MANAGING CUSTOMER SATISFACTION IN THE RESTAURANT INDUSTRY: A WORD FROM MANAGERS

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Abstract: The present paper studies managers' perception of factors that influence customer satisfaction in the restaurant industry and their attitudes towards conducting a research on customer needs. In particular, we studied the managers' perception of the importance of restaurant experience elements of customer satisfaction. The research involved 50 restaurant managers in Serbia. Through descriptive and ANOVA analysis, we differentiated two main profiles of restaurant managers in terms of age and professional education. Also, we found through LSD Post hoc test statistically significant difference among managers in regards to customers' needs data collection. Restaurant managers need to obtain education in the hospitality industry and to pay more attention to customer needs in order to provide quality service.

1. Introduction

Customer satisfaction is probably one of the most interesting and important topics in scientific papers related to management, customer expectations and service quality. It certainly represents every company's main purpose and goal. As markets almost constantly shrink, restaurants are trying to boost customer satisfaction and keep their current customers. Developing strategies for attracting new customers is highly dependable on manager's education, experience and devotion. The claim that getting new customers costs five to eight times more than holding on to current ones, might be another reason why restaurants rarely invest in such marketing strategies. Furthermore, researchers have found that the total cost of bringing a new customer to a comparable level of profitability to that of the lost customer is approximately sixteen times greater (Lindgreen et al., 2000).

Restaurants that realize the importance of knowing the customers' expectations put their needs and desires at the center of marketing research and its business activities. Research conducted in order to obtain the necessary information is imperative in the highly competitive market environment. Growing competition in the restaurant industry and the increasing importance of customer patronage affect the need to provide better service and satisfy consumers (Ladhari et al., 2008).

If restaurants manage to collect relevant information about their customers, they will be able to provide quality service to the guests and thus contribute to greater customer satisfaction. In other words, customer satisfaction management is based on knowledge of their expectations. Moreover, balancing customer perceptions and expectations is the key factor in satisfaction management.

This study includes a research on the managers' perception of the importance of restaurant experience elements for customer satisfaction.

2. Literature Review

Numerous studies reveal that many determinants play an important role in customer satisfaction management. Studies conducted by Lee (2004) and Qu (1997) have shown that some of those determinants are food quality, service quality, cleanliness, restaurant atmosphere, convenient location, quick service, and reasonable price and value, which also implicate revisit intentions.

According to other published papers (Addis and Sala, 2007; Wall and Berry, 2007), restaurant environment and its visual appearance affect the level of acceptability of prices, overall satisfaction and loyalty. Boshoff and Gray (2004) investigated in their study whether superior service quality and customer satisfaction affect loyalty. The results reveal that service quality impact

positively on loyalty and cumulative customer satisfaction. Wakefield and Blodgett (1996) examined the effects of restaurant accessibility, aesthetics, seat comfort and cleanness, and concluded that perception of physical surroundings significantly affects customer satisfaction. Furthermore, Kotler (1973) states that customer satisfaction does not depend only on tangible determinants but also on intangible such as a pleasant atmosphere.

Although it is known that in the hospitality industry human factor is the most important element of quality service, application of technological innovations clearly facilitates the work of the staff, and contributes to a better quality of service and consumer satisfaction. Ansel and Dyer (1999) found in their study that use of information technology in restaurants has four important roles: cost reduction, better management of employees and revenue, and most importantly, improving competitive advantage and the ability to adapt to specific guests' requirements. Other studies show that satisfied customers become more likely to re-purchase or shop, which then increases company profits (Gupta et al., 2007), become repeat purchasers of products or services and provide family or friends with positive feedback regarding their experience (Gibson, 2005). Customer satisfaction can also affect customer loyalty, organizational profits, return patronage, complaint behaviors and word of mouth communications (Stevens et al., 1995; Soriano, 2002). Soriano (2002, p. 1065) also noticed that: ''Restaurant failures are partly a result of management's lack of strategic orientation in measuring and focusing on customer satisfaction''. Therefore, the role of restaurant managers can be described as a core element of running a restaurant business successfully. The gap between what managers think is important for customers and what customers think themselves can be bridged by research using a questionnaire. A useful instrument (SERVQUAL) for this purpose is developed by a group of authors and explained in depth (Zeithaml et al., 1990). Another instrument, specially constructed for restaurant industry by Stevens et al. (1995) is DINESERV. These instruments represent a powerful tool for managers who can use it to determine customers' expectations and perceptions.

Analyzing the published studies, the authors noticed a certain lack of research on the linkage between restaurant managers' profile and their perception of customers' expectations.

3. Methodology

The main material of this study is the data obtained from a questionnaire based research conducted in August 2013 in Novi Sad in Serbia. Fifty restaurant managers were interviewed and asked to fulfill the questionnaire. The answers were analyzed and summarized using SPSS 17.0 software. In the first place, managers were asked to allocate a total of 100 points among the five features

according to how important each feature is to customers by their opinion (the more important a feature is to the manager, the more points they should allocate to it).The original point allocation instrument for managers (Zeithaml et al., 1990) was used in this research. Secondly, managers were asked to express the level of agreement for each of the four statements related to marketing research orientation using the 5 point Likert scale (1 – absolutely disagree, 5 – absolutely agree). These four statements represent a part of the original SERVQUAL scale for managers constructed by Zeithaml et al. (1990). Reliability was tested and Cronbach's alpha obtained was 0.610. This demonstrates that the questionnaire has a considerable reliability (Nunnally, 1978). In accordance with the aim of this study, the following hypotheses are formulated:

Hypothesis 1: (a) Restaurant managers are poorly educated for work in the hospitality industry, and therefore (b) not capable and ready to be the managers.

Hypothesis 2: Restaurant managers do not recognize service personalization as a tool for product differentiation on the market.

Hypothesis 3: Restaurant managers are more committed to learn what guests expect but what level of service quality they expect.

4. Results

In order to investigate differences in managers' attitudes, we performed a socio-demographic research in the first place (Table 1). The results reveal three important facts: (1) restaurant managers are mainly younger than 40 years (70%), (2) 44% of all managers have only a high school education, (3) 60% of all managers do not have professional education in hospitality. In other words, managers are younger people with poor professional or general education, which confirms hypothesis 1a.

Table 1 Managers' Profile

Age	Frequency	Percentage	Experience in hospitality	Frequency	Percentage
21-30	7	14	1-5	4	8
31-40	28	56	6-10	16	32
41-50	15	30	11-15	14	28
Education	Frequency	Percentage	16-20	12	24
			>20	4	8
High school	22	44	**Professional education in hospitality**	Frequency	Percentage
Bachelor or Diploma	27	54	Yes	20	40
Masters Degree	1	2	No	30	60

In this regard, Lolli (2013) states that younger managers are generally not prepared for their work in terms of communication skills, especially when it comes to subordination (vertical communication). Most young managers (novice) do not have good communication skills (English et al., 2007) and the same goes for those who have just graduated from college. Based on these findings, it can be concluded that younger and people without adequate education are not the best choice for the restaurant manager's position. Thus, the hypothesis 1b can be accepted.

The lack of necessary professional education and experience in this field, leads to expected results shown in Table 2. The feature "*The appearance of the restaurant's physical facilities, equipment, personnel, and communication materials*" got the highest scores among the five features presented. Based on those scores, it is possible to conclude that managers pay far more attention to restaurant physical appearance (23.5) than to individualized attention (16.36). In contrast to these findings, other studies (Soriano, 2002) show that restaurant customers rated place/ambience of the restaurant as the least important attribute after food quality (most important), service quality and cost/value of the meal. Many studies have confirmed the importance of the aesthetics and pleasant atmosphere in the restaurant business (Liu and Jang, 2009; Wall and Berry, 2007) its influence on, guests' expenditures (Baker et al., 1992), duration of stay (Gueguen and Petr, 2006) etc., but personal attention provided by restaurant employees is the key factor in providing a high quality customer service. By managers' opinion, the knowledge and courtesy of the restaurant's employees and their willingness to help customers are less important than aforementioned physical appearance.

Table 2 Points Allocation

Statements	Points allocated (average)	Minimum of points allocated	Maximum of points allocated
The appearance of the restaurant's physical facilities, equipment, personnel, and communication materials	23.5	10	50
The restaurant's ability to perform the promised service dependably and accurately	22.3	10	70
The restaurant's willingness to help customers and provide prompt service	18.24	5	30
The knowledge and courtesy of the restaurant's employees and their ability to convey trust and confidence	19.61	5	35
The caring, individualized attention the restaurant provides its customers	16.36	5	30

n=50

In order to achieve satisfaction among costumers, managers must be familiar with their needs, which imply the provision of personalized service (friendly staff who knows the guest's preferences). In this regard, Maričić (2006), states that creating a value and customer satisfaction is the core of modern marketing practices. Achieving solid contact with customers by meeting their expectations and providing personalized services makes it a model for acquiring loyal guests. This means that a restaurant can offer a service that is unique and also perceived by consumers as the best option. According to this and the results shown in Table 2, the hypothesis 2 can be accepted.

Standardization in the hospitality industry is one of the latest trends but providing a personalized service, as an opposite action, is crucial for differentiation, supreme quality service and guests' satisfaction and loyalty. Therefore, those two opposite processes must be performed simultaneously. By using analysis of variance ANOVA (Table 3), an existence of statistically significant correlation between the dependent variables is examined (activities towards collecting information from the customers) and independent variables (socio-demographic characteristics of respondents).

Table 3 Analysis of Variance ANOVA According to the Age Structure of Respondents

Items	Means			F-value	LSD Post hoc test
	age group 1 21-30	age group 2 31 - 40	age group 3 41-50		
We regularly collect information about the needs of our customers	4,4286	4,3571	3,8000	5,586*	3 <1, 2
We rarely use marketing research information that is collected about our customers (-)**	4,8571	4,5357	4,2000	2,625	-
We regularly collect information about the service-quality expectations of our customers	4,1429	4,4286	4,0667	1,630	-
The managers in our company rarely interact with customers (-)**	4,5714	4,5714	4,3333	0,585	-

$p < 0,01$
***Statements with a (-) sign at the end are negatively worded and therefore they were reverse scored*

The results of the one-way variance analysis indicate that there are statistically significant differences ($p < 0.01$) between age groups regarding the first statement. Furthermore, LSD Post-hoc test was conducted in order to

examine those differences in depth. The results of LSD Post-hoc test show that the oldest respondents (age group 3) are less likely to conduct a research about customer needs than younger respondents. In other words, younger restaurant managers (age groups 2 and 3) recognize the importance of being up to date with dynamic customer needs.

Managers do not perform market research often enough and appropriately (adequate questionnaires). Moreover, they do not know how to turn the data collected from the research into a tool for adequate marketing performance and to improve the quality of services. According to some authors (Narver, Slater, 1990, Han et al., 1998), companies that are marketing oriented should be in a position to "feel" the market (consumer preferences) and on this basis to innovate service that provides superior quality to the consumer. Regarding the importance of marketing research orientation other authors emphasize that the results of the research have great positive impact on service quality, customer satisfaction, staff satisfaction, market share (Agarwal et al., 2003), and the financial performance and profit.

Based on the results shown in Table 3, it can be concluded that marketing research conducted in restaurants is more related to consumer needs rather than the quality of services they expect. These findings confirm hypothesis 3.

When innovating services, managers should take into account whether it is a new service in the restaurant or new service on the market, because only the services that are new on the market have a positive impact on business success (Leskiewicz Sandvik, Sandvik, 2003).

5. Conclusion

Conducted research allowed us to identify a profile of the managers and to determine whether there is a significant difference in their attitude towards market research. Based on these results, it was concluded that managerial positions are mostly occupied by younger people with poor hospitality education. Since managers are the most responsible for successful business activities they should be the most experienced and educated which is not the case in the presented example.

Giving much greater importance to restaurant design and interior in comparison to the restaurant human factor (which is a key factor in delivering high-quality services), and customized service, can be linked to the lack of appropriate education among the managers, lack of regular market research and poor monitoring of trends in this area. Modern consumers are no longer content with the aesthetic component and a fair offer; they want to get the personalized service for which some restaurants are recognizable and thrive on the market.

Therefore, it is unacceptable for managers to give this factor significantly lower rating.

In addition, a surprising fact can be pointed out that older and more experienced managers less frequently conduct research on consumer needs. As a final conclusion, we can say that research on consumer needs is not sufficiently implemented, and that collected data are rarely used to improve the business activities, which is directly related to inadequate education of most managers and their weak perception of customer needs. Furthermore, improvement of service quality and increase of consumer satisfaction cannot be achieved to a proper extent.

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UPRAVLJANJE ZADOVOLJSTVOM GOSTIJU
U RESTORATERSTVU - REČ MENADŽERA

Apstrakt: Rad istražuje percepciju menadžera o faktorima koji utiču na zadovoljstvo gostiju u restoraterstvu i njihove stavove o sprovođenju istraživanja o potrebama gostiju. Posebno je istraživana percepcija menadžera o važnosti elemenata restoranskog doživljaja za zadovoljsvo gosta. Istraživanje je obuhvatilo 50 menadžera restorana u Srbiji. Kroz deskriptivnu i ANOVA analizu, diferencirana su dva glavna profila menadžera restorana prema starosti i stručnom obrazovanju. Takođe, putem LSD Post hoc testa ustanovljena je statistički značajna razlika između menadžera prema orijentaciji ka prikupljanju informacija o potrebama gostiju. Menadžeri restorana moraju steći ugostiteljsko obrazovanje i obratiti više pažnje na potrebe gostiju u cilju pružanja kvalitetne usluge.

Ključne reči: zadovoljstvo gosta, restorani, kvalitet usluge, SERVQUAL, menadžment