



Customer satisfaction level of restaurant industry: A study on Khulna City

SK Mahrufur Rahman

Senior Lecturer, Business Administration Department, North Western University, Khulna, Bangladesh

Abstract

Customer satisfaction is a Buzzword for each and every industry at present, especially in service sector. The main purpose of this study is to identify some key factors of customer satisfaction on restaurant services. To conduct the study 25 restaurants in Khulna city area were selected. This research is based on experiential study. 100 customers were selected at simple random sampling methods. A questionnaire was prepared with 5 point likert scale and open ended question. This study tried to match some factors of service quality and pricing policy of restaurants with the customers' satisfaction. It was found that customers of that restaurants have negative perception regarding product and service quality, pricing policy, value of the restaurant and loyalty of the restaurant. Whether regarding waiters service and space availability customers perception were positive. Based on findings it was recommended that attention should be given on those critical issues to attract new customers and retain current customers.

Keywords: customer satisfaction, service quality, customer loyalty

1. Introduction

The restaurant industry has become one of the most profitable industries in the world. International and local restaurant chains are satisfying the demand of customers in variety of range of products and services. (Sabir *et al.*, 2014). In today's competitive market services within the same industries become increase and due to this reason services industries differentiate the delivery of the services and product create positioning through the different communication channels (Wallin Andreassen, 1998). If we talking about the product quality and quality in services people are more care full to choose the appropriate product and also require the better environment. In food industry people are eating out often but they are increase saving the income and then use it for the better food and better environment. Customers are the key elements for any business because if you have no customer then you have no business because any business through the customers, so for the any business it necessary to build the customers for the business as well as build the close relationship because it is necessary to develop strong brand in market. Consumer's perception and attitude toward food is a challenging topic (Pfannhauser and Reichhart, 2000) because of consumers' increasingly demanding, diverse and individualistic patterns of behavior. Consumers define their personal needs and based on them, they judge the quality of food. The choice of foods has been generally thought to encompass a variety of influences including personal taste, perceptions of value, functional needs, symbolic interaction, as well as social and cultural factors (Marshall, 1995). A single consumer's attitude towards food influences her/his food choice and acceptability of single food items. Research has shown that the number of meals eaten outside home and the expenditure on these are increasing in many countries (Stubenitsky, Aaron, Catt & Mela, 1999). The main purpose of this study is to investigate the different factors which affect the customer's satisfaction or which can increase the customer satisfaction, such like product and service quality, pricing

policy, waiters' behavior space etc. Though there is large demand of customer's satisfaction in food and restaurant industry, but very few amount of research are conducted in this field. Tis research will focus the present scenario of restaurant services in Khulna city and examine the impact of this on customer's satisfaction.

2. Objectives

The objectives of this study are as follows

- 2.1 Identify the factors that affect customer's satisfaction.
- 2.2 Determine the reasons of customer's loyalty.
- 2.3 To provide some recommendation to improve the service quality of restaurant.

3. Literature Review

Customer satisfaction can be defined in terms of meeting the expectations of the customers in terms of parameters associated with satisfaction (Malik & Ghaffor, 2012). According to Johan; the customer mind is a complex set of thoughts and ideas and cannot be fully predictable by human being. Thorsten and Alexander (1997) ^[7] found Customer satisfaction with the product and services of company as the strategic factor for competitive advantage. In the context of relationship marketing, customer satisfaction is the way that leads to long term customer retention because un satisfied customers have very high switching rate (Lin & Wu, 2011). According to Zairi (2000) the feeling of accomplishment of inner desires is called satisfaction. Customer satisfaction has direct effect on customer loyalty (Mittal & Lassar, 1998) ^[27]. If product or service fulfils the needs and demand of customer he will become satisfied and will be converted to loyal customer and thus will add in customer equity of company. Company profitability is not only depicted in its balance sheet but it is also measured on basis of its sound customer base and life time value that customers deliver to company. Oliver (1993) ^[12] suggest in his study customer satisfaction is the core philosophy of marketing strategy of

any organization and plays a key role in an organization success. In fact customer satisfaction is the core principle of the modern tool of CRM being used by marketers to attract and retain customers.

“Satisfaction can be regarded as a broad principle; support good quality is a component of satisfaction” (Zeithaml & Bitner, 2003) [23]. Client satisfaction is usually defined through Oliver’s (1997) conditions: that it’s this consumer’s fulfilment result. It’s a ruling that a products or services feature, or this products or services per se, comes with a pleasurable level of intake linked fulfilment. In other words, it does not take total level of wellbeing that has a service /product knowledge.

There is positive romantic relationship between fulfilment and also devotion. Szymanski and Henard (2001) [24], inside their meta-analysis, reveal 15 positive and also major correlations between 2 constructs. Bearden and Teel (1983) in addition have granted a new romantic relationship between fulfilment and also devotion.

Ayşe (2007) Top quality includes 2 main factors: (1) the merchandise fulfils wants or even (2) around that levels it truly is free from insufficiencies (Juran, 1988). Service is kind of performance that’s proposed by 1 get together to an alternative and also within corporeality can be a ought to part of it (Kotler & Keller, 2006). Through acknowledged the necessity associated with methods associated with program excellent quite a few scientists most often make use of program excellent in order to measure customer satisfaction Zeithaml (1985) [5].

Service quality is not an easy task to quantify and being evaluated, because it is not a product to quantify but it is customer’s evaluation and subjective perception about something (George & Jones, 1991). Takeuchi (1983) quality is such an important characteristic or feature of something that make some differentiation in your product and stands you remarkable in terms of competitive advantage. Service quality is evaluated when the user of service compare his perception with actual experience. Gronroos (1984) Satisfaction is wide concept and is impacted by many factors and service quality is one of the major determinants of customer satisfaction (Zeithaml & Bitner, 2003) [23]. Bitner and Hubbert (1994) [19] give two options of explaining the phenomena: satisfaction as result of some particular experience or event combined effect of satisfaction.

SERVQUAL product supplies a beneficial way to be associated with computing program excellent produced by PZB within 1988, as outlined by this product customers’ awareness and also anticipations starting upon all 5 measurements: tangibles (Actual environment or even design), reliability (Product quality), responsiveness (Service quality), assurance and also sympathy. Determined by aspects associated with SERVQUAL product exact same final results are already put on restaurant industry through Stevens (1995) [9] and also he or she created DINESERV from SERVQUAL. Inside the restaurant industry, only an element of providing can be a program and it’s also intangible and also generation and also utilization of merchandise have become significantly within close up affiliation. Furthermore customer wish wide variety and also self-assortment plus they evaluate one’s providing along with some others when they have got clusters associated with eating places inside their thoughts because of reference point teams (Neal, 1999) [13].

In different organization business we will discover all 5 most critical measurements which make a very good organization and also these are generally program excellent, perceptible, trustworthiness, responsiveness assurance and etc. (Azadavar *et al.*, 2011). Satya (2011) [10] identified it is compulsory for corporations to maintain their own excellence in quality mainly because everyone is a lot more attentive to quality excellence as compared to price. The consumers someday buy better brand in terms of quality instead of thinking about of the price issue (Rajput *et al.*, 2012). Tsiatos (2006) [8] identified a good primary influence associated with perceived quality upon acquire intentions.

People answer areas along with two general, and also opposite, types of actions: strategy or even prevention (Mehrabian & Russell, 1974) [14]. It is advised of which besides 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 & also Gilbert, 1985) [17]. This involves research about the “ambiance” (Bitner, 1992) [4] which is “artificial environment” and also how it influences both clients and also workers within the program process.

Skindaras (2009) we can discover a lot of merchandise on this planet possessing different price ranges.

Price is one of the four P’s of Marketing Mix that has significant role in implementation of marketing strategy. (Kotler & Armstrong 2012) [16]. Han (2009) [28] claim that one of the most adaptable factors which improved quickly is the pricing (Andaleeb & Conway, 2006) [1] the costs associated with restaurant merchandise furthermore vary according to style of restaurant. If your price is large, clients may very well expect premium quality.” Also, in the event the price is minimal, clients may perhaps believe that restaurant is poor in terms of merchandise and also program excellent. Furthermore, because of the competition within of the restaurant industry, clients will be able to identify interior reference point price ranges inside their head plus they constantly evaluate and also analyze the values in terms of many characteristics associated with restaurant upon every acquire, an inside reference point price is understood to be an expense within potential buyers ‘memory of which acts as a criteria intended for contrasting precise price ranges (Grewal *et al.*, 1998).

Nezakati, Kuan and Asgari (2011) proposed product quality, customer satisfaction and brand trust as the dominant variable that drives the customer loyalty to preferred fast food restaurants. In a study carried out by Tat, Sook-Min, AiChin, Rasli and Hamid (2011) to investigated Consumers’ Purchase Intentions in Fast Food Restaurants on Undergraduate Students using the five dimensions of service quality, assurance was found to be the strongest determinant of customer satisfaction towards fast food restaurants (FFRs), followed by responsiveness, reliability, tangibility and empathy. The results also supported the contention that customer satisfaction can lead to customer purchase intentions. In a study carried by Ergin and Akbay (n.d), brand name reputation, cost, convenience, consistency and quality were identified as dominant factors that have an impact on young consumers’ preferences of different brands of fast food restaurants. It was also observed that these five factors are significantly related to several demographic variables such as age, gender and income level.

4. Methodology

4.1 Type of research

This is descriptive research in nature. Customers' satisfaction level and its impact are described here.

4.2 Sources of data

Data are collected from two sources

4.2.1 Primary data

- Questionnaire survey
- Face to face interaction with the customers

4.2.2 Secondary data

- Journals, thesis and books

4.3 Population

Restaurant goers in the Khulna city

4.4 Sample

100 customers were selected to conduct the study as sample.

4.5 Sampling technique

Simple random sampling technique are used to conduct the study.

4.6 Data analysis

5 point likert scale questionnaire were prepared ranging from Strongly Agree, Agree, Neutral, Disagree to Strongly Disagree. An open ended question was also asked to know

the overall perception of the customers.

5. Result and Discussion

Table 1: Demographic Summary

Demography	Number	Proportion
Gender		
Male	72	72%
Female	28	28%
Age		
Below 15 years	4	4%
15 years but below 40 years	78	78%
Above 40 years	18	18%
Income		
Below 15,000.00	48	48%
15,000.00 – 40,000.00	43	43%
Above 40,000.00	9	9%
Occupation		
Students	47	47%
Businessmen	32	32%
Teachers	12	12%
Others	9	9%

Source: Field Survey

Table 2: Product and service quality

Factors	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Foods are served as per ordered	12	14	7	47	20
Employees have devotion to serve quickly and maintain quality of service	11	13	5	53	18

Source: Field Survey

In this study regarding the factors of Foods are served as per ordered and Employees have devotion to serve quickly and

maintain quality of service, most of the respondents showed negative impression on satisfaction level, and vice versa.

Table 3: Price fairness

Factors	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
price of products and services is based on cost	9	21	7	52	11
Taste of food items is compared with price is appropriate	10	22	11	48	9
All customers are treated equally by the price of food items	8	20	6	46	20
Price of food items comparatively cheaper	11	22	7	46	14

Source: Field Survey

Based on price fairness factors respondents were asked price of products and services is based on cost, Taste of food items is compared with price is appropriate, All customers are treated equally by the price of food items and Price of

food items comparatively cheaper issues. Here most of the respondents were disagreed regarding this issues and vice versa.

Table 4: Customer Loyalty

Factors	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
I regularly visit this restaurant	9	16	7	50	18
I intend to visit this restaurant again	10	13	6	47	24
I would not switch to another restaurant in next time	6	15	7	46	26

Source: Field Survey

Regarding the issues of I regularly visit this restaurant, I intend to visit this restaurant again and I would not switch to

another restaurant in next time majority of the respondents replied in dissatisfactory level and vice versa.

Table 5: Satisfaction with the environment

Factors	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Space is large enough	18	42	9	22	9
It has sufficient air conditioning and lighting facility	16	43	8	21	12
It maintains appropriate sound level	20	49	8	19	4

Source: Field Survey

To find out the satisfaction level of environment some vital factors were asked like Space is large enough, It has sufficient air conditioning and lighting facility and It

maintains appropriate sound level. Majority of the respondents were satisfied in these issues factors and vice versa.

Table 6: Satisfaction with the Waiter’s service

Factors	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
The Waiter serves food in promised time	17	38	7	25	13
The Waiter quickly handles complain	22	43	8	21	6
The Waiter are well dressed, neat and clean	28	37	9	21	5
The Waiter are knowledgeable about the menu	18	46	9	20	7

Source: Field Survey

Regarding the factors waiter’s service some important factors were arises to the respondents, like The Waiter serves food in promised time, The Waiter quickly handles

complain, The Waiter are well dressed, neat and clean and The Waiter are knowledgeable about the menu. Most of the respondents were agreed in these factors and vice versa.

Table 7: Reputation of the Restaurant

Factors	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
I usually use this restaurant as my first choice compared to other restaurant	9	12	9	52	18
I would recommend this restaurant to others.	8	14	12	51	15

Source: Field Survey

Regarding the Reputation and value of the Restaurant Most of the respondents were not agreed the factors, that were asked to them like, I usually use this restaurant as my first

choice compared to other restaurant and I would recommend this restaurant to others.

Table 8: Overall Satisfaction of the Restaurant

Factors	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
I am satisfied with the overall atmosphere	11	24	6	38	21
There is no reason to complain	8	21	9	42	20

Source: Field Survey

To gain overall insights regarding the satisfaction level respondents were asked vital two factors like, I am satisfied with the overall atmosphere and there is no reason to complain. Somehow the number of reply disagreed were most and vice versa.

6. Recommendation and Conclusion

The main focus of this study was to measure the customer satisfaction level of the restaurant service. Based on the findings restaurants should develop product and service quality, price should be matched with the food quality, restaurants should be more careful regarding its reputation and of course try to give more attention on customer retention. Moreover though regarding the space availability and waiters service customers showed a positive review, more steps must be taken to keep it up. Hopefully this research will help the researchers to find out the major factors of customers satisfaction in the Khulna region.

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