FOOD FRANCHISES IN LAGOS, NIGERIA

Akpabio Imaobong, Covenant University  
Oladele Kehinde, Covenant University

## ABSTRACT

*Positioning is essentially related to the mind of the consumers. Positioning is an effort made by the firms to influence the consumer's perception of a product relative to the perception of the competing product. The positioning decision is a crucial strategic decision for a firm. A firm's positioning strategy focuses on how it will compete in the market. An effective positioning strategy considers resources of the firm, the needs of the customers and the position of competitors. The purpose of a positioning strategy is that it allows a firm to focus on specific areas where they can outperform their competition. The Fast Food industry in Nigeria today is a beehive of activities and is gaining a lot of attention both within and outside the country. There has been continuous urbanization growth in Nigeria, as more people choose to settle in Nigeria's crowded cities. Due to this, international fast food firms have been looking to establish their brands in this part of Africa, using franchise and adopting certain positioning strategies to gain competitive advantage in the market. The objective of this study is to establish the effect of Product Quality Positioning on customer satisfaction.*

*An aggregate of 351 questionnaires were distributed and 326 were retrieved. Only 315 questionnaires were filled properly. The descriptive method of analysing the study was adopted. The hypothesis was tested using simple linear regression. From data retrieved through the use of questionnaire research instrument, results were drawn and data analysed using SPSS. The results showed that, all of the variables were significant with a Sig. = .000. Based on the findings, the study recommends that indigenous fast food companies need to clearly give more attention to positioning strategies in the development process of marketing strategies. Fast food firms need to communicate their brand and offers using the right channels and in an appealing way so customers are encouraged to purchase more. International Fast foods are also advised to be more affordable to match the socio-economic realities of the country.*

**Keywords:** Positioning Strategies, Performance, Fast Food Industry.

## INTRODUCTION

The acquisition of competitive advantage by a company begins with the long-term creation of a vision or 'strategic purpose' for the organization. As defined by Prahalad and Hamel (1990), Vision is influenced by the organization's strategic thinking (in terms of itself), tools, competences, practices, procedures, structures, society, structure and so on and their environment (consumers, markets, suppliers, competitors etc.). Consequently, this sustains through an action plan to deliver the organisation's unparalleled value blend.

Organizations in international competitive markets aim to be flexible and agile enough to meet consumer demands. Internationalisation, according to (Czinkota & Ronkainen, 2003); leads to expanding national markets, creating new opportunities in an international, global and technological structure, in which the national economies are gradually incorporated. Environmental dynamism means that the company has continually changed its tactics to keep it competitive (Pearce & Robinson, 2002). The franchising model has allowed small entrepreneurial companies to grow by attracting and establishing alliances with franchisees since the 20th century. There were 3000 franchise chains in the USA in the 2000s, employing around 18 million people and producing significant economic production.

The fast - food restaurant sector has been developed to offer easy and suitable dining experiences at reasonable cost. The first assembly line system of restaurants was by McDonald's in 1948, and soon after it opened several fast-food chains that exist today. Schlosser (2001) said Americans spend a lot of money on fast food than they do on education, gadgets, mobile application or vehicles. The advent of the casual fast food (Bukka) market in Nigeria by 1987 has been complemented by contemporary Nigerian chain restaurants with Western focus, with the launch of Mr Biggs, the pioneer restaurants, owned by UAC foods to appeal to the more up-to-date customers with western culture and taste. In contrast to the Bukka, contemporary restaurants tend to differ in quality and service, foreign and advanced fast food restaurants concentrate on sanitation, cleanliness and luxury (Oimbo, 2009).

Today Nigeria's Fast Food industry is a hive of operations and is attracting a lot of publicity both inside and outside the country (Konwea, 2012). According to Kuzmanovic, Panic & Martic (2011) over the past 25 years, shifts in lifestyles and populations around the country have led to increasing demand for fast food restaurants. Never the less, in the new light of things, it is expedient for organizations in the fast food industry to become aware of positioning strategies which they can use to have a value comprehensive image.

International Fast food franchises are usually associated with class and exclusive customer service patterns and so many Nigerians want to be seen patronising these international brands. Nevertheless, these brands have had to tailor their systems and processes to cater to local tastes. (Janiszewska & Insch 2012; Jere et al., 2014). We would be looking at three popular and contemporary international brands two from the United States and one from South Africa; Kentucky Fried Chicken also known as KFC, Dominos Pizza, Spurs Family Restaurant respectively. The Managing Director of the Local Dominos franchise, Tony Zammarieh rightly said, "Unlike in its origin market where delivery is the norm, the Local chain has gathered that most Nigerian customers choose to dine in. *"Nigerians have travelled abroad and are familiar with the quality difference,"* Zammarieh said. *"They want to associate themselves with it by coming in and eating in the premises."* (Business Daily, 2011).

Since fast food firms are emerging very fast, the level of competition is also increasing. In order to secure their market shares, these fast food firms are also becoming more strategic in ensuring their product quality is up to standard; their brand images are protected; outlet or restaurant locations are strategically located; customers' services are improved; effective promotional offers are employed; and customers' satisfaction is prioritized. The essence of all these is to enhance the organisations' performance and outcompete other organisations in same business. Specifically, in determining the satisfaction of customers (especially in the fast food industry), the importance of product quality cannot be overemphasised. Khan and Ahmed (2012) affirm the attention to the quality of a product is a very critical determinant of the consumers' satisfaction. It can also be inferred that the higher the quality of products and services, the higher

the satisfaction of its customers. This consequently increase the level at which the organisation retains its consumers and reduces the risk of losing them to competitors; and also increases the organisational overall profit in the long run (Sitanggang et al., 2019).

It is on the bases that this study seeks to ascertain the effect of product quality on the performance of the selected fast food firms- in terms of how satisfied their customers are and how loyal they are to them. The objective of this study is to examine the effect of Product Quality Positioning on customer satisfaction of International Fast food Franchises in Lagos, Nigeria.

## LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

### Conceptual Review

#### The concept of product positioning

The position a firm occupy in the market is an essential part of the strategic process of a company. Positioning can then be understood as how a firm can pursue a claim in a fragment of the marketplace in a manner that will ensure clear differentiation from all of its eternal competitors. This means that product positioning needs to ensure the creation of clearly defined, distinct, and unmistakable image in the minds of customers (Akbar et al., 2017). Positioning has been defined as a psychological concept that has to do with perception and impression, and it is an important factor of strategic decisions (Harrison-Walker, 2011). It is said to be the measures that firms use to design the way they offer value and their brand to engage the minds of customers (Nennaaton & Ezema, 2016). Positioning is termed as the steps taken in creating a product and branding it in a way that it is perceived in a way by the target market. The aim of this is to establish an image and a perception of the firm and its products/services which in turn benefits the firm (Masua 2012). According to Sehrawala and Karaduman (2015) "*Positioning is not what you do to a product; positioning is what you do to the mind of the prospect, you position the product in the mind of the prospect.*" Positioning is just like identity and credibility, a psychological construct, and is a key element in strategic decisions (Harrison-Walker, 2011). "*Positioning is a systematic, constructive, iterative method of identifying, evaluating, adjusting and tracking the attitudes of consumers about a viable product*" (Arnott, 1993). It is an action that organizations use to build their product and reputation to hold a strategic position in the mind of the consumer (Kotler, 2001).

According to Fayvishenko (2018), the awareness of trademark differentiation and classification of goods according to specified properties are the basis for the concept of positioning. (Fayvishenko, 2018). This means positioning is one of the very important steps in getting a trademark. Thoroughly examined positions focus on providing trajectory for new product development, market growth, connectivity, pricing, distribution channel selection. Thus, positioning is the most important stage in the management strategy of the trademark (Edema & Ezute, 2014). Positioning is a method of developing its own identity, unique properties, positive connections and values in the minds of consumers in order to generate a consistent brand image and ensure the loyalty of customers to this brand. (Fayvishenko, 2018). The qualities and quantities of the published studies vary with reference to the various concepts that this study is addressing. How does a company attain and sustain a top ranked position in the market? The number of effective tools to assess the factors of asymmetric output has increased spectacularly

over the last 20 years Choudhary, 2014; Dalgic & Leeuw, 1994; (Lynn, 2011) Thereby, Kendukhov (2008) postulated that positioning is a process of handling how consumer perceive a trademark in which the initial purpose of trademark was to induce consumer using the unique advantages of trademark over other brands, formulate consumer's exclusive affiliation with the trademark; materialize consumer's sense of the indispensability and vital necessity of the brand; develop obsession to the brand; raising a sense of duty in the heart of consumers to endorse this brand to other consumers; generate spiritual unity with consumers who are devoted to this brand; and instilling a belief in the consumer that consumers who purchase goods under other brands make the most erroneous choice (Kendukhov, 2008; Abiodun & Kolade, 2020).

Initially, positioning was used as a marketing concept that defined how a firm organizes the 4 Ps of marketing, which are price, place, product and promotion to appeal to a particular niche in the market. In recent times, positioning elucidates carrying out unique activities from competitors or performing the same activities but in a unique style or way. This makes many scholars to believe that the concept of positioning is construed to denote "*How customers perceive a product or services in comparison to product or services offered by competitors*", (Aspfors, 2010) "*The act of designing the company's offering and image so that they occupy a meaningful and distinct competitive position in the target customers mind*" (Onalapo, 2000); and "*The unique image of a product or service in a consumer's mind relative to similar competitive offerings*" (Cengage, 2009; Burnett, 2008). The main purpose of this was to increase their market share supremacy, and to maximise profit. Essentially the positioning focuses on the customers, how users perceive the brand or product's quality, attributes, value, cost and identity (McCrae & Terracciano. 2005). This means that, the customer retains the definition of a brand or product. Positioning long-term aim is to create a brand reputation, which helps to promote positive long-term purchase decisions. The configuration is constituted by a central marketing activity. Hence, its meaning, significance and implementation should really be given more concentration, particularly, professionals (Kanyagia, 2015).

Positioning strategy is an important strategic decision for a product, as the position of the product plays a key role in the views and choices of consumers. A marketer ought therefore to have a clear disposition of what the qualities and strengths are to be put in the brand construct. In fact, positioning strategy is the approach by which the marketers define their product or brand in the minds of target consumers with the objective of asserting supremacy over their rivals (Panwa & Patra, 2017). The important and central point of positioning is that it is not a tactical approach but a strategic one which is aimed at achieving competitive advantage and developing a strategic merchandise. For a firm to formulate a strategy for a product, the firm needs to recognise the position of the product amongst other rival products (Furick, 2016). There are five steps used to verify a product's position in the market. The steps include; identifying unique features and characteristics of the product, gathering information about the perception of the product from the consumers, Analysing the strength of the products position in the minds of the consumers, and determining the products current position in the market. The firms effective and lucrative operations require that the strategic blueprints are attractive enough to provoke customer patronage (Kuti & Harrison, 2012; cited in John et al., 2013).

Kotler (2000) specifies that positioning encompasses communication activities concerning the establishment of the product image that the firm or companies offer. It is very important for a firm to have a strong brand image and therefore "*be unique*" in what they offer or how the offer what they have in order to beat competitors and remain relevant. This requires continuous and cohesive planning. Based on this assessment, positioning involves all the efforts put, towards

developing a unique value compatible with brand image fundamentals. Treacy and Wiersema (1993) proports that positioning can be put into three headings with regards to “*merit disciplines*”: product leadership, tactical superiority, and consumer understanding (Liu et al., 2016). Some customers choose the products they want to patronise based on class, others make their choices based on the how productive the firm is and others yet would prefer the product or company that is able to best meet their needs. Karadeniz (2009) suggest that companies should have a leading position in at least one of the above merits and have a certain level in the others. To lead in all three merits may be a bit tasking and expensive. Koch and Gyrd-Jones (2019) advocate five conceivable positioning: product, accessibility, value driven services, price and customer experience (Chzhan, 2019). Regarding studies on successful businesses, it was concluded that a company pick one of the positions to lead in, be slightly above normal in another and know how to handle companies leading in the others. They opined that a firm could fall beneath the optimum worth trying to lead in more than two of the positions. Ries and Trout (2001) emphasise that a form needs to take their competitors seriously to be able to win the battle of marketing. Another key assumption was that some customers are not interested in a lot of information. Firms need to only focus on unique attributes or features as to what makes them different (Lee et al., 2020).

Thompson & Sinha (2008) postulates that “*The stronger the company’s current overall performance, the less likely the need for radical changes in strategy*”. This then means that the weaker the overall performance the more often changes need to be made to the current strategy. Therefore, this indicates that weak performance is directly proportional to weak strategies, frail execution or a combination of both (Ogundele et al., 2013). An example was cited in a study where a fast food company, Piece-a-Pizza, was performing beneath its target for sales relative to other rival companies, consecutively for three years. In this case it was suggested that the management would need to take on a wide range of proper analysis and rigorous but effective planning that should give rise to development of new strategies. This would ensure an increase in profits and general performance. (Dube et al., 2015). Positioning is established in the minds of the consumers in the niche market as a prognosis of more set of information as regards the brand image and helps to present a competitive advantage in an environment by emphasizing unique qualities. The firm needs to be consistent and stay unshaken despite drastic changes in the environment. Authentic positioning usually brings to light the legitimacy of the firm and creates quantifiable value. (Shah & Sharma, 2017). The reliability of the brand communication is key for consumers to retain positive assessments. Therefore, the alignment of the target bracket within the prospect can be apprehended among a number of messages pertaining to various firms. (Chang, 2018). For example, political-related issues can be used in coming up with positioning strategies to create sentimental and coherent expectations of the target market (Adina et al., 2015). In this situation, global culture positioning is yet another way local firms can use to boost their competitiveness and attractiveness in the global market. The objective of positioning should be to make a consumer feel that there is no other satisfactory substitute. The consumer needs to be so content with the product/service that they zero their minds to only that product (Colladon et al., 2020).

According to Wanja (2015), strategy is formed based on the context; that is to say, the current conditions which include the internal and external environment. The subject of the strategic plans has to do with the definite elements of the strategy and the superiority of the decisions resulting from the use of those elements. The process enacts how the strategy is created, developed and achieved. The ideal decisions concerning context, content and process is

precise to the requirements and operational veracities of each organization (Abaris et al., 2012). Positioning is a multifaceted business operation, and handling this intricacy surges overhead, requiring sophisticated management practices, techniques and information. This needs to be done properly to prevent one product configuration from cannibalizing another in the market.

### Steps in Developing Positioning Strategies

Positioning strategies can be used to influence the target audience's perception of the products/services. These are the steps to be taken by firms in developing positioning strategies. According to Fayvishenko (2018) the development and application of the positioning strategies by the firm involves nine stages.

**Stage One:** The first stage has to do with collection and analysis of the environment to get data on competitors, policies, macro environment factors, strengths and weaknesses and so on. This stage is very critical to a successful positioning strategy. Here, data is collected on both the internal and external environment of the business right from the firm's employee to its international standings (Villiers et al., 2019)

**Stage Two:** A brand model is created at the second stage, which encompasses: its image, target market, features and selection of the product strategy (Kendukhov, 2008). This stage provides a detailed information on the product features on how individual's product choice impacts the welfare of the consumers (Riemsdijk et al., 2017).

**Stage Three:** Selection of and basis for distinguishing positioning take place at the third stage. The basis of selection can be attributed peculiarities such as identification of buyers need, corporate objective of the firm. For instance, *Volvo's* positioning strategy in the automobile industry is on the basis of "buyer's need" and "mobility." This makes them to be positioned as a safe and reliable car by their customers. *BMW* was positioned as a car "*designed for driving pleasure.*" Thus, their positioning strategy is for the driving enthusiast (Villiers et al., 2019).

**Stage Four:** In the fourth stage the positioning strategy is then developed using the distinguishing features as its basis. Hence, a strategic decision is reached to select "*Perceived benefits that create a clear, unique and desirable position relative to the product's alternatives.*" This perceived benefits encompasses "*actual or potential advantages, such as functional advantages (e.g., nutritional quality, healthiness) or emotional advantages (e.g., happiness, pride) that the customer gains by using the product*" (Riemsdijk et al., 2017)

**Stage Five:** The fifth stage involves anticipation of the strategy implementation which is used to develop strategic and pre-emptive positioning goals. This result in the provision of sensory and cognitive stimulation that precedes strategy implementation (Whalley, 2010).

**Stage Six:** The sixth stage is developing a strategy implementation plan. Decisions on the process and means to attain the goals are taken. The plan should consist of; what actions, measures, and works are to be made and to what deadline; who provides the resources, necessary to implement the decisions; what departments or persons are responsible for implementing the decision; who controls the implementation (Kendukhov, 2008). Modelling, i.e. building different models of the future condition, carried out in accordance with the expected or desired alterations of certain conditions, development perspectives of which are studied sufficiently (Whalley, 2010).

**Stage Seven:** Having defined the strategic direction of the firm in relation to positioning strategy, implementation of the strategy is imminent. This occurs through a number of key processes managed by the firm. Particularly relevant will be processes, actions, and exhibition of

control measures to guide the actualization of the positioning strategy (Cristea 2014; Villiers, et al., 2019). At the seventh stage, plans and actions are being brought into plan and specific measures are executed. It is at this stage that the consumer will weigh the information received about the product he intends to purchase.

**Stage Eight:** At the eighth stage, the results are evaluated and the strategy progress is monitored. If actual results are not up to the planned results, it is required to analyse the whole chain of the cause and effect relations, identify the causes, conditions of their occurrence Karadeniz (2009). Control must be substantive, specific. Its objectives, parameters, and measures to be checked should be understood clearly. Monitoring of the implementation of plans and specific measures must be performed from the moment of their approval. Monitoring must be done in a timely manner so that it is possible to correct the situation and take preventive measures.

**Stage Nine:** At the ninth stage, one must take, if necessary, corrective measures for the implementation of those stages, where the causes of actual results deviating from the planned results occurred. Cravens (2008) sees positioning as a way of creating the core of what the firm or organization is offering, which shows the organizations ability to meet the needs of the consumers. He also notes that the concept of positioning should have its basis on why the customer chooses to deal with a particular firm, rather than its competitors, and to be able to communicate these reasons to other prospective customer (Malik et al., 2016). Therefore, positioning is fundamentally associated to gaining on the minds of the target customers. Positioning strategies are key strategic decisions for a brand due to the fact that the brand or product position has an important role in the consumers' choice.

## Types of Positioning Strategies

There are quite a number of general approaches to establishing a position on the basis of certain factors which include the market, the consumer or defining the demand of the brand. Cited in Okoth (2017), the main approaches of positioning strategies have been divided into the following under listed basis:

### Based on Product Features and Customer Benefits

According to Morgan, Strong & McGuiness (2003) this positioning strategy has to do with the product features or the customer benefits. Products are usually positioned along two or more features or characteristics. This entails setting up a distinctive product concept or features so that customer willing to make purchases even if it requires lining up on a queue and paying more money for the pleasure of getting their favourite brand made with every manner of taste and finished off exactly the way they prefer it to be tasted (Khan et al., 2018). This positioning strategies of the company involves a marketing strategy focussed on identifying the appropriate targeted group of public among the group of potential future customers through effective use of positioning products and services that align well with their needs and wants Khan, Mushtaq & Kanth (2015). For instance, in the tooth paste market, the features usually used are 'freshness' and 'cavity strength'. Nevertheless, it is important to communicate these features correctly to get the right response from consumers. Another example is the Toyota company that emphasises on reliability and durability at an affordable rate, which has enabled them become leaders in the vehicle market. Also, Starbucks target market emphasises customers with a desire to purchase

premium products as their target market. Therefore, for effective positioning, a firm must identify the key features to promote (Andaleeb, 2017).

### **Based on Pricing**

Due to the general perception of consumers, it is assumed that the higher the price the better the quality of a product. Consumers generally perceive that if a product is pricey the cost of producing is high, thereby taking it to mean that it is of a high quality. (Hooley et al., 1998). For example, if one enters into a store and sees the price of a pair of jeans ranging from two thousand naira to fifteen thousand naira, it is immediately assumed that the jeans of higher prices are of better quality. (Kald et al., 2000). Owing to this most brands charge more or make their products expensive, partly to cover cost and partly to give consumers that perception of high quality. A good example of this is Sony and Nintendo. Nintendo decides to sell less powerful console of its products for cheap price with the sole aim of gaining price advantage, but Sony product sale remains at an expensive price for the sole undertaken enjoying high-tech advantage (Lee et al., 2017). Thus, the position of pricing and the perception of customers on the price of a product is a positioning strategy worth considering.

### **Based on Use or Application**

This approach of positioning is usually used as a second or third approach especially when introducing new applications or uses of a product into the market to deliberately expand the brand in the market. It is usually by introducing new uses of an already existing product in the market. It can be an approach used to inform the markets of when (which could be seasons) or how to use the product to get multiple benefits. For instance, Nescafe Coffee for a long time positioned itself as a product for winter but introducing cold coffee has enhanced the uses of coffee, which means it can be used in summer and winter. (Kald et al., 2000). It is important for firms to describe product functions carefully as customers will associate the brand with the way the company wants to connect with its customers (Andaleeb, 2017). In the food industry, this basis of classification is also referred to as the utilitarian positioning, according to Verbeke (2005). This is an approach of positioning classification that is associated with product's nutritional value, which originated from its functional, active and distinctive ingredients (Verbeke, 2005). This positioning strategies motivates consumer to practical make purchases based on how the application or uses of the products, the period or season of use, and multiple benefits to derive from its ingredients,

### **Based on Product Users**

This positioning approach is associated with the users of the product or the class of users. There is a certain image ascribed to a brand based on the class or type of people that use their products. For instance, in the fast food industry, it is usually the high class and people above middle class that purchase foreign foods like pizza, shawarma and the likes. Due to this many people also want to enjoy these foreign foods and be associated with the famous brands that offer them. This can influence the market share of restaurants that offer these foods.



## **Positioning Strategy Based On Product Class**

Another strategy that can be used to position products is by product class. This strategy focuses on how an advertiser's product is better than another product in another category or the entire range of products in another category (Govoni, 2004). Some margarine, for example, position themselves with respect to butter. Advertisers, while positioning by cultural symbols, will sometimes identify something that is very meaningful to people that other competitors are not using and associate the brand with that symbol. In addition, positioning strategy according to product class is primarily characterized by an emotional and sensory experience of appealing nature, Sensual pleasure, fantasy, and fun derived from the consumption of a product are also advertiser's way of defining the superiority of a product in its fellow class (Aqueveque, 2016). This superiority based form of positioning gives advertiser's edge in the class of their product.

## **Based on Cultural Symbols**

The basis of this approach is to associate the product/services with something that is of cultural importance to the target audience or market. Essentially the firm uses cultural symbols in their promotions and advertisements as a strategy, creating certain attachments and sentiment in minds of the target market. In Nigeria, the popular telecommunications companies, the Likes of MTN, Airtel and Globacom, have incorporated cultural symbols in their advertisements and promotions. (Ogwo & Igwe, 2012). This is to create a sense of belonging in the minds of their target. This type of positioning is in application when food products are positioned as a way to correspond the status, prestige or achievement, or cultural symbol of a community or society or organization, or institution with the product itself especially when it is associated to conspicuous consumption and application of product (Aqueveque, 2016). Aqueveque (2016) called this positioning classification symbolic positioning that is oriented to positioning in its capacity to accomplish some defied symbolic needs. These symbolic needs are related to self-image and social image or social identification needs which are part habitual to the lifestyle of dwellers of a community. Another example is *Eagle Aromatic schnapp* whose positioning is attached to societal influence of community elders to bless or profess betterment into the life of their subjects.

## **Based on Competitors**

In this approach the frame of reference is usually the competitors in that market. The competitors are used as a reference or basis on which the positioning strategies are developed. The firm can decide to use the same positioning strategy or come up with their own unique strategies with reference to the strategy used by their competitors (Otemuyiwa & Adewusi, 2012). For example, in the case of the beverage drink Coke and Pepsi, Coca-Cola came up with the 'Zero Coke' which was targeted for people who still wanted to enjoy the taste of Coke but with no sugar. Seeing that it was a good one, Pepsi also adopted this strategy and came up with 'Pepsi Lite' also with the view of having less sugar (Bilro & Guerreiro, 2019).

## Theory of Internationalization

Buckley and Casson (1976) internationalization involve enterprises penetrating international markets via ushering in product and services, implement innovative cultures and take part in the local to capitalize on making profits in an unstable environment. Czinkota and Ronkainen (2003) termed internationalisation as a process of doing business across borders through establishing interactions and preparing objectives aimed at satisfying individuals. The theory pursues to establish the standards of thriving in an international environment. Firms increase international presence and involvement in a steady manner, first by acclimating to the culture, linguistic and political arrangements, which can be done via various entry strategies which include franchising, tactical associations, licensing and exports. The benefit of this strategy to the firm is that it aids in gaining first-hand knowledge experience to operate and function in an unaccustomed territory. Internationalization theory aids firms to attain essential information, empowering expansion, examine new markets, progress in innovative and technological systems across the globe. The development theory of internationalization focuses on why companies gradually increase their international involvement. Internalization theory emphasizes on limitations in transitional product markets.

The theory ascertains that internalization leads to greater, more cosmopolitan firms and businesses. Advance of a new technology is focused within the firm and then the information is conveyed to other operations. In the food industry Internationalization gives way to and development of nation- wide markets, creates new opportunities globally where there is an upward integration of nation- wide economies. The way to gain control, economically, culturally and politically is not by being passive but by actively being alert and responsive, adapting to the fluctuating business environment. Johanson and Vahlne (1977) firms progressively increases international presence, meaning they first enter countries where the culture of their origin can be widely accepted.

Conferring to this opinion, there are two types of information one objective and the other by experience. The knowledge by experience is deemed to be more applicable, since fostering and indulging in commitments is vital to realize and make opportunities by including other firms in the business. Firms need to comprehend the foreign countries as well as their commercial culture and social barriers.

## HYPOTHESIS

*H<sub>1</sub>: Product quality positioning does not have a significant effect on Customer Satisfaction.*

## MATERIALS AND METHODS

### Research Methods

This research was a descriptive and quantitative study using the survey technique via questionnaires as instruments to obtain primary data from respondents as described by Creswell & Clark (2011). It also entails explaining the information acquired, summarizing the information and testing speculations and hypothesis. The statistical tool to be used includes the Statistical Packages for Social Sciences (S.P.S.S) and T test method to test the hypotheses.

## Population Determination

The population of this study comprised of fast food franchises of three international brands operational in Lagos. The fast foods franchises were selected as they are tactically located in strategic and highbrow areas, with multiple outlet offering similar menus, invested large sums of money in the business, paid goodwill and thus should have well defined strategic plans in order to counter competition and recover what they have invested. In Lagos 81.

Dominos and KFC have approximately 30 outlets spread across different regions in the state. Spurs have about 10 outlets in total in Lagos. The fast food franchises have multiple units globally and have been operating in Nigeria for more than three years, making it fairly simple to determine and verify their track record of success in terms of strategies and performance. The customer base on average of patronage of the 9 selected fast food outlets as deduced from the managers of the outlets cut across 9 selected locations where they are situated, is calculated to be 2835 weekly. 3 Dominos outlets, 3 KFC outlets and 3 Spurs restaurants were used for this study.

## Sampling Techniques

The probability sampling method was implemented in this research study. Simple random sampling was applied for the selection of respondents. Simple random sample is a subcategory of getting the statistical populace so that the members involved all have an equal opportunity to be selected.

## RESULTS AND DISCUSSION

### Test of Hypothesis

$H_1$ : *Product Quality does not have significant impact on Customer Satisfaction*

<b>Model</b>	<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>
1	0.481 <sup>a</sup>	0.231	0.229	0.50283

a. Predictors: (Constant), PRODQLT

From Table 1, r-coefficient shows a positive and moderate relationship between the dependent variable (customer satisfaction) and independent variable (product quality), at 0.481. Also, the R- Square value reveals the extent to which the independent variable can explain the dependent variable. As shown in the model summary table above, the r-square of 0.231 (23.1%) means that only 23.1% of product quality can explain customer satisfaction.

Decision rule: Null hypothesis should be rejected when the significant value is below 0.05. Null hypothesis should be accepted when the significant value is greater than 0.05.

Interpretation: The Analysis of Variance (ANOVA) Table 2 above shows that the regression models significantly determines the dependent variable (customer satisfaction). The p-value is 0.000 and the associated F-value is 94.270. This infers the significance of the test as the p-value is less than the conventional level of significance (that is  $p < 0.05$ ). Decision: The null hypothesis is therefore rejected; therefore, we can conclude that Product Quality has significant impact on Customer Satisfaction.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	0.481 <sup>a</sup>	0.231	0.229	0.50283		
a. Predictors: (Constant), PRODQLT						
Model	Sum of Squares	Df	Mean Square	F	Sig.	
Regression	23.835	1	23.835	94.270	0.000 <sup>b</sup>	
Residual	79.137	313	.253			
Total	102.972	314				
a. Dependent Variable: CUSSATIF b. Predictors: (Constant), PRODQLT						

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.433	0.167		8.569	0.000
1 PRODQLT	0.531	0.055	0.481	9.709	0.000
a. Dependent Variable: CUSSATIF					

Interpretation: The above coefficient Table 3 reveals more information needed to determine the impact of the independent variable (product quality) on the dependent variable (customer satisfaction). The coefficient of 0.531 shows that product quality has positive effect on customer satisfaction, as an increase in product quality leads to a 53.1% increase in the product quality.

Decision: From the result in the tables above, it can therefore be concluded that product quality has significant positive effect on the customer satisfaction in the selected international fast food franchise in Lagos, Nigeria.

From the test of hypothesis one, it shows that product quality has a significant effect on customer satisfaction. The p-value is 0.000 and the associated F-value is 94.270. This infers the significance of the test as the p-value is less than the conventional level of significance (that is  $p < 0.05$ ). This implies that the quality of the product has a positive influence on the level of satisfaction of customers. This means the null hypothesis is rejected. The findings agree with the findings of previous studies of Panwar and Pantra (2017), that report that product quality efforts influence the perception of consumers as regards the brand and their products. The findings of Wanjiku (2017) reveals that customers are more sensitive to quality. The findings indicate a positive relationship between quality as a competitive advantage strategy, and organizational performance. The findings from the study conducted by Sern and Mahadevan (2019) show that product quality significantly impacts customer satisfaction due to the p-value of both variables which are less than 0.01. These findings contradict the findings of Butt et al. (2017) where the findings deduce that quality has no significant effect on customer orientation.

## CONCLUSION

This study concludes that product quality has a significant influence on customer satisfaction of customers. This is because customers are very particular about the quality of the food, they take in. If the quality meets their perceived standard in their minds, they are likely to be satisfied with the products they are offered. Product quality is one of the attributes that most

customers look out for when patronising a brand. This means that it is one of the strategies firms can use to position themselves in the minds of the consumers.

### RECOMMENDATIONS / POLICY IMPLICATIONS

The study reveals that product quality influences customer satisfaction especially in the fast food industry. It is therefore recommended that fast food companies should be objective about the quality of their foods and get feedback from customers to know how best to satisfy them. Fast food franchises should implement feed back system to get the opinions of customers and how to give better services. This would enable them improve their performance. It is recommended that managers of different fast food outlets should train their employees on customer service and delivery to improve customer satisfaction. It is recommended that fast food companies can beat competition by putting the interests of the customers as one of their top priorities and distinguishing their products from the ones of rival companies.

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