

Factors Affecting Customer Satisfaction of Food and Beverage Outlets- A Study of Food and Beverage Outlets between Amritsar and Jalandhar

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Abstract: The study identifies the most important significant factors that affect the customer preference of food and beverage outlets on Jalandhar to Amritsar National Highway. The data was collected using questionnaire and distributed in the different food and beverage outlets which are situated on the National Highway. In this study the factors has been identified for the satisfaction of customer on the basis of food quality, service quality, physical environment of food outlets, hygiene and cleanliness. Methodology used in this research paper Factor analysis, Correlation and Multiple regressions were applied to find out which factor has strong impact on customer satisfaction. The data collected was analyzed using SPSS software version 20.0 for this study. The respondents are from the region of Punjab who visited in food outlets which are situated on the Jalandhar - Amritsar National Highway. A total of 200 questionnaires were distributed, out of which 150 are received form the respondents. The 5 points Likert Scale was used for measuring the performance of all factors for customer satisfaction. In this research paper, quantitative methods were used. Ultimately, the research sample consisted of 150 customers. Physical environment found one of the least factors on customer satisfaction on food and beverage outlets in Amritsar and Jalandhar National Highway.

Keywords: Customer satisfaction, food quality, service quality, physical environment of food outlets, hygiene and cleanliness, food and beverage outlets.

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I. INTRODUCTION

Food and beverage department is one of the major revenue producing departments in hospitality industry. Qualities of service and customer satisfaction are critical factors for success of any business. In order to achieve customer satisfaction, it is very important to recognize and to anticipate customer needs and to be able to satisfy them. Today's scenario focus of hospitality industry is on developing of new technologies, innovation and environment friendly services which will helpful for increase the customer satisfaction level. Today's hospitality industry facing one of the major challenges that to sustain the customer for longer time. Food outlets are one of the most important needs while travelling. This is the reasons that most of highways are full of Dhabas and now days branded restaurants, fast food outlet, coffee shop and take away outlets etc. This is the reason that most of the customer who were earlier used to dine in Dhabas has shifted to branded restaurant, fast food outlet, coffee shop as Dhabas failed to provide them with clean and hygienic washroom which is one of the common ancillary area that is looked for by the travelers. This gives rooms for the fast food outlets and branded F&B outlets to grow with their outlets on highways. Food is one the factor the forces the traveler to look for F&B outlets on highways but now a days the ancillary area which are generally overlooked by the management like clean and hygienic washroom which affects the repeated clientele. The demand for quality product and service has increased in the recent years in terms of adding new innovative practices in Food service Industry.

II. REVIEW OF LITERATURE

According to the **Adediran, D. (2003)**, concluded in his study that the most of the travelers consider food quality, service quality, physical environment of food outlets, hygienic and cleanliness are the prime factors to select food outlet while travelling. Now days, there are so many other factors like physical environment, entertainment facility, hygiene and cleanliness has become more popular than the food quality. **Henson and Trail (1993)**, studied the role of four different attributes of food quality, which have positive

impact on customer satisfaction that are as follows: food safety, nutrition, value, and package. **Marija Pecotić (2014)**, Physical environment of the restaurant also has a great influence on image of the restaurant, physical surrounding of the restaurant has to be change-according trend in the market, which carry positive impact on customers. **Chow Keng Yong (2013)**, mentioned in his study that the cleanliness and hygienic of restaurant is one of the key factors which influence the choices of customer as make them loyal to particular food and beverage outlets. **Ali Dorosti (2012)**, discussed about the increasing competition between restaurant and food outlets, attracting new customers can no longer guarantee profit and success, but retaining existing customers is more important. In fact, a competitive environment provides customers more alternative option to choose the new restaurant and food outlets as suggested by **Young (2007)**, describes in his study the high quality of products of food outlets is an essential tool for achieving guest satisfaction. Food quality has positive impact on customer satisfaction, food quality have great influence on customer satisfaction than service quality which will help to retention of customer for future. **Saleha Anwer (2011)** clearly stated in his article that service quality, food quality, nutrition quality, entertainment quality and physical environment quality are the main ingredients of perceived value. **Ali Nasir et al., (2014)**, conducted a survey on blend of good taste, menu variety, nutritional value, attractiveness of presentation, freshness, and flavor of food; so that every food outlets fulfill the basic need of the customer and increase the retention percentage of customer in future visit. However, a nice and favorable atmosphere, good service has an important impact on the perceived customer value of a restaurant. **Mohammad Haghghi et al., (2012)**, study identify that the food quality is major factors but apart from this factor proper layout of the restaurant, physical environment of the restaurant, design and appropriate color of the restaurant, furniture and fixture also shows their impact on customer satisfaction. **Olise, M., Okoli, M., & Ekeke, J. (2015)**, describes in study that service quality, atmospheric quality, perceived value, environment, consumer demographics main factors influencing the behavior of consumers towards patronizing the fast food restaurants. Every customer has their own different views on different food outlets but factors are same.

Research objectives

1. To study the preference of food & beverage outlet across different age and income group.
2. To find out the association between food qualities, service quality, physical environment, hygiene and cleanliness of F&B outlets for customer satisfaction.
3. To find out most significant factors that has an impact on customer satisfaction on food and beverage outlets on highways.

III. RESEARCH METHODOLOGY

3.1 Research Design, Sampling Procedure and Participants

The sample of this study consists of travelers who are travelling on Jalandhar – Amritsar National Highway Punjab. Convenience sampling technique was used for collection of data from the respondents. A total of 200 questionnaires were distributed, out of which 150 are received from the respondents. The 5 points Likert Scale was used for measuring the performance of all factors for customer satisfaction. Data was collected from traveler who avail the services in the food outlets which were situated on the National Highway.

Food and Service Quality: food quality plays an important role for every food outlets for satisfaction of customer. It also consider as a tool of sales, quality of food and fresh ingredients are also become one of the reason for customer return in the restaurant. **Ryu et al. (2012)**, suggested five dimensions of food quality that are food should be serve fresh, delicious food, nutritive value on the food, different types of menu and appealing of food to customers. **Kisang Ryu mentioned in study (2010)**, customer wants to eat healthy food in health environment. Service quality and customer satisfaction both factors responsible for success of any business. Food outlets are spending huge amount of money on service quality to improve service standard of the outlets and increase the customer levels. **Nham Phong Tuan (2014)** conducted a survey in star hotel, to survive in the competitive market hotel industry need to pay special attention in improving the quality of service. Many researchers apply the model **SERVQUAL** another model used for service quality that is **SERVPERF** model for measuring of service quality. **Physical Environment:** Food outlets images depends upon two things one is tangible and another intangible attributes. Tangible attributes are physical such as restaurant location, layout, price, attractiveness of décor and other qualities that customers compare with their competitors. Intangible attributes are such as qualities as friendliness of restaurant personnel, and atmosphere.

3.2 Instrumentation & Measurement

A structured questionnaire was designed in order to achieve the objective of the study. The questionnaire was divided into two sections. Section 01 consists of demographic related information of respondents. Section 02 consists on information of respondent's awareness of the factors affecting on customer satisfaction in food and beverage outlets Amritsar and Jalandhar National Highway ie food quality, service quality, physical environment, hygiene and cleanliness of the food outlets. The questionnaire general consists of 25 questions in two different sections and used for measuring the factors in food and beverage outlets. A 5-

Points Likert scale was used to assess the statements in the scale where 01 represented to “Strongly disagree” and 5 represented to “Strongly agree” In addition to these questions in the scale, 06 questions on demographic like: gender, age group, marital status, education qualification, monthly income and occupation of the respondent.

3.3 Research model

A qualitative approach is used to explain present scenario and examine the factors effect on customer satisfaction in food and beverage outlets on highways.

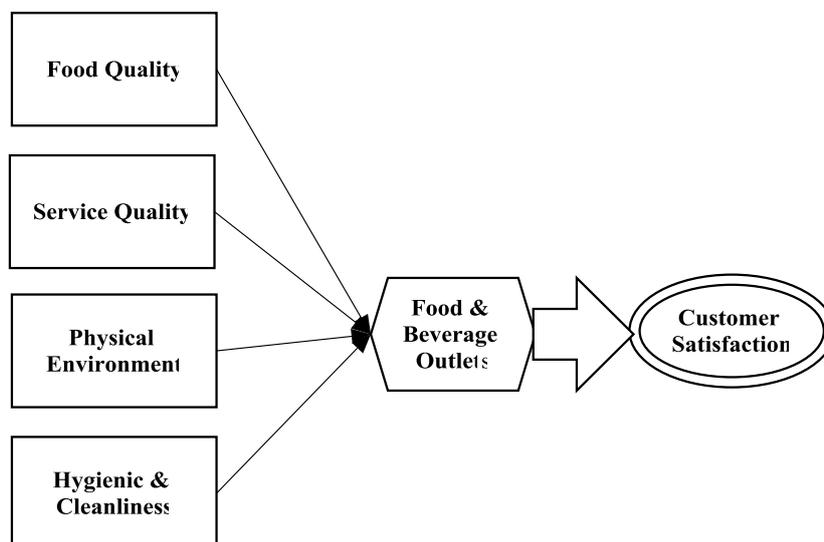


Figure 1 The proposed research model

3.4 Variables of the study

In the study there are various variable are studied to find out the truth that which factor has more significant impact on the customer satisfaction. Some of the common variables of studies are mentioned below:

Table 1 VARIABLES OF THE STUDY

Food Quality	Food was palatable
	Food was fresh
	The crispness and flavor of the food
	Overall dining experience
Service Quality	Willingness to help guests
	Attitude and behavior of service staff
	Quality of service and efficiency of staff
	Food service was delivered on time
Physical Environment	Layout & design of food outlets
	Seating arrangement
	Theme of the restaurant
	Flooring, ceiling and wood work
Hygienic Cleanliness	Standard of hygiene
	Grooming and personal hygiene
	Cleanliness of the food outlets and ancillary section
	Surrounding areas of the food outlets
Customer Satisfaction	Satisfaction rate at food and beverage outlets
	Recommend outlets to your friends and relative
	Would you choose again
	Overall satisfied with outlet performance

IV. ANALYSIS OF RESEARCH AND INTERPRETATION OF FINDINGS

4.1 Objective 01 The preference of F&B outlet across different age and income group:

Demographic Findings:

Table 2 Gender wise analysis

Gender		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	88	58.7	58.7	58.7
	Female	62	41.3	41.3	100.0
	Total	150	100.0	100.0	

Table 3 Age wise analysis

Age group		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-24	35	23.3	23.3	23.3
	25-34	38	25.3	25.3	48.7
	35-44	44	29.3	29.3	78.0
	45-54	15	10.0	10.0	88.0
	55 and above	18	12.0	12.0	100.0
	Total	150	100.0	100.0	

Table 4 Demographic characteristics of the sample

Types of food outlets		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Branded Restaurant	23	15.3	15.3	15.3
	Fast food outlets	35	23.3	23.3	38.7
	Coffee Shop	32	21.3	21.3	60.0
	take away	41	27.3	27.3	87.3
	Other	19	12.7	12.7	100.0
	Total	150	100.0	100.0	

As it can be seen in Table 2, the male respondents are 88% and female respondents 62%. The respondents were in the age group between 18-24 years (23.3%), 25-34 years (25.3%), 35-44 years (29.3%), 45-54 years (10%) and 55 above age group (12%). The result shows that the different age groups of respondents choose their food outlets different according to their age group. The result proved that when customers travelling on the national highway their preference towards choosing food outlet different, the result shows that only 15.3% of respondent choose branded restaurant, 23.3% fast food outlets rather than branded restaurant because traveler has no time to spend in food outlets, 27.3 % customers choose take away outlets which they feel comfortable eating of food their own vehicle and only 19% of customer choose other categories of food outlets like Dhabas.

4.2 Objective 02

The association between food qualities, service quality, physical environment, hygiene and cleanliness of F&B outlets for customer satisfaction. To calculating the most significant factor that has significant impact on customer satisfaction; in this study four factors are study (food quality, service quality, physical environment, hygiene and cleanliness) to find out the association on customer satisfaction. **Pearson Correlation between food quality, service quality, physical environment, hygiene and cleanliness of F&B outlets for customer satisfaction.**

Table 5 Correlation between various parameters

Dependent Variables	Independent Variables	Customer Satisfaction Rate	Recommend outlets to your friends and relative	Would you choose again	Overall satisfied with outlet performance
FOOD VARIABLES					
Food Palatable	Pearson Correlation	.522**	.694**	.647**	.584**
	Sig. (2-tailed)	.000	.000	.000	.000
	N	150	150	150	150
Food was fresh	Pearson Correlation	.518**	.681**	.550**	.486**
	Sig. (2-tailed)	.000	.000	.000	.000
	N	150	150	150	150
Crispiness & Flavor of food	Pearson Correlation	.505**	.643**	.601**	.584**
	Sig. (2-tailed)	.000	.000	.000	.000
	N	150	150	150	150
Overall Dining Performance	Pearson Correlation	.403**	.569**	.475**	.578**
	Sig. (2-tailed)	.000	.000	.000	.000
	N	150	150	150	150
SERVICE VARIABLES					
Willingness to help guests	Pearson Correlation	.561**	.766**	.645**	.657**
	Sig. (2-tailed)	.000	.000	.000	.000
	N	150	150	150	150
Attitude & behavior of service staff	Pearson Correlation	.503**	.616**	.604**	.502**
	Sig. (2-tailed)	.000	.000	.000	.000
	N	150	150	150	150
Quality and efficiency of service staff	Pearson Correlation	.517**	.612**	.571**	.650**
	Sig. (2-tailed)	.000	.000	.000	.000
	N	150	150	150	150
Food Delivered on time	Pearson Correlation	.552**	.698**	.627**	.632**
	Sig. (2-tailed)	.000	.000	.000	.000
	N	150	150	150	150
PHYSICAL ENVIRONMENT					
Layout & design of food outlets	Pearson Correlation	.392**	.511**	.537**	.484**
	Sig. (2-tailed)	.000	.000	.000	.000
	N	150	150	150	150
Seating arrangement	Pearson Correlation	.351**	.444**	.482**	.350**
	Sig. (2-tailed)	.000	.000	.000	.000
	N	150	150	150	150
Theme of the restaurant	Pearson Correlation	.457**	.427**	.422**	.526**
	Sig. (2-tailed)	.000	.000	.000	.000
	N	150	150	150	150
Flooring, ceiling and wood work	Pearson Correlation	.284**	.440**	.336**	.386**
	Sig. (2-tailed)	.000	.000	.000	.000
	N	150	150	150	150
HYGIENIC AND CLEANLINESS					
Standard of hygiene	Pearson Correlation	.445**	.620**	.559**	.561**
	Sig. (2-tailed)	.000	.000	.000	.000
	N	150	150	150	150
Grooming and personal hygiene	Pearson Correlation	.582**	.653**	.660**	.703**
	Sig. (2-tailed)	.000	.000	.000	.000
	N	150	150	150	150
Cleanliness of food outlets & ancillary section	Pearson Correlation	.566**	.624**	.608**	.677**
	Sig. (2-tailed)	.000	.000	.000	.000
	N	150	150	150	150
Surrounding areas of food outlets	Pearson Correlation	.600**	.678**	.654**	.684**
	Sig. (2-tailed)	.000	.000	.000	.000
	N	150	150	150	150

As the above Table shows the independent variable has strong relationship with each other but Food Palatable has a positive correlation with customer satisfaction which signifies that food palatable with recommend food outlets to their friends and relative. The value shows the relationship between ($r=.694^{**}$ and $.647^{**}$) which has strong correlation. The satisfied customers recommend the food outlets to their friend and relative and choose the same outlets in the next visit. Other variables of food also have strong significant association for satisfaction of customers. Customers also recommend the food outlets to other on the basis of freshness of food and Crispiness & Flavor of food. The value shows the relationship between ($r=.681^{**}$ and $.616^{**}$) which has strong correlation. The overall dining performance of the outlets has a positive impact on the customers. The independent variables of service quality have strong relationship with each other; willingness to help guests, attitude & behavior of service staff have a positive correlation with customer satisfaction which signifies that customers like the services offered by the food outlets and they will recommend the food outlets to their friends and relative. The value shows the relationship between ($r=.766^{**}$ and $.647^{**}$) which has strong correlation. Customers are fully satisfied with the delivery of food time on time as the result proved that ($r=.698^{**}$) which has strong correlation. As the above Table 4.3 shows the independent variable i.e. layout of food outlets and seating arrangement in food outlets shows the positive relationship with customer satisfaction. The layout and seating arrangements have significance correlation with dependent variables. The value shows the relationship between ($r=.537^{**}$ and $.482^{**}$) which has strong correlation. On the basis of this relation customers choose the food outlets once again in future. Study proved that the theme of outlets has strong correlation which all customers are fully satisfied with the performance of the food outlets ($r=.526^{**}$). The correlations between grooming, personal hygiene, and cleanliness of food outlets, ancillary section and surrounding areas of food outlets have positive relationship. Hence it can conclude that there is significance correlation between independent variables and dependent variables. The maximum value represent ($r=.703^{**}$ and $.684^{**}$) which shows the overall performance of the food outlets.

4.3 Objective 03: The most significant factors that has an impact on customer satisfaction on food and beverage outlets on highways.

Table 6 Model Summary

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.901 ^a	.812	.807	.31429	.812	156.862	4	145	.000

a. Predictors: (Constant), hygienic, physical, food quality, service quality

b. Dependent Variable: customer satisfaction

Table 7 Multiple Linear Regression between Independent and Dependent Variable

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.382	.213		-1.789	.076
	Food quality	.309	.068	.290	4.566	.000
	Service quality	.265	.075	.248	3.518	.001
	Physical environment	.185	.062	.138	2.989	.003
	Hygienic and cleanliness	.334	.072	.331	4.662	.000

V. CONCLUSION

Food outlets need to pay special attention for service quality, because of the high expectations of the customers. Only branded food outlets (Coffee Café day, Mc Donald, Sub Way, KFC and other branded food outlets) focus on service quality than other food outlets due high labor cost. But now a days traveler are more conscious about the hygienic and cleanliness, healthy food rather than service quality. Service quality is regular exercises to do the assessments on regular basis for achieve the customer expectation. So that this study proved that the service quality is the third important factor for satisfaction of the customers. Thus, physical environment is also considering the last important factor for satisfaction of customers. The proper layout of food outlets, seating arrangement especially for family members, theme and interior also create the positive impact on customer behavior. Food outlets should pay more attention to the physical environment.

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