SERVICE QUALITY AND CUSTOMER SATISFACTION: A STUDY OF RESTAURANTS IN VAVUNIYA DIVISIONAL SECRETARIAT

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ABSTRACT

Service quality is important to the service supplying organizations including the restaurants. The restaurateurs should consider more about quality of their services. Then, they can compete with their competitors successfully. The service quality is the key ingredient for every customer. That kind of importance for service quality should be given by the restaurateurs. Customer is the key person who describes the quality. Restaurateurs should give their services according to the customers' requirements. If customers get quality services from the restaurants, they will come to those restaurants to get their services again. It will help to restaurateurs to improve their customer base and they can improve their position in the market. The main objective of this study is to identify the relationship and impact of service quality with customer satisfaction of the Restaurant industry in Vavuniya Divisional Secretariat. The five dimensions in SERVQUAL model identified by Parasuraman et al., was used as independent variables - Tangibility, reliability, responsiveness, assurance and empathy- and Customer satisfaction is considered as the dependent variable in this study. 100 customers are randomly selected from the 05 restaurants in Vavuniya Divisional Secretariat and the data were collected from the selected customers in the restaurants. The data were entered in SPSS 20 package. The correlation and regression analysis were used in the present study. The finding of the present study indicated that the service quality and customer satisfaction has positively correlated, the overall service quality has highly impact on customer satisfaction, and the dimensions of service quality has association with customer satisfaction.

INTRODUCTION

Now a day, the restaurant industry is becoming more profitable one. Most of the businessmen are trying to involve in restaurant industry. Because of the globalization, the world becomes competitive. Every person is busy with their working life. So, in most of the times, they wish to get their meals from restaurants. When the customers get the meals from the restaurants, they expect good quality from them. If the restaurants can't give quality services, the customers will not satisfy with their services. Restaurants always should try to give quality services to their customers. Services are unlike products, because of their different and unique characteristics including intangibility, inseparability, heterogeneity and perishability (Zeithaml et al., 1985).

The businesses who are providing the services should understand about quality well. The quality is such an important characteristic or feature of something that makes some differentiation in your product and stands you remarkable in terms of competitive advantage (Takeuchi, 1983).

The restaurateurs are facing to so many problems when they provide services. Restaurants should have trust with their services. They always should give quality services to their customers.

They should have skilled and friendly employees for giving quality services to their customers. Some restaurants have skilled employees but they have not interpersonal skills. Some restaurants have friendly employees but they are not skillful. The owners and employees of the restaurants should understand about the service quality. They should consider about the activities which lead to high service quality. In present, the restaurants have more demand for their

services. Most of the people are willing get the services from the restaurants. So, the restaurants should consider about service quality than before. If the restaurants give quality services, they can satisfy the customers well and they can face to the competition without any fear. Hence the research question of the present study is, how does the service quality effect on customer satisfaction of restaurants in Vavuniya Divisional Secretariat?

Objectives of the study

The objectives of the present study are to:

- analyze the relationship between service quality and customer satisfaction.
- Examine the impact of service quality and customer satisfaction.
- Discuss that which service quality factor has higher association with the customer satisfaction.

This study considers SERVQUAL model of service quality (Parasuraman et al.1988) - Tangibility, Reliability, Responsiveness, Assurance, and Empathy as independent variables and customer satisfaction as dependent variable.

LITERATURE REVIEW

Service Quality

Parasuraman et al., (1985) defined the service quality model based on gap analysis. According to this model, managing service quality is concerned with managing the gaps between expectations and perceptions on the part of management, employees and customers. The service quality gap is the most important gap in this model. It reflects the overall difference between expected and perceived service. They introduced SERVQUAL model for measuring this gap. The SERVQUAL model was made of ten dimensions of service quality when created; tangibles, reliability, responsiveness, communication, credibility, security, competence, courtesy, understanding the customer, and

access (Parasuraman et al.,1985). Later, they reduced these ten dimensions in SERVQUAL model to five dimensions. These five dimensions are responsiveness, reliability, assurance, tangibility and empathy (Parasuraman et al.,1988). This measurement of service quality is based on both on how consumer evaluates the service delivery process and the outcome of the service, (Parasuraman et al., 1985).

According to study carried out by Ladhari (2009), it is recommended that the SERVQUAL model is a good scale to use when measuring service quality in various specific industries but that it is appropriate to choose the most important dimensions of this model that fit to that particular service being measured in order to assure reliable and valid results. The five dimensions in the SERVQUAL model have been defined in various ways. These are tangibility, reliability, responsiveness, assurance and empathy.

Grönroos, (1984) has defined perceived service quality as: The outcome of an evaluation process where the customers compare their expectations with the service they have received. Perceived service quality has been defined as customer's judgement or attitude relating to the overall excellence or superiority of the service (Zeithaml, 1988). The determinants of service quality are complicated with the dynamic business environment (Pun and Ho, 2001). The researcher can identify that the determinants of service quality are vary according to the various business environments.

Service quality is important to the service supplying organizations including the restaurants. The restaurateurs should consider more about quality of their services. Then, they can compete with their competitors successfully. Petkova et al., (2000) explained that the service quality is the key ingredient for every customer. That kind of importance for service quality should be given by the restaurateurs. Restaurateurs should give their services according to the customers' requirements.

If customers get quality services from the restaurants, they will come to those restaurants to get their services again. It will help to restaurateurs to improve their customer base.

Finally, they can improve their position in the market. According to the study which was conducted in South Africa regarding the sit-down restaurants, Through customer surveys restaurateurs are able to determine service quality perceptions of patrons and improve on those aspects that lag behind the rest (Petzer and Mackay., 2014). Pay attention to service quality can help the organization to catch competitive edge (Boshoff and Gray, 2004).

Customer Satisfaction

Normally, Customers have some expectations. When they get the goods or services, they consider about those expectations. If the goods or service provider can't meet their expectations, the customers will not satisfy. In the restaurant industry also, the customers expect quality services from the restaurateurs. If they provide quality services to them, they will get satisfaction. Customer satisfaction is the internal feelings of every individual which may be satisfaction or dissatisfaction resulting from the assessment of services provided to an individual in context to customer's anticipation by an organization (Oliver, 1980).

Customer satisfaction can be defined in terms of meeting the expectations of the customers in terms of parameters associated with satisfaction (Malik and Ghaffor, 2012). Restaurants should meet the expectations of customers by considering about the service quality.

Kotler (2000) defined satisfaction as: "a person's feeling of pleasure or disappointment resulting from comparing a product's perceived performance (or outcome) in relation to his or her expectations".

Oliver (1981) gives the definition of satisfaction as," it is the summary psychological state resulting when the emotion surrounding disconfirmed expectations are coupled with the consumer's prior feelings about the consumption experience". Gronroos, (1984) explained that the satisfaction is wide concept and is impacted by many factors. Specially, in the restaurant context, customer satisfaction is impacted by service quality dimensions considerably. If the customers get more satisfaction from a restaurant, they always try to get services from that restaurant. Then, they become as loyal customers of the restaurant. It will help to the restaurant to get more profit. Finally, they can get competitive advantage in the market.

Customer satisfaction should measure correctly to get the clear knowledge about the customer satisfaction of the restaurants. If the restaurants identify the customers' satisfaction level correctly, they can identify their weaknesses and can improve their services as get more customer satisfaction. Oliver (1997) proposed his own formal definition: "Satisfaction is the customer fulfillment response. It is a finding that a product or service malfunction, or the product or service itself, provides a pleasing level of utilization related fulfillment." (Andaleeb and Conway, 2006) described that the customer is the final arbiter of how much to spend and where, when and what to eat.

Ziethaml and Bitner (2003) described that the satisfaction is the customer's evaluation of a product or services in terms of whether the product or service has met the customer's requirements and expectation. Satisfaction is, in part, the totality of the purchase situation relative to expectations (Westbrook and Oliver, 1991).

Customer expectations come from consumption experiences which form personal benchmarks for him to assess customer satisfaction (Gilbert and Veloutsou, 2006). Always, restaurants should consider about satisfaction of

their customers. Otherwise, they will lose their customers. Unhappy customers tend to complain to other potential customers and thus discourage them from patronizing the restaurant (Hunt et al., 1988).

Achieving customer satisfaction is the primary goal for most service firms today (Jones and Sasser, 1995). Service satisfaction is a function of consumers' experience and reactions to a provider's behavior during the service encounter; it is a function of the service setting (Nicholls et al., 1998). Hansemark and Albinsson (2004) explained that "satisfaction is an overall customer attitude towards a service provider, or an emotional reaction to the difference between what customers anticipate and what they receive, regarding the fulfillment of some need, goal or desire". By considering about the restaurant industry in Bahawalpur, Butt and Murtaza, (2011) stated that satisfaction is at the heart of every restaurant service provider. So, the researcher can identify that the measuring customer satisfaction is necessary for the restaurateurs. Then only, they can give quality services to the customers as get more customer satisfaction.

Service Quality and Customer Satisfaction

Service quality and customer satisfaction are interrelated concepts. If the organizations consider more about the service quality, they can get more customer satisfaction. In the restaurant industry also, when giving services, restaurateurs should consider about service quality dimensions which are affect to their service quality. Then, they should make some strategies to attract and retain customers by giving quality services. Cronin and Taylor (1992) explained that the concept of service quality should be the customers' attitudes towards the service, as the concept of satisfaction is defined as a gap between expectations and performance. Parasuraman et al., (1985) described that the service quality has been seen as critical for the success of organizations because of its close link with customer satisfaction especially in the service

industry. Zeithaml and Bitner (2003) defined that the service quality is one of the major determinants of customer satisfaction.

Although satisfaction and service quality are close in meaning; they are distinct. Perceived service quality was explained as a form of attitude and a long-run overall evaluation of a product or service, while customer satisfaction was considered as a transaction-specific evaluation (Parasuraman et al., 1988).

Employees are important to give quality services to the customers for getting more customer satisfaction. Customers' satisfaction and customers' perceptions of service quality are significantly influenced by the attitudes and behaviours of service employees (Parasuraman et al., 1988).

Successful encounter will depend on the individual service deliverer being able to interpret the requirements of customers and use their discretion in personalizing the service and meeting individual customer needs (Surprenant and Solomon, 1987). The customer also assesses the overall service of the restaurant as how the employees deal with customers, do they have enough knowledge about the product they are delivering. (Butt and Murtaza, 2011). Further they have suggested that the promised services, willingness to help and competency are effective elements of service provide that creates high satisfaction in restaurants. They have described that the customer when makes the choice of a particular restaurant, he desires all kind of service and a positive behaviour.

Based on the above literature survey following hypotheses were derived for analyzing the data.

The hypotheses are;

Hypothesis 1: There is a positive relationship between service quality and customer

satisfaction.

Hypothesis 2: The Service Quality has positive impact on customer

satisfaction.

Hypothesis 3: There is an association between service quality and the customer satisfaction

RESEARCH METHODOLOGY

Sampling Technique

The sample was derived from Hotels Industry in Vavuniya District. There are five hotels are providing good services to the customers in Vavuniya District.100 customers are randomly selected from the 05 restaurants in Vavuniya Divisional Secretariat. For this study purpose 40 females and 60 males' customers were selected from the selected sample.

Data Collection

For the purpose of collecting data, the questionnaire was prepared and issued among the customers. The potential customers who are visiting to the Hotels were identified with the help of Managers of the Hotels. Questionnaire consists of customers' profile, the variables consist of service quality and customer satisfaction.

Method of data analysis

The collected data were analyzed by using Statistical Package for Social Sciences (SPSS 20.0). Correlation and coefficient of the independent and dependent variable were measured in the present study. The values of correlation and coefficient are between -1 and +1. A correlation coefficient of +1 indicate that two variables are perfectively related in a positive linear sense, correlation coefficient of -1 indicate that two variables are perfectively related

in a negative linear sense, and a correlation coefficient of 0 indicate that there is no relationship between two variables.

Reliability and Validity test

In order to understand whether the questions in the questionnaire all reliably measure the same latent variable from "strongly disagree to strongly agree" reliability analysis can be used. Cronbach's Alpha is the most common measure of internal consistency when we have multiple Likert questions in a questionnaire. If the Cronbach's Alpha value is more than 0.7, the questionnaire is more reliable. The Cronbach's Alpha of the present study is .893. It is more than the standard value. The following table shows the reliability of the questionnaire of the present study.

Table 1: Reliability Statistics

Cronbach's Alpha	N of Items
.893	32

The Kaiser - Meyer - Olkin measure of sampling Adequacy test was used to measure the validity of the present study. The value (.880) of the KMO and Bartlett's test is significant in this study. It indicated that the sampling adequacy of the present study is supported. The KMO and Bartlett's test is indicated in the Table 2.

Table 2: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.880
Bartlett's Test of Sphericity	Approx. Chi-Square	1075.893
	df	231
	Sig.	.000

Descriptive analysis

The descriptive analysis of the present study indicated in the Table 3.

Table 3. Descriptive analysis

Description	Frequency	Percentage
Gender		
Male	40	40.0
Female	60	60.0
Age		
Under 18	4	4.0
18 – 30	45	45.0
31 – 45	36	36.0
Above 45	15	15.0
Income Level		
< 25000	37	37.0
25001 - 30000	30	30.0
30001 - 40000	24	24.0
40001 - 50000	6	6.0
>50001	3	3.0
Civil Stages		

Single	40	40.0
Married	60	60.0
Occupations		
Employees (Public)	14	14.0
Employees (Private)	50	50.0
Own Business	12	12.0
Retired People	2	2.0
Housewife	10	10.0
Students	12	12.0

Source: Survey Data

The descriptive analysis was indicated in the Table 3. It expressed that 60% of the customers are female and 40% of the customers are Male in this study and 60% of the people are married customers. 45% of the customers are in the age group of 18-30.

This age group is higher than the other age group people to prefer to take food in the restaurants and the second highest age group people are 31 – 45 (36%). Based on the income level the 37% of the customers' earnings are < 25000/=, 30% of customers' earnings are 25001 to 30000, 24% of customers have the income level 30001 to 40000. Further People those who are employed in Private Sectors mostly preferred to visit to the restaurants to take food items and enjoy their pleasure time.

Hypothesis 1: There is a positive relationship between service quality and customer satisfaction.

For testing the Hypothesis 1 the correlation analysis is used in this study. The correlation analysis of the service quality and customer satisfaction is indicated in the Table 4.

Table 4. Correlation analysis

	Tangibility	Reliability	Responsiveness	Assurance	Empathy
Customer Satisfaction	$.675^{**}$	$.717^{**}$	$.699^{**}$	$.761^{**}$	$.779^{**}$
Significance	.000	.000	.000	.000	.000

Based on the above analysis, the relationship between Empathy and customer satisfaction has higher relationship than other factors. Assurance has the second higher relationship with the Customer satisfaction. According to the results the Hotel Industry in Vavuniya District provides good assurance to their customers. Customers of the Hotel Industries have more reliability. Finally, the results indicated that factors of Service quality have positive relationship with the customer satisfaction in the Hotel Industry in Vavuniya District. Hence the Hypothesis 1, There is a positive relationship between service quality and customer satisfaction, is accepted.

Hypothesis 2: Service Quality has positive impact on customer satisfaction.

For testing the Hypothesis 2, the Regression analysis is used to identify the impact of service quality dimensions on customer satisfaction of restaurant industry in Vavuniya District. The following Table 5 describes the model summary to identify the model fitness. Model indicated that the adjusted r^2 is

0.733. It shows that the customer satisfaction is explained by service quality dimensions from 73%.

Further the result indicated that the service quality has significant effects on customer satisfaction (β= .917, p<.01). Therefore, hypothesis H2, Service Quality has positive impact on customer satisfaction in hotel industry is accepted. It is illustrated in the Table 6.

Table 5: Model Summary

Model		quare	usted quare	. Error of Estimate
1	64ᵃ	7	3	1

a. Predictors: (Constant), empathy, tangibles, reliability, responsiveness, assurance

Source: Survey Data

Table 6:Regression results of Service quality and Customer satisfaction

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		Beta	Std. Error	Beta		
1	(Constant)	.248	.187		1.325	.188
	Service quality	.917	.055	.861	16.785	.000

a. Dependent Variable: customer satisfaction

Significant at 0.01 levels.

Source: Survey Data

Hypothesis 3: There is an association between service quality and the customer satisfaction.

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The above hypothesis has been tested with the Pearson's Chi square test. The details are illustrated in the Table 7.

Table 7: Pearson Chi Square Test

Quality Dimensions	χ^2	Df	P Value
Tangibility	8.390	4	0.078
Reliability	28.55	4	0.000
Responsiveness	43.47	4	0.000
Assurance	48.15	4	0.000
Empathy	58.51	4	0.000

Source: Survey Data

From the above table, it has been inferred that Tangibility has association with the customer satisfaction at 10% significant level at 4 degrees of freedom and other quality dimensions has association with the customer satisfaction at 1% level at 4 degrees of freedom. Hence the hypothesis 3, there is an association between service quality and customer satisfaction is accepted.

CONCLUSION AND RECOMMENDATION

The main objective of the present study is to analyze the effect of service quality on the customer satisfaction in the Hotel Industry in Vavuniya District. The result indicated that the service quality has positive relationship with the customer satisfaction of the Hotel Industry. But the empathy has positive significant relationship with the Customer satisfaction than the other dimensions. The service quality has positive impact on the customer satisfaction at the 91.7%. The findings of the present study supported with the objectives of the study. Based on the results of this study, the customers of the Hotel industry in Vavuniya District are highly satisfied by the quality services provided by the Hotels. The research only focused the customers in Vavuniya.

It should be expanded to other districts and the researcher will focus the customer satisfaction in the small scale restaurants in the future study.

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