



Service quality in restaurant operations in China: Decision- and experiential-oriented perspectives

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Abstract

Using the decision- and experiential-oriented perspectives as theoretical guides, this article reported an empirical assessment of service quality in restaurant operations. We proposed and tested a conceptual model of service quality using structural equation modeling. Using data from a sample of 284 customers from two large full-service restaurants in southern China, we investigated the relationships of service quality, customer satisfaction, and frequency of patronage. The results supported the significant links between service quality and customer satisfaction, service quality and repeat patronage, but not customer satisfaction and repeat patronage. The study has provided important insights into service quality and customer satisfaction in the field of restaurant operations.

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Keywords: Service quality; Customer satisfaction; Restaurants; China

1. Introduction

Service quality and customer satisfaction have been identified as key elements of the service-profit chain (Heskett et al., 1997). Higher levels of service quality produce higher levels of customer satisfaction, which in turn lead to higher levels of customer patronage

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and sales revenue. Customer service quality is a crucial source of distinctive competence and often considered a key success factor in sustaining competitive advantage in service industries (Palmer, 2001). Thus, attention to delivery of a higher level of service quality is an important strategy by which service organizations can position themselves more effectively in the market place. The important relationships of service quality, customer satisfaction, and purchasing behavior have thus been an important area of research (Pettijohn et al., 1997; Sivas and Baker-Prewitt, 2000).

Previous studies on customer expectation and service-quality perception in the food-service industry have revealed certain important attributes, such as low price, food quality (food taste and nutrition properties), value for money, service, location, brand name, and image (Johns and Howard, 1998; Tam and Yung, 2003). More specifically, the fundamental factors that contribute to customer satisfaction in restaurants include the food (hygiene, balance, and healthiness), physical provision (layout, furnishing, and cleanliness), the atmosphere (feeling and comfort), and the service received (speed, friendliness, and care) during the meal experience (Johns and Pine, 2002).

China's impressive economic growth rate increased more than six-fold during the last two decades. The steady income growth of the people in China has provided an opportunity for increased spending in restaurants. The city of Guangzhou, for example, has attained the highest average disposable income in China (i.e., RMB ¥8839 or US\$1065 per year). According to the National Bureau of Statistics of China (2002), Guangzhou's residents spend RMB ¥2554 or US\$307.70 monthly on food, of which 35.5% is spent in restaurants. Catering service provision, a booming industry in China, grew 16.6% in 2002. There were a total of 3.8 million restaurants, employing 18 millions workers. Sales value reached RMB ¥509.2 billion or US\$65.26 billion, accounting for 5% of total production value and representing 12.5% of the total retail values. The demand for good quality catering service is expected to grow steadily (Yang, 2004). In the Chinese culture, restaurants are a common venue for social gatherings and business entertainment. Food consumption in restaurants provides an experience of excitement, celebration, and establishing social connections (Feng, 2003). As personal incomes grow, service quality will increase in importance (China Chain Operations Association, 2004).

Very little, if any, research has been undertaken to measure service quality of restaurants in the context of China (Heung et al., 2000; Swanson and Davis, 2003). The present study examines the relationships of service quality, customer satisfaction, and frequency of patronage in mainland China. It will be of interest in understanding more about how environmental inputs affect perceptions of service quality, satisfaction, and the patronage frequency. Our findings offer important insights into how restaurant operators manage service quality and customer satisfaction. In the following sections, we develop our theoretical model and hypotheses and describe the research method. Then, the findings are discussed, and theoretical and practical implications are provided.

2. Hypotheses

In this study, we draw upon the decision- and experiential-oriented perspectives (Holbrook, 1995) as an overarching framework in developing our nomological network. According to Holbrook's (1995) perspectives, consumers' responses stem from two broad sources: environmental inputs and consumer inputs. These inputs contribute to the consumers' evaluative standards and, in turn, shape their experiential-oriented system and

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