

Attributes Associated with Customer Satisfaction in Fine Dining Restaurants and their 'Zones of Tolerance'

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Abstract

This study identifies the attributes of fine dining restaurants that are associated with customers expressing satisfaction with fine dining restaurants. Data was gathered using an online questionnaire. The sampling frame provided by Entertainment Book New Zealand yielded responses from 743 members who visited fine dining restaurants at least once a month. Frequencies, paired sample t-tests, and multiple regression were used to analyse the data. The results of the regression analysis identified seven predictors of overall customer satisfaction. Five attributes with narrow 'zones of tolerance' were detected. The findings suggest there is the potential to utilise the 'zone of tolerance' concept to develop strategic interventions that will enhance customer satisfaction in fine dining restaurants.

Introduction

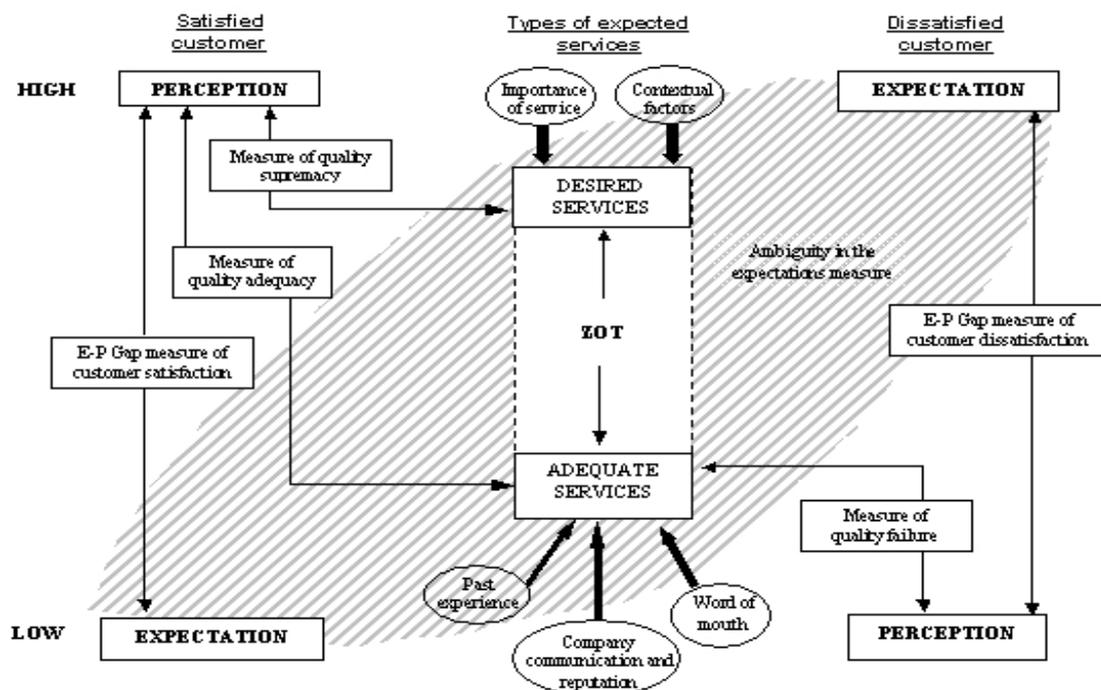
The restaurant industry in New Zealand is a significant contributor to economic development and job creation. In the year 2010, industry sales reached almost \$6.5 billion and employed over 98,000 people in 2009 (Restaurant Association of New Zealand Trends and Research, 2011). However, according to the same source sales in the period 2006-2009 experienced a gradual decline. Furthermore, industry employment declined by 5.5% from 2008 to 2009. This trend was reflected in both the upscale fine dining and casual segments of the market. Many fine dining establishments have downscaled and toned down prices. Thus it is timely, for preservation of the segment, to study attributes that lead to customer satisfaction, which in turn facilitates word-of-mouth promotion. However, there is a dearth of literature that identifies the key attributes of customer satisfaction and their 'zones of tolerance' for fine dining restaurants. Knowledge of these factors will allow the development of strategic measures that encourage revisit intentions among customers. Managing the attributes with narrow 'zones of tolerance' to surpass the adequate standards of expectations is critical to create positive post-dining behavioural intentions. Therefore, the objectives of this study are (1) to determine the key predictors of customer satisfaction in fine-dine restaurants, and (2) to establish their 'zones of tolerance'.

Literature Review

SERVPERF and SERVQUAL are well known measures of services marketing and are used for assessing service quality and other diagnostic purposes (Jain and Gupta, 2004; Lee and Hwan, 2005; Luk and Layton, 2004). Management of service and product quality are critical determinants of customer satisfaction (Abdullah and Rozario, 2010; Evardson, 2005). The significant variables in relation to restaurant services include food quality, price, atmosphere, responsiveness, and cleanliness (Andaleeb and Caskey, 2007). Therefore successful restaurateurs need to identify the explicit link between the performance of these key service quality dimensions and customer satisfaction. Discussions on the role and importance of

expectations on subsequent judgment about service quality have continued for many years, generating controversy and debate (Diaz-Martin *et al.*, 2000; Ojasalo, 2001; Parasuraman, Zeithaml and Berry, 1985; Robledo, 2001). However, researchers have acknowledged the importance of expectations in managing service quality and customer relationships (Ford, 2001; Kalamas, Laroche and Cezard, 2002). Figure 1 presents a conceptual framework that captures the two measures of expectations: high and low expectations, and the two types of expected services: desired service and adequate service. According to Zeithaml, Berry and Parasuraman (1996) the desired service represents a blend of what a customer believes ‘can be’ and ‘should be’ delivered. The other, adequate service, is the minimum level of service a customer will accept. Parasuraman, Zeithaml and Berry (1985) proposed that customers judge the quality of service performance by comparing their expectations with perceptions and this view has been widely accepted. The expectation-perception gap (Figure 1: E - P Gap Measure) is a useful way of measuring service quality of fine dining restaurants. Figure 1 depicts the ‘E-P gap measure of customer satisfaction’ associated with satisfied customers and the ‘E-P gap measure of customer dissatisfaction’ relevant to customers who are dissatisfied. Captured in Figure 1 are the measures of ‘quality supremacy’, ‘quality adequacy’ and ‘quality failure’ which are based on the relationships between customer perceptions and desired or adequate services provided.

Figure 1. A Conceptual Framework for Understanding Measures of Customer Satisfaction and “Zone of Tolerance”



The ‘Zone of Tolerance’ (ZOT) concept proposed that a customer’s service expectations are not confined to a single point (Zeithaml and Bitner, 2000). According to Zeithaml, Berry and Parasuraman (1993) the zone of tolerance represents a range of service between what is ‘desired’ and what is considered ‘adequate’ (Figure 1). Of the two levels of service the ‘desired service’ is more stable than the “adequate service” (Walker and Baker, 2000). The width of the ‘zone of tolerance’ may change in relation to different dimensions of service quality (Gwynne, Devlin and Ennew, 2000). This variation in the width of ‘ZOT’ by individual dimensions is implied by the dotted lines used to draw the ‘ZOT’ in Figure 1. Further the width of the “zone of tolerance” for a particular item, which is a function of its importance to an individual, will not be static for all customers (Gwynne, Devlin and Ennew,

2000; Zeithaml and Bitner, 2000). The importance of a service to a particular individual and the contextual factors that bounds the service recipient determines the ‘desired service’ level (Figure 1). The customer’s past experiences, word-of-mouth communications, and company reputation significantly influence the perceived level of ‘adequate service’. To attract potential customers as a guarantee of future viability it is prudent that fine dining restaurants identify the service quality dimensions with narrow ‘zones of tolerance’ and focus their attention on these.

Method

Members of the Entertainment Book Auckland, New Zealand were provided access to an online questionnaire. 2748 responses were received. Of those, 743 respondents who visited a fine dining restaurant at least once a month were included in the subsequent analysis. Five point importance scales were used to measure the desired and adequate levels of service for attributes concerning ‘employees’, ‘food and service quality’, and ‘atmosphere and other customers’. Respondents indicated their expectations ratings for fine dining and casual dining restaurants separately. The measures for fine dine and casual restaurants benchmarked the ‘desired’ and ‘adequate’ services respectively.

Results of the study

There were 511 female (61.2%) and 232 male respondents (27.8%) in the sample. The majority (503) of respondents were New Zealand European (60.2%), 125 were Asian (15%) and 10 were Pacific Islanders (1.2%). 98 respondents (11.7%) did not disclose their ethnicity. Of the respondents 26.1% were aged between 31-40 years, 22.6% were 51-65 years, 18.8% were 41-50 years, and 17.2% were under 30 years. The smallest group of 35 were 66 years and above (4.2%).

Three regression models were fit to overall customer satisfaction with fine dining. The first used five measures of employee attributes as independent variables. The second used five measures of food and service quality and the third used six measures of atmosphere and other customers as the independent variables. The results are summarized in Tables 1 through 3. Of the five attributes included under the category ‘employee attributes’, two (knowledge of food and beverage; employee grooming) were found to be significant predictors of overall satisfaction (Table 1). The beta coefficient of the predictor variables indicate that of the investigated employee attributes ‘knowledge of food and beverage’ is the most important predictor of overall satisfaction.

Table 1. Results of Regression Analysis: Employee Attributes

Attributes	Beta Coefficients	t-value	p-value
Knowledge of food and beverage	.093	4.223	.000
Employee grooming	.061	2.569	.010

Multiple R = .169; F = 15.403; df (regression) = 5; Sig. F = .000

In the five item regression model ‘food and overall quality’ the two independent attributes ‘presentation of meal offering’ and ‘service quality’ were found to have a significant influence on overall customer satisfaction (Table 2: p-values = .005 and .026 respectively). The Beta coefficients of the predictors suggest that of the five attributes investigated ‘presentation of meal offering’ is the most important predictor of overall satisfaction. Of the

six attributes included in the model of ‘atmosphere and other customers’, three attributes (restaurant is clean, pleasant surroundings and layout/seating in the dining area) were found to be significant predictors of overall satisfaction (Table 3: p-values < .05). Amongst these attributes ‘restaurant is clean’ is found to be the most important predictor (based on the value of Beta coefficients) of overall satisfaction (Table 3).

Table 2. Results of Regression Analysis: Food and Overall Quality

Attributes	Beta Coefficients	t-value	p-value
Presentation of meal offering	.131	2.802	.005
Service offering	.101	2.236	.026

Multiple R = .213; F = 8.815; Sig. F = .000

Table 3. Results of Regression Analysis: Atmosphere and Other Customers

Attributes	Beta Coefficients	t-value	p-value
Restaurant is clean	.078	3.861	.000
Pleasant surroundings	.048	2.186	.029
Layout/seating in the dining area	.056	2.347	.019

Multiple R = .149; F = 9.794; Sig. F = .000

Table 4. Zone of tolerance – Paired Samples t-test Statistics: Attributes with Narrow ‘Zones of Tolerance’

Item	Mean Desired Service	Mean Adequate service	Mean Difference	Sig.
Employees are friendly	4.48	4.18	.30	.000
Employees are courteous	4.55	4.22	.33	.000
Value for money	4.11	4.35	-.24	.000
Is clean and tidy	4.78	4.45	.33	.000
Convenient parking	3.72	3.64	.08	.000

The study identified five dimensions with narrow ‘zones of tolerances’ that are statistically significant (Table 4). The ‘zones of tolerance’ for different attributes were estimated as either large or small based on the value of the mean difference (small less than .35; medium .35-.70; large greater than .70) in paired sampled t-tests and the significance (p-value). The smallest of these is the ‘zone of tolerance’ for convenient parking. However, the low mean values for both desired and adequate services suggest that patrons consider convenient parking as a necessary condition rather than a predictor of satisfaction. It is more likely to be a dissatisfier. The negative mean difference for ‘value for money’ suggests that patrons of fine dining restaurants are prepared to pay more for the quality they seek. Clean and tidy environments, friendly and courteous employees are other attributes with narrow zones of tolerance. The high mean values for desired and adequate levels (Table 4) indicate that these are areas where patrons have high expectations.

Discussion

Fine dining restaurants should use the ‘zone of tolerance’ concept, to plan service improvements after estimation of the customer perceptions of the key service attributes. Restaurateurs should provide urgent attention to those service attributes whose performance

falls outside the 'zone of tolerance'. If performance lies within the respective 'tolerance zones', their relative positions and the width of the zone should be used to guide short and long-term actions for service quality improvements. A service performance will be acceptable only if the perceptions are within the 'zone of tolerance'. It is unacceptable if it is below and superior if above the zone (Zeithaml and Bitner, 2000).

Service providers can manipulate the adequate levels of service (lowering or raising) through clear communications to either extend or narrow the width of the zone of tolerance (Parasuraman, Zeithaml and Berry, 1994). For example, a fine dining restaurant could extend the width of the 'tolerance zone' by lowering the adequate level of service expectations by combining longer waiting time with discounted prices for early dining. Alternatively, to erect entry barriers against competitors, a service provider could raise the adequate level of service expectations and narrow down the zone of tolerance. A fine dine restaurant that provides attractive preset table settings represent a strategy that narrow down the 'zone of tolerance' by raising the adequate level of service expectations.

Identifying the key dimensions of service quality in fine dine restaurants that are key predictors of customer satisfaction allows managers to formulate appropriate strategies that enhance customer evaluation. These enlighten managers about the varied importance customers attach to different dimensions to take prioritized proactive service quality initiatives. Examination of the width of the 'zone of tolerance' of each service quality dimension will enable managers to prioritise the service quality improvement initiatives to avoid potentially unfavourable behaviours which might lead to defections of existing customers. Service dimensions with narrow "zones of tolerance" need more urgent attention than those with a broader width. In this study five out of the 16 items investigated had narrow "zones of tolerance." These are the attributes for managers to concentrate on in order to provide excellent perceived service delivery.

Conclusions

The findings demonstrate the different expectations customers have on the attributes of service quality in fine dining restaurants. Past studies propose that customers judge the quality of service performance by comparing expectations (Parasuraman, Zeithaml and Berry, 1985). Therefore, managers should take care to recognize these variations in the levels of expectation across different dimensions in the allocation of limited resources to alleviate service quality problems. The findings could also be used to resolve service problems when they occur in a cost-effective manner by upgrading the quality of the failed dimension to be within the zone of tolerance. In this study a number of factors related to 'employees', 'quality of food and service', 'atmosphere and other customers' were found to have a high impact on customer's satisfaction. Walker and Baker (2000) suggested pursuing excellence on key service dimensions as a means to achieve greater customer satisfaction. The findings of the survey suggest that managers of fine dine restaurants should give five areas with narrow zones of tolerance particular emphasis. Two of these are related to employee factors, i.e., 'employees are friendly' and 'employees are courteous.' The others are cleanliness, other customers, parking and value for money. In the fine dining restaurant sector, due to seamlessness of service it is difficult to supervise the employees when they are interacting with customers. Therefore, it is highly prudent to establish a service climate and culture that will guide employee behaviour, to meet the expectations of current and potential customers.

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