An Examination of the Relationship between Service Quality and Consumers Satisfaction in the Restaurant Industry, Mysuru

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-----------------------------------------------------------------ABSTRACT-----------------------------------------------------------------

The purpose of this study is to empirically investigate the impact of service quality in Mysuru city restaurant settings, based on DINESERV scale. The questionnaire was designed in accordance with Stevens et al. (1995), and Andaleeb and Conway (2006). The main goals are to assess restaurant customers' perceptions and to identify the main dimensions of perceived restaurant service quality. This study identified five dimensions of Dineserv dimensions of restaurant service quality. These are: Tangibility, Reliability, Responsiveness, Assurance, and Empathy. This study employed the questionnaire method to collect data from the consumers who dined at the selected upscale and midscale restaurants. Data collected were analyzed by using statistical tools such as factor analysis, multiple regression, correlation, and Cronbach's alpha. The study also supported that dimensions of service quality affect consumer's satisfaction. Among the guests who dined at selected upscale and midscale restaurants, there was significant impact on all dimensions of service quality with guests' satisfaction. Furthermore, the highly perceived restaurant service quality dimensions among the guests are Reliability, Responsiveness, Tangibility, Assurance, and Empathy respectively. The study findings have significant implications for Restaurant managers. This study can also be used as a tool by the restaurant manager to identify various dimensions of restaurant service quality where improvements are needed to enhance guests (consumers) satisfaction.

Keywords - service quality, DINESERV

I. INTRODUCTION

Service quality is recognized as an important factor leading to the success of restaurants and performance of customer-focused firms. Considering the fact that service quality leads to higher profitability (Gundersen, M. G., et al., 1996) and customer satisfaction (Oliver, R. L., 1997), managers invest tremendous effort to measure and improve the service quality in their business.

II. REVIEW OF LITERATURE

There is a variety of measurement tools and techniques for assessing service quality. One of the most popular and widely used is the SERVQUAL instrument. In restaurant settings, service quality is usually measured with the adapted version of SERVQUAL, called DINESERV (Stevens, Knutson, and Patton, 1995). A modified version of DINESERV is used in this study.

In terms of restaurant studies, Bojanick and Rose (1994) adapted the SERVQUAL instrument in a chain restaurant with a diverse clientele and a varied menu that included international items. Stevens, Knutson, and Patton (1995) created a new instrument called DINESERV to assess customers' perceptions of restaurant service quality. The instrument was adapted from SERVQUAL and was proposed as a reliable and relatively simple tool for determining how customers view a restaurant's quality (Markovic, S., et al., 2010).

III. RESEARCH METHODOLOGY

The research survey questionnaire for the present krease arch was designed based on literature reviews. In the present study, the questionnaire consisted of three parts. The first part of the questionnaire covered the demographic profile of the customers. The second part variables relating to the hotel restaurant service quality, and the third part of the questionnaire consisted of variables relating to consumer satisfaction. A total of 31 likert based questions were designed asking the respondents to rank their importance of agreement on a scale of 1 to 5. Furthermore, with respect to the approach, exploratory research method was adopted to collect the responses from the respondents and both CFA & SEM model is applied to measure the significance (statistically) the impact of Service Quality on Consumer Satisfaction.
IV. RESEARCH FRAMEWORK

4.1 Proposed Research Model: This study is approached with the use of the proposed model (see Figure 1)

4.2 Objectives of the Study: Based on the proposed research model, the objective of the study is to examine the relationship between various dimensions of selected upscale and midscale restaurants’ perceived service quality and consumer satisfaction.

4.3 Instrument Development: We used the questionnaire method for collecting data from the consumers. The variables relating to the present study are drawn from the studies of Parasuraman et al. (1985) and Stevens et al. (1995).

4.4 Data Collection

The scope of the study is confined only to selected upscale and midscale restaurants situated in Mysuru, Karnataka. 10 restaurants (07 upscale and 03 midscale restaurants) were selected for the study. The questionnaire consisted of three parts. The first part covered the demographic profile of the consumers. The second part of the questionnaire covered variables relating to the restaurant service quality, and the third part of the questionnaire consisted of variables relating to consumer satisfaction. This study was conducted from Jan – April 2018. Due to the non-availability of the sampling frame, we employed a purposeful sampling method for collecting data from the respondents. The sampling unit for the current study was male and female guests who were above 18 years of age and had dined at chosen upscale and midscale restaurants. The purpose of the study was clearly explained to the customers before collecting the data.

Before administering the questionnaire to the customers, we conducted a pilot study. Furthermore, we developed the questionnaire after discussion with a panel of managers and academic experts. Based on feedback, suitable modifications were made to the questionnaire. Even though we made several efforts to collect data from the respondents, we were able to collect the data from only 430 guests.

4.5 Descriptive Statistics

5.1 Reliability of the Instrument

5.1.1 Reliability and Convergent Validity

An analysis of the gender composition of the guests revealed that 62% of the guests were female, while 38% of the guests were male. On the educational qualification front, among the guests were graduates and post graduates that constituted 59% and 34% respectively of the total respondents respectively. Similarly, 41% of the respondents were in the age group of 36 to 45 years and 38% of them were in the age group of 26 to 35 years and 8% of them in the age group of 45 to 55 years.

4.6 Proposed Hypothesis: Based on the above conceptual framework (Figure 1), the hypotheses formulated are as follows:

H1: Perceived service quality has a direct positive and significant impact on Consumer Satisfaction.

V. ANALYSIS AND RESULTS

5.1 Reliability of the Instrument

5.1.1 Reliability and Convergent Validity

The reliability test was administered to determine how strongly the attributes were related to each other (Hair, Anderson, Tatham, & Black, 2003). All scales are reliable (see Table 1) as Cronbach’s alpha ranges from 0.777 to 0.900 (Service Quality Dimensions) and 0.836 for Consumer Satisfaction, exceeding the recommended threshold of 0.70 (Nunnally, 1978).

In addition, the standardized loading (correlation coefficients), the composite reliability, Cronbach Alpha and AVE results through Confirmatory Factor Analysis (CFA) technique that was adopted to validate the
hypothesized measurement model consisting of five subdimensions of Service Quality and the standardized loading along with AVE value of consumer satisfaction is also provided in Table 2.

Table 1. Reliability Co-efficient of Restaurant Service Quality and Customer Satisfaction Dimensions

<table>
<thead>
<tr>
<th>Sl.No</th>
<th>Service Quality Dimension</th>
<th>No. of Variables retained</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Tangibles</td>
<td>6</td>
<td>0.884</td>
</tr>
<tr>
<td>2</td>
<td>Reliability</td>
<td>4</td>
<td>0.817</td>
</tr>
<tr>
<td>3</td>
<td>Responsiveness</td>
<td>5</td>
<td>0.855</td>
</tr>
<tr>
<td>4</td>
<td>Assurance</td>
<td>5</td>
<td>0.777</td>
</tr>
<tr>
<td>5</td>
<td>Empathy</td>
<td>5</td>
<td>0.900</td>
</tr>
<tr>
<td>6</td>
<td>Consumer Satisfaction</td>
<td>7</td>
<td>0.836</td>
</tr>
</tbody>
</table>

Table 2. Reliability results of Restaurant Service Quality Dimensions

<table>
<thead>
<tr>
<th>Sl.No</th>
<th>Service Quality Dimensions</th>
<th>Standardized Factor Loading</th>
<th>Composite Reliability</th>
<th>Cronbach Alpha</th>
<th>Average Variance Extracted(AVE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Tangibility</td>
<td>0.882</td>
<td>0.882</td>
<td>0.884</td>
<td>0.559</td>
</tr>
<tr>
<td>2</td>
<td>Reliability</td>
<td>0.952</td>
<td>0.815</td>
<td>0.817</td>
<td>0.527</td>
</tr>
<tr>
<td>3</td>
<td>Responsiveness</td>
<td>0.921</td>
<td>0.852</td>
<td>0.855</td>
<td>0.542</td>
</tr>
<tr>
<td>4</td>
<td>Assurance</td>
<td>0.688</td>
<td>0.766</td>
<td>0.777</td>
<td>0.411</td>
</tr>
<tr>
<td>5</td>
<td>Empathy</td>
<td>0.556</td>
<td>0.901</td>
<td>0.900</td>
<td>0.644</td>
</tr>
<tr>
<td>6</td>
<td>Consumer Satisfaction</td>
<td>0.630</td>
<td>0.834</td>
<td>0.836</td>
<td>0.421</td>
</tr>
</tbody>
</table>

SEM model of impact of Service Quality on Consumer Satisfaction:

Fig 2: SEM Model result for the impact of Service Quality on Consumer Satisfaction

5.2 Data Analysis and Results

After running the CFA to check the reliability and validation of the items (questions), the defined research hypothesis shown in conceptual frame work (Fig 1) was tested using SEM technique.
Firstly, the overall model Goodness-of-fit & Incremental Indices of Measurement model Service Quality showed that the observed that Chi-square/df (χ2/df) is 3.639 (which is less than 5) and Goodness of Fit index (GFI) obtained is 0.896 as against the recommended value of above 0.90; The Adjusted Goodness of Fit Index (AGFI) is 0.886 as against the recommended value of above 0.90 as well. The Normed fit Index (NFI), Relative Fit index (RFI), Comparative Fit index (CFI) are 0.879, 0.862, 0.828 respectively as against the recommended level of above 0.90. RMSEA is 0.078 and is well below the recommended limit of 0.10. Hence the model shows an overall acceptable fit and is an over identified model. The results of the model in Table 2 yielded acceptably high goodness-of-fit indices. This indicates that the model fits the observed data well. All the results shown in the above table are presented are below the cut-off (accepted) values, indicating a good fit of the present model.

5.2.1 Impact of Restaurant Service Quality Dimensions on Consumer’s Satisfaction

In order to test the impact of restaurant service quality dimensions on consumer satisfaction, multiple regression analysis was conducted.

**Table 3: Direct Effect of Research Model: Standardized Regression Weights**

<table>
<thead>
<tr>
<th>Relationships</th>
<th>Estimate</th>
<th>S.E.</th>
<th>C.R.</th>
<th>P-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer satisfaction ← Service quality</td>
<td>0.182</td>
<td>0.049</td>
<td>3.235</td>
<td>0.001*</td>
</tr>
</tbody>
</table>

* Significance at 5 % level.

The regression results are provided in Table 3. Accordingly, it is observed that the p-value of the relationship between Service Quality and Consumer Satisfaction (β=0.182, C.R = 3.235, p = 0.001, p<0.05) is less than the significance alpha level of 0.05. From the Table 3, we accept H₁ and conclude that Service Quality has a direct positive and significant impact on Consumer Satisfaction. The interpretation is that, for one unit increase in the rating scale of agreement in Service Quality construct, one could expect about 0.182 times (approximately one fifth times) increase in the Consumer Satisfaction dimension.

VI. DISCUSSION

This study identified five important dimensions of restaurant service quality. These are Tangibility, Reliability, Responsiveness, Assurance, and Empathy. This study rejects the null hypotheses, implying that there is a significant impact of tangibility, reliability, responsiveness, assurance and empathy dimensions on consumer satisfaction.

VII. MANAGERIAL IMPLICATIONS

The study findings have significant implications for restaurant managers. The study findings would help managers to ascertain priorities of guests. This study can also be used as a tool by the hotel management to identify various dimensions of restaurant service quality where improvements are needed to enhance the consumers’ satisfaction levels. These research findings would provide insights to restaurant managers to retain their existing customer base and increase their satisfaction.

VIII. LIMITATIONS OF THE STUDY AND SCOPE FOR FUTURE RESEARCH

The study made some significant contributions in determining the relationship between perceived service quality and consumer satisfaction in upscale and mid-scale restaurants in Mysuru. The study was based on selected upscale and mid-scale hotels around Mysuru. Hence the results cannot be generalized for the entire restaurant industry in Mysuru. This study only illustrates a snapshot of time. Readers may exercise caution while interpreting its results.

Further research can extend the current body of knowledge through research in different cultures and organizations. Moreover, future research could also look into other factors such as social climate, policies, brand affiliations that could lead to higher delivery of service quality. Brand affiliation may impact guest expectations relative to service quality (Rauch, Collins, Nale, & Barr, 2015). Also, social climate could have a negative impact on customers’ satisfaction (Dedeoglu & Demirer, 2015).

REFERENCES


