2.0 Literature Review

2.1 The Restaurant Industry

The restaurant industry is a very complex and unique industry, as dealing with two different types of operations where one specialized in food and the other half is serving the customers. In essence, restaurateurs are running two critical components of business operation: manufacturing and sales, all under one roof (Biswas & Cassell, 1996). It is one of a few industries that must coordinate these challenging tasks within the confines of the same facility. The manufacturing component has to do with kitchen operations in producing tasty and appealing dishes while the serving section has to ensure serving their customer with an efficient service. Restaurateurs also must coordinate human resources management practices for their employees, as well as develop strategic management to execute production and expediting of all food and beverage items involved. Secondly, restaurateurs must coordinate proper human resource management practices in hiring, developing and executing proper salesmanship and service practices to ensure a positive dining experience (Biswas & Cassel, 1996; Smucker,2001). Therefore, restaurateurs must be concerned with both product quality and the level of service quality provided (Bojanic & Rosen, 1994).

Sasser, Olsen and Wyckoff (1978) categorize service industries into four classifications: simultaneity, heterogeneity, intangibility and perishability (Biswas & Cassell, 1996). Simultaneity refers to the manufacturing and consumption of food products within the same facility. This function is different from the traditional manufacturing setting where the manufacturer could be thousands of miles from the consumer. Heterogeneity refers to the way that restaurants deliver and reproduce it products of food and service with a consistent quality. The task is very difficult to accomplish consistently because of several factors including, raw product quality, staff behaviour, customer turnover, mood and atmosphere. Intangibility refers to the actual service being provided which cannot be measured. Perception of service quality differs from person to person and depends on individuals' perception and expectations. Finally, perishability is concerned with the shelf life of the food products being purchased and served. This characteristic shows that there is a definite life span associated with the food products being purchased (Biswas & Cassel, 1996; Smucker, 2001). As a conclusion, all these factors discussed clearly show the differentiation and complexity involved with the restaurant industry as compared to other business.

With a particularly high failure rate of over 60% within the industry, it is evident that the aforementioned tasks are difficult to execute (Sydney, 2003). A critical success factor of any business is the ability to generate repeat business (Zeithaml et al., 1996).

In the restaurant industry the condition is more critical and challenging. Due to the extremely low switching costs, customers have a wide array of choices of where they can dine. If they are not satisfied with their dining experience at one restaurant it is very easy for them to choose another (Crook, Ketchen & Snow, 2003).

This study also will examine the dining intentions in the casual dining "Mamak" restaurant. According to Zietmahl, et al. (1996) behavioural intentions affect whether customers return to or defect from a business. These behaviours have shown noteworthy linkages to profitability in organizations (Fornell & Wernerfelt, 1987; Reichild & Sasser , 1990; Zietmahl, et al. (1996) link service quality to customer's behavioral intentions, and have studied the effects in multiple service industries. There is little research examining behavior intentions in the hospitality industry (Alexandris, Dimitriadis, & Markata, 2002), creating a need for this study.

Another core theory in this study is service quality. It has been the interest and focus of other researchers for nearly two decades, starting with the works of Parasuraman, Zeithaml, and Berry (1985). Parasuraman at al., (1988) developed the first measurement tool for evaluating the level of service quality within organization SERVQUAL. This chapter will discuss the works of these researchers, the SERVQUAL instrument, subsequent research and modification of this instrument by other researchers.

During the middle of 1990's, service quality researchers has branched out and diversified their studies to other areas which they felt impacted the service quality criteria. One of their key findings was the correlation between service quality and profits (Greising, 1994; Rust, Zahorik and Keiningham, 1995; Zeithalm, Berry, and Parasuraman 1996). Several intervening were found to play an important role in profitability and service quality, most notably behavioral intentions. Behavioral intention can be viewed as what a customer's behavioral responses are going to be after being involved in a service encounter (Boulding, Kalra, Staelin & Zeithaml, 1993; Zeithaml et al. 1996). A further discussion of the implications of dining intentions and their link to service quality is found later in this chapter.

2.2 Service Quality

Lethinen and Lethinen (1992) break service into three categories: physical qualitites (visible components); interactive service (actual performance of the service) ; and corporate service (image). The intangible nature of the construct of service quality makes it difficult to properly measure and analyze (Oh & Parks, 1997; Parasuraman, Zeithalm, & Berry, 1985; Seidman, 2001).

The leading researchers in service quality and those primarily responsible for creating the first instrumenst to measure this construct are Parasuraman, Zeithalm, and Berry (1985, 1988, 1991). In the first attempt to find quantifiable measures of this intangible construct Parasuraman, et al. (1985) identified the following ten factors (dimensions) : (1) Reliability-consistency of performance; (2) Responsiveness – willingness of employees to provide service; (3) Competence – possession of knowledge and skills to perform the task; (4) Access – approachability; (5) Courtesy – politeness, respect, friendliness; (6) Communication – keeping customers aware of what is going on; (7) Credibility – trustworthiness, honesty, believability; (8) Security – elimination of risk, danger; (9) Understanding/knowing the customer – knowing the customers needs; (10) Tangibles – physical evidence of service.

Further research by Parasuraman et al. (1988) identified levels of overlap among some of the dimensions identified earlier in 1985. They therefore merged the ten dimensions into five: (1) Tangibles – facilities,equipment, and appearance of personnel; (2) Reliability – ability to perform the promised service; (3) Responsiveness – willingness to provide the service promptly; (4) Assurance – knowledge and courtesy of employees and their ability to inspire trust and confidence; (5) Empathy – caring, individualized attention the firm provides its customers (Parasuraman et al., 1988).

The SERVQUAL model analyzes the level of service quality by evaluating the gaps between customers' expectations and perceptions of service. The smaller the gaps, the higher the level of service quality Kivela, Inbakaran & Reece(1999). SERVQUAL has been validated and tested in a variety of industries including banks, credit card companies, repairs and maintenance firms and long distance telephone companies (Parasuraman et al. 1988, 1991).

Babakus and Mangold studied hospital services in 1991 and research in hospitality has been conducted by Farouk and Ryan (1991), Bojanic and Rosen (1994), Seidman (2001). Although altered by subsequent researchers,the SERVQUAL instrument has maintained the fundamental five dimensions and has had high levels reliability and validity throughout all tests (Seidman, 2001).

Although this instrument has proven valid time and time again through a wide array of tests in a variety of industries, SERVQUAL still has its critics. The most noted critics are Cronin and Taylor (1992, 1994). In 1992 Cronin and Taylor criticized the fundamental philosophy of the SERVQUAL instrument, questioning the "gap theory" of perceptions minus expectations. They developed a model they called SERVPERF, which uses organizational performance as the true test of measuring level of service quality (Cronin & Taylor 1992). The model suggests that service quality is an antecedent to customer satisfaction (Seidman, 2001).

Oh and Parks (1997) in a major review of the literature found considerable overlap between the constructs of service quality and customer satisfaction. If the SERVPERF model were indeed correct, essentially Cronin and Taylor (1992) would suggest that customer satisfaction is more important than the actual service quality delivery (Seidman, 2001). Although there are some negative reports on SERVQUAL and its dimensions, the instrument is still considered to be a valid and accurate tool in assessing service delivery and quality (Fitzsimons & Fitzsimons, 1994).

2.2.1 Service Quality in Hospitality

Several studies in the hospitality industry have used the SERVQUAL instrument (Bojanic & Rosen, 1994; Farouk & Ryan, 1991; Getty & Thompson, 1994; Knutson et al., 1990;Oh & Parks, 1997; Seidman, 2001; Stevens et al., 1995). The results of these studies varied from the initial results found in other industries (Oh & Parks, 1997; Parasuraman et al., 1988, 1991). Bojanic and Rosen and Farouk and Ryan (1991) showed that there were missing dimensions for a more comprehensive analysis of the hospitality industry. For example, Bojanic and Rosen (1994) added 'access', an original dimension used by Parasuraman et al. (1985), as a dimension to the original SERVQUAL scale, to create an additional dimension.

Additionally, Seidman's study (2001) failed to clearly show the five dimensions of the SERVQUAL instrument as they relate to the quick service industry. Although modifications have been made to the scales, the reliabilities of the SERVQUAL instrument remained valid.

In 1990, Knutson et al. modified Parasuramanet al.'s (1988) original instrument to create a more comprehensive measure for the hospitality industry especially in hotel. With a factor analysis of the original 36-item scale of SERVQUAL, ten of

the 36 items did not add to the measurement and were dropped (Knutson er al., 1990).

The new 36-item scale measuring lodging service quality was called LODGSERV, and again utilized the core five dimensions showed that, as in the original instrument, SERVQUAL, the reliability factor was the highest ranking of all. The remaining factors were ranked in the following descending order of relative importance to lodging guest: assurance; responsiveness; tangibles and empathy (Stevens et al., 1995). LODGSERV was tested both domestically and internationally and proved to be reliable across cultures.

After years later, three of the same researchers that create and developed the LODGSERV instrument realized that there was no proper instrument that specifically measured and cater the service quality in restaurants. In 1995, Stevens et al. developed DINESERV, originally a 40-item scale used to measure what should happen during a restaurant dining experience, after factor analysis of the 40 items, and a final 29-item scale was developed.

 DINESERV was tested in multitude of different types of restaurants, including both quick service and full service restaurants. The new instrument proved valid, and again results concurred with the dimensionally findings of SERVQUAL. As the LODGSERV, the reliability dimension ranked the highest in importance to guests dining at restaurants. The remaining rankings of dimension varied from LODGSERV, with tangibles ranking the next most important. The remaining

dimensions ranked as follow: assurance, responsiveness, and empathy (Stevens et al., 1995).

The overall dimensions that are being analyzed by the SERVQUAL instrument and all of the modified scales, LODGSERV and DINESERV, seem to accurately depict the elements that determine service quality. Although the instrument and its dimensionalities have critics (Bloemer, deRuyter, & Wetzels, 1999; Cronin & Taylor, 1992; Gronroos, 1993; Teas, 1993), it is still considered one of the best benchmarking tools to measure the level of service (Bloemer, deRuyter & Wetzels, 1999; Fitzsimons& Fitzsimons, 1994). Table 1 lists the researchers who conducted studies using the SERVQUAL instrument, modified uses of the instrument, and the service industries that have been studied.

Table 2.1 Studies using SERVQUAL

Setting	Researchers / Years
Bank, Credit Card Company, Repairs & Maintenance and Long Distance Telephone Company	-Parasuraman,Zeithaml and Berry (1988)
Telephone Company	-Parasuraman, Berry and Zeithaml (1991)
Hospital Services	-Babakus & Mangold (1991)
Hotel and Restaurants	-Farouk and Ryan (1991) -Bojanic and Rosen (1994) -Seidman (2001)

Modified and adapted from Seidman (2001)

This study utilizes the DINESERV instrument developed by Stevens, et al. (1995). As the research cited above demonstrates, it is a valid measure of service quality in restaurants.

2.3 Food Attributes

Attributes can be defined as the product features that differ from those of competitors' products (Lewis. 1983). This definition of attributes can be directly applied to food attributes since food attributes are features that differentiate one type of food from other food Lewis (1993) proposed that several specific attributes are involved in food such as taste, healthiness, social status and cost. For example, Menkaus et al ., (1988) reported that health-related factors and visual differences were evaluated as significant in the purchase of branded beef.

Further, Lin (1991) examined the five food attributes that may affect oyster consumption: taste, nutritional value, freshness, cost and safety.A review of the literature suggests that food attributes, such as taste, perceived value (which includes price and portion size) and perceived nutrition, have been considered significant within the food choice decision making process (Glanz et al., 1998) and (French et al., 1991).

The literature also suggested that the evaluation of food varies depending on each of these attributes Verbeke and Lopez (2005) further examined customer food preferences based on nine food attributes search (price, color, appeal), experience (taste, spiciness, convenience), and credence attributes (leanness, safety, and healthiness). They reported that taste and appearance were key attributes in determining Belgians' preferences for ethnic foods.

2. 3.1 Perceived importance and performance of attributes

Attributes importance refers to a person's overall evaluation of the significance of an attribute to a product. A fundamental assumption is that consumers differentiate the relative importance of each product attribute (Keller. 2003) and (Kotler., 1988). Consumers are presumed to trade off the relative attribute importance among decision alternatives, and this trade off eventually leads to actual purchase decisions or behaviors.

Thus, to the extent to which these assumptions hold, the attribute that is perceived as most important communicates how the various products are perceived to differ and eventually plays a significant role in influencing the product choice of the consumer (Fishbein., 1967) and (MacKenzie., 1986).

On the other hand, performance is regarded as the customer perception of the evaluative level of the attribute as it pertains to a product (Hemmasi et al., 1994). The perception of the performance is therefore product-specific (food - specific in this study) (Bopp., 1990). With a more favorable perception of performance, consumers are more likely to select from among similar alternatives. Thus, it is very important for restaurant and food marketers to have a sound understanding of which product (food) attributes customers perceive as important and the relative performances of those product attributes from the customers' point of view.

2. 4 Behavioral Intentions

Customers who are dissatisfied with a service that they have experienced, may take a variety of different actions such as treat their last visit to the restaurant or worse is by sharing their bad experienced with friends or what we call word of mouth in negative manner. They can voice their opinion to management, they can say nothing and just not return to that organization, or they can continue patronizing the organization and not say anything (Susskind, 2002).

In an early study of customer retention Rosenberg and Czepiel (1983) stated that organization spend a lot of time and money finding new customers. However, once the organization has the customers, especially the loyal ones it is not an easy task to maintain and take care of them. Bill Marriott of Marriott hotels has been quoted as saying that it costs the Marriott Company an average of ten marketing dollars to attract a new customer, and just one dollar in " special efforts" to get them return to hotel (Stevens et al., 1995).

The study of behavioral patterns and respons can be traced to Ajzen and Fishbein (1980) who state that behaviour can be predicted from intentions that correspond to a certain behavior (Baker & Crompton, 2000). Research demonstrates that a dissatisfied customer can tell an average of 10 – 20 other people (Brown, 1997; Shaw – Ching Liu, Furrer, & Sudarshan, 2001; Tax, Brown & Chandrashekaren, 1996).

 Other studies report that people discuss both positive and negative experiences (Susskind, 2002). Ultimately it has been found that the economic impact of customer retention is incredibly significant from a profitability position. The defining study conducted by Reichheld and sasser (1990) who showed that a 5 percent increase in customer retention equated to a net present value increase of 25 – 125 percent in profitability (Bowen & Chen, 2001; Reicheld & Sasser, 1990; Shaw – Ching Liu et al.).

From a restaurateur's perspective, if the organization is to increase its guest return rate from 76 percent to 81 percent, profits would more than likely double (Stevens et al., 1995).

The preceding customer retention literature has shown the importance of retaining customers, and its effect on business profitability. By creating and providing quality service trainings and programs to organizations has led to the identification of offensive and defensive service programs. Offensive programs include obtaining new customers and defensive programs include retaining current customers (Fornell & Wernerfelt, 1987; Rust & Zahorik, 1993; Zahorik & Rust, 1992; Zeithalm et al., 1996),

Zahorik and Rust (1992) identified five factors that must be evaluated in order to gauge the effect of service quality on profits. (1) Identifying the key service attributes, (2) selecting the most important attributes, (3) modeling the link between programs and attitudes. (4) modeling behavioral response to service programs, and (5) modeling the effects on service programs to profits (Zethalm et al., 1996). By the middle of 1990's, the fourth attribute, behavioral response to service programs, had received minimal study (Boulding et al.,1993, Cronin & Taylor, 1992).

Cronin and Taylor (1992) looked at one – dimensional measure of intentions, specifically repurchase intentions. Boulding et al. observed a multiple dimensional scale, repurchase intentions, and the willingness to recommend. Both studies showed positive relationships between positive experiences and repurchase intentions.

In 1996, Zeithalm et al. showed that behavioral intentions are intervening variables between service quality and finacial gain or loss of an organization. We can say that if more patrons have dining intentions to "Mamak" restaurant hence the business sustain and still exist until now generation after generation. Conversely, low levels of service quality will create unfavorable behavioral intentions, which in turn will decrease relationships with organizations (Alexndris, Dimitriadis, & Markata, 2002; Zethalm et al., 1996)

2. 4.1 Behavioral Intentions Dimensions

To measure behavioral intentions, Zeithaml et al. developed the Behavioral Intentions Battery, which is discussed in detail in chapter 3. From the items in this battery, Zethalm et al. developed a comprehensive multi dimensional model of behavioral intentions in the service industry. The framework initially included the following four dimensions: (1) word of mouth, (2) purchase intentions, (3) price sensitivity and (4) complaining behavior (Bloemer, deRuyter, & Wetzels, 1999; Zeithaml et al. , 1996).

After factor analysis of the 13- item battery, a five-dimensions model was created (Bloemer et al. ,1999). The dimensions were as follows : (1) loyalty to company , (2) propensity to switch, (3) willingness to pay more , (4) external response to a problem (Alexandris et al . ; Bloemer et al . ; Zeithalm et al .).

Although there has not been extensive research in linking behavioral intentions to service quality (Baker & Crompton , 2000; Alexandris et al .), the existing research found some variation to Zeithaml et al. 's original dimensions (Bloemer et al . ,1999). The Bloemer et al. study found that there were different dimensions that were important in predicting behavior including, repurchase intentions, word-of-mouth communication, price sensitivity and complaining behavior (Shaw-Ching Liu et al. , 2001). The relationships between service quality and behavioral intentions were also found to differ across a variety of industries (Alexandris et al. , 2002; Athanassopolous, Gounaris, & Stathakopolous, 2001; Shaw – Ching Liu et al., 2001).

The researchres found varied levels of importance with regard to the intentions dimensions across industries. For example, in the entertainment industry, behavioral intentions were highly weighted by responsiveness and tangibles, whereas in the food industry, it was assurance and empathy (Alexandris et al., 2002). The Alexandris et al. study of the hotel sector in northern Greece found that the tangibles factors of service quality did not impact the intention factors.

Other research has also shown that the tangibles were not significant in determining behavioral intentions in some industries (Zeithaml & Bitner, 2000; Alexandris et al., 2002). One reason posited by Alexandris et al. form this effect is that in the hospitality industry today tangible factors have become a prerequisite, and have become expected by customers (Alexandris et al., 2002)

Although some variations of the dimensions have been found across studies, the overall reliability and validity of Zeithaml et al.'s (1996) model is clearly indicated. The theoretical model has been supported in all studies conducted since 1996with its inception (Blomer et al., 1999; Baker & Crompton, 2000; Zeithaml & Bitner, 2000; Athanassopolous et al., 2001; Shaw – Ching Liu et al., 2001; Alexandris et al., 2002)

Table 2.2: Researchers and industries studying Behavioral Intentions

Setting	Researcher / Year
Banking, Pest Control, Dry Cleaners, Fast Food	Cronin and Taylor (1992)
Hotel (laboratory setting), Educational Institution	Boulding, Kalra, Staelin, and Zeithalm (1993)
Computer Manufacturer, Retail Chain, Automobile Industry, Life Insurance Company	Zeithalm, Berry, and Parasuraman (1996)

Table 2.2continued

Setting	Researcher / Year
Fast Food, Entertainment (amusement parks) , Health Care, Supermarkets	Bloemer, deRuyter, and Wetzels (1999)
Tourism Industry (festival)	Baker and Crompton (2000)
Banking Industry (Greece)	Athanassopolous, Gounaris, and Stathakopolous (2001)

2.5 Conclusion

These chapters discussed the relevant literatures review which has covered the extensive, multidisciplinary body of literature relating to consumer studies in foodservice. It draws upon this diversity of studies to show the scope of this exciting area, to identify and develop areas of commonality within and between different schools of research, as well as gaps and weaknesses in the food service area.

In a Chapter 4, an outline methodology of research design will be discussed on the method used in conducting the study, which includes the design of the research instruments, sampling and survey method, questionnaires designs and data analysis method.