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Service Quality and Customer Satisfaction in Dining Restaurants: Inputs for Tourism and Hospitality Curriculum Enhancement

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Abstract

In the foodservice industry, clients do not only judge the product standard, but also the service quality they receive during their restaurant experience. Therefore, when the importance of the dining experience is strongly regarded by consumers in terms of intellectual and motivational attributes, they are happier to suggest the establishment to others. This research was undertaken to evaluate the levels of service quality and clients' satisfaction on the services offered by two leading fast-casual dining restaurants in the Province of Nueva Vizcaya, Philippines. As a correlation research, this study was conducted using a modified SERVQUAL instrument among the 395 randomly selected customers. Weighted mean was used to describe the levels of service quality and customer satisfaction. The multiple regression was used to determine the predictors of customer satisfaction. The fast-casual dining restaurants had lived up to the expectation of their customers as they were thought to provide respectable service quality. The fast-casual dining restaurants had satisfied their customers in terms of their dining experience. The physical design and appearance of the restaurants, the price of the product, and the responsiveness of the workforce are the strong determinants of the gratification of the customers.

Keywords: Tourism and hospitality industry; Service quality; Customer satisfaction; Responsiveness; Product quality; Physical design and appearance; Price

1. Introduction

From 1960 to the present day, the community-based ecotourism market has evolved gradually, generating a range of career opportunities and showing its tolerance to the global crisis (Gyr, 2010; Kusumawardhana, 2019). In addition, tourism is among the biggest industries that are culturally,

socially, and economically important (Theobald, 2012). The World Tourism Organization (WTO) has confirmed that the growing influx of overseas tourist numbers from all regions could and will make an important contribution to universal progress (UNWTO, 2017).

The revival of the global educational strategy, on the other hand, prompted a discussion and triggered some new ideas towards such a potential path for tourism and hospitality (T&H) education (Lugosi and Jameson, 2017; Hsu et al., 2017). Specifically, the discourse centered on building a T&H outlook to leverage global, social, and economic advancement in terms of employment, development, infrastructure, governance, accessible learning, curriculum design, and pedagogy (Dredge et al., 2015).

It is challenging, however, that the tourism industry manpower is usually viewed as having reduced potential with limited skills (Butler and Jones, 2001). Therefore, the evidence for the T&H framework was significantly smaller. Admittedly, researchers have described and challenged the T&H community to consider the need for change in order to work with industry players and academics and to have a common vision of a promising future (Affolter, 2001). A new approach to an imaginative and innovative rethinking of conventional teaching models, teaching strategies, thinking preferences for the development of goods and services in the context and implementation of programs, facilities, and resources was therefore stimulated by T&H scholars (Kusumawardhana, 2019).

The promotion of cooperation between the T&H industry and higher education institutions was put in place in the face of these challenges (Thomas and Wood, 2015). T&H training has apparently emerged in a diverse effort to enhance the productivity of programs by addressing a demanding future especially in predicting the complexities and discrepancies in the curriculum (Weheba, 2017). In order to make the T&H educational curriculum review critical, it is, therefore, possible to enable a detailed and accurate evaluation study, as teachers need to recognize and resolve problems and weaknesses, overhaul existing methods to cultivate an effective and productive tourism workforce (Kusumawardhana, 2019).

In order to represent excellence, all higher education institutions must indulge in some assessment methods. An evaluation culture is developing in which colleges and universities show transparency and are interested in planning to manage customers' quality standards. Such an atmosphere requires attention to perceived service quality (Hernon et al., 1999). Service quality was considered an indicator of customer satisfaction (Kim at al., 2010) which in turn leads to the retention of customers (Boonlertvanich, 2011). Therefore, analyzing these principles may not only allow organizations to achieve or surpass their consumer standards but also to influence their deliberate behavior (Al-Tit, 2015). The quality of service depends on how closely consumer expectations relate to customer perceptions of the provided service. Service quality is being described as having four dimensions: excellence, value, compliance with requirements, and meeting and/or exceeding standards (Reeves and Bednar, 1994). Kroon (1995) likewise indicated two dimensions, such as the perception of the industry and strategic quality.

Established over time, service quality contributes to customer satisfaction, while contentment is transaction-specific. It is a shorter-term indicator that depends on an immediate, emotional response to service. Consumer satisfaction in goods is the magnitude to which perceived service exactly matches the standards of the customer (Kumar, 2012). It is an appraisal of a particular transaction arising through perceived quality (Amaratunga et al., 2010; Al-Tit, 2015).

Service quality evaluation by customers is a vital piece of knowledge for service providers directed at boosting profitability, strengthening organizational capabilities, and promoting themselves further dynamically in the market (Jain and Gupta, 2004; Omar et al., 2016). Greater economic gains are generated by companies that have better service efficiency and therefore have a generally satisfied client base (Gilbert et al., 2004). For service providers, therefore, it has become inevitable to pursue a comparative edge by offering superior service. In the same way, customer satisfaction is seen as affecting the intentions and behavior of repurchases, which in turn can contribute to the potential profitability of a company. As a consequence of its clear relationship with

revenues, all businesses, including the restaurant business, are becoming concentrated on the impact of service quality and customer satisfaction. In an attempt to retain customers, more businesses are forced to evaluate and improve their standard of service (Auka, 2012).

In the Philippines, the Nueva Vizcaya State University is a state-run university that offers higher education programs, one of which is the Bachelor of Science in Hospitality Management. As a producer of manpower who will be employed in the T&H industries, the university adheres to the mandates of the Higher Education Commission as stipulated by the Commission on Higher Education Order (CMO) #62, series of 2017. Based on such grounds, this study was performed to investigate the association between service quality and customer satisfaction in the restaurant business in the province of Nueva Vizcaya, Philippines. Specifically, this study intended to identify (a) the level of service quality provided by dining restaurants; (b) the level of satisfaction among dining restaurant customers; and (c) the predictive variables of customer satisfaction.

2. Materials and Method

A descriptive-correlational study was employed in this study which covered the two biggest dining restaurants in the province of Nueva Vizcaya, Philippines. They were considered based on their popularity, services, types of foods being offered, level of accreditation with ISO 9001:2015, and price range of products. The total population is 280,000 which when referred and calculated using Krejcie and Morgan formula, the derived sample size is 395. The researchers used a percentile distribution system in which the fast-food chain that has a larger population receives a larger part of the whole sample size of the population. Hence, Company A=224 and Company B=171.

This research was conducted using a survey questionnaire which was adapted from the study of Irfan (2020) where he used a modified SERVQUAL instrument. This instrument has four dimensions which determined the customer satisfaction, namely, responsiveness, product quality, physical design and appearance, and price. Responses were measured using a five-point Likert scale. Weighted mean was used to describe the levels of service quality and customer satisfaction. The multiple regression was used to determine the predictors of customer satisfaction.

3. Results and Discussion

3.1 Level of Service Quality offered by Dining Restaurants

Table 1 reflects the level of service quality offered by dining restaurants as evaluated by their customers.

Table 1: Level of service quality offered by dining restaurants

Service Quality Dimensions	Mean	Level of Agreement	Qualitative Description
Responsiveness	4.13	Agree	Good
Product Quality	4.08	Agree	Good
Physical Design and Appearance	4.07	Agree	Good
Price	4.04	Agree	Good
Overall Mean	4.08	Agree	Good

Table 1 reflects the level of service quality offered by the restaurants as evaluated by their customers. The following were observed:

Responsiveness: The clients confirmed that the restaurants were impressive in terms of how they responded to their needs. The restaurant's workforce is attentive, supportive, timely, and courteous to their clients. In addition, they were assumed to be knowledgeable about their goods.

Product Quality: The customers evaluated the restaurants to be good in terms of the quality of their products. They further indicated that they get the right food they ordered.

Physical Design and Appearance: The consumers assessed the restaurants to be decent in terms of its ambience. Appropriate lighting, clean surrounding with visually appealing decorations, and adequate parking space are provided. This is a manifestation that client's satisfaction is the restaurants' top priority.

Price: The clients indicated that the restaurants offer a justified cost for the goods they offer. This reveals that the customers are more than willing to spend the right amount of goods they intended to avail.

3.2 Level of Satisfaction among customers of Dining Restaurants

Table 2 shows the level of satisfaction among customers of the two biggest dining restaurants in the province.

Table 2: Level of satisfaction among customers of dining restaurants

Customer Satisfaction	Mean	Level of Agreement	Qualitative Description
1. I am satisfied with the quality of service of the restaurant.	4.29	Strongly Agree	Highly Satisfied
2. I am pleased to have visited the restaurant.	4.14	Agree	Satisfied
3. I am happy with my dining experience in the restaurant.	4.14	Agree	Satisfied
4. The restaurant gives me overall satisfaction and good dining experience.	4.15	Agree	Satisfied
Overall Mean	*4.18*	*Agree*	*Satisfied*

Table 2 reflects the level of satisfaction of customers at the restaurants. Findings indicate that they are highly satisfied with the standard of services the restaurants are offering to their clients. Further, they are satisfied with their visit to the establishments as it gives them a happy and fulfilling dining experience.

Customer satisfaction is the positive evaluation of a service or product based on experiences of buying and consuming it over time (Khadka and Maharjan, 2017). Products and service quality, pricing policy, and space conditions are key factors influencing customer satisfaction. By showing good-quality commodities and services, businesses can gain client satisfaction and loyalty (Ma et al., 2014). Contented consumers prefer to buy goods and become frequent guests because they are actively interested in providing suggestions to other clients and are less price-sensitive. In addition, if consumers are pleased with a product, they are more inclined to endorse the product to everyone and are more apt to buy the item repeatedly rather than turn to some substitute brands (Bennett and Rundle-Thiele, 2004).

3.3 Predictors of Customer Satisfaction

Table 3 presents the regression analysis on the variables that predict the satisfaction of customers of dining restaurants.

Table 3: Regression parameters on the predictors of customer satisfaction of dining restaurants

Independent Variables	Beta	t	Probability
Responsiveness	.181	4.134	<.001
Food Quality	.092	1.865	.063
Physical Design and Appearance	.214	4.472	<.001
Price	.391	8.953	<.001

Dependent Variable (Y): level of customer satisfaction; Multiple R = 0.684; R Square = 0.468; F-value = 85.824*; Probability = <0.001; Constant = 4.682; *Significant at 0.05

As shown in Table 3, the multiple regression analysis reflected an F-computed value of 85.824. The analysis of variance (ANOVA) of the current regression denotes a probability of <0.001. The result denotes a significant predictive value of the remaining independent variables used in the study to the dependent variable. The result further implied that the combination of the modified service quality dimensions, singly or in combination, predict the satisfaction of customer.

Based on the result of the regression analysis, the variables that predict customer satisfaction include the dimensions such as responsiveness, physical design and appearance, and price. While basing from the results, food quality displayed a not significant remark. All of the three (3) variables identified as predictors exhibited positive predictive effects to the satisfaction of customers. This positive predictive effect of the variable indicates that customers are more satisfied to dine in the establishment with regards to the Responsiveness of the staff, Physical Design of the establishment and Pricing scheme of offered products. This connotation indicates that for dimension responsiveness, the more the staff puts emphasis to the attention accorded to the customer the higher the satisfaction. For the dimension physical design and appearance, the more the establishment offers a more-friendly and cozy ambiance to the needs of the customers like comfortable seating and well-planned dining space the more the customers are satisfied. And for the last predictor which was price, the connotation that products which were priced higher that will aid more for the satisfaction of customers. This somehow rejects a common notion that higher priced items result to lower satisfaction. This result comes to show that customers who avails higher priced items are fixed with the expectation of a higher quality.

On the variability of the dependent variable, the independent variables that displayed the strongest predictive effect include Physical Design of <0.001; Price with a probability of <0.001; and responsiveness with a probability of <0.001. The result therefore emphasizes that in order for a food establishment offering fast casual to be competitive in satisfying their customers, the predictive effect of the above three (3) variables should be taken into account by the management of such establishments.

The value of the multiple R = 0.684 indicates a marked or substantial influence combined effect of the three (3) independent variables to the dependent variable. The coefficient of determination R^2 = 0.468 indicates that the three (3) remaining independent variables could predict 46.80 percent of the variability of the level of customer satisfaction of fast casual dining establishments in Nueva Vizcaya.

In establishing satisfaction and loyalty, food quality plays an important role. Food quality usually refers to certain aspects, such as the appearance of food, taste, variety of menus, health, and freshness (Hanaysha, 2016). A strong impact of food quality is a crucial marketing technique that can satisfy consumers and keep them and provide them with a satisfying buying experience. The quality of food can provide a significant impact on client experience and behavioral actions (Gagic et al., 2013). Several studies have shown that food quality can have a positive effect on consumer satisfaction (Abdullah et al., 2018; Qin and Prybutok, 2009; Altamore et al., 2018).

A restaurant's physical atmosphere may reinforce a company's product image, reshape the expectations of customers, and explicitly affect customer satisfaction (Bitner and Booms, 1982). Hanaysha (2016) noted that the essence of the physical environment, namely temperature, illumination, smell, noise, mood, and music, involves both tangible and intangible factors within and around a restaurant. He also inferred that a well-maintained environmental scenery will help to retain the established customer base of a restaurant and encourage new clients (Zhong and Moon, 2020).

Price is the quantity of money spent on a good or service by customers. In general, the cost is the profit that buyers offer up in return for the benefits of buying a good or service (Kotler and Armstrong, 2010). Price has a significant part in increasing consumer loyalty, as they frequently assess the quality of the product at its rate (Al-Msallam, 2015; Al-Msallam and Alhaddad, 2016). Price parity has a major effect on the credibility of the brand; as a result, presumed price unfairness can trigger adverse behaviors, such as unfavorable word of publicity and product switching (Campbell, 1999). In

addition, the adverse impression of the consumer towards unfair prices can induce frustration, reduced repurchasing activity, and dissatisfaction (Rothenberger, 2015).

Customer's interpretation of goods, facilities, and atmospherics is closely connected to their feelings and psychological intentions, based on the perception of dining in restaurants (Altamore et al., 2018; Jang et al., 2009). Customer behavior can be significantly influenced by ambient elements (touch, sound, taste, scent), design elements (layout, store decoration), and social elements (interaction with employees). Lim (2010) emphasized that a better standard of product and service, combined with a pleasant environment, is particularly essential for a restaurant since it can lead to a greater level of satisfaction and even affect the actions of customers in the food delivery industry (Zhong and Moon, 2020).

An excellent dining experience would indeed make consumers comfortable and also contented during the consumption of food. Happiness is an optimistic decision from the personal point of interest of a person who is happy with his or her existing condition, and customer satisfaction relates to feelings linked to consumer behavior (Varshneya et al., 2017). In addition, consumer satisfaction is the degree to which their quality of life and wellbeing is increased. The goal of customer service is redirected from rewarding customers to increasing their satisfaction, which goes far beyond the definition of fulfillment. Happiness reflects a stronger quality of customer satisfaction. Satisfaction, combined with specific life-related events, will maximize customer satisfaction (Sweeney et al., 2015).

4. Conclusions

The dining restaurants had lived up to the expectation of their customers as they were thought to provide upright service quality. The dining restaurants had gratified their customers in terms of their overall dining experience. The physical design and appearance of the restaurants, the price of the product, and the responsiveness of the workforce are the strong determinants of the gratification and delight of the customers.

With these conclusions, the researchers forward the following:

1. Higher Education Institutions offering T&H programs may strengthen their curriculum by giving more emphasis on the dimensions of service quality that predict customer satisfaction.
2. The proprietors and or management of dining restaurants may consider the following:
a. To sustain the satisfaction of customers, there is a need to look into the three dimensions which exhibited positive predictive effects to customer satisfaction.
b. The need to sustain the training for staff to be more responsive to the needs of the guest must be monitored and an operational plan may be created for the continuous training and upgrading of their skills.
c. The physical design and layout of restaurants may be carefully planned and assessed with the rules of ergonomics as the industry is not only going green but gears toward a simpler and cosy ambiance for the benefits of their customers.
d. Owners of restaurants may not only endeavour to provide quality food and price them higher but need to offer items which are of superb quality and are justifiably priced.
1. This study may be replicated on a wider scale.

5. Acknowledgements

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