

# Operational Efficiency, Customer Satisfaction, And Customer Loyalty of Fast-Food Restaurants in Sampaloc, Manila: A Study Among Generation Z Consumers

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## ABSTRACT

By 2024, the fast-food industry in urban areas had experienced intensified competition driven by Generation Z consumers, who prioritized convenience, accessibility, affordability, and service efficiency. This study aimed to examine the perceptions of Generation Z consumers regarding service quality, customer satisfaction, and customer loyalty among fast-food restaurants in Sampaloc, Manila. Specifically, the study assessed factors such as employee politeness, order accuracy, operational efficiency, and overall service quality in relation to customer retention and loyalty. The study employed a quantitative-correlational research design involving 400 Generation Z respondents who regularly consumed fast food. Data were analyzed using descriptive statistics, linear regression, and mediation analysis to determine the direct and indirect relationships among the variables. Findings revealed that fast-food restaurants in Sampaloc demonstrated efficient order processing and positive employee behavior, contributing to high levels of customer satisfaction. Respondents particularly valued the restaurant atmosphere, food quality, and operational efficiency. Results further indicated that customer satisfaction significantly influenced customer loyalty, while operational efficiency served as a key mediating variable between service quality and customer retention. The study also found that Generation Z consumers were more likely to remain loyal to establishments that consistently delivered fast, accurate, and respectful service. These findings highlight the importance of maintaining operational standards in terms of speed, accuracy, and customer interaction to meet the expectations of Generation Z consumers and encourage repeat patronage. The study contributes to the growing body of knowledge in hospitality and fast-food management by providing insights into the preferences and behavioral patterns of Generation Z customers.

**Keywords:** Customer Loyalty, Customer Satisfaction, Food Quality and Generation Z

## INTRODUCTION

The fast-food restaurant industry has become increasingly competitive due to the changing demands and preferences of consumers, particularly those belonging to Generation Z. As a highly influential consumer

group, Generation Z prioritizes convenience, affordability, accessibility, speed of service, and overall dining experience. In the fast-food sector, operational efficiency plays a significant role in shaping customer perceptions and experiences. Factors such as employee professionalism, order accuracy, service speed, and responsiveness directly influence customer satisfaction, which may eventually lead to customer loyalty and repeat patronage. For restaurants operating in highly urbanized and competitive environments, understanding these consumer expectations is essential for long-term sustainability and competitiveness.

This study focused on examining the relationship between operational efficiency, customer satisfaction, and customer loyalty among Generation Z consumers in fast-food restaurants located in Sampaloc, Manila. Sampaloc was selected as the study area because of its urban setting, large student population, and highly competitive food service environment. The district is known for its concentration of universities and young consumers, making it an appropriate location for investigating the dining behaviors and preferences of Generation Z consumers (Cruz & Villanueva, 2020). Through this context, the study aimed to contribute local insights regarding the factors that influence customer retention and loyalty in the fast-food industry.

Existing literature has emphasized the importance of operational efficiency in improving customer satisfaction and loyalty within the hospitality and food service industries. Studies have shown that efficient restaurant operations significantly enhance customer experiences and increase satisfaction levels (DeVita & Hancock, 2024; Seyfi & Hall, 2024). Moreover, Generation Z consumers have been identified as highly demanding in terms of speed, personalization, convenience, and authenticity when making dining decisions (Chen & Hung, 2025; Rahman & Nasution, 2024). In addition, previous international studies revealed that service quality and restaurant atmosphere strongly affect the food choices and brand loyalty of Generation Z consumers (Hassan & Lee, 2023; Seyfi & Hall, 2024).

In the Philippine context, Generation Z represents a rapidly growing consumer market with significant purchasing power. According to Garcia and Ramos (2025), young Filipino consumers frequently dine outside and actively engage with emerging food trends and modern dining experiences. The Philippine food service industry continues to expand due to the increasing demand for convenience, affordability, and accessible dining options among younger consumers. Reports have shown that Filipino households allocate a substantial portion of their expenditures to food and non-alcoholic beverages, emphasizing the importance of dining experiences in consumer behavior and lifestyle. Furthermore, local studies revealed that improvements in service quality, faster order processing, and enhanced customer service positively influence customer satisfaction and loyalty among fast-food consumers.

At the local level, fast-food consumers in Sampaloc, Manila were observed to prefer restaurants that provide fast service, clean facilities, visually appealing environments, and efficient customer interactions. However, despite the growing significance of Generation Z consumers in the food service market, limited local studies have examined the relationship between operational efficiency, customer satisfaction, and customer loyalty specifically among Generation Z consumers in the Philippine fast-food industry. Most existing studies focused on Millennials or general consumers without considering the distinct behavioral characteristics of Generation Z, such as value consciousness and preference for fast and personalized services (Garcia & Ramos, 2025).

Moreover, limited studies have explored the mediating role of customer satisfaction in the relationship between operational efficiency and customer loyalty using theoretical perspectives such as Social Exchange Theory and Expectancy-Disconfirmation Theory. Previous local studies primarily utilized

descriptive and qualitative approaches, leaving a gap in inferential and correlational analyses that could better explain the relationships among these variables (Mendoza & Chua, 2024; Gutierrez, 2023). Additionally, studies have shown that dissatisfaction among Generation Z consumers commonly arises when expectations regarding comfort, cleanliness, speed, and service quality are not met (Torres, 2025; Smith & Thompson, 2025).

Given these research gaps, this study examined the relationship between operational efficiency, customer satisfaction, and customer loyalty among Generation Z consumers in fast-food restaurants in Sampaloc, Manila. Specifically, the study sought to determine how operational efficiency influences customer satisfaction and loyalty among Generation Z consumers. The findings of this study may contribute to the existing body of knowledge in hospitality and food service management and may provide practical insights for restaurant managers in improving service quality, customer retention, and competitiveness within highly urbanized communities where Generation Z consumers hold significant economic influence.

## METHODS

This research adopted a quantitative correlational approach to examine the relationship between operational practices of fast-food establishments and customer satisfaction, as well as customers' intentions to revisit restaurants in Sampaloc, Manila. The choice of this design was guided by the need for an organized and systematic way of examining relationships among variables through measurable data. As emphasized by Saunders, Lewis, and Thornhill (2023), a research design provides a structured framework that guides data collection and analysis to ensure that research objectives are achieved in a logical and efficient manner. In line with this view, the present study relied on statistical procedures rather than assumptions, allowing conclusions to be drawn only after empirical testing. This approach also ensured efficient use of time, resources, and data while maintaining analytical rigor.

The quantitative correlational design was deemed appropriate because it allows the examination of consumer responses to functional aspects of restaurant operations without manipulating the research setting. By observing naturally occurring conditions, the study captured genuine customer perceptions and behavioral tendencies. Moreover, this design made it possible to determine the presence, direction, and strength of relationships among variables and to assess their statistical significance.

A quantitative approach was further selected for its capacity to identify patterns and validate correlational claims using numerical data. Key operational factors such as staff courtesy, order accuracy, and service speed were analyzed to determine their association with customer satisfaction and repeat visitation. Correlation analysis enabled the assessment of the magnitude and direction of these relationships without altering existing restaurant operations, providing a clear and objective basis for understanding how operational efficiency relates to customer behavior.

## RESULTS AND DISCUSSION

The first research problem dealt with the demographic profile of the respondents in terms of age, sex, frequency of dining, and monthly allowance.

**Table 1. Distribution of Respondents' Profile in terms of Age**

AGE	FREQUENCY	PERCENTAGE	RANK
13-15 years old	3	0%	4

16-18 years old	42	11%	3
19-22 years old	251	63%	1
23-28 years old	104	26%	2
	<b>400</b>	<b>100%</b>	

The age distribution of the respondents is shown in Table 5, where 251 respondents (63%) are aged 19 and 22. This shows most of Generation Z customers in Sampaloc Manila fall within the typical college age range, which is consistent with the district's high concentration of educational institutions and universities. On the other hand, 104 respondents (26%) are aged 23 to 28. This demographic mainly consists of young professionals or university seniors who have regular visits to fast food establishments. Out of the 42 responses (11%), the demographic is mainly senior high school students from the 16, 18 age group, which forms a smaller percentage. In addition, the information reveals that the sampled individuals are mainly from the young adult demographic and are most likely to be influenced by societal factors and possess value, driven characteristics, which are typical of Generation Z. As a result, they are of great significance to this study on customer satisfaction, loyalty, and operational efficiency in fast, food establishments.

**Table 2. Distribution of Respondents' Profile in terms of Sex**

SEX	FREQUENCY	PERCENTAGE	RANK
Male	127	32%	2
Female	264	66%	1
Prefer Not to Say	9	2%	3
	<b>400</b>	<b>100%</b>	

Gender distribution of the respondents is indicated in Table 6. The data reveal that out of the total sample, 264 people who make up 66% of the sample turn out to be female. Also, 2% of respondents expressed that they would not like to reveal their gender, whereas 127 respondents (32%) declared themselves as males. As a result, the data show that female Gen Z consumers in Sampaloc, Manila, are more active in fast, food consumption. Perhaps it is because they are more on social media, like eating out with friends, and are more into food trends.

**Table 3. Distribution of Respondents' Profile in terms of Frequency of Dining**

DINING	FREQUENCY	PERCENTAGE	RANK
Once	92	23	2
Two to three times	199	50	1
Four to five times	87	22	3
More than six times	22	5	4
	<b>400</b>	<b>100%</b>	

Firstly, the statistics in Table 6 reveal that most respondents 50, (representing 2/3 of the total) eat two to three times, 23 eat once, 22 eat four to five times, and only 5 eat more than six times. This shows that although frequent consumption is not a preference, most Generation Z individuals in Sampaloc still

make infrequent visits to restaurants.

**Table 4. Distribution of Respondents’ Profile in terms of Frequency of Monthly Allowance**

ALLOWANCE	FREQUENCY	PERCENTAGE	RANK
Below 3,000	136	34%	1
4,000-5,000	110	28%	2
6,000-10,000	93	23%	3
Above 10,000	61	15%	4
	<b>400</b>	<b>100%</b>	

The data in Table 7 reveals that most participants, 136 respondents, representing 34%, report a monthly allowance below 3, 000, which means that many Generation Z consumers in Sampaloc are categorized as such. Next are 110 respondents (28%) receiving between 4, 000 and 5, 000, and 93 respondents (23%) receiving between 6, 000 and 10, 000. Only 61 (15%) respondents disclosed having received over 10, 000. These figures point to most participants receiving small allowances, which may impact their consumption habits, meal frequency, and valuation of money.

**Operational Efficiency**

The second research problem dealt with the level of operational efficiency of fast-food restaurants in Sampaloc, Manila as perceived by Generation Z Consumers in terms of service speed, order accuracy and staff professionalism.

**Table 5. Level of Operational Efficiency in terms of Service Speed**

ITEMS	MEA	DESCRIPTIO	INTERPRETATION	RANK
	N	N		
1. The restaurant serves food promptly after ordering.	4.09	Often	Highly Efficient	2
2. Waiting time is acceptable even during busy hours.	4.07	Often	Highly Efficient	3
3. The staff manage orders efficiently.	4.21	Always	Very Highly Efficient	1
4. Queuing and payment procedures are organized.	4.21	Always	Very Highly Efficient	1
5. The restaurant consistently provides quick service.	4.00	Often	Highly Efficient	5
6. Delays in service are rare.	3.89	Often	Highly Efficient	6
7. The overall service speed meets my expectations.	4.04	Often	Highly Efficient	4
<b>CATEGORY MEAN</b>	<b>4.07</b>	<b>OFTEN EFFICIENT</b>	<b>HIGHLY</b>	

According to the data presented in Table 5, the fast, food restaurants in Sampaloc, Manila, have an

efficiency rating of 4.07, which is classified as "Highly Efficient" in terms of speed of service. The mentioned figures represent the perception of Generation Z customers who consider the restaurants as dependable, prompt, and able to meet their service needs.

The two statements, Item 3: The personnel efficiently process orders and Item 4: Queuing and payment systems are well, organized, that were both rated as 'Always' and interpreted as 'Highly Efficient,' have the highest average score of 4.21. It implies that Sampaloc eateries have adopted efficient methods for order processing and customer queuing. Such a result reveals that most companies have made the management of their operations and the training of their employees a priority. Customers' views of the effectiveness of the service are greatly enhanced when the service delivery is efficient and when there are operational guidelines, especially in a fast, service setting like a quick dining establishment (Doghan and Veera, 2023).

Haider and Khan (2023) also contended that simplified and rapid front, end procedures keep customers from getting bored with the wait and, thus, increase their satisfaction. This applies to Generation Z customers, who value quick and efficient interaction above anything else. The reported data clearly shows the perceived efficiency is mainly a result of a company's internal organization and employee cooperation.

However, Item 6: Delays in service are rare received the lowest mean score of 3.89, which is categorized as 'Often' but interpreted as 'Highly Efficient.' Even though this item got a good rating, the presence of occasional delays, especially during peak hours, indicates that achieving full capacity and service reliability still requires further work. This finding is consistent with the quantitative results obtained from an analysis of queueing systems in fast food restaurants (2021) that identified unpredictable customer flow and inefficient real, time resource allocation as causes of service bottlenecks in restaurants that are otherwise successful.

Moreover, Alt (2021) pointed out that waiting time could be cut down and service could be primarily delivered in a more efficient way if digital queuing and automation systems were introduced. This means that even though service is usually done in a timely manner, businesses have room to improve their speed through data analysis to predict demand, by using flexible staffing strategies, and with the help of technology to shorten the waiting time.

**Table 6. Level of Operational Efficiency in terms of Order Accuracy**

ITEMS	MEAN	DESCRIPTION	INTERPRETATION	RANK
1. My orders are consistently accurate.	4.36	Always	Very Highly Efficient	3
2. The staff confirm orders before serving.	4.46	Always	Very Highly Efficient	1
3. Food items are served correctly as requested.	4.37	Always	Very Highly Efficient	2
4. Special requests or add-ons are handled properly.	4.30	Always	Very Highly Efficient	5
5. Order mistakes are immediately corrected.	4.24	Always	Very Highly Efficient	6
6. The restaurant maintains consistency in portion sizes.	4.10	Often	Highly Efficient	7
7. I trust the restaurant to serve my order correctly.	4.34	Always	Very Highly Efficient	4

CATEGORY MEAN	4.30	ALWAYS	VERY HIGHLY EFFICIENT
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Restaurants in Sampaloc, Manila are seen to have a very good operational control over how they handle orders, which implies that customers can have their orders accurate and trust the restaurant's procedures. Table 9 displays the evaluations of the respondents on order accuracy, which reached a category mean of 4.30, category 'Always,' and interpreted as 'Very Highly Efficient.'

Item 2: Staff members double, check orders with customers before serving, categorized as Always, interpreted as Very Highly Efficient, had the highest mean score (4.46). This means that restaurants decide to confirm orders as one way to prevent mistakes and to make sure that customers are satisfied. Explicit order confirmation minimizes errors, improves customer satisfaction, and builds trust, especially among young consumers who put a high value on accuracy and dependability (Doghan and Veera, 2023). To that extent, Alt (2021) found that customer satisfaction increases in eateries that implement online ordering and standard communication procedures along with order accuracy.

In contrast, Item 6: The restaurant is consistent with portion sizes was the only one to have scored the lowest with a mean of 4.10, which was still classified as Highly Efficient. As a matter of fact, most customers will get their portions in the sizes they ordered, but there might be some instances where customers could be short changed leading to a perception of poor value for money. Gonzalez et al. 2024 stated that variation in portion size is a factor that hampers consumer retention and trust especially when consumers visually get cues from menu images and rely on their previous experiences. To this point, Ryu and Nam (2023) have found that customer satisfaction and loyalty to the business are greatly influenced by the perception of portion fairness.

**Table 7. Level of Operational Efficiency in terms of Staff Professionalism**

ITEMS	MEAN	DESCRIPTION	INTERPRETATION	RANK
1. The staff are courteous and respectful to customers.	4.44	Always	Very Highly Efficient	1
2. Employees are attentive to my needs.	4.38	Always	Very Highly Efficient	2
3. The staff handle complaints appropriately.	4.29	Always	Very Highly Efficient	6
4. Employees remain professional under pressure.	4.29	Always	Very Highly Efficient	6
5. The staff are well-groomed and presentable.	4.31	Always	Very Highly Efficient	5
6. The employees communicate clearly and politely.	4.32	Always	Very Highly Efficient	4
7. The staff demonstrate teamwork and coordination.	4.37	Always	Very Highly Efficient	3
<b>CATEGORY MEAN</b>	<b>4.34</b>	<b>ALWAYS</b>	<b>VERY HIGHLY EFFICIENT</b>	

Table 7. displays the operational efficiency of staff professionalism with a category mean of 4.34, which falls under the 'Always' category, and is interpreted as 'Very Highly Efficient.' This suggests that the respondents continuously rated the staff as professional, courteous, and attentive, which are the qualities

that significantly affect customer satisfaction and perceptions among Generation Z consumers in Sampaloc.

Item 1, The staff are courteous and respectful to customers, was awarded the highest mean score (4.44) and was classified as Very Highly Efficient. This means that the perception of customers about the quality of services they experience is greatly influenced by the politeness of the service providers. Rachmawati et al. 2023, state that effective communication and emotional warmth significantly contribute to customer satisfaction and encourage repeat purchasing behavior, especially among younger consumers who value personalized service. In line with this, Salazar and Martinez (2022) found that restaurant customers become more loyal when service personnel show kindness and respect.

Both products were rated as Highly Effective. However, Item 3, "The employees address conflicts constructively, " and Item 4, "Employees retain composure under pressure, " got the lowest mean score of 4.29. This shows that although complaint handling is done effectively in most cases, there is still a possibility of improving mopping up the high, pressure situations or when workers are stressed.

Doghan and Veera (2023) also explain that resolving customer complaints is a potentially effective way to ensure customer satisfaction because it gives the opportunity to confront and fix the issues that cause customers' dissatisfaction because of bad service. Moreover, Gonzalez et al (2024) suggested that putting in place staff stress relief methods may lead to smooth organizational functioning, thus affecting customer retention and lowering transaction numbers.

**Table 11: Summary of Level of Operational Efficiency**

ITEMS	MEAN	DESCRIPTION	INTERPRETATION	RANK
Service Speed	4.07	Often	Highly Efficient	3
Order Accuracy	4.30	Always	Very Highly Efficient	2
Staff Professionalism	4.34	Always	Very Highly Efficient	1
<b>OVERALL MEAN</b>	<b>4.25</b>	<b>ALWAYS</b>	<b>VERY HIGHLY EFFICIENT</b>	

Table 8. Participants' assessment of fast, food restaurants in Sampaloc, Manila. 4 averages. 25, categorized as Always, is classified as Very Highly Efficient, indicating that fast food establishments surpass in all three fundamental efficiency metrics: staff professionalism, accuracy of orders, and service speed. Meaning that the fast-food companies are performing well, and Gen Z is a good crowd.

They had the best of how their attitude was at work. It was the top of three segments. The rate it 4.34. They said that they were good. This is a clear example of how employee behaviors influence customer perceptions. Rachmawati et al (2023) noted that positive interpersonal engagement and communication, such as smiling by the staff, can greatly influence customer perception and the probability of purchase, especially among the youth. Professional communication also contributes to the person's happiness and makes the next transactions easier (Gonzalez et al., 2024).

Order accuracy was on average, customers were very specific in their orders, consistent quantities, and customization the average of this was. 4.30. In line with this, Doghan and Veera (2023) stated, "Precise guidance serves as the operational framework for consistency, thus reducing service discrepancies and optimizing customer experience. " In the same vein, Chen and Cruz (2022) pointed to order accuracy as a trust, building factor that gets customers even more during the rush hours in restaurants.

On the other hand, Service Speed was rated the lowest with a mean score of 4.07 only and thus was classified as Highly Efficient but less favorable than the remaining two categories. This means that customers may be generally satisfied with the speed of service; however, there might still be some issues in service during peak hours. Ramos and De Vera (2021) argue that the perception of service is greatly affected by the length of wait times and they also add that Generation Z consumers place great importance on the rapid and efficient service. Consequently, Leung (2022) pointed out that long waiting times can cause customers' dissatisfaction even if there are efficient staffs and quality food.

**Customer Satisfaction**

*The third research problem dealt with the level of customer satisfaction of Generation Z Consumers in terms of food quality, value for money, and ambiance and comfort.*

**Table 9. Level of Customer Satisfaction in terms of Food Quality**

ITEMS	MEAN	DESCRIPTION	INTERPRETATION	RANK
1. The food is tasty and freshly prepared.	4.36	Always	Very Highly Satisfied	1
2. The food is served at the right temperature.	4.26	Always	Very Highly Satisfied	3
3. The presentation of the food is appealing.	4.27	Always	Very Highly Satisfied	2
4. The portion sizes are sufficient for the price.	4.14	Often	Highly Satisfied	7
5. The restaurant maintains consistent food quality.	4.19	Often	Highly Satisfied	6
6. The food options match my preferences.	4.20	Often	Highly Satisfied	5
7. I am satisfied with the overall quality of the food.	4.22	Always	Very Highly Satisfied	4
<b>CATEGORY MEAN</b>	<b>4.23</b>	<b>ALWAYS</b>	<b>VERY HIGHLY SATISFIED</b>	

In Sampaloc, Manila, fast, food establishments are found to generally offer high, quality cuisine that is aligned to the preference of Generation Z consumers. This implies that satisfaction levels are high as regards the different attributes of the food such as flavor, visual appeal, and overall dining experience. The data on the customer satisfaction level regarding food quality is shown in Table 12. This has led to a category mean of 4.23, which is categorized as 'Always' and has been interpreted as 'Very Highly Satisfied'.

Item 1, The food is tasty and fresh, scored the highest average score of 4.36. It was marked as Always and Very Highly Satisfied, indicating that freshness and taste continue to be the main factors that substantially determine the enjoyment of Gen Z consumers. Chen (2022) pointed out that, especially for city eateries that are very busy, the main factor for consumer satisfaction should be the sensory appeal of the food, with a special focus on taste and freshness. In the same way, Mathew (2023) argued that if the food always meets Gen Z consumers' expectations in terms of freshness and flavor, they will create emotional connections with the brand and will, therefore, show the behavior of repeated purchasing more frequently.

In contrast, the lowest average score was 4.14 for Item 4: The portion sizes are adequate for the price,

which was rated as Often and interpreted as Highly Satisfied. Although it is still a positive response, it shows that a few customers maybe feel that the portion sizes are not always in line with the price paid. Rahman (2024) has pinpointed money worth as the main factor that keeps satisfaction going among consumers who are sensitive to costs, especially students. Backing this, Singh (2022) argued that inconsistency in portion size could lower the feeling of giving value which in turn could affect the level of satisfaction if the problem is not taken care of by the establishment.

**Table 10: Level of Customer Satisfaction in terms of Value for Money**

ITEMS	MEAN	DESCRIPTION	INTERPRETATION	RANK
1. The price is reasonable for the quality of food.	4.20	Often	Highly Satisfied	3
2. The restaurant provides good value for what I pay.	4.19	Often	Highly Satisfied	4
3. The portion size justifies the price.	4.11	Often	Highly Satisfied	7
4. Promotions and discounts make dining worthwhile.	4.21	Always	Very Highly Satisfied	2
5. The food and service quality are worth the cost.	4.17	Often	Highly Satisfied	5
6. Prices are fair compared to other restaurants.	4.15	Often	Highly Satisfied	6
7. I am satisfied with the restaurant's overall affordability.	4.22	Always	Very Highly Satisfied	1
<b>CATEGORY MEAN</b>	<b>4.18</b>	<b>OFTEN</b>	<b>HIGHLY SATISFIED</b>	

The respondents' assessment of value for money as shown in Table 13 led to a category mean of 4.18, which is labeled as "Often" and interpreted as "Highly Satisfied." The data reveals that Generation Z customers in Sampaloc generally believe that fast, food restaurants offer good prices in relation to the quality of food, thus providing a satisfactory dining experience in terms of cost. This indicates that the factors of cost, fairness of costs, and low costs all have an impact on the level of customer happiness. The statement "I am satisfied with the restaurant's overall affordability," which was rated as 'Always' and classified as 'Very Highly Satisfied,' attained the highest mean score of 4.22. This signifies that most Generation Z consumers view the establishments as being affordable in relation to their financial capacity. Affordability is one of the most crucial factors to determine the level of young people's consumer satisfaction, especially in cities with a considerable student population, as pointed out by Hossain (2023). In line with this, Khoo (2022) claimed that consumers would be more willing to make repeat purchases and retain brand trust if they consider the prices to be reasonable.

Conversely, even though it was classified as 'Highly Satisfied', Item 3, 'The portion size matches the price,' showed the lowest mean rating at 4.11, which points to a significantly lowered perception of value. Hence, it can be assumed that most customers might still express satisfaction with the prices,

however, changes in meal servings could be necessary. Chan (2021) argues that the link between portion size and customer expectation influences perceived value along with the price. Similarly, Ryu (2022) found that changes in portion sizes could affect consumer satisfaction and their likelihood of return visits, especially among financially limited groups such as students.

**Table 11. Level of Customer Satisfaction in terms of Ambiance and Comfort**

ITEMS	MEAN	DESCRIPTION	INTERPRETATION	RANK
1. The restaurant is clean and well-maintained.	4.35	Always	Very Highly Satisfied	1
2. The seating is comfortable and well-arranged.	4.30	Always	Very Highly Satisfied	2
3. The lighting and temperature create a relaxing atmosphere.	4.25	Always	Very Highly Satisfied	3
4. The music and noise level are appropriate.	4.13	Often	Highly Satisfied	6
5. The restaurant's layout allows comfort and movement.	4.19	Often	Highly Satisfied	7
6. The ambiance enhances my dining experience.	4.23	Always	Very Highly Satisfied	4
7. I feel relaxed and comfortable when eating here.	4.22	Always	Very Highly Satisfied	5
<b>CATEGORY MEAN</b>	<b>4.24</b>	<b>ALWAYS</b>	<b>VERY HIGHLY SATISFIED</b>	

The atmosphere in Sampaloc restaurant, as analyzed from the data presented in Table 14, is characterized by being welcoming, appealing, and comfortable. With an average category score of 4.24, which corresponds to the "always" level and hence to a very highly satisfied category, the respondents' perception of the environment and the atmosphere thus constitutes an evaluative judgment of the highest level. Consequently, the restaurant environment appears to be a major determinant of Generation Z consumers' overall satisfaction.

Item 1. The restaurant is clean, and the rating for this is 4.35. It was rated as Very Highly Satisfied and designated Always. This underscores the significance of cleanliness in creating good impressions, especially among Generation Z consumers who are safety, conscious and place cleanliness among their top criteria when choosing food service locations. To give an example, Rahim (2022) pointed out that cleanliness significantly influences the emotional well-being of younger consumers and thus their return rates, while Nair (2023) indicated that sanitation and hygiene have become the leading factors of customer satisfaction in the post-pandemic era.

In contrast, the fourth item, "The music and noise are appropriate," scored an average of 4.13, which is in the "Highly Satisfied" range. This answer is still good, but it shows that there was a difference between the expected and the actual experience in terms of music and noise levels. Kim (2023) noted that ambient sound controls like volume and playlist selection affect ambiance and the overall dining experience, whereas Faisal (2021) found that an excess of noise causes a bad mood and lowers satisfaction.

**Table 12: Summary of Level of Customer Satisfaction**

ITEMS	MEAN	DESCRIPTION	INTERPRETATION	RANK
Food Quality	4.23	Always	Very Highly Efficient	2
Value for Money	4.18	Often	Highly Efficient	3
Ambiance and Comfort	4.24	Always	Very Highly Efficient	1
OVERALL MEAN EFFICIENT	4.22	ALWAYS	VERY HIGHLY	

Table 12 depicts the overall satisfaction level of Generation Z consumers in Sampaloc, Manila. The total mean score of 4.22 which is categorized as Very Highly Satisfied and represented as Always, shows that respondents have consistently reported high levels of satisfaction in all three domains that were evaluated: ambiance and comfort, value for money, and food quality.

Mean score: 4.23 (very highly satisfied, always). At a minimum, the respondents thus signify that they have uniformly experienced the aspects of preparation, taste, and freshness of the food, hence these quality benchmarks are confirmed to be maintained at the level of 4.23. Lim (2021) noted that food quality has a significant impact on customer satisfaction because taste, visual presentation, and temperature are the most important factors in satisfying consumers. Similarly, Faisal (2021) found that maintaining good food quality will lead to a higher level of confidence restaurant patrons, especially the younger demographic.

Ambiance & Comfort 4.24 AVGS, Very Highly Satisfied Always. Good lighting, low noise level, cleanliness, and comfortable seats are the essentials for an enjoyable meal experience. On the other hand, Rahim (2022) pointed out that when a restaurant's environment is clean and well-maintained, customers not only stay longer but also become loyal. Similarly, Nair (2023) also suggests that the ambiance has a significant impact on a person's emotional well-being and people will feel that their time is worth it.

Value for Money was rated, on average, at 4.18, corresponding to 'Highly Satisfied' or 'Often,' meaning that consumers mostly find the prices satisfactory. However, they still express concerns about the cost, too, quality ratio of the food, the quantity provided, and overall consumer satisfaction. Ong (2024) indicates that Generation Z shoppers are a cost-conscious group and frequently decide affordability, e.g., discounts, larger portions, and consistent quality, as their primary factor. To further this claim, Faisal (2021) found that customers may become hostile if they feel they are paying a lot without getting equivalent value.

In addition, our information processing reveals that Sampaloc inhabitants have access to fast food meals that are locally available and can satisfy their needs; however, pricing transparency and marketing efforts might be improved to create a higher level of consumer value perception. Yet, as food and environment quality greatly affect Gen Z's happiness and loyalty as customers, these must be prioritized.

### Customer Loyalty

*The fourth research problem dealt with the level of customer loyalty of Generation Z Consumers in terms of repeat intention, word-of-mouth, and preference.*

**Table 13. Level of Customer Loyalty in terms of Repeat Intention**

ITEMS	MEAN	DESCRIPTI ON	INTERPRETATIO N	RANK
1. I intend to dine here again in the future.	4.26	Always	Very Highly Loyal	1
2. I often choose this restaurant when eating out.	4.18	Often	Highly Loyal	3
3. I visit this restaurant regularly.	4.05	Often	Highly Loyal	5
4. I will continue to dine here even if new restaurants open.	4.07	Often	Highly Loyal	4
5. I am loyal to this restaurant.	3.95	Often	Highly Loyal	7
6. This restaurant remains my top choice for dining.	4.03	Often	Highly Loyal	2
7. I rarely switch to other restaurants.	3.97	Often	Highly Loyal	6
<b>CATEGORY MEAN</b>	<b>4.07</b>	<b>OFTEN</b>	<b>HIGHLY LOYAL</b>	

Customer loyalty measured by repeat intention is shown in Table 16, with an average category score of 4.07, labeled as Often and interpreted as Highly Loyal. The information reveals that Gen Z consumers in Sampaloc, Manila, are a restaurant for the loyal, which means that they are more likely to revisit and engage with the restaurant again.

As a result, fast, food and casual dining restaurants are the ones that most often succeed in gaining a high return rate of customers, which is the main factor that ensures steady revenue and brand survival in the long run.

I plan to eat here again in the future, had a mean score of 4.26. Descriptive term: Always (interpreted as Very Highly Loyal). This can be seen as an indication of positive behavioral intentions, such as the probability of re-visiting certain establishments based on previous experiences. Repeat intention is acknowledged as the main factor to consumer loyalty, as stated by Purnami and Nurcaya (2025), who also found that regular satisfaction with both the environment and food quality greatly elevates the repurchase probability. According to Weti and Osorno (2025), repetitive business in Philippine casual dining establishments is primarily driven by the emotional affinity, hygiene, and consistent service, which together contribute the loyalty and trust that strengthen over time.

On the other hand, the statement "I rarely switch to other restaurants" or item 7 recorded the lowest mean score of 3.97, which is still classified as "Highly Loyal." The finding reveals that customers may show a preference for the restaurant, but they are not completely exclusive to the restaurant and would still consider alternatives, thereby indicating a moderate level of loyalty, especially among Gen Z consumers who are inclined to prioritize value and variety. According to the study by Purnami and Nurcaya (2025) which was submitted, numerous Gen Z consumers are brand switchers when they get better discounts, atmospheres, or prices. In the same vein, Weti and Osorno (2025) mentioned that loyalty in the restaurant industry should not be considered as a permanent feature that is gained once and maintained, but rather one that needs to be continuously supported through customer engagement strategies, new service provision, and personalized promotions.

**Table 14. Level of Customer Loyalty in terms of Word of Mouth**

ITEMS	MEAN	DESCRIPTIO	INTERPRETATION	RANK
1. I recommend this restaurant to my friends and family.	4.33	Always	Very Highly Loyal	1
2. I share my positive experiences with others.	4.33	Always	Very Highly Loyal	1
3. I post reviews or photos about this restaurant online.	3.95	Always	Very Highly Loyal	5
4. I encourage others to visit this restaurant.	4.17	Often	Highly Loyal	2
5. I tell others about the restaurant's good service.	4.14	Often	Highly Loyal	3
6. I am proud to recommend this restaurant.	4.13	Often	Highly Loyal	4
7. My peers know this restaurant through my recommendation.	4.13	Often	Highly Loyal	4
<b>CATEGORY MEAN</b>	<b>4.17</b>	<b>OFTEN</b>	<b>HIGHLY LOYAL</b>	

The respondents' views about customer loyalty through word of mouth are shown in Table 17 with a category mean of 4.17 that is described as Often and interpreted as Highly Loyal. It means that Z generation consumers in Sampaloc, Manila, are very likely to recommend restaurants to their friends and family that is a clear indication that their experiences are positive enough to be shared not only in person but also through digital channels like reviews, photographs, and posts.

As a result, word, of, mouth loyalty, which is the most instrumental in providing free advertising and enhancing brand reputation and customer attraction, should be highly valued.

"Item 1: I would recommend this restaurant to my friends and family, " and "Item 2: I share my good experiences with others, " both had the highest mean score of 4.33 which was interpreted as Very Highly Loyal and described as Always. This information indicates that customers are personally engaging in recommending the restaurant, which is considered one of the most powerful customers, to, customer recommendation methods. Alshurideh et al. (2023) argue that recommendations from familiar people are more effective than ads in influencing consumer behavior and creating trust. Similar to this, Halim and Yahya (2024) found that Generation Z consumers, especially in urban areas, rely a lot on social proof and peer validation when choosing restaurants, which means that positive experiences lead to recommendations and continuous patronage."

Conversely, Item 3: I post reviews or photos about this restaurant online had a mean score of 3.95, pointing towards an interpretation of Very Highly Loyal. It indicates that customers are very likely to recommend restaurants through word, of, mouth communication but might show lower levels of posting online reviews. This could be due to privacy considerations or the perception of effort associated with sharing online. Cheng et al. (2023), eateries providing visual appeal, notably, appealing decor, innovative plate presentation, and a visually engaging ambiance, experience a significant increase in digital word,

of, mouth. Besides that, Purnami and Nurcaya (2025) found that when a restaurant offers distinctive experiences or elevated emotional engagement like exclusive menu offers or tailored services, Generation Z consumers become more inclined to generate reviews.

**Table 15. Level of Customer Loyalty in terms of Preference**

ITEMS	MEAN	DESCRIPTIO N	INTERPRETATION	RANK
1. I prefer this restaurant over others.	4.09	Often	Highly Loyal	1
2. The restaurant matches my dining lifestyle.	4.05	Often	Highly Loyal	2
3. I feel emotionally connected to this restaurant.	3.93	Often	Highly Loyal	6
4. I will stay loyal even if prices increase slightly.	3.93	Often	Highly Loyal	6
5. This restaurant is always my first choice.	3.94	Often	Highly Loyal	5
6. I find this restaurant more reliable than others.	4.02	Often	Highly Loyal	3
7. I will continue to patronize this restaurant long-term.	3.99	Often	Highly Loyal	4
<b>CATEGORY MEAN</b>	<b>3.99</b>	<b>OFTEN</b>	<b>HIGHLY LOYAL</b>	

Table 15, Summary: This table shows the frequency with which respondents chose certain restaurants as their favorites. The average rating was 3.99 and the choices were categorized as Frequently and Highly Loyal. To sum up, the data point to Gen Z consumers in Sampaloc, Manila, as being loyal and trustworthy, which may mean that they will go to the same restaurants regularly. Yet, the idea of customer loyalty still applies in very competitive sectors like the hospitality industry where keeping customers is difficult.

Table 1. The statement "I like this restaurant better than any other" got the highest average score of 4.09 and was uttered a lot, showing that the speaker was particularly emphatic in this regard. This illustrates that the customer chooses the business over other competitors, thus giving the business a competitive advantage in its products or services. Jati and Sari (2024) emphasized that reliability and service consistency were the main factors that influenced brand selection, especially among Generation Z consumers who highly regard accessibility and familiarity. According to Cheng et al. (2023), the company can create a unique brand and build a connection with the social identities and lifestyles of the target market if it so wishes.

Table 3, This is one of the restaurants that I love very much, but still in the category Often Which is Highly Loyal, this sentence had the lowest score with a 3.93 average score. This lowest scoring sentence, with an average score of 3.93, reflects a situation where the emotion of connection is less strong, even though the overall preference and confidence of customers in the establishment are high. The emotional connection is less pronounced; a functional preference is implied. Weti and Osorno (2025) suggest that Gen Z consumers demonstrate loyalty that is not stable, which can be defined as a

consumer's loyalty to a product or service being dependent on factors such as continued value, accessibility, and satisfaction. On the other hand, Purnami and Nurcaya (2025) found that companies which use storytelling, personal interaction, and experiential marketing elements that may be missing in Sampaloc establishments can create emotional bonds.

**Table 16. Summary of Level of Customer Loyalty**

ITEMS	MEAN	DESCRIPTION	INTERPRETATION	RANK
Repeat Intention	4.07	Often	Highly Efficient	2
Word of Mouth	4.17	Often	Highly Efficient	1
Preference	3.99	Often	Highly Efficient	3
OVERALL MEAN	4.22	OFTEN	HIGHLY EFFICIENT	

Customer Loyalty Summary a mean score of 4.22 corresponds to a frequency of use classification of 'Often' and a loyalty level of 'Highly Loyal.' Statistically, the data show that Gen Z customers in Sampaloc, Manila, are very loyal to a few restaurants. This is supported by their frequent visits, high probability of recommending these restaurants to friends, and strong intention to keep patronizing them. The score for Repeat Intention, which was the focus of the measurement, reached 4.07 on average and was also categorized as Highly Loyal, thus, implying that most habitual visits are expected to be maintained and to return for future meals. Moreover, repeat intention consistently related to meal quality, ambience, and service standards has been identified as one of the most reliable indicators of loyalty by Purnami and Nurcaya (2025). In addition, Weti and Osorno (2025) point out that Gen Z customers' desire to dine again at casual restaurants depends on their emotional reliance and perceived reliability, which, in turn, can have a direct impact on the sustainability of revenue.

Word, of, Mouth was the dimension that went closest to "Highly Loyal" with a mean value of 4.17. It means that customers will bring new customers to the business, tell others about their good experiences on the Internet, and make a positive note in different ways. Hasan and Islam (2024) highlight that word, of, mouth promotion is the main factor that elevates a restaurant's reputation among Generation Z and other digital natives who are the most trustful of online reviews and peer suggestions. Jati and Sari (2024) emphasize that word, of, mouth communication be a highly effective marketing weapon that promotes customer loyalty and brand recognition, which in turn makes the growth of the customer base through the restaurant's recommendation an issue of no doubt.

Preference had the lowest average score of 3.99 out of 5, which still falls under the "Highly Loyal" category. Customers certainly like the restaurant; however, they may consider going elsewhere if they find more attractive discounts. Correspondingly, Cheng et al. (2023) found that Generation Z is loyal to a restaurant only in a situation where the restaurant consistently offers value, stays innovative, and provides a satisfactory dining experience. Moreover, Purnami and Nurcaya (2025) emphasized that loyalty in the long run, especially in such competitive urban markets, is the result of more profound emotional engagement and meaningful interactions with customers.

**Significant Relationship**

The fifth, six and seven problems dealt with the relationship among the variables of operational efficiency, customer satisfaction and customer loyalty among the Generation Z of Sampaloc, Manila.

**Table 17. Relationship between the Operational Efficiency and Customer Satisfaction**

Model	B	SE B	$\beta$	t	p
(Constant)	1.089	0.152	—	7.186	< .001
<b>Operational Efficiency</b>	0.738	0.035	0.722	20.798	< .001

Dependent Variable: **Customer Satisfaction**

Note.  $R = .722$ ,  $R^2 = .521$ , Adjusted  $R^2 = .520$ ,  $F(1, 148) = 432.55$ ,  $p < .001$ .

Table 17 displays the results of a simple linear regression that assesses the correlation between customer satisfaction and operational effectiveness. The R value of .722 in the analysis indicates a strong positive relationship between the two variables. Consequently, the R<sup>2</sup> value of .521 communicates that operational efficiency accounts for 52.1 of the change in customer satisfaction. This large positive impact is consistent with the operational efficiency regression coefficient ( $B = 0.738$ ,  $\beta = 0.722$ ) and the statistical significance of the correlation is indicated by the t, value of 20.798,  $p < .001$ . The findings show that operational efficiency is a significant factor in customer satisfaction of Generation Z consumers in Sampaloc, Manila. Therefore, the null hypothesis ( $H_0$ ) is rejected.

This shows that most of the increased customer satisfaction comes from the optimal service delivery. This is in line with the Service, Dominant Logic paradigm (SDL) by Vargo and Lusch (2021), who claim that value is co, created through the continuous interactions between service providers and clients. Restaurants. Value is efficiently created internally, but it is the consumer's recognition of that value which is represented by satisfaction. Besides, the Generation Z consumers may be deeply engaged in the value co, creation process through virtual involvement, social media usage, and feedback channels (Dwivedi et al., 2023). By collaborative and engaging value creation, customer satisfaction increases when diners receive their anticipated experiences from restaurants. Moreover, this has significant management implications; restaurant owners ought to treat operational excellence as a customer factor that can lead to success or failure, besides being an internal performance goal. By making the processes more efficient, ensuring that orders are accurate, and that interactions are respectful, customer satisfaction can be elevated, thus, there is a possibility of repeat business. Thus, operational efficiency acts as a crucial factor of customer satisfaction in Gen Z, driven urban markets, which consequently leads to repeat business and the long, term sustainability of restaurants.

**Table 18. Relationship between the Customer Satisfaction and Customer Loyalty**

Model	B	SE B	$\beta$	t	p
(Constant)	0.344	0.171	—	2.018	0.044
<b>Customer Satisfaction</b>	0.886	0.04	0.742	22.068	< .001

Dependent Variable: **Customer Loyalty**

Note.  $R = .742$ ,  $R^2 = .550$ , Adjusted  $R^2 = .549$ ,  $F(1, 148) = 486.99$ ,  $p < .001$ .

The findings from the simple linear regression analysis, which aimed to examine the effect of customer satisfaction on customer loyalty among Generation Z individuals in Sampaloc, Manila, are summarized in Table 21. A high, statistically significant correlation was found between customer happiness and customer satisfaction, with  $R = .742$ . Moreover, the R<sup>2</sup> of .550 indicates that customer satisfaction

explains 55.0 of the change in loyalty, which is a considerable predictive power. The Adjusted R2 (. 549) has also been used to confirm the model's validity and reliability further.

Regression coefficient for customer satisfaction (B = 0. 886) shows that customer loyalty will go up by 0. 886 units for every one unit increase in customer satisfaction. Similarly, the standardized beta coefficient (= . 742) also indicates a large effect size which is supported by the t, value of 22. 068, p < . 001. Hence, the decision was made that the main factor that influenced customer loyalty of Gen Z customers in Sampaloc was customer satisfaction, and thus the null hypothesis Ho2 was rejected.

According to Choi & Kandampully (2022), the CESL Model of Customer Experience, Satisfaction, Loyalty is a welcoming atmosphere, and approachable staff leading to emotional fulfillment, which eventually behavioral loyalty in the form of repeat business and recommendation to others. For instance, in this study, customer retention through satisfaction was presented as a key psychological motivator. In addition, the outcomes correspond to those of Wang et al. (2023), suggesting that the lack of satisfaction as an intermediate emotional factor leads to the failure of loyalty.

As a result, the verdict is that consumers are attracted by experience rather than transaction Gen Z is a perfect example of that because they value consistent service and emotional connection with their service provider. Finally, the regression analysis serves as a confirmation of both theoretical and practical utility for restaurant managers who want to retain customers for a longer period by prioritizing satisfaction as a main factor that influences repeated patronage.

**Table 19. Relationship between the Operational Efficiency and Customer Loyalty**

Model	B	SE B	$\beta$	t	p
(Constant)	0.96	0.209	—	4.602	< .001
<b>Operational Efficiency</b>	0.736	0.049	0.603	15.072	< .001

Dependent Variable: **Customer Loyalty**

Note. R = .603, R<sup>2</sup> = .363, Adjusted R<sup>2</sup> = .362, F (1, 148) = 227.17, p < .001.

Table 19 displays the regression analysis outcomes of the relationship between customer loyalty and operational efficiency of the Gen Z consumers in Sampaloc, Manila. The analysis's R value of .603 indicated a moderate positive correlation between the variables. In addition, the Adjusted R2 (.362) indicates the model's reliability, and the R2 of .363 shows that operational efficiency accounts for 36.3% of the variation in customer loyalty. This means that customer loyalty, which is the main driver, is largely induced by efficiency, although other functional factors may also be at play.

Moreover, the regression coefficient (B 0.736) points to a 0.736 increase in customer loyalty for every unit increase in operational efficiency. The standardized beta coefficient (= .603) thus, a large effect size is witnessed, and the t, value of 15.072 with p < .001 provides statistical significance for this effect. Therefore, the null hypothesis (Ho3) is rejected, and it is thus concluded that the Gen Z customers' loyalty is significantly impacted by the effectiveness of operations. In other words, customers will be more likely to revisit, recommend the establishment, and create long term loyalty if restaurants deliver accurate orders, operate efficiently, and show courteous customer service.

The Stimulus, Organism, Response (S, O, R) Model, is a model in which operational efficiency is a function. It is visualized as a stimulus (S) that affects consumers' cognitive evaluations and satisfaction (O), thus leading to consumer behavioral loyalty responses (R). This statement is largely supported. In their study, Xu et al. (2021) indicated that upon clients enjoying a reliable and efficient service, loyalty

actions follow. Besides that, Kim et al. (2022) in their study, mentioned that Generation Z consumers are very sensitive to service delivery and react accordingly i.e. they decide whether they will return or switch to a competitor. As a result, the information presented in Table 22 serves as evidence for Hypotheses 2 and 3, which suggest that operational effectiveness has a direct and positive impact on patron loyalty. This, therefore, implies that operational efficiency plays the most significant role in restaurant success.

**Table 20. Regression Results for the Mediation Effect of Customer Satisfaction on the Relationship Between Operational Efficiency and Customer Loyalty**

Regression Model	Predictor	$\beta$ (Standardized)	t-value	P-value	Mediation Path
<b>Model 1:</b> DV = Customer Satisfaction	Operational Efficiency	0.722	20.8	< .001	Path a
<b>Model 2:</b> DV = Customer Loyalty (Total Effect)	Operational Efficiency	0.603	15.07	< .001	Path c (Total Effect)
<b>Model 3:</b> DV = Customer Loyalty (Direct + Mediator) **	Operational Efficiency	0.141	2.93	0.004	Path c' (Direct Effect)
	Customer Satisfaction	0.64	13.31	< .001	Path b (Mediator)

*Note.* DV = Dependent Variable. Significant mediation is indicated by the reduction of  $\beta$  from Model 2 to Model 3, confirming partial mediation following Baron and Kenny's (1986) criteria.

A mediational analysis was conducted to examine the role of customer satisfaction as a linking variable between operational efficiency and customer retention, using the regression, based approach specified by Baron and Kenny (1986). Customer approval metrics positively correlated with operational efficiency in a statistically significant manner ( $b = .722, t = 20.80, p < .001$ ), thus confirming the hypothesis that hypothetical future approval metrics would elevate if operational efficiencies maintained their upward trajectory. The data further showed that, before the introduction of customer satisfaction, operational efficiency was the main driver of customer retention ( $=.603, t = 15.07, p < .001$ ), resulting in a significant combined effect. However, when both variables were statistically analyzed together, customer satisfaction still retained the highest prediction value for loyalty ( $=.640, t = 13.31, p < .001$ ) while operational efficiency had a lower but significant impact ( $=.141, t = 2.93, p = .004$ ). The evidence points to customer satisfaction as a major mediating factor, the direct effect dropping from  $=.603$  to  $=.141$ . Ho4: Customer satisfaction does not mediate the relationship between operational efficiency and customer loyalty is a null hypothesis which is rejected: there is an appropriate level of evidence to support the claim that customer satisfaction is a partial mediator between operational efficiency and customer loyalty among Generation Z consumers in Sampaloc, Manila.

This is a paramount operational message concerning the need to keep customer relationships going beyond just a transactional view. While it is a fact that efficiency, accuracy and consistency are inevitable factors, businesses should not neglect the emotional needs of their customers, physical comfort, engagement and individualized treatment, as the overall customer experience leads to a positive psychological association of their operational consistency with future transactions. Hence, it would be a good move to invest in employee training, process improvement and interaction standardization to achieve higher levels of customer satisfaction and loyalty. Furthermore, Gen Z values simple, intuitive

and personalized experiences and therefore, experience is just as important as efficiency. To summarize, this structural framework underlines the necessity of a customer, centric operational approach for efficient service delivery, thus creating positive experiences and retaining the loyalty of Generation Z consumers.

## CONCLUSIONS AND RECOMMENDATIONS

### Conclusion

The findings of the study revealed that most Generation Z respondents in Sampaloc, Manila were female, aged 18 to 22 years old, dined out two to three times a week, and had a monthly allowance ranging from ₱3,000 to ₱5,000. These findings suggest that Generation Z consumers in Sampaloc actively participate in the fast-food market and demonstrate consistent patronage toward preferred restaurant brands.

The level of operational efficiency among fast-food restaurants was rated as very highly efficient. Respondents perceived that orders were delivered promptly, accurately prepared, and handled by professional and courteous staff. These operational practices contributed positively to the overall dining experience of Generation Z consumers.

Customer satisfaction was likewise rated as very highly satisfied across indicators such as food quality, value for money, ambiance, and comfort. Respondents perceived meals as fresh, affordable, and satisfying, while restaurant environments were described as clean, comfortable, and conducive for dining. These findings indicate that sensory experience, affordability, and restaurant atmosphere significantly influence customer satisfaction.

Customer loyalty was rated as highly loyal, indicating a strong intention among respondents to revisit restaurants, recommend them to others, and maintain preference for specific fast-food establishments. This suggests that Generation Z consumers are likely to sustain long-term patronage when restaurants consistently provide positive dining experiences.

Furthermore, the study revealed a significant positive relationship between operational efficiency and customer satisfaction. Service speed, order accuracy, and staff professionalism were identified as key operational factors influencing customer satisfaction. Similarly, customer satisfaction demonstrated a significant positive relationship with customer loyalty, indicating that satisfied customers are more likely to engage in repeat patronage and positive word-of-mouth recommendations.

The study also found that operational efficiency directly influenced customer loyalty. Efficient restaurant operations contributed to customer retention even beyond the effects of customer satisfaction alone. Moreover, customer satisfaction significantly mediated the relationship between operational efficiency and customer loyalty, emphasizing its role as an important psychological factor that transforms efficient service delivery into sustained customer loyalty among Generation Z consumers.

### Recommendations

Based on the findings of the study, fast-food establishments in Sampaloc, Manila may strengthen operational efficiency by implementing organized queuing systems, digital ordering platforms, and adequate staffing during peak hours to minimize waiting time and improve service delivery. Restaurants may also standardize food preparation and serving procedures to ensure consistency in portion sizes, order accuracy, and overall food quality.

To improve staff professionalism, restaurant management may provide continuous customer service

training focused on communication, multitasking, and customer engagement during high-pressure situations. Incentive systems may also be introduced to encourage professionalism and maintain service quality among employees.

Restaurants are further encouraged to maintain food consistency through regular quality control procedures and careful ingredient sourcing. Dining environments may also be improved by enhancing seating arrangements, cleanliness, and ambiance to create a more comfortable and relaxing experience for students and young consumers.

To strengthen customer loyalty, restaurants may establish loyalty programs, offer seasonal menu innovations, and maintain consistent service quality to encourage repeat patronage. The use of social media marketing strategies may also help restaurants attract Generation Z consumers by promoting visually appealing food products and encouraging customers to share their dining experiences online.

Finally, restaurant managers may develop branding and marketing strategies specifically aligned with the preferences and lifestyle of Generation Z consumers. By understanding the expectations of this consumer group, fast-food establishments may improve customer satisfaction, increase loyalty, and sustain competitiveness within the highly dynamic food service industry.

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