Impact of Perceived Service Quality dimensions on Customer Satisfaction in Hospitality Industry

Md. Shajjad Hossain,
Lecturer in Marketing,
Department of Business Administration,
Southern University Bangladesh, Bangladesh.
E-mail: shajjad.ilm@gmail.com

Abstract

The aim of the study is to empirically investigate the impact of perceived service quality dimensions on customer satisfaction in Chittagong (Bangladesh) city restaurants. Quantitative method has been used in the paper to attain research objectives and structured questionnaire survey was conducted using convenience-sampling method for data collection. IBM SPSS was used for descriptive, correlation and multiple regression analysis. The correlation analysis indicated positive association between all service quality dimensions and customer satisfaction. However, multiple regression analysis shows somewhat different result. Findings reveal that the local customers in the restaurant industry are satisfied with the attribute level of restaurant’s empathy, tangibles, assurance, and reliability but dissatisfied with responsiveness. The results are based on a comparatively small sample size selected from a limited geographic area within a metropolitan city only which could be expanded to fine dining restaurants across the country. The research findings would be useful for service marketing professionals to understand the present scenario in order to undertake appropriate measures for maintaining service quality at restaurants in achieving customer satisfaction. The study suggests that maintaining the existing trend and providing immediate priority in both speedy & quality services during peak hours as well as infusing additional effort in handling special requests might contribute the most in the end to ensure customer satisfaction in Chittagong city restaurants.

Key Words: Service quality, Customer Satisfaction, SERVQUAL, DINESERV, Statistical analysis, Restaurant industry, Chittagong
1. Introduction

Bangladesh occupies emerging sector in tourism & hospitality services, having a land of natural wonders. Opportunity has opened up the treasure of hospitality industry to lead the national economy to materialize the vision 2021 (Planning Commission, 2012). Amongst different services provided in this industry, restaurant services are the most common and significant area since it represents hygiene and nutrition. Consequently, in Bangladesh the restaurant industry has become a highly demanding sector, which emphasizes on the provision of progressive customer service and constant quality development (Ahmed, 2017).

In urban life, the way of living has been rapidly changed. People do not consider dining at restaurants only for having just food but a compilation of comfort and entertainment, which will make them delighted. Thus, demand for quality services during dining experience is growing rapidly which includes the set of new variety of flavors, tastes, comfortable atmosphere along with lovely memories (Ahmed, 2017). As the days have passed, dining experience has been considered as exceptional lifetime memories with family and friends.

Tangible as well as intangible performances used to play the role in ensuring pleasing dining experience. However, tangible factors can easily be upgraded but the intangible parts such as responsiveness, reliability, assurance, empathy etc. of restaurant service involve significant consideration. It has been identified by the researchers that ability of high quality service delivery used to maximize sustainable financial capability as well as business development (Keiser, 1988). Henceforth, restaurants providing quality customer services are likely to be in the remarkable position in today’s competitive marketplace.

Some studies are found in the field of tourism and hospitality industry in Chittagong but those were focused on service quality gap in tourism and hotel industry (Hossain, 2012), service quality gap between national and international guests (Mazumder & Hasan, 2014), prospect of tourism (Alauddin et al., 2014) etc. However, as per literature review and present wisdom of the researcher, no specific study was found available on restaurants, especially focusing on the impact of service quality dimensions on customer satisfaction in Chittagong City restaurants. In terms of local industry perspective, it is needed to measure the exact priorities connected to service, to control variations and to ensure more customized service so that minimum effort could maximize the utilization of service qualities in generating long-term steady growth in the field of tourism & hospitality services, focusing on most crucial arena of restaurant services.

In this context, the present study will cover the following research questions: (i) What is the current situation of service quality perception in Chittagong City restaurants? (ii) Is there any significant relation between perceived service quality and customer satisfaction in Chittagong City restaurants? (ii) If there is any significant relation, then what is the degree of
perceived service quality impact on customer satisfaction in Chittagong City restaurants? In this regard, the specific objectives are: (1) to describe the perceived service quality dimensions in Chittagong City Restaurants (2) to investigate the impact of service quality dimensions on the customer satisfaction in Chittagong City Restaurants.

Based on the research objectives, following research hypotheses can be proposed:

**Ha:** There is a significant relationship between empathy and customer satisfaction in Chittagong City Restaurants.

**Hb:** There is a significant relationship between tangibles and customer satisfaction in Chittagong City Restaurants.

**Hc:** There is a significant relationship between assurance and customer satisfaction in Chittagong City Restaurants.

**Hd:** There is a significant relationship between reliability and customer satisfaction in Chittagong City Restaurants.

**He:** There is a significant relationship between responsiveness and customer satisfaction in Chittagong City Restaurants.

This article contains five consecutive sections including this introduction. The second section presents the earlier researches following the construct-based literatures including the concept of Customer Satisfaction, Restaurant’s service quality and Service quality measurement in the restaurant industry. Then it is followed by research methodology section including the selection of instrument, sample design, data collection and method used for data analysis. Research results included respondent profile, descriptive analyses, perceived service quality, association between service quality dimensions and customer satisfaction and multiple regression analysis with immediate interpretation. Major Findings are discussed with the focus on the managerial implication and finally conclusions are drawn.

### 2. Literature Review

Customer satisfaction in any industry is considered as the most significant part and service failure can make the situation vulnerable for the service providers. It can be defined as the positive gap between the customers’ observed value and their belief of getting a predicted value. The more the gap, the more the customer will be happy. Service quality dimensions being the most successful instrument, many chronological past studies from several decades are observed for in depth understanding. Thus, construct based earlier research can be the best option to uncover the current scenario and facilitate the investigation of the impact of service quality dimension on customer satisfaction.

#### 2.1 Customer Satisfaction

Customer satisfaction is the positive feelings of a customer that comes from comparison of the observed experience of consuming a particular offering to its predicted performance.
The customers become dissatisfied when they find that the product’s performance does not meet their expectations. The customers become satisfied when it somehow matches the expected level. When it exceeds expectations, the customers seem to be highly satisfied or delighted (Kopalle et al. 2006). Satisfaction has been considered as a judgment, when a market offering can provide a pleasing fulfillment of relative consumption (Zeithaml & Bitner, 2003). Satisfaction has also been defined as an assessment done by customers regarding any market offering which they have experienced as fair enough as expected (Choi and Chu, 2001). Customer satisfaction is critically significant as it reflects subjective customer evaluations of the attribute performance associated with the consumption experience (Cronin & Taylor, 1992). It can be considered from the use of positive word of mouth, intention to revisit and thought of recommending others (Mattila 2001; Evanschitzky et al. 2006). Customers express positive behaviors when their perception regarding consumption experience is very high. Customers enjoying highly valuable, efficient and economic service experience, are more likely to revisit the place again and again (Swinyard, 1993). With a higher level of emotionally attached dining experience, customers are likely to spread word of mouth more. Perceived value of consumption experiences often facilitates the willingness of consumers to recommend others about their own satisfactory experience (Bowen & Shoemaker, 2003; Ladhari et al., 2008). Both good and bad experience of customers regarding perceived value would often encourage them to share the same with others.

2.2 Restaurant Service Quality

Service quality in restaurants has become a rapidly growing issue, which has involved researchers as well as practitioners, directing to extensive discussion over its conceptualization. The concept of service quality describes the level of expectations as well as perceptions regarding experience of particular service by a customer (Parasuraman et al. 1988). With the changed social environment, growing education, improved culinary cultures, awareness of healthy diet as well as cultural influence have modified the dining expectations of individuals. A prediction was drawn regarding potential customers that they would probably be very particular regarding their choices of experiencing diversified dining dimensions and innovative offers (Wishna, 2000). Customers would search for unique dining experiences, which might satisfy their fluctuating expectations ever. Hence, it has become significant to recognize, realize and satisfy the expectations of customers.

During ages, customers’ assessment of restaurant’s service quality included several significant factors. Physical environment, food quality along with service accuracy were considered to be the most significant mechanisms of overall restaurant service quality in the past research suggestions (Dulen 1999; Susskind & Chan, 2000). Quality of foods has been considered as the most crucial dimension in experiencing restaurant services (Sulek &
In fact, satisfaction of the needs and meeting expectations of a restaurant’s customers should be the most vital obligation (Peri, 2006). Apart from the obligation of quality food related issues, researchers also preferred on the smooth presentation, appropriate hygiene, good taste, freshness as well as overall comfortable atmosphere. (Namkung & Jang, 2008). Significance of service quality meant for customer satisfaction with service encounter had been cited in numerous past studies (Stevens et al. 1995). Besides, service quality dimensions were prioritized in measuring the perceived customer satisfaction in restaurant industry worldwide (Kim et al. 2009) and their intention of revisiting the restaurants (Kivela et al. 2000).

2.3 Determining Service Quality in the Restaurant Industry

SERVQUAL instrument had been introduced by Parasuraman et al. (1988) for service quality assessment which has been tested several times worldwide. This tool has been frequently used for measuring the significant gap between the level of customers’ perceptions and expectations (Stevens et al. 1995). The basic instrument contains 22 numbers of items for assessing the consumers’ expectations and perceptions concerning the services they received, which was classified in five identified factors including tangibles, reliability, responsiveness, assurance and empathy. In case of restaurant studies, Bojanic and Rose (1994) had adapted the SERVQUAL instruments in chain restaurant settings along with numerous clientele and diverse menu, which included international items. Another instrument known as DINESERV for evaluation of customers’ perceptions regarding restaurant’s service quality had been introduced by Stevens, Knutson and Patton (1995). That instrument was fundamentally adapted from the SERVQUAL and was consequently proposed to be more reliable and user friendly tool for defining the nature of customers’ observation about the quality of a restaurant (Markovic, 2010). Twenty-nine items were finalized in the latest version of DINESERV instrument using a seven-point scale where the items were classified into five unique dimensions of service quality. Most significant dimensions were tangibles, reliability, responsiveness, assurance and empathy, which are discussed as follows.

2.3.1 Tangibles

Physical design of any restaurant, equipment, staff appearances as well as cleanliness is considered as tangibles in the restaurant industry (Lee & Johnson, 1997; Zeithaml & Bitner, 2003). Thus, tangibles are utilized by restaurant service providers to communicate their image and service quality to customers. Aforementioned studies revealed that services are intangible as not only that the customers may not see, feel, smell, hear or taste, but it is also because these attributes are difficult to conceptualize. Services being intangible are difficult to be illustrated, explained as well as communicated (Kasapila, 2006). Therefore, customers often fail to evaluate the exact nature of services offered properly (Zikmund & D’Amico, 2002). In spite of the intangible nature of services, customers can feel the presence or absence...
immediately such as they immediately notice any lack of friendliness on the part of the service providers (Payne-Palacio & Theis, 2001).

2.3.2 Reliability

Appropriate billing system, freshness and temperature of the foods along with the receiving foods according to exact order are included as reliability. In wider perspective, reliability includes accurate and dependable service delivery as promised by any organization, where promises cover service provision, pricing, delivery and problem solving etc. (Lee & Johnson, 1997; Jordaan & Prinsloo, 2001; Zeithaml & Bitner, 2003). Reliability has been characterized by faithfulness to the requests of customers about the reservations of tables, preparation of menu items, and accurate billing etc. in hotels and restaurants.

2.3.3 Responsiveness

Staff cooperation with the list of options covered by timely response to customers’ specific requirements and requests are related to responsiveness. It provides emphasis on attentiveness along with promptness while dealing with customer queries, requests, and complaints. It is often perceived by the customers as the duration period they have to wait for attention to problems, answers to questions, and appropriate assistance (Lee & Johnson, 1997; Zeithaml & Bitner, 2003).

2.3.4 Assurance

Customers trust upon employees’ knowledge, courtesy, recommendations, confidence about food safety, and ability to convey any objections without hesitation are comprised as assurance. It is highly significant when guests feel undecided about service offerings of a particular restaurant (Zeithaml & Bitner, 2003). When assurance is ensured then the customers can trust the suggestions made by the restaurant waiters where they assure them about the purity of food items as well as to raise their voice without any fear of insult or accusation.

2.3.5 Empathy

Lastly, empathy embraces the inevitability of providing customized devotion to particular customers by focusing on superior dietary necessities or being concerned as well as compassionate to their difficulties. A customer being considered as special and unique, empathy ensures individual caring and providing personalized services (Zeithaml & Bitner, 2003). Customers prefer to feel important and understood by the organizations. Employees in restaurants may show empathy to customers by greeting them properly, recognizing their dietary preferences, and being sympathetic towards their troubles.

2.4 Key Learning

In restaurant industry worldwide, many past studies were conducted using both SERVQUAL and DINESERV. Research by Andaleeb and Conway’s (2006) shows that responsiveness of the employees, price as well as food quality influences customer
satisfaction significantly. Kim et al. (2009) showed that food quality, service quality, convenience, atmosphere, price as well as value witnessed a major influence on the satisfaction of customers. Wu and Liang (2009) conveyed that customer satisfaction is significantly affected by restaurant employees. Liu and Jang (2009) specified that besides food quality in all aspects, interior design of the restaurant, reliability of service, clean environment, neat as well as well-dressed employees have greater influence on the satisfaction of customers. Markovic et al. (2011) found the most important expectations items as ‘clean, neat and appropriately dressed staff’, ‘clean rest rooms’ and ‘accurate bill’, which fall under the dimensions ‘tangibles’ and ‘reliability’. Omar et al. (2016) found that the attributes such as ‘tangibles’, ‘assurance’ and ‘empathy’ had significant relationship with customer satisfaction, but the relationship with the other two attributes – reliability and responsiveness were insignificant. ‘Empathy’ was found to have a strong positive correlation with customers’ satisfaction while ‘responsiveness’ had a weak positive relation with customer satisfaction.

2.5 Research Gap

In conclusion, it can be summarized that many past studies are done regarding service quality in hotel & tourism from diversified perspective around the globe. Yet, developing country like Bangladesh needs more attention in this particular area. Consequently, in the alignment with the past research in different countries, this paper would add value to the present wisdom by empirical study regarding the application of existing variables in different culture, society, and community. As it has been observed that, very few works are undertaken in local industry and those were focused only on the tourism part. Moreover, none of those studies has considered the impact of service quality dimensions on restaurant customer satisfaction. However, no in-depth study has been found on the subject of proposed research in the context of Chittagong City according to the literature review of International recognized journals and researcher’s present wisdom. This particular contextual research gap has motivated to conduct the research on "Impact of Perceived Service Quality dimensions on Customers Satisfaction in Hospitality Industry". Hence, in terms of contribution of this paper, focus will be given on the impact of service quality dimensions on customer satisfaction of restaurants in the context of Chittagong city in Bangladesh.

2.6 Comments

In spite of widely using instrument in measuring service quality, researchers suggested some limitations also which includes time based measurement issues, appropriate scale measurement and service quality dimensions (Heung et al., 2000). It has been observed from the literatures above, that most of the past research focused on the service quality gap analysis between expectation and perception of customers while a few papers were found to measure the role service quality on customer satisfaction in restaurant settings yet. Service quality in
restaurants has become a rapidly growing issue in developing economy like Bangladesh and customer satisfaction is the ultimate goal for any establishment. Hence, construct based descriptive study would be still helpful to uncover the current scenario of restaurants services and facilitate the empirical investigation of the impact of individual service quality dimension on customer satisfaction.

3. Research Methodology

3.1 The Instrument and Questionnaire Design

Most of the past researches regarding service quality in restaurants emphasized on the gap analysis between expected and perceived service quality. Very few researches are found to measure the adequate role of service quality in ensuring greater customer satisfaction. In addition, it has been observed that very few works are undertaken in the local industry and those were focused on the tourism part only. In-fact, none of those studies has taken the impact of service quality dimensions on restaurant customer satisfaction into their consideration. Thus, the instrument representing service quality dimensions has been used through quantitative analysis methods to explore the current scenario as well as to investigate the impact of individual dimensions on customer satisfaction in Chittagong City restaurants.

Primary data was used in this empirical research. Literatures found available online are reviewed in getting the sequence of earlier researches as well as to prepare the structured questionnaire, which was divided into two parts. Respondents’ perceptions regarding service quality in restaurants in general were measured along with demographic questions in the Chittagong City Restaurant settings. The questionnaire was prepared in English and Bengali, which was limited to capture the domestic restaurant visitors only. On the basis of 33 restaurant attributes, the level of perceived service quality was evaluated where the first 29 attributes have been adapted from the study of Stevens et al (1995) representing five dimensions: tangibles, reliability, responsiveness, assurance and empathy. Other dimension is named as customer satisfaction, which was represented by remaining four attributes being adapted from Andaleeb and Conway’s (2006) research. Likert scale with seven points, ranging from “strongly agree (7)” to “strongly disagree (1)” has been utilized in the assessment of the level of agreement with given statements.

3.2 Sample Design and Data Collection

The questionnaires were distributed among the visitors who frequently visit around 20 restaurants at Chittagong City in Bangladesh. Restaurant visitors’ opinions represent their perception on different dimensions of service quality regarding different types of local fine dining restaurants. To collect data, convenience sampling method was applied, which involved in selecting only those cases that are easiest to obtain as a sample, such as the person interviewed at random in selected restaurants (Saunders, 2009). Only willing customers are
supplied with structured questionnaires, and until reaching the required sample size, the sample selection procedure was persistent.

### 3.3 Reliability of the Instrument and Data Analysis

Data analysis was based on 150 valid questionnaires where the IBM SPSS was used. Demographic profiles of the respondents have been examined. Through descriptive analysis, customers’ perception regarding service quality of restaurants is observed. One sample t-test with test value 04 has been conducted to assess the nature of data. Preliminary analyses are conducted to ensure no violation of the assumptions of reliability, normality, linearity, and multicollinearity. Cronbach’s Alpha is employed in order to ensure reliability of the instrument, which is discussed in ‘Multiple Regression Analysis’ section under ‘Results and Discussion’. Then bivariate correlation analysis was employed to explore the strength and direction of the linear relationships between service quality dimensions and customer satisfaction. Finally, multiple regression analysis method was undertaken to evaluate the best predictor of the variables and to draw the conclusion regarding research hypothesis.

### 4. Results and Discussion

#### 4.1 Respondents Profile

Respondents’ demographic variables are represented accordingly in Table 01.

<table>
<thead>
<tr>
<th>Items</th>
<th>Percentage</th>
<th>Items</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td>Level of Education</td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>56.7%</td>
<td>Primary School</td>
<td>0.0%</td>
</tr>
<tr>
<td>Female</td>
<td>43.3%</td>
<td>Secondary School</td>
<td>20.3%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Higher Secondary</td>
<td>38.3%</td>
</tr>
<tr>
<td>Age Group</td>
<td></td>
<td>Graduation</td>
<td>28.9%</td>
</tr>
<tr>
<td>16-25</td>
<td>32.6%</td>
<td>Post-Graduation or Above</td>
<td>12.5%</td>
</tr>
<tr>
<td>26-35</td>
<td>27.1%</td>
<td>Number of previous visits to</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>the restaurant</td>
<td></td>
</tr>
<tr>
<td>36-45</td>
<td>21.5%</td>
<td>Once</td>
<td>13.2%</td>
</tr>
<tr>
<td>46-55</td>
<td>14.3%</td>
<td>Twice</td>
<td>33.0%</td>
</tr>
<tr>
<td>56-65</td>
<td>04.5%</td>
<td>Thrice or more</td>
<td>53.8%</td>
</tr>
</tbody>
</table>

Source: Survey questionnaire and output generated by SPSS

Respondents’ profile is characterized in Table 01. 54% of the respondents are found to be visited the restaurants three or more than three times. It can be observed that more males (56.7%) participated in the survey then the females (43.3%). Average age of the respondents was found to be around 39 years while almost 47% was in the range of 26 years to 45 years. Approximately 45% respondents were found to attain college level or university level education.

#### 4.2 Descriptive Analysis

Table 2 represents the outcomes of descriptive and one sample test (t-test) analysis, which included the results for the respondents’ perceptions of restaurant service quality.
Table 2: Descriptive analysis, t-test and reliability test

<table>
<thead>
<tr>
<th>Item</th>
<th>Perceived Mean</th>
<th>Std. Deviation</th>
<th>Std. Error Mean</th>
<th>t</th>
<th>Sig. (2-tailed)</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>V1</td>
<td>Attractive exteriors.</td>
<td>4.27</td>
<td>1.616</td>
<td>.132</td>
<td>2.020</td>
<td>.045</td>
</tr>
<tr>
<td>V2</td>
<td>Attractive dining area.</td>
<td>5.12</td>
<td>1.204</td>
<td>.098</td>
<td>11.397</td>
<td>.000</td>
</tr>
<tr>
<td>V3</td>
<td>Clean and well-dressed staff</td>
<td>5.18</td>
<td>1.176</td>
<td>.096</td>
<td>12.287</td>
<td>.000</td>
</tr>
<tr>
<td>V4</td>
<td>Restaurant’s decoration typical of its image and price range</td>
<td>4.69</td>
<td>0.882</td>
<td>.072</td>
<td>9.628</td>
<td>.000</td>
</tr>
<tr>
<td>V5</td>
<td>Simply understandable menu</td>
<td>4.77</td>
<td>1.297</td>
<td>.106</td>
<td>7.237</td>
<td>.000</td>
</tr>
<tr>
<td>V6</td>
<td>Attractive menu</td>
<td>5.08</td>
<td>1.282</td>
<td>.105</td>
<td>10.314</td>
<td>.000</td>
</tr>
<tr>
<td>V7</td>
<td>Comfortable dining area</td>
<td>5.10</td>
<td>1.268</td>
<td>.104</td>
<td>10.626</td>
<td>.000</td>
</tr>
<tr>
<td>V8</td>
<td>Clean rest room</td>
<td>4.95</td>
<td>1.358</td>
<td>.111</td>
<td>8.600</td>
<td>.000</td>
</tr>
<tr>
<td>V9</td>
<td>Clean dining area</td>
<td>5.50</td>
<td>0.910</td>
<td>.074</td>
<td>20.179</td>
<td>.000</td>
</tr>
<tr>
<td>V10</td>
<td>Comfortable dining seats</td>
<td>5.47</td>
<td>0.994</td>
<td>.081</td>
<td>18.064</td>
<td>.000</td>
</tr>
<tr>
<td>V11</td>
<td>Timely Service</td>
<td>4.68</td>
<td>.936</td>
<td>.076</td>
<td>8.894</td>
<td>.000</td>
</tr>
<tr>
<td>V12</td>
<td>Prompt correction of service error</td>
<td>4.83</td>
<td>1.289</td>
<td>.105</td>
<td>7.856</td>
<td>.000</td>
</tr>
<tr>
<td>V13</td>
<td>Trustworthy and consistent service</td>
<td>4.85</td>
<td>1.167</td>
<td>.095</td>
<td>9.859</td>
<td>.000</td>
</tr>
<tr>
<td>V14</td>
<td>Exact bill</td>
<td>4.80</td>
<td>1.390</td>
<td>.114</td>
<td>7.047</td>
<td>.000</td>
</tr>
<tr>
<td>V15</td>
<td>Error-free food serving</td>
<td>4.77</td>
<td>1.367</td>
<td>.112</td>
<td>6.930</td>
<td>.000</td>
</tr>
<tr>
<td>V16</td>
<td>Keeping speed with quality in peak hours</td>
<td>4.71</td>
<td>0.892</td>
<td>.073</td>
<td>9.789</td>
<td>.000</td>
</tr>
<tr>
<td>V17</td>
<td>Provision of quick service</td>
<td>4.73</td>
<td>1.274</td>
<td>.104</td>
<td>6.986</td>
<td>.000</td>
</tr>
<tr>
<td>V18</td>
<td>Added effort in handling special requests</td>
<td>4.84</td>
<td>1.264</td>
<td>.103</td>
<td>8.137</td>
<td>.000</td>
</tr>
<tr>
<td>V19</td>
<td>Staffs can answer queries fully</td>
<td>4.98</td>
<td>1.039</td>
<td>.085</td>
<td>11.549</td>
<td>.000</td>
</tr>
<tr>
<td>V20</td>
<td>Feeling relaxed and confident</td>
<td>4.96</td>
<td>1.253</td>
<td>.102</td>
<td>9.387</td>
<td>.000</td>
</tr>
<tr>
<td>V21</td>
<td>Staff informs menu items with ingredients and preparation method</td>
<td>5.17</td>
<td>1.201</td>
<td>.098</td>
<td>11.900</td>
<td>.000</td>
</tr>
<tr>
<td>V22</td>
<td>Anticipating customers’ distinct attention</td>
<td>4.63</td>
<td>1.293</td>
<td>.106</td>
<td>5.936</td>
<td>.000</td>
</tr>
<tr>
<td>V23</td>
<td>Restaurant cares the staffs</td>
<td>4.72</td>
<td>0.836</td>
<td>.068</td>
<td>10.543</td>
<td>.000</td>
</tr>
<tr>
<td>V24</td>
<td>Feeling safe</td>
<td>4.71</td>
<td>1.403</td>
<td>.115</td>
<td>6.171</td>
<td>.000</td>
</tr>
<tr>
<td>V25</td>
<td>Staffs provide specific care</td>
<td>4.69</td>
<td>1.279</td>
<td>.104</td>
<td>6.637</td>
<td>.000</td>
</tr>
<tr>
<td>V26</td>
<td>Feeling special</td>
<td>5.02</td>
<td>1.184</td>
<td>.097</td>
<td>10.549</td>
<td>.000</td>
</tr>
<tr>
<td>V27</td>
<td>Anticipating customers’ separate needs and wants</td>
<td>4.89</td>
<td>1.201</td>
<td>.098</td>
<td>9.039</td>
<td>.000</td>
</tr>
<tr>
<td>V28</td>
<td>Concerned and reassuring staffs</td>
<td>4.97</td>
<td>1.292</td>
<td>.106</td>
<td>9.161</td>
<td>.000</td>
</tr>
<tr>
<td>V29</td>
<td>Customers’ finest welfares at heart</td>
<td>5.09</td>
<td>1.353</td>
<td>.110</td>
<td>9.898</td>
<td>.000</td>
</tr>
<tr>
<td>V30</td>
<td>Overall satisfaction with dining experience</td>
<td>5.04</td>
<td>1.158</td>
<td>.095</td>
<td>11.001</td>
<td>.000</td>
</tr>
<tr>
<td>V31</td>
<td>Returning to the restaurant</td>
<td>5.18</td>
<td>1.118</td>
<td>.091</td>
<td>12.930</td>
<td>.000</td>
</tr>
<tr>
<td>V32</td>
<td>Recommending others about the restaurant</td>
<td>5.04</td>
<td>1.134</td>
<td>.093</td>
<td>11.228</td>
<td>.000</td>
</tr>
</tbody>
</table>

**Mean TANGIBLES**: 5.01

**Mean RELIABILITY**: 4.79

**Mean RESPONSIVENESS**: 4.76

**Mean ASSURANCE**: 4.86

**Mean EMPATHY**: 4.93

**Mean Overall Service Quality**: 4.90

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4.3 Perceived Service Quality

The mean scores of customers’ perceptions ranged from 4.27 to 5.50 under the Likert scale. The overall mean score for service quality perceptions items was 4.90. This score indicates that the restaurants in Chittagong have a moderated performance with a huge opportunity for improvement. Customers’ highest perceptions were regarding the “Clean dining areas (5.50)” and “Comfortable dining seats (5.47)”. Other top attributes were “Clean and well-dressed staff”, “Staff informs menu items with ingredients and preparation method”, “Attractive dining area” etc., which are the parts of tangibles mostly along with assurance. Results are quite similar to the findings presented by Liu and Jang (2009) with the assessment of the attribute “accurate guest check” to be the highest performance score. On the other hand, the lowest perception items were “Attractive exteriors (4.27)”. Other lower perception items were “Anticipating customers’ distinct attention”, “Timely Service”, “Staffs provide specific care” and “Restaurant’s decor typical of its image and price range” etc., which indicate that restaurant customers’ did not find restaurant overall exteriors to be good enough but they paid as per their plan since prices were not higher than their regular assumption.

One sample t-test indicates (test value = 4) that all the items included in the variables representing each service quality dimensions (independent variables) and customer satisfaction (dependant variable) are found significant. Reliability of the items representing the independent and dependent variable are measured, where cronbach’s alpha for all the variables is found to be .914 and individually represents for tangibility (.757), reliability (.635), responsiveness (.576), assurance (.719), empathy (.708) and customer satisfaction (.776).

4.4 Association between Service Quality Dimensions and Customer Satisfaction

<table>
<thead>
<tr>
<th>Customer Satisfaction</th>
<th>Pearson Correlation</th>
<th>Sig. (2-tailed)</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tangibles</td>
<td>.699**</td>
<td>.000</td>
<td>150</td>
</tr>
<tr>
<td>Reliability</td>
<td>.547**</td>
<td>.000</td>
<td>150</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>.411**</td>
<td>.000</td>
<td>150</td>
</tr>
<tr>
<td>Assurance</td>
<td>.689**</td>
<td>.000</td>
<td>150</td>
</tr>
<tr>
<td>Empathy</td>
<td>.714**</td>
<td>.000</td>
<td>150</td>
</tr>
</tbody>
</table>

**Correlation is significant at the 0.01 level (2-tailed).
Source: Output generated by SPSS

In Table 03, Pearson Correlation indicates that all the independent variables (tangibles, reliability, responsiveness, assurance and empathy) are significant at 0.01 levels (2-tailed) towards dependent variable (customer satisfaction). No statistically significant difference is
found among all the variables. The strongest positive correlation with customer satisfaction is empathy \((r=0.714)\) followed by tangibles \((r=0.699)\), assurance \((0.689)\) and reliability \((r=0.547)\). The lowest variable that shows positive relationship with customer satisfaction is responsiveness \((r=0.411)\). The result reveals that most of them have high correlation, while assurance has moderate correlation with customer satisfaction. However, responsiveness is found to be the poorest amongst all yet somehow defines relationship.

### 4.5 Multiple Regression Analysis

#### Table 4: Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>(R)</th>
<th>(R^2)</th>
<th>Adjusted (R^2)</th>
<th>(F) Change (5, 144)</th>
<th>Sig. (F) Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.792*</td>
<td>.628</td>
<td>.615</td>
<td>48.530</td>
<td>.000</td>
</tr>
</tbody>
</table>

Source: Output generated by SPSS

Preliminary analyses were conducted to ensure no violation of the assumptions of reliability, normality, linearity and multicollinearity to ensure the reliability of the instrument. In Table 02, cronbach’s alpha indicates the reliability of the independent and dependent variables as the values are in the range of .576 to .776. In Table 04, the \(F\) change (5, 144) is 48.530 and the p-value = 0.000 (p<0.05). This means that the influencing factors significantly explain the customer satisfaction of restaurants in Chittagong City. Therefore, research hypothesis can be accepted. Moreover, value of \(R^2\) is .628, which confirms the relationship between these five independent variables and dependent variable. The adjusted \(R^2\) is equal to 0.615, which indicates that about 61.5% of the variation in the customer satisfaction of restaurants in Chittagong City is explained by the factors influence and the rest of 38.5% is explained by other factors.

#### Table 5: Multiple Regression Results

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(B)</td>
<td>Std. Error</td>
<td>(Beta)</td>
</tr>
<tr>
<td>(Constant)</td>
<td>5.200</td>
<td>.047</td>
<td></td>
</tr>
<tr>
<td>Empathy</td>
<td>.299</td>
<td>.071</td>
<td>.322</td>
</tr>
<tr>
<td>Tangibles</td>
<td>.281</td>
<td>.062</td>
<td>.304</td>
</tr>
<tr>
<td>Assurance</td>
<td>.221</td>
<td>.070</td>
<td>.238</td>
</tr>
<tr>
<td>Reliability</td>
<td>.128</td>
<td>.064</td>
<td>.138</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>-.057</td>
<td>.060</td>
<td>-.061</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Empathy, Tangibles, Assurance, Reliability, Responsiveness.

b. Dependent Variable: Customer Satisfaction

Statistical result drawn from the regression results can be shown as below:

\[
Y = 5.200 + 0.299 \text{ (EMP)} + 0.281 \text{ (TAN)} + 0.221 \text{ (ASS)} + 0.128 \text{ (REL)} - 0.057 \text{ (RES)} + e
\]

\[
Y = \text{Customer Satisfaction} \quad REL = \text{Reliability} \quad ASS = \text{Assurance} \quad TAN = \text{Tangibles} \quad RES = \text{Responsiveness} \quad EMP = \text{Empathy}
\]
Each independent variable is uncorrelated with other independent variables in the equation as the multicollinearity is low (VIF<5). Results indicated that four attributes are found significant, which are Empathy, Tangibles, Assurance, and Reliability. However, Responsiveness was found insignificant. Beta coefficient indicates the variables, which are important to the model by looking at the largest value derived. The most significant predictor to the model is empathy ($\beta = .299$, $p<.05$), followed by tangibles ($\beta = .281$, $p< 0.05$), assurance ($\beta = .221$, $p<0.05$), and reliability ($\beta =.128$, $p<0.05$). However, responsiveness is found insignificant ($\beta = .057$, $p< 0.05$) which is somewhat similar to the study of Omar et al. (2016).

From the regression equation, it can be drawn that, an increase of 0.299 (EMP), 0.281 (TAN), 0.221 (ASS), 0.128 (REL) and decrease of 0.057 (RES) will effect in increasing one unit of customer satisfaction in Chittagong City restaurants. In addition, among the five independent variables, perceived Empathy is the most important predictor in this study as it has the strongest influence on customer satisfaction in Chittagong city restaurants, where standardize beta equal to 0.322, followed by perceived effectiveness of tangibles (0.304), assurance (0.238) and reliability (0.138). However, Responsiveness (0.061) has the non-positive influence on the customer satisfaction in Chittagong City Restaurants.

4.6 Research Hypothesis Results

Results of research hypothesis are drawn from the findings in Table 5 as follows:

**Ha:** There is a significant relationship between empathy and customer satisfaction in Chittagong City Restaurants.

As p-value is 0.000 ($p<0.05$), which is significant. Hence, research hypothesis is accepted and there is a significant relationship between empathy and customer satisfaction in Chittagong City Restaurants.

**Hb:** There is a significant relationship between tangibles and customer satisfaction in Chittagong City Restaurants.

As p-value is 0.000 ($p<0.05$), which is significant. Hence, research hypothesis is accepted and there is a significant relationship between tangibles and customer satisfaction in Chittagong City Restaurants.

**Hc:** There is a significant relationship between assurance and customer satisfaction in Chittagong City Restaurants.

As p-value is 0.002 ($p<0.05$), which is not significant. Hence, research hypothesis is not accepted with at most 0.05% error and is concluded that there is a significant relationship between assurance and customer satisfaction in Chittagong City Restaurants.

**Hd:** There is a significant relationship between reliability and customer satisfaction in Chittagong City Restaurants.
As p-value is 0.047 (p<0.05), which is significant. Hence, research hypothesis is accepted with at most 0.05% error and is conclude that there is a significant relationship between reliability and customer satisfaction in Chittagong City Restaurants.

**Hypothesis:** There is a significant relationship between responsiveness and customer satisfaction in Chittagong City Restaurants.

As p-value is 0.345 (p>0.05), which is not significant. Hence, research hypothesis is rejected and there is no significant relationship between responsiveness and customer satisfaction in Chittagong City Restaurants.

### 5. Conclusion and Recommendation

Customer oriented philosophies have been given priority by the service firms. They are now realizing the importance of customer satisfaction in all aspects and thus they are thinking about the improvement in all service dimensions. The objectives of the study were to empirically describe the perceived service quality dimensions and investigate the impact of service quality dimensions on the customer satisfaction in Chittagong city restaurants. Findings of the study include the level of satisfaction rated by the customers that would help the service providing authority to do the needful. Both strengths and weaknesses are highlighted in the study, which may guide the service providers in maintaining and improving the service offerings.

From the empirical study, it is observed that people in the local industry somewhat bear the concept of better service quality thus they are expecting adequate benefits against their pay in order to become more satisfied. Local culture and customs are assumed as the major influencing factors in giving priority among service qualities. Peoples are getting more satisfied by the cooperative nature and fellow feeling of the service providers. The research reveals that the most weighted perceived variable in local restaurants is ‘empathy’, which indicates that the people yet give more value to the peer feeling by the service providers rather than providing priority toward exterior things only. In Bangladesh, most of the people prefer to have food at home but they are also aligning gradually with the concept of visiting fine dining restaurant to celebrate, have merriment, and taste the food recipes from all round the globe. Local industry customers are found to be satisfied with the level of restaurant’s ‘empathy’, ‘tangibles’, ‘assurance’ and ‘reliability’ successively. On the other hand, lowest perceived weight was given to ‘responsiveness’, which includes keeping speed with quality in peak hours, Provision of quick service and Added effort in handling special requests.

The present study reveals that the local industry does not fulfill the expected level of ‘responsiveness’ and customers are dissatisfied in this dimension. These results are somewhat similar to the study of Omar et al. (2016), where the attributes i.e., ‘tangibles’, ‘assurance’ and ‘empathy’ are found to have significant relationship with customer satisfaction, but the
relationship with the other two attributes – ‘reliability’ and ‘responsiveness’ were found insignificant. Empathy was found to have the strongest positive correlation with customers’ satisfaction while responsiveness has a weak positive relation with customers’ satisfaction (Omar et al., 2016).

Consequently, the study recommends that restaurant service quality in Chittagong city should be upgraded since most of the restaurant attributes were found below (overall mean score 4.90<5) compared to customer satisfaction in the assessment, based on customers’ perceptions. Service providers should give immediate priority in ‘responsiveness’ including both quick and quality service during peak hours as well as to infuse additional effort in handling special requests, which might contribute the most in the end. The managers in the restaurants should contribute the most in improving ‘responsiveness’ of the service providers. Service providers should also maintain the existing performance in the categories of ‘empathy’, ‘tangibles’, ‘assurance’ and ‘reliability’ as well as to improvise consistently for better feedback in future.

However, the study has several limitations in spite of its managerial implications. The results are based on a comparatively small sample size selected from a limited geographic area within a metropolitan city only and gathered in a short time period. This research could be expanded throughout the country. In addition, the measurement of restaurant service quality was limited to 33 restaurant attributes. Future research should focus on adding cultural influence based additional attribute, which can make the study more comprehensive. Upgraded service quality in Chittagong city restaurant settings would not only boost customer satisfaction and reinforce customer loyalty, but also could enhance the restaurant’s reputation and generate greater revenue. As Bangladesh occupies emerging sector in tourism & hospitality services thus such improved service quality in restaurant setting would definitely enrich the treasures of hospitality industry.

References


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