
**AN EMPIRICAL ANALYSIS OF CUSTOMER SATISFACTION
IN THE RESTAURANTS OF HYDERABAD**

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ABSTRACT

This research paper identifies different variables that affect customer satisfaction in the restaurants of Hyderabad. This study identified 16 indicators of 3 variables, price, quality and service, for customer satisfaction. The research is based on quantitative methods and data was collected from 4 major restaurants, BAR-B-Q Tonight, Lamosh, Royal Taj and Mirchi 360. Questionnaires were designed to collect data from sample size of 80. By using random sampling method 20 samples were selected from each restaurant. The data was analyzed through correlation, ANOVA, and R square interpretations.

Keywords: Quality, Price, Customer Satisfaction, Environment

INTRODUCTION

Restaurant is a service business and it is a place where people pay for sitting and eating meal. This business cannot run until and unless they satisfy their customers (Gerson 1993). Customer satisfaction has been elaborated as an assessment of the performance of service in relation to the demands of customers (Raza, *et.al.* 2015). Satisfaction may occur only when the customers get more than their expectations (Gronroos 2006:67) and as a result old customer retention may increase and make them long term customers (Lim & Wu, 2011). In restaurant sector, the most important factors of satisfaction are food quality, service quality, food service timing, waiter staff behavior (Bateson & Hoffman, 2000).

The aim of this research is to find out the influence of price, quality of food and delivery service impacting on the customer satisfaction in the restaurants of Hyderabad. According to Hyderabad Directory there are 45 restaurants in Hyderabad City from which 4 restaurants namely, Royal Taj, La Moosh, Mirchi 360, BAR-B-Q Tonight, restaurants are selected to study the customer satisfaction as a sample for study.

LITERATURE REVIEW

The restaurant business is rapidly growing faster engendering enhanced customer satisfaction provisions. While customers focus on service, quality and price; the seller only wants to earn money. Customer satisfaction in these establishments depends on the price, quality, service, environment and other factors arising from service quality (Bateson and Hoffman, 2000).

Customers satisfaction is the means to know how customers treat product, how consumes the product and how they figure out the worth, amount or quality of that product and compare with the competitors' products. Customer satisfaction in food service industries has become most vital part in the restaurant businesses because when customer becomes happy it will provide the money that will make business to the industry (Deng *et.al.* 2009). "Satisfaction is the summarized psychological state resulting from the emotions connected with the consumer's prior feelings about the consumption experience" (Oliver 1981). Satisfaction is the current performance and reliability of the product or services which are offered on a particular time or on time period when customers want (Gustafsson *et.al.* 2005). Actually customer's satisfaction is figuring out the worth, amount or quality of products that are bought and sold but in case of services that will meet the customer's expectations.

Customer satisfaction is important to build the brand for a long time as well as develop the brand image of the company within short time. It can be long term and expensive process to make happy by meeting a need or reaching a goal of customer but if the companies get success to accomplish it then it will provide very long term relationship among customers and corporation /company brand as well offers more a money-making state (Eshghi, Haughton and Topi, 2007). Some studies are managed and did to identify the customers' preferences in selection of restaurants. Some factors like quality of food, convincing services given, freshness of food, packaging style, delivery/serving timings, variety of foods, late night offerings, friends gathering, surrounding conditions of restaurant, brand image, cooperation of staff and location of restaurant have also been identified in previous different studies. In these different studies numbers of factors are identified which produce happen the customer decision about restaurant selection. One of the reasons of this study is to identify the highly effective factors that influence the customer's selection of restaurant. For this purpose all the previous factors identified by different researchers are taken into account and to find out other factors, which are still undiscovered, that also affect the customer's

satisfaction (Lundberg, 2001). Although many variables directly and/or indirectly affect the customer satisfaction, the key factors included in this study are: (i) Quality, (ii) Price, and (iii) Service.

QUALITY

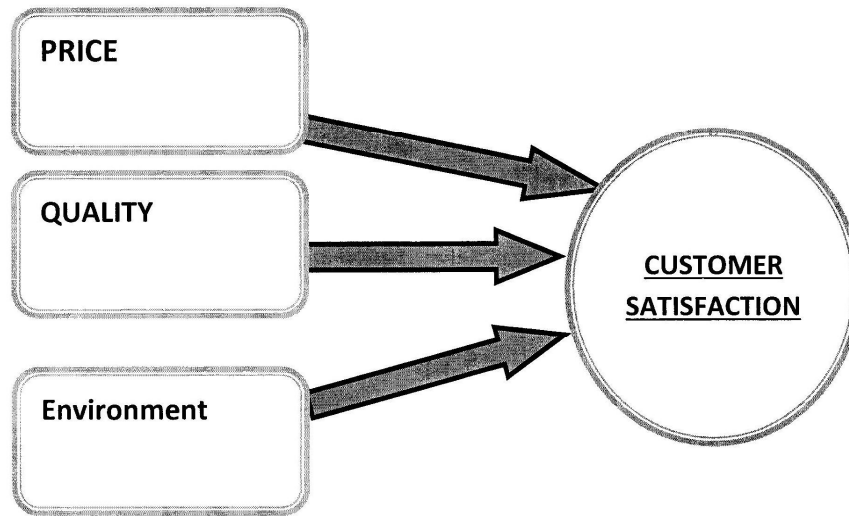
Many researchers and most of studies found that quality is powerful key element of customer intention to come back again the restaurant (Oh 2000). There are also many other variables which directly affect the customer satisfaction; such as, the taste of menu, that is the biggest matter towards customer satisfaction because due to taste of menu customers take the choice of particular restaurant and able to come for further purchase.

PRICE

Price is the important thing in the customer satisfaction in hotel industry because in Pakistan most of the customers focus on price of the brand and then they make the purchase decision. According to different studies, price of any product can build or break the standard of the brand (Truel *et.al.* 2006). Price is playing a very important role in the customer satisfaction because the charges of the product directly affect the customer, so if it is low-priced then customers get satisfied and willing to buy the product again and again in future. (Gustafsson *et.al.* 2005).

ENVIRONMENT OF RESTAURANTS

The last variable which influences the customer satisfaction is the environment of the restaurant because in Pakistan the concept of branded and well-furnished restaurants are developing day by day due to the growing literacy rate and betterment in the economy. The atmosphere of restaurant influences the customer satisfaction; as music, setting arrangement and decoration create the positive image of the restaurant in the mind of customers (Lim 2010).

CONCEPTUAL FRAMEWORK**RESEARCH METHODS**

The purpose is to find out the level of customer satisfaction within the restaurants of Hyderabad city, and identify the different factors which affect the customer satisfaction. The data was collected through primary sources because quantitative data gives more accurate results as compared to qualitative. Questionnaire in English language, easy and simple easily understandable by all customers composed of 22 close-ended questions designed for the general customers of these restaurants on Likert Scale was used. Data were collected in between 3rd March 2017 and 31st May 2017 from various customers of Lamosh, Bar-B-Q Tonight, Royal Taj and Mirchi 360. Twenty random samples from each restaurant (total 80 questionnaires) were handed to customers in which majority targeted group were students and regular customers. The data was analyzed using SPSS and MS.Excel softwares for getting accurate results.

RESULTS AND DISCUSSIONS

For the data analysis descriptive statistics, customer ratio, gender, age factors were enumerated. Correlation analysis is adopted to establish the relationship between independent variables and dependent variables.

Age of Respondents: According to survey the highest ratio of respondents are between 18-25, (77.5%) and the lowest ratio of respondents are above 30 age (5%), as well as moderate ratio are

respondents are under 18 (7.5%) and 26-30 (10%) mostly younger's visit for restaurants of Hyderabad City.

Gender of Respondents: According to findings and study it shows that majority of respondents in sample were female 60% (48) and minority ratio of respondents are male 40% (32). Mostly female visit these restaurants.

Food is Served Hot and Fresh: The researchers found that restaurant's food served by waiters is hot and fresh. The highest ratio of respondents shows that they 36% somewhat agree, 24% respondents strongly agree that the food is hot while 20% are neutral they do not agree nor disagree, 12% somewhat disagree and while 8% strongly disagree. The point is clear that customers are satisfied when restaurants provide hot and fresh food.

Menu has Good Variety of Items: the restaurant with greater menu involves different foods, beverages, salads, napkins, burgers, juices, sandwiches and other items. The highest ratio of respondents shows that they strongly agree (55%), while 15% strongly agree and 20% are neutral. Similarly 6% somewhat disagree while 4% strongly disagree. The point is clear that customers are satisfied when a restaurant offers a large variety of menu.

Food is Tasty and Rich in Flavor: The highest ratio of respondents shows that they are strongly agree (50%), (24%) are somewhat agree (15%) are neutral they are not agree nor disagree (8%) Somewhat disagree and while (3%) strongly disagree. The point is clear that customers are satisfied when restaurants provide hot and fresh food.

Availability of Sauces and Ketchup: Restaurants are offering sauces ketchups, salads which are additional only for satisfying the customers. The highest ratio of respondents shows that they are strongly disagree (50%), and 24% somewhat agree that there is availability of ketchups, while 15% are neutral Similarly, 8% somewhat disagree while 3% strongly agree. Restaurants do not offer ketchups in large varieties.

Regular Customer of Hyderabad Restaurant: In Hyderabad, restaurants are not having the regular customers, they usually come to restaurants on some occasion basis and 70% respondents told that they are not regular customers while 30% like the restaurants' food.

Frequency of Visits the Restaurants by Customers for Eating Food: In Hyderabad, restaurants visitors' highest ratio is 60%, they mostly come for eating fast food as compared to meal, and 25% prefer restaurants twice in a week. Normally youngsters go to the restaurants

with their friends, of them 2% prefer daily visits and are regular customers, and (13%) prefer restaurants once in a week.

Waiter Knows About Menu: Restaurant's waiter knows the entire menu. The highest ratio of respondents shows that they strongly disagree (66%), while 15% somewhat disagree that the waiters know the menu, and 12% are neutral-they are not agree nor disagree. Also, 2% somewhat agree while 4% strongly agree. The point is clear that customers are satisfied when restaurants' waiters know all menus, but here in Hyderabad restaurants waiters just give menu list and then customers decide from the menu.

Waiter Friendliness: Restaurant's waiter is friendly with customers it's very important factor. The highest ratio of respondents shows that they are neutral, 70% respondents do not agree nor disagree from this point that customer act like a friend, (10%) somewhat disagree that the waiters are friendly and 10% strongly disagree while 5% somewhat agree and 5% strongly agree.

Waiter Knows How to Offer: Restaurant's waiter knows how to offer the menu. The highest ratio of respondents shows that they strongly disagree (60%), and 4% somewhat disagree that the waiters know how to offer the menu while 15% are neutral-they are not agree nor disagree. Similarly, 15% somewhat agree and 6% strongly agree. The point is clear that customers are satisfied when the restaurants' waiters know how to offer all menus.

Willing to Serve the Menu: Restaurant's waiter is willing to serve the menu. The highest ratio of respondents shows that they strongly disagree (65%), and 15% somewhat disagree that the waiters are willing to serve while 15% are neutral-they are not agree nor disagree. Similarly, 10% somewhat agree and 10% strongly agree. Ultimately, the customers get satisfied when restaurants waiters are willing to serve the items with appropriate waiter dressings.

Waiter Motivates to Purchase the Food and Beverages: Restaurant's waiter motivates customers for the purchase of beverages: coffee, tea, juices and other liquid juices when they order food/fast food. The highest ratio of respondents shows that they are neutral (69%), while 15% strongly disagree and 5% somewhat disagree. Similarly, 6% somewhat agree and 5% strongly agree. Majority of customers are neutral when asked about the employees' behavior.

Greetings to Customers: Restaurant's waiter pays compliments to customers while they leave the restaurants. The highest ratio of respondents shows that they neutral (80%) and 10% strongly disagree,

7% somewhat disagree while 2% somewhat agree, similarly 1% strongly agree. It is clear that customers feel more satisfied as employees give greetings as well as some cheerful smile on their faces, through these faces customers get attracted in Hyderabad.

Correlation Analysis

TABLE-1 CORRELATION
Correlations

		Price	Quality	Service
Price	Pearson Correlation	1	.213	.111
	Sig. (2-tailed)		.058	.328
	N	80	80	80
Quality	Pearson Correlation	.213	1	.313 ^{**}
	Sig. (2-tailed)	.058		.005
	N	80	80	80
Service	Pearson Correlation	.111	.313 ^{**}	1
	Sig. (2-tailed)	.328	.005	
	N	80	80	80

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

Correlation Analysis shows the direction and strength of the linear relationship between two interval or ratio-scale variables negative values shows the inverse relationship and positive values shows the direct relationship, also tells how these variables correlate with each other the value of correlation must be lies on -1 to +1, here the value of price with quality relationship is “0.213” and price with service is ‘0.111” they both values shows weak positive relationship on the other hand relationship between the quality and service has”0.313” shows moderate positive relationship. It shows average relationship between the factors.

Adjusted R Square Interpretation

TABLE-2 ADJUSTED R SQUARE

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.637 ^a	.405	.382	.828

a. Predictors: (Constant), Service, Price, Quality

TABLE-2 ADJUSTED R SQUARE

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.637 ^a	.405	.382	.828

b. Dependent Variable: Customer Satisfaction

The value of r square is 40.5% in the table which means the dependent variable i-e customer satisfaction is affected 40.5 % by independent variables followed as Service, Price and Quality and all three independent variables are responsible for customer satisfaction so ANOVA is used for further analysis and test the overall model significant.

ANOVA ANALYSIS

TABLE-3 ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	35.482	3	11.827	17.264	.000 ^a
Residual	52.068	76	.685		
Total	87.550	79			

a. Predictors: (Constant), Service, Price, Quality

b. Dependent Variable: Customer Satisfaction

ANOVA shows significance of dependent variable corresponding with independent variables.

From this table it is very much clear that all the factors price, quality and service are related to satisfaction and they all are significant.

CONCLUSION

It is very big issue for all business organizations to satisfy their customers and getting reliable and valid feedback from customers. Restaurant business in Hyderabad region mostly found on Latifabad Autobhan Road plays very vital role in business field. Here, customer spend their time along with their friends and families, because big outlets of companies are available and so customers ratio is high over there for shopping necessitating a place for rest and fast food. Mostly customers agree with the price of menu, quality of menu, service, infrastructure, waiter's behavior. They often visit restaurants once a month but

youngsters are found frequent restaurant-goers. Though the waiters also motivate customers to purchase beverages, such as coffee and tea when they order for burger and club sandwiches; but the employees do not have appropriate techniques to motivate customers for purchasing specific menu items. Customer give lower priority to Lamosh due to its higher price factor and do not good in services, however, it offers cinema and movie theater to entertain their customers. Royal Taj and Mirchi 360 staff members are very co-operative in nature as there appears a crowd of customers over Mirchi 360. Alternatively, multinational restaurants like McDonalds, KFC, Pizza Hut are also available to customers when they want hamburger and pizza.

SUGGESTIONS AND RECOMMODATIONS

Customers become more loyal when they get happy from the service, food quality price and value added services like Wifi movie, theaters, etc. Restaurant must offer the sauces, mayonnaise and ketchup and tissue papers when customers order for food and beverages. Restaurants must offer discount package for students. Prices must be affordable by all customers which can be gauged from the feedback often collected from the customers. There is lack of marketing in these restaurants; they can market their products and deals with the use of Facebook and social media. Also, they should prepare some advertising campaigns offering some new deals affordable by all, and should conduct survey/customer feedback cards in order to get closer to the customer expectations. During research it was found that restaurants' foods are junk, unhealthy and the health-conscious customers prefer to go outside for food in multinational restaurants.

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