

A study of relationships among service performance, customer satisfaction and behavioral loyalty

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Abstract

The objectives of this study are to identify unique attributes and/or factors to determine service quality at Bar-restaurants and to examine the relationships among service quality, customer satisfaction, and their behavioral loyalty at the Bar-restaurants. A questionnaire was developed based on the previous studies and focus groups reviewed the questionnaire to establish the content validity of this study. This study will use descriptive statistics, factor analysis, and structural equation modeling techniques. The results of this study will contribute to developing a theoretical model to measure service quality at Bar-restaurants and to providing managerial implications to meet and/or exceed customers' satisfaction and loyalty at bar-restaurants.

Introduction:

Service quality is vital and is a fundamental component in the service industry. Numerous previous researches on service quality have been conducted. For instance, from defining and measuring service quality and examining relationship between service quality and other constructs in the hospitality industry. However, not many studies have been conducted to identify the relationships among service performance, customer satisfaction, and their behavioral loyalty at bar-restaurants. No official definition of a bar-restaurant exists; for the purpose of this study, we will define a bar-restaurant as an establishment where food and alcohol is served and entertainment or recreational activities are also provided. While most restaurant quality-related studies focus on atmosphere, service delivery, food, or other factors, they often overlook the significance of the bar itself as the core competency of a restaurant. Therefore, this study will identify unique attributes and/or factors to determine service quality at the bar-restaurants and examine the relationships among service quality, customer satisfaction, and their behavioral loyalty at the bar-restaurants. The results of this study will contribute to developing a theoretical model to measure service quality at bar-restaurants and to providing managerial implications to meet and/or exceed customers' satisfaction and loyalty at bar-restaurants.

Theoretical Framework

Service quality has been identified as “a determinant of market share, return on investment and cost reduction” (Parasuraman, Zeithaml, & Berry, 1985). Parasuraman, Zeithaml, and Berry (1985) developed the first model to assess and define service quality, SERVQUAL. They noted that discrepancies existed between a business's and the customer's perceptions of the service quality delivered. In investigating these discrepancies, Parasuraman, Zeithaml, and Berry

(1985) assert that service quality can be assessed by measuring the discrepancies or "gaps" between what the customer expects and what the consumer perceives he receives. According to the study conducted by Parasuraman, Zeithaml, and Berry (1985), the original ten factors that would help determine service quality were tangibles, reliability, responsiveness, communication, credibility, security, competence, courtesy, understanding, and access. These original factors were revised later to become the now accepted five variables: tangibles, reliability, responsive, assurance, and empathy (Parasuraman, Zeithaml, and Berry 1985). However, Cronin and Taylor (1994) argue that SERVQUAL actually does not measure either customer satisfaction or service quality, but rather it "appears at best an operationalization of only one of the many forms of expectancy—disconfirmation."

Stevens, Knutson, and Patton (1995) created a service quality measure, DINESERV, which focused on measuring the level of restaurant atmosphere and employee service. Caldwell and Hibbert (2002) examined the effect of music as one atmospheric element affecting restaurant patron behavior. Kivela et al. (2000) included food in explaining dining satisfaction and predicting return patronage at restaurants while Namkung and Jang (2007) focused on food quality and the extent to which it affected a customer's satisfaction and loyalty behavior. Cronin and Taylor (1992) demonstrated that perceived service quality led to satisfaction, and that satisfaction, in turn, had a significant positive effect on repurchase intent while Dabholkar, Shepherd, and Thorpe (2000) also discovered that satisfaction acts as a mediator between perceived quality and behavioral intentions.

The TANGSERV model was created by Raajpoot (2002) and focused on the tangible quality constructs. To gain a better understanding of the factors that lead to consumer choices, satisfaction, and loyalty behaviors, a study needs to go beyond the traditional SERVQUAL. The importance of food quality was mentioned by quick-serve operators Ryu, Han, and Jang (2009). They also discussed the importance of hedonic and utilitarian aspects to a restaurant which, if understood, balanced, and applied correctly, could provide a better understanding of the customer's wants and needs and appeal to them more. Namkung and Jang (2010) discovered setting reasonable prices and providing efficient services in a timely manner could negate negative emotion. The findings also suggested that providing high-quality tangible outcomes and intangible services are vital to evoking positive emotions and eventually generating future favorable behaviors.

Therefore, the following hypotheses are developed:

H(1): Increased customer perception of service quality in bar-restaurants will positively influence customer satisfaction.

H(2): Increased customer satisfaction in bar-restaurants will positively influence customer behavioral loyalty.

Research Methodology

This is a mixed-methods study in which personal interviews and focus groups were used to identify and develop unique attributes and to measure specific service quality at bar-restaurants. After analyzing the attributes, a questionnaire based on the SERVQUAL and DINESERV features was developed.

Focus groups consisting of managers and customers at a bar-restaurant in Florida and 175 undergraduate students in a hospitality and tourism management college in Florida reviewed the questionnaire to establish the content validity of this study. In addition, focus groups added new attributes for the bar-restaurants specifically. Five-point Likert scales were used to assess all

measurement items from 1 (strongly disagree) to 5 (strongly agree). Approval from the university's Institutional Review Board for the Protection of Human Subjects was received before the questionnaire was distributed. The pilot study was conducted using a convenience sample at the university in Florida.

To identify unique attributes and/or factors to determine service quality at the Bar-restaurants, this study will employ descriptive statistics and factor analysis. To examine the relationships among service quality, customer satisfaction, and their behavioral loyalty at the Bar-restaurants, structural equation modeling techniques will be used.

Results and Further Research

Based on the questionnaire pre-testing and the data from the focus groups, three attributes unique from DINESERV and SERVQUAL have emerged: safety issues, the role of the bartender, and the quality of the drinks. We believe these attributes are distinctive critical factors that determine customer satisfaction at bar-restaurants and that further analysis will determine their significance. Though safety has many different connotations, one definition that respondents were specific about is the overall safety of the bar-restaurant environment and how comfortable they felt being there. The role of the bartender is more important than people realize. Based on the interactions, a good bartender can motivate a guest to become a loyal customer and plays a key role in the guest experience. The quality of drinks is a deciding factor for many guests when they pick a bar to visit. Most patrons seek a bar-restaurant that provides a variety of quality (and often unique) signature drinks. Based on previous literature, increased satisfaction with service quality will lead to increased loyalty. After further testing, the results of this study will provide theoretical implications to develop new attributes to measure service quality at bar-restaurants as well as managerial implications to determine major sources of customer satisfaction and loyalty at bar-restaurants.

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