



MEASUREMENT OF SERVICE QUALITY AND CUSTOMER SATISFACTION IN FOOD SERVICE BUSINESS

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Introduction

By tradition, Indian people have to move in a certain direction to eat at home and eat traditional Indian cuisine. Those who ate outside the home often ate street foods from the enormous number of street stalls and informal eateries that are common across India. Eating in a restaurant was reserved for special occasions. Indian consumers are eating out more frequently and younger Indians are shedding the biases of their elders against international franchises and foreign foods.

As per the 2013 India food service report published by the National Restaurant Association of India, the restaurant sector is valued at \$48 billion and is expected to grow to \$78 billion in the next five years. In terms of market segments, Quick Service Restaurants (QSR) and Casual Dine-in formats account for 74 percent of the total market, while Cafés make up 12 percent, and Fine Dining, Pub Bars Clubs & Lounges (PBCL) comprise the rest.

Review of Literature

Restaurant operators must understand and satisfy consumers' needs, wants, and demands to be successful in the competitive foodservice industry (Gregoire, Shanklin, & Greathouse, 1995; Kotler, Bowen, & Makens, 1998). The findings from several studies show that restaurant consumers use different criteria when making restaurant decisions (Johns & Pine, 2002; Koo, Tao, & Yeung, 1999). Examples of these criteria are: food quality, service quality, restaurant physical settings, and variety of choice on the menu. The criteria also vary according to the type of restaurant (Elder et al., 1999; Heung, Wong, & Qu, 2000; Lewis, 1981) and dining occasion (Auty, 1992; June & Smith, 1987; Koo et al., 1999). In addition, a number of studies suggest that restaurant diners often view a restaurant meal as only a part of the total package of a dining experience, and that diners use a bundle of attributes, rather than a single attribute, when making restaurant decisions (Campbell-Smith, 1967; Kivela, 1997; Koo et al., 1999; Lewis, 1981; Pun & Ho, 2001).

Service Quality and Customer Satisfaction

One of the biggest contemporary challenges of management in service industries is providing and maintaining customer satisfaction. Service quality and customer satisfaction have increasingly been identified as key factors in the battle for competitive differentiation and customer retention. The restaurant industry has witnessed diversified changes and fierce competition overtime. Earlier if the restaurants were more focused on food quality and taste, but now have to pay equal attention to other important factors like serving, atmosphere, interior decorations, tangibles, and location etc. Service quality and customer satisfaction have been identified as key elements of the service-profit chain (Heskett et al., 1997). Higher levels of service quality produce higher levels of customer satisfaction, which in turn lead to higher levels of customer patronage and sales revenue. Customer service quality is a crucial source of distinctive competence and often considered a key success factor in sustaining competitive advantage in service industries (Palmer, 2001). Thus, attention to delivery of a higher level of service quality is an important strategy by which service organizations can position themselves more effectively in the market place. The important relationships of service quality, customer satisfaction, and purchasing behavior have thus been an important area of research (Pettijohn et al., 1997; Sivas and Baker-Prewitt, 2000; Virvilaite, Piligrimiene, & Kliukaite, 2015).

Why Measure Service Quality and Customer Satisfaction?

In service sector, quality and customer satisfaction play irreplaceable roles. "It's six to seven time more expensive to gain a new customer than it is to retain an existing customer. A 5% increase in customer retention can increase profits by 25% to 95%".

Measurement also helps the organization compare the difference before and after changes, identify the standard of service delivery and it is also a good chance to recognize problems related to quality of service. Therefore, the measurement of service quality and customer satisfaction benefits company in both qualitative and quantitative way. Gaining high level of service quality and customer satisfaction equal to enhancement in customer loyalty, market share increase, higher returns in investment, cost reduction and guarantee a competitive advantage. (. Parasuraman et al. (1985) built the SERVQUAL scale. The SERVQUAL scale contains desirable characteristics of services with ten dimensions and then it is summed up into five in 1988- tangibles, reliability, responsiveness, assurance and empathy. However, researchers found that when applying SERVQUAL to different industries, items must be removed or added in order to customize the scale to accommodate differences in service settings. In the development of quality measurement of hotel industry, all ten original dimensions of SERVQUAL were used in order to reveal any potential dimensions, especially the unique ones to this industry. These dimensions are defined as follows:



- **Responsiveness:** Willingness to help customers and provide prompt service
- **Competence:** Employees possess the required skills and knowledge necessary to perform the service adequately. It measures the employee's ability to perform a job accurately and be able to address customers' questions with the correct answers.
- **Courtesy:** How polite, respectful, considerate and friendly contact personnel are toward guests.
- **Credibility:** A person's inclination to trust the statements that employee has made. Credibility taps into the believability and honesty of the service provider.
- **Security:** Providing freedom from danger, risk or doubt.
- **Access:** The extent to which employees are approachable and easy to find.
- **Communication:** The ability of employees to keep customers informed. Good communication implies good listening skills and using language and terms that all customers can understand.
- **Understanding:** Making the effort to know the customers' needs.
- **Reliability:** Ability to perform the promised service dependably and accurately.
- **Tangibles:** Appearance of physical facilities, equipment, personnel and communications materials.

From these ten dimensions, a pool which included 97 items of SERVQUAL instrument was generated. Each dimension generated around 10 items. After combining and shortening, it has 22 items (Appendix 1). Each item was divided into two statements: one to measure expectation about organizations in general within a given service area and another to measure perceptions about given organization whose service quality was being assessed. The scale was pointed from "strongly agree" (7) to "strongly disagree" (1). For each dimension, the SERVQUAL scale provides a score for customer expectations (E) and a score for customer perceptions (P) of service providers' performances. Customer expectations are "wants or desires of customer" (Miller, 1977), what they feel the providers should provide or it can be the prediction of future events. They appear before using service. While customer perceptions are measured directly within and after their experience in using service. They reveal the evaluations of customers about what they gain from service. According to Parasuraman and his colleagues, the difference between the two scores is service quality (SQ).

$$\text{Service Quality (SQ)} = \text{Perception(P)} - \text{Expectation(E)}$$

The key to optimizing service quality is to maximize this positive gap score. The negative value of this gap score reveals the dissatisfaction of customers. The input to calculate this score is customers' feedbacks.. It seems that SERVQUAL model has been used only for gap 5. But in reality, its application could be extended to other gaps. Since its introduction in 1985, SERVQUAL model is used in numerous measurement and study of restaurant industry.

Conclusion

Service quality and customer satisfaction play a very significant role in service industry. Many researchers used SERVQUAL model in restaurant studies also. SERVQUAL model measure service quality score on the basis of gap score. Negative gap shows dissatisfaction of customers and positive gap shows satisfaction of customers. Management have to reduce negative gap and improve customer satisfaction and return intention of customers as well as increase profit and market share of the Restaurant.

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