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# INFLUENCE OF SERVICE QUALITY IN RESTAURANT AND ITS IMPACT ON CUSTOMER SATISFACTION

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#### **ABSTRACT**

In the hospitality industry improved service quality is essential to make customer happy. The rapid growth of the hospitality industry in the first decade of the 21st century forced the managers to evaluate the importance of service improvement in order to gain competitive advantage. The main objective of this research is to study the influence of different service quality factors in restaurant and its impact on customer satisfaction. The service quality dimensions in restaurants such as service quality of staff, menu diversity factors and atmospherics factors play a vital role in restaurant segments as it could create a strong positive mentality towards the services offered. The current study evaluates the influence of service quality dimensions on customer satisfaction in restaurants through correlation and ANOVA techniques.

**Key words:** Customer Satisfaction, Hotel Industry, Service Quality of Staff, Menu Diversity Factors, Atmospherics Factors.

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#### 1. INTRODUCTION

In today's fast-paced and ever more competitive market, the bottom line of a firm's marketing strategies and tactics is to make profits and contribute to the growth of the firm. Customer satisfaction and service quality are global issues that affect all Organizations, be it large or small, profit or non-profit, global or local (LIAN, 2000). In the hospitality industry improved

service quality is essential to make customer happy. The rapid growth of the hospitality industry in the first decade of the 21st century forced the managers to evaluate the importance of service improvement in order to gain competitive advantage (Easvaralingam, 2011). Service quality is essential for the success of every hotel industry. Service quality determines an organizations success or failure. (Yadav, 2011). Customer is the king and it is very difficult to make this king happy. In the hospitality industry improved service quality is essential to make this king happy (Zairi, 2000). Customer Service quality can be defined as a function of the differences between expectation and performance along the quality dimensions (R, Oliver, 2010).

The visitors assess the services of the staff and hotel atmosphere to evaluate the performance of the hotel and comapre the same with the expectations set by them. If the expectations are met during the assessment stage the visitor has got high convenience. Customer Service quality is the stipulation of service that can meet the expectations of customers (Bednar, 1994). Service quality can be defined as "task of difference between service expected and customer's perceptions of the actual service delivered." (Parameaswaran, 2004). Service quality includes several dimensions: functional quality, environment quality, technical quality. assurance, reliability, empathy, tangibility and responsiveness (Mukhles, 2017). (M, Fen Y S & Lian K, 2004) In their study defined service quality as the consumer's overall feeling of the organization and its services to the customers. Service quality is a form of attitude which represents overall evaluation on the organization. The attitude positive or negative creates cues in the mentality of the customer about the service delivered by the hotels and in turn it influences the overall satisfaction of the customer.

Customer satisfaction is satisfaction to goods or services which fulfill the customer expectation in terms of quality and service for which he paid (Khan S, Hussain S M & Yaqoob F, 2012). Customer satisfaction is an by and large customer attitude or behavior towards a service provider, or an emotional reaction towards the difference between what he or she expect and what they receive, regarding the fulfillment of some desire, need or goal (M, Hansemark O C & Albinson, 2004). The food quality provided by the hotels for the visitors strongly influences the satisfaction and increases the customer rating of the hotels.

Improvement of food quality and varieties in menu is essential for making satisfied customer. So the main aim of the hotel should be the improvement of service quality. Purpose of this research is to analyze the result of previous research studies which examine the effect of service quality on customer satisfaction and attempt to suggest best method for giving better service to guest and improve the satisfaction of employees. More specifically the main objective of current study is to understand in what extent and how service quality and customer satisfaction are related. This investigation can contribute to hospitality sector research by highlighting factors which determine service quality that influence customer satisfaction and help the hoteliers for appropriate improvements

# 2. RESEARCH OBJECTIVES

The investigator has framed three main objectives for the study as follows;

- To analyse the influence of service quality of staff in restaurant on customer satisfaction.
- To analyse the influence of menu diversity factor on customer satisfaction.
- To evaluate the impact of atmospheric factor on customer satisfaction.

# 3. METHODOLOGY

This research is focused on customer satisfaction in hotel industry. The study area of this research is the Hotel Presidency. Data collected from the guest who stayed in this hotel from 6<sup>th</sup> august to 6<sup>th</sup> September 2020. The primary data were collected from the guest visitors in



hotels through a structured questionnaire. The sample size for the study is 48 respondents. The questionnaires were divided in to 2 sections. Section A tested the independent variables (service quality of staff, menu diversity, and atmospheric factors) and section B tested the dependent variable (customer satisfaction). Respondents were asked to indicate the answers in 7 point scale. The data which is required for this survey were collected through filling the questionnaire by the population, who were selected for survey. Convenience sampling method is used to select sample. Almost 60 questionnaires were distributed and collected 31 filled questionnaires. 6 questionnaires were filled by the guest through email. Another 11 responses were selected through direct interview. SPSS (Statistical Package for Social Sciences) was used as statistical software in this research. ANOVA, correlation, regression were used as statistical tools. The responses were measured by using 7 point scale. The seven-point scale assigned points 1 to 7 in terms of poor, very poor, below average, average, above average, good, very good

# Model

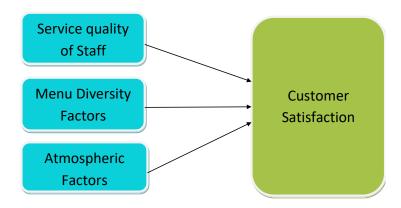


Figure 1

# 4. VARIABLES OF THE STUDY

The researcher has identified four main variables for the study. Customer Satisfaction is the dependent variable with seven items following seven-point Likert scale. Service quality of staff s with five items, menu diversity factor with five items and atmospheric factors with six items is the independent variables in the study.

#### 5. DATA ANALYSIS

The researcher has used Karl Pearson's Correlation Analysis as a tool to find the relationship between the variables under the study.

HO1: there is no significant relationship between service qualities of staff in restaurant on customer Satisfaction

HO2: there is a no significant relationship between Menu diversity factors and Customer Satisfaction

HO3: there is no significant difference between Customer Satisfaction with atmospheric factors in Restaurants.

Table 1 ANOVA table between Service Quality of Staff and Customer Satisfaction in Restaurant

ANOVA	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	3.700	2	1.850	7.452	.002

ANOVA result is significant at 0.01 levels. It means that service quality of staff and customer satisfaction are significantly differing. Changes in one variable lead to changes in another variable. Here dependent variable satisfaction significantly differs based on the independent variable service quality of staff.

Table 2 Relationship between Service Quality of Staff and Customer Satisfaction in restaurant

	1	2		3 4		5 6
1.Satisfaction	1					
2.Neat appearance	.436**	1				
3.Multi-lingual skills	.363*	.578**	1			
4.Understanding of your request	.526**	.709**	.605**	1		
5.Staffs are polite and friendly	.432**	.740**	.724**	.687**	1	
6.Staffs are helpful	.507**	.717**	.715**	.634**	.926**	1
**. Correlation is significa	ant at the	0.01 level	(2-tailed)			
*. Correlation is significar	nt at the	0.05 level (2	2-tailed).			

From the above table it is clear that all the variables are correlated. Service quality factors like neat appearances, multi-lingual skills, understanding of request, politeness and helpfulness are needed for customer satisfaction. Correlation between satisfaction and multi-lingual skills is significant at 0.05 levels. Correlation of all other variables is significant at 0.01 levels.

Table 3 ANOVA table between Menu Diversity Factors and Customer Satisfaction in Restaurant

ANOVA	Sum of Squares		Mean Square	F	Sig.
Between Groups	6.075	2	3.038	15.543	.000

This is the result of ANOVA. Here significant value is 0.000. It means that the relationship between the menu diversity factors and satisfaction is significant at 0.01 levels. To check whether the relationship is true or not, correlation is done.

Correlations 5 Satisfaction .644\*\* Menu variety 1 3. Availability of .629\*\* .611\*\* dishes liked Availability 535\*\* .725\*\* .572\*\* local dishes .649\*\* 1 Possibility to .814\*\* .827\*\* .477\*\* choose healthy food \*\*. Correlation is significant at the 0.01 level (2-tailed).

Table 4 Relationship between Menu Diversity Factors and Customer Satisfaction in restaurant

This table shows the correlation result between the satisfaction and menu diversity factors. From this table it is clear that there is a strong correlation between all the variables in this table. Correlation is significant at 0.01 levels. A change in independent variable (menu diversity)

leads to changes in other dependent variable (satisfaction). There is also a correlation between the sub variables in menu diversity.

**Table 5** ANOVA table between Atmospheric Factors and Customer Satisfaction in Restaurant

ANOVA	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.584	1	.584	1.879	.177

ANOVA is done to measure whether the atmospheric factors and satisfaction are significantly differing. Satisfaction is not significantly differing based on atmospheric factors. Here p value is 0.177. It means that we cannot establish a relationship between these variables. To check if there is a correlation between the variable, correlation analyses is done here.

Table 6 Relationship between Atmospheric Factors and Customer Satisfaction in restaurant

Correlations							
	1	2	3	4	5)	6	7
Satisfaction	1						
Décor in restaurant	.482**	1					
Location	.298*	.696**	1				
Quietness	.340*	.478**	.344*	1			
Music (if any)	.113	.054	124	.332*	1		
Facilities children	.049	.127	.022	.029	.599**	1	
Crowd restaurant	.326*	.363*	.405**	.754**	.183	.060	1
**. Correlation is signite. Correlation is signif			` ,				

This correlation table shows that there is a significant correlation between the satisfaction and decorations in the restaurant. This correlation is significant at 0.01 levels. The correlation between the satisfaction and location of the restaurant and satisfaction and crowd in the

restaurant are significant at 0.05 levels. Those who said good about the location of the restaurant also said good about the decorations in the restaurant.

# 5. CONCLUSIONS AND SUGGESTIONS

This study tried to find out the influence of service quality dimensions in restaurant on customer satisfaction. Menu diversity is essential and having strong influence for satisfying the guest. The above data shows that, between these two variables the significant value is 0.000. It means that the relationship between the menu diversity factors and satisfaction is significant at 0.01 levels. Service of staff has a strong influence on guest satisfaction. Service of staff like quality of staff, efficiency of services, neat appearance, multi-lingual skills, understanding of guests request, politeness, helpfulness are positively influence on satisfaction. Present atmospheric factors are not able to satisfy the guest. Improvement in the atmospheric factors is needed to get satisfied customers and which leads to revisit behavior.

Some suggestions are there in this research study. Present atmosphere factors are not able to give satisfaction to the guest. So management should give special attention to the development of atmospheric factors especially music and facilities for children. Service of staff, menu diversity factors have significant role for giving customer satisfaction. So management should be careful about the service quality of staff. Staffs should get some training on service etiquette. Multi-lingual skill of the employees is essential. Guest likes variety of foods so that restaurant department should give attention to give variety food to the guest which includes international and local cuisine.

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