

An Analytical Study of Consumer Satisfaction and Economic Influences on Revisit Intentions in Restaurants

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Executive Summary

Kolkata has innumerable restaurants and many more coming up on an everyday basis. Since the city is a hub of several eateries, reviewing customer feedback is essential for restaurant owners to continue with successful and profitable operations. The purpose of conducting this research project is to examine the factors of food quality, service quality, pricing as well as restaurant environment that influences customer satisfaction. The level of satisfaction of a customer also impacts his revisit intentions and word of mouth marketing. To attain the objectives of this research project, necessary hypotheses are developed and tested. The results obtained are subsequently explained. Other than that, literature reviews are included in this research project as to provide better understanding towards the influential factors on dining experience as well as provide justification towards the research questions and research problems. The primary data was collected through survey method for the research purpose. 250 sets of questionnaires were distributed to the customers of five popular casual dining restaurants of Kolkata. The restaurants were selected on the basis of Dineout ratings. By using SPSS (V.21), data collected through survey questionnaires were analyzed and tables and charts were developed. In addition, major findings of this research project were discussed in order to understand the relationship between the different relevant variables in a restaurant. Lastly, managerial implications have been discussed to provide insight and useful information to the restaurateurs. On the other hand, the limitations of the study have also been elicited and recommendations have been developed to assist future researchers in managing these limitation.

Chapter I – Introduction

1.1 Overview

The service sector is the dominant sector of India's GDP. It has attracted foreign investment flows, contributed significantly to exports as well as provided large-scale employment. India's service sector covers a wide variety of activities such as trade, hotel and restaurants, transport, storage and communication, finances and insurance, real estate, business services, social and personal services, and services associated with construction. Services are different from products. Their consumption and production are partly simultaneous activities. The production of a service incorporates a customer and is an interactive process unlike the product manufacturing processes.

The restaurant sector is a major component of the service sector. It makes a significant contribution to India's GDP. India's exponential growth in terms of frequency of eating out and experimentation with cuisines and concepts has given the Food and Beverage services a major boost.

With the advent of rapid urbanisation in the country, the restaurant sector is becoming increasingly important. The food sector has high manpower requirements in the hospitality sector, and it is a huge impetus to other sectors like agriculture, food processing, supply chain, logistics, real estate sector etc. This sector does not come under one ministry but many like tourism, agriculture and finance and commerce ministries.

The growth of the restaurant industry coincides with the growth of the great Indian middle class, which is the result of liberalization. Growing awareness of Western lifestyles, more women joining the workforce, smaller and nuclear families and higher disposable incomes are some of the factors that contribute to the growth of the restaurant industry.

The entry of franchises of fast food chains in India like McDonald's, Pizza Hut, KFC etc. acted as a major game changer. It added the attributes of affordability, swiftness and convenience to eating out. Indians were exposed to accepting other cuisines as a complete meal.

The quick service restaurant industry started thriving whilst Indians discovered fine dining. The consumers were no longer sceptical in spending money on experiential eating. Dining out became a part of celebrations, occasions and festivities. The customer base was getting drawn towards the high end restaurants.

Another major stimulant in the growth of the restaurant industry was the rise of the mall culture. Shopping in the modern era is not viewed as a personal affair but as a family activity where all members spend quality time together in the malls which simplify and beautify their retail experience. The mall culture exposed Indians to a whole new concept of eating. Food courts made their foray into India and thanks to their quick service, value for money, pricing and casual atmosphere it soon captured an Indian's interest.

The restaurant industry also went through a technological revolution in the last few years with the emergence of the online food ordering service. This trend gave rise to many entrepreneurs who ventured into start-ups of online food ordering like Tasty Khana, Swiggy, and Food Panda. Ordering good food is possible with the press of a button and it added to the Indian consumers' level of satisfaction. This increased the sales of restaurants and the overall contribution of the food and beverage industry.

The growing changes in the food sector also modified the perspective of the modern consumer. Consumers are now not only influenced by the quality and taste of the served beverages in the restaurants but also by the dining experience that they are provided with. Hence crafting a pleasant and possibly exciting atmosphere is what is required. The rising competition in this sector also created the need to generate a unique offering and position in the mind of the consumer. The influence of atmospherics cannot be undermined by the eatery owners. Lighting, layout, colours, fixture, music and temperature can elicit various responses from consumers.

The layout of a restaurant may have a direct impact on a customer's quality perceptions and excitement levels or an indirect influence on their willingness to return. The layout of the restaurant includes not only the ways in which the machinery, equipment, furniture and fixture are arranged but also the size, shape and materials used to make these fittings. Different fittings not only create diverse ambiances but also attract varied customer segments.

The ambient conditions also include intangible background characteristics that tend to affect the non-visual senses and may have a subconscious effect on a consumer. It includes the background characteristics such as temperature, lighting, noise, music, and scent. Different types of lightning also have varying levels of comfort for the consumers. Some prefer dimly lit restaurants whereas others associate vibrant lights with positivity.

The music played in the eateries also performs a significant role. The tempo of music impacts the time that people spent there, fast music conditions lead to fast rotations and individuals spend less time at their tables compared to those dining under the slow tempo conditions. Soft and relaxing music increases a customers' order of drinks as they tend to spend a longer time at their table.

The table layouts in restaurants have a tremendous influence on the overall experience of a customer. Table placement has the ability to transmit a sense of privacy, portray the functionality desired and operate as a boundary for the customer. The different elements of the atmospherics communicate different information and meanings to the consumers.

Human variables also have an impact on atmospheric perceptions. It comprises of the consumer characteristics, crowding and density and the characteristics of the employees. The kind of crowd in front of a restaurant indicates the level of the service they offer. Polite and well-mannered staff gives an edge to the eatery of which they are a part whereas rude employees tarnish the overall image in the minds of the customers. Nevertheless, it is difficult to control physical appearance of other consumers in the restaurant industry, only employee appearance as well as number and gender used can be organised.

The importance of food quality, especially presentation, menu variety, taste, freshness, and temperature in customer satisfaction cannot be undermined.

Individuals wish to explore new places of dining with their friends and families. Eating out is an opportunity for them to socialise and spend time leisurely. A person's choice of restaurant is a reflection of his standard of living and tastes and preferences. New types of restaurants like theme-based or otherwise, display high quality of services and soon become popular brands. The consumer's hunt for something unique gave rise to the concept of theme based restaurants.

With the rising health issues and obesity most diners are looking for healthier options when they dine out. Restaurants need to cater to this new uprising demand. Hand in hand with health comes hygiene. Clean floors, proper washrooms, and tidy table mats, fresh uniforms of the serving staff and spotless cutlery add to a restaurants list of strengths. Most diners do not compromise with health and hygiene standards as it can have long term effects on the consumer. The visible level of hygiene is also an indicator of the cleanliness of the kitchen and cooking conditions.

Thus, it can be stated that a number of factors influence a customers' perception about a restaurant and his intentions to revisit. The higher the degree of consumer arousal more are the chances of him revisiting a restaurant. The evolving food and beverage sector continually modify customer observations and create new challenges for the eatery owners.

1.2 Literature Review

The factors that create an impact on the restaurant service industry have been testified by Carman and Langeard (1990). They studied three variables: price, product quality and service quality for 119 respondents. The results show a positive impact on customer satisfaction by response of front employees, price and quality of food respectively.

Bateson (1992) identified various reasons of people eating outside. The reasons being to celebrate different occasions, business requirements, convenience, enjoy high quality food and for food that can't be prepared at home usually. The study concluded that dining out is a better technique to entertain guests, way to relax and enjoy with family.

Cronin and Taylor (1992) explored the dynamics of consumers' perception, demographic characteristics and

consumers' behavior towards selection of a restaurant with a sampling frame of 350 respondents. They extensively examined the population in terms of age, gender, income and education levels. The result showed that a significant proportion of consumers in Dhaka city of Bangladesh are very sensitive towards choosing a restaurant services. The research also suggested that consumers' age, gender differences and income influences their perception.

According to Sheth and Parvatiyar (1995) most Indians who were found visiting fast food outlets stated that the reason for dining out is just for a change in taste and for entertainment. Their first preference continued to be home made food. Variables of this research were service and delivery dimension, product dimension, and quality dimension. A blend of the three dimensions influenced customers' decision for restaurant selection.

Lee and Ulgado (1997) examined to determine the principal drivers of customer satisfaction in the aspect of meal or food dimension in family restaurants in Malaysia through a sample size of 460 customers. They used variables namely: food quality, food pricing, food portioning, and food presentation. Their results indicated that customer satisfaction is influenced mostly by the quality of food, followed by the presentation of food, meal portion and food pricing. Thus this study provides potential ways for restaurateurs to increase customer satisfaction and loyalty by improving their understanding of the factors that influence customer satisfaction.

Gwinner and Gremler (1998) examined the attributes which influence customers' decisions to return to a restaurant for another meal. Variables namely: quality of food, quality of service, cost of meal and ambiances of the place were used. His result indicated that food was significantly more important than any of the other attributes. He recommended that restaurant managers must establish priorities among the strategic moves that are likely to improve a customer's repeat purchase.

The study conducted by Muller (1999) intended to establish a relationship between customer satisfaction and restaurant success. A thorough analysis of customers of 50 restaurants of Germany was done over a period of three months. The study suggested that restaurant organizations are consumer-driven brands that have systems to support knowledge-based managers so that they can find their competitive edge, which is based on finding a point of differentiation for the consumer. A well-defined and distinct concept is critical for the success of a restaurant.

A conceptual model that explains dining satisfaction and predicts post-dining behavioural intentions was proposed by Inbakaran and Reece (1999) after conducting a research in the eateries of Hong Kong. The model provides a reference framework for conceptualising and describing the effects of disconfirmation on individuals' dining and post-dining experience processes, and within which dining satisfaction research findings can be related, organised, and integrated to form a systematic body of knowledge. The study concluded that satisfaction with the dining event does lead to repeat patronage.

Harrington and Akehurst (2000) analyzed the influence of food type, food quality, value image/atmosphere and location on the overall market perception of customers in restaurant selection. Their research concluded that

variety or kind of food is a key determinant in consumer constancy, but that the perception of "quality of food" offers a range of understanding.

According to Sulek & Hensley (2004) when consumers evaluate food quality, they judge it on food safety, appeal, and dietary acceptability. Questionnaires and interviews were used as techniques to analyze 150 respondents who stated that restaurant customers are more and more aware of and concerned about the safety of the food they consume in restaurants and the cleanliness of the operations. The study concluded that food safety is very important for restaurant consumers, as these perceptions may result in the loss of customers if they decide to dine at other restaurants that are considered safer.

Budhwar (2004) conducted a research to evaluate the crucial factors that would impact a restaurant's success or failure. The study identified the gaps between management's and the customers' perceptions and analyzed the choice of cuisine of customers. The research covered 48 restaurants and observed hygiene, location, access, parking, music, quality consistency, food cost, design and décor as important variables that impact the success of a restaurant. The author suggested that the operators should realize the level of competition and conduct periodic surveys through customer trail mapping and other such techniques to ensure maximum level of customer retention.

According to Mohsin (2005) quality service, product, atmosphere, entertainment and value for money are essential for a consumer. The study confers the significance of service quality and customer satisfaction at restaurants in Darwin in the Northern Territory of Australia. The author analyzed the response of 149 respondents and concluded that there exists a direct relationship between customer satisfaction, repeat sales, and business profits.

The influence of food service quality on restaurant image, customer perceived value, customer satisfaction, and behavioural intentions were examined by Qin and Prybutok (2009). They collected a total of 300 samples for final study. The study confirmed that food service quality plays a role in restaurant image which itself plays a role in customer perceived value. It also confirmed that behavioural intentions are affected by customer satisfaction which is affected by the environment and food served in the restaurant.

Chen and Hu, (2010) investigated how quality of food and beverage, service and extra benefits influenced customer-perceived value in the coffee outlet industry. A self-administrated questionnaire was distributed to 834 respondents in Australian coffee outlets for the study. Multiple regression analysis was used to identify which factors or determinants or attributes of service influenced customer-perceived value. It helped marketers to gain a thorough understanding of the consumption experience of their customers and enhancing value perceptions in terms of service quality.

An empirical examination on the relationship between perceived quality and loyalty and the role of customer perceptions of atmospherics in an ethnic restaurant segment was made by Jang (2010). This study used

hierarchical regression analyses and investigated the direct effects of service quality and food quality on customer satisfaction and loyalty as well as the moderating effect of the perception of atmospherics, in Korean restaurants. As expected, this study showed that service and food quality have positive and significant effects on customer contentment. Verifying the moderating role of atmospherics, the findings stated that good employee service increases the footfall in restaurants.

Jani and Han (2011) investigated factors that influence restaurant customers' behavioural intentions. Unlike previous research, this study integrated both affective and cognitive contributors to customer satisfaction and relationship quality in explaining customers' behavioural intentions. Data was obtained through a questionnaire survey of 180 full-service restaurant customers in a selected US metropolitan area. The conduct of the staff was noted to be a major contributor to both customer satisfaction and behavioural intentions. Customer satisfaction is a direct antecedent to trust but indirect to commitment. The study has implications for the hospitality industry as it provides managers with valuable insights on attracting and satisfying their customers.

Table 1.1 Tabulation of the variables studied by the various authors in the restaurant industry

S.No	Author and Year	Variables studied
1	Carman and Langeard (1990)	Price, product quality, service quality
2	Bateson (1992)	Reasons to dine out
3	Cronin and Taylor (1992)	Age, gender and income influences
4	Sheth and Parvatiyar (1995)	Service and deliver dimensions, Product and quality dimensions
5	Lee and Ulgado (1997)	Food quality, pricing, portioning and presentation
6	Gwinner and Gremler (1998)	Ambience, food quality, service quality and cost of the meal
7	Muller (1999)	Concept based eateries
8	Inbakaran and Reece (1999)	Satisfaction and repeat patronage
9	Harrington and Akehurst (2000)	Food type, food quality, atmosphere, location and variety of food
10	Sulek and Hensley (2004)	Food quality, food safety, appeal, dietary acceptability, cleanliness

11	Budhwar (2004)	Hygiene, location, access, parking, music, quality, food cost, design and décor
12	Mohsin (2005)	Service quality, atmosphere, entertainment, value for money
13	Qin and Prybutok (2009)	Food quality and service quality
14	Chen and Hu (2010)	Food quality, service and extra benefits
15	Jang (2010)	Food and service quality
16	Jani and Han (2011)	Conduct of the front staff

Source: Developed for the research

Based on Table 1.1 it is evident that the key factors affecting customer satisfaction in the restaurant industry can be grouped under four broad categories – Atmospheric, Food Quality, Service Quality and Pricing.

1.3 Research Gap

There are a large number of studies which focus on the influences of store environment on consumer behavior in the retail world, but only a few studies explore the influences of atmospheric on consumer behavior and satisfaction in the hospitality industry, especially that of the restaurant business. The research done by us in the areas of hospitality and factors affecting a consumer's satisfaction in restaurants gave us a meaningful insight into the variables that affect a consumer's decision. Food quality, ambience, pricing and front staff behavior were found to be the prominent variables affecting customers' perceived value, level of satisfaction and intention to revisit. However, sufficient research in the same domain has not been conducted in Kolkata. The behavioral pattern of the citizens of Kolkata regarding restaurant selection is still vague and not defined.

1.4 Research Objectives

The purpose of the study is to examine, analyse, and evaluate the factors affecting customer satisfaction and management schemes in the casual dining restaurants in Kolkata. The primary objective is to assess guests' satisfaction level with respect to the services provided, food quality, atmospherics and the price points of the various dishes. The study also aims to analyse how satisfaction levels influence a customer's intentions to revisit.

The specific objectives of the research are:

1. To analyse the demographic profile of customers visiting casual dining restaurants in Kolkata.
2. To examine the relationship between the food quality, service quality, atmospherics, pricing and customer satisfaction.
3. To examine the relationship between customer satisfaction and revisit intention.
4. To examine the relationship between customer satisfaction and word of mouth marketing.

1.5 Hypothesis Formulation

In order to achieve the study objectives, the following research hypothesis are posed: Hypothesis 1

H0: There is no relationship between atmospherics, service quality, pricing and quality of food served in a restaurant and customer satisfaction.

H1: There is a relationship between atmospherics, service quality, pricing and quality of food served in a restaurant and customer satisfaction.

Hypothesis 2

H0: Customer satisfaction and his intentions to revisit a restaurant are not related. H1: Customer satisfaction and his intentions to revisit a restaurant are related.

Hypothesis 3

H0: Customers' intention to recommend the restaurant does not depend on their satisfaction level.

H1: Customers' intention to recommend the restaurant does depend on their satisfaction level.

1.6 Significance of the study

The importance of customer satisfaction has become an essential business issue as organizations have realized the significant outcomes achieved when providing effective customer service. For hospitality and tourism, satisfaction has always been important. With regard to other industries different researchers and institutions have undertaken a lot of scientific and detailed studies. But, Indian restaurant business with reference to

customer satisfaction has not been able to draw the attention of researcher to any noticeable extent. Hence, this study examines and analyses the satisfaction level of customers with reference to the restaurant industry in Kolkata. The study would help firms to employ the outcome to develop appropriate customer satisfaction policies. Restaurants will be able to use this research proposal to find the appropriate ways to improve consumers' satisfaction and also to increase profits.

1.7 Research Methodology

Research methodology is used by researchers for collecting and analysing data that will be used for answering the hypothesis and research questions in a more systematic and organized way. It includes how the research is carried out in terms of research design, data collection methods, sampling design, research instrument, data processing and data analysis.

1.8 Research Design

A research design is the framework that has been created to find answers to research questions. It defines the study type (descriptive, correlation, experimental, review etc.) and sub-type (descriptive-longitudinal case study, hypotheses - independent and dependent variables etc.), experimental design and if applicable data collection methods and a statistical analysis plan. The study conducted is descriptive and quantitative in nature.

According to Carr (2010), descriptive research is used to describe the characteristics of a population or phenomenon. It involves the identification of a particular phenomenon's attributes based on observational basis or through the exploration of correlation between two or more phenomenon. Furthermore, there are several methods which can be used in descriptive research. They are correlation, developmental design, observational studies and survey research. In this study, survey method is used where questionnaires are distributed to respondents

Quantitative research is used to collect data and examine the hypotheses as well as to meet research objectives. Burns and Bush (2006) defined quantitative research as involvement of the use of structural questions in which the respondents' options have been predetermined and a large number of respondents are involved. Therefore, through quantitative research, it can determine and examine the relationship between independent variables and dependent variables.

1.9 Data collection methods

Data collection is meant by just simply collect the data required for the research and there are two types of data which are primary data and secondary data. Data collected will help to achieve research objectives as well as hypothesis proposed. Besides that, it will affect the reliability and validity of the test conducted. Therefore, by collecting data, it will provide clearer view and help researchers to have better understanding.

Primary data is first-hand experience where information is developed and gathered by researchers. In this research, self-administered questionnaires are used. This type of questionnaires is completed by the respondents on their own without interview. To obtain the primary data, the self-administered questionnaires will be distributed to customers in the selected restaurants as they are waiting to pay their bills and leave. The questionnaire will measure participants' perceptions of the restaurant environment, their level of contentment and their behavioural intentions. In order to make sure most of the consumers can read and understand the questionnaire, it is designed in English. The questions are easy to understand and close ended. The content of the questionnaire is divided into four different parts. The first part elicits relevant personal information, such as participants' name, age, gender and income. The second part has questions focussing on how often the consumer feasts out and under

what circumstances. It will draw out general information with respect to dining out. The third part measures participants' perceptions of the various elements in the restaurant – atmospherics, price, food and service. A five-point Likert scale range from 1 (lowest) to 5 (highest) will be used to measure consumer's perception of the different dimensions. It will also be focussing on the experience the patron witnesses on that particular day. The fourth section has questions which measure participants' behavioural intentions. Each behavioural intention will be a reflection of a customer's willingness to revisit and recommend that eatery.

Reanalysing data that has been collected for some other purpose is known as secondary data. This type of data is cheaper and obtained more quickly than primary data. In this research several papers have been viewed and the net has been thoroughly browsed for a clearer understanding of the topic.

1.10 Sampling Design

Zikmund (2003) defined sampling as the process of using small number of items or part of a larger population to make a conclusion about the whole population. The population refers as any group of entities which share some common set of characteristic. It is difficult to gather data from the entire population and hence studying a sample is not only feasible but also preferred. Therefore, a sample is considered as subset or some part of a larger population.

Kolkata has innumerable restaurants and many more coming up on an everyday basis. Since the city is a hub of several eateries, reviewing the customer base for each joint wasn't feasible. Hence, the five most popular ones as per Dineout Ratings were selected for the study. The restaurants being Oh Calcutta, Peter Cat, Sigree Global Grill, I love Haldiram and Flavours of China. Dineout is a recent application which discovers new restaurants in a city. It eases the process of making reservations and also enables the consumers to drop in their valuable feedback on the basis of which they rate the eateries. All the selected restaurants fall in the category of casual dining. As the study mainly concentrates on customer's preference and satisfaction, the customers who were served at these restaurants constituted the population for the study.

A total sample size of 250 respondents was chosen in order to complete the survey. The respondents were customers of the above mentioned five restaurants. They were given the

questionnaire as they waited to pay their bill after their meal. The same was done during the months of January and February, 2018. Out of 250 questionnaires 228 were returned, in which 210 questionnaires were fully usable, which yields 84% of response rate.

1.11 Pilot Study

According to Zikmund and Griffen (2010) pilot test is a small scale study in which the results are only preliminary and intended only to assist in design of a subsequent study. This test is conducted prior to a large scale survey. The purpose of the pilot test is to test the reliability and validity as well as identify errors of the questions in the questionnaire. Cronbach's Alpha was used to examine the internal reliability of the pilot test. Cronbach's Alpha is acceptable if the value of the coefficient is above 0.60.

A total number of 30 questionnaires were distributed for the purpose of this test. After collecting the questionnaire, reliability test was conducted by using SPSS V. 21. Table 1.1 shows the result of the pilot test conducted.

Table 1.1 – Pilot Study

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.838	.822	27

Source: Developed for the Research

On observing the table it can be concluded that the instrument used for the research i.e. the questionnaire is highly reliable because the value of Cronbach's Alpha is 0.822 which is more than 0.60.

1.12 Statistical Tool

A descriptive analysis shall be done to understand the key features of the data obtained from the respondents. This shall be done by analysing frequency distributions and graphical representations. A reliability analysis will ensure the validity of the responses. Test statistics like Chi-Square and Kruskal Wallis H test will be done to analyse the association and significance between two variables. Initially a factor analysis will be performed to extract the latent variable. All the above mentioned statistical tests and analysis will be made with the help of Statistical Package for Social Science (SPSS V.21).

1.13 Limitations

- The study was confined only to 5 popular restaurants of the city. Hence the customer sample does not reflect all segments of the population.
- Since the study was conducted during a particular period, the outcome may not reflect the dynamic nature of customer satisfaction.
- The sample size was limited due to limited resources and time.
- Non probability method of sampling was used for this study.
- All the findings and observations made in this study are purely based on the respondents' opinion and therefore there is a possibility for personal bias.

1.14 Conclusion

As the hospitality industry becomes more competitive, economic pressures increases and the industry continues to expand, there is an obvious need to retain customers as well as increasing profitability. It is therefore unsurprising that hospitality management professionals have to strive to improve guest satisfaction. This study can be of great help to restaurant administration in providing a direction on how to conduct and modify the existing practice of measuring customer satisfaction in restaurants.

1.15 Chapter Review

The broad framework of the study is organized according to the following chapter schema: Chapter – I is the Introduction Chapter, which provides a broad outline of the restaurant industry and customer satisfaction; a summary of the papers reviewed; the objectives of the study; the hypothesis; the importance and limitations of the study and the research methodology.

Chapter – II provides an in depth understanding of the various terms associated with the study. It highlights the changes in the Food and Beverage Industry in the city of Kolkata.

Chapter – III presents the collected facts and figures. It shows the descriptive analysis and reliability analysis done.

Chapter – IV illustrates the analysis and interpretation of the collected data regarding this research study. It proves the various hypotheses formulated for the research study.

Chapter – V is the concluding chapter highlighting the findings and presenting the suggestions and conclusion.

Chapter II – Theoretical Framework

2.1 History of restaurant sector in Kolkata

Food is a big part of the Indian culture. Whether it's an everyday meal prepared lovingly for the family or special celebratory culinary treats made during festivals – food has always been something that Indians have bonded over. Indians take pride for eating home-cooked meals prepared by cooks in affluent families and women in middle and lower-class ones. Thus the restaurant culture took a while to find a place in the country. In India, the earliest reference of restaurants dates back to early 250 BC when taverns or inns provided food to hungry travellers. Street vendors and small stall owners also sold food in local markets and most Indian towns and villages.

The government officially recognized tourism as an "industry" in 1986. This made the industry eligible for several government incentives, including tax incentives, subsidies, priorities in the sanctioning of loans by state and financial institutions, and preferences in acquiring water and electricity connections. A study conducted by the Federation of Hotels & Restaurant Association of India (FH&RA) in 2002 a rise in the restaurant business in the country can be attributed to the following reasons:

- Land was available at reasonable prices.
- The restaurant industry was perceived as a profitable industry, promising a quick return on investment.
- Many Indian businesspeople believed in the fallacy that restaurants are easy to operate.
- Owning a restaurant gave the owners recognition and greater visibility.

With this the modern day restaurants started mushrooming. The growth of the Indian Railways and Civil Services further accelerated this process. The progression of clerical jobs in places like Bombay, Calcutta, and Madras, meant that many people had to travel long distances from their home towns. As people started to travel far and wide across the country, there was a spurt in eateries that could serve them freshly cooked food.

However, eating out for leisure remained a fairly rare phenomenon for majority of the Indian families until the rise of the great Indian middle class post liberalization. As Western influences percolated down, lifestyles and food habits of Indians began to change.

A greater younger population began to leave home to work in other cities and towns and for them takeaways and dining out became necessary. This was accompanied by an increase in disposable income and a general willingness to spend on the experience of dining out.

2.2 Factors driving the change

The post liberalisation era witnessed an upsurge of restaurants in Kolkata. There are several reasons responsible for the same.

I) Demand Side Factors

1. Growth in personal income- The increase in buying power of Indian consumers is driving the growth in the foodservice sector. Apart from the growth in per capital income, there are other important factors also contributing to this kind of consumption.

Consumers now desire to improve their standard of living and spend on leisure and recreation. The rise in disposable income has definitely increased savings but the increment in the propensity to consume is much more. This has given the restaurant industry a major boost. Consumers are also migrating up the income chain - from the "have nothing" to the "have some" to the "have more" to the "have lots" and, finally, "have all".

2. Shrinking household size- The size of the Indian households have declined over the last few years as western influences are taking over the society. Smaller and nuclear families are replacing the joint family tradition of the Indian culture. These households have higher disposable income per member and have a greater propensity to spend on food. Nuclear families are also more liberal and the probability of the members eating out at cafeterias is higher than that in case of joint families.
3. Large share of young population – India is one of the largest consumer markets globally. It also has one of the youngest populations with a large demographic dividend. The psychographic profiling of youth reveals that a significant share has a liberal mind-set encouraging experimentation and greater consumption. Eating out is often seen as a habit among youngsters rather than being an occasion driven activity. It consists of people born in the post liberalisation era who have no guilt over consumption.

4. Changing Lifestyle – The following trends are pushing the food service industry towards a high growth trajectory :-

- Increasing preference for convenience to eat out.
- Exploring culinary experiences – including both global and authentic Indian regional cuisines.
- Busier lifestyle, leading to an increase in on the go consumers opting for ready to eat food.
- Innovations in the traditional menu options attracting the experimental consumers.
- The availability of hygienic and healthier food options removes the concern of consuming junk food.
- The growing internet penetration in food delivery is leading to easier and faster availability of food.
- The use of social media to share culinary experiences urges the viewers or readers to try the same.

5. Growing number of women in the workforce - The number of dual income households where both husband and wife work is increasing. Some Indian women work full-time and spend most of their time away from home; this has been an important factor influencing the trend towards more meals away from home. Statistics reveal that the trend of women working outdoors is increasing steadily in India. Time available for cooking and preparing meals is hence restricted. Thus ready to eat, healthy food is a convenient and preferred alternative.

II) Supply Side Factors

1. Liberal reforms – The country's economic liberalisation has opened the gates for many major global food business operators by minimising the barriers of doing business in the country. The onset of foreign majors has led to the modernisation of the economy, inculcation of best practices and shifting the restaurant sector to a more organised market. Such reforms also attracted private equities and venture capitalists to invest in the Food and Beverage sector of India. There has also been implementation of a simpler including tax structure – Goods and Service Tax (GST).

2. Technology and emerging retail formats – Emanating from rapidly evolving technologies, new retail formats are emerging at a fast pace. Application based online ordering of food has introduced a whole new dimension to the food scenario in the country. Dedicated food courts and food malls and new avenues like airports, railway stations, metros, highways, amusement parks, hospitals etc. are driving consumers to outside food.
3. Increasing travel and varieties of cuisine - There has been a considerable increase in the number of foreign tourists in the country. This obviates the rise in the demand for outside food specifically in the form of global cuisines. Domestic tourism has also witnessed a significant rise thereby increasing the demand for authentic regional cuisine. Tourists wish to experiment and try new flavours at every destination that they visit.
4. Shorter supply chains – To obtain the desired product of a set quality at reasonable prices companies indulge in farm to firm linkage. This is similar to contract farming where the materials are directly procured from the farmer at an agreed price. The Government encourages this practice as it leads to the empowerment of farmers and they are not exploited by middlemen. Major domestic and international players have adopted this exercise.

2.3 Emerging Food and Restaurant Trends

Over the last decade, hospitality industry has undergone a series of rapid metamorphoses. The changing aspirations, choices and behavioural patterns of the consumers form an essential parameter, driving this transformation. This combined with the entry of international players into the market and the aggressive mushrooming of the casual and fine dining restaurants by the Indian entrepreneurs, has significantly changed the industry scenario. Earlier, the food services industry comprised of numerous unorganized players and a few international brands. However, in the current situation the industry is constantly adapting itself and evolving by identifying and setting trends, be it culinary, service, marketing, design or most importantly, the concept. To stay relevant to the changing customer receptivity, new and innovative concepts have begun to carve out their space.

- The culinary trends have undergone changes internationally. The consumer palette is now open to new experiences and a wider range of cuisines. International chefs are taking keen interest in the Indian market, while trying to lure the evolving Indian taste buds with their creations. Even local chefs have started hosting experimental tables, playing with novel ingredients and flavours. Tasting menus are on every single restaurant table, allowing space for customers to treat themselves to a large number of savours and courses. A simple meal has now been broken into four segments – soups and starters, appetisers, mains and desserts. When restaurateurs want to spot emerging culinary trends they go to what they consider the ultimate source - customers. Anecdotal evidence from restaurant customers is only one way to spot trends. The print media and television play a big role in establishing culinary concepts and preferences, with food columnists and TV chefs endorsing one trend over the other.
- Fusion or blending cuisines is one of today's hottest culinary concepts. Fusion is carefully selecting foods from parts of the world that are not geographically close and combining ones that go well together. The combinations are numerous-Thai and French, American and Indian, Southwest and Asian.
 - Obesity has become a major concern amongst the Indian youth. Consumers are looking for healthier choices and flocking to flavourful ethnic cuisines such as Asian and Mediterranean foods. With an emphasis on ingredients such as vegetables, grains and fish, these cuisines appeal to the health-minded consumer. Accordingly, food businesses are responding and reacting to this trend.
 - Although fusion food remains ever emerging, other chefs and industry experts represent the resurgence of simple foods and flavours. The trend in foods is going back to basics and authenticity.
 - Fast food restaurants were gradually accepted by Indians. There have been some failures but the success of Mc Donald's; Pizza Hut and Domino's Pizza have changed the entire scenario. It is, however, important to note that the Indian consumer wants "international desi" and that the Indian palate is indeed addicted to a certain level of spice.
 - The spread of Indian fast food as popularised by Haldiram's, Nathu Sweets and others continues and remains a very large market.

- Many new players have proliferated into the market. The hospitality industry has become more adaptive towards the new restaurants, by providing them with enough space to thrive and flourish. This surge has resulted in the growth of many new specialty restaurants. More emphasis is placed on the quality of experience and value additions provided by the restaurant. Many restaurants have come up with innovative themes, distinctive experiences, formats and menus so as to attract more consumers.
- Beverages are now acquiring precedence over food in many cities. There are special beverage lounges, cocktail lounges and tea cafes that have mushroomed in many cities, especially metros and tier II cities.
- The Indian audience has become more receptive towards the casual-dining culture. There is a shift of focus from the habit of occasion based fine-dining, to a more casual dining out culture, which has a more relaxed and less uptight ambiance. The product portfolios of restaurants have also widened to include a variety of offerings, instead of a single stream. There is an increasing trend of freestanding international cuisine restaurants serving Italian, Mediterranean, Thai, Spanish, Korean, and other exotic cuisines.

2.4 Food varieties

One of the most interesting things about Indian food is that it is as varied as the country's culture, geography, and demography. The cooking style varies a great deal as one travels from the North to South or the East to West. This is an emerging opportunity for the Indian Restaurant industry which they are tapping upon.

While most restaurants box Indian cuisine into region-specific categories like Gujarati, South Indian, Punjabi, Bengali, etc., it's worth noting that each Indian state has its own local specialty.

Here's a list of some of state-wise specialties:

- Bihar is known for sattv (baked chickpea flour), Bihar's cuisine is simple yet wholesome. LittiChokha (wheat flour cake filled with sattv) and meat saalan (mutton or goat curry with cubed potatoes) are two of its local specialties along with sweetmeats like balushahi and thekua.

- Delhi is hugely popular for Mughlai cuisine. It is defined by the use of whole and ground spices. Some of the signature Mughlai dishes include kebabs, koftas, pilafs, and biryani. Delhi is also famous for its street food which includes parathas, chaats, and kulfi.
- Spicy and tangy are two words that describe the cuisine of Andhra Pradesh. The use of tamarind and red chillies in both vegetarian and non-vegetarian preparations is widespread. Rice is the staple food of Andhra eaten with lentil preparations like daalor sambhar as well as curries. Pickles and chutneys are also an essential part of Andhra cuisine. Seafood is pretty common in the coastal part of the state.
- Centuries of Portuguese rule and the flourishing international tourism influences the cuisine of Goa. Seafood forms the mainstay of Goan food, but other meats like pork are also hugely popular in the state. The use of coconut milk and strong, pungent spices is common.
- Gujarat is one of the few primarily vegetarian states in India. The cuisine of this state has been made popular by the famous Gujarati thali that consists of dishes like daal, kadhi, subzi, papad, and chaas (buttermilk) served with rice and roti. What differentiates Gujarati dishes from others is the simultaneous use of sweet, salty, and spicy flavors.
- Jammu & Kashmir has a cuisine that is distinct from the rest of the country. It draws its influence from the ancient Hindu culture of Kashmir as well as Central Asia, Persia, and North Indian plains. Mutton is the mainstay of Kashmiri cooking and there's a lot of use of yogurt and spices like cumin, fennel, red chilli powder, and ginger.

In addition to the state-specific specialties, India is also home to a number of fusion cuisines that have taken birth as a result of globalization. As more Indians travel abroad and foreigners travel to India, a cooking style that is a blend of both Indian and foreign cuisines has emerged.

Most cities in India have specialty restaurants serving up authentic local dishes of different Indian states to people who are missing home food or those keen to taste cuisines from different parts of the country. This has given rise to niche restaurants serving specific cuisines and specialties. The restaurant business is no longer divided on the basis of North Indian and South Indian food. There are many more categories of specialty restaurants serving delicacies

from Kashmir to Kerala. The state or cuisine specific restaurants are simply meeting the demand of the new Indian consumer who doesn't shy away from experimenting with food that he or she is not entirely familiar with.

Until a few years ago, the only international cuisine that worked for the Indian palate was Chinese. Since then, the Indian palate has grown to accommodate global cuisines. The Indian entrepreneur is tapping this golden opportunity and fulfilling customer's requirements to the fullest.

2.5 Restaurant Industry in Kolkata

Hospitality in Bengal is on a swing, the colonial image of the city has been successfully replaced to a bustling marketplace. The change can be attributed to the persistent effort of the Government and improved consumer awareness and spending. The restaurant industry in Kolkata is also evolving just as other national eateries.

The political stability in the city is one of the major reasons why east is becoming an important market. People have started showing interest in the east and Kolkata is playing host to travellers for not just the city but the entire north East and also Dhaka and Bangladesh.

The city boasts of many domestic as well as international hotel brands like Hyatt Regency, The Pride Hotel, JW Marriott, Swissôtel, The Gateway Hotel, Novotel, and a range of other luxury addresses. Besides the hotels, new and upcoming restaurants and food joints are giving an incredible boost to the city's real estate sector. Global restaurant chains like TGIF, Chili's Grill & Bar, Hoppipola, and a host of boutique cafes are jostling for space in the city to cater to a gradually increasing customer base. This is evidently an indication of Kolkata's expanding business activities resulting from the city's increased spending power.

Locating an eatery in every main lane of the city is no longer a rare site. Restaurants are no longer the traditional kinds with little or no focus on the ambience. There are several variations in the types of eateries found in the city.

In general a restaurant is a retail establishment that serves prepared food to customers. It generally incorporates eating on premises, though the term has been used to describe take-out establishments and food delivery services as well. It may be a licensed part of a hotel operation, whereby the sales of the restaurant contributes to the sales performance of the hotel as a whole. It can also be independent business entities under individual ownership and management.

- ❖ **Coffee Shops** – It is a concept borrowed from the United States, distinguished by its quick Food and Beverage service. It has an informal atmosphere and a limited menu. Table cover layouts are less elaborate & have basic essentials only. It has late operating hours and is a convenient option for diners. Examples: The Indian Coffee House, 8th Day Café and Bakery
- ❖ **Ethnic Restaurants** - The entire atmosphere and decor are geared to a particular type of cuisine. Thus restaurants, which offer Chinese, Japanese or any of the regional cuisines fall in this category. The Food and Beverage service is based more or less on the style of the country from which the particular cuisine originates. Examples: Mainland China, Koshe Kosha
- ❖ **Theme Restaurants** - Eateries in which the concept of the restaurant takes priority over everything else, influencing the architecture, food, music and ambience of the place. The food usually takes a backseat to the presentation of the theme. These places attract customers solely on the premise of the theme itself. Examples: Dugout which is built to attract the football lovers, Gabbar's Bar and Kitchen is based on the golden era of Bollywood
- ❖ **Gourmet Restaurant** - These are high class eateries, serving up more exquisite food & beverage service, thus mostly also a more expensive cuisine. An expected five star ambience with appropriate table layout & atmosphere is to be experienced in such establishments. Examples: Vintage Asia in JW Marriott, Guchhi in Hyatt Regency
- ❖ **Pizzeria** - While originating as a part of Neapolitan cuisine, the dish has become popular in many different parts of the world. A shop or restaurant where pizzas are made and sold is called a “pizzeria”. In restaurants, a pizza can be baked in various ways, for instance in a gas oven with stone bricks above the heat source, an electric deck oven or a wood- or coal-fired brick oven. The atmosphere of such eateries is usually casual and not elaborate. Examples: Fillers, Brickwood.
- ❖ **Bistro** - It is a small restaurant serving moderately-priced simple meals in a modest setting. The concept developed in Paris, France. Bistros are defined mostly by the foods they serve. Slow-cooked foods like braised meats are typical. The table rotation is at a slow pace at such joints and hence customers tend to splurge over drinks. Examples: Bistro by Park, Bombay Brasserie

- ❖ **Cafeteria** – Such places have little or no table service. It is commonly found within an institution such as a large office building or hospital. Cafeterias are different from coffeehouses, although that is the Spanish meaning of the American word. Instead of table service, there are food-serving counters/ stalls, either in a line or allowing arbitrary walking paths. Examples: Veg Foodiezz Cafeteria, Paris Cafe
- ❖ **Tea house**–It is a venue centered on drinking tea. They have a casual atmosphere and are a favourite place for tea lovers. They have limited snacks menu but flexible operating hours. Examples: Sharma Tea House, Arun Tea Stall
- ❖ **Fast Food Gastronomy** - It is a specific type of restaurant characterized both by its fast food cuisine and by minimal table service. Food served in fast food restaurants typically caters to a Western-style diet and is offered from a limited menu. It is cooked in bulk in advance & kept hot is finished and packaged to order and is usually available ready for take away, though seating may be provided. Examples: Nu Variety, Subway
- ❖ **Bar** – It is also called a pub or tavern. It serves drinks, especially alcoholic beverages such as beer, liquor and mixed drinks for consumption on the premises. Bars provide stools or chairs for the patrons along tables or raised counters. Some bars have entertainment on a stage, such as a live band, comedians or a floor show. Bars that are part of hotels are sometimes called hotel lounges. Examples: Scrapyard, The Factory Outlet
- ❖ **Dhaba** – These are roadside food stalls which make little or no investment in their layout. It is commonly sighted on the main highways of the country. Dhabas are a convenient option for travelers taking the roadways. It is particularly common only in India and serves inexpensive food. Examples: Shere Punjab, Azad Hind Dhaba
- ❖ **Microbreweries** -The emergence of microbreweries is a recent market phenomenon. These outlets brew fresh beer in-house and offer variants across different price points. The format's setup is such that the brewing machines are encased in glass, making the process visible from the seating area. To add to the experience, the staffs take customers for a tour around the premises. Most of these breweries draw inspiration

from the American and British pub culture, Right from the ambience to interior design, with table made of beer barrels, leather couches wooden bar counters, neon displays, low lighting and smaller food offerings. Examples: The Grid

- ❖ **Entertainment Cafés:** Exclusive entertainment zones with options as board game, pool tables, foosball, live performances etc. are being offered by food services players to differentiate themselves and establish a unique brand proposition in the consumers' mind. Players like comedy Night, Open Mic, and 5 Minutes of Fame are attempting to create consumer pull through varied entertainment offerings. It generally has a menu that offers a mix of ethnic and regular cuisines. Examples: The Inside Story, Bikers Cafe

Food in the restaurants of Kolkata is served in two broad ways:

1. **A la Carte service** - It is a French expression meaning “from the menu”. It refers to a menu of items priced and ordered separately. The customer chooses his combination of main course item along with an accompanied side dish or drink.
2. **Buffet service** – It includes the entire meal that a customer wishes to consume starting from the soups and appetisers till the desserts. Buffets can be themed such as American or International buffet. It depends also on the time of the day like a breakfast, brunch, or dinner buffet. There is a distinction between self-service and served buffets. Self-service buffets are operated in a one-way direction. The guest picks first the plate, then the first courses, followed with the hot items, finished by the dessert section. This Food and Beverage service is also seen in industrial canteens, colleges, hospitals or cafeterias. The prices remain uniform per plate irrespective of the number of items consumed.

With the change in consumer behaviour and the increase in competitiveness across formats, consumer retention is a challenge for every player in the market creating increased importance for consumer engagement. Hence the already established restaurants in the city are also undergoing continuous monitoring and change to meet the increased consumer demands. There is a constant change in the menu or seating pattern or ambience of the place.

Minute changes keep the footfall steady and offer unique and differentiated experiences to the consumers.

2.6 Challenges for the Restaurant Industry

Even though restaurants keep pace with changing trends keeping a restaurant alive and relevant for four or five years is extremely challenging. At the time of onset, a decent restaurant could be relevant for three or four decades. The amount of real estate available to restaurateurs is limited, rentals are constantly increasing and yet consumers prefer cheap casual dining, making it harder for the owners to break even.

Despite the glamour associated with it, restaurant business is notoriously tough. Its seasonality, dependence on local markets and local tastes, intense competition and constant involvement required of entrepreneurs are just some factors that contribute to an absurdly high mortality rate. The lack of well-planned and well-priced rental spaces, overregulation and licensing anomalies are factors complicating the procedure in India. The entrepreneur has to undertake a large number of licenses and permissions before setting up an outlet in the city. The process is not only complicated but also involves duplication of work. It is difficult to be comprehended by a young aspiring businessperson who would definitely require technical help which comes for a high charge as well.

The brick and mortar restaurant business can be difficult to scale successfully, given upfront capital expenditure, operating expenses (especially rent) and the differences in each trade area – for instance the market in South Kolkata and that in North Kolkata is also poles apart.

The customer in the mid segment though provides the maximum growth opportunity to the Food and Beverage industry but also creates the maximum nuisance. The main problem being that they have no loyalty. They visit new places and easily switch to a newer or cheaper place. They are unaware of their actual motives or what they are looking for. Lack of understanding of the subconscious need further aggravates the problem. The average price per dish in restaurants serving the middle segment of the society varies from Rs. 600 to Rs. 1500 from one eatery to another. Price fixation amongst such intense competitive conditions also becomes an increasing challenge for the entrepreneurs. The supply is way more than the demand in this category.

Food costs are also very high and this is not just due to inflation. The cost of importing ingredients, compounded by a lack of clarity on labelling laws, has made sourcing a challenge for even seasoned chefs. For restaurants that use top quality or imported products, food costs could spiral.

The present restaurant ecosystem is full of uneasy alliances. Entrepreneur-investor relationships are fraught with tensions though companies are tight-lipped. Some of these are in the open. Arranging for funds for the establishment is a major task and then meeting the rising operating expenses add to the trouble.

Despite the series of challenges the restaurant business is still witnessing a steady rise in the city. The most successful restaurant model for now seems to be vanity investments — a group of four-five investors raising capital. These restaurants typically shut after a year or two, at which point the investors start something else. The life span of a joint has definitely decreased but the city still observes new restaurants opening and running operations on a regular basis.

2.7 Customer Satisfaction

Customer means the party to which the goods are to be supplied or service is to be rendered by the supplier or provider. Overwhelming customer demand for quality products and services has in recent years become increasingly evident for professionals in the hospitality industry. Entrepreneurs now ensure quality in organizations and focus on the development of a truly customer-oriented management and culture. Meaningful and objective feedback about client's preferences and expectations are given strong importance. Marketing and management sciences focus on the coordination of all the organization's activities in order to provide goods or services that can satisfy best specific needs of potential customers.

Competitors prospering in the new global economy recognized that measuring customer satisfaction is the key. Engel and Blackwell (1982) defined customer satisfaction as an evaluation that the chosen alternative is consistent with prior beliefs with respect to that alternative. The definition offered by Hunt (1977) is that consumer satisfaction is an evaluation that renders that the consumption experience was as good as it was supposed to be. Tse and Wilton (1988) define consumer satisfaction as, the consumer's response to the evaluation of the perceived discrepancy between prior expectations and the actual

performance of the product/service as perceived after its consumption. Anton (1996) identified customer satisfaction as a state of mind in which the customer's needs, wants and expectations throughout the product or service life have been met or exceeded, resulting in subsequent repurchase and loyalty. Schiffman and Kanuk (2004) defined customer satisfaction as the individual's perception of the performance of the product or service in relation to his or her expectations. Hence customer satisfaction is typically a post consumption evaluative judgement concerning a specific product or service. It is a subjective concept which varies from one individual to another as every consumer possesses unique characteristics. The probability of engaging in a similar act increases if there are positive consequences or a feeling of pleasure associated with that particular action. In a competitive marketplace where businesses compete for customers, customer satisfaction is seen as a key differentiator and increasingly has become a key element of business strategy. Restaurants wish to maximise the positive experience of a consumer in order to increase his intentions of revisiting. The obvious need for satisfying the firm's customer is to expand the business and gain a higher market share which would lead to improved profitability.

Customer satisfaction refers to the extent to which customers are happy with the products and services provided by a business. Services are generally described in terms of four unique characteristics, namely intangibility, inseparability, heterogeneity, and perishability. Due to the intangibility characteristic of services, the firm may find it hard to understand how consumers perceive their service and evaluate service quality. Hence the consumers' input becomes vital to quantify the quality of service performance. The quality of service can vary from producer to producer, from customer to customer, and from day to day. The Restaurant industry is cautious about customer satisfaction for not only the service provided but also for the product or food that it offers. Lack of taste and inferior quality of food served can lead to loss of customers.

Customer satisfaction is hence a comprehensive subject area. It is the result of several inter-related variables impacting each other on an ongoing basis rather than a single variable.

2.8 Customer Satisfaction and Loyalty

Loyalty is a result of customer satisfaction because customers find some companies to be more responsive and more in touch with their specific needs. This increases their willingness to revisit the same outlet. Customer retention is a healthy practice for both restaurants and customers. For entrepreneurs it is cheaper to keep existing customers happy than to attract new ones. Dickie (2003) stated that five per cent increase in customer retention results in a 25 to 95 per cent increase in profits. Increasing loyalty, in turn, has been found to lead to increases in future revenue. On the other hand, for a customer, loyalty to one organization reduces the risk of experimenting at new places, allows for the development of social rapport with the provider, and the customisation of services to his/her requirements. A satisfied individual tends to recommend the outlet to his/her family and friends in turn increasing the consumer base of that particular restaurant. They serve as the most trusted and best way of advertising. Organisations today are interested in maximizing customer satisfaction for they see a positive relationship between contented customers and loyalty.

The image of a restaurant is a major determinant to influence customer loyalty. Image is considered to have the ability to influence customers' perception of the goods and service offered. It influences customers' minds through the combined effects of advertising, public relations, physical image, word-of-mouth, and their actual experiences with the goods and services. Image is positively associated with customer satisfaction and customer preferences. This indicates that a desirable image leads to customer satisfaction while an undesirable image may lead to dissatisfaction.

2.9 Importance of Customer Satisfaction

The importance of customer satisfaction is unarguable. The principal purpose of a business is to create satisfied customers. It has a direct impact on business results and profitability. Increasing customer satisfaction has been found to lead to higher future profitability and higher levels of customer retention and loyalty. Organizations need to retain existing customers while targeting noncustomers. The restaurant industry is experiencing increased globalization, competition, higher customer turnover, growing customer acquisition cost and rising customer expectations. The success of an eatery hence significantly depends on their ability to satisfy customers efficiently and effectively on an ongoing basis. This can be

ensured by creating a competitive advantage which can be guaranteed by delivering high- quality differentiated service. Service quality is thus positively related to customer retention and customer loyalty. Some successful restaurants are using Customer Relationship Management (CRM) strategies that aim to seek, gather and store the right information, validate and share it throughout the organization for creating personalized, unique guests' experiences. They offer special services for instance celebrating the birthday or anniversary of their loyal clients. This gives them an edge over the others and helps in enhancing satisfaction and building closer associations.

2.10 Customer Satisfaction in the Food and Beverage Industry

The Food and Beverage Industry has a large number of dimensions that create different impacts on the consumer base. The increased competition in this industry has three major implications for the customer. A competitive environment provides him with increased choice, greater value for money and augmented levels of service. Restaurants combat competition by offering unique experiences and making customer satisfaction the focal point. Cohen (1997) wrote about the five WOW aspects that a restaurant should focus upon in order to continue successful operations. They being - WOW yourself; WOW your employees; WOW your customers; WOW your community; and WOW your competition. The first aspect WOW yourself concerns about the environment that managers should have to think as strategists and futurists. The second aspect, WOW the employees is nothing but empowerment of employees through financial and psychological ownership. The third factor, WOW your customers is explained by the author as doing things the right way, and it applies just as much to service as to food. WOW your community, which is the fourth factor is the effective community reach i.e. learning about the diverse communities, their needs etc. And finally, WOW your competition through innovative ideas and concepts i.e. not copying the successful new ideas that is usually being followed in the market.

Several factors like the atmospherics, service offered, food served, pricing, location etc. impact the customers. Alpert (1971) termed those attributes, which directly influence consumer choice as 'determinant' attributes. Because of the intangibility, inseparability, variability and perishability of services, consumers' satisfaction can be measured only after taking a direct feedback from them. Various studies have identified different attributes to measure customer satisfaction. Challan (1996) identified cleanliness, location, service

quality, food, price and atmosphere as the main attributes affecting the consumers' choice of eatery. Buttle (1988) claimed that personal service, physical attractiveness, opportunities for relaxation, standard of services, appealing image and value for money were significantly evaluated by travellers. The study of Rivers (1991) shows that convenience of location and overall service received the highest ratings. A satisfied customer is a form of advertising for the restaurants. They help the entrepreneur in expanding the customer base. The study by Susskind (2002) examined how word-of-mouth communication materializes from service experiences. The author argues that the consumers evaluate the components of a restaurant - food, service, and ambience and then forms an opinion for each item individually. Word-of-mouth communication, which could be both positive and negative evaluations of service encounters, influences other people's purchase behaviour. Positive word-of-mouth communications may emerge from customers, who are satisfied with the services whereas negative word-of-mouth communication emerges from customers who have experienced dissatisfying experiences or encounters. The study also examined the level of complaints regarding service failure and remedies. Minor service failures may solicit smaller remedies. Actions like offering free food, discounts or coupons, or the manager's intervention are seen as corrections involving a high degree. In order to avoid service failures and receive the best treatment, customers often indulge in tipping at restaurants. This practice however does not guarantee the best of facility as it varies across service providers.

Customers are also affected by price fluctuations and deals provided by restaurants. Nusair (2010) in his study investigated the effects of price discount frames and price discount levels on consumer perceptions about the quality of the service product, the value of the discount, their purchase intentions etc. The study showed that price discounts do affect consumers' perceptions on the value and the quality of service. This is why eateries have 'happy hours'. It is that hour of the day when certain items of the menu are sold at better prices. Young consumers get attracted to such packages.

Gupta (2007) demonstrate a methodology to quantify the links between customer satisfaction, repeat-purchase intentions, and restaurant performance. The study shows how guests' revisiting scores and other variables affect restaurant performance. The authors argue that higher customer satisfaction should lead to increased probability of repeat purchase, which in turn should result in greater restaurant sales.

The various literatures conclude that success or failure of a restaurant revolves around dynamic customer satisfaction which is a result of several variables that do not have individual existence but constantly interplay with each other. In order to develop loyal customers, managers must add value to their visit to the restaurants for one of the most important intangible asset of any business is their customer base.

2.11 Variables focussed upon for the study

2.11.1 Food Quality and Customer Satisfaction

Food quality is an important element in restaurants. According to Sulek and Hensley (2004) there is no consensus on the individual attributes that constitute food quality, thus all the food attributes are lumped together in only one variable that is food quality. Food attributes that constitute quality is a dynamic concept that may change over the time. Moreover, different individuals have different interpretation of quality. Therefore, it is difficult to meet the customer expectation on quality since their understandings are varied and inconsistent. Quality is also a very vague and unstructured concept used by different person or even by the same person but in different conditions and situations. However, the most popular “quality” definition and accepted by almost all the people working in the food industry area is developed by International Standardization Organization (ISO) and it defined quality as “the totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs”. Consumers prefer products of high quality including the choice of food that they are consuming. Thus, consumers need to understand their own quality perception as they usually will make purchasing decisions on these beliefs.

The freshness of the served food constitutes a major part of the food quality. According to Peneau (2005) freshness is associated with the main component that is sensory properties that includes crunchy texture, crispiness, appropriate and bright colour, absence of visual defects and absence of off- or stale flavours. In term of food attribute, freshness is the essential sensory element that interacts with factors such as taste, smell and sight. Fresh food is relatively a current phenomenon in parallel with the consumers’ growing awareness of nutrition and quality. Therefore, it is an important attribute and needs to be addressed by all parties who are involved in the food industries in order to satisfy the consumer’s needs and wants.

Food presentation is a factor that constitutes food quality and impacts the appetite of the customer and their perception of food quality. Presentation is associated with how the food is being prepared and presented to the customers. As per Shaharudin et al. (2011) it is a part of tangible cue and a good-looking and well-decorated food can stimulate the customer perception of quality. They also mentioned that food presentation actually is about how the consumer perceived the value of the product physically or internally (ingredients). Physically, the product may be perceived as good quality if it is presented with attractive packaging or informative labelling about the product. Internally, food may be associated with quality if the ingredients are in a complete mixture of necessary raw materials. Thus food presentation has significantly impacted the way in which customers consume their foods. The modern consumer looks for a visually appealing combination on his plate.

2.11.2 Service Quality and Customer Satisfaction

Many restaurant operators attempt to maintain their survival in the competitive environment as well as retain customers by striving to offer a high quality of service that is beyond the expectation of their customers. This is because the restaurateur who provides great service and value to their customers has a competitive advantage over those operators who do not. They are also better evaluated by the customers. Customers evaluate the service quality based on distinct dimensions such as promptness and politeness of the front staff, their responsiveness to special demands, appearance of personnel, ability to perform the promised service accurately and willingness to help customers. According to Andaleeb et al. (2006) the service provided by the restaurant is intangible, heterogeneous, and inseparability in terms of production and consumption of the product.

According to Ko (2008), service reliability is an imperative dimension of service quality because customers are more willing to deal with the firms that are able to perform the promised service to them. Service reliability is crucial for restaurants to maintain reliable customer relationship which is critical to business success.

Service responsiveness concerns about coping with customer's request and answering their questions and complaints promptly. It takes into account the time taken by a firm to address problems and queries of their customers. As per Winsted (1997) server responsiveness for the customer is the interaction that occurred between him/her and

the staff of the restaurant pertaining to which the server was alert and attentive to customers' enquiry and requirement. In the modern competitive scenario it is imperative for the restaurant owners to emphasize on service efficiency in terms of providing prompt and quick service.

2.11.3 Atmospherics and Customer Satisfaction

Customers are increasingly more aware of the environment in which they are dining than they were before. This motivates restaurateurs to put efforts in designing and providing a more comfortable environment for customers. Kotler (1973) indicated that atmosphere of a restaurant can be as much important as the food itself. This is because the surrounding will create an expectation of dining experience even before the customer is served. Although the primary function of the restaurant is to provide food, however customers today want to enhance their quality of life and enjoy comfortable dining space, thus improvement of food quality alone is not enough to satisfy customers. The pleasing environment has a potential to stimulate customers buying habit and produce more profit. Soriano (2002) mentioned comfortable atmosphere will make customers stay longer in a restaurant.

The restaurant environment is influenced by several factors starting from the cleanliness and interior design of the eatery to the temperature and lightning. Music, aroma, cutlery used, table arrangement, noise level, fixtures and the colours used are some other factors that influence a restaurant's environment.

Cleanliness is a crucial element in the restaurant industry. It has been perceived as a key factor when customer evaluates the quality of dining area. Restaurateurs who ignore customers' opinion or do not meet customers' standards of quality will result in lack of customers support. Kroc and Anderson (1987) stated that fast food restaurants must emphasize on cleanliness included overall appearance of the restaurant, parking lot, kitchen floor, staffs' uniforms, as well as the bathrooms.

As per Nguyen and Leblanc (2002) ambient conditions are intangible background characteristics that have subconscious effect on customer perceptions and responses to the environment. These intangible background characteristics may include lighting, noise, music, scent, air quality and temperature. While ambient factors are not part of the main service in fast food restaurant, their absence can cause concern or inconvenience to customers.

Hence a restaurant's environment is of crucial importance to the owner and all its variables have to be well planned to elicit desirable response.

2.11.4 Pricing and Customer Satisfaction

Price has widely been accepted as an important marketing factor that influences consumer behaviour. While restaurants put high efforts to exploit their business profits typically based on the price of their product or services, consumers tend to search for the best priced products and services which would deliver maximum values for them. As defined by Xia et. al. (2004), price fairness refers to consumers overall assessments of whether the offered price of a product or service of a seller is really reasonable, can be accepted or justified.

As stated by Bolton et. al. (2003) customers are likely to rely on various reference sources to make better judgments such as cost of goods sold, previous prices, and rivals' prices when evaluating price fairness in order to form comparisons. The rational facet of this definition reveals that the evaluation of price fairness involves comparing the price with a certain standard or reference.

The prices of a product or service can affect the degree of satisfaction among customers, because it has an associated sense of fairness. Campbell (1999) considered price fairness as a key factor that influences brand image, and therefore, perceived price unfairness may lead to negative word of mouth and switching behaviour. Hence customers' perceptions of unfair prices lead to negative outcomes, such as: higher degree of dissatisfaction, lower levels of repurchase behaviour, negative word of mouth, and increased customers' complaints.

In this competitive environment pricing of dishes has become a challenge for most restaurant owners because there are not only several eateries serving at similar price points but also the consumers' demand for affordable meals is at a huge surge. Running a restaurant involves a huge amount of direct and indirect expenses. Under such circumstances pricing meals such that they have a reasonable profit margin as well satisfy consumers is a major chore.

Customers tend to get drawn to restaurants that are pocket friendly. Since the frequency of dining out has increased especially amongst youngsters, the amount

spent for each meal has witnessed a decline. Consumers desire value for the money they spend. Hence accurate pricing is essential to ensure customer satisfaction and repeat patronage.

2.12 Ensuring Happy Customers

Restaurants thrive on their reputation. By prioritising customer satisfaction, they can not only battle competition but also ensure long term survival.

1. Measure customer satisfaction relentlessly - The management needs a feedback from their customers, to know if they have really hit the mark. Since customer satisfaction is dynamic and depends on many factors such as price, service, layout, etc. surveys have become even more essential. Upcoming restaurants have replaced the traditional paper form and use tablets instead to acquire customer response. The staffs prompt the visitors to fill the survey. The same needs to be done politely ensuring that it doesn't appear as an intervention to the latter. By measuring customer satisfaction, the entrepreneur is more sorted with his future course of action. It is an immediate way to know if things are being done the right way, or if changes need to be made. It also helps one know if the changes made are received positively.
2. Using feedback positively – Entrepreneurs should value the feedback that they receive. They should put their pride aside and use the criticism constructively. Not all opinions are helpful and deserve attention. But the frequent complain areas should not be neglected. They enable the management to identify the problem areas. Reforms in the same enable in enhancing customer satisfaction.
3. Encouraging customers to express - While it's essential for a business to get feedback from its customers, it's not the most enjoyable process for them. Most customers are hesitant in expressing their true notions. Some tend to exaggerate the shortcomings but do not praise the positive aspects. Others are cautious in criticising on an open forum. If surveys are taken only from people who are willing to be polled, an honest feedback is not obtained. Every group or individual customer should be given a chance to express their opinion. This fulfils the primary objective of conducting a survey.

Hence in this race wherein every joint is competing to provide a unique experience to its customer, making the consumer feel important is the key. Outstanding restaurants

are extremely good at marketing to the right people, and providing these people with everything they want. Continuous modifications as per the received comments enable a restaurant to keep meeting its targets.

2.13 Customer Satisfaction and Revisit Intention

Revisit intention is a subjective concept which depends on several variables. Just as in the Product Market a satisfied customer generally indulges in repeat purchase similarly in the Food and Beverage Industry, a satisfied customer generally revisits the particular eatery or restaurant. The study by Teng and Kuo (2011) defined revisit intention as repurchase intention and behaviour that demonstrates the willingness to recommend and disseminate positive information for a service provider.

Customers have their own reasons to revisit a restaurant. It can be pressure from life or work which makes them seek a temporary stress free environment or it can simply be the fondness to consume outside food. Revisiting the same restaurant portrays a certain level of satisfaction which compels consumers to return to the same place. Weiss (2003) stated that some repeaters' intentions may be influenced largely by promotional efforts to recall their positive memory and by disseminated information on new attractions.

Customers that receive an excellent and memorable experience from the restaurant will form a favourable behavioural intention such as recommending the restaurant to others, spread positive word of mouth or become a loyal customer which ultimately leads to revisit intention. Restaurateurs focus on making every consumer feel unique and provide customised service to each. This makes customers consider revisiting the same restaurant as an option. Additionally, environment and entertainment of a restaurant will elicit customer affective response and thus influence revisit intention. According to Hemmington (2007) food service providers are encouraged to develop activities which generate close guest-host interactions to increase customer added-value, positive affective response, and lead to repurchase intention.

Generally, repeat customers are more profitable than new customers' acquisition. To ensure customer will revisit to the restaurant, retaining customer would be the most important strategy to be used by restaurants because the cost of attracting a new customer is always greater than the cost of retaining existing customer. Evidence from study of Chaudhry (2007) has proven that repeat customers generate over twice as much gross income as new customers. However, to gain a new customer will cost six to seven times more than to keep existing customers.

It is important for the restaurateur to identify factors that will form positive attitude among customers and influence their behavioural intention. However, factors that influence customer satisfaction may not necessarily influence revisit intention. For example, Namkung and Jang (2008) explained that temperature of food had a strong relationship with customer satisfaction, but no significant effect on revisit restaurant intention. Similarly the cutlery used had strong relation with customer satisfaction but may not drive a customer to revisit the same restaurant again.

2.14 Measuring Customer Satisfaction

Customer satisfaction is difficult to measure and quantify. It is a challenge to obtain feedbacks and responses from the customers because most people prefer keeping quiet when satisfied and create hype when discontented. Requirements for customer satisfaction are also not only unique but also difficult to quantify. Setting standards and improving employee relationships with customers is a common strategy of measuring customer satisfaction and ensuring that success is determined.

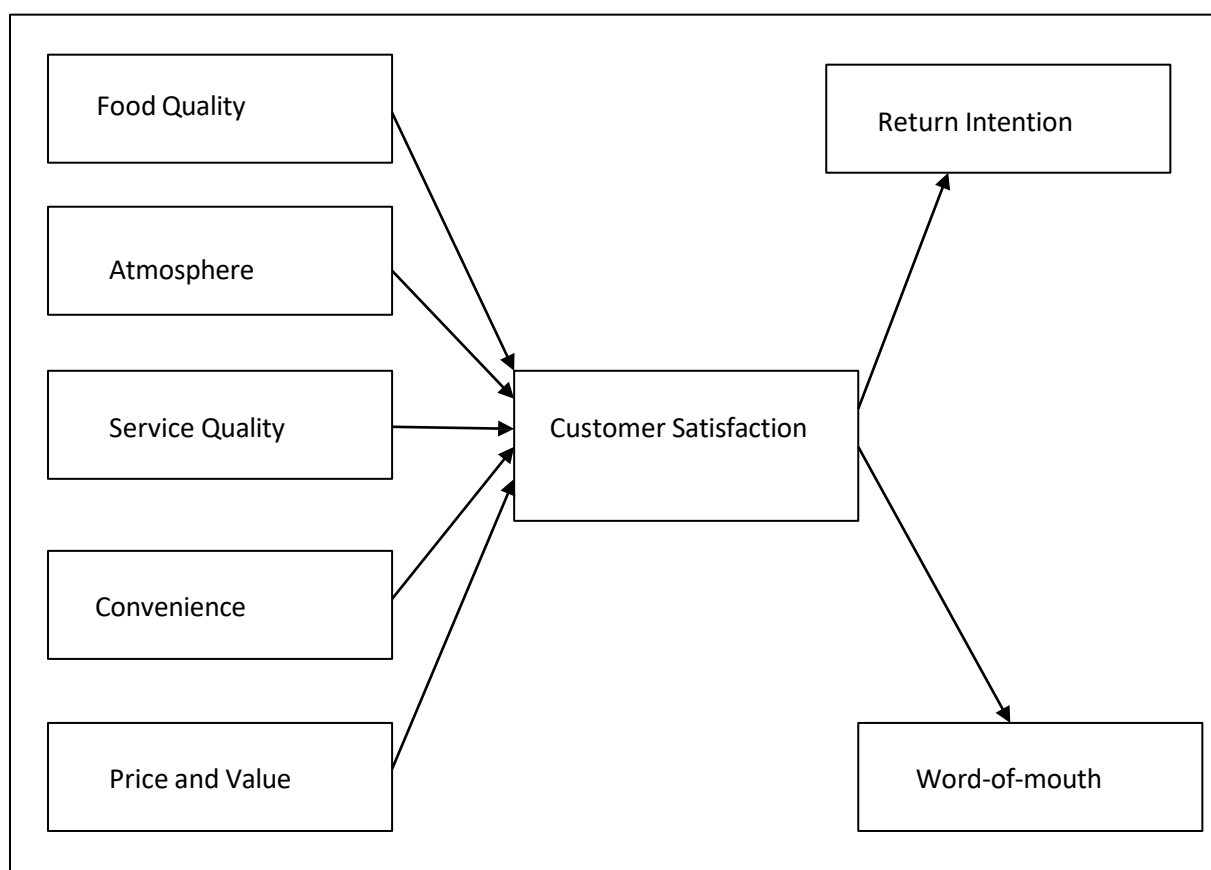
Vavra (1997) in his book suggested specific programmes to improve the measurement of customer satisfaction in an organization. The author describes five critical skills required for this task. They being sampling/customer-participant selection, questionnaire design, interviewing/survey administration, data analysis, and quality function deployment-building action plans. The author argued that to extend the understanding of the exact relationships preceding and following the formation of satisfaction, a model of satisfaction would be very helpful. The model proposed has three stages: antecedents, the satisfaction formation process, and consequences. Prior experience is claimed to be the most important antecedent of satisfaction, since it serves as a memory bank of all previous experiences. The satisfaction process is claimed to encapsulate a comparison of expectations with perceived performance. Expectations are defined as the sum of beliefs about the levels of attributes possessed or offered by the product or service. In the model presented, the concept of desires is adopted as an influencing factor on the formation of expectations. The behavioural consequence of customer satisfaction is reuse of the commodity or revisit to the particular outlet which leads to customer retention for the business. To illustrate the behaviour of satisfaction as a phenomenon graphical representation was used.

Figini and Giudici (2002) present two possible novel approaches to analyse customer satisfaction. The authors suggest that web could be the first contact for collection of customer

satisfaction data and this method facilitates continuous monitoring the opinion of the visitors to the site. The second contact method identified was telephone and/or email but this method was found to have low response rates. Finally face-to-face interview option was explained as the method wherein intimacy could be used to communicate care and concern to customers, but this method may have the disadvantage that customers may be more reluctant to criticise or speak negatively about the program in a face-to-face interview than over the internet, mail, or telephone survey. The authors classified concepts that are not directly measurable as ‘latent variables’ and elements that can be directly measured as ‘manifest variables’. The paper proposed five levels of opinions for the customers - very unsatisfied, moderately unsatisfied, neutral, moderately satisfied, and very satisfied.

2.15 Review of Relevant Theoretical Model

Figure 2.1 - Influence of Institutional DINESERV on Customer Satisfaction, Return Intention, and Word-of-Mouth

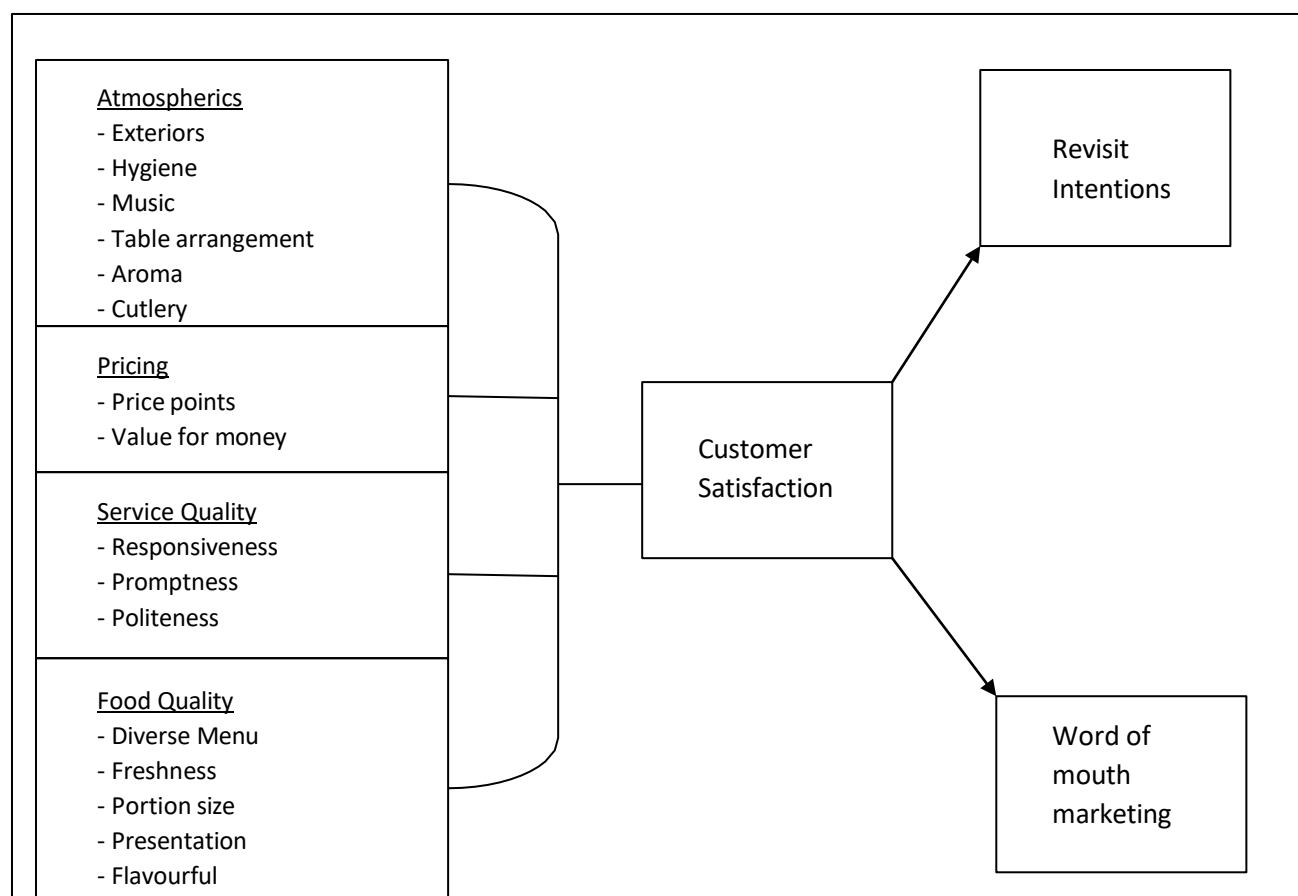


Source: Source: Kim, Ng, Kim (2009)

Kim, Ng, Kim (2009) conducted a study, the objectives of which were to investigate the relative importance of institutional DINESERV factors (i.e., food quality, atmosphere, service quality, convenience, and price and value) that affect customer satisfaction in the university dining facilities and to examine the influence of customer satisfaction on return intention and word-of-mouth endorsement. Factor analysis, ANOVA, correlation analysis, and multiple regression analyses were used to analyze the data. The findings showed that all Institutional DINESERV Dimensions had a significant positive effect on overall customer satisfaction and revisit intention. Figure 2.1 visualizes the same theoretical framework that investigates the relative importance of institutional DINESERV factors. This research model provides an operational insight to the foodservice managers and thus enhances the operational efficiency of the restaurants. In addition, this model helps the restaurant operators to determine the importance of the factors in DINESERV dimensions and allows them to focus on those factors that will contribute to customer satisfaction. It helps in making the restaurant business more profitable.

2.15 Proposed Conceptual Framework

Figure 2.2 - A study on the factors affecting customer satisfaction, revisit intentions and word of mouth marketing in the restaurant industry (Developed for the research)



Through the study of previous research, the DINESERV dimensions of factors that influence customer satisfaction towards revisit intention and word of mouth marketing are reformulated in order to suit this study. The proposed conceptual framework shows the independent variables which include food quality, service quality, pricing and restaurant environment towards customer satisfaction which influences customer's intention to revisit the restaurant and word of mouth marketing. Customer Satisfaction, revisit intention and word of mouth marketing are the dependent variables in this research and of primary interest. It is postulated to help owners of eateries enhance the profitability of their restaurants.

2.16 Conclusion

This chapter explained the emerging trends in the Restaurant Sector of the city. It also highlights the various variables which are of importance to the customers and is related to their dining experience. The meaning of customer satisfaction is explained in detail and is linked to their behavioural pattern. Customer Satisfaction which is of great importance to restaurant owners needs to be measured in order to ensure striving business operations.

Chapter III - Collection of Facts and Figures

3.1 Introduction

In this chapter, responses of the 210 surveyed customers will be summarized and analyzed. Prior to analysis data obtained for a research should be processed. According to Malhotra (2006) data processing is vital because it can substantially improve the quality of findings, implicitly resulting in better managerial decisions. It consists of data checking, data editing, data coding, data transcribing, data cleaning and data analysis. These steps are important as it can provide accurate results to a research. Data checking ensures the quality of the questionnaire so that accurate data can be obtained. According to Hair (2002), data editing is the process wherein raw data is checked by researchers for mistakes or errors so that the correction can be done to increase the precision or accuracy of the questionnaire. After the data editing process, data coding can be carried out by using data obtained from questionnaires. According to Liao (2004) data coding is the process by which data are converted into variables using number, so that it can be fed into computers for analysis. This is followed by data transcribing which is transferring the coded data into computers. Data cleaning ensures that there are no missing or ambiguous values. It is a check on the consistency of the data.

The above mentioned steps have also been executed for this particular study to ensure that the results obtained are reliable and verifiable.

3.2 Descriptive Analysis

According to Aaker and Kumar (2007), descriptive analysis is used to describe and summarize the key features of data obtained from respondents. It refers to elementary data transformation in a way that describes the basic characteristics like frequency distribution, measures of central tendency, dispersion and skewness.

Descriptive analysis helps in obtaining a count of the number of responses connected with different values and the percentages for different categories. This provides a quick understanding of the pattern of the responses received. To ensure a clearer picture the data analyzed shall also be depicted graphically.

3.2.1 Respondent Demographic Profile

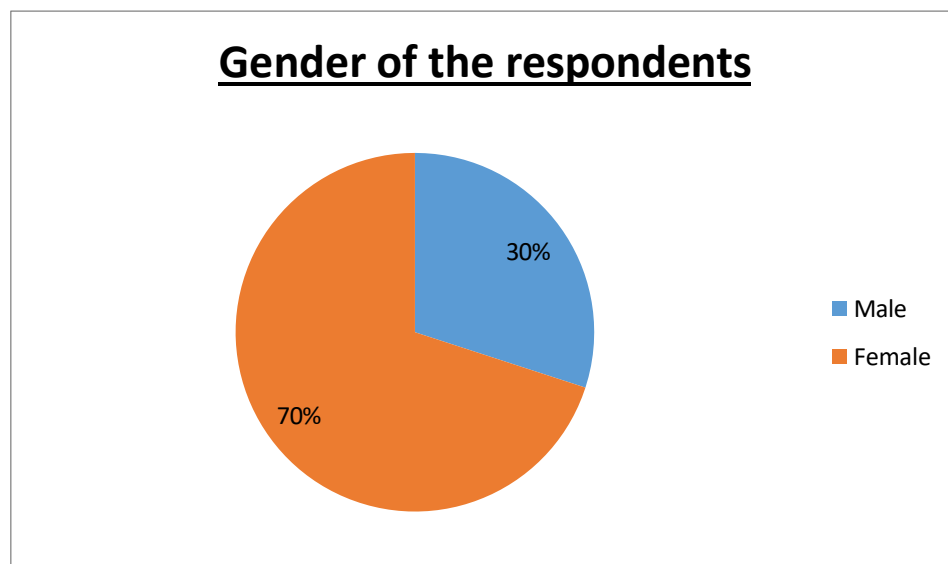
In this study, four questions were asked in the first section to obtain a clearer picture of the background of the respondents.

3.2.1.1 Gender

Table 3.1 Gender

<u>Gender</u>		
<u>Category</u>	<u>Frequency</u>	<u>Percentage</u>
Male	63	30
Female	147	70
Total	210	100

Source: Developed for the research Figure 3.1 Gender



Source: Developed for the research

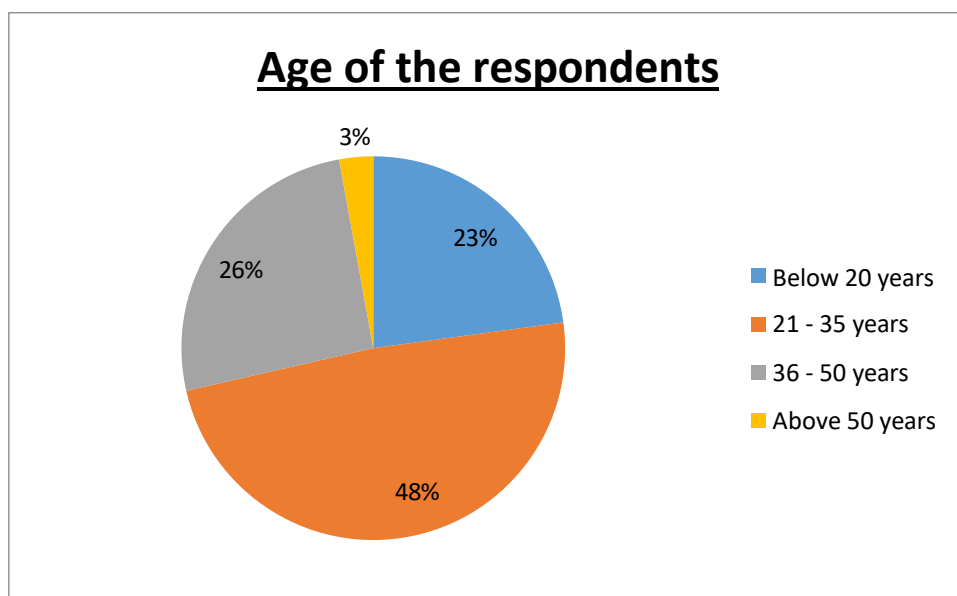
The gender distribution of respondents in this research is shown in Table 3.1 and Figure 3.1. The majority of the respondents are females which consist of 70% or 147 respondents, while the minority is males which consist of 30% or 63 respondents.

3.2.1.2 Age Group

Table 3.2 Age Group

<u>Age</u>		
<u>Category</u>	<u>Frequency</u>	<u>Percentage</u>
Below 20 years	48	23
21 - 35 years	102	48
36 - 50 years	54	26
Above 50 years	6	3
Total	210	100

Source: Developed for the research [Figure 3.2 Age Group](#)



Source: Developed for the research

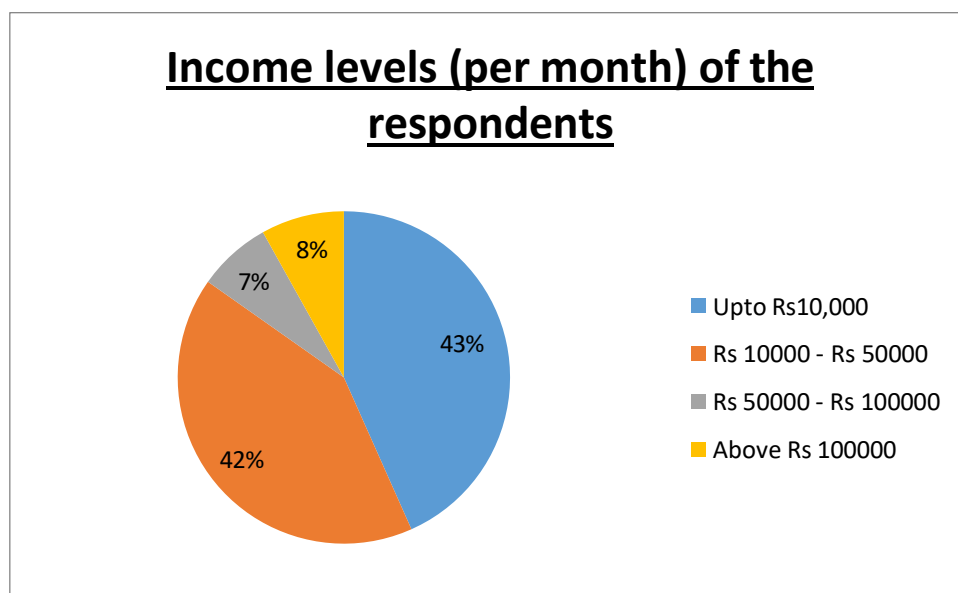
There are four age categories provided in the questionnaire. Based on Table 3.2 and Figure 3.2 it can be concluded that maximum respondents were in the age range between 21 to 35 years old. This was followed by respondents aged between 36 to 50 years old with approximately 26% or 54 respondents. Next were respondents below 20 years which was approximately 23%.

3.2.1.3 Income Levels

Table 3.3 Level of Income

<u>Income levels (per month)</u>		
<u>Category</u>	<u>Frequency</u>	<u>Percentage</u>
Upto Rs10,000	91	43
Rs 10000 - Rs 50000	87	42
Rs 50000 - Rs 100000	15	7
Above Rs 100000	17	8
Total	210	100

Source: Developed for the research Figure 3.3 Level of Income



Source: Developed for the research

According to Table 3.3 and Figure 3.3, the highest population of respondents consisting of 43% fell in the category of monthly income below Rs 10,000. Approximately 42% or 87 respondents earned Rs 10,000 – Rs 50,000 per month. The least number of respondents fell in the category of earning Rs 50,000 – Rs 1, 00,000 per month.

3.2.2 Respondents' general opinions on visits to restaurants

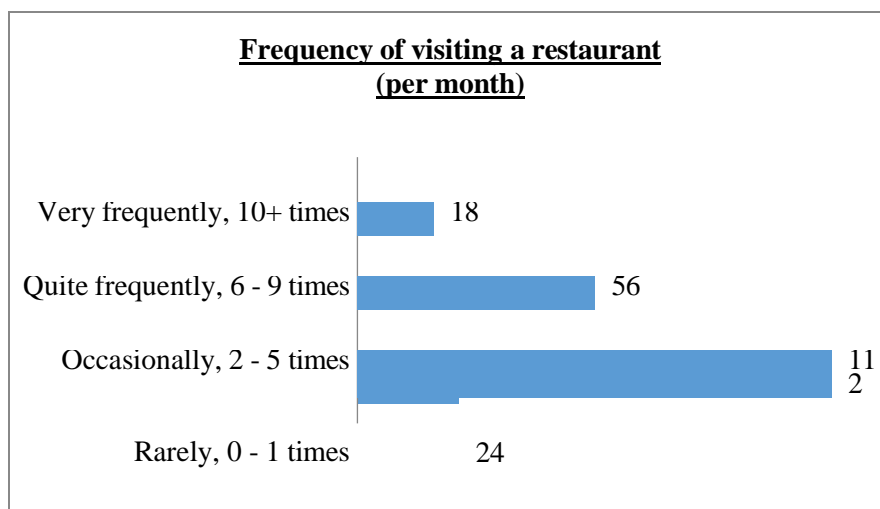
The respondents were asked three questions to know more about the pattern of their visits to restaurants. They were asked about their frequency of dining out, days preferred to eat out, whom they usually dine with etc.

3.2.2.1 How frequently do you visit a restaurant each month?

Table 3.4 Frequency of visiting a restaurant

Frequency of visiting a restaurant (per month)		
Category	Frequency	Percentage
Rarely, 0 - 1 times	24	11
Occasionally, 2 - 5 times	112	53
Quite frequently, 6 - 9 times	56	27
Very frequently, 10+ times	18	9
Total	210	100

Source: Developed for the research Figure 3.4 Frequency of visiting a restaurant



Source: Developed for the research

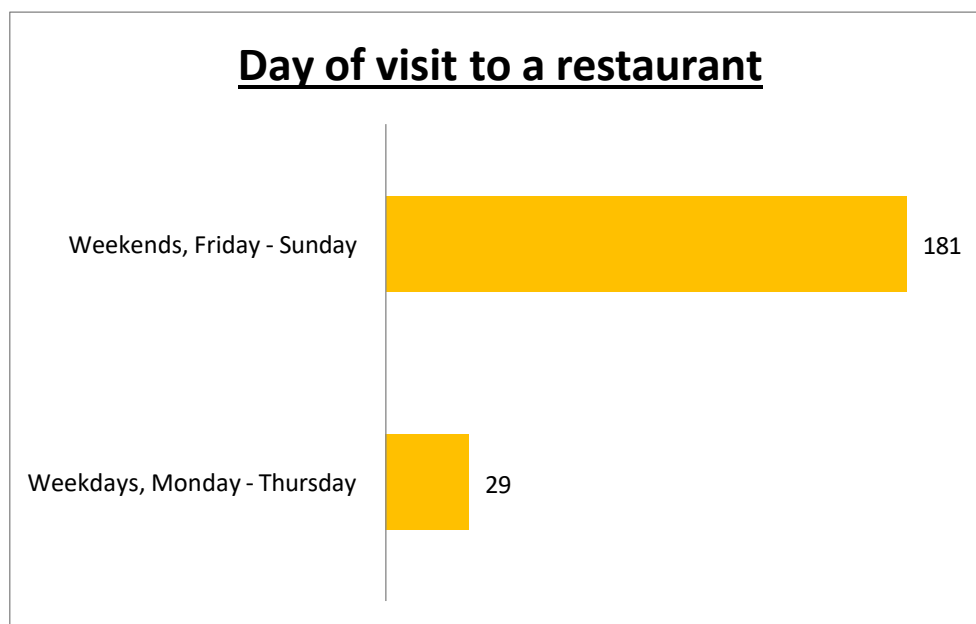
Based on Table 3.4 and Figure 3.4 it can be concluded that most of the surveyed respondents visit restaurants occasionally i.e. 2 – 5 times per month. Only 18 or 9% respondents visit a restaurant more than 10 times a month.

3.2.2.2 When do you usually visit a restaurant?

Table 3.5 Day preferred to dine out

<u>Day of visit to a restaurant</u>		
<u>Category</u>	<u>Frequency</u>	<u>Percentage</u>
Weekdays, Monday - Thursday	29	14
Weekends, Friday - Sunday	181	86
Total	210	100

Source: Developed for the research Figure 3.5 Day preferred to dine out



Source: Developed for the research

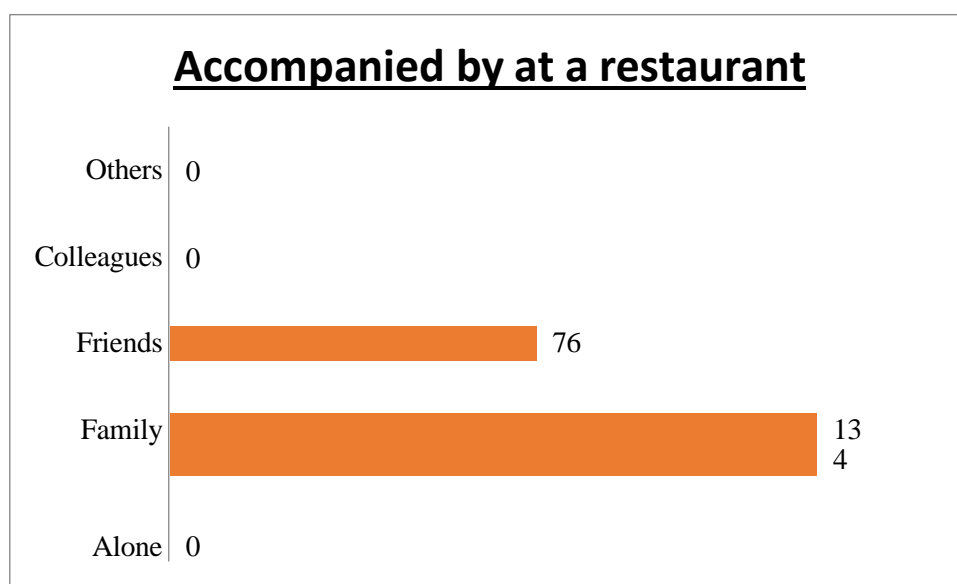
The survey tried to analyze whether respondents prefer dining out on weekdays or on weekends. It was observed that 181 or 86% of the sample chose weekends to dine at restaurants whereas only 29 or 14% preferred weekdays.

3.2.2.3 Who do you usually go with when you dine at a restaurant?

Table 3.6 Accompanied by at a restaurant

<u>Accompanied by at a restaurant</u>		
<u>Category</u>	<u>Frequency</u>	<u>Percentage</u>
Alone	0	0
Family	134	64
Friends	76	36
Colleagues	0	0
Others	0	0
Total	210	100

Source: Developed for the research Figure 3.6 Accompanied by at a restaurant



Source: Developed for the research

For the above stated question the respondents were given 5 options. Based on Table 3.6 and Figure 3.6 it can be concluded that respondents were accompanied by either family or friends to restaurants. 64% of the customers visited eateries with family whereas 36% visited with friends.

3.2.3 Restaurant specific questions

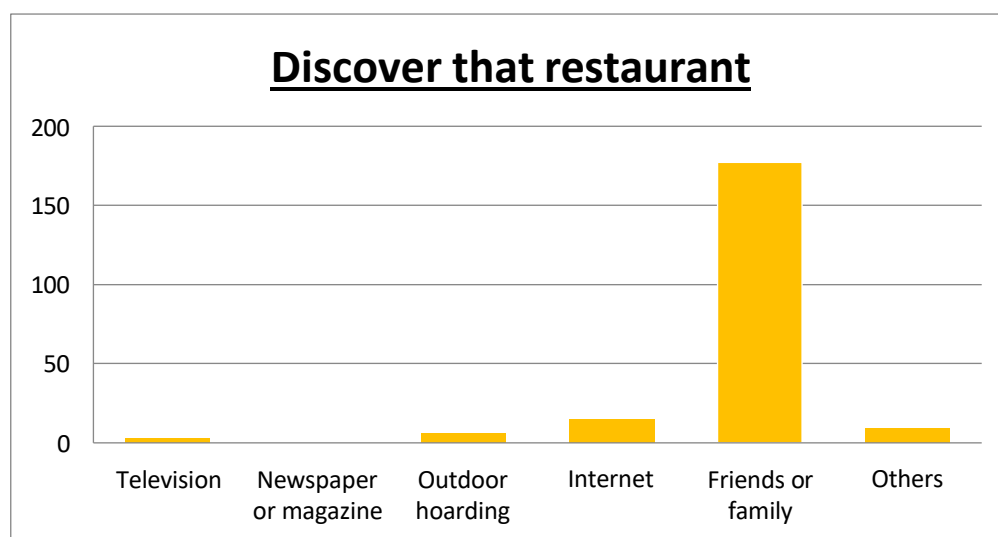
The next section of the questionnaire focused on the particular restaurant that the respondent was at. Five popular restaurants as per Dineout ratings were chosen for the survey.

3.2.3.1 How did you discover our restaurant?

Table 3.7 Discover that restaurant

<u>Discover that restaurant</u>		
<u>Category</u>	<u>Frequency</u>	<u>Percentage</u>
Television	3	1
Newspaper or magazine	0	0
Outdoor hoarding	6	3
Internet	15	8
Friends or family	177	84
Others	9	4
Total	210	100

Source: Developed for the research



Source: Developed for the research

177 or 84% of the respondents were aware of the restaurant because of their friends or family who had previously visited the same. This highlights the importance of word of mouth marketing in the hospitality industry.

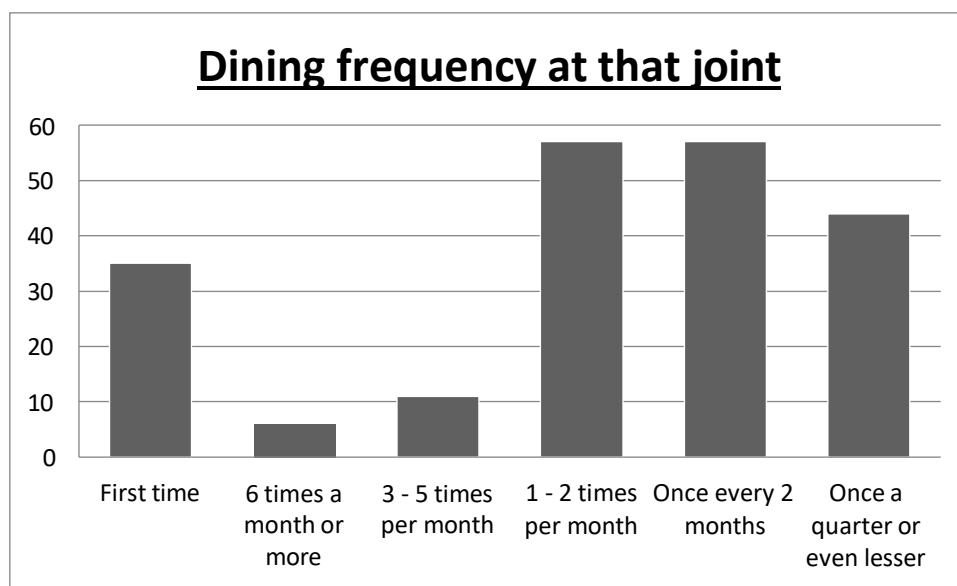
3.2.3.2 How often do you dine with us?

Table 3.8 Dining Frequency at that Restaurant

<u>Dining frequency at that joint</u>		
<u>Category</u>	<u>Frequency</u>	<u>Percentage</u>
First time	35	17
6 times a month or more	6	3
3 - 5 times per month	11	5
1 - 2 times per month	57	27
Once every 2 months	57	27
Once a quarter or even lesser	44	21
Total	210	100

Source: Developed for the research

Figure 3.8 Dining Frequency at that Restaurant



Source: Developed for the research

The above question helps in gaining an understanding on the number of times a customer revisits the restaurants chosen for the study. Since popular restaurants of the city were chosen for the survey it is observed that 83% of the respondents had not visited the particular joint they were at for the first time. Only for 17% or 35 respondents was it the first time in that particular eatery.

3.2.3.3 Did you have a reservation?

Table 3.9 Reservation

<u>Reservation</u>		
<u>Category</u>	<u>Frequency</u>	<u>Percentage</u>
Yes	42	20
No	168	80
Total	210	100

Source: Developed for the research Figure 3.9 Reservation



Based on figure 3.9 and Table 3.9 it can be concluded that 80% of the respondents did not have a reservation in the joint that they were at. Only 20% or 42 respondents had booked their tables in advance. It helps in gaining probable numbers of planned visits to the restaurants.

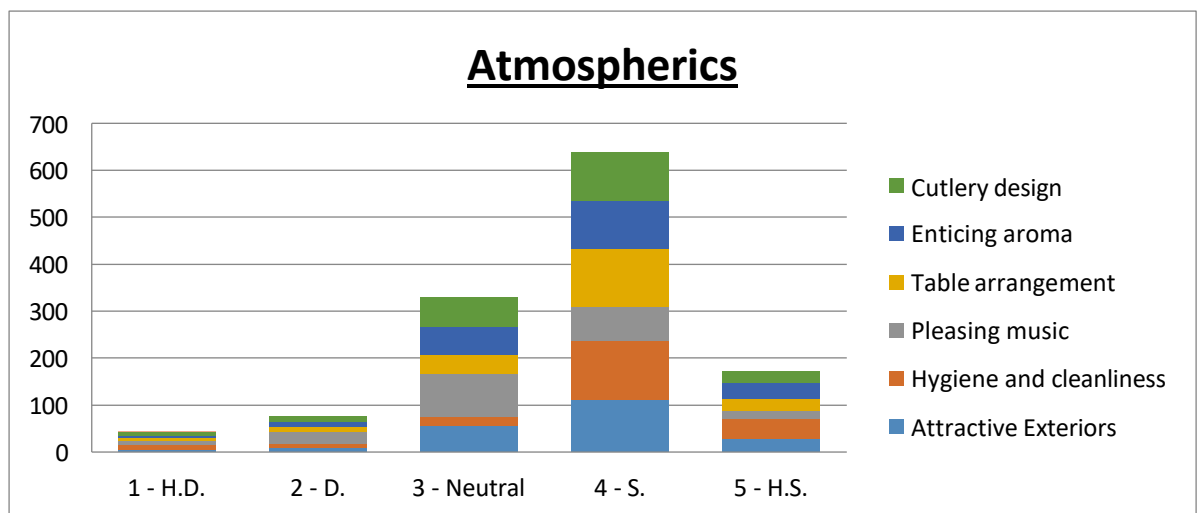
3.2.4 Respondents' Experience

The next section of the questionnaire attempted to gauge the satisfaction level of the respondents for the various dimensions of the restaurant. The various attributes have been grouped under four broad heads – atmospherics, price levels, service quality and food quality.

3.2.4.1 Atmospherics

Table 3.10 Atmospherics

Atmospherics						
<u>Dimensions</u>	<u>1 - H.D.</u>	<u>2 - D.</u>	<u>3 - Neutral</u>	<u>4 - S.</u>	<u>5 - H.S.</u>	<u>Total</u>
Attractive Exteriors	6	9	56	110	29	210
Hygiene and cleanliness	11	9	20	126	44	210
Pleasing music	6	24	91	74	15	210
Table arrangement	8	12	41	122	27	210
Enticing aroma	3	11	59	104	33	210
Cutlery design	9	11	63	103	24	210
Total	43 (3%)	76 (6%)	330 (26%)	639 (51%)	172 (14%)	1260



Source: Developed for the research

In Table 3.10 and Figure 3.10 the abbreviations used stand for the following –
H.D. - Highly Dissatisfied, D – Dissatisfied, S – Satisfied, H.S. – Highly Satisfied

Based on Table 3.10 and Figure 3.10 it can be concluded that majority of the respondents were satisfied with the ambience and surrounding conditions of the restaurants in which they were dining.

3.2.4.2 Price levels

Table 3.11 Pricing

Pricing						
Dimensions	1 - S.D.	2 - D.	3 - Neutral	4 - A.	5 - S.A.	Total
Value for Money	3	8	23	120	56	210
Price levels	3	14	29	137	27	210
Total	6 (1%)	22(5%)	52(13%)	257(61%)	83(20%)	420

Source: Developed for the research Figure 3.11 Pricing



Source: Developed for the research

The abbreviations used in Table 3.11 and Figure 3.11 stand for -
S.D. – Strongly Disagree, D. – Disagree, A. – Agree, S.A. – Strongly Agree

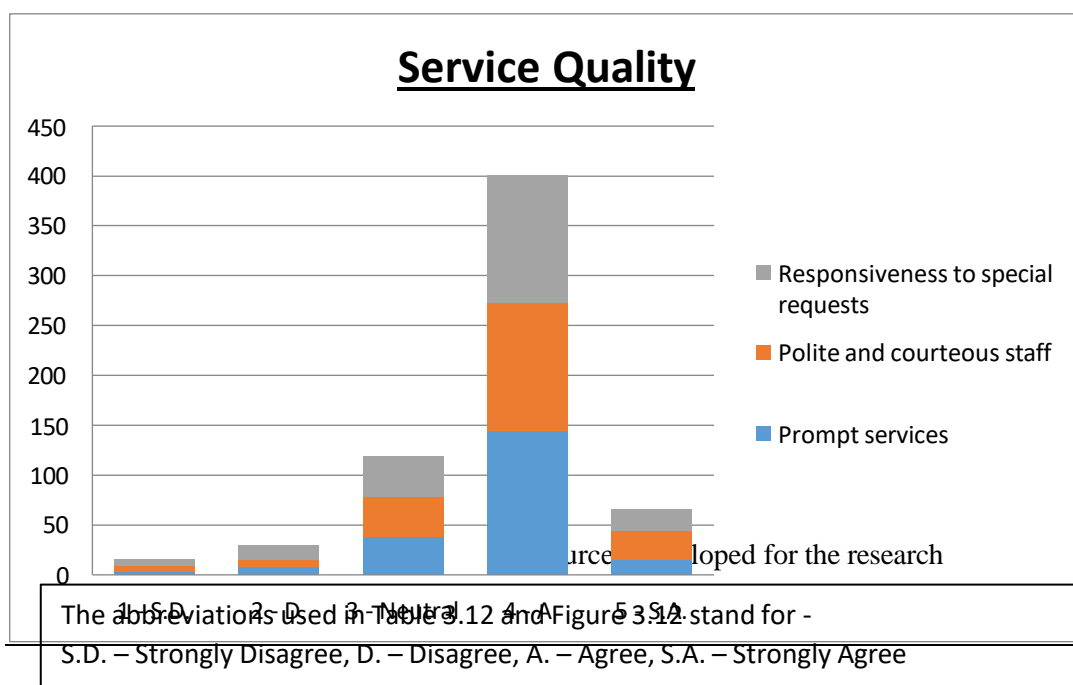
Based on Figure 3.11 and Table 3.11 it can be concluded that majority of the respondents i.e. 61% were in agreement with the pricing of the dishes of the restaurants in which they were dining. Only 1% of respondents strongly disagreed with the price levels.

3.2.4.3 Service Quality

Table 3.12 Service Quality

Service Quality						
Dimensions	1 - S.D.	2 - D.	3 - Neutral	4 - A	5 - S.A.	Total
Prompt services	3	8	39	145	15	210
Polite and courteous staff	6	8	39	128	29	210
Responsiveness to special requests	6	14	41	128	21	210
Total	15(2%)	30(5%)	119(19%)	401(64%)	65(10%)	630

Source: Developed for the research Figure 3.12 Service Quality



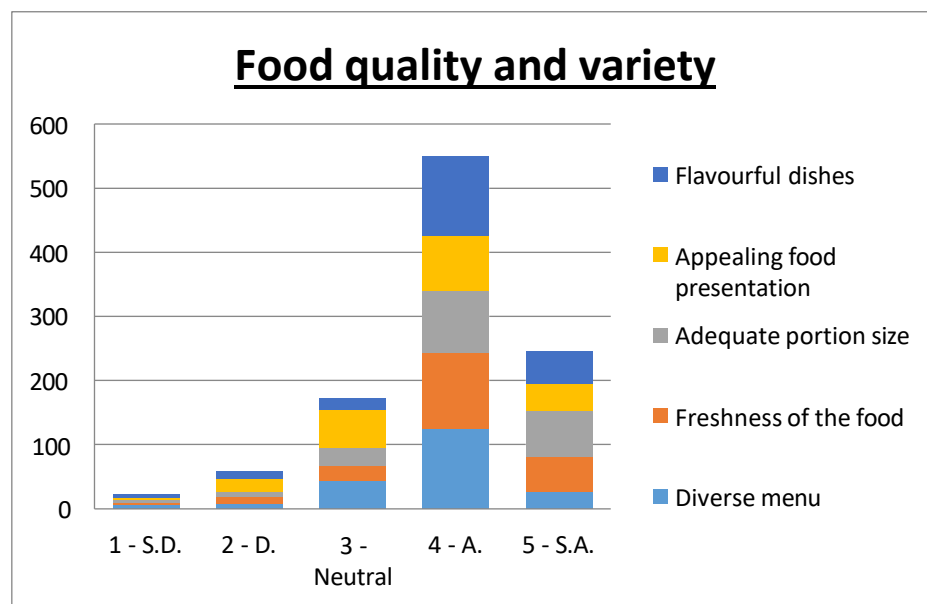
Based on Table 3.12 and Figure 3.12 it can be concluded that 64% of the surveyed respondents were satisfied with the service quality that they had received in the restaurants in which they were dining. The same is based on the promptness, politeness and responsiveness of the front staff. Only 2% or 15 respondents strongly disagreed with the service quality they were subjected to.

3.2.4.4 Food Quality and Variety

Table 3.13 Food Quality and Variety

Food quality and variety						
Dimensions	1 - S.D.	2 - D.	3 - Neutral	4 - A.	5 - S.A.	Total
Diverse menu	6	8	44	125	27	210
Freshness of the food	3	11	24	118	54	210
Adequate portion size	6	8	27	97	72	210
Appealing food presentation	3	20	59	86	42	210
Flavourful dishes	6	11	18	124	51	210
Total	24(2%)	58(6%)	172(16%)	550(52%)	246(24%)	1050

Source: Developed for the research Figure 3.13 Food Quality and Variety



Source: Developed for the research

The abbreviations used in Table 3.12 and Figure 3.12 stand for -
S.D. – Strongly Disagree, D. – Disagree, A. – Agree, S.A. – Strongly Agree

Based on Table 3.13 and Figure 3.13 it can be concluded that 52% of the surveyed respondents were in agreement with the presentation, portion size, taste, freshness and variety of the dishes served. Only a meager 2% strongly disagreed with the quality and quantity being served.

3.2.5 Customers' level of satisfaction and prediction of their future behavior

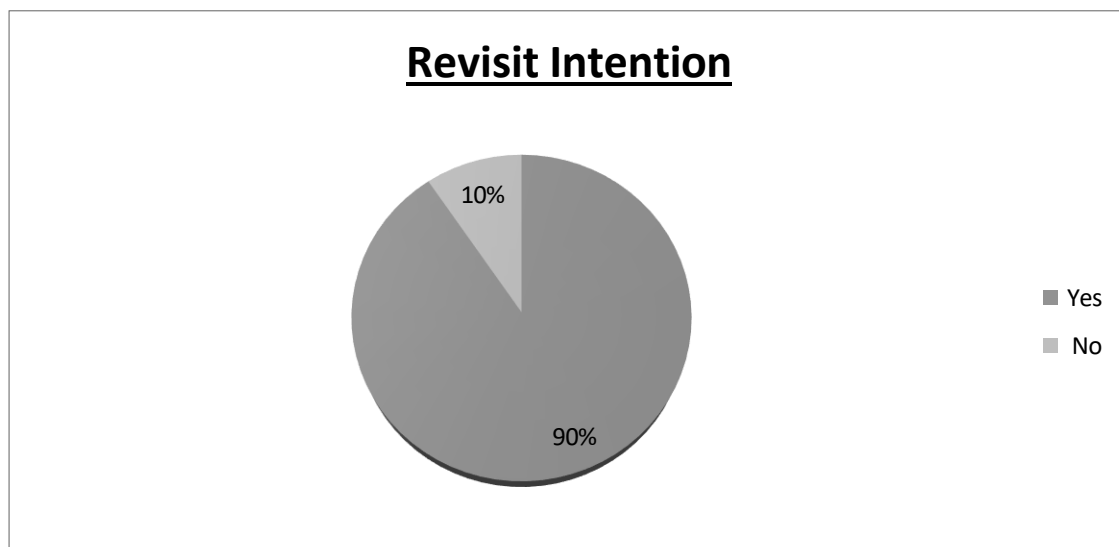
The next section of the questionnaire aimed to get an insight into customers' overall level of satisfaction and whether they intended to visit that particular eatery again or recommend it to friends and family.

3.2.5.1 Revisit intention

Table 3.14 Revisit Intention

<u>Revisit Intention</u>		
<u>Category</u>	<u>Frequency</u>	<u>Percentage</u>
Yes	190	90
No	20	10
Total	210	100

Source: Developed for the research Figure 3.14 Revisit Intention



Source: Developed for the research

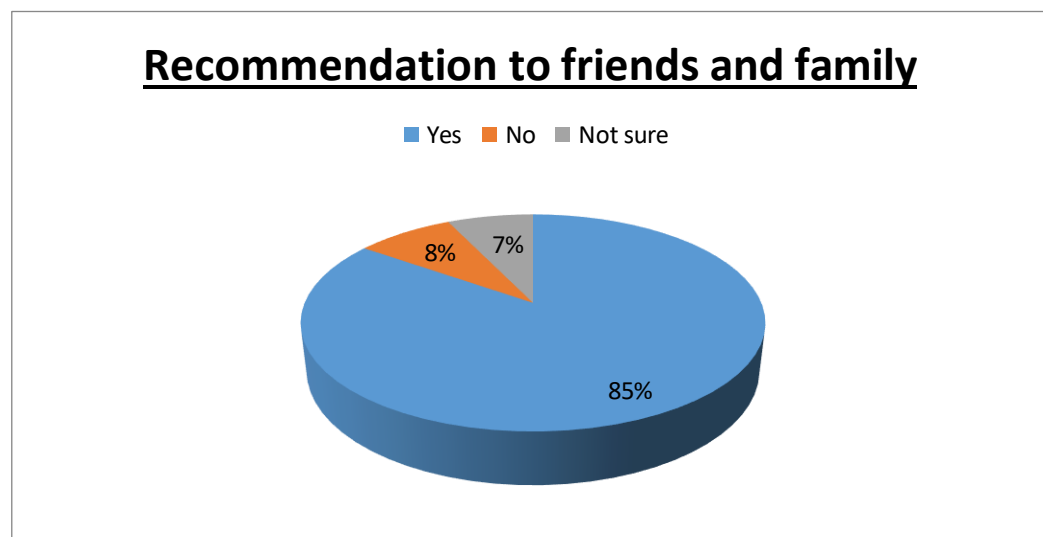
Table 3.14 and Figure 3.14 clearly depicts that 90% of the customers surveyed intended to revisit the restaurant in which they were dining. Only 10% or 20 out of 210 respondents would not revisit the eatery in which they were studied.

3.2.5.2 Recommendation

Table 3.15 Recommendation

<u>Recommendation to friends and family</u>		
<u>Category</u>	<u>Frequency</u>	<u>Percentage</u>
Yes	178	85
No	17	8
Not sure	15	7
Total	210	100

Source: Developed for the research [Figure 3.15 Recommendation](#)



Source: Developed for the research

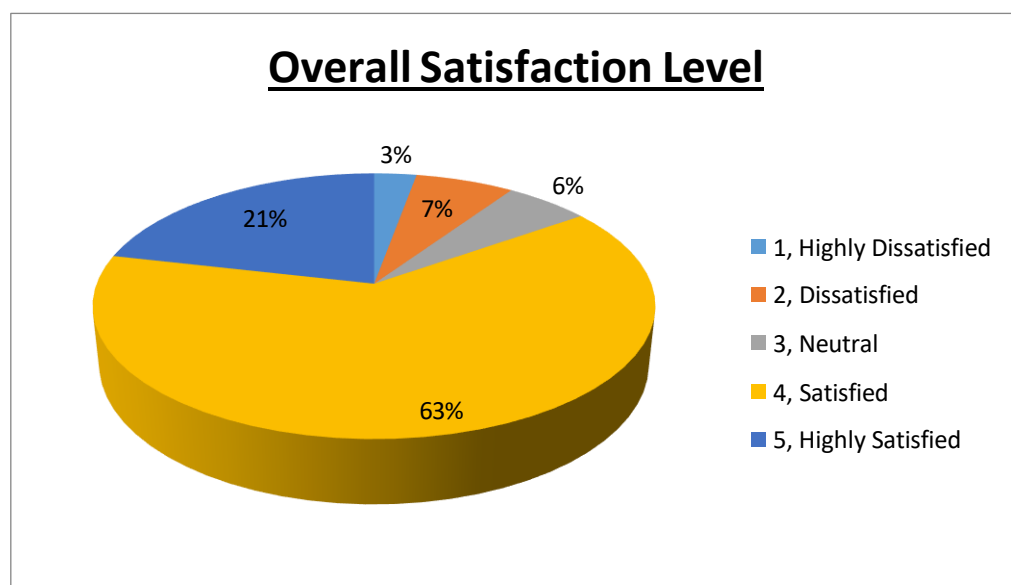
As depicted in Table 3.15 and Figure 3.15 it is evident that 85% of the surveyed respondents would recommend the restaurant in which they were dining to their friends and family. This encompasses word of mouth marketing which is vital in the hospitality sector. 7% or 15 customers were not confident of making a recommendation to near and dear ones.

3.2.5.3 Overall Satisfaction

Table 3.16 Overall Satisfaction

Overall Satisfaction Level		
Category	Frequency	Percentage
1, Highly Dissatisfied	6	3
2, Dissatisfied	14	7
3, Neutral	12	6
4, Satisfied	133	63
5, Highly Satisfied	45	21
Total	210	100

Source: Developed for the research [Figure 3.16 Overall Satisfaction](#)



Source: Developed for the research

Based on Table 3.16 and Figure 3.16 it can be concluded that majority of the respondents i.e. 63% were satisfied with the overall experience in the eatery in which they were surveyed. This reflects in their revisiting intentions as well. Only 3% of the respondents were highly dissatisfied with their dining experience.

3.3 Descriptive Statistics

According to Aaker and Kumar (2007) descriptive statistics are brief descriptive coefficients that summarize a given data set, which can be either a representation of the entire population or a sample of it. They are broken down into measures of central tendency and measures of variability, or spread. Measures of central tendency include the mean, median and mode, while measures of variability include the standard deviation or variance. It also includes kurtosis and skewness. Hence, it helps in describing and understanding the features of a specific data set, by giving short summaries about the sample and measures of the data.

Table 3.17 Descriptive Statistics

<u>Descriptive Statistics</u>			
<u>Variables</u>	<u>Mean</u>	<u>Standard Deviation</u>	<u>Ranking</u>
Atmospherics	3.46	1.007	4
Pricing	3.92	0.809	1
Service Quality	3.74	0.796	3
Food Quality	3.89	0.902	2

Source: Developed for the research

Table 3.17 shows the descriptive statistics of food quality, service quality, restaurant environment, and pricing. Price levels have the highest mean of 3.92. This is followed by food quality and service quality which is 3.89 and 3.74 respectively. However, atmospherics has the lowest mean which is 3.46. Table 3.17 indicates that majority of the respondents agreed with the price levels of the restaurants in which they were dining. They were least satisfied with the atmospheric conditions. In addition, standard deviation indicates how close the data is to the mean. In this case, atmospherics has the highest standard deviation which is 1.007, followed by food quality which is 0.902. Next, standard deviation is for pricing which is 0.809. Lastly, service quality has the lowest standard deviation which is only 0.796.

3.4 Scale Measurement

Scale measurement is used to check the reliability and validity of the data obtained for the research. Reliability test ensures stability and helps in getting consistent results. Reliability test is used to signify the internal consistency of the measurement in order to determine whether all the items in each variable in the questionnaire are highly related or reliable. In addition, the relationship between individual items in the scale can be determined significantly. Cronbach's alpha is a measure of internal consistency, that is, how closely related a set of items are as a group. It is considered to be a measure of scale reliability. The reliability coefficient's value varies from 0 to

1. A value of 0.6 or less indicates unsatisfactory internal consistency reliability.

Table 3.18

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
0.903	0.873	27

Source: Developed for the research

Table 3.18 shows that the value of Cronbach's Alpha exceeds 0.6 for the research undertaken. It is the value for 27 variables and is quite healthy. The alpha coefficient for the 27 items is .873, suggesting that the items have relatively high internal consistency. The same has been computed using SPSS (V. 21).

Chapter IV – Analysis and Interpretation of Facts and Figures

4.1 Factor Analysis

Factor analysis is a technique to seek the underlying unobservable (latent) variables that are reflected in the observed variables (manifest variables). It is a practice of data reduction. It helps in determining the number of factors that one wishes to extract to gain a simple structure. A simple structure is a pattern of results such that each variable loads highly onto one and only one factor. It is more pronounced in categorical data arising from opinionated and behavioral questions in a questionnaire.

For our research, factor analysis shall be done separately for the main influencing factors in a restaurant industry – atmospherics, service quality, price levels and food quality. This shall not only help in making the gathered data more composite but also shall help in understanding customer outlook towards every factor by correlating the various related variables.

Table 4.1 KMO Test – Atmospherics

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.874
Bartlett's Test of Sphericity	Approx. Chi-Square	595.292
	p – value	0.000

Source: Developed for the research

A KMO Test is a measure of how suited the data is for Factor Analysis. The test measures sampling adequacy for each variable in the model and for the complete model. If the value for the KMO test is greater than 0.50 then factor analysis can be done for the same data set. It should also be significant at 5% level i.e. p value should be lesser than 0.05.

Based on table 4.1 it can be observed that the KMO measure is 0.874 which means that the variables under atmospherics are suitable for factor analysis. It is also significant at 5% level because p value is 0.000 which is lesser than 0.05.

Table 4.2

Component Matrix ^a	
	Component
	1
Cutlery	.837
Aroma	.824
Tables	.792
Exteriors	.772
Music	.770
Hygiene	.756
Extraction Method: Principal Component Analysis.	
a. 1 component extracted.	

Source: Developed for the research

Table 4.2 concludes that 1 component was extracted after conducting a factor analysis for the various variables under atmospheric conditions. It can be presented as –

Component 1 – Atmospherics = Exteriors + Hygiene + Music + Tables + Aroma + Cutlery

Table 4.3 KMO Test – Price levels

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.600
Bartlett's Test of Sphericity	Approx Chi Square	144.891
	p - value	.000

Source: Developed for the research

Based on Table 4.3 it can be concluded that the variables judging the outlook of customers towards price levels is suitable for factor analysis because the KMO measure is 0.60 which is more than 0.50. It also is significant at 5% level.

Table 4.4

Component Matrix ^a	
	Component
	1
ValueforMoney	.924
Pricing	.924
Extraction Method: Principal Component Analysis.	
a. 1 component extracted.	

Source: Developed for the research

Since one component has been extracted hence the different variables can be summarized as- Component 2 – Pricing = Value for Money + Price levels

Table 4.5 KMO Test – Service Quality

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.718
Bartlett's Test of Sphericity	Approx Chi Square	324.354
	p- value	.000

Source: Developed for the research

According to Table 4.5 it can be concluded that the variables judging the outlook of customers towards service quality is suitable for factor analysis because the KMO measure is 0.718 which is more than 0.50. It also is significant at 5% level.

Table 4.6

Component Matrix^a	
	Component
	1
Responsiveness	.920
Promptness	.894
Politeness	.861
Extraction Method: Principal Component Analysis.	
a. 1 component extracted.	

Source: Developed for the research

Table 4.6 shows that one component has been extracted after conducting the factor analysis which reveals that customer outlook towards the various variables affecting the service dimension in the restaurants is strongly correlated. Since one component has been extracted hence the different variables can be summarized as –
Component 3 – Service Quality = Promptness + Politeness + Responsiveness

Table 4.7 KMO Test – Food Quality

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.883
Bartlett's Test of Sphericity	Aprox Chi Square	685.253
	p – value	.000

Source: Developed for the research

Based on Table 4.7 it can be concluded that the variables judging the outlook of customers towards the food served in restaurants is suitable for factor analysis because the KMO measure is 0.883 which is more than 0.50. It also is significant at 5% level as p-value is 0.00 which is lesser than 0.05.

Table 4.8

Component Matrix^a	
	Component
	1
Flavourful	.919
Diverse	.864
Freshness	.860
Presentation	.850
Portion	.789
Extraction Method: Principal Component Analysis.	
a. 1 component extracted.	

Source: Developed for the research

Table 4.8 shows that one component has been extracted hence the different variables measuring customers' opinion towards food served can be summarized as –

Component 4 – Food Variety and Quality = Diverse Menu + Presentation + Flavorful + Adequate Portion Size + Freshness

Hence after conducting a factor analysis the 16 variables have been grouped under 4 broad components which are – Atmospherics, Pricing, Service Quality and Food Variety and Quality.

4.2 Hypothesis Testing

Hypothesis 1

H0: There is no relationship between atmospherics, service quality, pricing and quality of food served in a restaurant and customer satisfaction.

H1: There is a significant relationship between atmospherics, service quality, pricing and quality of food served in a restaurant and customer satisfaction.

In order to prove the above stated hypothesis Chi Square Test shall be used. The chi-square test for independence, also called Pearson's chi-square test or the chi-square test of association, is used to discover if there is a relationship between two categorical variables. It is a non parametric test suitable for data not following normal distribution. For this analysis

the chosen significance level is 0.05. Hence the null hypothesis is rejected if p - value is less than 0.05 and vice versa.

Table 4.9 Chi Square Test – Atmospherics*Customer Satisfaction

	Value	P – Value
Pearson Chi-Square	830.632 ^a	0.000
Likelihood Ratio	439.002	0.000
N of Valid Cases	210	

Source: Developed for the research

In Table 4.9, the Pearson Chi-Square values are observed. The asymmetric significance value is less than 5% and hence null hypothesis is rejected. This leads to acceptance of the alternate hypothesis which concludes that Atmospherics of a restaurant does have an influence on the Customer Satisfaction.

Table 4.10 Chi Square Test – Pricing*Customer Satisfaction

	Value	P – Value
Pearson Chi-Square	309.263 ^a	0.000
Likelihood Ratio	149.272	0.000
N of Valid Cases	210	

Source: Developed for the research

In Table 4.10, the Pearson Chi-Square values are observed. The asymmetric significance value is less than 5% and hence null hypothesis is rejected. This leads to acceptance of the

alternate hypothesis which concludes that Pricing of a restaurant does have an influence on the Customer Satisfaction.

Table 4.11 Chi Square Test – Service Quality*Customer Satisfaction

	Value	P – Value
Pearson Chi-Square	560.651 ^a	0.000
Likelihood Ratio	283.084	0.000
N of Valid Cases	210	

Source: Developed for the research

In Table 4.11, the Pearson Chi-Square values are observed. The asymmetric significance value is less than 5% and hence null hypothesis is rejected. This leads to acceptance of the alternate hypothesis which concludes that service quality of a restaurant does have an influence on the Customer Satisfaction.

Table 4.12 Chi Square Test – Food Variety and Quality*Customer Satisfaction

	Value	P – Value
Pearson Chi-Square	656.613 ^a	0.000
Likelihood Ratio	327.105	0.000
N of Valid Cases	210	

Source: Developed for the research

In Table 4.12, the Pearson Chi-Square values are observed. The asymmetric significance value is less than 5% and hence null hypothesis is rejected. This leads to acceptance of the alternate hypothesis which concludes that food served in a restaurant does have an influence on the Customer Satisfaction. Based on Tables 4.9, 4.10, 4.11 and 4.12 it can be concluded that atmospherics, pricing, service quality and food quality have an impact on customer satisfaction in the restaurant industry.

Hypothesis 2

H0: Customer satisfaction and his intentions to revisit a restaurant are not related. H1: Customer satisfaction and his intentions to revisit a restaurant are related.

In order to prove the above hypothesis the Chi Square Test of Independence shall be used. The two categorical variables are – customer satisfaction (1- Highly Dissatisfied, 2- Dissatisfied, 3- Neutral, 4- Satisfied, 5- Highly Satisfied) and revisit intentions (1- Yes, 2- No) – both being drawn from the same sample. The test shall determine whether there is a significant association between the two variables. For this analysis the chosen significance level is 0.05. Hence the null hypothesis is rejected if p - value is less than 0.05 and vice versa.

Table 4.13 Revisit * SatisfactionLevel Crosstabulation

			SatisfactionLevel					Total
			Highly Dissatisfie d	Dissatisfied	Neutral	Satisfied	Highly Satisfie d	
Revisit	Yes	Count	0	0	12	133	45	190
		% within Revisit	0.0%	0.0%	6.3%	70.0%	23.7%	100.0%
		% within SatisfactionLeve l	0.0%	0.0%	100.0%	100.0%	100.0%	90.5%
		% of Total	0.0%	0.0%	5.7%	63.3%	21.4%	90.5%
	No	Count	6	14	0	0	0	20
		% within Revisit	30.0%	70.0%	0.0%	0.0%	0.0%	100.0%
		% within SatisfactionLeve l	100.0%	100.0%	0.0%	0.0%	0.0%	9.5%
		% of Total	2.9%	6.7%	0.0%	0.0%	0.0%	9.5%
Total		Count	6	14	12	133	45	210
		% within Revisit	2.9%	6.7%	5.7%	63.3%	21.4%	100.0%
		% within SatisfactionLeve l	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		% of Total	2.9%	6.7%	5.7%	63.3%	21.4%	100.0%

Source: Developed for the research

Table 4.14 Chi Square Test – Customer Satisfaction*Revisit Intention

	Value	P – Value
Pearson Chi-Square	210.000 ^a	0.000
Likelihood Ratio	132.087	0.000
N of Valid Cases	210	

Source: Developed for the research

Table 4.13 is a cross tabulation of the customers based on their satisfaction level and revisit intentions. On observing Table 4.14 it can be concluded that there is a strong association between customer satisfaction and revisit intentions. This is because p – value for Pearson Chi Square test is 0.00 which is lesser than 0.05. This leads to rejection of the null hypothesis and acceptance of the alternate hypothesis which states that there is a significant relationship between customer satisfaction and revisit intentions.

Hypothesis 3

H0: Customers' intention to recommend the restaurant does not depend on their satisfaction level.

H1: Customers' intention to recommend the restaurant does depend on their satisfaction level.

The Kruskal-Wallis H test shall be used to prove the above hypothesis. It is a nonparametric test that can be used to determine if there are statistically significant differences between two or more groups of an independent variable on a continuous or ordinal dependent variable. It is considered the nonparametric alternative to the one-way ANOVA, and an extension of the Mann-Whitney U test to allow the comparison of more than two independent groups. The two variables taken for this test are - Intention to recommend (1- Yes, 2- No, 3- Not Sure) and Customer Satisfaction (1- Highly Dissatisfied, 2- Dissatisfied, 3- Neutral, 4- Satisfied, 5- Highly Satisfied). The former being the dependent variable and the latter being independent. For this analysis the chosen significance level is 0.05. Hence the null hypothesis will be rejected if p - value is less than 0.05 and vice versa.

Table 4.15

Recommend	Highly Dissatisfied	6
	Dissatisfied	14
	Neutral	12
	Satisfied	133
	Highly Satisfied	45
	Total	210

Source: Developed for the research

Table 4.16 – Kruskal Wallis H Test – Recommendation*Customer Satisfaction

Test Statistics ^{a,b}	
	Recommend
Kruskal-Wallis H	162.238
P – value	.000
a. Kruskal Wallis Test	
b. Grouping Variable: SatisfactionLevel	

Source: Developed for the research

Table 4.15 shows how intentions to recommend vary across satisfaction levels. In Table 4.16, the p – value for the Kruskal Wallis H test is observed. Since the p – value is 0.00 which is less than 0.05 hence the null hypothesis is rejected. This leads to acceptance of the alternate hypothesis which concludes that a customer's intention to recommend the restaurant depends on their satisfaction level.

Chapter V – Conclusion and Implication

5.1 Introduction

This chapter will provide an overall conclusion of the research project as a whole. Firstly, the descriptive and inferential analysis will be summarized, which have been previously interpreted and analyzed. Secondly, the results and findings obtained will be discussed and used to validate the research objectives. The implications of the study conducted and recommendation for future research will be highlighted, followed by the conclusion of this chapter.

5.2 Summary of Descriptive Analysis

On reviewing the responses received and analyzing the numbers the following conclusions can be made:

- Out of 210 respondents, 70% were female whilst 30% were male.
- 23% of the respondents were below 20 years, 48% between 21 to 35 years, 26% between 36 to 50 years and 3% above 50 years.
- On analyzing the income levels of the respondents it was observed that 43% earned up to Rs 10,000 per month, 42% earned between Rs 10,000 to Rs 50,000, 7% between Rs 50,000 to Rs 1,00,000 and 8% of the respondents earned more than Rs 1,00,000 per month.
- When asked about the frequency of dining out every month, it was observed that 11% visited restaurants rarely (0-1 times), 53% visited occasionally (2-5 times), 27% visited quite frequently (6 – 9 times) and 9% visited restaurants very often (10+ times).
- It was observed that 86% of the sample chose weekends to dine at restaurants whereas only 14% preferred weekdays.
- 64% of the respondents visited eateries with family whereas 36% visited with friends.
- 1% of the respondents were aware of the restaurant in which they were dining because of Television advertisements, 3% because of outdoor hoarding and 8% because of Web advertisements. A majority of 84% were aware of the restaurant because of their friends or family.

- 83% of the respondents had not visited the particular joint they were at for the first time. Only for 17% respondents was it the first time in that particular eatery.
- 80% of the respondents did not have a reservation in the joint that they were at. Only 20% of respondents had booked their tables in advance.
- 3% of the respondents were highly dissatisfied with the atmospheric conditions of the restaurant in which they were dining, 6% were dissatisfied, 26% were neutral to the atmospheric conditions, 51% satisfied and 14% were highly satisfied with the same.
- Majority of the respondents i.e. 61% were in agreement with the pricing of the dishes of the restaurants in which they were dining. Only 1% of respondents strongly disagreed with the price levels.
- 64% of the surveyed respondents were satisfied with the service quality that they had received in the restaurants in which they were dining. 2% or 15 respondents strongly disagreed with the service quality they were subjected to.
- 52% of the surveyed respondents were in agreement with the presentation, portion size, taste, freshness and variety of the dishes served. Only a meager 2% strongly disagreed with the quality and quantity being served.
- 90% of the customers surveyed intended to revisit the restaurant in which they were dining. Only 10% or 20 out of 210 respondents would not revisit the eatery in which they were studied.
- 85% of the respondents were confident of recommending the restaurant to their friends or family, 8% were dissatisfied and hence would not make any recommendations and 7% of the respondents were not sure of whether they would suggest the eatery to their near and dear ones.
- 3% of the customers were highly dissatisfied with their dining experience, 7% were dissatisfied and 6% were neutral to their overall experience. A majority of 84% respondents were satisfied or dissatisfied with their dining experience.

5.3 Discussions of major findings

Table 5.1 Summary of Research Objectives, Hypotheses and Results

<u>Research Objectives</u>	<u>Hypothesis</u>	<u>Test Used</u>	<u>Achieved</u>
To analyse the demographic profile of customers visiting casual dining restaurants in Kolkata.	-	Descriptive Analysis	Yes
To examine the relationship between the food quality, service quality, atmospherics, pricing and customer satisfaction.	There is a significant relationship between atmospherics, service quality, pricing and quality of food served in a restaurant and customer satisfaction.	Chi – Square Test	Yes
To examine the relationship between customer satisfaction and revisit intention.	Customer satisfaction and his intentions to revisit a restaurant are related.	Chi – Square Test	Yes
To examine the relationship between customer satisfaction and word of mouth marketing.	Customers' intention to recommend the restaurant does depend on their satisfaction level.	Kruskal-Wallis H test	Yes

Source: Developed for the research

5.4 Managerial Implications

- From the research, it can be concluded that food quality has an impact on customer satisfaction in the restaurant industry. A good meal is considered as one of the essential component in influencing revisit intention and word of mouth marketing in food industry. Furthermore, managers of restaurants have to continuously provide higher quality foods to their customers in terms of offering meals with fresh ingredients and also in terms of portion size and presentation. Moreover, the food preparing process must be monitored and controlled from time to time to ensure the food quality standard is able to meet customer satisfaction.
- Service quality also plays an influencing role in the dining experience of customers. In order to provide a better service quality to customers who visit restaurants, it is recommended that managers should provide training and appropriate compensation package to the employees. The attitudes and behavior of service employees are very important as it influences customer perceptions of service quality. Therefore, training is necessary because good service training and development enhance the ability of service staff and equips them with the competence to deliver a high-quality service in order to meet the needs of customers more effectively and efficiently.
- The research finding discovered that restaurant environment is another contributing factor that has an influence on customer satisfaction, word of mouth marketing and revisit intention. Therefore, it is necessary for the managers to ensure that environment of the restaurant should make customers feel comfortable so that they can enjoy their food. Managers can create special atmosphere for customers by adhering to a particular theme. This is an effective way to increase sales volume and gain a unique position in the competitive industry.
- Manager should also pay attention to the pricing of the dishes. The research concludes that customers are sensitive to the cost of the meal and good quality at reasonable rates is preferred the most. Hence managers need to ensure that the price levels not only suit the consumers but also incorporate a fair margin which is the basic motive of running operations.

5.5 Future Scope

- i. As only 210 questionnaires were distributed for this research, thus to increase the accuracy of the results researchers should increase the sample size.
- ii. The questionnaires were only distributed in five restaurants. Thus, it is advisable to include more restaurants for future research. This shall allow researchers to obtain greater responses as well as wider perspectives. Although this will take a longer time but this shall allow researchers to have a better understanding on the demand and requirement of today's customers.
- iii. Common variables such as promotion and brand can also be included in the framework in order to investigate whether customer get influenced by these factors.
- iv. The study focuses upon casual dining restaurants. A similar study can be conducted in other forms of eateries like bistros, lounges, luxury dining restaurants etc.

5.6 Conclusion

This study was conducted to gain a better understanding on customer satisfaction in restaurants by studying the factors of food quality, service quality, atmospherics and price. This research project has fulfilled its objectives to identify the relationship of the four variables towards customer satisfaction that leads to revisit intention and word of mouth marketing. It is useful for restaurant owners as it shall enable them to retain customers and acquire new ones. This study also provides information for those who may want to investigate more on the factors affecting customer satisfaction and their revisit intentions in the restaurant industry.

Questionnaire

Hi, I'm a student pursuing my post graduation from St. Xavier's College, Kolkata. I am currently working on a research project on Customer Satisfaction in Restaurants. It would be of great help if you take this 5 minute survey and provide your valuable feedback. Thank You!

I. Personal information

1. Name: *

2. Gender: *



Male



Female

3. Age: *



Below 20 years



21 - 35 years



36 - 50 years



Above 50 years

4. Income per month (INR) : *



Upto Rs 10,000



Rs 10,000 - Rs 50,000



Rs 50,000 - Rs 1,00,000



Above Rs 1,00,000

II. Restaurant visits

5. How frequently do you visit a restaurant every month? *



Rarely, 0-1 times



Occasionally, 2-5 times



Quite frequently, 6-9 times



Very frequently, 10+ times

6. When do you usually visit a restaurant? *



Weekdays, Monday - Thursday



Weekends, Friday - Sunday

7. Who do you usually go with when you dine at a restaurant? *



Alone



Family



Friends



Colleagues



Other (please specify):

8. How did you discover our restaurant? *



Television



Newspaper or magazine



Outdoor hoarding



Internet



Friends or family



Other (please specify):

9. How often do you dine with us? *



First time



6 times per month or more



3-5 times per month



1-2 times per month



Once every 2 months



Once a quarter or even lesser

10. Did you have a reservation? *

































Yes






No


































III. Your Experience

11. Select your level of satisfaction for the following: *

	1 - Highly dissatisfied	2 - Dissatisfied	3 - Neutral	4 - Satisfied	5 - Highly satisfied
Attractive exteriors					
Hygiene and cleanliness					
Pleasing music					
Table arrangement					
Enticing aroma					
Cutlery design					

12. Select your level of agreement for the following: *

	1 - Strongly disagree	2 - Disagree	3 - Neutral	4 - Agree	5 - Strongly agree
Value for money					
Price levels					
Prompt services					
Polite and courteous staff					

	1 - Strongly disagree	2 - Disagree	3 - Neutral	4 - Agree	5 - Strongly agree
Responsiveness to special requests					
Diverse menu					
Freshness of the food					
Adequate portion size					
Appealing food presentation			 	 	 
Flavorful dishes					

IV. Level of satisfaction

13. Based on your experience would you revisit us? *



Yes



No

14. Would you recommend our restaurant to a friend or family? *



Yes



No



Not sure

15. What was your general satisfaction level with the restaurant? *



1 - Highly dissatisfied



2 - Dissatisfied



3 - Neutral



4 - Satisfied



5 - Highly satisfied

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