

**Impact of Internal Atmosphere on Customer Loyalty in Franchise Fast Food Industry: Mediating Effect of Customer Satisfaction with Special Reference to Western Province Residence in Sri Lanka**

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Over the past decade, franchise fast food restaurants in Sri Lanka have experienced significant growth, now generating nearly 100 million in profits. To sustain customer loyalty, these restaurants strive to achieve high levels of customer satisfaction. Amid the current economic crisis, people increasingly prefer consuming fast foods over preparing meals at home. This article aims to analyze how the internal atmosphere within the franchise fast food industry affects customer loyalty, while examining the mediating role of customer satisfaction, specifically in the Western Province of Sri Lanka. The study employed a deductive approach, grounded in existing literature, and data was collected from 254 respondents through an online survey. The findings demonstrate a positive and significant impact of the internal atmosphere on customer loyalty. Additionally, the results indicate that customer satisfaction mediates the relationship between internal atmosphere and customer loyalty with positive and significant effects. These findings contribute to understanding the importance of the internal atmosphere in the franchise fast food industry.

**Keywords:** *Customer Loyalty, Customer Satisfaction, Franchise Fast Food Industry, Internal Atmosphere*