

A

Comparative Study of the Service Quality of Casual Dining Restaurants in Phuket: Perspectives of Thai and International Customers

การศึกษาความแตกต่างคุณภาพบริการ
ของร้านอาหารที่มีบรรยากาศแบบกันเอง
ที่ภูเก็ต: ความคิดเห็นของลูกค้า
คนไทยและคนต่างชาติ

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บทคัดย่อ

วัตถุประสงค์ของการศึกษานี้เพื่อกำหนดคุณสมบัติของคุณภาพบริการ (SERVQUAL) ที่มีอิทธิพลต่อความพึงพอใจของลูกค้าร้านอาหารที่มีบรรยากาศแบบกันเองที่ภูเก็ต นักวิจัยได้ตรวจสอบความสัมพันธ์ระหว่างความพึงพอใจของลูกค้าและความจงรักภักดี ผลของการวิเคราะห์ปัจจัยได้ระบุ 4 ประเภทหลักของปัจจัยคุณภาพบริการ คือ 1) ความสัมพันธ์ของพนักงานและลูกค้า 2) สภาพแวดล้อมของผู้ให้บริการ 3) ทักษะและความสามารถของผู้ให้บริการ และ 4) ความคิดริเริ่มของผู้ให้บริการที่มีต่อการบริการลูกค้า ผลของการศึกษา พบว่า ปัจจัยคุณภาพบริการมีผลกระทบที่เป็นทางบวกต่อความพึงพอใจของลูกค้า ในทางกลับกัน ความพึงพอใจของลูกค้าเป็นเสมือนการเพิ่ม

ความจงรักภักดีของร้านอาหารที่มีบรรยากาศแบบกันเอง ผลสรุปแสดงให้เห็นว่าคุณภาพบริการทั้งหมดของร้านอาหารไทยที่มีบรรยากาศแบบกันเองนั้นมีความสำคัญมากกว่าร้านอาหารญี่ปุ่น ร้านอาหารอิตาลี และร้านอาหารเมดิเตอร์เรเนียน

คำสำคัญ: ความพึงพอใจของลูกค้า ความจงรักภักดี คุณภาพบริการ ภูเก็ต ร้านอาหารที่มีบรรยากาศแบบกันเอง

Abstract

The purpose of this study was to determine which attributes of service quality (SERVQUAL) influenced customer satisfaction with casual dining restaurants in Phuket. The researcher examined the relationships between customer satisfaction and customer loyalty (word-of-mouth and repurchase intention). The results of factor analysis identified four main service quality factors: 1) Personnel and Customers' Relationship, 2) Environment Service Provider, 3) Service Providers' Attitude and Competencies, and 4) Service Providers' Initiative in Serving Guests. The findings of this study indicated that the service quality factors had a positive impact on overall customer satisfaction. In turn, customer satisfaction is likely to increase customer loyalty (word-of-mouth endorsements and repurchase intention) to the casual dining restaurant environment. The results showed that Thai casual dining restaurants had a higher significant difference than Japanese, Italian, and Mediterranean casual dining restaurants in overall service quality.

Keywords: Customer Satisfaction, Customer Loyalty, Service Quality, Phuket, Casual Dining Restaurants

Introduction

Phuket, Thailand's largest island, is located approximately 862 kilometers south of Bangkok. Phuket is a tourist destination and is full of a variety of tourism resources. A study ranked Phuket's attractions based on the top three areas of tourist satisfaction: first, beach, natural beauty, and climate were given 63 percent, second, food was given

52 percent, and third, local hospitality 43 percent (Phuket Guideline, 2006). Since food in Phuket is the second thing that satisfies tourists, restaurants should develop service standards and service quality to meet customer satisfaction.

According to the Phuket official census, Phuket Tourism Statistics 2005 showed 289,584 people living in Phuket

(permanent residents) with 139,506 males and 150,078 females. The guest arrivals at accommodation establishments in Phuket in 2005 totaled 1,971,181, including 824,330 Thais and 1,146,851 foreigners. Moreover, the domestic tourism in Phuket in 2005 was 1,188,621 Thai visitors and 1,321,655 foreign visitors, 1,108,444 Thai tourists, and 1,266,900 foreign tourists. Phuket has seventy eight restaurants: twenty one casual dining restaurants, twenty five fine dining restaurants at Hotels and Resorts, two fine dining restaurants at Yacht Clubs, two fine dining restaurants, and two buffet dinner shows (Phuket Dining Guide, 2006). There are cuisine types such as Austrian, French, Mediterranean, German, Indian, International, Italian, Japanese, Scandinavian/European, Steakhouse, and Thai (Where to Eat in Phuket, 2006).

In highly competitive casual dining restaurants in Phuket, restaurateurs are increasingly concerned with satisfying customers, who are not easily satisfied with the restaurants' service quality. One of the reasons for the previous lack of focus on customer satisfaction may be because the concept of service quality has been difficult to define, measure, and maintain. Customer satisfaction and service quality are prominent marketing factors. The SERVQUAL instrument is designed for use in a broad set of service businesses and it

encompasses statements for each of the five dimensions. The five dimensional format of SERVQUAL allows a firm to assess its level of service quality along each dimension, as well as overall. The SERVQUAL format can be used to compare and contrast demographic characteristics to gain managerial insights.

Purpose of the Study

The purpose of this study was to examine the relationships between service quality, customer satisfaction, and customer loyalty (word-of-mouth endorsements and repurchase intention). The researcher adapted the SERVQUAL model (Parasuraman, Zeithaml, and Berry, 1988: 421) to assess the customers' perspective of service quality in casual dining restaurants in Phuket. Additionally, this study was designed to determine which attributes of service quality had significant differences in customers' demographic profiles (gender, age, dining frequency, and per capita expenditures for each meal).

Objectives

The following four objectives are addressed in this study:

1. To determine how the attributes of service quality (tangibles, reliability, responsiveness, assurance, and empathy)

have influenced and affected customer satisfaction in the casual dining restaurants.

2. To determine the level of satisfaction customers receive at casual dining restaurants.

3. To determine the relationship between customer satisfaction and customer loyalty.

4. To determine the influences of customer satisfaction on word-of-mouth and repurchase intention.

Definition of Terms

For the purpose of this study, the following terms are defined:

1. Casual Dining Restaurant – is a restaurant that serves moderately priced food in a casual atmosphere (Types of Restaurants, 2006).

2. Customer Loyalty – is defined as “a deeply held commitment to rebuy or repatronize a preferred product or service consistently in the future, thereby causing repetitive same brand set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior” (Skogland and Siguaw, 2004: 225).

3. Customer Satisfaction – is defined as “the level of a person’s felt-state resulting from comparing a product’s perceived performance or outcome in violation to his/her own expectations” (Skogland and

Siguaw, 2004: 221).

4. Service Quality – is defined as “the global evaluation or attitude of overall excellence of services”. Thus, service quality is the difference between customers’ expectation and perceptions of services delivered by service firms (Parasuraman, Zeithaml, and Berry, 1988: 422).

Assumptions

The study was based on the following assumptions:

1. The researcher chose validity measurement scales to measure the study variables.

2. Respondents expressed their perceptions of service quality in casual dining restaurants with personal opinions.

Limitations

The study was limited as follows:

1. The participants for this study were randomly selected from four casual dining restaurants (Japanese, Thai, Italian, and Mediterranean) in Phuket. Hence, the results and conclusions may not be universally applicable but may only be specific to the casual dining restaurants.

2. This study involved only three dependent variables: overall customer satisfaction, word-of-mouth endorsements,

and repurchase intention.

3. The original questionnaire written in English was translated into Thai, and the final results will be reported in English.

4. Results were based on the data reported in the questionnaires completed by the customers selected from four casual dining restaurants in Phuket.

Literature Review

The theoretical bases for this study are supported by a discussion of previous studies and existing research relevant to the constructs of interest in the model and their proposed relationships. The importance of service has obtained a substantial amount of attention by managers and academic scholars in a variety of fields. Identifying the nature of the relationship between service quality and relevant constructs appears to be advantageous as it assists in the development of better managerial decisions. The review of literature is organized in five sections: 1) defining service quality, 2) dimensions of service quality, 3) SERVQUAL, 4) customer satisfaction, 5) service quality and customer satisfaction, and 6) customer loyalty.

Defining Service Quality

Parasuraman, Zeithaml, and Berry (1985: 25; 1988: 425) defined service quality

as the result of comparing the expectation of service quality and the perception of feelings. That is, the service quality not only includes the evaluation of the service performances, but also includes the process of service. Gronroos (1982: 36) defined service quality as “the outcome of an evaluation process where the consumer compares his expectations with the service he perceived he has received.” Wyckoff (1984: 85) defined the concept of service quality from the company’s perspective. According to Sherden (1988: 45), service quality is defined as a relationship between a customer and the particular employee with whom the customer is dealing. Although the actual level of service quality is developed in the employee-customer relationship, management must ensure that customers’ experiences are in line with their expectations.

As discussed earlier, there has been no consensus in defining service quality among researchers engaged in the study of service quality. However, the definitions discussed here may provide the basis for understanding the concept of service quality.

Dimensions of Service Quality

Service Quality, called “SERVQUAL,” is an instrument for measuring the gap between the services, that is what consumers think

should be provided and what they think actually has been provided. Parasuraman, Zeithaml, and Berry (1988: 426) suggested SERVQUAL's five dimensional framework of service quality were tangibles, reliability, responsiveness, assurance, and empathy to analyze service quality. The SERVQUAL instrument consisted of five dimensions separated into two sets of twenty-two-item statements for the "expectations" and "perceptions" sections of the questionnaire. The researchers also proposed that service is best measured as the perceived "gap" between customers' expectations and the actual service they receive. To measure the gap, there are two crucial key elements: expectation and perception. The satisfaction literature stated that customers entertain expectations of performance on the service dimensions, observe performance and entertain perceptions of performance.

SERVQUAL

SERVQUAL is a concise multiple-item scale with high reliability and validity that companies can use to better understand the service expectations and perceptions of their customers (Parasuraman, Zeithaml, and Berry, 1985: 26). Skogland and Sigauw (2004: 225) explored the relationship between service quality, customer satisfaction and loyalty of leisure industry users to provide

operators with a reference to improve their quality. The researchers adapted the SERVQUAL scale by Parasuraman, Zeithaml, and Berry (1988: 426) as the basis of service quality questionnaires in the Thai leisure industry. There were twenty-one questions in the questionnaires, and five dimensions of SERVQUAL: tangibles, reliability, responsiveness, assurance, and empathy. The findings showed that three dimensions of SERVQUAL: tangibles, reliability, and assurance represented the contents of service quality of the leisure industry and clearly related to loyalty. There were significant correlations between all dimensions of service quality of the leisure industry and overall customer satisfaction. The results also showed that there were significant correlations between overall customer satisfaction and loyalty.

This section presented the relevant research and explained the concepts of the SERVQUAL instrument. SERVQUAL literature emphasizes the idea that customers make a comparison between the performance of the product or service and some standard. The SERVQUAL literature maintains that the distinction between perceived quality and satisfaction is that they use different standards of comparison (Parasuraman, Zeithaml, and Berry, 1988: 450).

Customer Satisfaction

It has been thought that higher levels of customer satisfaction may result in higher levels of repurchase. According to Oliver (1996: 14), repeat purchasing is essential to a continued stream of profitability through achieving higher levels of customer satisfaction. Satisfaction can be defined as “the consumer’s fulfillment response. It has been a judgment that a product or service feature, or the product or service itself, provides (or is providing) a pleasurable level of consumption-related fulfillment, including levels of underfulfillment or overfulfillment” (Oliver, 1996: 14). Marketing researchers have proposed that the benefits of increased customer satisfaction come in two basic forms: the improved ability of the firm to attract new customers and the ability of the firm to maintain repeat customers (Rust, Zahorik, and Keiningham, 1995: 58).

Service Quality and Customer Satisfaction

Spreng and MacKoy (1996: 201) studied the relationship between service quality and satisfaction based on their modified Oliver’s (1993: 20) satisfaction/service quality model. Their modified model fitted the data well where service quality was hypothesized to influence satisfaction. Lee, Lee, and Yoo (2000: 217) believed that performance-based measures of service quality explain more of

the variation in the service quality than does the difference between expectation and performance. Service managers should therefore emphasize the performance perceived by customers, rather than the difference between perceived performance and customers’ prior expectation.

Customer Loyalty

The significance of service quality and customer satisfaction has gained a substantial amount of attention from both managers and academic researchers interested in explaining key variables like word-of-mouth endorsements, repurchase intentions, brand loyalty, and profitability. Customer loyalty has been defined as “the feeling of attachment to, or affection for a company’s people, products or services” (Jones and Sasser, 1995: 88). The marketing literature suggests that customer loyalty can be defined in two distinct ways (Jacoby and Kyner, 1973: 5). These are described as the “behavioral approach” and the “attitudinal approach.” The behavioral approach of customer loyalty has been defined as being “inclined to provide positive word-of-mouth, willing to tell others of your experiences, and willing to be a reference for the product.” On the other hand, the attitudinal approach of customer loyalty has been defined as “increase the number of products, expand the range in brands of

products, and expand the frequency of purchases.”

The literature related to service quality, customer satisfaction, and customer loyalty has been reviewed above. As reported in many academic publications, the nature of the relationships between service quality, customer satisfaction, and customer loyalty may depend on the specific service context. Moreover, the causal relationship among service quality, customer satisfaction, and customer loyalty has been identified differently in each conceptual construct.

Research Methodology

The researcher adapted the SERVQUAL instrument of Parasuraman, Ziethaml, and Berry (1988: 426) for measuring the customers’ perspective of service quality in five dimensions (tangibles, reliability, responsiveness, assurance, and empathy). The researchers used five dimensions of service quality and generated a thirty-item scale to measure the service quality of casual dining restaurants. The research method used in this study was a correlation research design. In order to achieve the stated objectives and to test the hypotheses, basic descriptive, factor analysis, correlation analysis, multiple regression analysis, and one-way analysis of variance (ANOVA) were used. Data were entered into the SPSS program to analyze

the findings.

A self-administered questionnaire was used to examine the relationships between service quality, overall customer satisfaction, and customer loyalty for casual dining restaurants located in Phuket. The questionnaire had four sections: 1) Service Quality Attributes, 2) Overall Service Quality, 3) Customer Satisfaction and Loyalty, and 4) Demographic Profile. All of the statements were rated on a seven-point Likert scale, ranging from -3 to 3, with 0 = neutral. Data were collected from 537 customers dining at four casual dining restaurants (Japanese, Thai, Italian, and Mediterranean) in Phuket. Customer characteristics such as gender, age, dining frequency, and per capita expenditures of each meal were queried in the questionnaire.

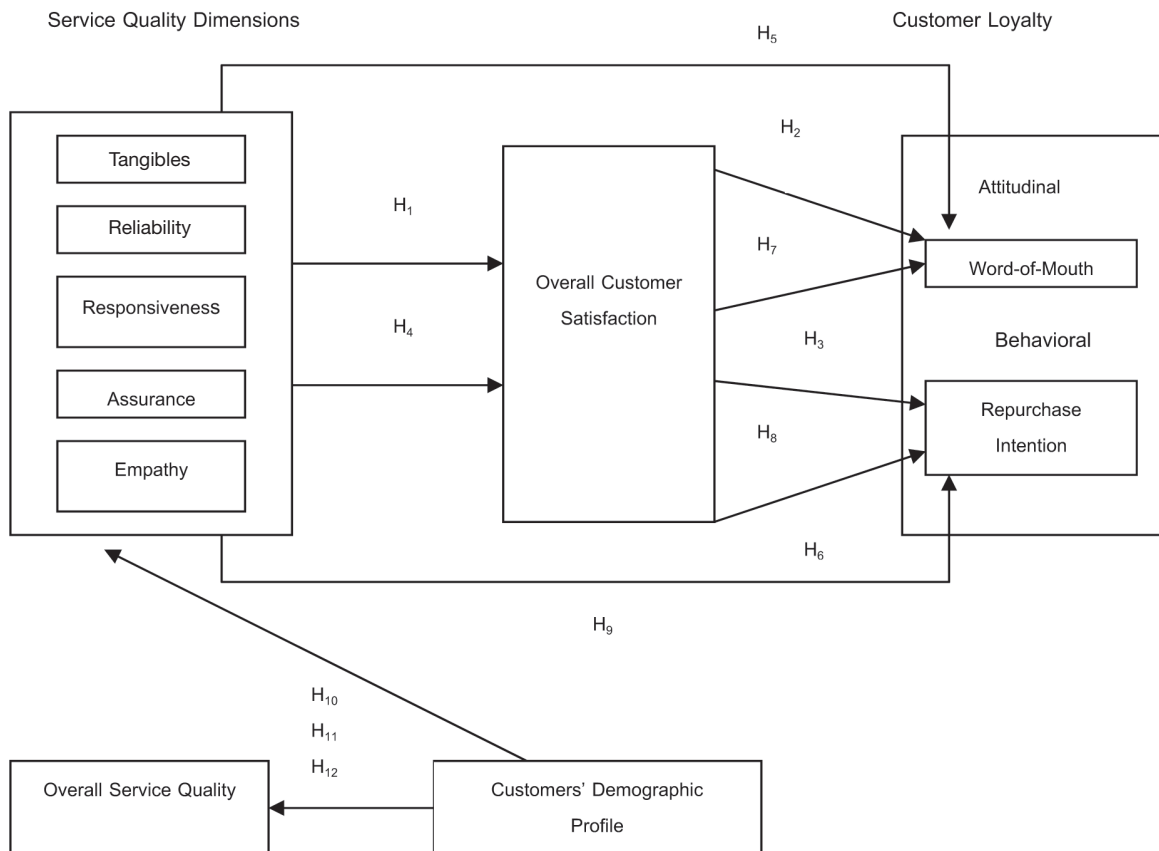
Research Hypotheses

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- H₁: There is a positive relationship between service quality factors and overall customer satisfaction.
- H₂: There is a positive relationship between overall customer satisfaction and word-of-mouth endorsements.
- H₃: There is a positive relationship between overall customer satisfaction and repurchase intention.
- H₄: Service quality factors have a positive impact on overall customer satisfaction.

- H₅: Service quality factors have a positive impact on word-of-mouth endorsements.
- H₆: Service quality factors have a positive impact on repurchase intention.
- H₇: Overall customer satisfaction has a positive impact on word-of-mouth endorsements.
- H₈: Overall customer satisfaction has a positive impact on repurchase intention.
- H₉: There is a significant difference in service quality factors based on

- customers' demographic profile.
- H₁₀: There is a significant difference in overall service quality based on customers' demographic profile.
- H₁₁: There is a significant difference in overall service quality between types of customer.
- H₁₂: There is a significant difference in overall service quality with regard to the type of casual dining restaurant.

Conceptual Model of Service Quality



Reliability and Validity of Service Quality

Jones and Sasser (1995: 88) employed a four-item overall service quality scale. Customers were asked to indicate their feelings on the seven-point Likert scale provided in terms of service deliver at retail store XYZ. Cronbach's alpha coefficient of reliability for this component measure of overall service quality was 0.96. According to Nunnally (1967: 226), coefficients greater than or equal to 0.50 are generally acceptable and are a good indication of construct reliability. An alpha value of at least 0.70 should be considered acceptable as the minimum estimate of reliability for basic research.

Reliability and Validity of Customer Satisfaction

Reynolds and Beatty (1999: 22) adopted the measure to capture emotional satisfaction. The customers were asked to indicate their feelings with respect to shopping at retail store XYZ on a seven-point Likert scale along with measures of emotions. The composite reliability coefficient for the emotional satisfaction measure was 0.86. Nunnally (1967: 226) suggested that "in the early stages of research on predictor tests or hypothesized measures of a construct, one saves time and energy by working with

instruments that have only modest reliability, for which purpose reliabilities of 0.60 or 0.50 will suffice".

Reliability and Validity of Customer Loyalty

Chang (1998: 25) examined the estimated internal consistency of the repurchase intention scale as a way to purify the instrument. The internal consistency values of the repurchase intention scale reported in the development process ranged from 0.57 to 0.74. According to Nunnally (1967: 226), this internal consistency value for the repurchase intention scale would be acceptable. Thus, Nunnally suggested that all of Cronbach's alpha coefficients for the scales were greater than 0.60, the scales were deemed acceptable.

Finding Results

A total of 537 questionnaires were distributed to customers dining in the four casual dining restaurants: 1) Japanese, 2) Thai, 3) Italian, and 4) Mediterranean. The questionnaires were distributed to every fifth Thai and every fifth international customer to a total of 125 customers per restaurant. Of the 537 questionnaires distributed, 37 (7%) were returned incomplete and were not included in the data analysis. The remaining 500 (93%) questionnaires were usable:

Japanese restaurant respondents consisted of 61 Thai (49%) and 64 International (51%); Thai restaurant respondents consisted of 84 Thai (67%) and 41 International (33%); Italian restaurant respondents consisted of 68 Thai (54%) and 57 International (46%); and Mediterranean restaurant respondents consisted of 60 Thai (52%) and 65 International (48%).

The descriptive statistic results revealed a gender distribution of 279 females (56%) and 221 males (44%). The majority of respondents were 177 (35%) aged 30 to 39 years, and the group aged 20 to 29 years had 176 respondents (34.8%). About 315 respondents (63%) had dined in the same restaurant once a month, 108 respondents (22%) had dined there twice a month, 59 respondents (12%) had dined there three times a month, 12 respondents (2%) had dined there four times a month, and six respondents (1%) had dined there over 5 times a month. The majority of respondent expenditures per capita for each meal was 400-800 Baht (\$10-\$20), that is 206 respondents (41%), followed by 801-1200 Baht (\$20.01-\$30) representing 189 respondents (38%). Respondents were also asked about the number of people in their party when they were dining in a restaurant. The analysis indicated that 208 respondents (42%) were parties of two, and followed by 118 respondents (24%) who were parties of three.

Factor Analysis

As a result of Principal Component Analysis (Factor Analysis) with varimax rotation, the 30 attributes of service quality for casual dining restaurants were grouped into four factors (Table 1). The first factor labeled “Personnel and Customers’ Relationship” contained items representing two original dimensions – reliability and assurance, with nine variables. The second factor labeled “Environment and Service Provider” contained items representing two original dimensions – tangibles and responsiveness, with eight variables. The third factor labeled “Service Providers’ Attitude and Competencies” contained items representing two original dimensions – assurance and empathy with nine variables. Finally, the fourth factor labeled as “Service Providers’ Initiative in Guest’s Service” contained items representing the responsiveness dimension.

The reliability coefficients for each of the four factors of the service quality scale were as follows: (1) Personnel and Customers’ Relationship ($\alpha = 0.93$), (2) Environment Service Provider ($\alpha = 0.93$), (3) Service Providers’ Attitude and Competencies ($\alpha = 0.94$), and (4) Service Providers’ Initiative in Guest’s Service ($\alpha = 0.89$). The reliability coefficients consisted of six-item scales measuring the customer

loyalty had Cronbach's alpha coefficient of 0.89. Since all of Cronbach's alpha coefficients for the scales were greater than 0.60, the scales were deemed acceptable (Nunnally, 1967: 226).

Correlation Analysis

To test hypotheses 1 through 3, a correlation analysis was performed to identify the relationship between service quality factors, overall customer satisfaction, and customer loyalty (word-of-mouth

endorsements and repurchase intention). The correlation results indicated that regarding Hypothesis 1, that there was a positive relationship between service quality factors and overall customer satisfaction. The results regarding Hypothesis 2 and Hypothesis 3 showed that there was a positive relationship between overall customer satisfaction and customer loyalty (word-of-mouth endorsements and repurchase intention). Therefore, Hypotheses 1 through 3 were supported.

Table 1: Factor Analysis

Service Quality Attributes	Factor 1	Factor 2	Factor 3	Factor 4	Communalities
	Personnel and Customers' Relationship	Environment and Service Provider	Service Providers' Attitude and Competencies	Service Providers' Initiative in Guest's Service	
Factor 1					
Personnel and Customers' Relationship					
Employees quick correct	.768				.701
Service in the time promised	.748				.719
Serve food exactly as you ordered	.733				.685
Service is consistent	.725				.695
Food prices are charged same as in the menu	.701				.646
Accurate guest check	.683				.644
Feel comfortable	.621				.669
Employees answer questions accurately	.611				.714
Employees give information	.497				.468
Factor 2					
Environment and Service Provider					
Dining is clean		.806			.756
Parking is adequate		.782			.732
Décor with restaurant image		.750			.721
Employees are well dressed		.698			.657
Menu reflects images		.690			.652
Restroom is clean		.663			.663
Service will be performed		.586			.723
During busy time has enough employees		.537			.663
Factor 3					
Service Providers' Attitude and Competencies					
Considers your needs			.745		.738
Operation hours are convenient			.743		.752
Know your needs			.726		.747
Personal attention			.726		.774
Best interest at heart			.717		.695
Customers feel special			.694		.687
Support their employees			.521		.635
Employees are polite			.498		.524
Personnel has well trained			.485		.698
Factor 4					
Service Providers' Initiative in Guest's Service					
Willing to help				.708	.765
Give extra effort				.672	.662
Employees provide quick service				.603	.760
Employees respond promptly				.592	.709
Eigenvalue	16.393	1.919	1.335	1.008	
Variance Explained (%)	54.645	6.397	4.449	3.361	
Cumulative Variance (%)	54.645	61.042	65.491	68.851	
Cronbach's alpha	.928	.929	.941	.889	
Overall Cronbach's alpha	.971				

Note: Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy (MSA): .951 Bartlett's Test of Sphericity: $\chi^2 = 13075.19$, $p = .0001$

Multiple Regression Analysis

To test Hypotheses 4 through 8, a linear multiple regression analysis was performed to identify the positive impact among service quality factors, overall service quality, overall customer satisfaction, and customer loyalty (word-of-mouth endorsements and repurchase intention). Additionally, a regression coefficient from the multiple regression analysis was used to identify the level of influence that service quality factors had on measures of overall customer satisfaction and customer loyalty (word-of-mouth endorsements and repurchase intention).

The result of Hypothesis 4 indicated that service quality factors had a positive impact on overall customer satisfaction. The coefficients indicated that factor 2 – Environment and Service Provider had the most positive impact on overall customer satisfaction, followed by factor 1 – Personnel and Customers’ Relationship, factor 4 – Service Providers’ Initiative in Guest’s Service, and factor 3 – Service Providers’ Attitude and Competencies. Therefore, Hypothesis 4 was supported.

The result of Hypothesis 5 indicated that service quality factors had a positive impact on word-of-mouth endorsements. The coefficient indicated that factor 2 – Environment and Service Provider had the

most positive impact on word-of-mouth endorsements, followed by factor 1 – Personnel and Customers’ Relationship, factor 4 – Service Providers’ Initiative in Guest’s Service, and factor 3 – Service Providers’ Attitude and Competencies. Therefore, Hypothesis 5 was supported.

The result of Hypothesis 6 indicated that service quality factors had a positive impact on repurchase intention. The coefficient indicated that factor 2 – Environment and Service Provider had the most positive impact on word-of-mouth endorsements, followed by factor 1 – Personnel and Customers’ Relationship, factor 4 – Service Providers’ Initiative in Guest’s Service, and factor 3 – Service Providers’ Attitude and Competencies. Therefore, Hypothesis 6 was supported.

The result of Hypotheses 7 and 8 indicated that overall customer satisfaction had a positive impact on customer loyalty (word-of-mouth endorsements and repurchase intention). Therefore, Hypotheses 7 and 8 were supported.

One-Way Analysis of Variance (ANOVA)

To test Hypotheses 9 through 12, one-way analysis of variance (ANOVA) and post hoc testing with Tukey’s HSD were used to examine the differences in the mean scores

of service quality factors and overall service quality based on demographic variables (gender, age, dining frequency, per capita expenditures for each meal).

The result of Hypothesis 9 indicated that there was a significant difference in service quality factors based on demographic variables. The findings showed that four service quality factors were significantly different based on demographic variables. Service quality factor 1 – Personnel and Customers’ Relationship and factor 2 – Environment and Service Provider were significantly different based on per capita expenditures for each meal. Service quality factor 3 – Service Providers’ Attitude and Competencies was significantly different based on gender and per capita expenditures for each meal. Service quality factor 4 – Service Providers’ Initiative in Guest’s Service was significantly different based on gender, age, and per capita expenditures for each meal. Therefore, Hypothesis 9 was supported.

The result of Hypothesis 10 indicated that there was significant difference in overall service quality based on demographic variables. The findings showed that weighted tangibles and weighted assurance were significantly different based on gender and per capita expenditures for each meal. Weighted reliability, weighted responsiveness, and weighted empathy were significantly

different based on gender, age, and per capita expenditures for each meal. Therefore, Hypothesis 10 was supported.

The result of Hypothesis 11 indicated that there was a significant difference in overall service quality between the type of customers (Thai and International). The findings showed that weighted reliability, weighted responsiveness, weighted assurance, and weighted empathy were significantly different between Thai and International customers. Therefore, Hypothesis 11 was supported.

The result of Hypothesis 12 indicated that there was a significant difference in overall service quality with type of casual dining restaurants (Japanese, Thai, Italian, and Mediterranean). The findings showed that weighted responsiveness, weighted assurance, and weighted empathy were significantly different among Japanese, Thai, Italian, and Mediterranean. Therefore, Hypothesis 12 was supported.

Independent-Samples t Test

Service Quality Attributes

The independent-samples t test analysis indicated that international customers had a higher mean than that of Thai customers. There were twenty-four significant service quality attributes relative to Thai and international customers in casual dining

restaurants in Phuket. With regard to the twenty-four SERVQUAL attributes, Thai and international customers stated that “accurate guest check” was the most important attribute, followed closely by employees are polite; consider your needs; and employees quickly correct errors or oversights.

Overall Service Quality

The independent-samples t test analysis indicated that there were significant differences between Thai and international customers in overall service quality with regard to weighted reliability, weighted responsiveness, weighted assurance, and weighted empathy. International customers had a higher mean than Thai customers in overall service quality. The findings showed that 273 Thai customers had the most perspective of overall service quality in weighted tangibles (0.20), followed by weighted reliability (0.19), weighted empathy (0.18), weighted assurance (0.17), and weighed responsiveness (0.15). The international customers had the most insight of the overall service quality in weighted reliability (0.26), weighted empathy (0.25), weighted assurance (0.24), and weighted responsiveness (0.23).

Chi-Square Tests of Independence

The values of Chi-Square indicated that there were significant differences between service quality attributes and

customers’ demographic profiles (gender, age, marital status, dining frequency, and per capita expenditures for each meal) among Thai and international customers. A review of the cross tabulation showed that the relationships between service quality attributes and customers’ demographic profiles were not the same when type of customers (Thai and International) had been taken into consideration.

Gender

The results of the Chi-Square indicated that there were significant differences between gender and service quality attributes among Thai and international customers regarding the three service quality attributes. Among Thai customers, these attributes were: 1) menu reflects image, 2) customers feel comfortable, and 3) employees give information to customers. Among international customers, these attributes were: 1) dining is clean, 2) menu reflects image, and 3) restroom is clean.

Age

The results of the Chi-Square indicated that there were significant differences between age and service quality attributes among Thai and international customers regarding the four service quality attributes. Among Thai customers, these attributes were: 1) parking is adequate, 2) service in the time promised, 3) employees provide

quick service, and 4) employees answer questions accurately. Among international customers, these attributes were: 1) parking is adequate, 2) employees are well dressed, 3) menu reflects image, and 4) employees respond promptly.

Marital Status

The results of the Chi-Square indicated that there were significant differences between marital status and service quality attributes among Thai and international customers regarding the two service quality attributes. Among Thai customers, these attributes were: 1) parking is adequate and 2) customers feel comfortable. Among international customers, these attributes were: 1) menu reflects image and 2) employees give information.

Dining Frequency per Month

The results of the Chi-Square indicated that there were significant differences between dining frequency per month and service quality attributes among Thai and international customers. There were three attributes: 1) parking is adequate, 2) menu reflects image, and 3) employees are polite concerning Thai customers. There were five attributes: 1) dining is clean, 2) décor matches restaurant image, 3) menu reflects image, 4) accurate guest check, and 5) customers feel comfortable that concerned international customers.

Per Capita Expenditure for Each Meal

The results of the Chi-Square indicated that there were significant differences between per capita expenditures for each meal and service quality attributes among Thai customers regarding the four service quality attributes. Among Thai customers, these attributes were: 1) parking is adequate, 2) dining is clean, 3) food prices are charged as on the menu, and 4) operation hours are convenient. Among international customers, these attributes were: 1) dining is clean, 2) décor matches restaurant image, 3) menu reflects image, and 4) operation hours are convenient.

Conclusions

In this study, the five dimensions (tangibles, reliability, responsiveness, assurance, and empathy) of service quality developed by Parasuraman et al. (1988) and adapted for use in this study were highly significant in measuring service quality in casual dining restaurants. The results of this research indicated that service quality factor scale and customer loyalty scale measures were reliable; Cronbach's alpha ≥ 0.60 had a high reliability. As a result of principal component analysis (factor analysis) using the varimax rotation, four underlying service quality dimensions in casual dining restaurants were identified. These four

service quality factors were 1) Personnel and Customers' Relationship, 2) Environment and Service Provider, 3) Service Providers' Attitude and Competencies, and 4) Service Providers' Initiative in Guest's Service.

The findings of this study indicated that the service quality factors had a positive impact on overall customer satisfaction. In turn, customer satisfaction is likely to increase customer loyalty (word-of-mouth endorsements and repurchase intention) in casual dining restaurant environments. The effects of service quality on customer loyalty indicate that casual dining restaurants should measure customer's behavioral intentions to gain valuable insight on why and how to invest in service quality improvements such as training of service providers to provide optimal service to the Thai and International customers. Behavioral intentions can be viewed as both positive and negative consequences of service quality such as saying positive things about the restaurant, recommending the restaurant to others, remaining loyal, and spending more in services.

Implications

This study provides empirical evidence that strong relationship exists between service quality factors, overall customer satisfaction, and customer loyalty (word-of-

mouth endorsements and repurchase intention). The findings of this study have a significant relevance and great importance to both academicians and practitioners. Academically, this study has provided evidence of the service quality factors that positively influence customer satisfaction. These factors are used to predict the likelihood of predicting word-of-mouth endorsements (attitudinal loyalty) and repurchase intentions (behavioral loyalty). Practically, this study has provided recommendations that may improve service quality, customer satisfaction, and customer loyalty for each type of casual dining business.

Managerial Implications

These results have several managerial implications. First, they support the findings of previous research, which indicates that perception of service quality affects customer satisfaction (Lee, Lee, and Yoo, 2000: 220). Second, as found by other researchers, perceived service quality is an antecedent to customer satisfaction. This study provides operational information to managers in Phuket and offers insight concerning the perception of service quality among Thai and international customers. It identifies the dimensions of service quality and the differences in reaction to them. Results showed that the top five attributes

of service quality were: 1) accurate guest check, 2) customer feels comfortable, 3) restaurants support their employees, 4) food served exactly as you ordered, and 5) service is consistent. And parking is adequate was the least important attribute of service quality. Therefore, managers should emphasize the tangible dimension of service quality in order to improve customers' perceptions of the level of service quality such as public transportation, adequate parking, and clean dining area.

Understanding demographic variables may help casual dining restaurant managers in Phuket better understand the perceptions of the attributes of service quality. Specifically, perceptions of service quality between Thai and international customers seem to be an influencing factor when considering a respondent's gender, age, and per capita expenditures for each meal. The findings suggested that these demographic variables had significant influence in service quality attributes.

In a highly competitive restaurant industry, it has become increasingly important to understand the customer's wants and needs in order to provide the customer with the best possible product and experience. The results indicated that the Thai casual dining restaurant had a higher significant difference than Japanese,

Italian, and Mediterranean casual dining restaurants with regard to responsiveness, assurance, and empathy dimensions of service quality. Therefore, the restaurateurs or managers of these three casual dining restaurants should improve their attributes of service quality in order to maintain optimal customer satisfaction.

In this study, to increase the overall service quality that influences customer satisfaction and customer loyalty, the most influential factors are the reliability dimension, and the attributes such as "accurate guest check," "service is consistent," and "food served exactly as customer orders." Moreover, the dimensions of responsiveness, assurance, and empathy were significantly correlated with the overall service quality. The dimension of responsiveness refers to willingness to help customers and provide prompt service, and the attributes such as "employees respond promptly to customer requests" and "employees provide quick service." The dimension of assurance refers to the knowledge and courtesy of employees and their ability to inspire trust and confidence in the delivery of service, and the attributes such as "employees were well trained" and "employees are polite." To achieve higher levels of assurance, the managers of casual dining restaurants should motivate all

service providers such as cashiers, servers, and staff members with establishing a pleasant work environment, and increasing the reward system. The dimension of empathy refers to caring, individualized attention the firm provides its customers, and the attributes such as “operating hours are convenient to customers” and “the restaurant considers customer needs.” To achieve this, the managers should constantly monitor the service environment to make continual improvements in the aptitudes and attitudes of their staff members. In addition, the managers of casual dining restaurants should attempt to enhance the tangibles dimension of service quality, which involves “dining area is clean” and “the menu reflects the restaurant’s image.”

Recommendations

These findings suggest some important implications for casual dining managers. The casual dining managers should recognize the customer’s characteristics such as gender, age, and per capita expenditures for each meal that have an impact on casual dining restaurants. The casual dining managers should pay more attention to the age groups of 20 to 29 years and 30 to 39 years. Managers should also pay more attention to customers who spend 400-800 Baht (\$10-\$20) per capita for each meal. The findings showed that these

demographic groups have a positive impact on customer satisfaction and customer loyalty. Therefore, the casual dining managers should seek to improve service quality by developing a comprehensive employee-training program in order to maintain high customer satisfaction.

In the Thai culture, word-of-mouth communication, family, and recommendations of well-known people are very important. Thai people like to talk and there is a transfer of information about the quality of firms from one customer to another about his or her experiences and feelings. Thai customers receive much information from other customers and make their evaluation based in a large part on the experiences of others. As a result of this study, service quality factors had a positive impact on word-of-mouth endorsements and repurchase intention. In conclusion, service firms must understand that front-line employees are ultimately the key to the successful provision of service. Their attention to service quality will result in a higher level of perceived service quality. This will create loyal customers who will use the firm repeatedly.

Limitations and Future Research

The present study has some limitations, and the recognition of these should help refine future research efforts. First, the study

is limited to one location and is not representative of all casual dining restaurants in Thailand. Second, the researcher did not examine the service quality of fast food restaurants and fine dining restaurants. Third, the survey questionnaires were distributed to respondents during the summer time. Fourth, the population statistics of Phuket were not available at the time of data collection. For future research, more related attributes can be added to the SERVQUAL dimensions to make the questionnaire more precise and more applicable to casual dining restaurants. Future research may examine service quality in different types of restaurant such as fast food restaurants and fine dining restaurants in Thailand. Improved service may enable restaurants to attract new customers to the casual dining businesses as well as to retain its current customers. Future studies should consider using more DINESERV or service recovery attributes to measure customer satisfaction and customer loyalty.

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