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FACTORS AFFECTING CUSTOMER SATISFACTION IN FAMILY RESTAURANTS

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ABSTRACT

The restaurant business is one of the sectors that tries different experiments in respect to meet customer satisfaction towards delivered services. Restaurants are highly dependent on customer experience and engagement. In business cycle, customer satisfaction is the core part for the growth of an organization. The level of customer satisfaction in various time, phase, terms and conditions are changing. Better customer satisfaction helps to maintain profitability of company, goodwill of company and valuable customers. The study aimed to determine the factors affecting customer satisfaction in family restaurants. This study used descriptive quantitative research method and the respondents of the study were the customers who have experienced dining in restaurants here in Tuguegarao City. Findings revealed that majority of the respondents are within the age bracket of 17 to 21 and are female. Moreover, majority of the respondents are single. On the different factors affecting satisfaction, it showed that the respondents are strongly satisfied.

Keywords: *Factors, Customer Satisfaction, Family Restaurant, Services*

INTRODUCTION

The restaurant business is one of the sectors that tries different experiments in respect to meet customer satisfaction towards delivered services. Restaurants are highly dependent on customer experience and engagement. In business cycle, customer satisfaction is the core part for the growth of an organization. The level of customer satisfaction in various time, phase, terms and conditions are changing. Better customer satisfaction helps to maintain profitability of company, goodwill of company and valuable customers (Kotler & Keller, 2012).

As consumers are increasingly interested in higher quality food, healthier food choices, better physical eating conditions, and better customer service, the fast casual dining segment, which falls between the “quick service” and “full service” segments, has been a contemporary trend in the foodservice industry (Anderson, 2003 & Sloan, 2002; Tillotson, 2003). Approximately one-third of operators say their customers are looking for a wide range of food choices from restaurants, while 19% say customers are seeking healthy alternatives, by the National Restaurant Association’s 2008

industry outlook. However, unlike fast food restaurants, family restaurants do not need to have quick service since family restaurants offer various menu to customers with relatively cheaper price than formal dining restaurants (Khan, 1991). According to the national restaurant association (NRA), family restaurant are categorized into three: Quick service, Mid scale service, and Upscale service. Restaurants provide more amounts of food and menu choices and a casual dining atmosphere. Thus, this study focuses on family restaurants.

As restaurants became competitive in Tuguegarao City, numerous restaurants are offering healthy and delicious meals to quench the satisfaction level of valuable customers. Thus, more and more restaurants are bringing different offerings and options to fulfill the demand and needs of customers. Hence, the researchers aim to determine the different factors affecting customer satisfaction in family restaurants.

Research Objectives and Questions

The study aimed to determine the factors affecting customer satisfaction in family restaurants. Specifically, it sought to answer the following questions:

1. What is the profile of the respondents in terms of?
 - a. Age
 - b. Gender
 - c. Civil Status
2. What are the factors affecting customer satisfaction in family restaurants?
3. Is there a significant difference in the factors affecting customer satisfaction when grouped according to profile?

Hypothesis

There is no significant difference in the factors affecting customer satisfaction when grouped according to profile.

Significance of the Study

Findings of the study can be used as guide by the restaurant managers in designing and delivering the right offering and strategies on how customers will be satisfied. For the researchers, as a hotel and restaurant management student and future hotelier and restaurateur, it can help us gain more knowledge and have a good understanding on how to give good service that can have a positive effect on customer satisfaction.

Literature Review

Conceptual Framework

The single most important factor that affects customer satisfaction is employee satisfaction. Employees who feel satisfied and happy with their job naturally tend to be more helpful and considerate towards customer (Ross, 2009). Satisfaction is also determined by the presence of certain qualitative factors when in addition to solving a specific problem the buyer receives the additional value of cooperation with a company or the consumption of a product (Aggarwal, 2004). Factors affecting customer satisfaction is of worth importance in order to know the reasons or the factors which are responsible to create satisfaction among customers. Customer satisfaction is established when brand fulfills the needs and desire of customers (Anderson, 2004).

Customer Satisfaction

Customer satisfaction can be defined in terms of meeting the expectations of the customers in terms of parameters associated with satisfaction. The customer mind is a complex set of thoughts and ideas and cannot be fully predictable by human being (Malik & Ghaffor, 2012). Customer's final pleasure may have significant effect connected with atmosphere. Bodily environment is useful to produce graphic within the mind connected with customer in order to affect his own behavior. Bodily atmosphere with the dining places has the significant effect on clients' pleasure. Super, providing, routed, tunes and different various other atmospheric components are included in this effect in customer satisfaction. Complete support dining places ought to give attention to 3 elements – support good quality (responsiveness), cost, along with meals good quality (reliability) in the event customer satisfaction will be dealt with like an organizing variable (Lim, 2010). The feeling of accomplishment of inner desires is called satisfaction. Customer satisfaction has direct effect on customer loyalty. If product or service fulfills the needs and demand of a customer, he will become satisfied and will be converted to loyal customer and thus will add in customer equity of company (Zairi, 2000).

Family Restaurants

Family Restaurants are a major part of the food industry. Millions of parents look for a place where they can bring their children to get an affordable meal in a relaxed atmosphere (Russel, 2011). There is a moderately priced menu, table service and a full bar which is usually separate from the dining room in the family style restaurants. The atmosphere is usually very lively in family style restaurants but the fact that a

family style dining requires a group consensus of what to order means that picking what to eat can be a challenging task (Craven, 2015). Also, Family Restaurant classifies casual style dining. In traditional family style dining the food is served themselves. Although some family style restaurants offer a limited alcohol selection, focusing on beer and wine rather than hard liquor (Maely, 2018).

Factors Affecting Customer Satisfaction in Family Restaurants

Food Related Factors

The quality of food and fresh ingredients are the most important reason for customers to return to a restaurant (Brumback, 1998; Soriano, 2002). According to Ryu (2012) highlighting the importance of food quality as a measure for customer satisfaction in the restaurant industry proposed five aspects of food quality: The food is fresh, the food is delicious, the food is nutritious, there is variety in menu offerings and the smell of the food is enticing.

Service Quality Factors

An important factors driving satisfaction in the service environment is a service quality. Many researchers in the hospitality industry perceived service quality as a crucial issue (Kotler & Keller, 2009). Service quality in the management and marketing literature is the extent to which customers' perception of service meet and exceed their expectation (Brown & David, 2005). Service quality includes service staff which refers to the service employees in the service setting. It includes employee's appearance, the number of employees and the gender of employees. It is important to note that actual service staff interaction differs from the physical presence of service staff. More specifically, the interaction between service staff and customers are not considered as the elements of the physical environments (Tombs & McColl, 2003).

Economic Factor

As dining out becomes an important part of customers' life styles, frequent dinner customers have raised their expectations to the restaurant quality, in terms of good service and cooked food, and that's while seeking a better value for their money (Klara, 2001). The price of the items on the menu can also greatly influence customer because price has the capability of attracting or repelling them (Monroe, 1999). The majority of customer tends to frequent restaurants not only because of good food, quality service ad a pleasant service environment, but also because they feel the price they are

paying represents value for money. Value may have a different meaning to different individuals. It might be regarded as low price, or whatever the consumer wants in a product, or the quality the consumer gets for the cost or value is what the consumer gets for what they give (Yuksel, 2000)

Physical Environment Factors

Facility Aesthetics

Facility aesthetics means architectural design, interior design and décor that contribute to the attractiveness of the dining environment. Facility aesthetics can be critical in attracting and retaining restaurant customers (Cobe, 2007). Not only can it influence consumer traffic to a restaurant, but it can also affect the revenue of the restaurant. A lot of dining establishments recognize and utilize facility aesthetics to create specific restaurant themes (Barbas, 2002). For instance, P.F. Chang's China Bistro made their mark through innovative interior design and décor. Additionally, it can play a role as an important marketing tool by affecting customer responses such as attitudes, emotions, price perceptions, value perceptions, satisfaction, and behavior (Berry & Wall, 2007; Han & Ryu, 2009; Kim & Moon, 2009; Liu & Jang, 2009; Pullman & Gross, 2004; Pullman & Robson, 2007; Ryu & Jang, 2007). For instance, once inside the dining area, customers often spend hours observing (consciously and unconsciously) the interior of the dining area. These evaluations are likely to affect their attitudes towards the restaurant. In addition to the appeal of the dining area's architectural design, customers may be influenced by the color schemes of the dining area, such as those adorning its walls and floor coverings. Other aspects of interior design, including furniture, pictures/paintings, plants/flowers, or wall decorations may serve to enhance the perceived quality of dining environments, eliciting emotions in a customer and influencing behavior. (Ryu & Jang, 2008) found that facility aesthetics was a significant antecedent of customers' pleasure, arousal and behavioral intention in an upscale restaurant context.

Ambience & Lighting

Ambient elements are intangible background characteristics (e.g., music, scent, temperature) that tend to affect the non-visual senses and may have a subconscious effect on customers. Previous studies have found that atmospheric music can (1) affect customer perceptions of business places (Mattila & Wirtz, 2001); (2) elicit emotions (Ryu & Jang, 2007); (3) influence customer satisfaction and relaxation (Magnini & Parker, 2009; Oakes, 2003); (4) amend consumer perceptions of brand personality (Magnini & Parker, 2009); (5) influence buyer/seller interaction (Magnini & Parker, 2009); (6)

enhance employee productivity (Magnini & Parker, 2009); and (7) increase sales (Magnini & Parker, 2009; Mattila & Wirtz, 2001). Moreover, the influence of pleasant scents as a powerful tool to increase sales has gained much attention in retail businesses (Chebat & Michon, 2003). It is also suggested that ambient scent might also influence a consumer's mood, emotion, or subjective feeling state (Chebat, 2009). (Ryu & Jang, 2007) revealed that ambience had significant effects on the level of customer pleasure. (Kim and Moon, 2009) further found that ambient conditions have the highest association with perceived service quality and the second highest correlation with pleasure/feeling. There is a relationship between lighting levels and individuals' emotional responses and approach-avoidance behaviors. Some showed that subjects had a more positive affect in conditions of low levels of lighting compared to high levels of lighting. The level of comfort was increased at relatively low levels of light, while comfort decreased as levels of light rose. In addition, higher levels of illumination are associated with increased physiological arousal. As Walter & Edvardsson (2012) stated in their research, in the physical environment there are present one sided unfavorable drivers meaning that elements that are missing from the physical environment are perceived as negative experience while present in the environment those elements rarely or never create extreme positive experience, for example bad lightning will be noticed and mentioned as a complaint but a good lightning will rarely be mentioned as a compliment from customers view.

Layout & Table Settings

Spatial layout refers to the way in which objects (e.g., machinery, equipment, and furnishings) are arranged within the environment. Just as the layout in discount stores facilitates the fulfillment of functional or utilitarian needs, an interesting and effective layout can also facilitate fulfillment of pleasure or hedonic needs (Ryu & Jang, 2008). Spatial layout that makes people feel constricted may have a direct effect on customer quality perceptions, excitement levels, and, indirectly, on their desire to return. The locations of tables in restaurants have a tremendous impact on the overall experience of a customer. Table placement has the ability to transmit a sense of privacy, portray the functionality desired, and operate as a boundary for the customer (Lin, 2004). Ryu & Jang (2008) revealed that layout was a significant determinant of the level of pleasure in an upscale restaurant context. Dining atmosphere has shown to have a big influence on customer's positive and negative experiences and perceived value, that later on affected customer if it will become repeat customer or look for other restaurant options (Liu & Jang, 2009). Table settings should be an important element of atmosphere in upscale restaurant setting. Upscale restaurants should be designed to deliver a prestigious image to attract upper-class customers.

For instance, high quality flatware, china, glassware, and linen can be effective tools to influence customers' perceptions of overall restaurant service quality. The way in which the table is decorated (e.g., an attractive candle and flowers on the table) can also make customers feel that they are in a prestigious environment. Even though this dimension has been largely ignored in the hospitality literature, probably because it is unique and valid only to upscale restaurants, table setting is assumed to affect diners' cognitive and affective (emotions) responses, which in turn influence customer behavior (Ryu & Han, 2011).

Research Paradigm

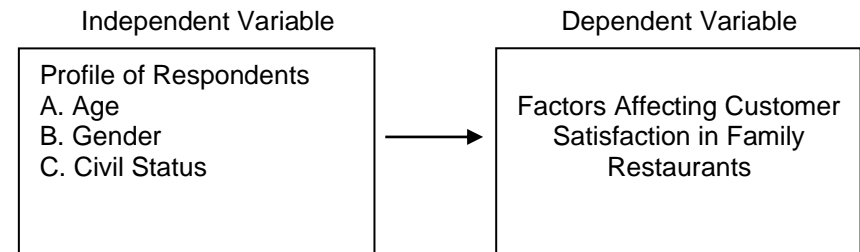


Figure 1 Paradigm of the study

The paradigm shows the independent variable which is the profile of the respondents that may affect the dependent variable which is the factors affecting customer satisfaction in family restaurants.

METHODS

This study used descriptive quantitative research method. This study was conducted in Tuguegarao City. The respondents of the study were the customers who have experienced dining in restaurants here in Tuguegarao City. Self-made questionnaire was utilized in the study. It consisted of two parts. Part 1 gathered data on the profile of the respondents and part 2 was on the different factors affecting customer satisfaction. Permission to conduct the study was obtained from the Academic Dean and VP for Academics. Since the tool is researcher made, questionnaire pilot testing was conducted to test its reliability. After the test of reliability, the tool was administered when tested to be reliable. The informed consent of the respondents was also obtained. After which, questionnaires were distributed, retrieved and analyzed. The data gathered on profile were analyzed using frequency and percentage and weighted mean for the factors affecting customer satisfaction in family restaurant. The significant difference in the factors affecting

customer satisfaction when grouped according to profile, T-test and ANOVA were used.

RESULTS

Table 1. Profile of the Respondents

Profile Variables	Frequency	Percent
Gender		
Female	57	57.0
Male	43	43.0
Total	100	100.0
Age		
17 - 24	56	56.0
25 – 32	27	27.0
33 – 40	6	6.0
41 – 48	7	7.0
49+	4	4.0
Total	100	100.0
Civil Status		
Single	70	70.0
Married	30	30.0
Total	100	100.0

The table reveals that majority of the respondents are within the age bracket 17 to 21 and female. Moreover, majority of the respondents are single.

Table 2. Factors Affecting Customer Satisfaction in Family Restaurant

Factors	Weighted Mean	Descriptive Value
1. Food Related Factors	3.67	Highly Satisfied
2. Service Quality Factors	3.58	Highly Satisfied
3. Economic Factors	3.59	Highly Satisfied
4a. Physical Factors-Facility Aesthetics	3.48	Highly Satisfied
4b. Physical Factors-Ambience and Lighting	3.55	Highly Satisfied
4c. Physical Factors-Layout and Table Setting	3.50	Highly Satisfied
Over-All Weighted Mean	3.59	Highly Satisfied

Legend:

3.26-4.00	Highly Satisfied
2.51-3.25	Moderately Satisfied
1.76-2.50	Satisfied
1.00-1.75	Slightly Satisfied

It can be seen in the table that respondents are highly satisfied on the different factors affecting their satisfaction such as food-related factors, service quality factors, economic factors and physical factors.

Table 3a. Test of Significant Difference in the Factors Affecting Customer Satisfaction in Family Restaurant when Grouped according to Age

Factors	F Value	P-Value	Decision
Food Related Factors	.223	.925	Accept Ho
Service Quality Factors	1.777	.140	Accept Ho
Economic Factors	1.706	.155	Accept Ho
Physical Factors	1.061	.380	Accept Ho

The table shows that there is no significant difference in the factors affecting customer satisfaction when grouped according to age since the p-value is greater than 0.05 level of significance. Thus, the hypothesis is accepted

Table 3b. Test of Significant Difference in the Factors Affecting Customer Satisfaction in Family Restaurant when Grouped according to Gender

Factors	T-Value	P-Value	Decision
Food Related Factors	-.165	.869	Accept Ho
Service Quality Factors	.065	.948	Accept Ho
Economic Factors	-.167	.868	Accept Ho
Physical Factors	1.202	.232	Accept Ho

The table shows that there is no significant difference in the factors affecting customer satisfaction when grouped according to gender since the p-value is greater than 0.05 level of significance. Thus, the hypothesis is accepted.

Table 3c. Test of Significant Difference in the Factors Affecting Customer Satisfaction in Family Restaurant when Grouped according to Civil Status

Factors	T-Value	P-Value	Decision
Food Related Factors	1.481	.227	Accept Ho
Service Quality Factors	.223	.638	Accept Ho
Economic Factors	.688	.409	Accept Ho
Physical Factors	.696	.406	Accept Ho

The table shows that there is no significant difference in the factors affecting customer satisfaction when grouped according to civil status since the p-value is greater than 0.05 level of significance. Thus, the acceptance of null hypothesis.

DISCUSSION

Findings revealed that majority of the respondents are within the age bracket of 17 to 24 and are female. Moreover, majority of the respondents are single. The study revealed that food related factors such as fresh ingredients and food, design and variety of the menu, nutrient content of the food, taste of the dish and enticing smell of the food strongly affect the satisfaction of respondents in family restaurants. The quality of food and fresh ingredients are the most important reason for customers to return to a restaurant. Once a customer is satisfied on the food that the restaurant serves, they would not only be satisfied but also would become brand ambassador; they will advertise the restaurant to their friends or relatives that will add up to customer equity of the restaurant. Product quality has same importance in restaurant industry as like service quality. The more reliable you are in terms of your product quality, the more customers will be satisfied with your product (Brumback & Sorino, 2002).

On the other hand, on service quality factors, employee appearance, number of the employees, hospitable employees, uniformity of the employees, physical appearance of the staffs, good service, speed of service, service staff interactions, politeness of employees, accuracy in taking orders and suggestive up selling of the employees strongly affect the satisfaction of respondents in family restaurants. Great customer service is very important as it will make customer feel comfortable. Excellent customer service will usually lead to satisfied customer. Everything good that happens in a restaurant will be because of the employees. The researcher found that greater you give service as per customer requirement or need, greater will be the level of satisfaction and vice versa (Mccoll-Kennedy & Schneider, 2000).

Meanwhile, in terms of economic factors, reasonable price and price affordability strongly affect the satisfaction of respondents in family restaurants. Price has a significant role in selecting a product. Customer expectations and price should be in accordance with each other. The Price of the food must compliment the taste and appearance of the food because if the price of the food is expensive, customer may very well expect premium quality. For company point of view, price is a reward or value given in return of need fulfillment to company. Perceived customer expectations and price should be in accordance with each other (Bowen & David, 2005).

Lastly, in terms of physical environment factors, architectural design, ambiance and lighting and layout and table setting strongly affects the satisfaction of respondents in family restaurants. First impressions are vital when creating a good looking restaurant and good atmosphere for guest satisfaction. Also, having a good ambiance can make a customer/guest be comfortable in dining in a restaurant. Appealing lighting and ambiance influences a customer on where to dine. The perfect amount of lighting in a restaurant is perfect for reading a menu. The actual physical measurements of the organization attracting or even deterring assortment, actual physical layout of the organization can also influence the amount associated with accomplishment consumers attain after within (Darley & Gilbert, 1985). This involves research about the “ambiance” which is “artificial environment” and also how it influences both clients and also workers within the program process (Cobe, 2007).

In addition, there is no significant difference in the factors affecting customer satisfaction when grouped according to age, gender and civil status. This means that the factors affecting the satisfaction of customers in family restaurant is the same regardless of their profile. Lastly, with the findings of the study, it is recommended that restaurant managers and/or managers must maintain their services. Moreover, they should also offer the same quality of services to their customers regardless whether they are young or old, female or male and single or married.

CONCLUSION

With the results of the study, it can be concluded that factors such as food related factors, service quality factors, economic factors in terms of cost/value, physical environment factors in terms of facility aesthetics strongly affect the satisfaction of customers in family restaurant. Moreover, it can also be concluded that factors affecting the satisfaction of customers in family restaurant is not associated to their age, gender and civil status. This means that the factors affecting the satisfaction of customers in family restaurant is the same regardless of their profile.

RECOMMENDATION

With the findings of the study, it is recommended that restaurant owners and/or managers must maintain or look for ways on how to improve the good quality of their food, the good services and appearance of their employees, affordable and worthy cost/value of their food and the pleasing physical environment of their establishment in terms of its architectural design, ambiance, lighting, layout, and table setting because these are all considered as factors affecting customer satisfaction. For further study, future researchers can conduct parallel study with additional profile variables and other possible factors and with a wider scope to strengthen it so that it could be added to the body of knowledge involved thereafter. Future researchers can also conduct the study in other locale.

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LIVED EXPERIENCES OF INFORMAL ECONOMY VENDORS IN CAUAYAN CITY

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ABSTRACT

The pervasiveness of informal economy, that is, activities that are legal in nature but do not follow the formalities established by the authority, is a normal and tacitly accepted enterprise in Cauayan City. This study aimed to uncover the lived experiences of the vendors within the context of informal economy in Cauayan City. The study employed descriptive-qualitative research design. The data were gathered through interview and were analyzed using thematic analysis. Findings of the study showed that sidewalk or mobile vending in the city is a survival strategy to cope with poverty. Nevertheless, their operations in the city are not codified by a separate ordinance defining efficient and effective management of their activities. There are nonetheless other ordinances in which the vendors are affected like the sanitation and garbage policies where they contribute to the Internal Revenue Allotment (IRA) of the City. Finally, the lived experience of the vendors reveal that being a vendor is not just a job but it is their adaption to the challenging economic life that they have. Engaging in this type of work is decent, ethical and legal as the city government as well as the public recognize its existence and operations.

Keywords: *Informal economy, lived experiences, Local Government Unit (LGU), Cauayan City*

INTRODUCTION

There are two ways to conduct operations in the economy: formally and informally. The activities that occur outside the legal framework are considered informal. The activities conducted informally are of legal nature, but they are conducted without following the formalities established by the official legal framework. However, it is now widely accepted that informal economic activities constitute a key source of income earnings as a means of survival for poor families or for low-income earners. They are characterized by ease to entry, low-resource base family ownership, labor intensive, adaptive technology, and informal processes for acquiring skills. Some occur in the rural or urban areas, in developed countries or in developing countries; some are performed by people earning an income below the minimum wage; some are performed by people earning an income above the minimum wage. Those unrecorded activities bring about benefits to the economy. This can pose disadvantages to firms since they may be subject to government