

Factors Affecting Customers Satisfaction in Restaurants Industry in Pakistan

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Abstract

The purpose this study is to investigate, compare and evaluate the determinants of the customers satisfaction in fast food industry. Quality service, price, environment are used as an independent variables and customers satisfaction use as dependent variable. The research is quantitative in nature and random sampling technique has been used for data collection through a questionnaire survey and the sample size for this study was 100. Data have been analyzed through correlation and, multiple regressions.

Key Words: *Customers satisfaction, Service Quality, Price.*

Introduction

In today's competitive market services within the same industries become increase and due to this reason services industries differentiate the delivery of the services and product create positioning through the different communication channels (Wallin Andreassen, 1998).

As for as services are concerned there is more need to be focused while marketing services offerings to the other region or nation. There must be some controls over it because it has to be marketed finely and keeping in mind the culture and customs of other nation. Services can be best offered by understanding the need of international market and the trends of people about the services there. There might be a need of changing some rules or offering while moving from one country to another. Services should be designed according to the requirement of the customers.

If we talking about the product quality and quality in services people are more care full to choose the healthy product and also require the better environment. In food industry people are eating out often but they are increase saving the income and then use it for the better food and better environment. Customers are the key elements for any business because if you have no customer then you have no business because

any business through the customers ,so for the any business it necessary to build the customers for the business as well as build the close relationship because it is necessary to develop strong brand in market. Customer satisfaction is the one element which can measure the business worth as well as business growth so the customer satisfaction is very important in any business because it can lead your business in profit side or loss side. It is not necessary every time satisfy your customer because different customers use the product in different style, speak different about the product but the most dangerous thing is the word of mouth because you cannot stop every person even you provide the best product but they still argue that product is not good sometime (Khan 2012).

The purpose of this to investigate the different elements which affect the customer's satisfaction or which can increase the customer satisfaction, such like promotion is one variable through which you can enhance the satisfaction level in promotion through personal selling and public relation ,advertising. According to the (Khan & all., 2012) promotion of product and services is helps to build the relationship with customers. As well as it is necessary that check the customer needs and wants and according to that requirement made different products. (Athanasopoulos, (March 2000).)Such like others factors (price, quality in service, environment) which affect the customers satisfaction.

Objectives of the study

- The first objective is to determine the different variables which affect the customer satisfaction.
- The second objective is to the price of products in different restaurants
- Third objective is to determine whether the quality directly affect the customer satisfaction.

Literature Review

Research related to the consumer satisfaction and behavior in the field of food industry has progress in upcoming years and also measured the dimensions of customer's satisfaction. Customer satisfaction is increase with the experience of that service in which they involved. In restaurants industry the delivery of product is become more imperative because customers are more careful about the health and restaurants environments.

Customers Satisfaction

According to Deng et al., (2009) Customer satisfaction is becomes the most important part in the business field because when your customer is satisfied then it will provide the profitable business to the industry. Basically customer's satisfaction is term which means that how customers predict about your product after the use of a specific product and how they evaluate your product in single manner and compare with the competitors' products. The customer satisfaction is customer's evaluation of goods and services in term of whether it is according to the customer's requirements or it is dissatisfied the customer's needs and wants. Actually customer's satisfaction is the customer's evaluation of goods and services in term of whether it is according to the customer's needs and wants or customers dissatisfied with the product services or the dissatisfied with the performance of the products and not according to expectation of customers and sometime customers more satisfied if products performance is beyond with their expectations.(Kotler P. &, 2012).and if one aspect of product and services is not meets the customer's satisfaction then they can be dissatisfied with the overall performance. So for the food variable, it involves the price, quality, and value of money. For the service variable, it includes the staff quality, behavior, and attitude and for the restaurants it also involves the decoration and atmosphere. Customer satisfaction is the present performance of the product or services which are providing to it on a specific time or on that time when customers are using to it. (Gustafsson et al. 2005). Some of the research said that customer satisfaction is key element to build the brand for the long time as well as develop the brand image of the company with in short time. It

can be long term and costly process to satisfy the customer but if companies gain it then it will provide the long term relationship between customers and company brand as well as provide the more profitability. (Eshghi, Haughton and Topi, 2007).

Outcomes of the customer satisfaction

There are different results which are occurs due to customers satisfaction such like loyalty and word of mouth.

Loyalty

Customer loyalty is the behavior of the customer towards purchase the same product or services from the same supplier or same service provider which lead to the customers towards satisfaction. And the offering different packages to the customers lead the customer satisfaction and build loyalty.

Word of Mouth

Word of mouth is the term defined as the informal way to communication with the friends or service provider about the product or service. Positive word of mouth can build the strong relationship between potential customer and providers as well as it play the important role in the promotion of the product and develop positive image in the society.(Day, 1977).so positive word of mouth is directly influence the customer satisfaction because it is related loyalty of existing customers as well as the new arrivals. (Hennig et al, 2002).

Determinants of Customer Satisfaction

There are different variables which are influence on the customers satisfaction directly or in indirectly.

- Services quality.
- Price.
- Environment of restaurants.

In Pakistan hotel industry product and service quality, price and environment are recognized as an assets and customers are willing to pay more for these attributes. Quality such as food material service providers to customers is very important because its affects the customer mind which develop the satisfaction for the specific product. The other element fair price which is charging for the specific product directly related to the customer satisfaction. And in Pakistan price is that variable on which most of the customers are take the alternative decision for purchasing. At the end environment for that element customers are willing to pay more price for the product because in Pakistan most customers are satisfy only for the environment of the hotel.so now a days in Pakistan the trend of branded and well-furnished hotel are growing to the customers demand and they are bearing more and more price for that type of environment.

Price

Price is the key element in the customer satisfactions in hotel industry because in Pakistan most of the customers on the price of the brand then further purchase it .according to the different research price of any product can build and can be down the standard of the brand. (Turel et al. 2006).price is playing a vital role in the customer satisfaction because the charges of the product directly affect the customer, so if it is affordable then customers satisfy it and willing to purchase the product again and again in future. (Gustafsson et al. 2005). Price fairness is lead to the customer satisfaction because price is that element which directly customers are paying for particular product which they are availing against the price. So for

the customer satisfaction the service provider must focus on the charges of the brand which they are providing to the customers.

Service Quality

The hotel industry in Pakistan service quality there are different things which are directly and indirectly related to the customer satisfaction such as the taste of product which are highly matter to customer satisfaction because due to taste customers are choose the specific restaurant and willing to come for the furthers purchase and also become the word of mouth for the potential customers. If we talk about the service provider then it must be in a standard form because customers are paying extra for these services. (Kim, Park and Jeong, 2004). And the good behavior of the service providers develops the positive relationship and impression on the customers which take the lead toward customer satisfaction. (Soderlund and Rosengren, 2008).

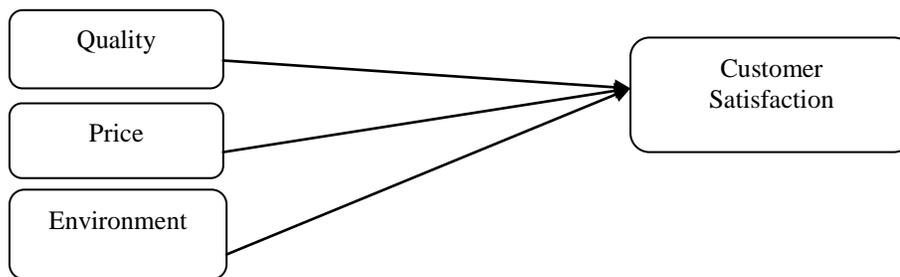
There are some dimensions of service quality through which you can measure the service quality known as SERVQUAL model such as the

- Credibility which is the value and worth that a customer gives to your service.
- Reliability is the fulfillment of the company’s promise of their service.
- Responsiveness is rating of interest in solving the problems of the customers by company that how abruptly a company response to his customers.
- Empathy to ability the understand customer feeling and resolve the customer problems.
- Tangible is the physical existence of employees to share and provide the accurate services.(Parasuraman et al., 1988).

Environment

The last variable which is influence the customer satisfaction is the environment of the restaurant because in Pakistan there is developing the concept of branded and well-furnished restaurants due to the growing literacy rate and betterment in the economy. According to the Lim (2010) the atmosphere of the restaurant is influence the customer satisfaction such like music, setting arrangement, decoration these are things which create the positive image of the restaurant in the mind of customers.

Research Model



Description of Independent and dependent variables:

In above model there are different variables which directly and indirectly affect the customer satisfaction in services ,such like the independent variables are services quality, price, environment and the customer satisfaction is the dependent variable which change due to these independent variables because the customer satisfaction rely on these variables. There is the link between the service quality and the

satisfaction because the satisfaction arises from a process of perception and the expectation if the perceive care fall down from the expectation then the likely result dissatisfaction and on the other hand if it fulfill the expectation then it increase level of satisfaction, and the other factors also increase and decrease the customer satisfaction level as well as the positive relationship between quality and the customer satisfaction increase the productivity of others variables.

Hypothesis of the study

(Kurniawan, 2010).There is positive relationship between service quality and the customer satisfaction.
(Skindaras, 2009).Price and customer satisfaction have a positive relationship.
(Lim, 2010).(Chang, 2000).Environment and customer satisfaction have a positive relationship.

Methodology

The two most familiar types of research are the qualitative and quantitative research, for this study use the quantitative research because this type of research provides the accuracy of data such as; (Daniel, 2011).The important reason to use the quantitative it eliminate the bias. This research also filter out the external factors and if well designed it provide unbiased and the actual results.

Data Collection Method

The research data gathered via survey with a questionnaire. Survey research technique is used to gather the information from sample of people because survey has an advantage of gathered the information is quick, in expenses, efficiency and accurate means of gather the information about the population and random sampling is used for the data collection. The total population is about 450 and the sample I have selected from the population is 100 and from this 50% data collect from professionals and remaining from students.

Operationalization

Table 1 Customer Satisfaction

Variable	Elements	Operational definition	Questions
Service quality	Reliability -	Ability to perform the Promised service dependably and accurately.	1. Are the customers satisfied with the performance of staff?
Price	Responsiveness	Willingness to help customers and provide prompt service;	2. Improvement in quality of support staff affects the customer satisfaction?
	Cost		3. The expenses of the hotel are according to the services.
Environment	Infrastructure (structure and facilities)	Environment and variety in services.	4. The building structure of the hotel affects the customers.
	Technology	Technology with respect to production of fresh product.	5. Is the internal environment of the hotel directly affects the customers.
			6.The availability of new machine for the production

Data Analysis Methods

In this study use the different methods such like correlation, regression which shows the relationship of dependent and independent variables as well as show the positive and negative relation between variables .Descriptive statistics showed the demographic factors such as age, income, profession of the respondents.

Results of the Study

There are two demographics factors one is the gender and second one is age. Two value are assigned to gender 1 is for male and 2 for female. And in age factor minimum value is 1 and maximum is 5. The table is shown that the more data is collected from male and the average age is between 24 to 32 years.

Reliability

First analysis the reliability of data, so the reliability assessments were based on the internal consistency of the items representing the same dimension of customer satisfaction as well as the overall scale. The reliability analysis develop with Cronbach's Alpha was found to be .740 for the total items which describes that all items have a positive relationship with each other's.

Correlation Analysis

Table 2:Correlation

		price	quality_service	environment
Price	Pearson Correlation	1	.463**	.659**
	Sig. (2-tailed)		.000	.000
	N	100	100	100
quality_service	Pearson Correlation	.463**	1	.655**
	Sig. (2-tailed)	.000		.000
	N	100	100	100
Environment	Pearson Correlation	.659**	.655**	1
	Sig. (2-tailed)	.000	.000	
	N	100	100	100

** . Correlation is significant at the 0.01 level (2-tailed).

The correlation coefficient (r) which shows the different relationship between variables such like positive relation, negative relation between variables as well as also show that there is no relationship between variables because there are not correlate to each other's. The value of relationship between price and the quality service is .463 and the significance value is .000 which shows that there is moderate relationship between these variables and on the other hand there is positive and strong relationship with environment and service quality because the value of these variables .659 shows the high intense relation.

Regression Analysis

The role of regression analysis is shows the relationship between dependent and independent variables means that if the above three independent variables change then there must be change in independent variable according to the dependent variables.

And the Durbin Watson analysis shows that there is no auto correlation between the variables because the value of Durbin Watson is 1.271 if the value is above from 2 then auto correlation exists between variables.

Table 3: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.599	.340		4.704	.000
Price	-.102	.122	-.125	-.840	.404
Service quality	.485	.102	.705	4.762	.000
Environment	.115	.104	.114	1.113	.002

In the table 3, we check the standardized coefficient variable and the significance value of the variables In this table service quality and environment is significant related to the customer satisfaction with the value of .000 and .002 only price is showing the insignificant value. Under the standardized coefficients it is prove that service quality has the highest value as compared to others variables, so it shows that it is more important factor for customer satisfaction. And the second most important factor causing customer satisfaction is the environment with the standardized coefficient of .114.

Conclusion

In all business or organization customer satisfaction is most important factor or issue and it is consider as a more valid and reliable feedback from the customers about your business and for the goodness of any business customer satisfaction play a vital role in the market field, and to measure the customer satisfaction different variables are select in the study such like price, quality in service and the environment of the restaurants ,and through different analysis it is concluded that there is positive and significance relationship between these variables and the customers satisfaction.

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