

An Empirical Study of Customer's Satisfaction towards Service Quality in Quick Service Restaurant (QSR) in Delhi & NCR.

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Abstract:-

The concept of quick service restaurants (QSR) refers to those restaurants which usually offer fast food, take away and also those places which offer ready to eat food at lesser or reasonable prices. For the growth of quick service restaurant in the long term it is very important that it should be perceived as providing enough value for money to its consumers. For doing the same it is very important that the one must understand the various factors that influence the consumers for choosing a quick service restaurant. A lot of research has been done in the past on the consumer buying behavior and consumer perception towards the product and services being offered. However the purpose of conducting this research is to focus on quick service restaurant industry and more specifically identifying factors like variety of food, price, quality of service and food and many more that have a major impact on the selection of restaurant and their satisfaction. This research will be beneficial to the concerned policy makers and management to identify the communication gap between customer's expectations and service provider's offering and take leverage by delivering the desired quality products.

Key Words:- Quick Service Restaurant, Service Quality, Hospitality, Customer's Satisfaction, Customer Perception

Introduction:-

Our country especially the metros are flourishing with a new restaurant from time to time. The customers are now much more aware about online ordering, door step delivery of food of their choice, reward points, cash back, and online ratings are some of the benefits which are offered by the restaurants and can also be treated as motivational factors for selection of QSR. With the changing time the quick service restaurant are becoming more popular. Confirming the revenues, National Restaurant Association of India (NRAI) released the 3rd installment of their Indian Food Services report stating some big numbers. This report is a compilation of statistics and results which had been acquired after interaction with over 50 CEO's and surveys conducted in 20 cities of India covering more than 2000 people. The report stated that the current restaurant market in India is worth over 3.09 Lakh Crores in 2016 and will contribute almost Rs 22,400 Crore by way of taxes in the current year. The report also stated that the food market of the country directly employs more than 5.8 million as of 2016. The 2nd installment of the report came out in 2013 and the food market has seen a growth of almost 7.7% since then. Apart from the current scenario, the future of the food sector of India seems to be soaring as well. As per the reports, the food services will be valued at almost 5 Lakh Crores in 2021, witnessing a Compound Annual Growth Rate (CAGR) of 10%. Also, by 2021 the restaurant sector will contribute almost 2.1 percent to the nation's GDP. United nation economic and social commission for Asia predicted that by 2020 50% of total population would be urban; half of that population would be from Asia. So fast food companies have been taking it as an opportunity to serve to Asian countries like India,

Pakistan. "Food in globalized world" has concluded that food is a means of life but it has become meaningful investment for business (Ragavan2003).

Literature Review:-

Ali et al. (2010) found that improving customer relationship could provide an edge for fast food retailers in India provided they are able to manage and formulate new marketing tools and practice to facilitate greater customer satisfaction and better overall experience.

Kotler (2009) Stated that core purpose of any fast food retailer must be related to providing value for money to its customers and employ advanced marketing & communication channels to strengthen the overall marketing campaign.

Goyal & Singh (2007) have culminated that the young customers visit fast food channels for fun and change. In data monitor's (2005) survey fast food market is defined as sale of food & drinks for immediate consumption either on the premises or on designated areas shared with other food service operators or for consumption elsewhere.

Ali et al. (2010) found that improving customer relationship could provide an edge for fast food retailers in India provided they are able to manage and formulate new marketing tools and practice to facilitate greater customer satisfaction and better overall experience

Gupta (2003) found that customer perception, taste & satisfaction develop more favorable consumer behavior towards particular brand than any other factor.

In another study by Cronin et al. (1992), the study examined the relationships between service quality, consumer satisfaction, and purchase intention. Their findings proved that perceived service quality can greatly affect customers' satisfaction.

Individuals also dine out for different reasons (Lundberg & Walker, 1993). The findings from a study of Auckland consumers on restaurant selection suggested that the majority of Indian dined out for social and special occasions.

Rationale of study:-

After reading previous research done in this area the researchers found that there are many studies which are based on SERVQUAL model. In the current scenario the SERVQUAL model still covers the entire service quality mechanism; therefore it can be considered the benchmark model. The previous studies have also been focusing on many other aspects of service quality, keeping SERVQUAL model a base. As the coverage of the hospitality sector is expanding fast, the researchers wanted to conduct the research in order to know the gap between customers' expectation and product delivery in the selected Hotels operating in Metropolitan cities.

Objective:-

1. To understand the impact of different factors in customer satisfaction.
2. To understand the perception of customers of QSR in terms of service quality.
3. To understand the impact of demographics in customer's satisfaction of QSR.
4. To understand the consumption pattern in QSR.

Hypothesis:-

1. There is a significant relationship between gender and customer satisfaction based on service quality.
2. There is a significant relationship between marital status and customer satisfaction based on service quality

3. There is a significant relationship between age and customer satisfaction based on service quality.
4. There is a significant relationship between income and customer satisfaction based on service quality.
5. There is a significant relationship between total customer satisfaction and different components of service quality

Research Methodology:-

The data used for the present study is primary in nature. In order to collect primary data, self-administered questionnaire was used. The questionnaire was administered to about one hundred and forty six people and out of which one hundred five responded correctly and completely. The respondents included 80 males and 25 females. The survey was carried out at few selected QSR (Quick Service Restaurants) of Delhi & NCR during one month period from February to March 2017. Convenience sampling and simple random sampling approach were adopted in order to collect the primary data. The questionnaires were handed over personally to different people who visited restaurants. Out of the 146 questionnaires distributed, a total of 105 questionnaires were received as duly filled. The questionnaire was divided into two parts, first part was based on demographic information and second part was based on the five components of SERVQUAL model. The SERVQUAL model is based on the following components.

- a) Tangibility
- b) Reliability
- c) Responsiveness
- d) Assurance
- e) Empathy

Results and Discussions:-

Demographic Profile of the Sample Respondents

Table-1

Sl. No.	Demographic Variables	No. of respondents (n-105)	Mean	Stand. Dev.	Percentage
1	Age Between		2.48	4.229	
	20-30	41			52%
	31-40	29			36.2%
	41-50	19			4.8%
	51-above	16		7%	
2	Gender	80	1.24	.428	76.2%
	Male				
	Female	25			23.8%
3	Marital Status	51	1.5143	.50219	48.6%
	Married				
	Unmarried	54			51.4%
4	Occupation	28	2.44	1.278	26.7%
	Salaried				
	Self Employed	37			35.2%
	Retired	16			15.2%
	Student	14			13.3%
	Housewife	10		9.5%	

6	Income				
	20000-30000	29	2.15	.998	27.6%
	31000-40000	47			44.8%
	41000-50000	13			12.4%
51000 & above	16	15.2%			

Results and Analysis:-

1) Gender and Customer Satisfaction

H1: There is a significant relationship between gender and customer satisfaction based on service quality.

Table no. 2 One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
Gender	105	1.24	.428	.042
TCS	105	18.6667	3.62329	.35360

One-Sample Test

	Test Value = 0					
	T	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Gender	29.645	104	.000	1.238	1.16	1.32
TCS	52.791	104	.000	18.66667	17.9655	19.3679

T-test was conducted to test the potential gender differences in customer satisfaction independent sample using gender as an independent variable, and customer satisfaction as the dependent variables. It was found that there is a significant difference between customer satisfaction levels of male and female faculty members. The finding of T test shows that t statistic was significant ($p = .000 < 0.05$) and hence it may be concluded that male and female faculty members do differ in terms of their satisfaction.

2) Marital Status and Customer Satisfaction

H2: There is a significant relationship between customer's marital status and customer satisfaction based on service quality.

One Sample t-test – Marital Status and Customer Satisfaction

Table no. 3, One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
TCS	105	18.6667	3.62329	.35360
Marital	105	1.5143	.50219	.04901

One-Sample Test

	Test Value = 0					
	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
TCS	52.791	104	.000	18.66667	17.9655	19.3679
Marital	30.898	104	.000	1.51429	1.4171	1.6115

To test the significant marital status differences in customer Satisfaction independent sample t-test was conducted using Marital Status as an independent variable, and customer satisfaction as the dependent variables. It was found that marital status has no significant influence upon customer satisfaction. The finding of T test shows that t statistic was not significant ($p = .000 > 0.05$) and hence it may be concluded that married and unmarried people do not differ in terms of their satisfaction.

3) Age and customer Satisfaction

H3: There is a significant relationship between age and customer satisfaction based on service quality.

Table no. 4 ANOVA- Age and Customer Satisfaction

ANOVA							
Age							
			Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	(Combined)		9.931	16	0.621	2.091	0.016
	Linear Term	Unweighted	0.163	1	0.163	0.549	0.461
		Weighted	1.231	1	1.231	4.147	0.045
		Deviation	8.7	15	0.58	1.953	0.028
Within Groups			26.126	88	0.297		
Total			36.057	104			

The ANOVA result ($p = 0.016 > 0.05$) shows that null hypothesis is accepted and there is no significant difference in the customer satisfaction level between respondents in different age groups.

4) Income and Customer Satisfaction

H4: There is a significant relationship between different Income categories and customer satisfaction level based on service quality.

Table no. 5 ANOVA- Income and Customer Satisfaction

ANOVA							
Income							

Table no. 5 ANOVA- Income and Customer Satisfaction

		Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	(Combined)	15.287	16	0.955	0.952	0.514
	Linear Term	0.098	1	0.098	0.098	0.755
	Weighted	2.352	1	2.352	2.345	0.129
	Deviation	12.936	15	0.862	0.86	0.61
Within Groups		88.274	88	1.003		
Total		103.562	104			

ANOVA test was carried out between income categories and customer satisfaction. The insignificant ANOVA result ($p=0.154 > 0.05$) shows that there is no significant difference in the customer satisfaction level between respondents having different Income categories.

Table no. 6 Correlations Analysis between Total Customer Satisfaction and SERVQUAL

H5: There is a significant relationship between total customer satisfaction and SERVQUAL components

Table No. 6 Correlations

Variables	TCS	Tangibility	Reliability	Assurance	Responsiveness	Empathy
TCS						
Pearson Correlation	1	.132	.093	-.038	.476**	.839**
Sig. (2-tailed)		.179	.343	.701	.000	.000
N	105	105	105	105	105	105
Tangibility						
Pearson Correlation	.132	1	.288**	.195*	-.016	.136
Sig. (2-tailed)	.179		.003	.046	.868	.168
N	105	105	105	105	105	105
Reliability						
Pearson Correlation	.093	.288**	1	.459**	.144	.113
Sig. (2-tailed)	.343	.003		.000	.142	.251
N	105	105	105	105	105	105
Assurance						
Pearson Correlation	-.038	.195*	.459**	1	.012	-.119
Sig. (2-tailed)	.701	.046	.000		.901	.225
N	105	105	105	105	105	105
Responsiveness						
Pearson Correlation	.476**	-.016	.144	.012	1	.494**
Sig. (2-tailed)	.000	.868	.142	.901		.000

N		105	105	105	105	105	105
Empathy	Pearson Correlation	.839**	.136	.113	-.119	.494**	1
	Sig. (2-tailed)	.000	.168	.251	.225	.000	
N		105	105	105	105	105	105

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

From the table no. 6 analysis of the relationship between total customer satisfaction and different components of SERVQUAL model can be done. The correlation coefficient came out to be .132 ($r=.132$) with the significance level of .179 ($p=.179$). This shows that there is a significant positive and moderate correlation between tangibility and customer satisfaction. Hence, null hypothesis (H_0) is rejected as this relationship is significant ($p<.05$).

Another correlation coefficient came out to be 0.93 ($r=0.93$) with the significance level of .343 ($p=.343$). Hence, null hypothesis can be accepted. So, it can be concluded that there is no significant relationship between these two variables reliability and customer satisfaction.

From the table no. 6 analysis of the relationship between assurance and customer satisfaction can be done. The correlation coefficient came out to be .038 ($r=.038$) with the significance level of .701 ($p=.701$). Hence, null hypothesis can be accepted. So, it can be concluded that there is no significant relationship between these two variables.

The table no. 6 shows the relationship between responsiveness and customer satisfaction. In this case the correlation coefficient comes out to be .476 ($r=.476$) with the significance level of .000 ($p=.000$). Hence, the null hypothesis can be accepted. So it can be analyzed that there is a moderate, positive but insignificant relationship between responsiveness and customer satisfaction.

The table no. 6 also shows the relationship between empathy and customer satisfaction. In this case the correlation coefficient comes out to be .839 ($r=.839$) with the significance level of .000 ($p=.000$). Hence, the null hypothesis can be accepted. So it can be analyzed that there is a moderate, positive but insignificant relationship between empathy and customer satisfaction.

Conclusion:-

Customers are the valuable assets of any organization. The study was carried to examine the relationship and the impact of different factors of service quality and their impact on customer satisfaction in quick service restaurants. The results of the study proved that most of the components of SERVQUAL were both variables were positively related with each other. The moderate, positive but significant relationship was found between tangibility factor and customer satisfaction. So it can be interpreted customers are happy and satisfied from the tangible components of QSR. The correlation analysis of the study variables revealed that customer satisfaction was positively and significantly correlated with responsiveness and empathy factors of SERVQUAL model whereas other two dimensions of model viz., reliability and assurance were not significantly related with customer satisfaction. Thus the organization should be focused on the insignificant dimensions (reliability and assurance) of SERVQUAL model in Quick Service Restaurants.

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