

# CHAPTER ONE

## ORIENTATION

### 1. 1 Introduction

Achieving a sustainable competitive advantage based on providing outstanding service quality is a strategy that is often utilised by restaurateurs and restaurant marketers (Headley and Choi, 1992:510). Unfortunately, according to Tse (2001:11), maximizing consumers' perception of service quality whilst simultaneously minimising costs is often very difficult.

The buyers' decision process starts when he/ she recognises a need for a specific service, in this case services offered by a restaurant (Pedraja & Yagüe, 2001:316). This need for a restaurant service can be motivated by various reasons including family celebrations, business entertainment or leisure.

However, no matter what motivates the reason for this need, the individual or group will have to search for information on the offer that exists for the desired service in order to be able to compare the alternatives and to make the most appropriate purchasing decision.

Pedraja and Yagüe (2001:316) state that the characteristics of restaurant services, as with other services, such as intangibility, the simultaneous production and consumption, greater direct contact between the supplier and consumer, and non-standardisation, influence the purchase behaviour of the potential customers. Services are "experiences", and as such are more difficult to evaluate before their purchase.

Research by Boulding and Kirmani (1993:111-123) indicate that if service expectations are met or exceeded, satisfaction with the service results. However, outcomes below expectations lead to dissatisfaction. According to Iglesias and Guillén (2004:378) achieving customer satisfaction allows increasing levels of purchase repetition and loyalty.

In the search for information, several factors will influence purchasing behaviour and evaluation of the service. Iglesias and Guillén (2004:373) state that perceived quality and total perceived price are two of the basic antecedents of customer satisfaction.

## **1.2 Purpose of the study**

The purpose of the study is to establish how perceived service quality and perceived price impact on the satisfaction of restaurant customers in the western suburbs of Johannesburg? The question however is whether “perceived price” is more important to consumers than “perceived quality ” when evaluating their restaurant service thus influencing return patronage? As previously stated, the satisfaction of the customer is influenced, amongst others, by these two factors. However, which one of these two factors would be more dominant in influencing a customer’s evaluation of the dining experience? Another important question is whether service satisfaction due to either of these two factors will result in return patronage and loyalty.

From the literature it is obvious that there are opposing viewpoints to whether quality of service or price is more important in creating customer satisfaction with restaurant services. This study will attempt to establish whether quality of service or price is more important for restaurant customers in the western suburbs of Johannesburg.

## **1.3 Research objectives**

### **1.3.1 Primary research objective**

The primary research objective of this study is to establish which one of the two evaluation criteria “perceived price” or “perceived service quality” is the more important determinant of customer satisfaction for customers utilising restaurant services in the western suburbs of Johannesburg.

### **1.3.2 Secondary research objectives**

- (i) To establish whether service satisfaction due to either of these two factors will result in return patronage.

- (ii) To establish the relative importance of each service dimension for restaurant customers in the western suburbs of Johannesburg.
- (iii) To establish whether customers of restaurant services in the western suburbs of Johannesburg are prepared to pay more for better service.
- (iv) To determine whether a low price is more important to customers of restaurant services in the western suburbs of Johannesburg than a fair price.
- (v) To determine whether price is the most important reason for restaurant patronage when considered in conjunction with other factors.
- (vi) To determine how restaurant customers perceive general service quality levels at restaurants in the western suburbs of Johannesburg.
- (vii) To determine whether the following demographic characteristics have an influence on the perception of the dining experience:
  - a. Age
  - b. Gender
  - c. Gross monthly income
  - d. Level of education.

#### **1. 4 Research propositions and hypotheses**

A proposition is a statement about concepts that may be judged to be true or false if it refers to observable phenomena. However, when a proposition is formulated to conduct empirical testing it is called a hypothesis (Cooper and Schindler, 2003: 50).

The research propositions for the *exploratory component* of this study are as follows:

- P<sub>1</sub>: Service quality is a greater determinant of customer satisfaction than perceived price for restaurant service customers in the western suburbs of Johannesburg.
- P<sub>2</sub>: Reliability is the most important service dimension for restaurant customers in the western suburbs of Johannesburg.
- P<sub>3</sub>: Customers of restaurant services in the western suburbs of Johannesburg are prepared to pay an increased price for a higher level of service.

- P<sub>4</sub>: A low price charged by the restaurant is not very important for restaurant users in the western suburbs of Johannesburg.
- P<sub>5</sub>: A price considered as fair is more important for restaurant customers in the western suburbs of Johannesburg than a low price.
- P<sub>6</sub>: The prices charged by a restaurant is the single greatest reason for specific restaurant patronage.
- P<sub>7</sub>: A high level of service is important for restaurant customers in the western suburbs of Johannesburg.
- P<sub>8</sub>: Quality of service is a significant determinant of return patronage.
- P<sub>9</sub>: Reasonableness of price is not a very important determinant of return patronage.

The research hypotheses for the *descriptive component* of this study are as follows:

- H<sub>1</sub>: Age does not have an effect on the dining experience perception of restaurant customers in the western suburbs of Johannesburg.
- H<sub>2</sub>: Gender does not have an effect on the dining experience perception of restaurant customers in the western suburbs of Johannesburg,
- H<sub>3</sub>: Individual gross monthly income does not have an effect on the dining experience perception of restaurant customers in the western suburbs of Johannesburg.
- H<sub>4</sub>: Level of education does not have an effect on the dining experience perception of restaurant customers in the western suburbs of Johannesburg.
- H<sub>5</sub>: Frequency of utilisation of restaurant services does not have an effect on the dining experience perception of restaurant customers in the western suburbs of Johannesburg.

### **1.5 Demarcation and scope of the study**

This study consists of two components, an exploratory component and a descriptive component, aimed at establishing whether service quality is of greater importance for customers than price in creating satisfaction with the restaurant services that are selected. It should be noted that the study will be confined to consumers and establishments in the western suburbs of

Johannesburg. Restaurants that will be considered for the purpose of this study are “sit-down restaurants”.

## **1.6 Literature review**

### **1.6.1 Services marketing**

#### **1.6.1.1 Defining services**

Zeithaml and Bitner (1996:5) simply defines services as “deeds, processes, and performances”. From this simple definition it can be concluded that intangibility is a key determinant whether an offering is a service or not.

Kotler (1997: 467) defines service as “any act or performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything. It’s production may or may not be tied to a physical product”.

#### **1.6.1.2 Characteristics of services**

Kotler (1997: 468) identifies four major characteristics of services namely:

- (i) *Intangibility*: refers to the fact that services cannot be seen, tasted, felt, heard or smelled before they are purchased.
- (ii) *Inseparability*: Services are more often than not produced and consumed simultaneously. The service provider is normally part of that service.
- (iii) *Variability*: Services depend on who provides them as well as where and when they are provided.
- (iv) *Perishability*: Services cannot be inventoried and stored. When demand increases there are no warehouses to draw from.

Each one of these characteristics has implications for marketers and ultimately the organisation (Zeithaml and Bitner 1996:19). The resulting implications of these characteristics are illustrated in Table 1.1.

**Table 1.1: Resulting implications of service characteristics**

Characteristic	Resulting implications
Intangibility	<ul style="list-style-type: none"> <li>• Services cannot be inventoried</li> <li>• Services cannot be patented</li> <li>• Services cannot be readily displayed or communicated</li> <li>• Pricing is difficult</li> </ul>
Heterogeneity	<ul style="list-style-type: none"> <li>• Service delivery and customer satisfaction depend on employee actions</li> <li>• Service quality depends on many uncontrollable factors</li> <li>• There is no sure knowledge that the service delivered matches what was planned and promoted</li> </ul>
Simultaneous production and consumption	<ul style="list-style-type: none"> <li>• Customers participate in and affect the transaction</li> <li>• Customers affect each other</li> <li>• Employees affect the service outcome</li> <li>• Decentralization may be essential</li> <li>• Mass production is difficult</li> </ul>
Perishability	<ul style="list-style-type: none"> <li>• It is difficult to synchronise supply and demand with services</li> <li>• Services cannot be returned or resold.</li> </ul>

Source: Adapted from Zeithaml and Bitner (1996:19)

Zeithaml and Bitner (1996:18-21) agree that services have different characteristics than products and identify the same characteristics as Kotler (1997:468) namely:

(i) *Intangibility*: Zeithaml and Bitner (1996:19) description concurs with that of Kotler (1997:468) stating that services are performances or actions rather than objects. Services cannot be seen, felt. Tasted or touched in the same manner as we do with physical goods.

(ii) *Simultaneous production and consumption*: this characteristic is the same as the inseparability characteristic described by Kotler (1997:469). Zeithaml and Bitner (1996:20) claim that most services are sold first and then produced and consumed simultaneously.

(iii) *Heterogeneity*: According to Zeithaml and Bitner (1996:20), services are performances, mostly produced by human beings resulting that in no two services being precisely alike. People's performance will vary from day to day or even hour to hour. Customers frequently view the employee delivering the service as the service and therefore services are viewed to be heterogeneous.

(iv) *Perishability*: Zeithaml and Bitner (1996:21) state that "services cannot be saved, stored, resold, or returned".

In essence the characteristics identified are the same as those described by Kotler (1997:468).

### **1.6.1.3 The services marketing mix**

One of the most basic concepts in marketing is the concept of the marketing mix. This concept is defined as the "elements an organisation controls that can be used to satisfy or communicate with customers" (Zeithaml and Bitner, 1996:23). The traditional marketing mix comprised the elements product, price, promotion and place – the so-called four Ps. The marketing mix philosophy implies that an optimal mix exists for a given market segment at a specific point in time (Zeithaml and Bitner, 1996:23).

The strategies of the 4Ps need some modifications when applied to services. Because of services inseparability, customers are more often than not present when the service is rendered. Also, the intangibility of services lead to customers looking for tangible cues to help them understand and evaluate their service experience (Zeithaml and Bitner, 1996:26).

The acknowledgement of the importance of these communication variables have led to marketers adopting the expanded marketing mix for services which includes people, physical evidence and process (Zeithaml and Bitner, 1996:26). The expanded marketing mix will be discussed in chapter two as

part of the literature review. The importance of these additional communication variables and their effect on customer satisfaction will be discussed in chapter two of this study.

#### 1.6.1.4 Customer expectations and service quality

Zeithaml and Bitner (1996:75) explain that customers hold several different expectations regarding service. One can be termed *desired service* described as the level of service the customer hopes to receive. However, customers hold another lower expectation of service, termed *adequate service*, recognising that their desired service expectations are not always possible.

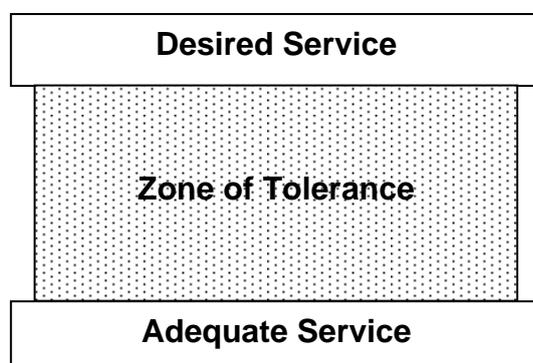
Services are heterogeneous and as such will vary across employees and across different providers. The extent to which customers are prepared to accept these variations is termed the *zone of tolerance*.

If service delivery is outside the zone of tolerance at the top end (desired service), customers will be pleased and satisfied with the service (Zeithaml and Bitner, 1996:75). On the other hand, if service drops below adequate service customers will be frustrated and their satisfaction will be undermined.

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This model of customer expectation can be depicted graphically as seen in Figure 1.1.

**Figure 1.1: A model of customer expectation**



Adapted from Zeithaml and Bitner (1996:79)

When a service is completed, a customer is not left with a tangible product but rather with a feeling as a result of the experience. Feelings can vary from elation, delight satisfaction frustration, disappointment and even anger. Providers of services, in this case restaurant services, need to identify the feelings that they want to evoke in their customers as a result of their service experience (Kotler, 1997:488).

### **1.6.2 The importance of customer satisfaction**

The importance of customer satisfaction is illustrated in the statement made by Kivela, Inbakaran and Reece (1999:205) that the importance of customer satisfaction supersedes aspects such as occupancy rates, return rates and profitability. Kivela *et al.* (1999:205) further explains that customer satisfaction leads to positive behavioural intentions, such as return patronage or repeat purchase.

Parasuraman, Berry and Zeithaml (1991:47) agree that the satisfaction/dissatisfaction that consumers experience will have an influence on brand loyalty, personal communication regarding the products or service and purchase repetition.

This view is echoed by Iglesias and Guillén (2004:377), "For firms that operate in competitive markets, achieving satisfaction for their customers is particularly important if they want to survive in those markets. Satisfied customers will repeat their purchases, they will be more loyal to the firm and they will become the most efficient and effective communication resource of the firm by generating favourable communication".

In a study of customer satisfaction in Hong Kong restaurants, Kivela, Inbakaran and Reece (2000:29) found that the repeat factor decreases as satisfaction decreases. As customers have higher expectations when executing repeat purchases, it becomes more difficult to satisfy these customers. This suggests that the restaurants sales force or service staff is not obsolete but rather a major variable.

Tucci and Talaga (1997:10) is of the opinion that realisation of long-term goals for any organisation must revolve around customer satisfaction. They believe that this is particularly true for restaurants where failure to achieve customer satisfaction will lead to an early termination of the business. Unfortunately, general levels of consumer dissatisfaction with service quality at restaurants is very high – a 1995 survey indicated that more than 50% of restaurant patrons surveyed cited no aspect of service as being excellent (Tucci and Talaga, 1997:10). According to Tucci and Talaga (1997:10) this finding is consistent with the high rate of failure among restaurants.

### **1.6.3 Price as determinant of customer satisfaction**

Purchasing behaviour is influenced by several factors, Tse (2001:11), two important ones are “price” and “quality of service”. Tse (2001:11) defines price as “the cost of making the purchase” and quality of service as “ how well a customer is served, including the extent to which the server helps the customer, the manner of the server, and so on”. Tse further states that usually a low price will contribute positively to service selection but will contribute negatively to quality of service expectations. Hence a trade-off exists between service quality and the price of that service. Boronico (in Tse, 2001:11) also found that both price and quality of service had an impact on the demand for services. From this one can deduce that a relationship exists between price and quality of service expectations.

Pedraja and Yagüe (2001:317) argue that price is a very important variable when customers select a restaurant service. According to Pedraja and Yagüe (2001:317), the greater the perceived spread in price for the service, the greater will the overall external information search carried out by the consumer be.

During a 2002 Restaurants and Institutions survey (in Perlik, 2003), almost 30% of consumers cited good value for money as the main reason they patronised their favourite restaurant. Typical service quality factors such as frequent diner programs, attentive service, accurate orders and clean

restaurants proved to be less important with fewer than 1% of respondents selecting these factors as important.

Three big factors influencing where someone eats lunch are location, speed of service and price (Matsumoto, 1998:57). However, very important to note is that up to 57% of lunchtime diners are budget conscious suggesting that price is an important variable in their selection criteria and ultimately satisfaction or dissatisfaction perception (Matsumoto 1998:57).

In a study conducted by Tse (2001: 15) it was found that while service is an important factor in restaurant selection, customers are unwilling to pay an extra amount for a higher level of service. Tse argues that restaurant managers might be better off maintaining an acceptable level of service while keeping prices as low as possible.

#### **1.6.4 Quality of service as determinant of customer satisfaction**

On the other side of the pendulum are those who believe that quality of service is the most important factor in determining customer satisfaction. Sanson (2004:10) cites a 2004 report on the American Customer Satisfaction Index indicating that the more companies develop cheaper and better products, the less customers appear to be impressed. Companies that earned high points were companies that listened to their customers and responded accordingly. Other companies building their reputations on low pricing strategies scored significantly lower.

Freedman (1994:70) also advocates the importance of service quality in determining customer satisfaction stating that the satisfaction with the service depends largely on how it is delivered. Freedman argues that the hospitality industry competes on the quality of service provided by their employees.

In order to survive it is necessary to evolve and in this regard, according to Sternberg (2004:20), restaurants are no exception. Today's dining public is more sophisticated than ever. They are increasingly frequenting restaurants for the experience provided first, and for the food served second. It is about

delivering an entire experience where the quality of the service and the food is a given. Menu prices should not set the stage for the experience offered as customers don't know about costs for labour, food or rent and more importantly that's not what is important to them.

People often find it difficult to define service, according to Orilio (2005:19), but when it is encountered it is recognised. Orilio (2005:19) goes further and argues that in today's competitive marketplace, service is the most important thing that a company has to sell. It differentiates business when they sell similar products (food). The first moment of truth arises as the customer walks through the door. A genuine and personal touch at this point can set the tone for the rest of the experience. Restaurants may have overwhelmingly beautiful ambience and delicious food, but when service suffers, the dining experience will be mediocre at best.

These sentiments are echoed by Pratten (2003:826), stating that perfectly cooked food could be badly received because it was served badly. Pratten (2003:832) believes that the importance of service delivery by waiting staff must not be underestimated.

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### **1.7 Research design**

The research design creates the blueprint for the research product. It sets out the process of collecting the information that is required. The purpose is to design a study that will test hypotheses or propositions of interest, determining possible answers to the research questions and to provide the information necessary for decision-making (Malhotra in Herbst, 2001:15).

Cooper and Emory (1995:117) distinguish between three types of research design.

- (i) Exploratory studies are used to define concepts clearly, establish priorities as well as improving the final research design. It may be necessary for the researcher to do an exploration as the area of investigation may be new or vague and important variables may not be known (Cooper and Emory, 1995:118).

- (ii) Descriptive studies are used to determine facts regarding a topic. A univariate question or hypothesis is set forth in which it is asked or stated about the size, form, distribution or existence of a variable (Cooper and Emory, 1995:122).
- (iii) Causal studies refer to the analysis of how one variable affects, or is responsible for, changes in another variable (Cooper and Emory, 1995:126).

This study will comprise of an exploratory component related to the propositions stated in paragraph 1.4. as well as a descriptive component relating to the hypotheses stated in paragraph 1.4.

#### **1.7.1 Secondary data**

A literature review will be carried out in order to establish how customer satisfaction is influenced by service quality and perceived price. A range of scientific journals and research publications will be consulted.

#### **1.7.2 Definition of the information needed**

The literature search will be conducted to obtain information regarding the nature of services, customer satisfaction, factors affecting customer satisfaction with regard to services as well as the importance of price as a determinant of customer satisfaction. The literature search will particularly focus on restaurant services.

#### **1.7.3 Quantitative data collection**

Various collection methods were considered including mall-intercept, telephone interviews, mail surveys and e-mail surveys. It was decided to utilise convenience sampling, reaching restaurant customers in the western suburbs of Johannesburg.

#### **1.7.4 Questionnaire design**

Questionnaire design, according to Dillon, Madden and Firtle (1993:302) involves four interrelated activities:

- (i) Preliminary considerations involve the process of moving from the general management objective to specific measurable questions. It concerns

questions such as what information is required or what data collection method to use (Dillon, Madden and Firtle,1993:302).

- (ii) The asking of questions refers to developing effective questionnaires to enable the researcher to obtain the relevant information. The researcher can make use of open-ended or close-ended questions in the questionnaire. In the case of open-ended questions, the respondent can answer according to what is deemed appropriate whereas in the case of closed-ended questions the respondent needs to exercise a choice that best describes their feelings (Dillon, Madden and Firtle, 1993:302-310).
- (iii) Questionnaire design relates to the organisation of the different aspects of the questionnaire and will be discussed in chapter three.
- (iv) According to Cooper and Emory (1995:317) pre-testing detects weaknesses and possible errors in the instrument. Pre-testing relies on respondent surrogates or actual respondents to evaluate and assist in refining the instrument (Cooper and Emory, 1995:317).

#### **1.7.5 Sampling procedure and sample size**

Sampling methods, according to Cooper and Schindler (2003:183), can be divided into two broad categories namely:

- (i) *Probability sampling* where every element has an equal chance of being selected and a known non-zero chance of being selected (Cooper and Schindler, 2003:183).
- (ii) In *non-probability sampling* there is not a known no-zero chance of selection for each member (Cooper and Schindler, 2003:183)

For the purpose of this study non-probability sampling will be used. The specific type of sampling will be convenience sampling. Convenience sampling is unrestricted and the field workers or the researchers may select whomever they want (Cooper and Schindler, 2003:200).

#### **1.7.6 Sample population**

The sample population will be a non-ending population. The sample size will include 200 elements representative of the survey population.

### **1.7.7 Measuring instrument**

The measuring instrument will consist of a questionnaire comprising closed – ended questions. Scale measurements, questionnaire layout and questionnaire design will be discussed in chapter three.

### **1.8 The restaurant industry in South Africa**

The Chief Executive Officer of Mastrantonia Holdings describes the food industry in South Africa as follows: “The food business is like opera: we all have the music sheets. In our case, it’s food ingredients and service. It is the passion you put into your efforts that makes the difference” (Mariano 2005:39).

The average Canadian household visits a restaurant for a snack or a meal an astonishing 520 times per year. Of these restaurants visited, 63.5% are classified as independent restaurants (Canadian restaurant and foodservices association, n.d.)

The researcher was unable to extract comparative statistics for South Africa but spend in restaurant services would undoubtedly be less. This assumption is based on the following information.

The average Canadian household spends 30.3% of its total food dollar on foodservice (Canadian restaurant and foodservices association, n.d.). When compared to the Canadian household expenditure on foodservice, the South African expenditure on foodservice is markedly different. Table 1.2 illustrates the difference in household expenditure on foodservice between different income groups in South Africa.

**Table 1.2: Annual household income and food expenditure in South Africa**

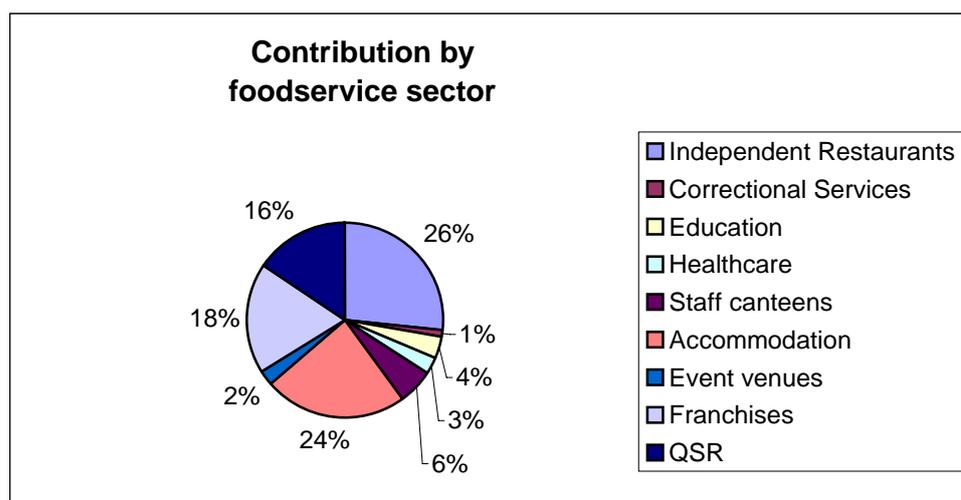
Expenditure	Income Categories					Average
	R0 - R 6,480	R6481 - R 11,090	R11091 - R 19,440	R 19441 - R 41,484	R41485 - and above	
A. Number of households	3346	5235	5949	5978	5756	
B. Average Income	3614	7168	12739	25280	112060	32172
C. Food spend	1821	3596	5335	7573	14490	6563
D. Drinks	65	134	294	601	1316	482
C. Spend on restaurants, bars, etc	3	6	12	24	49	19
Total Food and drinks spend	1889	3736	5641	8198	15855	7064
Percentage of income expenditure	52.27%	52.12%	44.28%	32.43%	14.15%	21.96%
Percentage of total food Rand	0.16%	0.16%	0.21%	0.29%	0.31%	0.27%

Source: Adapted from Statistics South Africa (2000:10)

Total average expenditure of food and drinks accounts for 21.96% of total income expenditure. However, actual spend on restaurants and bars only accounts for 0.27% of the total food Rand. From this, it can be seen that foodservice in South Africa is not yet as developed as in Canada.

Classifying the foodservice market in South Africa varies from organisation to organisation. However, BMI Foodpack (2003:2-3) has identified the following classification and contribution by sector as depicted in Figure 1.2

**Figure 1.2: Contribution by foodservice sector**



Source: Adapted from BMI Foodpack (2003:14)

Independent restaurants as a sector is by far the largest sector in the South African foodservice industry as illustrated in Figure 1.2. However, within the franchised sector certain franchise groups do operate sit-down restaurants

e.g. Spur and Ocean Basket. For the purpose of this study, where sit-down restaurants are included, no distinctions are drawn between franchised sit-down restaurants and independent sit-down restaurants.

The researcher could not obtain exact research results regarding the number of sit-down restaurants in South Africa. However, McCain Foods South Africa (Pty) Ltd (2003) estimated that there are in excess of 8000 sit-down restaurants operating in South Africa. Of these it is estimated that 18.83% are franchised sit-down restaurant operations.

### **1.9 Clarification of key concepts**

It is necessary to clarify key concepts, which will be used in both the literature and empirical parts of this study

- Restaurant

A restaurant refers to an establishment where food is purchased and consumed on the premises. It encompasses a service component where food is served to the customer at his/ her table by waiting staff.



- Organisation

In this study the term organisation will be used as a term that includes all restaurants and other service delivery enterprises.

- Services

Services refer to “any act or performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product” as defined by Kotler (1997:467). This will include all services rendered by restaurant operators and restaurant staff

- Customer

In this study the term customer is an inclusive term referring to all consumers of restaurant and other services.

### **1.10 Chapter outline**

Chapter one describing the objectives, problem statement, the research hypothesis will assist in the orientation of the study.

Chapter two will consist of a literature review incorporating literature from a range of scientific journals and research publications. The literature on service, customer satisfaction, price and the importance thereof will also be discussed in this chapter.

Chapter three will discuss the research design, the measuring instrument, fieldwork and the fieldwork procedure.

Chapter four will consist of the research findings, response rate and descriptive statistics on a question-by-question basis.

Chapter five – Summary, conclusions and recommendations for further research.

### **1.11 Conclusion**

Countless books and articles have been written on the subject of customer satisfaction. Most companies acknowledge that customer satisfaction is important and it is often set as a goal. But satisfaction with service delivery is an elusive concept and to measure and evaluate is not always easy. This study will investigate the impact that the variables of price and service quality have on customer satisfaction as well as the effect of these variables on return patronage.

Chapter 2 will be devoted to an intensive literature review including the concepts of the marketing mix, service quality, the importance of price as well as the gap theory.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

Iglesias and Guillén (2004:373-379) explain that in the intensely competitive environment in which restaurants operate it is of vital importance that the organisation achieves customer satisfaction if it is to survive in the long term. Achieving customer satisfaction will most probably lead to customers repeating the experienced service and they become an effective and efficient communication resource, at no cost to the organisation.

According to Iglesias and Guillén (2004:373-379) prominent among the antecedents that determine the level of customer satisfaction is total perceived price as well as perceived quality. Kivela *et al* (1997:116) claims that the business of providing and selling good food may no longer be the most important part of the marketing strategy by which to attract potential customers and to keep regular customers returning.

This chapter will be used to discuss the concept of the marketing mix, the customer's perspective of the exchange as well as the importance of price and service quality. The chapter will conclude with a discussion on the SERVQUAL measuring instrument and the later developed DINESERV measuring instrument.

#### **2.2 The marketing mix**

##### **2.2.1 The traditional marketing mix**

As discussed in chapter one, the marketing mix is one of the most basic concepts in marketing. The philosophy implies that an optimal mix of the marketing instruments exists for a specific market segment at a given point in time (Zeithaml and Bitner, 1996:23).

Kotler (1997:92) defines the marketing mix as “the set of marketing tools that the firm uses to pursue it's marketing objectives in the target market”.

According to Kotler (1997:92) the traditional marketing mix consists of four instruments, the so-called four Ps:

- Product: the organisation's offering to the market
- Price: represents the amount of money that customers will have to pay for the offering
- Place: the various activities that the organisation needs to carry out in order to make the offering accessible and available to target customers
- Promotion includes all the activities undertaken by the organisation to communicate and promote it's offering to the target market.

Interestingly, Lautenborn (1990:26) suggested that the seller's 4Ps correspond to a set of customer needs and wants. Lautenborn (1990:26) called this set of needs and wants the 4Cs as illustrated in Table 2.1.

**Table 2.1: The seller's 4 Ps corresponding to the customer's 4 Cs**

<b>4 Ps</b>	<b>4 Cs</b>
Product	Customer needs and wants
Price	Cost to the customer
Place	Convenience
Promotion	Communication

Adapted from Kotler (1997:94)

However, when applied to services the strategies for the 4 Ps need some modification. The nature of services has led marketers to adopt a concept of an "expanded marketing mix" or called the 7Ps (Zeithaml and Bitner, 1996:24-26).

### **2.2.2 The expanded marketing mix**

Services are more often than not produced and consumed simultaneously, which means that the customer will be present in the organisation's "factory" interacting with the organisation's personnel and be part of the production process. Furthermore, because services are intangible, customers will be searching for tangible cues to help them understand and evaluate the service experience.

These factors have led service marketers to adopt the concept of an expanded marketing mix (Zeithaml and Bitner, 1996:26). The expanded marketing mix for services, as well as the variables that are relevant to the additional instruments, is shown in Table 2.2.

**Table 2.2: The expanded marketing mix**

Product	Place	Promotion	Price	People	Physical Evidence	Process
Physical Features	Channel type	Promotion blend	Flexibility	Employees	Facility design	Flow of activities
Quality Level	Exposure	Salespeople	Price level	Customers	Equipment	Number of steps
Accessories	Intermediaries	Advertising	Terms	Communicating culture and values	Signage	Level of customer involvement
Packaging	Outlet locations	Sales promotion	Differentiation	Employee research	Employee dress	
Warranties	Transportation	Publicity	Discounts		Other tangibles	
Product lines	Storage		Allowances			
Branding	Managing channels					

Adapted from Zeithaml and Bitner (1996:25).

Zeithaml and Bitner (1996:26) state that in addition to the traditional four Ps, the services marketing mix includes the following:

**People:** people play a part in the service delivery process and thus influences the buyer's perception and service experience as well as the organisation's personnel and other customers

**Physical evidence:** this instrument represents the physical environment in which the service is rendered and where the organisation

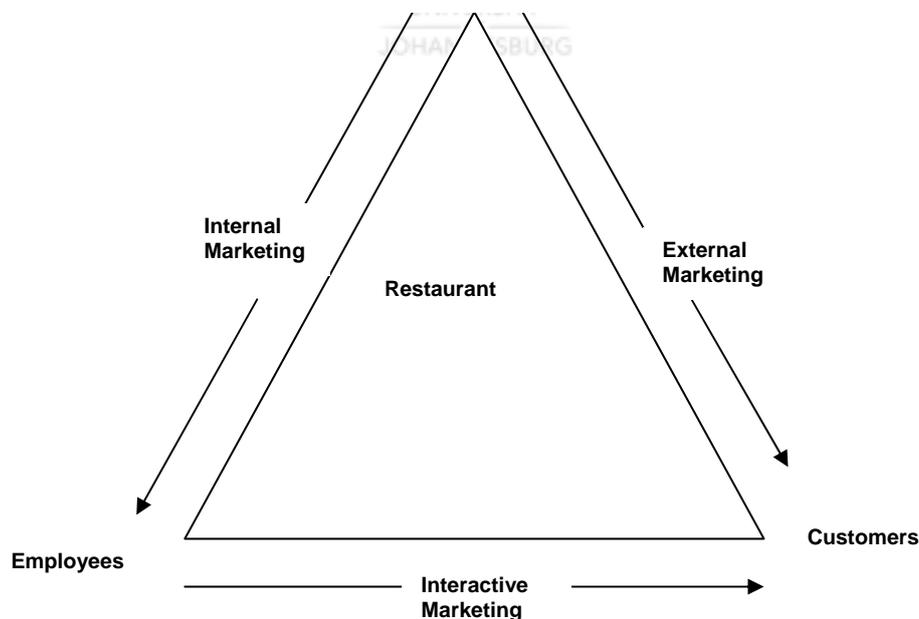
and the customer interact. It encompasses any tangible components that facilitate performance or communication of the service.

**Process:** the activities by which the service is delivered including the actual procedures, mechanisms and operating systems.

The additional marketing-mix elements are, according to Zeithaml and Bitner (1996:27), within the control of the organisation and any or all of them may influence the customer's initial decision to purchase a service. These elements may also influence the customer's level of satisfaction and repurchase decisions.

Grönroos, in Kotler (1997:473), argued that services marketing require not only external marketing but also internal and interactive marketing. Grönroos' model is illustrated in Figure 2.1

**Figure 2.1: Three types of marketing in service industries**



Adapted from Kotler (1997:473)

According to Grönroos, in Kotler (1997:473), the concepts depicted in figure 2.1 can be explained as follows:

*External marketing* refers to the normal work done by the company utilising the traditional marketing instruments to prepare, price, distribute and promote the service to the customers. *Internal marketing* describes the work that the company carries out to train and motivate its employees (people) to serve customers well while *interactive marketing* refers to the employee's skill in serving the client.

## **2.3 The customer perspective**

### **2.3.1 The purchasing decision**

The purchasing process followed by customers involves carrying out five phases of behaviour. Although it is often implied that the consumer will pass through the five stages sequentially, this is not always the case. Customers may reverse or even skip some of the stages (Kotler, 1997:192).

This view is echoed by Zeithaml and Bitner (1996:60) but Zeithaml and Bitner (1996:60) adds that one of the major differences between goods and services is that the purchasing and consumption of services will be succeeded by a larger portion of evaluation than in the case of purchasing goods.

The purchasing decision-making process will be discussed as described by Kotler (1997:192-199) as a five-stage model.

#### **i) Problem recognition**

The buying process starts when the buyer recognises a problem or need. This need can be the result of a number of stimuli, either internal or external. According to Pedraja and Yagüe (2001:316) this need can be motivated by various reasons such as celebrations, leisure, business and the ease of not having to cook. In an interesting study undertaken by Nation's Restaurant News (Anon 1999:4-6) in the USA it was found that almost 71% of consumers surveyed are driven to foodservice because they are not in the mood to cook.

## **ii) Information search**

Van Der Walt, Strydom, Marx and Jooste (1996:90) state that the search for information invariably follows the need recognition. The search may even be conducted briefly in the mind of the consumer.

It would appear that more risk is involved, according to Zeithaml and Bitner (1996:62), in the purchasing of services than in the purchase of goods as services are intangible, non-standardised and usually sold without guarantees or warranties. The customer, in the search for information, will in the case of services turn to personal sources and non-personal sources of information. Personal sources include family, friends, neighbours and acquaintances. Non-personal sources refer to sources such as mass or selective media (Zeithaml and Bitner, 1996:60).

## **iii) Evaluation of alternatives**

According to Kotler (1997:194) there is no simple and single evaluation process that is utilised by all consumers. There is also not an evaluation process used by one consumer in all buying decisions.

After obtaining information the customer will subsequently estimate the perceived value of the service through a weighting of the perceived benefits and the required sacrifices. The customer compares the perceived value assigned to the different alternatives and the relative sacrifices (Iglesias and Guillén, 2004:373).

Zeithaml and Bitner (1996:63) describes the customer's evoked set of alternatives as the group of products that a consumer considers to be acceptable options in a given product category. It is also argued that the evoked set of alternatives is likely to be smaller in the case of services than in the case of goods.

According to Zeithaml and Bitner (1996:63) emotion and moods are feeling states. These states can influence the people's evaluation and perception of

their experiences. Considering that services are experiences, emotions and moods are critical factors in shaping the consumers perception of the effectiveness of the service encounter.

#### **iv) Purchase decision**

After evaluating the alternatives the consumer will make a decision. This decision will lead to the action of purchasing or not purchasing the service (Iglesias and Guillén, 2004:373).

Due to the fact that services are produced and consumed simultaneously, Zeithaml and Bitner (1996:66-67) compares service provision with a drama in which the skill of the service “actors” in performing their routines, the way they appear and their commitment to the show are all pivotal to service delivery. Another aspect that has been identified as important is the concept of customer compatibility. In general the similarity, behaviour and presence of other customers receiving services has a significant impact on the satisfaction or dissatisfaction of a consumer. Customer compatibility is regarded as a factor that influences customer satisfaction, particularly in high contact services (Zeithaml and Bitner, 1996:69).

#### **e) Post purchase behaviour**

After purchasing the product or service the consumer will experience some level of satisfaction or dissatisfaction (Kotler, 1997:197). According to Iglesias and Guillén (2004:373) the customer experiences a series of post-purchase behaviours, which are reflected by the level of satisfaction or dissatisfaction experienced. The subsequent satisfaction or dissatisfaction that the customer experiences will influence factors such as purchase repetition, personal communication on the service and brand loyalty.

### **2.4 The importance of price**

As previously mentioned in paragraph 2.2.1, price is one of the marketing instruments that marketers can utilise to market their products and services. Kotler (1997:300-302) points out that price can be used by marketers to

position products or services. Price can be used as a cue to reflect quality or a value offering.

Morris and Morris (1990:2) claim that the key to effective pricing: “is to ensure that the price charged reflects the amount of value a customer is receiving. A fundamental principle in the market-driven approach is to recognise that price is a statement of value and not a statement of cost”.

Van Der Walt *et al.* (1996: 423) describes price as “the value that one puts on the utility one receives from products or services. The utility received can be any combination of form, time, place and possession utility. It is common to think of price in monetary terms. However, on a broader level price can be anything of value that is exchanged for something else”. An important conclusion that can be reached from the statements by Morris and Morris (1990:2) and Van Der Walt *et al.* (1996: 423) is that a relationship exists between price and value.

Monroe quoted by Zeithaml and Bitner (1996:483), one of the leading experts on pricing, states that most service organisations use a “naïve and unsophisticated approach to pricing without regard to underlying shifts in demand, the rate that supply can be expanded, prices of available substitutes, consideration of the price-volume relationship, or the availability of future substitutes.” According to Zeithaml and Bitner (1996:486) service organisations can offer almost infinite variety of combinations and permutations, leading to complex and complicated pricing structures.

The importance of price cannot be underestimated. Perlik (2003: 44-49) claims that in a survey conducted by “Restaurants and Institutions”, 30% of respondents indicated “value for the price paid “ as the main reason for their patronage of specific food establishments.

Lieberman (2004:91) argues that the ability to carry out market segmentation and offer different products (or services) and prices to the different segments has long been considered as one of the underlying principles of revenue

management. The implication of this principle is reflected by a Lebar-Friedman Inc. study (Hayes, 2005:84-86) explaining that 45% of USA households are headed by people fifty years of age and older. This so-called “Baby Boomers segment” indicated in the said study that food choices are made according to the right price.

Kotler (1997:505) claims that price can be set to capture the perceived value. However, according to Zeithaml and Bitner (1996:497), understanding what constitutes value for a customer is not a simple task. Customers use the term “value” in different ways and talk about a myriad of attributes or components. According to Zeithaml and Bitner (1996:497), value can be defined by customers in different ways including “low price” and “the quality I get for the price I pay”.

The importance of the price and value concept is reflected in the statement by Sternberg (2004:20) that “ we can no longer look at menu prices or average checks to determine value. Instead, if customers believe their dining experience was worth the price paid, then the meal has value regardless of the portion size of my filet or how many ounces of scotch I pour”.

Tse (2001:15) found that when confronted with a trade-off between price and service, respondents placed more importance on price than service. According to Tse (2001:15) the implication of the results is that whilst service is an important factor in restaurant selection, customers displayed an unwillingness to pay an extra amount for a higher level of service. Tse (2001:15) therefore argues that it might be beneficial for restaurant managers to maintain an acceptable level of service while keeping price as low as possible.

The organisation needs to consider many factors when determining their pricing policy. Kotler (1997:496-510) describes a six-step procedure that can be utilised for price setting. The procedure is as follows:

### **i) Selecting the pricing objectives**

The organisation needs to decide what it wants to accomplish with its offer. Kotler (1997:496) states that “the clearer the firm’s objectives, the easier it is to set the price”. An organisation can pursue any of a number of objectives through its pricing including survival, maximising current profit, maximising current revenue, maximising sales growth, maximum market skimming or product-quality leadership.

### **ii) Determining demand**

Kotler (1997:499) describes demand as the ceiling on the price that a company can set whilst costs is the floor. The organisation needs to charge prices that will cover its costs of producing, distributing or selling but also wants to include a fair return for its effort and risk.

According to Kotler (1997:499) demand and price is normally inversely related. However, in the case of prestige goods (and services) demand may actually increase at higher pricing levels.

### **iii) Estimating Costs**

Costs that the company incur take two forms, fixed and variable costs. Fixed costs are those costs that do not vary with production or sales revenue. Variable costs are the costs that will vary directly with the level of production. Total cost for any given level of production is the sum of the fixed and variable costs. Average cost is the cost of each unit at that level of production (Kotler 1997:500).

### **iv) Analysing competitors costs, pricing and offers**

According to Kotler (1997:502) it is necessary for the organisation to benchmark its costs against those of competitors to determine whether the organisation is operating at a cost advantage or cost disadvantage. Knowledge of competitors’ relative offers and pricing can be used as an orientating point for pricing.

#### **v) Selecting a pricing method**

Once the organisation has knowledge of the customer's demand schedule, the cost function and competitors' prices, the organisation is ready to select a price (Kotler 1997:502). There are, according to Kotler (1997:502-508) several pricing methods available to the company including mark-up pricing, target-return pricing, perceived value pricing, value pricing and going-rate pricing.

#### **vi) Selecting the final price**

Kotler (1997:508) states that pricing methods will narrow down the price range from which a organisation must select its final price. However, in selecting its final price, there are additional factors that the organisation needs to consider including psychological pricing, the influence of the other marketing elements on price, company pricing policies, and the impact of price on other parties (Kotler 1997:508).

Despite the increased role of factors that are non-price related in the marketing process, price remains a critical instrument in the marketing mix. Even in the expanded marketing mix price is the only element that produces revenue as opposed to costs.

### **2.5 Quality of service in general**

According to Asubonteng, McCleary and Swan (1996:62) due to heightened competition and the ever-increasing hostility of environmental factors, the concern for service quality grows. Orilio (2005:19) states that it is difficult to understand and explain customer service. However, Orilio (2005:19) claims that it might be difficult to define service but customers recognise it when it is found. A restaurant's ambience can be overwhelming and the food served may be delicious but when service suffers, the dining experience will be mediocre at best (Orilio, 2005:19).

Zeithaml and Bitner (1996:117) define service quality as "the delivery of excellent or superior service relative to customer expectations".

Klara (2005:22-24) claims that a wealth of customer-service studies have proved that the number of times a restaurant can experience service failures is two. The third service failure will see customers move to competitors. However, there is evidence to suggest that handling a customer's problem effectively can actually make for a more loyal customer. The importance of service quality is reflected in research that has demonstrated the cost of acquiring a new customer is between five and thirty times higher than that of keeping an existing customer. But how do customers evaluate service quality? Zeithaml and Bitner (1996:118) claims that researchers have found that consumers consider five dimensions when they assess service quality:

**i) Reliability**

Reliability refers to the ability to perform the promised service dependably as well as accurately. According to Zeithaml and Bitner (1996:119) reliability has consistently been shown as the most important determinant of perceptions of service quality amongst U.S. customers.

**ii) Responsiveness**

Zeithaml and Bitner (1996:121) describe responsiveness as the willingness to help customers and to provide customers with prompt service. Responsiveness is communicated to customers by aspects such as the length of time they have to wait for assistance, attention to problems or answers to questions. Responsiveness is important as it captures the notion of ability to customise service according to customer needs as well as the notion of flexibility. According to Zeithaml and Bitner (1996:121) to excel at responsiveness, it is important to view the handling of requests and the process of service delivery from the customer's point of view.

**iii) Assurance**

Assurance can be defined as "employees' knowledge and courtesy and the ability of the firm and its employees to inspire trust and confidence" Zeithaml and Bitner (1996:121). Confidence in the organisation and trust may be embodied in the person who links the customer to the organisation.

According to Pratten (2003:826) waiting staff is the main contact between the customer and the restaurant, and so it is their performance that will have a significant impact on the experience and level of customer enjoyment.

#### **iv) Empathy**

Empathy is defined as “the caring individualised attention the organisation provides its customers. The essence of empathy is conveying, through personalised or customised service, that customers are unique and special (Zeithaml and Bitner, 1996:122). Customers want to feel important to organisations and want to feel understood by organisations.

#### **v) Tangibles**

Tangibles are defined, by Zeithaml and Bitner (1996:122) as “the appearance of physical facilities, equipment, personnel, and communication materials”. Because of the intangibility of services customers will use these physical images or representations of the service to evaluate quality.

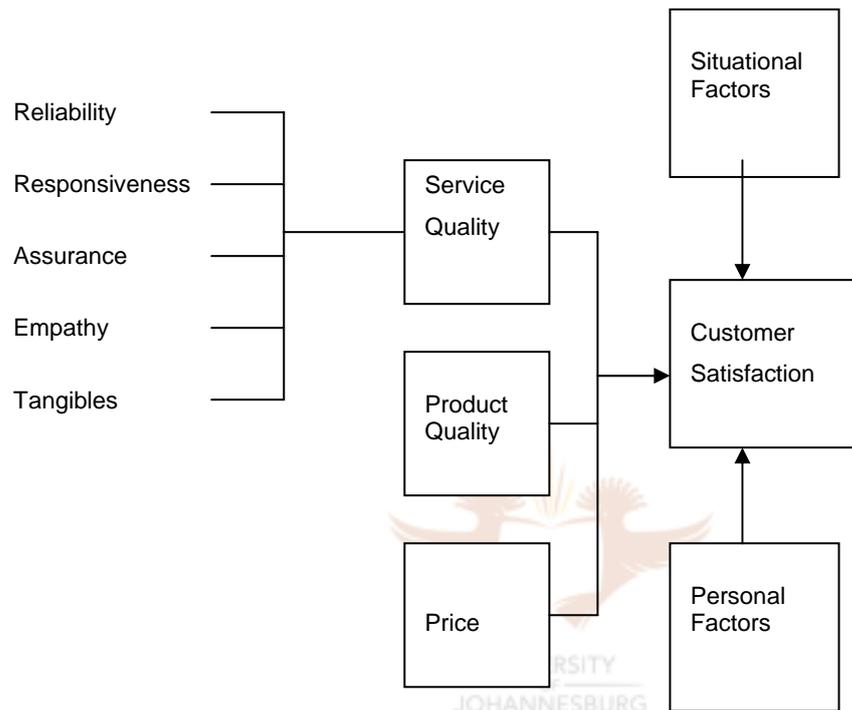
### **2.6 Customer Satisfaction**

According to Zeithaml and Bitner (1996:123) practitioners and writers tend to use the terms “satisfaction” and “quality” interchangeably. However, current thinking suggests that both service quality and customer service can be viewed at different levels. Firstly, the two concepts can be viewed at the individual service encounter level and secondly at a more global level (Zeithaml and Bitner, 1996:123).

Figure 2.3 illustrates the growing agreement on the distinction between service quality and customer satisfaction. As illustrated, the customer’s perception of the five service dimensions will reflect the evaluation that the customer makes in terms of service quality. However, customer satisfaction includes influences of perceptions of service quality, product quality and price as well as situational and personal factors. From this we can deduce that quality perceptions can be formed in the absence of the actual experience but customer satisfaction can only be assessed following an actual service experience with the organisation. Every service encounter is potentially

critical in retaining the customer. It is for this reason that many companies aim for “zero-defects” or 100-percent satisfaction. Development of understanding what customer expectations are for each of these encounters is necessary so that strategies can be built around meeting those expectations (Zeithaml and Bitner, 1996:126).

**Figure 2.2: Customer perceptions of quality and customer satisfaction**



Source: Zeithaml and Bitner (1996:123)

Finding out what customers want is essential in providing service quality. In 1985 Parasuraman, Zeithaml and Berry (1985:40) published a conceptual model of service quality. From the conceptual model a multi-item scale for measuring customer perceptions of service quality was developed and in 1986 the SERVQUAL measurement instrument was published.

## **2.7 SERVQUAL measurement instrument**

### **2.7.1 SERVQUAL**

In most services, quality occurs during the actual service delivery. This will usually take place during an interaction between the customer and contact personnel of the organisation. Because of this reason, service quality is highly dependant upon employees and their performance. Unfortunately this organisational resource cannot be controlled to the degree that components

of tangible goods can be engineered (Zeithaml, Berry and Parasuraman, 1988:35).

Zeithaml, Berry and Parasuraman (1988:36) define perceived service quality as “the difference between consumer expectations and perceptions”. Delivering consistently good service quality is difficult. Because there are not that many clearly defined and tangible cues for services, the gap between what managers think consumers expect and what they really expect, may be considerably larger than it is in organisations that produce tangible goods (Zeithaml, Berry and Parasuraman, 1988:35).

Parasuraman, Zeithaml and Berry (1985:40) developed a service quality model, SERVQUAL, indicating that customer perceptions of quality are influenced by a series of four distinct gaps occurring in organisations as illustrated in Figure 2.3 on page 35.

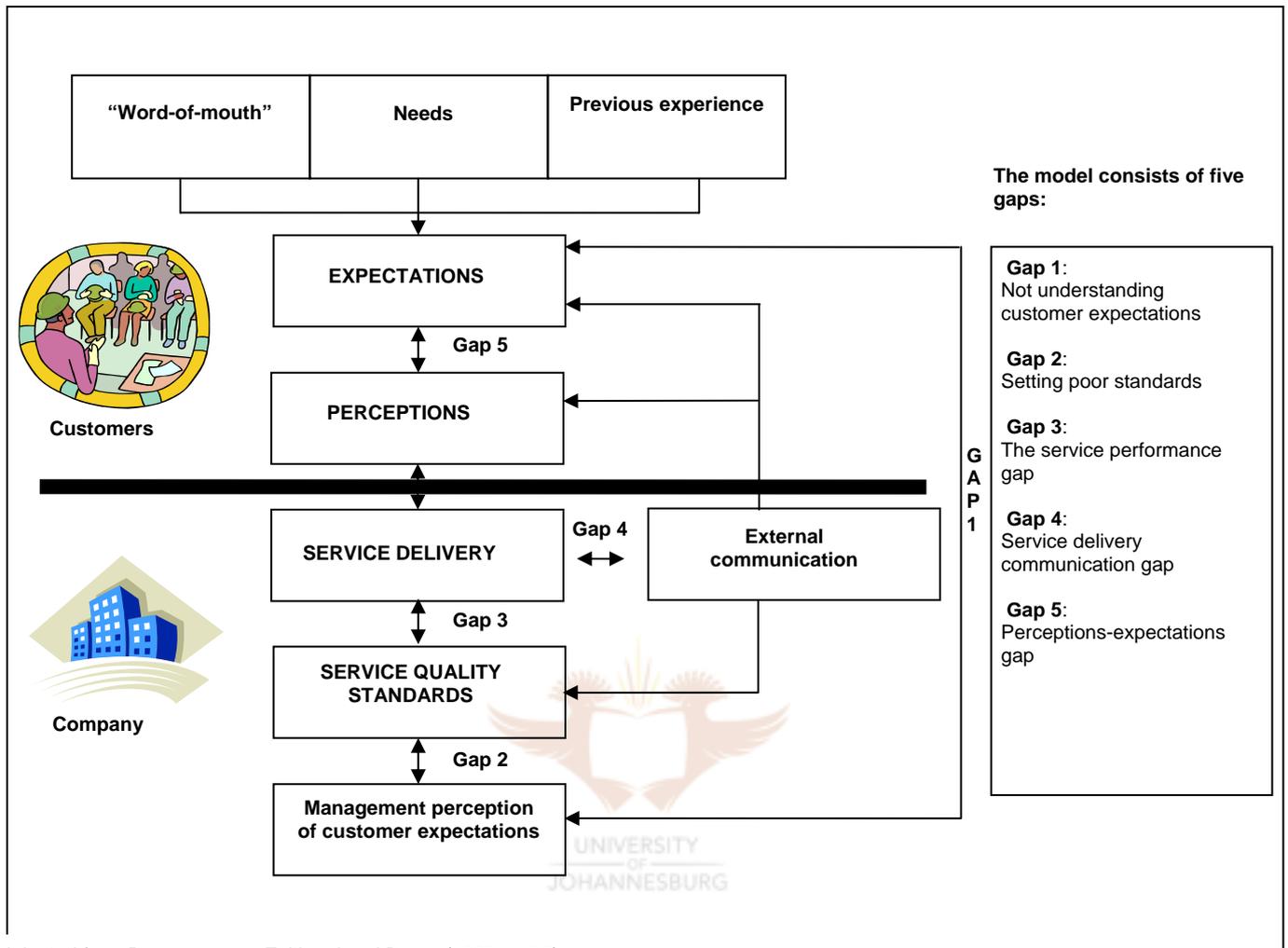
#### **Gap 1: Not understanding customer expectations**

According to Zeithaml and Bitner (1996:38), not knowing what the customer expectations are, is one of the root causes in not delivering to customer expectations. Provider gap 1 is the difference between customer expectations and the organisation’s understanding of the customer’s expectations. “An inaccurate understanding of what customers expect and what really matters to them leads to service performance that falls short of customer expectations” (Zeithaml and Bitner, 1996:38).

#### **Gap 2: Setting of poor standards**

Although accurate perceptions of customer expectations are necessary, this alone is not sufficient for delivering superior service. Zeithaml and Bitner (1996:41) describes provider gap 2 as “the difference between company understanding of customer expectations and development of customer-driven service designs and standards”. Service designs and performance standards need to reflect accurate perceptions of customer expectations. Customer-driven standards are based on pivotal customer requirements that are visible to and measured by customers (Zeithaml and Bitner, 1996:41).

Figure 2.3: The SERVQUAL Gap Model



Adapted from Parasuraman, Zeithaml and Berry (1985:41-50).

### Gap 3: The service performance gap

Zeithaml and Bitner (1996:43) describes provider gap 3 as “the discrepancy between development of customer-driven service standards and actual service performance by company employees”. Unfortunately, according to Zeithaml and Bitner (1996:43), even when guidelines are put in place for performing services well and treating customers, correctly high-quality service performance is not a certainty.

Interestingly, even if employees, intermediaries and other contact personnel are 100 percent consistent in their service delivery, customer variably can introduce heterogeneity in the service. If customers fail to fulfil their roles appropriately, service quality may be jeopardised.

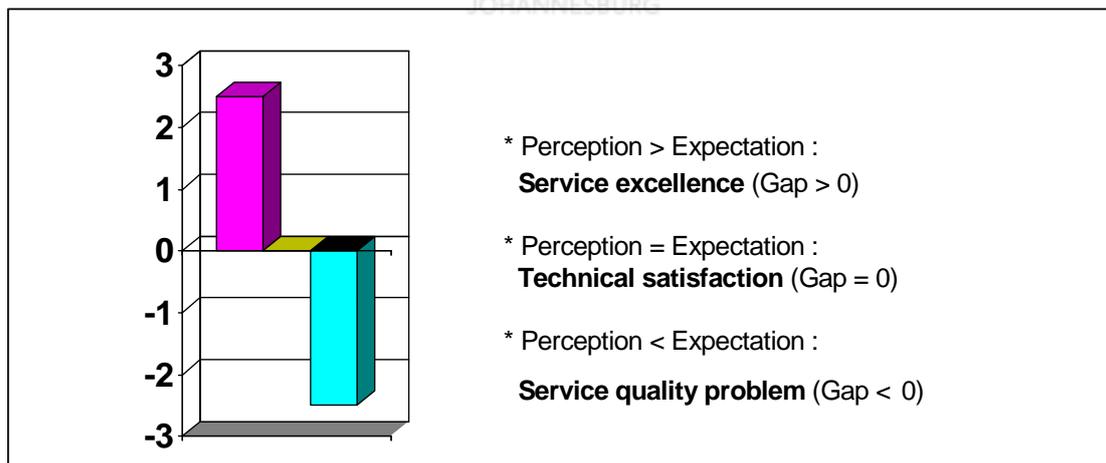
#### Gap 4: Service delivery-communications gap

According to Zeithaml and Bitner (1996:45) the fourth provider gap refers to the differences between the service provider's external communication and the actual service delivery. External communication by the organisation through advertising, sales people and other communication may raise customer expectations. These higher expectations then become the standard against which the customer assesses service quality. The discrepancy between actual and promised service thus creates this gap. The greater the discrepancy, the broader the gap.

#### Gap 5: Perceptions-expectations gap

Gap 5 as indicated in Figure 2.3 is the external gap between the customer's perceptions and expectations. This gap can be referred to as "The moment of truth". Service quality is only beneficial to the service organisation if it is profitable to both the organisation and the customer. Positive results in sales, profits and market share will not be produced by service quality performance in areas of little importance to the customer.

Figure 2.4: SERVQUAL measurement possible outcomes



Source: Herbst ( n.d.)

By utilising the five dimensions of service quality, the SERVQUAL model attempts to establish the differences in customer expectations and their perceptions of the service. The model uses 22 questions that are transposed into statements to measure customers' evaluation of their service

performance. The level of service quality is established by subtracting the perceived service score from the customers' expected service score. There are then three possible outcomes as was illustrated in Figure 2.4.

*Condition 1:* If the expectation score exceeds the perception score, the quality of the service is poor and the customer is disappointed. This is referred to as a service quality problem.

*Condition 2:* If the perception exceeds the expectation, the quality is excellent and the customer is satisfied or delighted. This is referred to as service excellence.

*Condition 3:* If the expectations are equal to the perceptions, technical satisfaction is derived by the customer. This is referred to as *technical satisfaction*.

### **2.7.2 Criticism against SERVQUAL**

According to Buttle (1996:10) SERVQUAL is growing in popularity and is widely used. However, SERVQUAL has been subjected to a number of criticisms.

Buttle (1996:10-32) discussed the criticism against SEVQUAL as theoretical and operational criticisms:

#### **• Theoretical criticisms**

(i) Paradigmatic objections

According to Buttle (1996:11) two major paradigmatic criticisms have been raised. Firstly, it is claimed that SERVQUAL has been based on an expectation-disconfirmation model rather than an attitudinal model of service quality. Secondly, SERVQUAL does not build on extant knowledge in economics, statistics and psychology.

(ii) Gaps model

Babakus and Boller (1992:253-268) found the "gap" approach to service quality "intuitively appealing" but argues that the differences in scores may not provide any additional information beyond that already contained in the perceptions section of the SERVQUAL scale.

(iii) Process orientation

According to Buttle (1996:14) SERVQUAL has been criticised for focusing on the process of service delivery and not the outcomes associated with the service.

(iv) Dimensionality

Buttle (1996:10) argues that SERVQUAL's five dimensions are not universal and that the number of dimensions comprising service quality are contextualised.

• **Operational criticisms**

Buttle (1996:11) raised the following operational criticisms against SERVQUAL

(i) Expectations

Consumers use standards other than expectations to evaluate service quality. It is claimed that SERVQUAL fails to measure absolute service quality expectations.

(ii) Item composition

Buttle (1996:11) believes that four or five items per dimension cannot capture the variability within those service quality dimensions.

(iv) Moments of truth

Often services are delivered over several encounters or moments of truth. Customers' perceptions may vary from "moment of truth" to "moment of truth" and cannot be loaded on a single responsiveness factor.

(v) Polarity

The SERVQAUL model contains statement pairs that are negatively worded and statement pairs that are positively worded. Although this is accepted as good normative research practice, it has consequences

for respondents leading to more comprehension errors and it makes the research more time consuming.

(vi) Scale points

The use of the seven point Likert scale is criticised as it is flawed and has been criticised previously on numerous grounds (Lewis in Buttle, 1996:22).

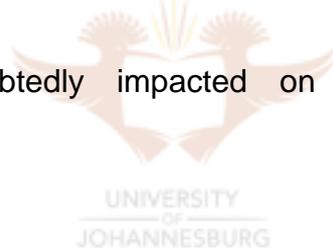
(vii) Two administrations

Respondents appear to sometimes be confused by the administration of “E” and “P” versions of SERVQUAL as well as being bored.

(viii) Variance extracted

“The over SERVQUAL score accounts for a disappointing proportion of item variances” (Buttle, 1996:11).

SERVQUAL has undoubtedly impacted on business and academic communities.



### 2.7.3 DINESERV

Adapting the instrument SERVQUAL to the restaurant industry, Stevens, Knutson and Patton (1995:56-60) drafted DINESERV as a measuring instrument of service quality in the restaurant industry.

The instrument contains 29 statements and the dimensions of service quality remains as in the SERVQUAL instrument. Figure 2.5 contains the statements of the DINESERV model.

The survey contains ten items pertaining to tangibles, five items pertaining to reliability, three items representing responsiveness, five items representing assurance and five items representing empathy.

Responses are measured on a seven point scale where “strongly agree” equals seven and “strongly disagree” equals one.

The mean scores for the five dimensions are summed and then divided by five.

Problem scores are then analysed and improvement strategies need to be developed.

According to Stevens *et al.* (1995:60) it is important to improve the perception score as the higher the perception score the more likely that the customer will return to the restaurant. It will also then be more likely that the customer will recommend the restaurant to other people.

Stevens *et al.* (1995:60) claims that on the other hand that 91 percent of a restaurant’s dissatisfied patrons will never return but will also typically convey their negative experience to eight to ten others.

**Fig 2.5: The DINESERV per interview**

The restaurant .....

- 
- 1 must have visually attractive parking areas and building exteriors
  - 2 has a visually attractive dining area
  - 3 has staff members who are clean, neat and appropriately dressed
  - 4 has a décor in keeping with it's image and price range
  - 5 has a menu that is easily readable
  - 6 has a visually attractive menu that reflects the restaurant's image
  - 7 has a dining area that is comfortable and easy to move around in
  - 8 has restrooms that are thoroughly clean
  - 9 has dining areas that are thoroughly clean
  - 10 has comfortable seats in the dining room
  - 11 serves you in the time promised
  - 12 quickly corrects anything that is wrong
  - 13 is dependable and consistent
  - 14 provides an accurate quest check (bill)

**Fig 2.5: The DINESERV per interview continued.....**

- 15 serves your food exactly as you ordered it
- 16 during busy times has employees shift to help each other maintain speed and quality of service
- 17 provides prompt and quick service
- 18 gives extra effort to handle your special requests
- 19 has employees who can answer your questions completely
- 20 makes you feel comfortable and confident in your dealings with them
- 21 has personnel who are able and willing to give you information about menu items, ingredients and preparation
- 22 makes you feel personally safe
- 23 has personnel who seem well trained, competent and experienced
- 24 seems to give employees support so that they can do their jobs well
- 25 has employees who are sensitive to your needs and wants rather than always relying on policies & procedures
- 26 makes you feel special
- 27 anticipates your individual needs and wants
- 28 has employees who are sympathetic and reassuring if something is wrong
- 29 seems to have the customer's best interests at heart

Source: Stevens, Knutson and Patton, (1995:56-60).

## **2.8 Summary**

Service quality is often regarded as a driver of corporate marketing and financial performance. The importance of service quality is reflected in its apparent relationship to costs, profitability and customer satisfaction.

Service marketers have an expanded mix of marketing instruments to market their services to the identified target market. These instruments must be utilised to influence the customer's decision-making process.

Price, one of the marketing instruments, seems to play an important part in customer satisfaction. Price can be used for positioning and to influence perceptions of quality. As with the customer decision-making process, for the organisation setting prices is a process.

The importance of customer satisfaction cannot be underestimated. During the discussion it was often highlighted how customer satisfaction will play a critical part in the survival of the organisation.

Service quality is found to play a part in customer satisfaction. Due this important relationship, researchers have developed models to research service quality as perceived by the customer. The relative importance of price and service quality on customer satisfaction has been established.

Chapter three will be devoted to the research design, the measuring instrument, fieldwork and the fieldwork procedure.



## **CHAPTER 3**

### **RESEARCH DESIGN AND PROCEDURE**

#### **3.1 Introduction**

Chapter two was devoted to a literature review. The literature on service, customer satisfaction, price and the importance thereof was also discussed. This chapter describes the research process and the approach that will be followed for the empirical study. The data collection methods, sampling and questionnaire design will be discussed.

#### **3.2 Research objectives**

Research objectives, based on the problem stated in chapter one, were formulated. The research objectives for this study, as set out in chapter one, are:

##### **Primary research objective**

The primary research objective of this study is to establish which one of the two evaluation criteria “perceived price” or “perceived service quality” is the more important determinant of customer satisfaction for customers utilising restaurant services in the western suburbs of Johannesburg.

##### **Secondary research objectives are:**

- i) To establish whether service satisfaction due to either of these two factors will result in return patronage.
- ii) To establish the relative importance of each service dimension for restaurant customers in the western suburbs of Johannesburg.
- iii) To establish whether customers of restaurant services in the western suburbs of Johannesburg are prepared to pay more for better service.
- iv) To determine whether a low price is more important to customers of restaurant services in the western suburbs of Johannesburg than a fair price.
- v) To determine whether price is the most important reason for restaurant patronage when considered in conjunction with other factors.
- vi) To determine how restaurant customers perceive general service quality levels at restaurants in the western suburbs of Johannesburg.

### **3.3 Research design**

Cooper and Schindler (2003:146-171) distinguish between exploratory studies, descriptive studies and causal studies.

According to Cooper and Schindler (2003:151), exploratory studies are particularly useful when researchers lack a clear idea of the problems that they may encounter during the study. This type of study is mostly used when important variables are not known or thoroughly defined.

Causal studies are used to determine how one variable affects, or is responsible for, changes in another variable. In business research we are more interested in understanding, predicting, controlling and explaining relationships between variables than we are interested in discerning causes (Cooper and Schindler, 2003:165).

Descriptive studies, according to Cooper and Schindler (2003:161), are typically structured with clearly stated research questions or stated hypotheses. According to Cooper and Schindler (2003:161), descriptive studies can serve a variety of research objectives including:

- Descriptions of phenomena or characteristics of a population
- Estimations of the portions of the selected population that will have such identified or described characteristics
- Discover the existence of associations among variables.

This study comprises two components namely an exploratory component related to the propositions formulated in Chapter one and a descriptive component related to the hypotheses formulated in Chapter one.

### **3.4 Data**

Data can be described as the facts that are presented to the researcher from the study's environment (Cooper and Schindler, 2003:87).

### **3.4.1 Sources of data**

Cooper and Schindler (2003:87) distinguish between two types of data:

- Primary data

Primary data refers to the data that is originally collected for the research in question.

- Secondary data

Secondary data refers to studies made by others for their own purposes (Cooper and Schindler, 2003:152). Several sources of secondary data exist including published documents and studies, the World Wide Web, organisational reports and findings as well as reports of prior studies.

For the purpose of this study, both primary research and secondary data sources will be utilised.

### **3.4.2 Data collection**

Qualitative research is an exploratory research method. Based on a relatively small sample it is intended to provide insight and understanding of the problem setting (Malhotra, 1996: 164). Several approaches are available to the researcher including case studies, in depth-interviewing and participant observation.

Martins, Loubser and Van Wyk (1996: 125) describe quantitative research as the collection of primary data from a large number of individuals. The results from such research can then be projected to the larger population.

The quantitative research for this study will be conducted by utilising self – administered questionnaires. This measuring instrument will be distributed amongst elements of the sample population.

### 3.5 Sampling

According to Cooper and Schindler (2003:179), the basic idea of sampling is that conclusions may be drawn regarding the entire population by selecting some of the elements in a population.

In order for a sample to be valid, it needs to represent the characteristics of the population it purports to represent. Cooper and Schindler (2003:181) identify two considerations upon which a sample's validity is dependent namely:

- Accuracy

Cooper and Schindler (2003:181) describe accuracy as the “degree to which bias is absent from the sample”. An accurate sample is therefore a sample in which the underestimators and the overestimators are balanced among the elements of the sample.

- Precision

Although no sample will fully represent its population in all respects, it is necessary for validity of the sample that the sample complies with the criterion of *precision of estimate*. The *standard measure of estimate*, which is a type of standard deviation measurement, is the way in which precision is measured. The smaller the standard error of estimate, the higher the precision and thus the validity of the sample (Cooper and Schindler, 2003:182).

#### 3.5.1 Population

A population is the total collection of elements about which the researchers wish to make certain inferences (Cooper and Schindler, 2003:179). The population for this study is all users of sit-down restaurant services in the western suburbs of Johannesburg.

#### 3.5.2 Sample frame

The sample frame is closely related to the population. However, the sample frame is the list from which the actual sample is drawn. Often you have to

accept a sampling frame that includes elements that are beyond those that the researcher is interested in (Cooper and Schindler, 2003:189). The sample frame for this study is people working or residing in the western suburbs of Johannesburg.

### **3.5.3 Population element**

According to Martins, Loubser and Van Wyk (1996:251), an element is the unit about which information is needed. It is thus the subject on which the measurement is taken. The sample units selected for this study are persons who have utilised restaurant services in the western suburbs of Johannesburg at least once in the preceding three months.

### **3.5.4 Steps in the sampling process**

Martins, Loubser and Van Wyk (1996:251) identified six distinctive steps in sampling:

#### **Step 1: Defining the population**

The population for this study is all users of sit-down restaurant services in the western suburbs of Johannesburg. Due to the nature of the study and the research objectives, the population is a never-ending population.

#### **Step 2: Identifying the sample frame**

A problem that the researcher faced is that no sample frame of restaurant users currently exists. However, in order to create a basic sample frame, restaurants in the western suburbs were visited for data collection as well as businesses in the western suburbs of Johannesburg.

#### **Step 3: Selecting the sampling method**

The researcher has a basic choice when selecting the sampling method: a probability or a non-probability sampling method. Probability sampling is based on the concept of *random selection*. With the use of this method, each element of the population has a known probability of being selected for the sample (Cooper and Schindler, 2003:183).

Non-probability sampling is arbitrary and each element does not have a known probability of being selected for the sample (Cooper and Schindler, 2003:183).

Non-probability sampling does have several advantages and disadvantages. Because non-probability sampling can be subjective, there is greater opportunity for bias to enter the sample selection procedure. Another disadvantage is that it is impossible to estimate a range within which to expect the population parameter (Cooper and Schindler, 2003:200).

According to Cooper and Schindler (2003:200), carefully controlled non-probability sampling can give acceptable results. This method is generally relatively less time consuming and can be carried out at lower costs. Because of these factors the researcher decided on non-probability sampling.

When utilising non-probability sampling, the researcher have the choice of convenience sampling, purposive sampling or snowball sampling. Convenience sampling is unrestricted and the field workers or the researchers may select whomever they want (Cooper and Schindler, 2003:200).

Purposive sampling refers to a non-probability sample that conforms to certain criteria. Criteria such as previous experience, gender, religion, etcetera can be used to select the sample (Cooper and Schindler, 2003:201).

In the initial stage of snowball sampling, elements are identified and may or may not be selected by way of probability methods. The identified group is then used to locate other elements who possess similar characteristics. This process is repeated so that the “snowball” gathers subjects as it rolls along (Cooper and Schindler, 2003:203).

Because of time and cost constraints the researcher selected convenience sampling. However, no field workers were employed and the researcher conducted the selection of elements personally, thus attempting to select more reliable sample elements.

#### **Step 4: Determining the sample size**

The size of a sample is a function of the variation in the population parameters under study and the estimating precision needed by the researcher (Cooper and Schindler, 2003:190).

Researchers can never be totally certain that a sample reflects its population and therefore must decide how much precision they need. The measurements for precision are firstly the interval range in which the researcher would expect to find the parameter estimate and secondly the degree of confidence the researcher wishes to have in that estimate (Cooper and Schindler, 2003:191).

The intended sample size for this study will be 200.

#### **Step 5: Selecting the sample elements**

The sample elements will be selected by the researcher utilising convenience sampling. Sample elements will be selected based on their presence in a restaurant, their presence within business areas as well as geographic location.

### **3.6 Measurement**

When conducting research, measurement consists of assigning numbers to empirical events in compliance with a set of rules. The variables that are studied can be classified as objects or as properties (Cooper and Schindler, 2003:221-222). Objects can include things of ordinary experience such as tables, people books and motor vehicles. It may also include things that are less concrete such as attitudes and peer-group pressures (Cooper and Schindler, 2003:222).

Properties can be described as the characteristics of objects. An example of such properties is personal properties of an object (person) that may be stated in terms of weight, height and posture (Cooper and Schindler, 2003:).

However, researchers do not literally measure either objects or properties but rather measure indicants of the properties or indicants of the properties of objects. Certain properties such as “problem-solving ability” are difficult to quantify and be measured directly. In such instances it is necessary to infer its presence or absence by observing some indicant or pointer measurement (Cooper and Schindler, 2003:222).

### **3.6.1 Characteristics of measurement**

A good measurement tool should be an accurate counter or indicator of what we are interested in measuring and should be easy and efficient to use. However, there are three major criteria for evaluating a measurement instrument namely: validity, reliability as well as practicality (Cooper and Schindler, 2003:231).

- Validity

Validity refers to whether a test measures what it actually intends to measure. External validity of research findings can be described as the data’s ability to be generalised across persons, settings and times whereas internal validity refers to whether a research instrument measures what it is supposed to measure (Cooper and Schindler, 2003:231).

- Reliability

Reliability refers to the extent to which the research instrument supplies consistent results. Although reliability is a necessary contributor to validity it is not a sufficient condition for validity. If the instrument consistently returns the incorrect measurement it may be reliable but not valid (Cooper and Schindler, 2003:236).

- Practicality

Operational requirements of a research project call for it to be practical. In order to be practical the project needs to comply with the economic requirements and limitations of the researcher’s budget (economic). The

measuring instrument needs to be easy to administer (convenience) and the results of the research need to be interpretable by persons other than the test designer (interpretability). The practicality of the measuring instrument is dependent on these criteria (Cooper and Schindler, 2003:240).

By utilising the content validity approach, the researcher will measure the validity of the results obtained during this study by determining whether the questions in the questionnaire measured the characteristics it was supposed to measure.

Reliability will be ascertained by making use of *t*-tests and analysis of variance (ANOVA).

### **3.7 Scaling**

Phillips (in Cooper and Schindler, 2003:250) describes scaling as a “procedure for the assignment of numbers (or other symbols) to a property of objects in order to impart some of the characteristics of numbers to the properties in question”.

Measurement scales can be unidimensional or multi-dimensional. A unidimensional scale measures only one attribute of the respondent or object. Multi-dimensional scales can measure more than a single attribute of a respondent or object. Multi-dimensional scaling recognises that an object or property may be better described in an attribute of several dimensions rather than on a single dimensional continuum (Cooper and Schindler, 2003:251).

#### **3.7.1 Types of measurement scales**

Cooper and Schindler (2003:251) distinguish between three types of measurement scales.

- Rating scales

Rating scales are used to judge properties of objects without reference to other similar objects. Respondents (elements) score an object or indicant without making a direct comparison to another object or attitude (Cooper and Schindler, 2003:252).

One of the most frequently used rating scales is the Likert scale. This variation of a summated rating scale consists of statements that express either favourable or unfavourable attitude towards the object of interest. The respondent is asked to either agree or disagree with the statement. Numerical values are assigned to each degree of favourableness. Scores can be totalled to measure the respondent's attitude (Cooper and Schindler, 2003:253).

The Likert scale will be used in the measuring instrument (questionnaire) for this study as will be described in paragraph 3.8.

- Ranking scales

This type of scale constrains the respondent to make comparisons among two or more objects or indicants (Cooper and Schindler, 2003:260).

One type of ranking scale is the *forced ranking scale*. A forced ranking scale lists attributes that are ranked relative to each other. The respondent needs to rank the attributes according to specific criteria i.e. order of importance (Cooper and Schindler, 2003:260).

Section C of the questionnaire used for this study consists of a forced ranking scale.

- Categorisation

With categorisation respondents are requested to put themselves or property indicants in groups or categories. An example of categorisation occurs when

respondents are asked to identify their gender or ethnic background (Cooper and Schindler, 2003:251).

Categorisation was used in “Section A” of the questionnaire for this study (Appendix 1).

### **3.8 Questionnaire design**

The research problem, research objectives and the hypotheses were all formulated in chapter one. The measurement instrument will be developed in accordance with the research objectives, hypotheses and ultimately the research problem.

The aspects of measurement and scaling as discussed in paragraph 3.6 and 3.7 will be taken into account during the process of designing the questionnaire.

#### **3.8.1 Preliminary considerations**

The research problem needs to be translated into a set of research questions. These research questions need to identify what information is necessary to answer the research question, who the appropriate target respondents are as well as what data collection method will be used (Dillon et al, 1993: 302).

These aspects were all addressed in chapter one par 1.7.

#### **3.8.2 Constructing the questionnaire**

The measuring instrument in this study will consist of a self-administered questionnaire.

The final questionnaire was divided into five sections, as per “Appendix 1”.

- **Introduction, purpose of the questionnaire and research**
- **Section A:** Demographic questions
- **Section B:** Specific price and service quality related questions

- **Section C:** A question regarding service quality dimensions
- **Section D:** Questions relating to customers' service quality perceptions in restaurants

### **3.8.3 Questions in the questionnaire**

The first page of the questionnaire, as can be observed in Appendix 1, is used to introduce the researcher as well as the reason for the intended study. Instructions for the administering of the questionnaire are included.

#### **Section A**

Section A is used to gather demographic information regarding the population elements.

**Question 1** relates to the respondents age. The measurement table is based on those used by Statistics South Africa for the 2001 Census. However, in the interest of practicality and acceptable length of the questionnaire, certain intervals were combined.

**Question 2** will indicate the respondent's gender.

**Question 3** is asked to establish whether disposable income is made available to the potential restaurant customer from another source than his/her own income.

**Question 4** relates to the respondent's gross monthly income. Once again the measurement table is based on those used by Statistics South Africa for the 2001 Census. In the interest of practicality and acceptable length of the questionnaire, certain intervals were combined.

**Question 5** is asked to determine the respondent's level of education. The measurement table was constructed using arbitrary scale points as identified by the researcher.

**Question 6** is asked to determine the occupation of the respondent. The measurement table is based on those used by Statistics South Africa for the 2001 Census. Provision is also made to indicate occupations other than those listed in the table.

**Question 6.1** will attempt to indicate the relative service consumption of the respondent. The scale was constructed on an arbitrary basis. The results obtained from question 6.1 may be used for cross tabulation with questions 1–5.

## **Section B**

The first paragraph of Section B contains instructions necessary for completion of the questions posed in this section. A seven point Likert scale was employed as measurement scale where the individual scale points represented degrees of agreement.

**Question 1** was formulated to determine whether a low price is important to the respondent. This question relates to proposition 4 and secondary research objective (iv).

**Question 2** relates to research proposition 5 and secondary research objective (iv). This question is posed to determine whether a fair price charged by the restaurant is as important as a low price.

**Question 3** tests the importance of price in the respondent's opinion when evaluating a restaurant. This question relates to secondary research objective (iv) and proposition 4.

**Question 4** was formulated to determine the relevant importance of price when other factors are also brought into consideration. This question relates to secondary research objective (v) and proposition 6.

**Question 5** relates to the primary research objective and proposition 1. This question is asked to determine whether price is more important than service quality for respondents.

**Question 6** relates to secondary research objective (ii) and proposition 7 and was asked to establish the importance of high levels of service quality.

**Question 7** also relates to secondary research objective (iii) and proposition 3. This question is posed in an attempt to establish the relative importance of service quality and price.

**Question 8** is the second question posed to answer proposition 1 and relates to the primary research objective. Two questions were posed regarding the primary research objective in an attempt to establish more conclusive results.

**Question 9** was formulated to determine whether service quality is a determinant for return patronage. This question relates to secondary research objective (i) and research proposition 8.

**Question 10** relates to research proposition 9 and secondary research objective (i). The question was formulated to establish whether reasonable prices charged by a restaurant would significantly influence return patronage.

### **Section C**

Section C firstly consists of instructions necessary for completion of the question. The question is posed as a forced ranking scale where it is expected of the respondent to rank the five service quality dimensions in order of importance. However, the service quality dimensions are not explicitly named but rather described.

This question was formulated to establish the relative importance of each service quality dimension and relates to research proposition 2 and secondary research objective (ii).

## **Section D**

This section was included in order to establish how customers perceive general service quality levels at restaurants in the western suburbs of Johannesburg. The intention was not to evaluate any specific single restaurant but rather to establish trends. This section relates to secondary research objective (vi) and (vii) as well as hypotheses 1-5.

This section of the questionnaire is based on the DINESERV measuring instrument developed and published by Stevens, Knutson and Patton in April 1995 as discussed in paragraph 2.7.3.

DINESERV measures service quality in restaurants based on the five service quality dimensions identified through the SERVQUAL instrument. The mean of each dimension is calculated and then becomes an indicant of the perceptions that customers have of the restaurant's performance on that specific dimension. The mean of the five means is then calculated to determine customers' overall perception of the service quality of the restaurant (Stevens et al, 1995:58).

After consultation with the Statistics Consultation Department of the University of Johannesburg, it was decided to reduce the number of questions posed in the DINESERV questionnaire with regards to tangibles as a dimension of service quality. The DINESERV questionnaire includes ten items relating to tangibles, five items relating to reliability, three items representing responsiveness, five items relating to assurance and five items relating to empathy.

With the exception of omitting four questions relating to tangibles the instrument was used in its entirety.

The revised questionnaire had the following composition:

- Questions 1-5 relate to tangibles

- Questions 6-10 are about reliability
- Questions 11-13 are about responsiveness
- Questions 14-19 relate to assurance
- Questions 20-24 are about empathy

### **3.9 Statistical treatment**

The researcher will make use of mean response strategy to report on tendencies, dispersions and distribution in data for the total realised sample. The impact of demographic characteristics on the dining experience will be analysed and used in testing the hypotheses that were formulated in Chapter one paragraph 1.4.

### **3.10 Conclusion**

The chapter reiterated the research objectives and described the data collection methods with special reference to the method that will be employed for this study. Sampling and the process that was followed to draw a sample for this study were also described. The construction of the questionnaire was discussed and the relevance of the different questions illustrated.

Chapter four will be devoted to the results of the research. The interpretation of the results will be discussed as well as the outcomes of the different hypotheses formulated in chapter one.

## **CHAPTER FOUR**

### **RESEARCH FINDINGS**

#### **4.1 Introduction**

Chapter three was devoted to the research process and the approach that was followed for the empirical study. The data collection, sampling and the questionnaire design were also discussed.

This chapter will describe the results of the empirical study on a question-by-question basis for “Section A”, “Section B” and “Section C”. Section D will be discussed by discussing each of the five individual service dimensions. The result of the questions will start with a reference to the individual questions, in the respective sections, as it appeared in the final questionnaire (Appendix 1). Results will be presented in a table format. Recoding, in order to simplify discussion relating to specific questions, may be used for certain questions.

#### **4.2 Realisation rate, validity and reliability**

##### **Realisation rate**

The sample size for the study consisted of 200 elements. These elements were selected by utilising non-probability convenience sampling. A sample frame was not readily available and as a sample frame for this study, people working or residing in the western suburbs of Johannesburg were selected.

The 200 questionnaires that were utilised were all returned to the researcher. However, certain questions were not answered by all respondents. The realisation of each individual question will therefore be indicated when the results are discussed.

##### **Validity**

Validity and reliability tests were conducted to determine whether the researcher succeeded in truly measuring what was intended to be measured and to determine whether or not the researcher could replicate these responses at a later stage.

As Sections B and C of the questionnaire were of an exploratory nature and designed from the literature, validity and reliability could not be proven statistically but validity can be evaluated based on the face value of the questionnaire.

Validity, as discussed in Chapter three of this study, refers to whether a test measures what it actually intends to measure. External validity of research findings can be described as the data's ability to be generalised across persons, settings and times whereas internal validity refers to whether a research instrument measures what it is supposed to measure (Cooper and Schindler, 2003:231).

By utilising the content validity approach, the researcher measured the validity of the results obtained during this study by determining whether the questions in the questionnaire measured the characteristics it was supposed to measure. As the content of the measures in the questionnaire originated from previously reported studies, it was regarded as sufficient to address the objectives of this study as formulated in Chapter one.

Reliability for Section D was statistically tested and proven by utilising Independent sample *t*-tests and analysis of variance (ANOVA). These results will be illustrated and discussed in conjunction with the findings for Section D.

### **4.3 Results on a question-by-question basis**

Results on scaled questions will be reported by making use of mean values and the standard deviation. The realisation rate by question will also be indicated. Section D will not be discussed on a question-by-question basis but rather on each of the five individual service dimensions.

#### **4.3.1 Section A**

Section A contained demographic indicators that are used for classification purposes. These classifications will be used for cross-tabulation later on in the analysis.

i) Age in years

This question required that respondents indicate their age in years according to the preset age brackets.

**Table 4.1: Age in years**

		Frequency	Percent	Cumulative Percent
Valid	Younger than 19	9	4.5%	4.5%
	20 - 29	109	54.5%	59%
	30 - 39	34	17%	76%
	40 - 49	23	11.5%	87.5%
	50 - 59	18	9%	96.5%
	60 - 69	6	3%	99.5%
	70 and above	1	0.5%	100%
	Total	200	100%	

**Table 4.2: Age in years (RECODED)**

		Frequency	Percent	Cumulative Percent
Valid	Younger than 30	118	59%	59%
	30 and older	82	41%	100%
	Total	200	100%	

The largest percentage of respondents (**54.5%**) fell in the 20-29 year age bracket and this question were completed by all 200 respondents. Using 30 years of age as a midpoint, results were recoded into two categories namely younger than 30 years of age and respondents older than 30 years of age. Utilising the recoded brackets younger than 30 years of age respondents represented **59%** of respondents and older than 30 years of age respondents represented **41%**.

ii) Question 2

Question 2 asked respondents to indicate their gender. Question 2 had been answered by the total sample of 200 respondents. Of the 200 respondents, **83 (41.5%)** were male and **117 (58.5%)** were female.

**Table 4.3: Gender**

		Frequency	Percent	Cumulative Percent
Valid	Male	83	41.5%	41.5%
	Female	117	58.5%	100%
	Total	200	100%	

iii) Question 3

Respondents were asked to indicate whether they receive an entertainment allowance from their employers.

**Table 4.4: Do you receive an entertainment allowance from your employer?**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	18	9%	9%	9%
	No	181	90.5%	91%	100%
	Total	199	99.5%	100%	
Missing	System	1	0.5%		
Total		200	100%		

With the exception of 1 respondent all respondents had answered this question. Only 18 respondents (**9%**) indicated that they do receive an entertainment allowance from their employers. The majority of respondents (**90.5%**) do not receive an entertainment allowance from their employer.

iv) Question 4

Question 4 asked respondents to indicate their individual gross monthly income. Eight categories were indicated. The researcher made use of recoding in order to conduct ANOVA as will be discussed in par 4.4.

The results (actual) for question 4 of Section A are illustrated in Table 4.5 on page 63.

**Table 4.5: Gross monthly individual income before deductions**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	R2500 or less	26	13%	13.4%	13.4%
	R2501 - R4500	50	24%	25.8%	39.2%
	R4501 - R6000	27	14%	13.9%	53.1%
	R6001 - R8000	32	15%	16.5%	69.6%
	R8001 - R11 000	15	8%	7.7%	77.3%
	R11 001 - R16 000	22	11%	11.3%	88.7%
	R16001 - R30 000	15	8%	7.7%	96.4%
	R30 001 and above	7	4%	3.6%	100%
	Total	194	97%	100%	
Missing	System	6	3%		
Total		200	100%		

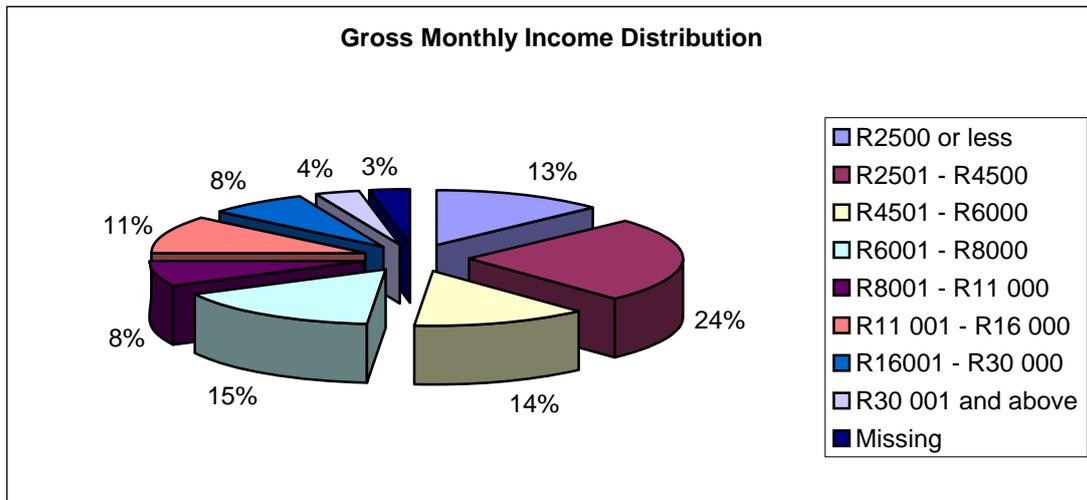
The result of this question clearly indicates that the majority of the respondents (**24%**) are in the R2501 – R4500 income bracket followed by **16%** of the respondents in the R6001 – R8000 income bracket.

Respondents earning between R4501 and R6000 accounted for **14%** and respondents earning less than R2500 accounted for **13%**.

Respondents earning between R11001 and R16000 accounted for **11%** of the realised sample. However, the income brackets R8001-R11000 and R16001-R30000 both accounted for **8%** of the realised sample. Only **4%** of respondents earned in excess of R30000 per month.

Graphically the individual gross monthly income distribution of the sample can be illustrated as depicted in Figure 4.1.

**Figure 4.1**



v) Question 5

Respondents were asked to indicate the highest level of academic education achieved. This question was answered by 199 of the 200 respondents. The results of this question are illustrated in Table 4.6 and show that the majority of respondents (**47%**) had achieved grade 12 as their highest academic education. The second largest percentage (**35.5%**) of respondents had obtained a degree or diploma whilst only **6%** obtained a post-graduate qualification. Respondents achieving a lower than grade 12 education accounted for **10%**. Two respondents indicated “other” qualifications, which referred to an “N2 Business studies” and a “Grade 10”.

**Table 4.6: Highest academic education achieved**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Secondary school lower than Grade 12	20	10%	10.1%	10.1%
	Matric/ Grade 12	94	47%	47.2%	57.3%
	Degree/ diploma	71	35.5%	35.7%	93%
	Post graduate qualification	12	6%	6%	99%
	Other qualification	2	1%	1%	100%
	Total	199	99.5%	100%	
Missing	System	1	0.5%		
Total		200	100%		

vi) Question 6

This question asked respondents to indicate which one of the descriptions listed, described their occupation best. The results for question 6 are illustrated in Table 4.7.

**Table 4.7: Indication of occupation**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Legislators, senior official and managers	29	14.5%	14.7%	14.7%
	Professionals	38	19%	19.3%	34%
	Technicians	12	6%	6.1%	40.1%
	Clerks	10	5%	5.1%	45.2%
	Service, shop and market sales workers	91	45.5%	46.2%	91.4%
	Craft and related trade workers	1	0.5%	0.5%	91.9%
	Other	16	8%	8.1%	100%
	Total	197	98.5%	100%	
Missing	System	3	1.5%		
Total		200	100%		

Three respondents failed to answer this question resulting in an effective realisation rate of **98.5%**. The majority of respondents (**45.5%**) indicated that they are working in the sector described as “service, shop and market sales workers”. Professionals accounted for **19%** whilst the sector “legislator, senior official and managers” accounted for **14.5%**. The sectors “clerks” and “technicians” accounted for **5%** and **6%** respectively. The sector “craft and related trade workers” had the lowest representation with **0.5%**. Sixteen respondents, equalling **8%**, indicated the “other” section as their occupations description fell outside the list of descriptions.

vii) Question 6.1

This question asked respondents to indicate how many times they have utilised a restaurant service in the western suburbs of Johannesburg during the foregone three months.

This question was answered by 198 of the respondents resulting in a **99%** realisation rate. The result for question 6.1 is illustrated in table 4.8.

**Table 4.8: Frequency of restaurant utilisation**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	21	10.5%	10.6%	10.6%
	2	11	5.5%	5.6%	16.2%
	3	26	13%	13.1%	29.3%
	4	24	12%	12.1%	41.4%
	5	40	20%	20.2%	61.6%
	More than 5	76	38%	38.4%	100%
	Total	198	99%	100%	
Missing	System	2	1%		
Total		200	100%		

A large percentage (**38%**) of respondents indicated that they had frequented restaurants more than 5 times in the foregone three months. Slightly less, but still a significant percentage (**20%**) of respondents indicated that they had made use of a restaurant service 5 times in the foregone three months. Three and four restaurant visits accounted for **13%** and **12%** respectively. Of the total sample, **10.5%** indicated that they have made use of a restaurant service at least once in the previous three months. Only **5.5%** of respondents indicated that they have made use of a restaurant service twice in the previous three months.

**The major finding is that 38% of respondents have made use of a restaurant service in the western suburbs of Johannesburg more than five times in a three-month period.**

#### **4.3.2 Section B**

The purpose of Section B was to determine the relative importance of the factors “price” and “quality of service “ for restaurant users in the western suburbs of Johannesburg.

The results of the individual questions are illustrated in Table 4.9.

**Table 4.9: Relative importance of price and service quality**

	N		Mean	Std. Deviation
	Valid	Missing		
Q1 A restaurant must charge low prices	196	4	4.19	1.8
Q2 It is important that the restaurant charges a fair price	198	2	6.11	1.268
Q3 The prices charged are not at all important	192	8	2.79	1.87
Q4 The prices charged by the restaurant is the most important reason for my visiting this restaurant	193	7	3.32	2.029
Q5 At an accepted level of service, the price charged is more important than an increased level of service	193	7	3.26	1.89
Q6 A high level of service quality is important.	197	3	6.59	0.874
Q7 Although prices are high, I'll go to a specific restaurant because of the good quality service	197	3	5.91	1.445
Q8 A high quality of service is more important than a reasonable price	198	2	5.42	1.631
Q9 Whether I'll return to a restaurant will be greatly influenced by the quality of service that I have experienced	198	2	6.22	1.14
Q10 Whether I'll return to a restaurant will be greatly influenced by the reasonableness of the prices charged	198	2	4.7	1.727

\* N = the number of responses



**i) Question 1: A restaurant must charge low prices**

The mean score of 4.19 indicates that it is relatively important for a restaurant to charge low prices. If the decision-rule that a lower standard deviation is indicative of homogeneity is applied, the standard deviation recorded for question 1 of 1.8 indicates that respondents had relatively high disparity in their answers to this question.

**The major finding for question one is that it is more important for a restaurant to charge fair prices than low prices.**

**ii) Question 2: It is important that the restaurant charges a fair price**

According to respondents it is important for a restaurant to charge a fair price as indicated by the mean score of 6.21. This value was the highest of the

price related questions in Section B of the questionnaire. If the decision-rule that a lower standard deviation is indicative of homogeneity is applied, the standard deviation of 1.268 indicates that there was some disparity in the responses.

**The major finding for question two supports the major finding established for question one namely that it is more important for a restaurant to charge fair prices than low prices.**

**iii) Question 3: The prices charged are not at all important**

If the decision-rule that a lower standard deviation is indicative of homogeneity is applied, the standard deviation recorded for question three (1.87) indicates a relatively high level of disparity in the answers of the respondents. However, the mean score of 2.79 indicates that respondents did not agree with the statement and that the prices charged by restaurants are relatively important.

**The major finding for question three is that prices charged by a restaurant are relatively important for customers when evaluating their dining experience.**

**iv) Question 4: The price charged by the restaurant is the most important reason for my visiting this restaurant**

Prices charged by restaurants do not seem to be highly important to customers in their choice of restaurants as indicated by the mean score of 3.32. If the decision-rule that a lower standard deviation is indicative of homogeneity is applied, the standard deviation recorded for question 4 (2.029) was the highest in Section B and indicates that answers to this question were the most heterogeneous of Section B.

**The major finding for question four is that price is not regarded as the most important factor when customers are evaluating their dining experience.**

**v) Question 5: At an accepted level of service, the price charged is more important than an increased level of service**

Respondents indicated that the prices charged for the offering is not more important than an increased level of service as reflected in the mean score of 3.26. If the decision-rule that a lower standard deviation is indicative of homogeneity is applied, answers to this question were relatively heterogeneous as indicated by the standard deviation of 1.89.

**The major finding for question five is that at an accepted level of service, prices charged are relatively unimportant if compared to the importance of an increased level of service.**

**vi) Question 6: A high level of service quality is important**

When the responses are analysed, it is clear that a high level of service quality is highly important as indicated by the mean score of 6.59. This mean score was also the highest recorded for Section B. If the decision-rule that a lower standard deviation is indicative of homogeneity is applied, the answers to this question were relatively uniform (homogeneous) as illustrated by the standard deviation of only 0.874.

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**The major finding for question six is that a high level of service quality is important to restaurant customers in the western suburbs of Johannesburg.**

**vii) Question 7: Although prices are high, I'll go to a specific restaurant because of the good quality service**

Respondents indicated that even if a restaurant charges high prices, they would still visit the restaurant due to the high quality of service. This is reflected in the mean score of 5.91. If the decision-rule that a lower standard deviation is indicative of homogeneity is applied, the standard deviation of 1.445 indicates that there was a difference of opinion by respondents in answering this question.

**The major finding for question seven is that even if prices are high, a large proportion of customers would still frequent restaurants that offer good quality service.**

**viii) Question 8: A high quality of service is more important than a reasonable price**

The relatively high mean score of 5.42 by respondents indicated that a high level of service is more important to customers than a reasonable price. If the decision-rule that a lower standard deviation is indicative of homogeneity is applied, the standard deviation of 1.631 would indicate that respondents did have a relatively large difference of opinion in answering this question.

**A major finding for question eight is that a high level of service quality is more important than a reasonable price.**

**ix) Question 9: Whether I'll return to a restaurant will be greatly influenced by the quality of service that I have experienced**

Respondents indicated that whether they'll return to a restaurant would greatly be influenced by the quality of service that they have received as indicated by the mean score of 6.22. If the decision-rule that a lower standard deviation is indicative of homogeneity is applied, the standard deviation indicates that there was some disparity in answering this question with a score of 1.14.

**The major finding for question nine is that a high level of service quality is a greater determinant of return patronage than reasonable prices.**

**x) Question 10: Whether I'll return to a restaurant will be greatly influenced by the reasonableness of the prices charged**

The reasonableness of prices charged by the restaurant will have some impact on return patronage as indicated by the mean score of 4.7. If the decision-rule that a lower standard deviation is indicative of homogeneity is applied, respondents' answers to this question were heterogeneous as

indicated by a standard deviation of 1.727. It must be noted that the mean score for this question was lower (less important) than the mean score for question 9 (6.22) which would indicate that service quality is a greater determinant of return patronage than reasonable prices.

**The major finding for question ten concurs with the finding for question nine in that a high level of service quality is a greater determinant of return patronage than reasonable prices.**

#### **4.3.2.1 Major findings for Section B**

The following findings can be concluded from the results of Section B:

- i) It is more important for a restaurant to charge fair prices than low prices.
- ii) Prices charged by a restaurant are relatively important for customers when evaluating their dining experience but is not regarded to be the most important factor when evaluating their dining experience.
- iii) At an accepted level of service, prices charged are relatively unimportant if compared to the importance of an increased level of service.
- iv) A high level of service quality is important for restaurant customers in the western suburbs of Johannesburg.
- v) Even if prices are high, a large proportion of customers would still frequent restaurants that offer good quality service.
- vi) A high level of service quality is more important than a reasonable price.
- vii) A high level of service quality is a greater determinant of return patronage than reasonable prices.

#### **4.3.3 Section C**

Section C only contained one question. The question consisted of a ranking of the five customer service dimensions as discussed in Chapter two, paragraph 2.5 of this study. A brief description of each dimension was provided and respondents were asked to rank these dimensions in order of importance. A relatively large percentage (16%) of respondents answered

this question inconclusively. The researcher therefore made use of recoding in the statistical treatment of this question.

**Statement 1: The ability of the restaurant to perform the promised service accurately and dependably**

This statement referred to the reliability dimension. The result of this statement is illustrated in Table 4.10.

**Table 4.10: Statement 1-The ability of the restaurant to perform the promised service accurately and dependably**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	59	29.5%	35.1%	35.1%
	2	36	18%	21.4%	56.5%
	3	27	13.5%	16.1%	72.6%
	4	37	18.5%	22%	94.6%
	5	9	4.5%	5.4%	100%
	Total	168	84%	100%	
Missing	System	32	16%		
Total		200	100%		

Statement 1 was ranked number one in 29.5% of respondents choices and ranked fourth in 22% of the respondents choices. Further rankings for statement 1 were ranked number 2 in 21.4% of responses, ranked number 3 in 13.5% of responses and ranked number 5 in 5.4% of responses.

**Statement 2: The willingness of the staff to assist customers and to provide prompt service**

This statement referred to the responsiveness service dimension. The result for this statement is illustrated in Table 4.11

**Table 4.11: Statement 2- The willingness of the staff to assist customers and to provide prompt service**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	23	11.5%	13.7%	13.7%
	2	40	20%	23.8%	37.5%
	3	57	28.5%	33.9%	71.4%
	4	39	19.5%	23.2%	94.6%
	5	9	4.5%	5.4%	100%
	Total	168	84%	100%	
Missing	System	32	16%		
Total		200	100%		

Responsiveness was allocated a number 3 ranking in 28.5% of responses followed by a number 2 ranking in 20% of responses. Rankings 4, 1 and 5 scored 19.5%, 11.5% and 4.5% respectively.

**Statement 3: The knowledge and courtesy of the staff**

Statement 3 referred to the assurance service dimension. The results recorded for this statement are illustrated in Table 4.12.

**Table 4.12. Statement 3: The knowledge and courtesy of the staff**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	10	5%	6%	6%
	2	15	7.5%	8.9%	14.9%
	3	32	16%	19%	33.9%
	4	47	23.5%	28%	61.9%
	5	64	32%	38.1%	100%
	Total	168	84%	100%	
Missing	System	32	16%		
Total		200	100%		

The assurance dimension was ranked number 5 in 32% of responses. The second largest percentage of 23.4% was recorded as a number 4 ranking. The number 3 ranking, number 2 ranking and number 1 ranking accounted for 16% of responses, 7.5% of responses and 5% of responses respectively.

**Statement 4: Personalised or customised service that makes customers feel unique and special**

This statement referred to the empathy service dimension. Results for this statement are illustrated in Table 4.13.

**Table 4.13: Statement 4- Personalised or customised service that makes customer feel unique and special**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	66	33%	39.3%	39.3%
	2	36	18%	21.4%	60.7%
	3	20	10%	11.9%	72.6%
	4	13	6.5%	7.7%	80.4%
	5	33	16.5%	19.6%	100%
	Total	168	84%	100%	
Missing	System	32	16%		
Total		200	100%		

Empathy was ranked number one in 33% of the responses. The number 2 ranking accounted for the second highest percentage of responses recording 18%. The ranking number 5, ranking number 3 and ranking number 4 produced 16.5%, 10% and 6.5% respectively.

**Statement 5: Appearance of the restaurant, the equipment and the staff**

This statement referred to the tangibility dimension of service quality. The results for this statement are illustrated in Table 4.14.

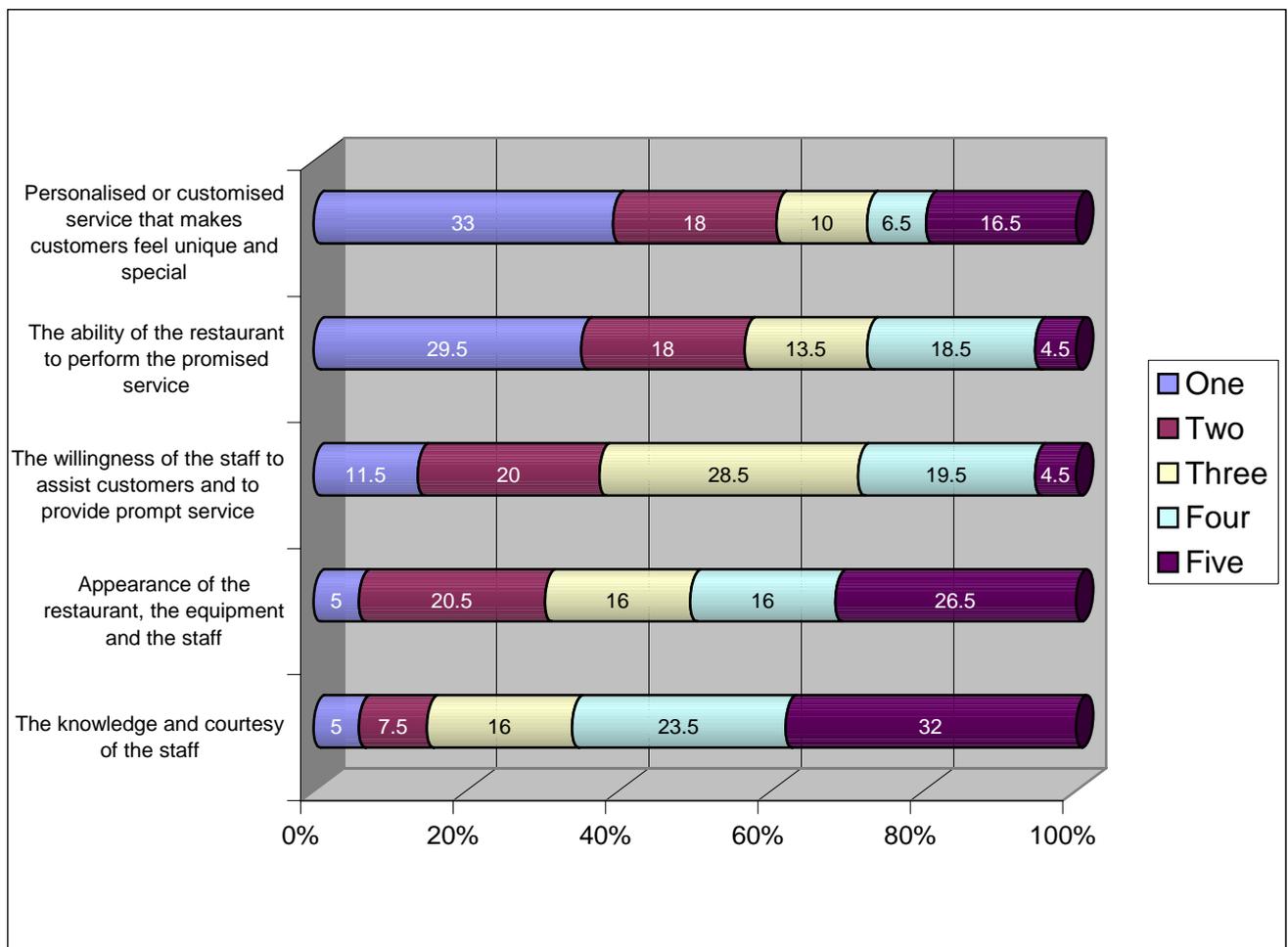
**Table 4.14: Statement 5- Appearance of the restaurant, the equipment and the staff**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	10	5%	6%	6%
	2	41	20.5%	24.4%	30.4%
	3	32	16%	19%	49.4%
	4	32	16%	19%	68.5%
	5	53	26.5%	31.5%	100%
	Total	168	84%	100%	
Missing	System	32	16%		
Total		200	100%		

Tangibles as a dimension of service quality were ranked number 5 in 26.5% of the responses. However, the second highest percentage recorded for this specific statement (20.5%) was as a number 2 ranking. Ranking numbers 3 and 4 recorded exactly the same values namely 16% of responses. Tangibles were only ranked number 1 in 5% of the responses.

Graphically the results of the total ranking can be illustrated as depicted in Figure 4.2.

**Figure 4.2: Ranking of service quality dimensions**



From figure 4.2 it can be seen that respondents had ranked the dimensions of service quality in the following order of importance:

- (i) Empathy – 33 % number one rankings
- (ii) Reliability – 29.5% number one rankings

- (iii) Responsiveness – 11.5% number one rankings
- (iv) Tangibles – 5% number one rankings and 20.5% number two rankings
- (v) Assurance – 5% number one rankings and 7.5% number two

#### **4.3.3.1 Major findings for Section C**

After analysing the results of Section C the following major findings were established:

- i) Empathy is regarded as the most important dimension of service quality for restaurant users in the western suburbs of Johannesburg.
- ii) Reliability is the second most important dimension of service quality for restaurant users in the western suburbs of Johannesburg.
- iii) Responsiveness is regarded as the third most important dimension of service quality for restaurant users in the western suburbs of Johannesburg.
- iv) Tangibles is regarded as the fourth most important dimension of service quality for restaurant users in the western suburbs of Johannesburg.
- v) Assurance is regarded as the least important dimension of service quality for restaurant users in the western suburbs of Johannesburg.



#### **4.3.4 Section D**

Section D was based on the DINESERV instrument that was developed by Stevens, Knutson and Patton (1995:56-60) as described in Chapter three paragraph 3.8.3.4. The purpose of this section was to determine how respondents (customers) perceive service quality of restaurants in the western suburbs of Johannesburg. Respondents were required to evaluate their last dining experience by indicating the degree of agreement with the statements.

As mentioned in paragraph 4.1, Section D will not be discussed on a question-by-question basis but rather by individual service quality dimension. The effects of demographic characteristics on the perception of the dining experience will then be analysed.

## Reliability analysis for Section D

A reliability analysis was conducted on Section D by utilising Cronbach's alpha. The results of the analysis are illustrated in Table 4.15.

**Table 4.15 Reliability analysis for Section D**

Dimension	Questions	Cronbach's Alpha
Tangibles	1 - 5	0.764
Reliability	6 - 10	0.872
Responsiveness	11 - 13	0.856
Assurance	14 - 19	0.919
Empathy	20 - 24	0.899
<b>Section D Overall</b>	<b>1 - 24</b>	<b>0.964</b>

If the decision-rule that a Cronbach's alpha  $\geq 0.7$  is indicative of reliability applies, the Cronbach's alpha recorded for Section D overall of 0.964 indicates reliability in the overall measurement of all the service quality dimensions.

## Tangibles

Questions 1-5 of Section D related to the tangibles dimension. The results are illustrated in Table 4.16

**Table 4.16: Tangibles dimension**

	N		Mean	Std. Deviation
	Valid	Missing		
Q1: has staff members who are clean, neat and appropriately dressed	198	2	6.12	1.111
Q2: has a décor in keeping with it's image and price range	196	4	5.74	1.339
Q3: has a visually attractive menu that reflects the restaurant's image	198	2	5.77	1.292
Q4: has a dining area that is comfortable and easy to move around in	198	2	5.79	1.253
Q5: has dining areas that are thoroughly clean	197	3	5.97	1.162
<b>Tangibles dimension overall</b>			<b>5.88</b>	<b>.88686</b>

As can be seen in Table 4.16, the mean for the tangibles dimension is 5.88. If the decision-rule that a lower standard deviation is indicative of homogeneity applies, the standard deviation recorded for the tangibles dimension overall indicates relatively homogeneous responses. Within this dimension and the questions posed it appears that staff that are neat,

appropriately dressed and who appears clean is the tangible indicator that restaurants seem to achieve more regularly as observed with a mean score of 6.12. The standard deviation for this question was also the lowest recorded for this dimension indicating more homogeneous answers than recorded for the other four questions.

#### Reliability analysis for tangibles dimension

If the decision-rule that a Cronbach's alpha  $\geq 0.7$  is indicative of reliability applies, the Cronbach's alpha recorded for this dimension of 0.784 would indicate reliability in the measurement of this dimension as indicated in Table 4.15.

#### Reliability dimension

Questions 6-10 related to the reliability dimension of service quality. The results that were recorded are indicated in Table 4.17.

**Table 4.17: Reliability dimension**

	N		Mean	Std. Deviation
	Valid	Missing		
Q6: serves you in the time promised	198	2	5.5	1.639
Q7: quickly corrects anything that is wrong	197	3	5.68	1.557
Q8: is dependable and consistent	197	3	5.76	1.281
Q9: provides an accurate guest check (bill)	197	3	6.17	1.159
Q10: serves your food exactly as you ordered it	196	4	5.92	1.289
Reliability dimension overall			5.81	1.13246

Although respondents indicated that restaurants relatively successfully achieve delivering on the reliability dimension of service quality as indicated by the mean score of 5.81. If the decision-rule that a lower standard deviation is indicative of homogeneity applies, answers to this question were rather heterogeneous as the standard deviation recorded for question 6 was the highest recorded for Section D. Within this dimension it would appear that restaurants are successful at providing accurate quest checks as indicated by the highest mean score for this dimension of 6.17 and the lowest standard deviation of 1.159.

### Reliability analysis for reliability dimension

If the decision-rule that a Cronbach's alpha  $\geq 0.7$  is indicative of reliability applies, the Cronbach's alpha recorded for this dimension of 0.872 would indicate reliability in the measurement of this dimension as indicated in Table 4.15.

### Responsiveness dimension

Questions 11-13 related to the responsiveness dimension of service quality. The results for this dimension are illustrated in Table 4.18.

**Table 4.18: Responsiveness dimension**

	N		Mean	Std. Deviation
	Valid	Missing		
Q11: during busy times has employees shift to help each other maintain speed and quality of service	195	5	5.57	1.499
Q12: provides prompt and quick service	198	2	5.68	1.402
Q13: makes extra effort to handle your special requests	195	5	5.71	1.335
Responsiveness dimension overall			<b>5.65</b>	<b>1.23878</b>

When analysed it would appear that restaurants are less successful in achieving customer satisfaction due to this dimension as indicated by the lower mean score (5.65) when compared to the mean scores recorded for tangibles (5.88) and reliability (5.81). If the decision-rule that a lower standard deviation is indicative of homogeneity applies, the standard deviation recorded for all the questions related to this dimension do indicate heterogeneous answers.

### Reliability analysis for the responsiveness dimension

If the decision-rule that a Cronbach's alpha  $\geq 0.7$  is indicative of reliability applies, the Cronbach's alpha recorded for this dimension of 0.856 would indicate reliability in the measurement of this dimension as indicated in Table 4.15.

### Assurance dimension

Questions 14-19 related to the assurance dimension of service quality. The results of this dimension are illustrated in Table 4.19.

**Table 4.19: Assurance dimension**

	N		Mean	Std. Deviation
	Valid	Missing		
Q14: has employees who can answer your questions completely	197	3	5.62	1.44
Q15: makes you feel comfortable and confident in your dealings with them	196	4	5.78	1.407
Q16: has personnel who are able and willing to give you information about menu items, ingredients and preparation	195	5	5.69	1.46
Q17: makes you feel personally safe	197	3	5.73	1.311
Q18: has personnel who seem well trained, competent and experienced	197	3	5.76	1.348
Q19: seems to give employees support so that they can do their jobs well	198	2	5.57	1.357
<b>Assurance dimension overall</b>			<b>5.69</b>	<b>1.16674</b>

Restaurants seem to be less successful in creating assurance for their customers than what they are in creating acceptable tangible cues and achieving reliability in their services. This is indicated by the mean score of 5.69 for this dimension compared to the mean scores of 5.88 and 5.81 recorded for tangibles and reliability respectively. However, restaurants do seem to be more successful in creating assurance (5.69) than achieving responsiveness (5.65) as indicated by the mean scores recorded for the two dimensions. If the decision-rule that a lower standard deviation is indicative of homogeneity applies, a relatively high level of heterogeneity of answers are reflected within this dimension as illustrated by the standard deviation recorded for the different questions.

#### Reliability analysis for the assurance dimension

If the decision-rule that a Cronbach's alpha  $\geq 0.7$  is indicative of reliability applies, the Cronbach's alpha recorded for this dimension of 0.919 would indicate reliability in the measurement of this dimension as indicated in Table 4.15.

#### Empathy dimension

Questions 20-24 related to the empathy dimension of service quality. The results for this dimension are illustrated in Table 4.20.

**Table 4.20: Empathy dimension**

	N		Mean	Std. Deviation
	Valid	Missing		
Q20: has employees who are sensitive to your needs and wants rather than always relying on policies & procedures	198	2	5.41	1.4
Q21: makes you feel special	198	2	5.6	1.531
Q22: anticipates your individual needs and wants	198	2	5.31	1.584
Q23: has employees who are sympathetic and reassuring if something is wrong	197	3	5.39	1.51
Q24: seems to have the customer's best interests at heart	197	3	5.78	1.389
Empathy dimension overall			<b>5.50</b>	<b>1.24571</b>

Respondents indicated that restaurants are not very successful in making their customers feel special and unique as illustrated by the lowest mean score recorded for the five dimensions of service quality. A mean score of 5.50 was recorded for the empathy dimension. If the decision-rule that a lower standard deviation is indicative of homogeneity applies, the standard deviations that were recorded for the different questions relating to this service dimension all indicate that there were relatively high levels of heterogeneity in the answers of respondents.

Reliability analysis for the empathy dimension

If the decision-rule that a Cronbach's alpha  $\geq 0.7$  is indicative of reliability the Cronbach's alpha recorded for this dimension of 0.899 would indicate reliability in the measurement of this dimension as indicated in Table 4.20.

#### **4.3.4.1 Major findings for Section D**

Based on the results of Section D, the following major findings were established:

- i) Restaurant customers in the western suburbs of Johannesburg believe that restaurants are most successful in creating tangibles in an effort to achieve service quality.
- ii) Restaurant customers in the western suburbs of Johannesburg indicated that restaurants are relatively more successful in delivering the promised service (reliability) than what their staffs are

knowledgeable and courteous (assurance) in their efforts to deliver quality service.

- iii) Restaurant customers in the western suburbs of Johannesburg indicated that restaurants are not very successful in their willingness to assist customers and in delivering prompt service as indicated by their evaluation of the responsiveness dimension of service quality.
- iv) Restaurant customers in the western suburbs of Johannesburg believe that restaurants are least successful in achieving the empathy dimension of service quality when the results of all the dimensions of service quality are compared to each other. This is a significant finding as respondents had indicated in Section C that they regard empathy as the most important dimension of service quality.

#### **4.3.5 Summary of major findings**

The results obtained in this study yielded the following findings:

- i) Thirty eight percent of respondents have made use of a restaurant service in the western suburbs of Johannesburg more than 5 times in a three-month period which is indicative of the frequency of use of restaurant services.
- ii) It is more important for a restaurant to charge fair prices than low prices
- iii) Prices charged by a restaurant is relatively important for customers when evaluating their dining experience but is not regarded to be the most important factor when evaluating their dining experience
- iv) At an accepted level of service, prices charged are relatively unimportant if compared to the importance of an increased level of service
- v) A high level of service quality is important
- vi) Even if prices are high a large proportion of customers would still frequent restaurants that offer good quality service
- vii) A high level of service quality is more important than a reasonable price
- viii) A high level of service quality is a greater determinant of return patronage than reasonable prices.

- ix) Empathy is regarded as the most important dimension of service quality for restaurant users in the western suburbs of Johannesburg
- x) Reliability is the second most important dimension of service quality for restaurant users in the western suburbs of Johannesburg
- xi) Responsiveness is regarded as the third most important dimension of service quality for restaurant users in the western suburbs of Johannesburg
- xii) Tangibles is regarded as the fourth most important dimension of service quality for restaurant users in the western suburbs of Johannesburg
- xiii) Assurance is regarded as the least important dimension of service quality for restaurant users in the western suburbs of Johannesburg
- xiv) Restaurant customers in the western suburbs of Johannesburg believe that restaurants are most successful in creating tangibles in an effort to achieve quality service.
- xv) Restaurant customers in the western suburbs of Johannesburg indicated that restaurants are relatively more successful in delivering the promised service (reliability) than what their staffs are knowledgeable and courteous (assurance) in their efforts to deliver quality service.
- xvi) Restaurant customers in the western suburbs of Johannesburg indicated that restaurants are not very successful in their willingness to assist customers and in delivering prompt service as indicated by their evaluation of the responsiveness dimension of service quality.
- xvii) Restaurant customers in the western suburbs of Johannesburg believe that restaurants are least successful in achieving the empathy dimension of service quality when the results of all the dimensions of service quality are compared to each other. This is a significant finding as respondents had indicated in Section C that they regard empathy as the most important dimension of service quality.

#### **4.4 Hypotheses testing**

The hypotheses relating to the descriptive component of this study were tested by utilising Independent sample *t*-tests (parametric statistics) and

analysis of variance (ANOVA). ANOVA was used where more than two categories had been utilised in the questionnaire. Recoding was also used for purposes of hypotheses testing.

### Hypothesis 1

H<sub>1</sub>: Age does not have an effect on the dining experience perception of restaurant customers in the western suburbs of Johannesburg.

Recoding was utilised as indicated in Table 4.21.

**Table 4.21: Recoded age in years**

	(RECODED)Age in years	N	Mean	Std. Deviation	Std. Error Mean
<b>Empirical Final Factor</b>	Younger than 30	110	5.6273	0.95683	0.09123
	30 and older	71	5.8903	1.04702	0.12426
<b>Section D Overall</b>	Younger than 30	110	5.6294	0.96243	0.09176
	30 and older	71	5.8837	1.05226	0.12488

Age was recoded into two groups in order to facilitate Independent sample *t*-tests. Respondents' ages were grouped into respondents younger than 30 years of age and respondents older than 30 years of age. Of the 181 respondents, 110 were younger than 30 years of age and 71 were older than 30 years of age.

The results of the Independent sample *t*-test are illustrated in Table 4.22.

**Table 4.22: Independent sample *t*-test for equality of means based on age in years**

	t	df	p-value Sig. (2-tailed)	Mean Difference	Std. Error Difference
<b>Empirical Final Factor</b>	-1.74	179	<b>0.084</b>	-0.26299	0.15118
<b>Section D Overall</b>	-1.673	179	0.096	-0.25427	0.15201

\* Special note: 95% confidence level.

If the decision-rule that a p-value  $\leq 0.05$  is indicative of a significant effect, the p-value of 0.084 indicates that age does have an effect on the perception of the dining experience.

**Based on the results above,  $H_1$  must be rejected.**

## Hypothesis 2

$H_2$ : Gender does not have an effect on the dining experience perception of restaurant customers in the western suburbs of Johannesburg.

The group statistics for the gender classification is illustrated in Table 4.23.

**Table 4.23: Gender group statistics**

	Your gender	N	Mean	Std. Deviation	Std. Error Mean
Empirical Final Factor	Male	73	5.8419	0.86418	0.10115
	Female	108	5.6551	1.07747	0.10368
Section D Overall	Male	73	5.8465	0.86079	0.10075
	Female	108	5.6498	1.08614	0.10451

The recorded gender group statistics were utilised to conduct an Independent sample *t*-test. Of the 181 respondents 73 were male and 108 respondents were female. The results of the Independent sample *t*-test are illustrated in Table 4.24.

**Table 4.24: Independent sample *t*-test for equality of means based on gender**

	t	df	p-value Sig. (2-tailed)	Mean Difference	Std. Error Difference
Empirical Final Factor	1.236	179	<b>0.218</b>	0.1868	0.15109
Section D Overall	1.296	179	0.197	0.19667	0.15176

\* Special note: at 95% confidence level

If the decision-rule that a p-value  $\leq 0.05$  is indicative of a significant effect, the p-value of 0.218 indicates that gender does not have an effect on the dining

experience perception of restaurant customers in the western suburbs of Johannesburg.

***Based on the above results, H<sub>2</sub> should be accepted.***

### **Hypothesis 3**

H<sub>3</sub>: Individual gross monthly income does not have an effect on the dining experience perception of restaurant customers in the western suburbs of Johannesburg.

As more than two categories were included in the classification of individual gross income, ANOVA was used for purposes of testing and analysis. Recoding was conducted into the following categories:

R4500 or less

R4501 – R8000

R8001 and above



The group statistics for individual gross income are illustrated in Table 4.25.

**Table 4.25: Group statistics for individual gross income**

		<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>Std. Error</b>
<b>Empirical Final Factor</b>	<b>R4500 or less</b>	68	5.6213	1.0008	0.12136
	<b>R4501 - R8000</b>	54	5.6767	1.09095	0.14846
	<b>R8 001 and above</b>	54	5.8673	0.91556	0.12459
	<b>Total</b>	176	5.7138	1.0044	0.07571
<b>Section D Overall</b>	<b>R4500 or less</b>	68	5.6252	1.00179	0.12148
	<b>R4501 - R8000</b>	54	5.6731	1.09829	0.14946
	<b>R8 001 and above</b>	54	5.8641	0.92592	0.126
	<b>Total</b>	176	5.7132	1.00981	0.07612

Based on the above group statistics ANOVA was conducted. Only 176 of the respondents answered this question. Of the 176 respondents who answered this question 68 earned less than R4500 per month, 54 earned between

R4501 and R8000, and 54 earned in excess of R8000 per month. The results of the ANOVA are illustrated in Table 4.26.

**Table 4.26: ANOVA results on individual gross monthly income**

		Sum of Squares	df	Mean Square	F	P-value Sig.
Empirical Final Factor	Between Groups	1.928	2	0.964	0.955	<b>0.387</b>
	Within Groups	174.614	173	1.009		
	Total	176.542	175			
Dinserv Overall	Between Groups	1.843	2	0.921	0.903	0.407
	Within Groups	176.609	173	1.021		
	Total	178.452	175			

If the decision-rule that a p-value  $\leq 0.05$  is indicative of a significant effect, the p-value of 0.387 indicates that individual gross monthly income has no effect on the dining experience perception of restaurant customers in the western suburbs of Johannesburg.

***Based on the above-mentioned results,  $H_3$  should be accepted.***

#### **Hypotheses 4**

H<sub>4</sub>: Level of education does not have an effect on the dining experience perception of restaurant customers in the western suburbs of Johannesburg.

The researcher made use of recoding in order to facilitate the use of Independent sample *t*-tests. The highest academic education achieved was recoded into two categories namely: matric/ grade 12 or lower and further studies, which indicated tertiary education. Group statistics (recoded) for highest academic achievement are illustrated in Table 4.27.

**Table 4.27: Group statistics for highest academic achievement**

	(RECODED)Highest academic education achieved	N	Mean	Std. Deviation	Std. Error Mean
Empirical Final Factor	Matric/ Grade 12 or lower	104	5.774	0.98289	0.09638
	Further studies	76	5.6606	1.02532	0.11761
Section D Overall	Matric/ Grade 12 or lower	104	5.7721	0.9887	0.09695
	Further studies	76	5.6599	1.02887	0.11802

Of the 180 respondents that have answered this question, 104 indicated a matric/ grade 12 or lower education. The remainder (76 respondents) indicated an education inclusive of tertiary education. Based on the information obtained, Independent sample *t*-tests were conducted. The results of the Independent sample *t*-test are illustrated in Table 4.28.

**Table 4.28: Independent sample *t*-test for equality of means based on highest academic education**

	t	df	P-value Sig. (2-tailed)	Mean Difference	Std. Error Difference
Empirical Final Factor	0.751	178	0.454	0.1134	0.15106
Section D Overall	0.739	178	0.461	0.1122	0.15179

\*Special note: 95% confidence level

If the decision-rule that a  $p\text{-value} \leq 0.05$  is indicative of a significant effect, the  $p\text{-value}$  of 0.454 indicates that level of academic education has no effect on the dining experience perception of restaurant customers in the western suburbs of Johannesburg.

***Based on the above-mentioned results,  $H_4$  should be accepted.***

### **Hypothesis 5**

$H_5$ : Frequency of utilisation of restaurant services does not have an effect on the dining experience perception of restaurant customers in the western suburbs of Johannesburg.

The researcher made use of recoding in order to facilitate analysis of variance (ANOVA). Frequency of restaurant service utilisation was recoded into three categories namely: 1-3 times, 4-5 times and more than five times in the preceding three months. The recoded group statistics are illustrated in Table 4.29.

**Table 4.29: Frequency of utilisation of restaurant services**

		<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>Std. Error</b>
<b>Empirical Final Factor</b>	<b>1 to 3</b>	51	5.7974	0.92402	0.12939
	<b>4 to 5</b>	57	5.777	1.09742	0.14536
	<b>More than 5</b>	71	5.6291	0.98067	0.11638
	<b>Total</b>	179	5.7242	1.00148	0.07485
<b>Section D Overall</b>	<b>1 to 3</b>	51	5.7936	0.9268	0.12978
	<b>4 to 5</b>	57	5.7743	1.10772	0.14672
	<b>More than 5</b>	71	5.6316	0.98277	0.11663
	<b>Total</b>	179	5.7232	1.00635	0.07522

Of the 179 responses received for this question, 71 respondents indicated that they have utilised restaurant services more than 5 times in the preceding 3 months. Fifty one (51) respondents indicated that they have utilised restaurant services between 1 and 3 times in the preceding 3 months. Fifty seven (57) respondents indicated restaurant service utilisation of between 4 and 5 times in the preceding 3 months.

Based on the information obtained, and bearing in mind that more than two categories were analysed, ANOVA was conducted. The results of ANOVA are illustrated in Table 4.30.

**Table 4.30: ANOVA results on the frequency of restaurant service utilisation**

		Sum of Squares	df	Mean Square	F	P-value Sig.
Empirical Final Factor	Between Groups	1.074	2	0.537	0.533	<b>0.588</b>
	Within Groups	177.454	176	1.008		
	Total	178.528	178			
Section D Overall	Between Groups	0.997	2	0.498	0.489	0.614
	Within Groups	179.272	176	1.019		
	Total	180.268	178			

If the decision-rule that a p-value  $\leq 0.05$  is indicative of a significant effect, the p-value of 0.588 indicates that frequency of restaurant service utilisation has no effect on the dining experience perception of restaurant customers in the western suburbs of Johannesburg.

***Based on the above-mentioned results,  $H_5$  should be accepted.***

#### **4.5 Research propositions**

The research propositions that were formulated in Chapter one and motivated in Chapter three are related to the exploratory component of this study. These propositions will be evaluated against the literature that was reviewed and the research results and findings.

##### **Proposition 1**

P<sub>1</sub>: Service quality is a greater determinant of customer satisfaction than perceived price for restaurant service customers in the western suburbs of Johannesburg.

- Results on Section B, question 5

As discussed in paragraph 4.3.2, respondents indicated that the prices charged for the offering is not more important than increased level of service

as reflected in the mean score of 3.26. Answers to this question were relatively heterogeneous as indicated by the standard deviation of 1.89.

At an accepted level of service, prices charged are relatively unimportant if compared to the importance of an increased level of service (Major finding (iii) Section B, paragraph 4.3.2.1). A high level of service quality is more important than low prices (Major finding (v) Section B, paragraph 4.3.2.1).

- Results on Section B, question 8

The relatively high mean score of 5.42 by respondents indicated that a high level of service is more important to customers than a reasonable price (paragraph 4.3.2).

***If the above-mentioned results are collectively considered, proposition one should be supported.***

### **Proposition 2**

P<sub>2</sub>: Reliability is the most important service dimension for restaurant customers in the western suburbs of Johannesburg.

- Results on Section C

Reliability is the second most important dimension of service quality for restaurant users in the western suburbs of Johannesburg (Major finding (ii) Section C, paragraph 4.3.3.1).

***If the results are analysed, proposition 2 cannot be supported.***

### **Proposition 3**

P<sub>3</sub>: Customers of restaurant services in the western suburbs of Johannesburg are prepared to pay an increased price for a higher level of service.

- Results of Section B, question 7

Respondents indicated that even if a restaurant charges high prices, they would still visit the restaurant due to the high quality of service.

Even if prices are high, a large proportion of customers would still frequent restaurants that offer good quality service (Major finding (v) Section B, paragraph 4.3.2.1). A high level of service quality is more important than a reasonable price (Major finding (vi) Section B, paragraph 4.3.2.1).

***Based on the results recorded for question seven of Section B and the major finding v and vi of Section B, proposition 3 should be supported.***

#### **Proposition 4**

P<sub>4</sub>: A low price charged by the restaurant is not very important for restaurant users in the western suburbs of Johannesburg.

- Results of Section B, question 1

The mean score of 4.19 indicates that it is relatively important for a restaurant to charge low prices. It is more important for a restaurant to charge fair prices than low prices (Major finding (i) Section B, paragraph 4.3.2.1.)

- Results of Section B, question 3

Prices charged by a restaurant is relatively important for customers when evaluating their dining experience but is not regarded to be the most important factor when evaluating their dining experience (Major finding (ii) Section B, paragraph 4.3.2.1).

***Based on the results of questions one and three of Section B and the associated findings, proposition 4 cannot be supported.***

#### **Proposition 5**

P<sub>5</sub>: A price considered as fair is more important for restaurant customers in the western suburbs of Johannesburg than a low price.

- Results on Section B, question 2

According to respondents it is important for a restaurant to charge a fair price as indicated by the mean score of 6.21. This value was the highest of the price related questions in Section B of the questionnaire (paragraph 4.3.2).

It is more important for a restaurant to charge fair prices than low prices (Major finding (i) Section B, paragraph 4.3.2.1).

***In view of the above-mentioned results, proposition 5 should be supported.***

### **Proposition 6**

P<sub>6</sub>: The prices charged by a restaurant is the single greatest reason for specific restaurant patronage.

- Results on Section B, question 4

Prices charged by restaurants do not seem to be highly important to customers in their choice of restaurants as indicated by the mean score of 3.32 (paragraph 4.3.2).

Prices charged by a restaurant is relatively important for customers when evaluating their dining experience but is not regarded to be the most important factor when evaluating their dining experience (Major finding (ii) Section B, paragraph 4.3.2.1). At an accepted level of service, prices charged are relatively unimportant if compared to the importance of an increased level of service (Major finding (iii) Section B, paragraph 4.3.2.1).

***If the above-mentioned results and findings are viewed collectively, proposition 6 should be supported.***

## **Proposition 7**

P<sub>7</sub>: A high level of service is important for restaurant customers in the western suburbs of Johannesburg.

- Results on Section B, question 6

When the responses are analysed, it is clear that a high level of service quality is highly important as indicated by the mean score of 6.59. This mean score was also the highest recorded for Section B (paragraph 4.3.2).

A high level of service quality is important (Major finding (v) Section B, paragraph 4.3.2.1). A high level of service quality is more important than reasonable prices (Major finding (vi) Section B, paragraph 4.3.2.1). Even if prices are high, a large proportion of customers would still frequent restaurants that offer good quality service (Major finding (v) Section B, paragraph 4.3.2.1).

***If the above-mentioned results and findings are viewed collectively, proposition 7 should be supported.***



## **Proposition 8**

P<sub>8</sub>: Quality of service is a significant determinant of return patronage.

- Results on Section B, question 9

Respondents indicated that whether they'll return to a restaurant would greatly be influenced by the quality of service that they have received as indicated by the mean score of 6.22 (paragraph 4.3.2).

Even if prices are high, a large proportion of customers would still frequent restaurants that offer good quality service (Major finding (v) Section B, paragraph 4.3.2.1). A high level of service quality is a greater determinant of

return patronage than reasonable prices (Major finding (vii) Section B, paragraph 4.3.2.1).

***Based on the above-mentioned results and associated findings, proposition 8 should be supported.***

### **Proposition 9**

P<sub>9</sub>: Reasonableness of price is not a very important determinant of return patronage.

- Results on Section B, question 10

The reasonableness of prices charged by the restaurant will have some impact on return patronage as indicated by the mean score of 4.7 (paragraph 4.3.2).

Even if prices are high, a large proportion of customers would still frequent restaurants that offer good quality service (Major finding (v) Section B, paragraph 4.3.2.1). A high level of service quality is a greater determinant of return patronage than reasonable prices (Major finding (vii) Section B, paragraph 4.3.2.1).

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***If the above-mentioned results and associated findings are collectively evaluated, proposition 9 should be supported.***

### **4.6 Conclusion**

This chapter provided results that were recorded for the total sample from which a list of major findings were developed. The propositions formulated for this study were evaluated against the empirical results and it was found that propositions 1, 3, 5, 6, 7, 8 and 9 should be supported whereas propositions 2 and 4 cannot be supported.

The hypotheses formulated for this study were tested by utilising Independent sample *t*-tests and ANOVA. Based on these results hypotheses 2, 3, 4 and 5 were accepted whereas hypothesis 1 was rejected.

## CHAPTER FIVE

### CONCLUSIONS AND RECOMMENDATIONS FOR FURTHER RESEARCH

#### 5.1 Introduction

Chapter four was devoted to the discussion of the research results and findings. This final chapter provides a brief summary on the problem, methodology and major findings. Recommendations for further research are provided based on the findings from the previous chapter. A brief summary will also be provided to illustrate whether the research objectives that were formulated in Chapter one were achieved.

#### 5.2 A brief summary on the problem

The purpose of the study was to establish how perceived service quality and perceived price impact on the satisfaction of restaurant customers in the western suburbs of Johannesburg. Dimensions of service quality were identified from the literature in Chapter two and the importance of these dimensions were tested by means of propositions and hypotheses that were formulated in Chapter one.

#### 5.3 A brief summary on the methodology

The research methodology that was followed, the research procedure and the findings were discussed in Chapters three and four. The research design provided for two components to the study, an exploratory and a descriptive component. Quantitative research was conducted utilising a self-completion questionnaire. The development of the questionnaire and the sampling process followed were discussed in Chapter three.

#### 5.4 A brief summary of the major findings

Based on the results of the research conducted as reported in Chapter four, the following major findings can be drawn.

Both price and service quality is relatively important to restaurant customers in the western suburbs of Johannesburg. *However, service quality is more*

*important to restaurant users in the western suburbs of Johannesburg than what a low or fair price is.*

Prices charged by a restaurant is relatively important for customers when evaluating their dining experience but is not regarded to be the most important factor when evaluating their dining experience. *At an accepted level of service, prices charged are relatively unimportant if compared to the importance of an increased level of service.*

A high level of service quality is more important than a fair price. Even if prices are high a large proportion of customers would still frequent restaurants that offer good quality service. *A high level of service quality is a greater determinant of return patronage than reasonable prices.*

Five dimensions of service quality were identified in the literature review in Chapter two. *Empathy is regarded as the most important dimension of service quality for restaurant users in the western suburbs of Johannesburg.*

Section D of the questionnaire required respondents to evaluate restaurants services and to report their perceptions of restaurants' achievement in terms of the five dimensions of service quality. *Restaurant customers in the western suburbs of Johannesburg believe that restaurants are most successful in creating tangibles in an effort to achieve quality service.*

Respondents indicated that empathy, as a dimension of service quality, was the most important aspect of the dining experience. *Restaurant customers in the western suburbs of Johannesburg believe that restaurants are least successful in achieving the empathy dimension of service quality when the results of all the dimensions of service quality are compared to each other.*

Respondents indicated a perception that restaurants are relatively successful at delivering a reliable service. *Restaurant customers in the western suburbs of Johannesburg indicated that restaurants are relatively more successful in*

*delivering the promised service (reliability) than what their staffs are knowledgeable and courteous (assurance) in their efforts to deliver quality service.*

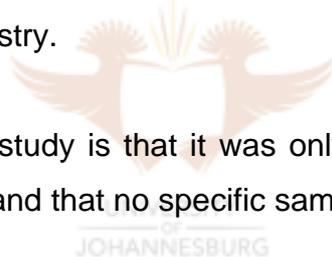
## **5.5 Limitations**

The researcher attempted to conduct extensive literature research aiming to include all relevant literature on the topic in the study. It is however possible that some important research and literature on the perceptions of service quality and perceptions of price by restaurant customers may have been excluded.

Literature that was not published in acknowledged journals and text books were excluded.

The study was limited due to the fact that it was confined to a single typology namely the restaurant industry.

An additional limitation to study is that it was only conducted in the western suburbs of Johannesburg and that no specific sample frame was available.



## **5.6 The research objectives**

The results obtained in Chapter four enabled the researcher to accept or reject the hypotheses that were formulated in Chapter one paragraph 1.4. The results further enabled the researcher to support or not to support the propositions that were formulated in Chapter one paragraph 1.4.

All the secondary research objectives that were set out in Chapter 1 paragraph 1.3.2 were met. Table 5.1 provides a linkage between the secondary research objectives, the questions in the questionnaire and the major findings as summarised in Chapter four paragraph 4.3.5.

**Table 5.1: Linkage between research objectives , questions and major findings**

<b>Secondary research objective</b>		<b>Questions</b>	<b>Major findings</b>
i)	To establish whether service satisfaction due to either of these two factors will result in return patronage.	9	viii, P <sub>6</sub> , P <sub>8</sub> , P <sub>9</sub>
ii)	To establish the relative importance of each service dimension for restaurant customers in the western suburbs of Johannesburg.	6	ix, x, xi, xii, xiii
iii)	To establish whether customers of restaurant services in the western suburbs of Johannesburg are prepared to pay more for better service.	7	vii, viii, P <sub>3</sub>
iv)	To determine whether a low price is more important to customers of restaurant services in the western suburbs of Johannesburg than a fair price.	1, 2, 3	ii, P <sub>5</sub>
v)	To determine whether price is the most important reason for restaurant patronage when considered in conjunction with other factors.	4	iii, viii, P <sub>6</sub> , P <sub>8</sub> , P <sub>9</sub>
vi)	To determine how restaurant customers perceive general service quality levels at restaurants in the western suburbs of Johannesburg.	Section D	xiv, xv, xvi, xvii,
vii)	To determine whether the following demographic characteristics have an influence on the perception of the dining experience: a. Age b. Gender c. Gross monthly income d. Level of education.	Section D	H <sub>1</sub> H <sub>2</sub> H <sub>3</sub> H <sub>4</sub>

From Table 5.1 it can be seen that the research objectives for this study were met.



### **5.7 Recommendations for future research**

As pointed out in paragraph 5.5, one of the limitations of this study was the fact that it only included restaurants and restaurant customers in the western suburbs of Johannesburg. A study inclusive of the total Johannesburg area is therefore recommended.

Further research should be conducted to determine why restaurant operators do not succeed in achieving the expected level of empathy as a dimension of service quality.

Empirical research to determine the price sensitivity of restaurant users in Johannesburg should be conducted.

Empirical research needs to be conducted to establish whether relationship marketing can be successfully applied between restaurant operators and their customers.

Further empirical research needs to be conducted to establish the factors that will influence restaurant customers when selecting a restaurant.

More empirical research is necessary to determine the factors that will lead to return patronage of restaurants.

*A cardinal principle of Total Quality escapes too many managers: you cannot continuously improve interdependent systems and processes until you progressively perfect interdependent, interpersonal relationships.*

**Stephen Covey**



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**APPENDIX 1**  
**THE QUESTIONNAIRE**



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## Questionnaire

Dear sir/ madam

I am a MComm student at the Department of Business Management of the University of Johannesburg. I am currently conducting research into the quality of restaurant services and the prices that restaurants charge for their services. Your assistance in this research will really be appreciated.

Should you have any queries, please do not hesitate to contact the researcher, Francois Grobbelaar (084 680-6144).

As the questionnaire is anonymous, please answer the questions as honestly as possible. It should not take longer than 7 minutes to complete. **Please answer all the questions.**



### SECTION A

Indicate answer by means of a (X) in the appropriate block

#### 1. Age in years

Younger than 19	1
20 - 29	2
30 – 39	3
40 - 49	4
50 - 59	5
60 - 69	6
70 and above	7

#### 2. Your gender

Male	1
Female	2

**3. Do you receive an entertainment allowance from your employer?**

Yes	1
No	2

**4. Gross monthly individual income before deductions**

R2500 or less	1
R2501 – R4500	2
R4501 – R6000	3
R6001 – R8000	4
R8001 – R11 000	5
R11 001 – R16 000	6
R16001 – R30 000	7
R30 001 and above	8

**5. Highest academic education achieved**

Secondary school lower than Grade 12	1
Matric/ Grade 12	2
Degree/ diploma	3
Post graduate qualification	4
Other qualification Please specify .....	5
.....	

**6. Please indicate which ONE of the following reflects your occupation best:**

Legislators, senior official and managers	1
Professionals	2
Technicians	3
Clerks	4
Service, shop and market sales workers	5
Craft and related trade workers	6
Plant and machine operators	7
Factory workers	8
Other	9

If other, please specify:

\_\_\_\_\_

**6.1 How many times have you made use of a restaurant service in the western suburbs of Johannesburg during the past 3 months?**

1	2	3	4	5	More than 5
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**SECTION B**

**Instructions**

Please evaluate the following statements and indicate whether you agree/disagree with the statements.

If you **strongly agree** with the statement circle the number 7 or if you **strongly disagree** with the statement, circle the number 1.



	Strongly disagree	Disagree	Disagree somewhat	Neutral	Agree somewhat	Agree	Strongly agree
1 A restaurant must charge low prices	1	2	3	4	5	6	7
2 It is important that the restaurant charges a fair price	1	2	3	4	5	6	7
3 The prices charged are not at all important	1	2	3	4	5	6	7
4 The prices charged by the restaurant is the most important reason for my visiting this restaurant	1	2	3	4	5	6	7
5 At an accepted level of service, the price charged is more important than an increased level of service	1	2	3	4	5	6	7
6 A high level of service quality is important.	1	2	3	4	5	6	7
7 Although prices are high, I'll go to a specific restaurant because of the good quality service	1	2	3	4	5	6	7
8 A high quality of service is more important than a reasonable price	1	2	3	4	5	6	7
9 Whether I'll return to a restaurant will be greatly influenced by the quality of service that I have experienced	1	2	3	4	5	6	7
10 Whether I'll return to a restaurant will be greatly influenced by the reasonableness of the prices charged	1	2	3	4	5	6	7

## SECTION C

Please rank the following statements in order of importance (**1 = most important, 5 = least important**).

The single most important consideration in your choice of a restaurant is.....

The ability of the restaurant to perform the promised service accurately and dependably	
The willingness of the staff to assist customers and to provide prompt service	
The knowledge and courtesy of the staff	
Personalised or customised service that makes customers feel unique and special	
Appearance of the restaurant, the equipment and the staff	



## SECTION D

### Instructions

Please evaluate the following statements and indicate whether you agree/disagree with the statements.

If you **strongly agree** with the statement circle the number 7 or if you **strongly disagree** with the statement, circle the number 1.



**Please evaluate the restaurant that you have visited most recently or where you are currently at. This restaurant .....**

	Strongly disagree	Disagree	Disagree somewhat	Neutral	Agree somewhat	Agree	Strongly agree
1. has staff members who are clean, neat and appropriately dressed	1	2	3	4	5	6	7
2. has a décor in keeping with it's image and price range	1	2	3	4	5	6	7
3. has a visually attractive menu that reflects the restaurant's image	1	2	3	4	5	6	7
4. has a dining area that is comfortable and easy to move around in	1	2	3	4	5	6	7
5. has dining areas that are thoroughly clean	1	2	3	4	5	6	7
6. serves you in the time promised	1	2	3	4	5	6	7
7. quickly corrects anything that is wrong	1	2	3	4	5	6	7
8. is dependable and consistent	1	2	3	4	5	6	7
9. provides an accurate guest check (bill)	1	2	3	4	5	6	7
10. serves your food exactly as you ordered it	1	2	3	4	5	6	7
11. during busy times has employees shift to help each other maintain speed and quality of service	1	2	3	4	5	6	7
12. provides prompt and quick service	1	2	3	4	5	6	7
13. makes extra effort to handle your special requests	1	2	3	4	5	6	7
14. has employees who can answer your questions completely	1	2	3	4	5	6	7
15. makes you feel comfortable and confident in your dealings with them	1	2	3	4	5	6	7
16. has personnel who are able and willing to give you information about menu items, ingredients and preparation	1	2	3	4	5	6	7
17. makes you feel personally safe	1	2	3	4	5	6	7
18. Has personnel who seem well trained, competent and experienced	1	2	3	4	5	6	7
19. seems to give employees support so that they can do their jobs well	1	2	3	4	5	6	7
20. has employees who are sensitive to your needs and wants rather than always relying on policies & procedures	1	2	3	4	5	6	7
21. makes you feel special	1	2	3	4	5	6	7

