

CUSTOMERS SATISFACTION AND SERVICE QUALITY TOWARDS FOOD OUTLETS: AN OVERVIEW OF AVAILABLE LITERATURE

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ABSTRACT: Customer satisfaction is the result of the correlation between a customer's assumption and a customer's feelings. By way of explanation, customer satisfaction is identified as the distinction between assumed quality of service and the customer's involvement or feelings after having perceived the service. Customer satisfaction depends on such dimensions as assurance, responsiveness, reliability, empathy and tangibles, and further components such as personal, price and situational factors that may arise as the service quality (Bateson & Hoffman 2000). *Food service* industry is large and encompasses those places, institutions and companies that are responsible for any food or beverage preparation outside the home. These vary from expensive hotels and restaurants to less expensive outlets such as fast food outlets, street food vendors, food services in canteens /cafeterias in schools, colleges, universities, industries, offices as well as flight and railway catering. Food service industry may also be referred to as 'catering' industry. Food is prepared centrally at one place, but it is distributed to several remote areas for final preparation and service, since the food production centre and the service areas are located in separate facilities. Hence, a food distributor is necessary to ensure that the food is supplied to the various outlets. For example, there are chains of outlets like Coffee Day, Barista, etc. where the basic food items like ice cream, milk, cookies etc. are supplied from a centralised kitchen. When a customer orders a milk shake, it is prepared as per the flavours and other ingredients, toppings, etc. are added as per the customer's wishes. The advantages are that all ingredients can be purchased in bulk (saves money), there is no need for separate equipment and personnel to cook the food in each unit. Uniformity of quality of products for all units can be assured and it is cost effective.

Key words: REVIEW OF LITERATURE, CUSTOMERS SATISFACTION, SERVICE QUALITY, FOOD OUTLETS

INTRODUCTION

According to indeed.com (2020), customer satisfaction determines whether consumers are happy with the products or services offered to them by the company. Customer satisfaction is directly linked to customer retention and companies' sustainability. Measuring customer satisfaction provides data on how a company will perform in the future while measuring sales indicates the company's performance in the past or present. Lumoa (2020) suggests that there are several reasons why customer satisfaction is of great importance for any organization: (1) Retaining customers is much cheaper than acquiring new ones, (2) Reputation is powerful, (3) It is a crowded marketplace, (4) Customer satisfaction busts growth, (5) Customer satisfaction improves employee morale. Considering all this it is safe to say that it is crucial for companies to monitor and improve customer satisfaction.

The food outlets business is a good example of a business that depends heavily on high customer satisfaction and retention. According to Walker (2011), food outlet specially restaurants can be divided into several categories (although sometimes one restaurant can fit into several categories): (1) Quick-service restaurants, (2) Family restaurants, (3) Casual restaurants, (4) Dinner houses, (5) Ethnic restaurants, (6) Fine-dining restaurants. This thesis will focus on customer satisfaction in burger restaurants in Helsinki. Burger restaurants are a good example of restaurants that can fit into different restaurant categories.

However, the burger industry is not presented by fast-food chains exclusively. There has recently been a rise of mid-range burger restaurants, which use high-quality ingredients and share the backstory of products that they get from local farms. Nixon (2018) in her blog states (based on an American study) that 3 out of 5 customers find it important to know where the beef of their burger comes from. This approach allows them to sell burgers for a significantly higher price, than fast-food restaurants, as 40% of customers are willing to purchase burgers with "premium" ingredients at a slightly or even significantly higher price. The demand for white meat in burgers is also on the rise in America. 46% of customers wished there more chicken burgers and 42% of clients wanting more turkey burgers (Nixon, 2018).

REVIEW OF LITERATURE

Food outlets has been extensively studied over the past three decades and continues to be studied, given the many scientific publications devoted to it from the 1990s (FAO, 1990; Delisle, 1991; Bricas, 1993; Canet, 1997) to those of the years 2020 (Albuquerque et al., 2020; Kouamé et al., 2020; Meva'a, 2020; Soula et al., 2020; Ferrari et al., 2021; Koffi, 2021). In a context of rapid urbanization of cities and faced with financial constraints, time, regular means of travel and the professional requirements of the

populations, street food seems to be imposed on them, with both its advantages and its disadvantages. This review of the literature is being carried out within the framework of the thesis work in progress, the theme of which is “problem of food and nutritional practices of urban populations in precarious neighborhoods of Côte d’Ivoire: case of the municipality of Port-Bouët”. It aims to analyze the various studies dealing with street food in certain countries around the world and should highlight aspects insufficiently studied for further study. This will involve 1) defining street food, 2) justifying the persistence of this activity, 3) presenting the players in this sector and 4) the foods sold with their nutritional values, 5) their costs, 6) all exposing the health and environmental risks associated with this business, 7) without forgetting to explore its regulations.

Many studies have been conducted examining service quality, food quality and customer satisfaction constructs in different settings in different countries, for example the healthcare industry (Yeşilada & Direktör, 2010), the automobile repair services sector (Izogo & Ogba, 2015), the hotel industry (Dedeoğlu & Demirer, 2015), retail settings (Anselmsson & Johansson, 2014; Omar, Shahrudin, Jusoff, & Ali, 2011), tourism industry (Debata, Patnaik, Mahapatra, & Sree, 2015; Al-Tit & Nakhleh, 2014), the gaming industry (Wu, 2014), the telecoms and cellular sector (Ahmed et al., 2010; Ali, Rehman, Yilmaz, Nazir, & Ali, 2010; Omotayo & Joachim, 2008), public transport (Kumar, 2012), the banking sector (Malik, 2012) and hair care services (Jeon, Dant, & Gleiberman, 2014), as well as the food industry (Marinelli, Simeone, & Scarpato, 2015; Wang, 2015; Kafetzopoulos, Gotzamani, & Psomas, 2014; Bujisic, Hutchinson, & Parsa, 2014; Jang & Ha, 2014; Wettstein, Hanf, & Burggraf, 2011). The results of these studies have confirmed the significance of relationships between these constructs. However, little attention has been paid to investigating how to improve customer satisfaction by enhancing service quality and food quality

One of the most important findings of Parasuraman, Zeithaml and Berry (1994) study is that service quality can be assessed by comparing the expectations of customers against their perceptions of the actual service experience. That is, service quality is an outcome of the difference between service expectations and customer perceptions of actual service performance (Naik, Gantasala, & Prabhakar, 2010; Yeşilada & Direktör, 2010). Izogo and Ogba (2015) argued that service quality leads to enhanced customer satisfaction and loyalty as a result of several factors. They added that SERVQUAL is one of the best measures of service quality. SERVQUAL is an instrument for measuring the dimensions of service quality proposed by Parasuraman, Zeithaml and Berry (1988). As noted by Santouridis and Trivellas (2010), service quality is measured using this instrument as the gap between customer expectations and

perceptions, characterized by five dimensions: tangibles, reliability, responsiveness, assurance and empathy. Not all studies adopting this instrument use the same dimensions (Dedeoğlu & Demirer, 2015). However, Hui and Zheng (2010) argued that SERVQUAL is one of the most effective and stable models for measuring service quality. In terms of the dimensions, according to Parasuraman, Berry and Zeithaml (1991, p. 338), tangibles concern the appearance of physical facilities, equipment, personnel and communication materials. Reliability is the ability to perform the promised service dependably and accurately. Responsiveness represents willingness to help customers and prompt service. Assurance stands for the knowledge and courtesy of employees and the ability to inspire trust and confidence. Finally, empathy relates to the caring, individualized attention the firm provides its customers.

Studies conducted to investigate restaurant service quality have used three main dimensions of service quality: food quality, physical environment (ambience) and employee service (Dutta, Parsa, Parsa, & Bujisic, 2014; Ryu, Lee, Kim, & Woo, 2012). For this study, it was possible to measure the physical environment and employee service using the SERVQUAL instrument as it contains relevant dimensions covering these constructs. Ryu et al. (2012) highlighted the importance of food quality as a measure of customer satisfaction in the restaurant industry. As a result, five aspects of food quality were adopted from Ryu et al. (2012), namely: the food is fresh, the food is delicious, the food is nutritious, there is a variety of menu items and the smell of the food is enticing. Qin and Prybutok (2009) explored the potential dimensions of service quality and examined the relationships between service quality, food quality, perceived value, customer satisfaction and behavioural intentions in fast-food restaurants and pointed out that food quality has a positive and direct influence on customer satisfaction.

Customer satisfaction in services has been defined as the degree to which service performance meets or exceeds the customer's expectations (Kumar, 2012; Lombard, 2009; Santouridis & Trivellas, 2010). Hui and Zheng (2010) defined satisfaction as an evaluative judgment of a specific transaction resulting from perceived quality. On the other hand, Danesh, Nasab and Ling (2012, p. 142) defined customer retention as "the future propensity of a customer to stay with the service provider". According to them, customer satisfaction is not the only variable that influences the retention of customers. Ramakrishnan, (2006, cited in Molapo & Mukwada, 2011, p. 52) defined customer retention as the marketing goal of preventing a customer from switching to another competitor. Edward and Sahadev (2011, p. 33) stated that "customer retention indicates customer's intention to repurchase a service from the service provider". They used customer retention as a measure of the customer's intention to stay loyal

to the service provider. For them, service quality and customer satisfaction are important antecedents of customer retention.

Ahmed et al.'s (2010) research revealed a significant and positive relationship between the service quality dimensions (tangibles, reliability, responsiveness and assurance) and customer repurchase intention. Ali et al. (2010) concurrently indicated that better service quality has a significant impact on consumer satisfaction. Omotayo and Joachim (2008) examined the construct of customer intention by investigating the chain of events in retention from the customer satisfaction and customer service perspectives. Their findings revealed that the higher the level of service quality, the higher the levels of customer retention. Ahmad et al.'s (2010) study investigated the impact of service quality delivered by cellular companies on customer retention and found that service quality has a positive and significant relationship with customer retention.

Sing Pratima (2015) conducted a study on the differences in consumer beliefs and attitudes toward three fast food restaurants namely Domino's, Pizza Hut and McDonalds and found that customer attitude toward each fast food restaurants differs in Gwalior region. In another study, Priyadharsini S. (2014) exposed that because of the trend of nuclear family, raise in income level, raise in employment level of women and advertising were the strategies which leads Indian consumers to get attracted towards fast food.

The food outlets industry in Malaysia is facing increasingly competitive challenges as with other industries around the world. The present study identifies the key determinants of customer satisfaction in fast food outlets and the current perceived service quality level amongst young, university students in Malaysia. The study also attempts to identify significant relationships between customer satisfaction and customers purchase intentions. The study successfully tests five dimensions viz., assurance -which is found to be the strongest determinant of customer satisfaction towards fast food restaurants (FFRs) followed by responsiveness, reliability, tangibility and empathy. The results also supported the contention that customer satisfaction can lead to customer purchase intentions. Recommendations to FFRs and discussions for future studies have particularly gave me strong directions to my study (Sulek et al. 1995). Churchill (1982) customer satisfaction towards food outlets has overall reaction of expectation of consumption with a product or service on the base of perception, evaluation and psychological reaction. According to Kottler (2000) Satisfaction is the sum of attributes of product or service.

Kurniawan (2010) customer satisfaction can change over the period of time; it is a dynamic process. The individual perception about the products or services performance Leads to customer satisfaction. In the

present day's retail business, ensuring customer satisfaction in delivering the right product and service to the end-users is the major concern for the future growth of the organization. In the present study an attempt is made to find out the customer satisfaction during purchase in retail outlets based on customer survey.

S Das Prasun, 2009 Literature on customer satisfaction is voluminous and spans several areas such as marketing, management and accounting. For example, numerous papers use the ACSI (American Customer Satisfaction Index) to study customer satisfaction at the company, industry and macroeconomic levels. This paper focuses only on customer satisfaction studies that are related to retailing and does not survey the literature that studies the design of satisfaction survey instruments, as there is no control over survey design. The basic tenet of this research stream is that higher service quality improves customer satisfaction, resulting in better financial performance, although the mechanisms by which this improvement happens vary.

Iacobucci et al. (1994, 1995) provide precise definitions of service quality (food outlets) versus customer satisfaction. They contend that service quality should not be confused with customer satisfaction, but that satisfaction is a positive outcome of providing good service.

Ittner and Larcker (1998) provide empirical evidence at the customer, business-unit and firm-level that various measures of financial performance (including revenue, revenue change, margins, return on sales, market value of equity and current earnings) are positively associated with customer satisfaction. However, in the retail industry they find a negative relationship between satisfaction and profitability which may be because benefits from increased satisfaction can be exceeded by the incremental cost in retail.

During the age of modern age everybody has seen that business is rapidly growing day by day and concerning with business there are always two parties called buyers and sellers, and buyers are concerned with quality, and sellers are always concerned with money. Today's world is dependent on business end engagements in at least three major activities. On this regards, many scholars have argued over this matter and said that the first activity is production, which involves making a product or providing a service. The second is manufacturing, where firms create products finally, customers purchase to satisfy needs, whereas service firms use the skills of employees to offer activities and assistance to satisfy customer needs. (Burrow & Everard 2004.) In the same sense Hernon (2001) argues that satisfaction and service quality provide a conceptual framework that should prove useful in understanding, thinking, and talking about service quality and customer satisfaction, what they are, how they are shaped, and how a subject can evolve to both internal, controllable forces and external, uncontrollable factors.

Restaurant customers are generally composed of individuals from different cultural, ethnic and economic backgrounds and most of whom have definite and conflicting restaurant preferences (Akinyele, 2010). As such, they have different characteristics; hence, they tend to use different criteria in selecting restaurants (Chung & Kim, 2011). A deeper understanding of consumers' selection criteria will provide restaurateurs with valuable information and insights which enable them to attract and retain more consumers (Jang & Namkung, 2007).

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