



DINNING EXPERIENCE AND RETURN PATRONAGE — STUDY OF HOTEL'S RESTAURANTS IN DELHI, INDIA

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ABSTRACT

Service-based industries such as hotels and restaurants are spending a tremendous effort to measure and improve the service quality of their businesses. Service quality is one of the key factors in achieving competitive advantages in the restaurant industry since high service quality presumably results in increased customer satisfaction, and thus increased future patronage. This paper reports on research undertaken in Delhi, India, investigating the aspiration and expectation of guests who use to dine out in First Class Restaurants(independent or hotels restaurants) of Delhi, India. The purpose of this study was to examine the two generic service-quality dimensions: physical quality and staff behavior/attitude in restaurants by employing the confirmatory factor analysis approach. The research indicates that the service quality in food service has got more importance of service staff and their qualities.

KEYWORDS: *service quality • restaurants • culture • service expectations • service dimensions*

Introduction and Background

Early SPC conceptualizations and tests were focused on retention and revenue maximization with no explicit consideration of the cost of service quality efforts (Heskett et al., 1994). Thus, the objective was to increase sales and revenues with no explicit regard for profitability. Customer satisfaction is considered a key short-term measure that is a lead indicator of long-term performance (Anderson and Sullivan, 1993; Hauser et. al., 1994). Some studies have linked satisfaction or service quality to profitability

and not just revenues. For instance, Ittner and Larcker (1998a) found that satisfaction is positively related to retention and revenues but not to margins. Specifically, they found that bank branches ranking in the lowest customer satisfaction quartile had no different return on sales (margins/sales) than those ranking in the highest quartile. For most of literature, the measurement of customer satisfaction is collected from questionnaire and it usually reflects a single spot. As an organization creates strategy maps a long-term historical records are needed rather than questionnaire data. So we adopt both of the behavioral variables, occupancy rate and average sales per customer (Banker et al., 2000), instead of questionnaire (Lipe and Salterio, 2000; Banker et al., 2004). Occupancy rate of rooms is measured as the number of occupied rooms divided by the available rooms. And occupancy rate of F&B department is measured as the number of customers who have purchased in the current month divided by the estimated maximum number of customers. The fluctuation of occupancy rate and average sales per customer perceived the change of retention and repeat from customers.

Customer satisfaction is at the heart of marketing. The ability to satisfy customers is vital for a number of reasons. For example, it has been shown that dissatisfied customers tend to complain to the establishment or seek redress from them more often to relieve cognitive dissonance and failed consumption experiences (Oliver, 1987; Nyer, 1999). If service providers do not properly address such behavior, it can have serious ramifications. In extreme cases of dissatisfaction, customers may resort to negative word-of-mouth as a means of getting back. A disgruntled customer can, thus, become a saboteur, dissuading other potential customers away from a particular service provider.

Researchers have also found a strong relationship between satisfaction and loyalty. Szymanski and Henard (2001), in their meta-analysis, indicate 15 positive and significant correlations between the two constructs. Bearden and Teel (1983) have also shown a relationship between satisfaction and loyalty. In fact Jones et al. (1995) argue that this relationship is not a simple linear one; these behaviors may depend on consumer attributions, i.e. their belief in the causes of the CS/D assessment.

Quite understandably, marketing practitioners have often aligned their bets with customer satisfaction, using slogans such as “Our focus is customer satisfaction”, or “Customer is king.” The University of Michigan tracks customers across 200 firms representing all major economic sectors to

produce the ACSI (American Customer Satisfaction Index). Each company receives an ACSI score computed from its customers' perceptions of quality, value, satisfaction, expectations, complaints, and future loyalty (Fornell et al, 1996).

Customer satisfaction is defined here in Oliver's (1997) terms: that it is the consumer's fulfillment response. It is a judgment that a product or service feature, or the product or service itself, provides a pleasurable level of consumption related fulfillment. In other words, it is the overall level of contentment with a service/product experience.

We used the transaction-specific model suggested by Teas (1993) and later expanded by Parasuraman, Zeithaml and Berry (1994) - PZB henceforth - to address our research question because this model suggests how overall customer satisfaction can be explained by evaluating experiences with specific aspects of service quality, product quality, and price (PZB, 1994). Also, by using the transaction-specific model, we emphasize that the offering for the full service restaurant industry must be viewed as a mixture of service and product features. Thus, customers are likely to consider specific aspects of the transaction such as product features (e.g. food quality and restaurant ambience), service features (e.g. responsiveness of the server), as well as price, to be satisfied with their overall restaurant experience.

Customers also evaluate service based on service clues ([8] Berry et al., 2006, p. 45). These clues can be functional (the technical quality of the offering), mechanistic (the sensory presentation of the service) or humanistic (behavior and appearance of service providers). The humanistic clue suggests that a service provider's choice of words, tone of voice, level of enthusiasm, body language and appropriateness of dress all lead to the way a service is experienced, and reveal "much about an organization's commitment to understanding and satisfying customer needs and wants".

Physical facilities are only a part of the total service product, which according to Sasser, Olsen, and Wyckoff (1978) is actually a bundle or package made up of three distinct elements:

- (a) Facilitating goods
- (b) Sensory benefits
- (c) Psychological benefits

Berry, Carbone, and Haeckel (2002) discussed three categories of clues present in the service experience: functional clues, mechanic clues,

and humanic clues. Functional clues concern the technical quality of the service, particularly relating to whether the service is performed competently. In a restaurant, this category refers to the food itself and the accuracy or efficiency of the service. Mechanic clues are nonhuman elements in the service environment consisting of design and ambient factors, including equipment, facility layout, lighting, and color. Humanic clues consist of the behavior of service employees, including body language, tone of voice, and level of enthusiasm.

Parsa et al. (2005), who found that while food quality was critical to restaurant success, excellent food alone did not guarantee success. Because differentiating the service typically relies on mechanic and humanic clues, our study focuses on the combined effects of those clues on customers. (We prefer the term “clues” over the similar term “cues” to better convey the service customer’s active processing of stimuli that can help inform their choices and influence their feelings about the experience)

Research in marketing draws from theories in environmental psychology to examine the effects of the environment on customers’ affect, attitudes, service evaluation, and behavior-and, ultimately, sales. In the context of retailing, Kotler (1973) defined atmospherics as the conscious design of space to create certain effects in buyers to enhance purchase likelihood. According to Kotler, atmosphere can affect purchase behavior in three ways. As an attention-creating medium, atmosphere can make a store or restaurant distinctive through design, color, motion, or sound(9)

Research in services marketing has shown that in inseparable services where both the customer and service provider must be present, such as those found in restaurants and hotels, the physical environment where the service is performed influences customers’ perception of service quality (Baker, Grewal, and Parasuraman 1994; Bitner 1990).(9)

Any employee who comes in direct or indirect contact with a customer influences customer satisfaction, customer-perceived quality and firm revenues ([24] Heskett et al. , 1997). The concept of the “part-time marketer” ([17] Gummesson, 1991, p. 60) suggests that because of the nature of service encounters in services, all customer-contact employees are, in effect, marketers. This simple fact has rather significant implications for service managers, starting with the need for the development of a service atmosphere particularly among those employees who are on the front line of customer contact

Research Method

Research design

Secondary sources were explored first to assess past research conducted on customer satisfaction in the restaurant industry. The next stage involved gathering information via qualitative methods from restaurant goers. This process allowed us to identify and narrow down the key factors and the related items comprising the factors that were expected to explain customer satisfaction for the restaurant industry. The next step involved designing and pre-testing a questionnaire that was administered to a convenient sample. The pre-test was instrumental in assessing the strengths and weaknesses of the questionnaire and in ensuring that all pertinent variables were included. At this stage, several modifications were made to the instrument to remove ambiguities, to eliminate items that did not seem to fit the context (e.g. feeling safe in one's transactions with restaurants), and to improve the flow of the questions. The final version was administered to guests who use to dine out in First Class Restaurants (independent or hotels restaurants) of Delhi, India.

Measurement

The questionnaire asked respondents to evaluate the last full service restaurant they had frequented. It included perceptual measures that were rated on seven-point Likert scales. This design is consistent with prior studies on customer satisfaction and service quality. Each scale item was anchored at the numeral 1 stating "extremely low" and at the numeral 7 stating "extremely high" for expectation / importance and performance/ experience." Multiple items were used to measure each construct so that their measurement properties could be evaluated on reliability and validity. The scale items measuring the dependent variable were chosen to reflect people's overall satisfaction with the services provided by the restaurant. Demographic data were also obtained from the respondents.

We did not use the gap score approach that measures the difference between perceptions and expectations suggested in the original SERVQUAL framework due to the problems discussed earlier in the paper; instead we only focused on perceptual measures, which also helped to keep the instrument and the analyses simple. This approach is consistent with other studies (Cronin and Taylor, 1992; Andaleeb and Basu, 1994).

Sampling

Respondents were selected by utilizing a table of random numbers applied to the local telephone directory, which resulted in mailing out 600 surveys. Respondent anonymity was ensured by not requiring them to identify themselves anywhere in the survey. In addition, respondents were asked to return the completed surveys by mail in a postage paid envelope. Respondents were also informed that the study was being conducted by a well-known local college.

A total of 85 questionnaires were completed and returned by mail, resulting in a response rate of 14 percent. Such rates are not atypical: according to Harbaugh (2002, p. 70), "Response rates for traditional mail surveys have continued to decline to a point where the average is below 20%." We might have been able to increase the response rates using follow-up mailings or including monetary incentives as these seem to maximize response rates (Larson and Chow, 2003). However, because of resource constraints, such measures had to be abandoned. Instead, to increase the sample size to more than 300, an additional 230 restaurant users were interviewed using judgment sampling to eliminate potential biases and to select respondents from a wide spectrum. This approach resulted in a final sample size of 293 respondents. The sample demographics indicated that a broad cross section of the population responded.

Analysis

Factor analysis was conducted with Varimax rotation to examine how the selected measures loaded on expected constructs. Four factors were recovered from the analysis (see Table 5). Varimax rotation, where the factor axes are kept right angles to each other is most frequently chosen. Ordinarily rotation reduces number of complex variable and improves interpretation. Factor one comprises 8 items with factor loading ranging from .540 to .878. Factor two comprises 13 items with factor loading ranging from .413 to .781. Factor three comprises 6 items with factor loading ranging from .396 to .841.

Those items which have double or triple loading on more than one factor must be interpreted with causation because simple structure is not apparent these items are:

1. Level of noise in the restaurant
2. Dining privacy

Table 5: Rotated Factor Matrix

	1	2	3	4
View from the restaurant	.878			
Cleanliness of the restaurant	.803			
Level of noise in the restaurant	.741	.345		
Dining privacy	.706		.364	
Menu item variety	.666	.413	.425	
Restaurant's temperature	.662	.549		
Food quality	.591	.531	.424	.392
Friendly, polite and helpful staff	.540	.498	.406	
Offers a new dining experience		.781	.314	
Presentation of food		.766		
Staff appearance	.414	.733	.348	
Parking convenience	.579	.726		
Sympathetic handling of complaint		.664	.586	
Offers service of consistent standard	.583	.660		
Restaurant's appearance	.470	.649		
Temperature of food	.502	.592	.449	.324
Testiness of food	.526	.585	.396	
Attentive staff	.365		.841	
Efficient service		.306	.823	
level of comfort in the restaurant		.422	.798	
Staff food and beverage knowledge	.387		.623	-.496
Offers food of consistent standard				

*Note: Extraction Method: Principal Axis Factoring. Rotation Method: Varimax with Kaiser Normalization. a Rotation converged in 6 iterations

3. Menu item variety
4. Restaurant's temperature
5. Food quality
6. Friendly, polite and helpful staff
7. Offers a new dining experience
8. Staff appearance
9. Parking convenience
10. Sympathetic handling of complaint
11. Offers service of consistent standard
12. Restaurant's appearance

13. Temperature of food
14. Testiness of food
15. Level of comfort in the restaurant

As we observe in table 1 the guests coming to the restaurant are from business, commerce, finance employment statuses are largest in numbers. At the same time the income group of Rs. 25000 to 50000 (p.m.) are having height frequencies compare to Rs. 50000 and above. It means that the higher income group are not directly proportional to consumer for food and beverage industry. The another important determinant factor in this study is customer of age group of 25 to 35 (years), who generally are employed youngsters. This is followed by the age group of 35 to 45 (years), who generally used to be the family group. We have not been able to attract the customers of age group of 55 to 65 (years).

Table 1: Demographics of survey participants

Employment status of survey participants	Frequency	Percent
Business, commerce, finance	144	49.1
Self employed	74	25.3
Education	18	6.2
Science & Medicine	22	7.5
Legal	14	4.8
Retail and tourism	13	4.4
Government	8	2.7
Total	293	100.0
Age of survey participants	Frequency	Percent
25	60	20.5
25-35	102	34.8
35-45	80	27.6
45-55	43	14.7
55-65	8	2.4
Total	293	100
Income of survey participants '000 Rs.	Frequency	Percent
10-25	70	23.9
25-50	125	42.6
Above 50	98	33.4
Total	293	99.7
Gender of survey participants	Frequency	Percent
Male	189	64.5
Female	104	35.5
Total	293	100

The survey contents a set of what is referred to as importance-performance style question. The result of paired-sample t-test is presented in table 2. As illustrated for the 22 questions included in the analysis there were 21 items that had a statistically significant difference. A particular note is that for all 21 items the performance mean was lower than the importance mean. This is very alarming situation for first class restaurant in Delhi and this reason that market has been tapped by moderate restaurant of different brand.

Table 2: Comparison between importance and performance attribute

	IMPORTANCE		PERFORMANCE		t-value
	Mean	Std. Deviation	Mean	Std. Deviation	
Presentation of food	6.24	0.92	6.15	1.23	1.12
Menu item variety	6.20	1.12	5.42	1.28	11.05**
Testiness of food	6.22	1.20	5.20	1.43	16.23**
Food Quality	6.37	1.01	5.46	1.38	13.35**
Temperature of food	6.42	0.97	5.59	1.46	10.90**
Friendly, polite and helpful staff	6.41	1.01	5.46	1.43	13.79**
Attentive staff	6.55	0.70	5.92	0.99	10.02**
Efficient service	6.41	0.83	5.83	1.04	9.76**
Staff food and beverage knowledge	6.40	0.90	5.74	1.08	9.51**
Sympathetic handling of complaint	6.26	1.15	5.59	1.34	10.26**
Level of comfort in the restaurant	6.38	0.94	5.76	1.15	9.56**
Level of noise in the restaurant	6.43	0.91	5.32	1.46	13.08**
View from the restaurant	6.40	0.95	5.09	1.56	13.97**
Cleanliness of restaurant	6.27	1.25	5.30	1.72	9.41**
Dining privacy	6.61	0.64	5.55	1.24	15.42**
Restaurant temperature	6.03	1.40	5.46	3.92	2.53*
Restaurant's appearance	6.21	1.29	5.60	1.39	8.78**
Staff appearance	6.16	1.35	5.32	1.50	11.64**
Offer a new dining experience	6.36	0.99	5.59	1.30	13.01**
Offer food of the consistent standard	5.98	1.33	4.84	1.05	11.76**
Offer service of consistent standard	6.15	1.28	5.03	1.67	14.98**
Parking convenience	6.16	1.35	5.39	1.42	11.39**

Note: * t- test two tail probability < 0.05, ** t- test two tail probability < 0.01

As per table 3 (A &B) we have taken 9 variables comparing with different level of dining patronage are:

1. High and low patronage has significantly different mean presentation of food.

2. High, medium and low patronages have significantly different mean Testiness of food.
3. High, medium and low patronage have significantly different mean Food quality
4. High and low patronage have significantly different mean Temperature of food
5. High, medium and low patronages have significantly different mean Attentive staff
6. High, medium and low patronages have significantly different mean Efficient service

Table 3(A): Multiple comparison of performance with return patronage

Dependent Variable	(Return patronage	Return patronage	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
Presentation of food	1.00	2.00	-.28158	.17073	.258	-.7018	.1387
		3.00	-.83809(*)	.20626	.000	-1.3458	-.3304
	2.00	1.00	.28158	.17073	.258	-.1387	.7018
		3.00	-.55651	.22953	.055	-1.1215	.0085
	3.00	1.00	.83809(*)	.20626	.000	.3304	1.3458
		2.00	.55651	.22953	.055	-.0085	1.1215
Testiness of food	1.00	2.00	-.55633(*)	.19269	.016	-1.0305	-.0821
		3.00	-.82790(*)	.23845	.003	-1.4147	-.2411
	2.00	1.00	.55633(*)	.19269	.016	.0821	1.0305
		3.00	-.27158	.26332	.588	-.9196	.3764
	3.00	1.00	.82790(*)	.23845	.003	.2411	1.4147
		2.00	.27158	.26332	.588	-.3764	.9196
Food quality	1.00	2.00	-.32558	.18406	.211	-.7785	.1273
		3.00	-.99848(*)	.22826	.000	-1.5602	-.4368
	2.00	1.00	.32558	.18406	.211	-.1273	.7785
		3.00	-.67290(*)	.25307	.030	-1.2956	-.0502
	3.00	1.00	.99848(*)	.22826	.000	.4368	1.5602
		2.00	.67290(*)	.25307	.030	.0502	1.2956
Temperature of food	1.00	2.00	-.23843	.19664	.480	-.7223	.2454
		3.00	-.91364(*)	.24386	.001	-1.5137	-.3136
	2.00	1.00	.23843	.19664	.480	-.2454	.7223
		3.00	-.67520(*)	.27036	.046	-1.3405	-.0099
	3.00	1.00	.91364(*)	.24386	.001	.3136	1.5137

Note: * The mean difference is significant at the 0.05 level

Legend: 1 represents low patronage

2 represent medium patronage

3 represent high patronage

Table 3(B): Multiple comparison of performance with return patronage

Dependent Variable	(Return patronage	Return patronage	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
Attentive staff	1.00	2.00	-.52428(*)	.13096	.000	-.8465	-.2020
		3.00	-.49091(*)	.16241	.011	-.8905	-.0913
	2.00	1.00	.52428(*)	.13096	.000	.2020	.8465
		3.00	.03337	.18006	.983	-.4097	.4764
	3.00	1.00	.49091(*)	.16241	.011	.0913	.8905
		2.00	-.03337	.18006	.983	-.4764	.4097
Efficient service	1.00	2.00	-.70111(*)	.13538	.000	-1.0342	-.3680
		3.00	-.55152(*)	.16789	.005	-.9646	-.1384
	2.00	1.00	.70111(*)	.13538	.000	.3680	1.0342
		3.00	.14960	.18614	.724	-.3084	.6076
	3.00	1.00	.55152(*)	.16789	.005	.1384	.9646
		2.00	-.14960	.18614	.724	-.6076	.3084
Staff food and beverage knowledge	1.00	2.00	-.79862(*)	.14154	.000	-1.1469	-.4503
		3.00	-.40909	.17553	.068	-.8410	.0228
	2.00	1.00	.79862(*)	.14154	.000	.4503	1.1469
Sympathetic handling of complaint	1.00	2.00	-.64676(*)	.18104	.002	-1.0924	-.2012
		3.00	-.67823(*)	.22251	.010	-1.2259	-.1306
	2.00	1.00	.64676(*)	.18104	.002	.2012	1.0924
		3.00	-.03147	.24506	.992	-.6347	.5717
	3.00	1.00	.67823(*)	.22251	.010	.1306	1.2259
		2.00	.03147	.24506	.992	-.5717	.6347
level of comfort in the restaurant	1.00	2.00	-.57692(*)	.15670	.001	-.9626	-.1912
		3.00	-.45455	.19245	.063	-.9283	.0192
	2.00	1.00	.57692(*)	.15670	.001	.1912	.9626
		3.00	.12238	.21164	.846	-.3986	.6433
	3.00	1.00	.45455	.19245	.063	-.0192	.9283
		2.00	-.12238	.21164	.846	-.6433	.3986

Note: * The mean difference is significant at the 0.05 level

Legend: 1 represents low patronage

2 represent medium patronage

3 represent high patronage

7. Medium and low patronages have significantly different mean Staff food and beverage knowledge
8. High, medium and low patronages have significantly different mean Sympathetic handling of complaint
9. High, medium and low patronages have significantly different mean Sympathetic handling of complaint

The next analysis involved with performance rating by the customers, independent sample t-test was used to valuate if there was any statically significant difference by gender. The results of this analysis are in table 4 except these three factors (Staff food and beverage knowledge, Level of noise in the restaurant, View from the restaurant) all are statistically significant. In factors Staff food and beverage knowledge, Level of noise in the restaurant, View from the restaurant female has got higher mean than male. Even in statistically significant factor female has got higher mean. As we can think that this situation may be due to low frequency in visiting by female participant in the first class restaurant in Delhi.

Discussion

This study tested a model of customer satisfaction for the restaurant industry using the transaction-specific framework. The results suggest that

Table 4: Gender Difference for Participants rated for performance factors

Group Statistics	Male		Female		t-value
	Mean	Std. Deviation	Mean	Std. Deviation	
Presentation of food	5.95	1.34	6.51	0.88	-3.69**
Menu item variety	5.18	1.29	5.86	1.13	-4.47**
Testiness of food	4.87	1.46	5.76	1.17	-5.28*
Food quality	5.24	1.51	5.84	0.99	-3.59**
Temperature of food	5.39	1.63	5.96	0.98	-3.27**
Friendly, polite and helpful staff	5.27	1.53	5.81	1.15	-3.15**
Attentive staff	5.81	1.06	6.13	0.82	-2.60**
Efficient service	5.70	1.08	6.07	0.93	-2.91**
Staff food and beverage knowledge	5.57	1.08	6.05	1.01	-3.70
Sympathetic handling of complaint	5.30	1.51	6.07	0.78	-4.78**
level of comfort in the restaurant	5.50	1.24	6.18	0.84	-4.97**
Level of noise in the restaurant	5.19	1.39	5.54	1.54	-1.96
View from the restaurant	4.84	1.45	5.54	1.65	-3.74
Cleanliness of the restaurant	5.07	1.76	5.73	1.56	-3.20*
Dining privacy	5.44	1.26	5.76	1.19	-2.15*
Restaurant's temperature	5.41	4.68	5.59	1.40	-0.37*
Restaurant's appearance	5.57	1.47	5.64	1.23	-0.36*
Staff appearance	5.06	1.59	5.83	1.16	-4.26**
Offers a new dining experience	5.34	1.43	6.06	0.84	-4.64**
Offers food of consistent standard	4.75	1.16	4.98	0.85	-1.81**
Offers service of consistent standard	4.69	1.81	5.43	1.24	-3.65**
Parking convenience	5.22	1.58	5.69	1.02	-2.65**

Note: * t test probability < 0.05, ** t test probability < 0.01

our model satisfactorily explains customer satisfaction and that full service restaurant owners and managers should focus on three major elements

Interestingly, a server's appearance (neatness) also loaded with responsiveness and not with the "physical design" items (i.e. tangibles). Whether this was due to the fact that our measures of tangibles included only one employee feature (as in SERVQUAL) and four restaurant features, or whether neat employees again represent how customers expect personnel to be (i.e. respond) in their presence is a moot question and demands additional investigation. In fact, as past studies have suggested (Carman, 1990; Andaleeb, 1998; Andaleeb and Simmonds, 1998), our results seem to corroborate that strict adherence to specific measures (such as SERVQUAL) in different contexts may not be appropriate. As a specific example, it may be perfectly reasonable for employee knowledge to be categorized as an assurance item in a highrisk credence-based context such as medical or legal services, but as a responsiveness item in a lower-risk experience-based context such as dining out, suggesting that contexts can change meanings of subjective measures. This contention ought to be recognized and further addressed by researchers so that reasonable interpretations of measures can prevail over the need to adhere to popular models or to traditional interpretations of measures that may be considered by some as immutable.

From a managerial perspective, it is important to develop appropriate programs and provide on-going training on the various attributes of responsiveness to strengthen employees' ability to improve customer service. Although easy to suggest, instilling these qualities in the frontline personnel and gaining their commitment can be challenging. However, if full service restaurants want to deliver high levels of customer satisfaction, they could periodically track staff performance on the seven items that measure "responsiveness." By doing so, supervisors and owners of restaurants can design targeted training programs that encourage employees to instill this dimension of service quality.

Based on the standardized regression coefficients, price expectation was determined to be next in importance in influencing customer satisfaction. The negative beta value suggests that when prices are not in accordance with expectations (with negative deviation), customer satisfaction declines. As our secondary research suggested, restaurant customers typically have internal reference prices stored in their memories (Grewal et al, 1998).

Consequently, if prices on the menu are higher than what the customer expects, customer satisfaction will be adversely affected. It is important, therefore, for restaurants to assess competitive prices and customers' reference prices for a selected segment in which they desire to position their offering.

Based on the regression coefficients and the standardized beta values the construct "food quality" or reliability ranked third in importance. At first glance, this finding was a little surprising because food - the meal - is considered the primary purpose for dining out. Perhaps, restaurants have refined the science of food preparation to the point where this is not the distinguishing factor any more. In other words, restaurants are doing such a good job in this area that this is not the principal factor in a person's decision to select a restaurant. Future studies ought to test this contention.

Curiously, although the exploratory analysis and the secondary research supported it, the physical design of the restaurant did not have a significant effect on customer satisfaction as shown by the regression coefficients. We were puzzled when this factor turned out to be insignificant because the substantial research that has been conducted on atmospherics or physical designs of restaurants and other facilities substantiate the validity of including this factor in the model. Perhaps the physical characteristics of a restaurant work through some other mediating variable to explain customer satisfaction; this should be explored in future research. In this regard, Zeithaml and Bitner (2003, p. 98) suggest that most companies combine tangibles with another dimension to develop service strategies; however, firms that do not attend to tangibles "can confuse and even destroy an otherwise good strategy".

We believe our model for assessing customer satisfaction in the full service restaurant industry is a useful one. We also believe that if restaurant owners truly want to gain a competitive edge, they must continually strive to increase the levels of customer satisfaction by emphasizing the three significant factors discerned in this study and as suggested by the transaction-specific model.

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